

COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF MORENO VALLEY, CALIFORNIA
FISCAL YEAR ENDED JUNE 30, 2016



**City of Moreno Valley, California
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016**

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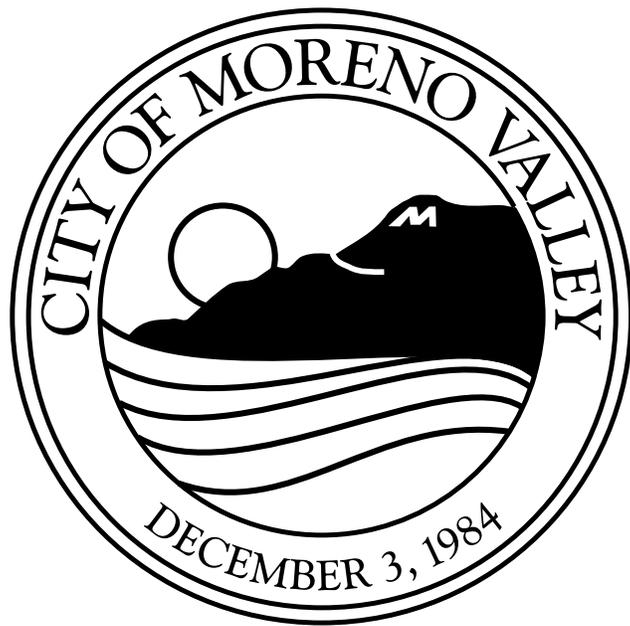
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Introductory
Section

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR
ENDED JUNE 30, 2016

December 6, 2016

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, 2016.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Vasquez & Company, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion on the City's financial statements for the fiscal year ended June 30, 2016. An unqualified 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 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.

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 205,383 continues to be the second largest city in Riverside County.

During the 2015/16 fiscal year, the City operated under the council-manager form of government with a five-member council elected by district for four-year overlapping terms. Each year the council elects the mayor for a one-year term. 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 highways and streets, economic development, library, an electric utility which primarily serves the newly developed areas of the City, parks, and a wide range of community and recreation programs. In addition to general City activities, the Council is financially accountable for the Moreno Valley Community Services District, the Moreno Valley Public Financing Authority, the Moreno Valley Public Facilities Financing Corporation, the Housing Authority, the Successor Agency and several Community Facilities Districts. These entities are included as an integral part of the City's financial statements. Additional information on these legally separate entities can be found in Note 1a of the Notes to Basic Financial Statements.

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

Factors Affecting Financial Condition

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.

Local economy. The City of Moreno Valley is ideally located at the junction of State Route 60 and Interstate 215 in the Inland Empire, which consists of Riverside and San Bernardino Counties. The City continues to be a leader in business development with an array of undeveloped land, development opportunities, entitled development projects, and available lease space at economically feasible prices.

During the last couple of years the City has experienced increased development activity in new retail, commercial and industrial construction and development. Several Fortune 500 companies such as Amazon and Proctor & Gamble have chosen Moreno Valley and positively impacted industrial growth with construction and occupancy of distribution centers. After a lengthy national site competition among numerous states, the Karma automobile manufacturer selected Moreno Valley for their project site to introduce the electric hybrid car manufacturing industry into the region. The initial development planning of a 2,610-acre World Logistics Center (WLC) business park designed to support the requirements of large global companies and their logistics operations has started in the eastern portion of the City. Additionally, Aldi Foods chose Moreno Valley as a part of their coast-to-coast expansion and entrance into the California market with construction and occupancy of a regional headquarters and distribution center. New construction in the residential sector continues at a slow pace as the local economy continues to recover from the most recent recession.

Long-term financial planning. In June 2015, the City Council approved a two year Operating Budget for fiscal years 2015/2016 and 2016/2017 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 meeting and continued development of a Long Range Business Plan, the City continues to be responsive to any financial changes and remains focused on the long term impacts of any financial decisions. The City also annually prepares and updates the five-year capital improvement plan (CIP) which includes all capital projects and identifies the timing of each project as well as the funding source. These actions provide the City Council with expected results of operations based on their budget and other policy decisions within the scope of projected revenues and expenditures.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Moreno Valley for its comprehensive annual financial report (CAFR) for the year ended June 30, 2015. This was the eighteenth 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 the first award from the GFOA for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the year ended June 30, 2015. The development of the supplemental PAFR is just one piece of the City's increased public communication efforts to increase transparency and public awareness.

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

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

Respectfully submitted,



Marshall Eyerman
Chief Financial Officer

CITY OF MORENO VALLEY, CALIFORNIA

MUNICIPAL OFFICIALS

June 30, 2016

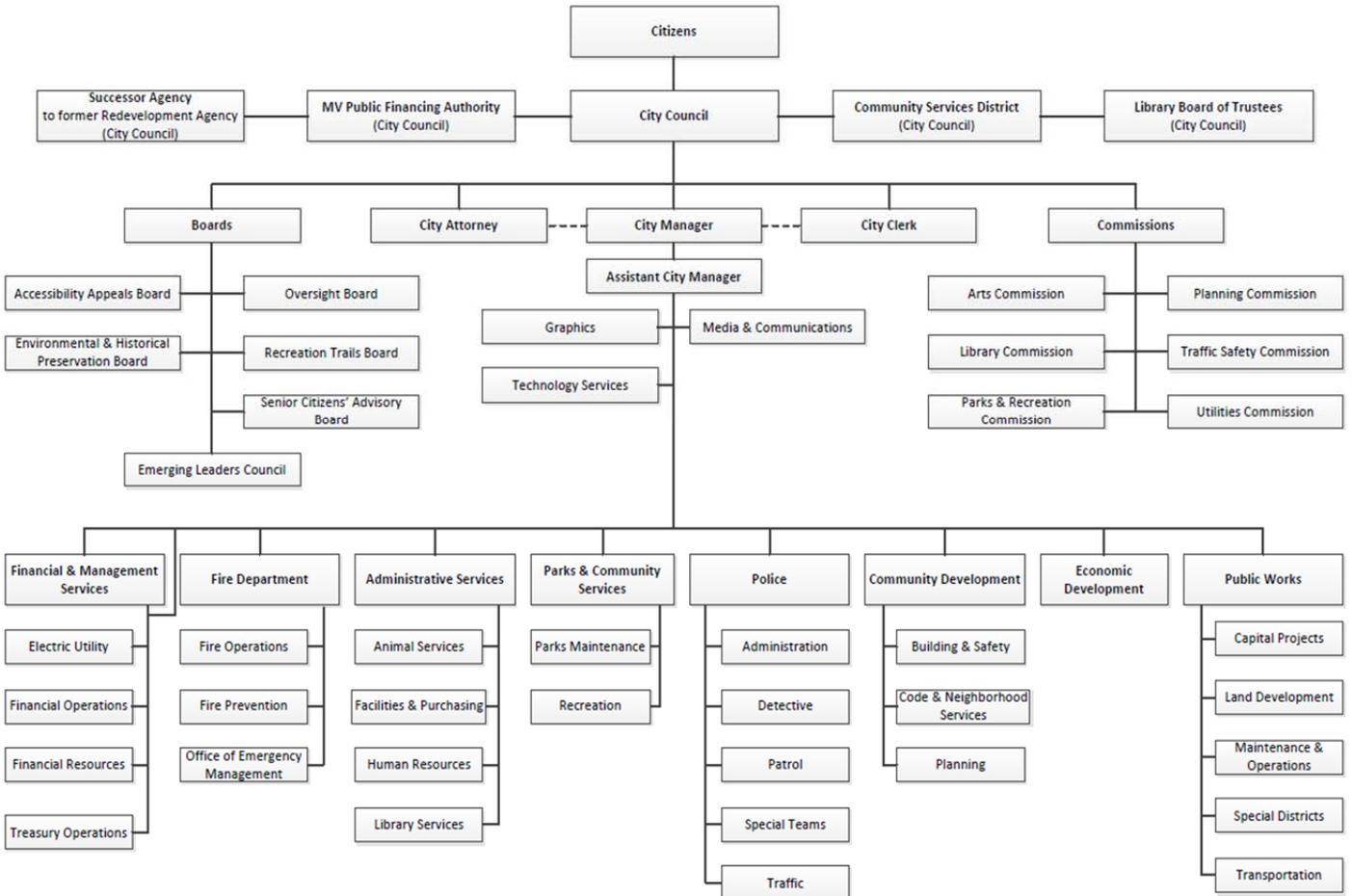
CITY COUNCIL

Dr. Yxstian Gutierrez, Mayor
Jeffrey Giba, Mayor Pro Tem
D. LaDonna Jempson, Councilmember
Jesse L. Molina, Councilmember
George Price, Councilmember

EXECUTIVE OFFICERS

Michelle Dawson, City Manager
Tom DeSantis, Assistant City Manager
Steve Quintanilla, Interim City Attorney
Vacant, City Clerk
Marshall Eyerman, Chief Financial Officer/City Treasurer
Ahmad Ansari, P.E., Public Works Director/City Engineer
Allen Brock, Community Development Director
Mike Lee, Economic Development Director
Terrie Stevens, Administrative Services Director
Abdul Ahmad, Fire Chief
Gabriel Garcia, Parks & Community Services Director
Joel Ontiveros, Police Chief

City of Moreno Valley Organization Chart





Government Finance Officers Association

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

Presented to

**City of Moreno Valley
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR
ENDED JUNE 30, 2016

INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, (the City) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, CSD Zones Special Revenue Fund, Development Impact Fees Special Revenue Fund, Housing Authority Special Revenue Fund, Neighborhood Stabilization Grant Special Revenue Fund and Facility Construction Capital Project Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17 and required supplementary information on pages 100 through 101 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.

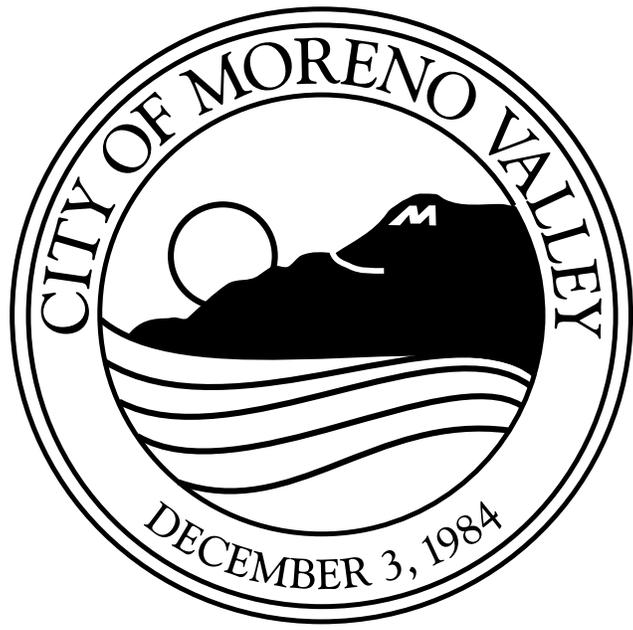


Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2016 on our consideration of the City's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Vasquez + Company LLP

**Los Angeles, California
December 6, 2016**



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, 2016. Please read it in conjunction with the transmittal letter located in the introductory section, and financial statements which follow this discussion.

Financial Highlights

- In the Government-Wide - Statement of Net Position: The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1.04 billion (net position) at June 30, 2016.
- In the Government-Wide - Statement of Net Position: The City's total net position increased \$23.1 million for fiscal year 2015-2016.
- In the Governmental Fund – Balance Sheet: The General Fund had an end of year fund balance of \$51.1 million. This was an increase of \$7.7 million and an increase of 17.7% in comparison with the prior year.
- In the Governmental Fund – Balance Sheet: The General Fund had \$37.0 million in unassigned fund balance an increase of \$5.9 million in comparison with the prior year. This amount is not constrained in any way and is available for any purpose.
- The total debt of the City showed a net increase of \$7.8 million (8.0%) during the current fiscal year. The increase was primarily a result of the issue of a 2015 Lease Revenue Bond in the amount of \$10.4 million to partially finance the Kitching Substation project.

Overview of Financial Statements

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

Components of the Basic Financial Statements

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



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

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

- *Governmental activities* - Most of the City's basic services are included here, such as police, fire, public works, community development, parks and recreation, and general government. Taxes and state and federal grants finance most of these activities.
- *Business-type activities* - Certain services provided by the City are funded by customer fees. The business-type activities of the City include the Electric Utility.
- *Component 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 Community Services District Zones, the Development Impact Fees, the Housing Authority Special Revenue Funds, and the Neighborhood Stabilization Grant Fund. All of these are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the supplementary section of the report in the form of *combining statements*.

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

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

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

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

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

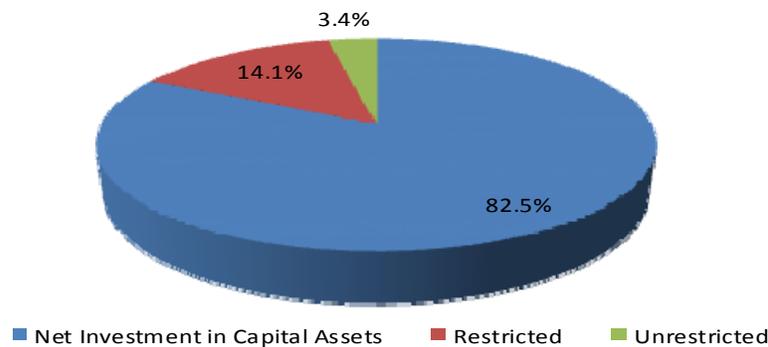
Financial Analysis of the Government-wide Statements

This section provides analysis of the government-wide financial statements including long-term and short-term information about the City's overall financial condition. The following graphs and tables address the financial results of the City as a whole for fiscal year ended June 30, 2016. Comparative data from fiscal year ended June 30, 2015 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, 2016 was \$1.04 billion.

City of Moreno Valley's Net Position



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

	Governmental Activities		Business-type Activities		Totals	
	2015	2016	2015	2016	2015	2016
Current and other assets	\$ 242,486	\$ 257,000	\$ 12,784	\$ 28,547	\$ 255,270	\$ 285,547
Capital assets	907,164	905,590	38,374	40,893	945,538	946,483
Total Assets	<u>1,149,650</u>	<u>1,162,590</u>	<u>51,158</u>	<u>69,440</u>	<u>1,200,808</u>	<u>1,232,030</u>
Deferred outflows of resources	<u>4,795</u>	<u>9,543</u>	<u>123</u>	<u>352</u>	<u>4,918</u>	<u>9,895</u>
Current liabilities	21,416	22,110	3,614	4,680	25,030	26,790
Long-term liabilities	128,961	129,440	28,469	38,422	157,430	167,862
Total Liabilities	<u>150,377</u>	<u>151,550</u>	<u>32,083</u>	<u>43,102</u>	<u>182,460</u>	<u>194,652</u>
Deferred inflows of resources	<u>7,581</u>	<u>8,424</u>	<u>195</u>	<u>226</u>	<u>7,776</u>	<u>8,650</u>
Net investment in capital assets	848,136	843,153	10,903	13,978	859,039	857,131
Restricted	115,008	141,628	3,803	4,606	118,811	146,234
Unrestricted	33,343	27,377	4,298	7,881	37,641	35,258
Total Net Position	<u>\$ 996,487</u>	<u>\$ 1,012,158</u>	<u>\$ 19,004</u>	<u>\$ 26,465</u>	<u>\$ 1,015,491</u>	<u>\$ 1,038,623</u>

Total net position of the City of Moreno Valley increased by 2.0% from \$1.02 billion at June 30, 2015 to \$1.04 billion at June 30, 2016 and includes unrestricted fund balance of \$35.3 million. Total assets increased \$31.2 million and total liabilities increased \$12.2 million.

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

Governmental Activities

Total assets increased by \$12.9 million primarily due to increase in cash and investments and funds due from other governments.

Net investment in capital assets decreased \$5.0 million as a direct result of net decrease in capital asset. The current year capital asset additions of \$61.4 million were offset by current year depreciation expense of \$30.5 million and retirements (including transfers from CIP) net of accumulated depreciation of \$32.5 million for a net decrease of \$1.6 million.

Restricted net position increased by \$26.6 million as funds continue to be captured and programmed mostly in the areas of community development and infrastructure.

Business-type Activities

Current and other assets of business-type activities increased \$15.8 million over last year. This was primarily due to a portion of the Electric Utility's profits being retained for future infrastructure investment and bond proceeds being unspent as of June 30, 2016.

Capital assets increased \$2.5 million due to capital asset additions of \$3.8 million offset by current year depreciation expense of \$1.0 million and retirements net of accumulated depreciation of \$0.3 million. Capital asset additions include the construction of the Kitching Substation as well as other electric utility facility upgrades. More capital asset information is located in Note 5 to the financial statements.

Net investment in capital assets increased \$3.1 million as a direct result of the addition of the capital assets mentioned above.

Unrestricted net position increased \$3.6 million during the year as the Electric Utility operation resulted in an income of \$7.5 million.

Analysis of the Changes in Net Position

Total government-wide revenues increased \$3.5 million, a 1.9 percent increase from the prior year, and the total expenses decreased \$1.9 million, a 1.1 percent decrease.

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, 2016. Comparative data from fiscal year ended June 30, 2015 is also presented.

	Changes in Net Position					
	(\$000's)					
	Governmental		Business-type		Totals	
	2015	2016	2015	2016	2015	2016
Revenues						
Program Revenues:						
Charges for services	\$ 25,260	\$ 25,186	\$ 27,679	\$ 29,364	\$ 52,939	\$ 54,550
Operating contributions and grants	27,079	22,871	-	-	27,079	22,871
Capital contributions and grants	21,732	18,079	-	-	21,732	18,079
General Revenues:						
Property tax	15,600	17,010	-	-	15,600	17,010
Property tax in lieu	15,138	16,409	-	-	15,138	16,409
Transient occupancy tax	1,197	1,416	-	-	1,197	1,416
Sales tax	16,130	18,938	-	-	16,130	18,938
Franchise tax fees	5,886	5,494	-	-	5,886	5,494
Business license tax	1,887	2,249	-	-	1,887	2,249
Utility users tax	16,138	15,825	-	-	16,138	15,825
Franchise in lieu tax	278	293	-	-	278	293
Documentary transfer tax	503	740	-	-	503	740
Other taxes	6,513	6,529	-	-	6,513	6,529
Use of money and property	3,440	4,774	138	203	3,578	4,977
Contributed capital	-	-	1,000	1,886	1,000	1,886
Other	403	2,183	142	238	545	2,421
Total Revenues	157,184	157,996	28,959	31,691	186,143	189,687
Expenses:						
General government	26,676	17,251	-	-	26,676	17,251
Public safety	56,270	56,239	-	-	56,270	56,239
Community development	9,874	9,527	-	-	9,874	9,527
Community and cultural	20,589	20,911	-	-	20,589	20,911
Public works	29,397	34,772	-	-	29,397	34,772
Interest on long-term debt	3,338	3,626	-	-	3,338	3,626
Electric	-	-	22,278	24,230	22,278	24,230
Total Expenses	146,144	142,326	22,278	24,230	168,422	166,556
Change in Net Position	11,040	15,671	6,681	7,461	17,721	23,132
Net Position Beginning of Year	985,447	996,487	12,323	19,004	997,770	1,015,491
Net Position End of Year	\$ 996,487	\$ 1,012,158	\$ 19,004	\$ 26,465	\$ 1,015,491	\$ 1,038,623

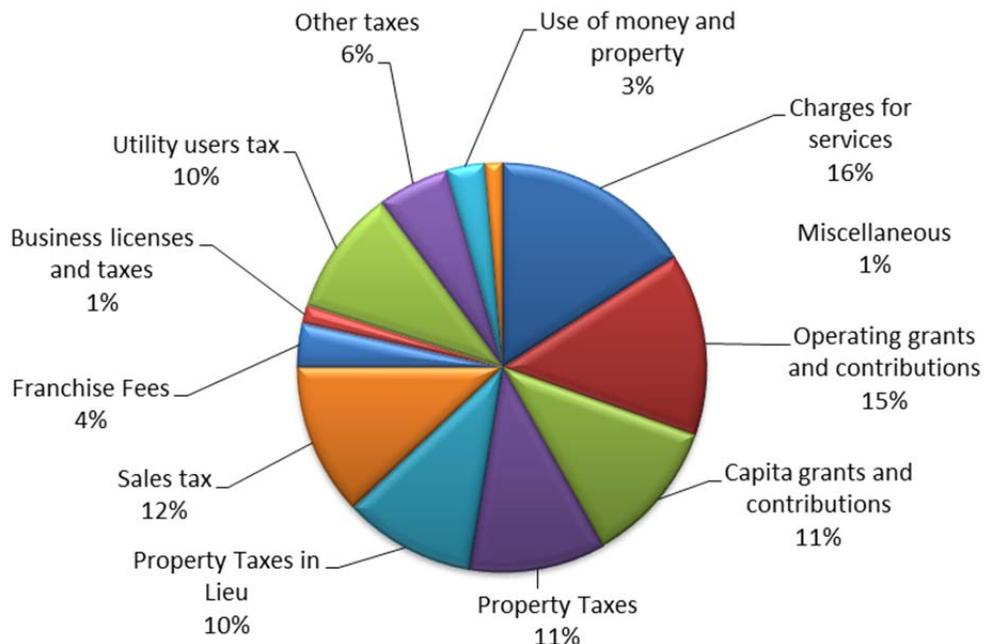
Governmental Activities

The City's governmental revenues increased \$0.8 million, a 0.5 percent increase from the prior year, and the total expenses decreased \$3.8 million, a 2.6 percent decrease. The following discusses the changes in more detail.

Revenue

Program revenues decreased \$7.9 million primarily as a result of decreased operating and capital grants and contributions. General revenues increased \$8.7 million with the increases in Property tax, Property tax in lieu, Sales tax and Use of money and property contributing the largest percentages.

Revenues by Source – Governmental Activities



Expense

Total governmental expenses decreased by \$3.8 million. This decrease is primarily due to a reduction of expenses in general government of \$9.4 million offset with an increase in public works of \$5.4 million.

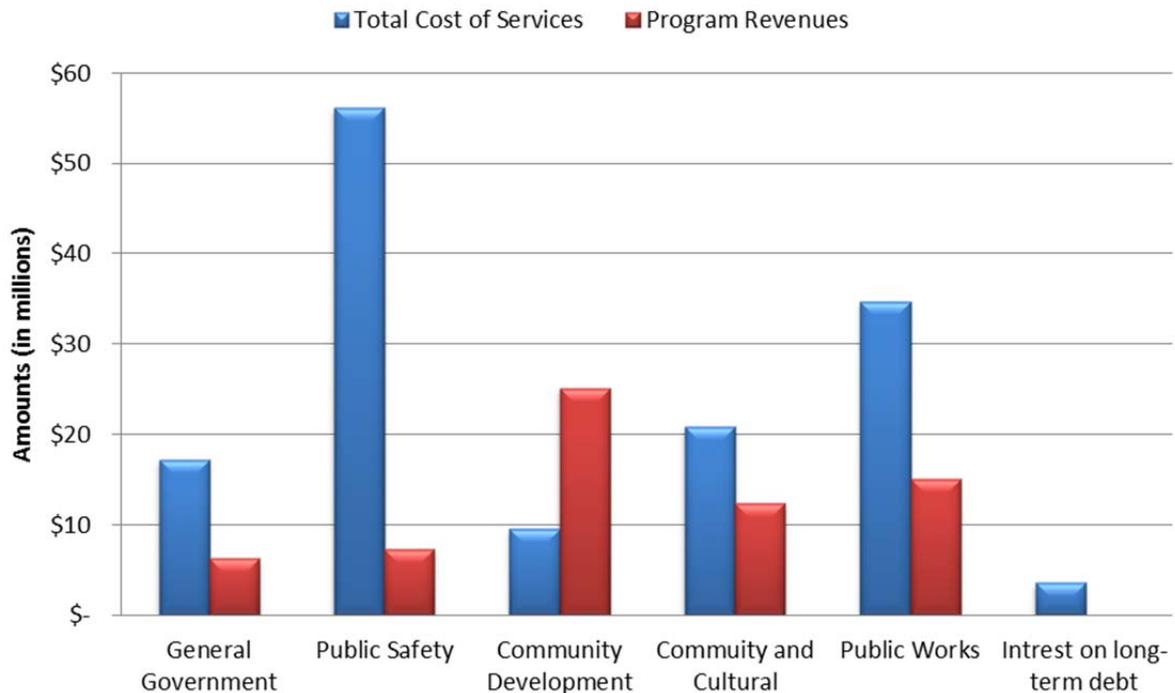
The following table presents the cost of each of the six major program categories, and identifies each program's *net cost* (total cost less revenues generated by the activities). The net cost is the amount paid for by general revenue sources that are generated by all City taxpayers. As illustrated, program revenues recovered \$66.1 million of the cost of providing these services.

**Governmental Activities - Net Cost of Services
For the year ended June 30, 2016**

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General government	\$ 17,250,813	\$ (10,986,653)
Public safety	56,238,838	(48,875,101)
Community development	9,527,082	15,577,019
Community and cultural	20,910,561	(8,545,606)
Public works	34,772,563	(19,733,022)
Interest on long-term debt	3,625,887	(3,625,887)
TOTAL	<u>\$ 142,325,744</u>	<u>\$ (76,189,250)</u>

The City paid for the remaining public benefit portion of these governmental activities with \$76 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, 2016**



Business-type Activities

The City's business-type activities include the activities of the Electric Utility. Total revenues for business-type activities increased \$2.7 million from the prior year or 9.4%. Total expenses increased \$2 million or 8.8%. The following discusses the changes in more detail.

Revenue

Charges for services increased \$1.7 million as a result of an increase in demand with the addition of Amazon, Proctor & Gamble, and Decker's distribution centers. Contributed capital also increased \$0.9 million as a result of increased development contributions to the City's electric utility infrastructure.

Expenses

Expenses in the Electric Utility increased \$2 million. This increase was primarily a direct result of purchasing additional power 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.

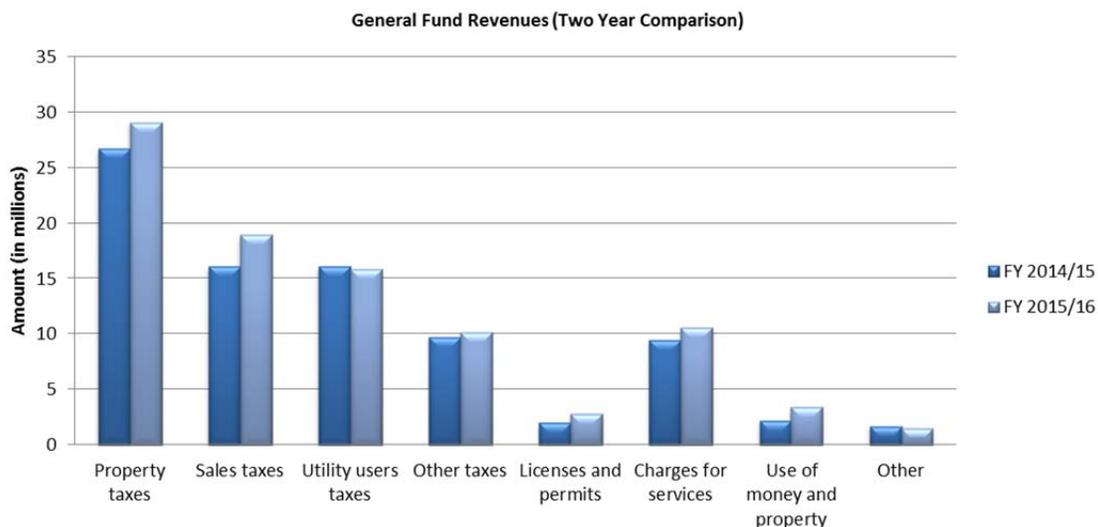
Total fund balances presented in the governmental funds balance sheet are \$161.1 million, with the General Fund representing \$51.1 million, or 31.7% of the total. The City's General Fund has unassigned fund balance of \$37.0 million.

General Fund Financial Results

The General Fund was anticipated to have a net increase to fund balance of \$0.3 million. Actual results increased fund balance by \$7.7 million over FY 2014-15. Actual results realized an unanticipated overall revenue increase of \$2.4 million along with expenditure and transfer savings of \$5.0 million.

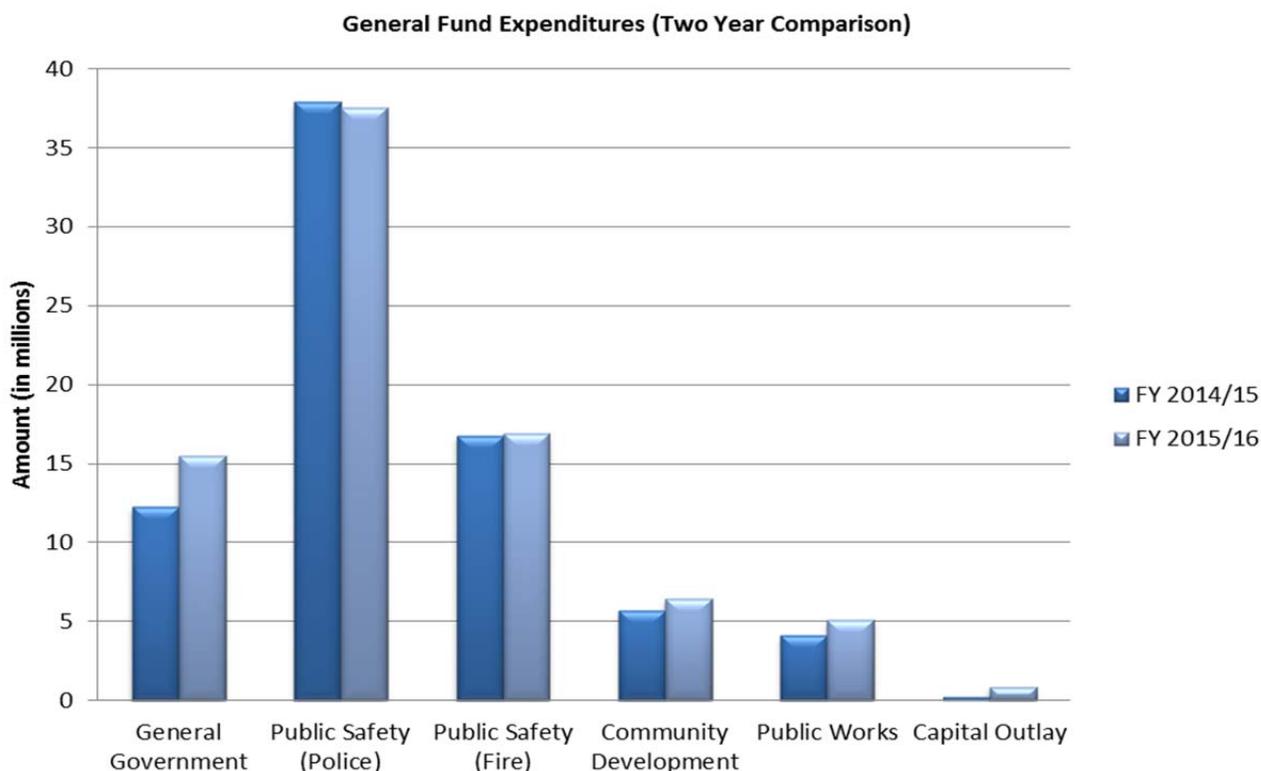
General Fund tax revenues were \$1.9 million more than anticipated and an increase in the use of money and property of \$0.1 million all contributed to the unanticipated revenue increase.

The following graph presents a comparison of each General Fund revenue source for the fiscal years ended June 30, 2015 and 2016.



General Fund actual expenditures were \$7.4 million less than the final budget. The major contributor to this result was in large part due to a combination of Police and Fire Services, and Public Work activities coming in under budget by \$3.5 million. This savings is primarily as a result of contract service savings along with the longer than anticipated delivery of specialized vehicles and equipment.

The following graph presents a comparison of each General Fund expenditure category for the fiscal years ended June 30, 2015 and 2016.



Other Major Fund Financial Results

The fund balance of the Community Service District Zones Special Revenue Fund increased by \$1.5 million over FY 2014-15. 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 a combination of Public Work and Community and Cultural activities coming in under budget by \$2.3 million.

The fund balance of the Development Impact Fees Special Revenue Fund increased by \$0.9 million over FY 2014-15. This fund accounts for the developer impact fees, which are one-time charges, used to offset the additional public-service costs of new development. The increase in fund balance is primarily due to the current receipt of fees from the new development projects within the City, which are committed for future public improvement projects.

The fund balance of the Housing Authority Fund decreased \$0.1 million under FY 2014-15. This fund accounts for the housing assets as a result of the dissolution of the redevelopment agency of the City. In FY 2015-16 the fund balance decreased as a direct result of costs directly associated with the monitoring and management of the housing assets to ensure proper compliance with regulations.

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

The fund balance of the Facility Construction Fund decreased \$1.6 million in comparison with prior year. This fund is used to account for City facility related capital projects. The decrease in fund balance is primarily due to the construction of Phase I for the new Corporate Yard Facility.

Capital Asset and Debt Administration

Capital Assets

At the end of FY 2015-16, the City’s governmental activities had \$1.3 billion (\$905.6 million net of depreciation) invested in a broad range of capital assets, including land, buildings and improvements, machinery and equipment, vehicles, park facilities, roads, highways and bridges. The current year capital asset additions of \$61.4 million were offset by current year depreciation expense of \$30.5 million and retirements (including transfers from CIP) net of accumulated depreciation of \$32.5 million for a net decrease of \$1.6 million primarily attributed to the decrease in construction-in-progress and machinery and equipment.

At June 30, 2016, the City’s business-type activities had \$48.7 million (\$40.9 million net of depreciation) invested in capital assets, primarily utility infrastructure. The current capital asset additions of \$3.8 million were offset by current depreciation expense of \$1.0 million and retirements net of accumulated depreciation of \$0.3 million for a net increase of \$2.5 million. This increase was primarily the result of the construction of the Kitching Substation and SCE Facility Upgrades.

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

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2015	2016	2015	2016	2015	2016	
Land	\$ 310,197	\$ 310,197	\$ 1,729	\$ 1,729	\$ 311,926	\$ 311,926	0%
Buildings and Improvements	137,931	141,891	-	-	137,931	141,891	3%
Machinery and Equipment	19,752	19,420	-	-	19,752	19,420	-2%
Vehicles	9,050	9,259	-	-	9,050	9,259	2%
Construction in Progress	32,746	19,494	5	1,410	32,751	20,904	-36%
Infrastructure	804,150	839,999	43,731	45,592	847,881	885,591	4%
	<u>1,313,826</u>	<u>1,340,260</u>	<u>45,465</u>	<u>48,731</u>	<u>1,359,291</u>	<u>1,388,991</u>	2%
Accumulated Depreciation	(406,662)	(434,670)	(7,091)	(7,838)	(413,753)	(442,508)	7%
Total Capital Assets	<u>\$ 907,164</u>	<u>\$ 905,590</u>	<u>\$ 38,374</u>	<u>\$ 40,893</u>	<u>\$ 945,538</u>	<u>\$ 946,483</u>	0%

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

- State Route 60/Nason St. Bridge
- Sunnymead Blvd./Indian St.-SR-60/Perris Blvd Off Ramp
- Corporate Yard Facility – Phase 1
- Nason St./Riverside County Regional Medical Center Traffic Signals
- Perris Blvd./Ironwood Ave. to Manzanita Street Improvement
- Emergency Vehicle Pre-Emption system

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:

- Cycle 2 Citywide Pavement Resurfacing
- Bike Lane Improvements (12 locations)
- Reche Vista Drive Realignment
- Citywide Pedestrian Improvements

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

- Farragut Ave. Street Improvements
- Sunnymead Master Drainage Plan
- Hubbard St. Storm Drain
- Safe Routes to School Street Improvements
- Juan Bautista de Anza Trail
- Intelligent Transportation System (ITS) Deployment Phase 1B

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



Corporate Yard Facility



Corporate Yard Facility

Long-Term Debt

At year-end, the City's governmental activities had \$68.3 million in bonds, notes, certificates of participation, leases, and compensated absences, versus \$70.4 million last year, a decrease of \$2.1 million, or 3%. This decrease was due primarily to principal payments on the special tax bonds, lease revenue bonds and notes, and other.

At June 30, 2016, the City's business-type activities had \$37.0 million in bonds and compensated absences versus \$27.1 million last year, an increase of \$9.9 million. The increase was primarily due to the issue of a 2015 lease revenue bond for \$10.4 million to partially finance the Kitching Substation project.

**Outstanding Debt at Year End
For the Year Ended June 30, 2016**

	Governmental Activities	Business-type Activities
Special tax bonds	\$ 7,700,000	\$ -
Notes and other	2,838,000	-
Certificates of participation	20,000,000	-
Lease revenue bonds	31,400,069	36,739,931
Compensated absences	6,340,029	245,716
	<u>\$ 68,278,098</u>	<u>\$ 36,985,647</u>

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

Economic Factors and Outlook for Future Years

Although the focus of this Annual Report is on the economic condition of the City in the fiscal year that ended June 30, 2016, it is important for the City's financial management to report on current issues affecting the City and their economic impact on FY 2015-16 and future years.

The economic recovery of the City of Moreno Valley has continued to demonstrate steady improvements as our tax revenues continue to experience moderate growth. Although the economic downturn has impacted Moreno Valley, with a population estimate of 205,383, Moreno Valley is still experiencing population growth. Moreno Valley remains the second largest city in Riverside County and is presently the fourth largest city in the Inland Region. Though population growth has slowed because of the economy, population growth continues in Moreno Valley because of its strategic location at the junction of Interstate I-215 and State Route 60, along with offering a wide array of quality housing options, a family oriented lifestyle and a variety of quality of life amenities.

For several years Moreno Valley has experienced substantial non-residential growth including significant new commercial retail and industrial development. The economy has slowed commercial development in Southern California, but Moreno Valley continues to secure new business development opportunities. In FY 2015-16 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.

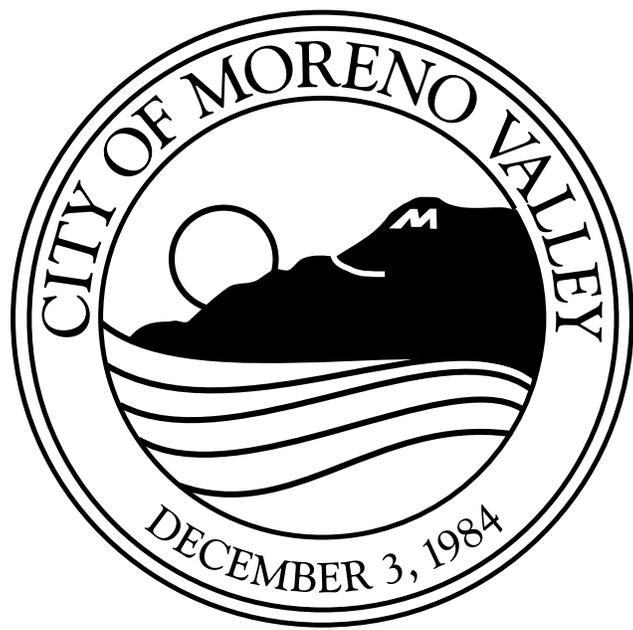
Current economic activity is in the commercial sector, with a specific focus on logistics/distribution centers and medical support businesses. The City Council approved an Economic Development Action Plan during FY 2010-11 that specifically focuses on these market sectors to rebuild the City's tax revenue base and promote job creation. Following this path the City Council recently approved the largest single industrial development project in California's history, the World Logistic Center which is a world class business park specifically designed to support the requirements of large global companies and their logistics operations. The impact of these actions by City Council has had a positive influence on the unemployment rate in our City as we continue to experience a decrease in the unemployment rate. Further, the City celebrated the grand opening of many new restaurants in FY 2015-16. Recently opened dining establishments this year included: El Pollo Loco, Armando's

Mexican Restaurant, Cumin Thai, Tilted Kilt, Charley's Philly Steak, Knockout Burgers & Gyros, Mechie's Frozen Yogurt, PizaCode, Pupuseria Ita's Salvadorian restaurant, Rally's Burgers, Shrimp Factory. Creating employment opportunities and job growth is important to the continued development of the community and to the growth of the City's tax revenue base in the future.

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

Contacting the City's Financial Management

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



City of Moreno Valley, California

**Statement of Net Position
June 30, 2016**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Pooled cash and investments (note 3)	\$ 155,226,269	\$ 14,779,946	\$ 170,006,215
Receivables:			
Accounts	2,764,928	3,642,083	6,407,011
Notes and loans (note 4)	46,540,686	-	46,540,686
Notes to Successor Agency (note 4)	14,805,341	-	14,805,341
Interest	2,868,309	-	2,868,309
Due from agency funds	4,267	-	4,267
Prepaid costs	8,034	-	8,034
Due from other governments	22,805,290	-	22,805,290
Inventories	30,744	326,795	357,539
Land held for resale	6,776,170	-	6,776,170
Restricted assets:			
Cash with fiscal agents (note 3)	5,169,663	9,798,668	14,968,331
Capital assets not being depreciated (note 5)	329,690,754	3,139,281	332,830,035
Capital assets, net of depreciation (note 5)	575,898,974	37,753,699	613,652,673
Total Assets	1,162,589,429	69,440,472	1,232,029,901
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	9,542,694	352,282	9,894,976
Total Deferred Outflows of Resources	9,542,694	352,282	9,894,976
Liabilities			
Accounts payable	19,472,256	3,479,536	22,951,792
Accrued liabilities	1,201,992	-	1,201,992
Accrued interest	417,655	319,068	736,723
Unearned revenue	765,714	21,622	787,336
Deposits payable	3,539	859,849	863,388
Due to other governments	248,835	-	248,835
Noncurrent liabilities:			
Long-term debt, due within one year (note 6)	7,440,759	1,002,430	8,443,189
Long-term debt, due in more than one year (note 6)	66,471,996	35,957,265	102,429,261
Net pension liability	55,526,975	1,462,149	56,989,124
Total Liabilities	151,549,721	43,101,919	194,651,640
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions	8,424,289	226,089	8,650,378
Total Deferred Inflows of Resources	8,424,289	226,089	8,650,378
Net Position			
Net investment in capital assets	843,153,359	13,977,670	857,131,029
Restricted for:			
Community development projects	67,426,468	-	67,426,468
Public safety	473,282	-	473,282
Community and cultural	17,003,008	-	17,003,008
Public works	21,608,793	-	21,608,793
Capital projects	24,336,735	-	24,336,735
Debt service	9,734,330	-	9,734,330
Permanent funds - nonexpendable	337,682	-	337,682
Water quality	707,617	-	707,617
Public purpose programs	-	4,605,893	4,605,893
Unrestricted	27,376,839	7,881,183	35,258,022
Total Net Position	\$ 1,012,158,113	\$ 26,464,746	\$ 1,038,622,859

See notes to Financial Statements

City of Moreno Valley, California

**Statement of Activities
June 30, 2016**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 17,250,813	\$ 6,142,310	\$ 121,850	\$ -
Public safety	56,238,838	3,409,176	3,954,561	-
Community development	9,527,082	7,437,687	1,225,925	16,440,489
Community and cultural	20,910,561	4,927,785	7,437,170	-
Public works	34,772,563	3,268,761	10,131,877	1,638,903
Interest on long term debt	3,625,887	-	-	-
Total governmental activities	142,325,744	25,185,719	22,871,383	18,079,392
Business-type activities:				
Electric	24,230,158	29,363,663	-	-
Total business-type activities	24,230,158	29,363,663	-	-
Total primary government	\$166,555,902	\$ 54,549,382	\$ 22,871,383	\$ 18,079,392

General Revenues:

Taxes:

- Property taxes
- Property taxes in lieu
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Utility users tax
- Other taxes
- Franchise in lieu taxes
- Documentary transfer tax
- Use of money and property
- Contributed capital
- Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

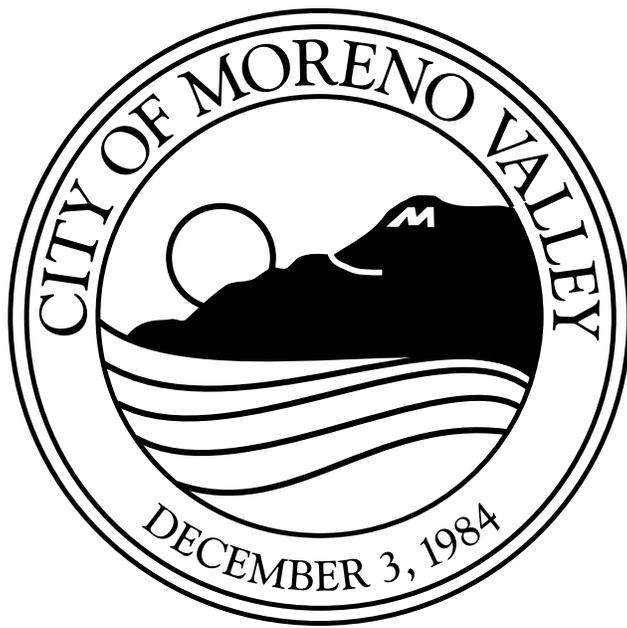
See notes to Financial Statements

City of Moreno Valley, California

Statement of Activities
June 30, 2016

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (10,986,653)	\$ -	\$ (10,986,653)
(48,875,101)	-	(48,875,101)
15,577,019	-	15,577,019
(8,545,606)	-	(8,545,606)
(19,733,022)	-	(19,733,022)
(3,625,887)	-	(3,625,887)
(76,189,250)	-	(76,189,250)
-	5,133,505	5,133,505
-	5,133,505	5,133,505
(76,189,250)	5,133,505	(71,055,745)
17,009,795	-	17,009,795
16,409,009	-	16,409,009
1,416,343	-	1,416,343
18,937,738	-	18,937,738
5,493,936	-	5,493,936
2,249,400	-	2,249,400
15,824,481	-	15,824,481
6,529,065	-	6,529,065
293,022	-	293,022
740,120	-	740,120
4,774,277	202,544	4,976,821
-	1,886,273	1,886,273
2,182,732	238,332	2,421,064
91,859,918	2,327,149	94,187,067
15,670,668	7,460,654	23,131,322
996,487,445	19,004,092	1,015,491,537
\$ 1,012,158,113	\$ 26,464,746	\$1,038,622,859

See notes to Financial Statements



MAJOR GOVERNMENTAL FUNDS

General Fund

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

Community Services District (CSD) Zones Special Revenue Fund

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

Development Impact Fees Special Revenue Fund

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

Housing Authority Fund

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

Neighborhood Stabilization Program Fund

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

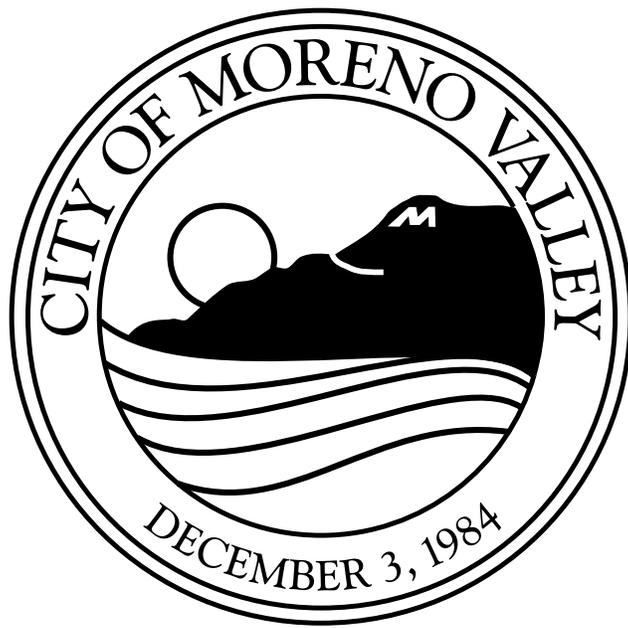
MAJOR GOVERNMENTAL FUNDS (CONTINUED)

Facility Construction Fund

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

Nonmajor Governmental Funds

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



City of Moreno Valley, California

Balance Sheet
Governmental Funds
June 30, 2016

	Special Revenue Funds			
	General	CSD Zones	Development Impact Fees	Housing Authority
Assets				
Pooled cash and investments (note 3)	\$ 46,604,828	\$ 16,627,649	\$ 16,422,322	\$ 1,103,642
Receivables:				
Accounts	2,246,166	87,937	-	-
Notes and loans (note 4)	-	-	-	33,426,080
Notes to Successor Agency (note 4)	14,805,341	-	-	-
Interest	457,172	-	-	1,874,479
Due from other governments	6,402,580	1,283,749	-	-
Due from other funds (note 7)	5,599,820	-	-	-
Advances to other funds (note 7)	4,222,000	-	-	-
Prepays	6,338	-	-	-
Land held for resale	-	-	-	3,916,126
Restricted assets:				
Cash with fiscal agents (note 3)	-	-	-	-
Total Assets	\$ 80,344,245	\$ 17,999,335	\$ 16,422,322	\$ 40,320,327
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities				
Accounts payable	\$ 15,953,785	\$ 745,968	\$ -	\$ 28,900
Accrued liabilities	1,134,613	-	-	-
Unearned revenues	422,058	232,051	-	-
Deposits payable	-	3,540	-	-
Due to other governments	248,812	23	-	-
Due to other funds (note 7)	-	14,745	-	-
Advances from other funds	-	-	4,222,000	-
Total Liabilities	17,759,268	996,327	4,222,000	28,900
Deferred Inflows of Resources				
Unavailable revenues	11,462,942	-	-	1,874,479
Total Deferred Inflows of Resources	11,462,942	-	-	1,874,479
Fund Balances				
Nonspendable:				
Notes and loans	-	-	-	-
Notes to Successor Agency	3,987,639	-	-	-
Advances to other funds	4,222,000	-	-	-
Permanent fund principal	-	-	-	-
Prepays	6,338	-	-	-
Restricted for:				
Community development projects	-	-	-	38,416,948
Public safety	-	-	-	-
Community and cultural	-	17,003,008	-	-
Public works	-	-	12,200,322	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowments	-	-	-	-
Water quality	-	-	-	-
Committed to:				
Revolving line of credit	2,600,000	-	-	-
Maintenance of pedestrian bridge	155,281	-	-	-
Library development	-	-	-	-
Assigned to:				
Continuing appropriations	1,361,187	-	-	-
Temporary fluctuations in market value of investments pursuant to GASB 31	1,787,851	-	-	-
Unassigned	37,001,739	-	-	-
Total Fund Balances	51,122,035	17,003,008	12,200,322	38,416,948
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 80,344,245	\$ 17,999,335	\$ 16,422,322	\$ 40,320,327

See notes to Financial Statements

City of Moreno Valley, California

**Balance Sheet
Governmental Funds
June 30, 2016**

Special Revenue Fund Neighborhood Stabilization Grant	Capital Project Fund Facility Construction	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ 6,253,568	\$ 25,253,000	\$ 112,265,009
-	-	430,714	2,764,817
7,432,121	-	5,682,485	46,540,686
-	-	-	14,805,341
-	-	536,658	2,868,309
275,503	10,128,000	4,715,458	22,805,290
-	-	-	5,599,820
-	-	-	4,222,000
-	-	-	6,338
2,860,044	-	-	6,776,170
-	-	5,169,663	5,169,663
\$ 10,567,668	\$ 16,381,568	\$ 41,787,978	\$ 223,823,443

Assets
Pooled cash and investments (note 3)
Receivables:
 Accounts
 Notes and loans (note 4)
 Notes to Successor Agency (note 4)
 Interest
Due from other governments
Due from other funds (note 7)
Advances to other funds (note 7)
Prepays
Land held for resale
Restricted assets:
 Cash with fiscal agents (note 3)

Total Assets

Liabilities, Deferred Inflows of Resources and Fund Balances:

Liabilities
Accounts payable
Accrued liabilities
Unearned revenues
Deposits payable
Due to other governments
Due to other funds (note 7)
Advances from other funds

Total Liabilities

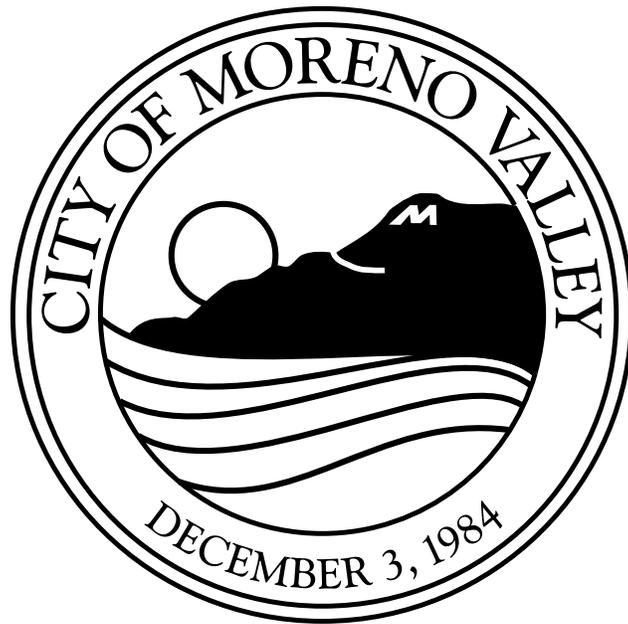
Deferred Inflows of Resources
Unavailable revenues

Total Deferred Inflows of Resources

Fund Balances
Nonspendable:
Notes and loans
Notes to Successor Agency
Advances to other funds
Permanent fund principal
Prepays
Restricted for:
Community development projects
Public safety
Community and cultural
Public works
Capital projects
Debt service
Endowments
Water quality
Committed to:
Revolving line of credit
Maintenance of pedestrian bridge
Library development
Assigned to:
Continuing appropriations
Temporary fluctuations in market value of investments pursuant to GASB 31

Unassigned
Total Fund Balances
Total Liabilities, Deferred Inflows of Resources and Fund Balances

See notes to Financial Statements



City of Moreno Valley, California

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2016**

Fund balances - total governmental funds	\$	161,092,291
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)		1,317,167,284
Accumulated depreciation (excludes internal service accumulated depreciation)		(424,420,284)
Long-term debt and compensated absences have not been included in the governmental fund activity:		
2007 Towngate Special Tax Refunding Bonds	\$ (5,335,000)	
2007 Towngate Improvement Tax Refunding	(2,365,000)	
2011 Private Placement Refunding, Series 1997 Variable Rate Certificates of Participation	(776,000)	
2011 Private Placement Refunding, Series 1997 Variable Rate Certificates of Participation	(2,062,000)	
2013 Refunding of 2005 Lease Revenue Bonds	(8,798,000)	
2013 Total Road Improvement Certificates of Participation	(20,000,000)	
2014 Refunding of 2005 Lease Revenue Bonds Unamortized Premium/Discount	(22,602,069) (2,074,998)	
Compensated Absences	<u>(6,061,760)</u>	(70,074,827)
Governmental funds report all OPEB contributions as expenditures, however in the statement of net position any excesses or deficiencies in contributions in relation to the Annual Required Contribution (ARC) are recorded as an asset or liability		(1,599,000)
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the governmental funds		9,542,694
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds		(417,655)
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		31,535,529
Long-term liabilities related to pension are not due and payable in the current period and therefore are not reported in the governmental funds:		
Net pension liability		(55,526,975)
Deferred inflows of resources related to pensions are not current obligation and are not reported in the governmental funds		(8,424,289)
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		53,283,345
Net Position of Governmental Activities	\$	<u><u>1,012,158,113</u></u>

City of Moreno Valley, California

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

	Special Revenue Funds			
	General	CSD Zones	Development Impact Fees	Housing Authority
Revenues				
Taxes:				
Property taxes	\$ 12,679,455	\$ 4,330,340	\$ -	\$ -
Property taxes in lieu	16,409,009	-	-	-
Utility users taxes	15,824,481	-	-	-
Sales taxes	18,937,738	-	-	-
Other taxes	10,192,821	6,387,448	-	-
Licenses and permits	2,834,449	-	-	-
Intergovernmental	802,523	-	-	-
Fees and charges for services	10,628,482	6,015,891	2,803,507	25,000
Use of money and property	3,457,642	926,457	241,809	-
Fines and forfeitures	530,222	39,161	-	-
Miscellaneous	165,620	1,034,881	-	200
Total Revenues	92,462,442	18,734,178	3,045,316	25,200
Expenditures				
Current:				
General government	15,505,987	-	-	-
Public safety	54,402,142	-	-	-
Community development	6,426,431	-	-	156,834
Community and cultural	-	11,644,268	-	-
Public works	5,114,325	6,542,816	-	-
Capital outlay	890,479	38,963	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Current Expenditures	82,339,364	18,226,047	-	156,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,123,078	508,131	3,045,316	(131,634)
Other Financing Sources (Uses):				
Transfers in (note 7)	663,238	1,004,137	1,239,184	-
Transfers out (note 7)	(2,741,671)	-	(3,362,197)	-
Contributions from Successor Agency	-	-	-	-
Contributions to Successor Agency	(298,513)	-	-	-
Total Other Financing Sources (Uses)	(2,376,946)	1,004,137	(2,123,013)	-
Net Change in Fund Balances	7,746,132	1,512,268	922,303	(131,634)
Fund Balances				
Beginning of year	43,375,903	15,490,740	11,278,019	38,548,582
End of year	\$ 51,122,035	\$ 17,003,008	\$ 12,200,322	\$ 38,416,948

See notes to Financial Statements

City of Moreno Valley, California

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2016

Special Revenue Fund	Capital Project Fund			
Neighborhood Stabilization Grant	Facility Construction	Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ -	\$ 17,009,795	Revenues
-	-	-	16,409,009	Taxes:
-	-	-	15,824,481	Property taxes
-	-	-	18,937,738	Property taxes in lieu
-	-	141,617	16,721,886	Utility users taxes
-	-	-	2,834,449	Sales taxes
1,153,412	1,000,000	24,507,923	27,463,858	Other taxes
-	-	1,721,013	21,193,893	Licenses and permits
-	-	109,022	4,734,930	Intergovernmental
-	-	-	569,383	Charges for services
-	-	1,072,587	2,273,288	Use of money and property
1,153,412	1,000,000	27,552,163	143,972,711	Fines and forfeitures
				Miscellaneous
				Total Revenues
				Expenditures
				Current
-	-	769,229	16,275,216	General government
-	-	738,079	55,140,221	Public safety
1,153,412	-	1,380,143	9,116,820	Community development
-	-	7,386,797	19,031,065	Community and cultural
-	-	7,636,486	19,293,627	Public works
-	2,793,310	15,863,252	19,586,004	Capital outlay
-	-	3,092,176	3,092,176	Debt service:
-	-	2,950,685	2,950,685	Principal retirement
1,153,412	2,793,310	39,816,847	144,485,814	Interest and fiscal charges
				Total current expenditures
-	(1,793,310)	(12,264,684)	(513,103)	Excess (Deficiency) of Revenues
				Over (Under) Expenditures
-	155,000	6,157,296	9,218,855	Other Financing Sources (Uses):
-	-	(2,484,141)	(8,588,009)	Transfers in (note 7)
-	-	1,620,000	1,620,000	Transfers out (note 7)
-	-	-	(298,513)	Contributions from Successor Agency
-	155,000	5,293,155	1,952,333	Contributions to Successor Agency
				Total Other Financing Sources (Uses)
-	(1,638,310)	(6,971,529)	1,439,230	Net Change in Fund Balances
				Fund Balances
-	7,491,521	43,468,296	159,653,061	Beginning of year
\$ -	\$ 5,853,211	\$ 36,496,767	\$ 161,092,291	End of year

See notes to Financial Statements

City of Moreno Valley, California

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2016**

Net change in fund balances - total governmental funds \$ 1,439,230

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

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

Capital outlay	28,577,931
Depreciation expense	(29,379,229)

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	3,092,176
Amortization of bond premiums	189,292
Amortization of bond discount	(5,400)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	18,322
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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.	(877,416)
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Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however, in the statement of activities only the ARC is an expense. This is the amount by which contributions made exceeded the ARC.	(6,000)
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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.	11,228,863
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Pension 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 expense exceeded the contributions during the year	848,907
--	---------

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.	543,992
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Change in net position of governmental activities	\$ <u>15,670,668</u>
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See notes to Financial Statements

City of Moreno Valley, California

**Budgetary Comparison Statement
General Fund
Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Taxes:				
Property taxes	\$ 12,072,224	\$ 12,072,224	\$ 12,679,455	\$ 607,231
Property taxes in-lieu	15,732,303	15,732,303	16,409,009	676,706
Utility users taxes	15,912,000	15,912,000	15,824,481	(87,519)
Sales taxes	19,269,321	19,269,321	18,937,738	(331,583)
Other taxes	9,155,250	9,155,250	10,192,821	1,037,571
Licenses and permits	2,090,930	2,853,930	2,834,449	(19,481)
Intergovernmental	230,000	774,655	802,523	27,868
Fees and charges for services	10,733,409	10,815,689	10,628,482	(187,207)
Use of money and property	3,469,962	2,706,962	3,457,642	750,680
Fines and forfeitures	623,760	623,760	530,222	(93,538)
Miscellaneous	103,401	143,401	165,620	22,219
Total revenues	89,392,560	90,059,495	92,462,442	2,402,947
Expenditures				
Current:				
General government				
City council	621,116	793,846	747,283	46,563
City manager	1,640,137	3,961,482	3,332,096	629,386
City clerk	512,583	562,583	474,344	88,239
City attorney	723,542	733,587	697,535	36,052
Financial and management services	7,496,505	5,178,530	4,521,110	657,420
Administrative services	3,863,047	3,950,872	3,758,408	192,464
Non-departmental	574,000	574,000	1,975,211	(1,401,211)
Public safety				
Police	39,309,484	39,885,346	37,506,479	2,378,867
Fire	18,055,816	18,039,811	16,895,663	1,144,148
Community development	6,754,153	6,906,378	6,426,431	479,947
Public works	5,401,551	5,899,667	5,114,325	785,342
Capital outlay	2,557,909	3,208,230	890,479	2,317,751
Total Expenditures	87,509,843	89,694,332	82,339,364	7,354,968
Excess(Deficiency) of Revenues				
Over (Under) Expenditures	1,882,717	365,163	10,123,078	9,757,915
Other Financing Sources (Uses)				
Transfers in	2,492,842	2,997,444	663,238	(2,334,206)
Transfers out	(3,399,383)	(2,743,137)	(2,741,671)	1,466
Contributions to Successor Agency	-	(298,513)	(298,513)	-
Total Other Financing Sources (uses)	(906,541)	(44,206)	(2,376,946)	(2,332,740)
Net Change in Fund Balances	976,176	320,957	7,746,132	7,425,175
Fund Balance - Beginning of year	43,375,903	43,375,903	43,375,903	-
Fund Balance - End of year	\$ 44,352,079	\$ 43,696,860	\$ 51,122,035	\$ 7,425,175

See notes to Financial Statements

City of Moreno Valley, California

Budgetary Comparison Statement
CSD Zones
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Taxes:				
Property taxes	\$ 4,045,429	\$ 4,045,429	\$ 4,330,340	\$ 284,911
Other taxes	6,392,300	6,392,300	6,387,448	(4,852)
Fees and charges for services	6,162,347	5,969,447	6,015,891	46,444
Use of money and property	743,900	743,900	926,457	182,557
Fines and forfeitures	50,000	50,000	39,161	(10,839)
Miscellaneous	9,150	1,036,052	1,034,881	(1,171)
Total Revenues	17,403,126	18,237,128	18,734,178	497,050
Expenditures				
Current:				
Community and cultural	12,225,286	12,301,542	11,644,268	657,274
Public works	6,987,315	7,873,707	6,542,816	1,330,891
Capital outlay	50,792	396,418	38,963	357,455
Total Expenditures	19,263,393	20,571,667	18,226,047	2,345,620
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,860,267)	(2,334,539)	508,131	2,842,670
Other Financing Sources (Uses)				
Transfers in	1,510,383	1,336,399	1,004,137	(332,262)
Total Other Financing Sources (Uses)	1,510,383	1,336,399	1,004,137	(332,262)
Net Change in Fund Balances	(349,884)	(998,140)	1,512,268	2,510,408
Fund Balance - Beginning of year	15,490,740	15,490,740	15,490,740	-
Fund Balance - End of year	\$ 15,140,856	\$ 14,492,600	\$ 17,003,008	\$ 2,510,408

See notes to Financial Statements

City of Moreno Valley, California

Budgetary Comparison Statement
Development Impact Fees
Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Fees and charges for services	\$ 560,900	\$ 560,900	\$ 2,803,507	\$ 2,242,607
Use of money and property	247,000	247,000	241,809	(5,191)
Total Revenues	807,900	807,900	3,045,316	2,237,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	807,900	807,900	3,045,316	2,237,416
Other Financing Sources (Uses)				
Transfers in	1,352,760	1,352,760	1,239,184	(113,576)
Transfers out	(3,144,000)	(3,480,052)	(3,362,197)	117,855
Total Other Financing Sources (uses)	(1,791,240)	(2,127,292)	(2,123,013)	4,279
Net Change in Fund Balances	(983,340)	(1,319,392)	922,303	2,241,695
Fund Balance - Beginning of year	11,278,019	11,278,019	11,278,019	-
Fund Balance - End of year	\$ 10,294,679	\$ 9,958,627	\$ 12,200,322	\$ 2,241,695

See notes to Financial Statements

City of Moreno Valley, California

Budgetary Comparison Statement
Housing Authority
Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues				
Use of money and property	\$ 72,000	\$ 72,000	\$ -	\$ (72,000)
Fees and charges for services	-	-	25,000	25,000
Miscellaneous	-	-	200	200
Total Revenues	72,000	72,000	25,200	(46,800)
Expenditures				
Current:				
Community development	72,000	159,800	156,834	2,966
Total Expenditures	72,000	159,800	156,834	2,966
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(87,800)	(131,634)	(43,834)
Net Change in Fund Balances	-	(87,800)	(131,634)	(43,834)
Fund Balance - Beginning of year	38,548,582	38,548,582	38,548,582	-
Fund Balance - End of year	\$ 38,548,582	\$ 38,460,782	\$ 38,416,948	\$ (43,834)

See notes to Financial Statements

City of Moreno Valley, California

**Budgetary Comparison Statement
 Neighborhood Stabilization Grant
 Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 240,932	\$ 4,204,958	\$ 1,153,412	\$ (3,051,546)
Total revenues	240,932	4,204,958	1,153,412	(3,051,546)
Expenditures				
Current:				
Community development	240,932	4,204,958	1,153,412	3,051,546
Total Expenditures	240,932	4,204,958	1,153,412	3,051,546
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	\$ -	\$ -	\$ -	\$ -

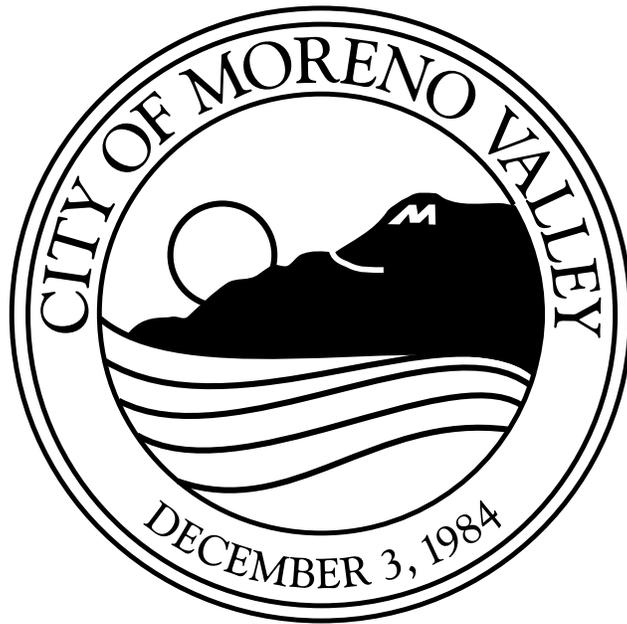
See notes to Financial Statements

City of Moreno Valley, California

Budgetary Comparison Statement
 Facility Construction
 Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Total revenues	-	1,000,000	1,000,000	-
Expenditures				
Capital outlay	-	3,372,077	2,793,310	578,767
Total Expenditures	-	3,372,077	2,793,310	578,767
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,372,077)	(1,793,310)	578,767
Other Financing Sources (Uses)				
Transfers in	-	155,000	155,000	-
Total Other Financing Sources (Uses)	-	155,000	155,000	-
Net Change in Fund Balances	-	(2,217,077)	(1,638,310)	578,767
Fund Balance - Beginning of year	7,491,521	7,491,521	7,491,521	-
Fund Balance - End of year	\$ 7,491,521	\$ 5,274,444	\$ 5,853,211	\$ 578,767

See notes to Financial Statements



PROPRIETARY FUNDS

ENTERPRISE FUND:

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

INTERNAL SERVICE FUNDS:

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

City of Moreno Valley, California

Statement of Net Position
Proprietary Funds
June 30, 2016

	<u>Enterprise Fund- Electric</u>	<u>Governmental Activities- Internal Service Funds</u>
Assets		
Current Assets:		
Pooled cash and investments	\$ 14,779,946	\$ 42,961,260
Receivables:		
Accounts	3,642,083	111
Prepaid costs	-	1,696
Inventories	326,795	30,744
Restricted:		
Cash with fiscal agent	9,798,668	-
Total Current Assets	<u>28,547,492</u>	<u>42,993,811</u>
Noncurrent Assets:		
Capital assets (net of accumulated depreciation)	40,892,980	12,842,728
Total Noncurrent Assets	<u>40,892,980</u>	<u>12,842,728</u>
Total Assets	<u>69,440,472</u>	<u>55,836,539</u>
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	352,282	-
Total Deferred Outflows of Resources	<u>352,282</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 69,792,754</u>	<u>\$ 55,836,539</u>
Liabilities		
Current Liabilities:		
Accounts payable	\$ 3,479,536	\$ 314,267
Accrued interest	319,068	-
Unearned revenue	21,622	-
Deposits payable	859,849	-
Compensated absences (note 6)	147,430	166,960
Self-insurance payable (note 12)	-	736,900
Bonds, notes, and loans payable	855,000	-
Total Current Liabilities	<u>5,682,505</u>	<u>1,218,127</u>
Noncurrent liabilities:		
Compensated absences (note 6)	98,286	111,307
Self-insurance payable (note 12)	-	1,223,760
Bonds, notes, and loans payable (note 6)	35,858,979	-
Net pension liability	1,462,149	-
Total Noncurrent Liabilities	<u>37,419,414</u>	<u>1,335,067</u>
Total Liabilities	<u>43,101,919</u>	<u>2,553,194</u>
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	226,089	-
Total Deferred Inflows of Resources	<u>226,089</u>	<u>-</u>
Net Position		
Net investment in capital assets	13,977,670	12,842,728
Restricted for public purpose programs	4,605,893	-
Unrestricted	7,881,183	40,440,617
Total Net Position	<u>26,464,746</u>	<u>53,283,345</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 69,792,754</u>	<u>\$ 55,836,539</u>

See notes to Financial Statements

City of Moreno Valley, California

Statement of Revenues, Expenses and
Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2016

	<u>Enterprise Fund- Electric</u>	<u>Governmental Activities- Internal Service Funds</u>
Operating Revenues		
Sales and service charges	\$ 29,237,200	\$ 8,553,233
Miscellaneous	238,332	374,825
Total Operating Revenues	<u>29,475,532</u>	<u>8,928,058</u>
Operating Expenses		
Cost of services	886,903	5,738,094
Depreciation expense	1,007,081	1,155,180
Electricity purchased	11,860,074	-
Services and supplies	4,828,706	-
Distribution share	3,920,125	-
Self-insurance claims and charges	-	849,688
Total Operating Expenses	<u>22,502,889</u>	<u>7,742,962</u>
Net Operating Income (Loss)	<u>6,972,643</u>	<u>1,185,096</u>
Nonoperating Revenues and Expenses		
Interest revenue	202,544	-
Interest expense	(1,727,269)	-
Engineering plan check fees	126,463	-
Gain (loss) on disposal of capital assets	-	(10,257)
Total Nonoperating Revenues (Expenses)	<u>(1,398,262)</u>	<u>(10,257)</u>
Income (Loss) before contributions and transfers	5,574,381	1,174,839
Transfers and Contributions		
Contributed capital	1,886,273	-
Transfers in (Note 7)	-	8,688,977
Transfers out (Note 7)	-	(9,319,824)
Change in Net Position	<u>7,460,654</u>	<u>543,992</u>
Net Position - Beginning of year	<u>19,004,092</u>	<u>52,739,353</u>
Net Position - End of year	<u>\$ 26,464,746</u>	<u>\$ 53,283,345</u>

See notes to Financial Statements

City of Moreno Valley, California

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2016

	Enterprise Fund- Electric	Governmental Activities- Internal Service Funds
Cash Flows from operating Activities:		
Cash received from customers	\$ 29,377,313	\$ 8,928,058
Cash paid to suppliers for goods and services	(20,552,569)	(4,053,663)
Cash paid to employees for services	(863,457)	(1,656,511)
Cash paid for claims	-	(1,106,028)
Net Cash Provided (Used) by Operating Activities	7,961,287	2,111,856
Cash Flows from Non-Capital Financing Activities:		
Cash transfers in	-	8,688,977
Cash transfers out	-	(9,319,824)
Net Cash Provided (Used) by Non-Capital Financing Activities	-	(630,847)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from capital debt	10,388,293	-
Debt issuance costs	(380,983)	-
Proceeds from sale of capital assets	-	27,405
Acquisition and construction of capital assets	(1,312,283)	(359,430)
Engineering plan check fees	126,463	-
Principal paid on capital debt	(648,324)	-
Interest paid on capital debt	(1,663,650)	-
Contributed capital	53,915	-
Repayment of loans to other governments	(63,000)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	6,500,431	(332,025)
Cash Flows from Investing Activities:		
Interest received	202,544	-
Net Cash Provided (Used) by Investing Activities	202,544	-
Net Increase (Decrease) in Cash and Cash Equivalents	14,664,262	1,148,984
Cash and Cash Equivalents, Beginning of year	9,914,352	41,812,276
Cash and Cash Equivalents, End of year	\$ 24,578,614	\$ 42,961,260
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ 6,972,643	\$ 1,185,096
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	1,007,081	1,155,180
(Increase) decrease in accounts receivable	(92,303)	(11)
(Increase) decrease in prepaid costs	500	(11,069)
(Increase) decrease in deferred outflows of resources related to pension	(228,971)	-
(Increase) decrease in inventory	(53,915)	(19,149)
Increase (decrease) in accounts payable	1,228,043	(14,400)
Increase (decrease) in unearned revenue	(5,916)	-
Increase (decrease) in deposits payable	(164,767)	-
Increase (decrease) in self-insurance payable	-	(256,340)
Increase (decrease) in advance from other funds	(953,525)	-
Increase (decrease) in net pension liability	143,926	-
Increase (decrease) in compensated absences	108,491	72,549
Total adjustments	988,644	926,760
Net Cash Provided (Used) by Operating Activities	\$ 7,961,287	\$ 2,111,856
Noncash Capital and Related Financing Activities:		
Contributed capital - donated infrastructure	\$ (1,832,358)	\$ -

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, 2016

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund</u> <u>Successor Agency of the Former RDA</u>
Assets:		
Cash	\$ 6,322,420	\$ 3,235,375
Cash with fiscal agents	793,858	8
Total Assets	<u>\$ 7,116,278</u>	<u>3,235,383</u>
 Liabilities:		
Accounts payable	1,584,289	254,209
Accrued interest	-	835,420
Deposits payable	4,512,822	-
Payable to trustee	1,014,900	-
Due to the City of Moreno Valley	4,267	-
Long-term debt, due within one year	-	1,008,000
Long-term debt, due in more than one year	-	55,147,341
Total Liabilities	<u>\$ 7,116,278</u>	<u>57,244,970</u>
 Net Position:		
Held in trust for other purposes		<u>(54,009,587)</u>
Total Net Position		<u>\$ (54,009,587)</u>

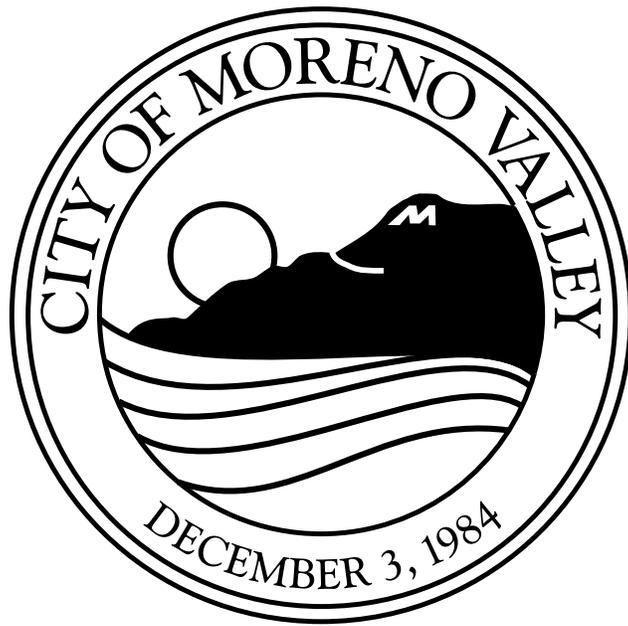
See notes to Financial Statements

City of Moreno Valley, California

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2016

	Private- Purpose Trust Fund
	<u>Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 5,877,243
Use of money and property	792
Total Additions	<u>5,878,035</u>
Deductions:	
Administrative expenses	272,522
Contractual services	514,517
Interest expenses	2,649,500
Contributions to City	1,321,487
Total Deductions	<u>4,758,026</u>
Change in net position	1,120,009
Net Position - Beginning of year	<u>(55,129,596)</u>
Net Position - End of year	<u>\$ (54,009,587)</u>

See notes to Financial Statements



City of Moreno Valley, California

Notes to Financial Statements Year Ended June 30, 2016

Note 1 Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

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

Reporting Entity

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

- The Moreno Valley Community Services District (the District) was established pursuant to the terms and provisions of the Mello-Roos Community Facilities Act of 1982. Its purpose is to finance the acquisition and construction of certain major public capital infrastructure and improvements within the boundaries of the Community Facilities Districts. Separate financial statements for the District are available from the City Clerk.
- 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, 2016 (Continued)

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

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

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

b. Government-Wide and Fund Financial Statements

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

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

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

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

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

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

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

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

The City reports the following major business-type fund:

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

Additionally the government reports the following fund types:

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

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

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

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

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

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

Deposits, Investments, Cash and Cash Equivalents

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

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

Receivables and Payables

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

Inventory and Prepaid Items

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

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

Capital Assets

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

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 Inflows of Resources

In addition to liabilities, the statement of financial position and governmental balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. Unavailable revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. The amount is deferred and recognized as an inflow of resources in the period when the amount becomes available.

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.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

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, 2016 (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 Financial and Management Services Director is authorized to assign amounts to a specific purpose, which was established by the governing body in a resolution.

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

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

Fund Balance Flow Assumptions

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

Net Position Flow Assumption

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

Property Taxes

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

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

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2016, the City adopted the following new Statements of the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 72, *Fair Value Measurements and Applications*. This statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2016.
- GASB Statement No. 76, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The implementation of this statement did not materially impact the City's financial statements for the fiscal year ended June 30, 2016.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 2 Stewardship, Compliance and Accountability

a. Budget Information

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

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

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

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

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (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:

	Final Budget	Expenditures	Excess
General Fund			
Non-departmental	\$ 574,000	\$ 1,975,211	\$ 1,401,211
State Gasoline Tax			
Capital outlay	-	36,450	36,450
Other Grants			
Capital outlay	-	167,928	167,928
Public Education Government Access			
Capital outlay	-	5,820	5,820
Used Oil Recycling			
Public works	51,525	51,803	278
ASES Program Grant			
Community and cultural	6,733,300	6,735,844	2,544
TRIP COP 13A			
Public works	7,000	12,254	5,254
2013 Refunding 2005 Lease Revenue Bonds			
Public works	3,300	3,848	548
2014 Refunding 2005 Lease Revenue Bonds			
General government	3,300	5,186	1,886
Interest and fiscal charges	1,007,000	1,009,869	2,869
Equestrian Trail Endowment			
Community and cultural	200	510	310

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2016 (Continued)**

Note 3 Cash and Investments

As of June 30, 2016, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$ 160,395,932
Business-Type Activities	24,578,614
Fiduciary Funds	10,351,661
Total Cash and Investments	<u>\$ 195,326,207</u>

Cash and investments as of June 30, 2016, consist of the following:

Cash and Cash Equivalents	
Petty cash and cash boxes	\$ 10,830
Demand deposits	1,339,940
Investments	178,213,240
Cash and Investments with fiscal agents	<u>15,762,197</u>
Total Cash and Investments	<u>\$ 195,326,207</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, 2016 (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
- Commercial Paper issued under the Temporary Liquidity Guarantee Program (TLGP)
- Time Deposits and Non-negotiable Certificates of Deposit
- Negotiable Certificates of Deposit
- Repurchase Agreements
- Corporate Obligations (Medium-term Notes)
- Corporate Obligations (Medium-term Notes) issued under the Temporary Liquidity Guarantee Program (TLGP)
- Mutual Funds and Money Market Accounts
- Other Government Sponsored Investment Pools

Investments Authorized by Debt Agreements

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

Investments in State Investment Pool

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

GASB Statement No. 31

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

Credit Risk

The City's investment policy limits investments in medium term notes (MTN's) to those rated in the top category by two of the three largest nationally recognized rating services at the time of purchase (with split ratings, the lower rating must meet the standard). As of June 30, 2016, the City's investment in medium term notes consisted of investments with PepsiCo Inc., JP Morgan Chase, IBM Corp, Wells Fargo Bank, Costco Wholesale, Qualcomm Inc., Coca Cola Company, Bank of New York, Pfizer Inc., Praxair Inc., John Deere, Exxon/Mobil, Microsoft, State Street Bank, Chevron Corp., Intel Corp., WalMart Stores Inc., Apple Inc., U.S. Bankcorp, General Electric, Cisco Systems, Honda, Toyota, American Express and Oracle. At June 30, 2016, 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, 2016, the City's investments in external investment pools and investment agreements are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The carrying amount of the City's demand deposits was \$1,339,943 at June 30, 2016. 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, 2016 (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, 2016, the City had the following investments and original maturities:

Investment Type	6 months to				Fair Value
	6 months or less	1 year	1 to 3 years	3 to 5 years	
Local Agency Investment Fund	\$ 39,271,705	\$ -	\$ -	\$ -	\$ 39,271,705
Money Market Fund	276,500	-	-	-	276,500
Commercial Paper	1,675,960	-	-	-	1,675,960
Medium Term Notes	5,598,687	-	27,510,616	10,045,667	43,154,970
Supranationals	-	-	1,923,461	-	1,923,461
US Treasury Notes	-	1,248,101	22,121,495	8,203,773	31,573,369
Federal Farm Credit Bank	-	-	4,491,435	-	4,491,435
Federal Home Loan Bank	-	4,340,916	4,700,808	1,426,627	10,468,351
Federal Home Loan Mortgage Corp	-	4,068,660	8,115,119	4,458,612	16,642,391
Federal National Mortgage Association	-	3,515,132	16,325,031	8,894,935	28,735,098
Held By Bond Trustee:					
Money Market Funds	6,749,903	-	-	-	6,749,903
Local Agency Investment Fund	9,012,294	-	-	-	9,012,294
Totals	\$ 62,585,049	\$ 13,172,809	\$ 85,187,965	\$ 33,029,614	\$ 193,975,437

Concentration of Credit Risk

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

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

As of June 30, 2016, 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	5.40%
Federal Home Loan Mortgage Corp	8.58%
Federal National Mortgage Association	14.81%

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

Fair Value Measurement

During the fiscal year ended June 30 2016, the City implemented GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 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, 2016 (Continued)

Note 3 Cash and Investments (Continued)

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

Investments by fair value level	Fair Value	Fair value Measurement Using Significant Other Observable Inputs (Level 2)
Money Market Fund	\$ 276,500	\$ 276,500
Commercial Paper	1,675,960	1,675,960
Medium Term Notes	43,154,970	43,154,970
Supranationals	1,923,461	1,923,461
US Treasury Notes	31,573,369	31,573,369
Federal Farm Credit Bank	4,491,435	4,491,435
Federal Home Loan Bank	10,468,351	10,468,351
Federal Home Loan Mortgage Corp.	16,642,391	16,642,391
Federal National Mortgage Association	28,735,098	28,735,098
Held By Bond Trustee:		
Money Market Funds	6,749,903	6,749,903
Total	<u>145,691,438</u>	<u>\$ 145,691,438</u>
Uncategorized:		
Local Agency Investment Fund	39,271,705	
Held By Bond Trustee:		
Local Agency Investment Fund	9,012,294	
Total uncategorized	<u>48,283,999</u>	
Total investments measured at fair value	<u>\$ 193,975,437</u>	

Note 4 Notes and Loans

a. Notes and Loans Receivable

Notes and loans receivables of \$46,540,686 consist primarily of revolving home improvement loans and are due beyond one year.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 4 Notes and Loans (Continued)

A summary of amounts owed at June 30, 2016, follows:

	Housing Authority	Neighborhood Stabilization Grant	Nonmajor Governmental Funds	Total
Cottonwood Properties	\$ 2,924,454	\$ -	\$ 2,050,000	\$ 4,974,454
Sheila Street Rehabilitation	2,651,875	-	-	2,651,875
RHDC Properties	1,820,238	443,026	812,748	3,076,012
Coachella Valley Housing Coalition	1,639,450	-	-	1,639,450
Ability First	824,917	-	-	824,917
Bay Family Apartments	755,000	-	-	755,000
Perris Isle	413,000	-	687,000	1,100,000
Oakwood	3,000,000	-	-	3,000,000
Rancho Dorado	12,500,000	-	-	12,500,000
Hemlock Family Apartments	6,300,000	-	1,628,642	7,928,642
Others	597,146	6,989,095	504,095	8,090,336
Totals	\$ 33,426,080	\$ 7,432,121	\$ 5,682,485	\$ 46,540,686

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, 2016, the balance of \$14,805,341 consists of the following:

The Towngate Regional Mall notes (Sears Note) totaling \$11,597,136 originate 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, 2016, accrued interest amounts to \$3,208,205.

City of Moreno Valley, California

**Notes to Financial Statements
Year Ended June 30, 2016 (Continued)**

Note 5 Capital Assets

The following is a schedule of changes in governmental activities capital assets for the year ended June 30, 2016.

	Balance July 1, 2015	Additions	Deletions	Adjustments	Balance June 30, 2016
Non-Depreciable Assets:					
Land	\$ 310,197,236	\$ -	\$ -	-	\$ 310,197,236
Construction in progress	32,746,284	18,636,634	(31,889,400)	-	19,493,518
Total Non-Depreciable Assets	<u>342,943,520</u>	<u>18,636,634</u>	<u>(31,889,400)</u>	<u>-</u>	<u>329,690,754</u>
Depreciable Assets					
Buildings and improvements	137,931,320	4,133,851	-	(174,110)	141,891,061
Furniture and equipment	19,751,434	2,060,117	(2,391,902)	-	19,419,649
Vehicles	9,049,634	710,829	(501,664)	-	9,258,799
Infrastructure	804,149,960	35,867,727	-	(18,118)	839,999,569
Total Depreciable Assets	<u>970,882,348</u>	<u>42,772,524</u>	<u>(2,893,566)</u>	<u>(192,228)</u>	<u>1,010,569,078</u>
Less Accumulated Depreciation:					
Buildings and improvements	(55,681,191)	(3,827,759)	-	-	(59,508,950)
Furniture and equipment	(11,072,316)	(1,583,424)	2,022,703	-	(10,633,037)
Vehicles	(7,806,582)	(362,531)	501,664	-	(7,667,449)
Infrastructure	(332,101,799)	(24,758,869)	-	-	(356,860,668)
Total Accumulated Depreciation	<u>(406,661,888)</u>	<u>(30,532,583)</u>	<u>2,524,367</u>	<u>-</u>	<u>(434,670,104)</u>
Total Depreciable Assets, Net	<u>564,220,460</u>	<u>12,239,941</u>	<u>(369,199)</u>	<u>(192,228)</u>	<u>575,898,974</u>
Total Net Capital Assets	<u>\$ 907,163,980</u>	<u>\$ 30,876,575</u>	<u>\$ (32,258,599)</u>	<u>(192,228)</u>	<u>\$ 905,589,728</u>

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

Governmental Activities:	
General government	\$ 1,270,535
Public safety	1,116,784
Community development	238,066
Community and cultural	1,994,268
Public works	24,759,578
Internal service funds	1,153,353
Total	<u>\$ 30,532,583</u>

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (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, 2016:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Non-Depreciable Assets:				
Land	\$ 1,729,408	\$ -	\$ -	\$ 1,729,408
Construction in progress	5,013	1,404,860	-	1,409,873
Total Non-Depreciable Assets	<u>1,734,421</u>	<u>1,404,860</u>	<u>-</u>	<u>3,139,281</u>
Depreciable Assets:				
Furniture and equipment	-	625,019	-	625,019
Infrastructure	43,731,366	1,820,745	(585,000)	44,967,111
Total Depreciable Assets	<u>43,731,366</u>	<u>2,445,764</u>	<u>(585,000)</u>	<u>45,592,130</u>
Less Accumulated Depreciation:				
Furniture and equipment	-	-	(325,000)	(325,000)
Infrastructure	(7,091,350)	(1,007,081)	585,000	(7,513,431)
Total Accumulated Depreciation	<u>(7,091,350)</u>	<u>(1,007,081)</u>	<u>260,000</u>	<u>(7,838,431)</u>
Total Depreciable Assets, Net of Accumulated Depreciation	<u>36,640,016</u>	<u>1,438,683</u>	<u>(325,000)</u>	<u>37,753,699</u>
Total Net Capital Assets	<u>\$ 38,374,437</u>	<u>\$ 2,843,543</u>	<u>\$ (325,000)</u>	<u>\$ 40,892,980</u>

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

Electric Utility \$ 1,007,081

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (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, 2016:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Towngate Community Facilities District No. 87-1:					
2007 Towngate Special Tax Refunding Bonds	\$ 6,095,000	-	\$ (760,000)	\$ 5,335,000	\$ 790,000
2007 Towngate Improvement Tax Refunding	2,605,000	-	(240,000)	2,365,000	250,000
Moreno Valley Public Facilities Financing					
2011 Private Replacement Refunding, Series 1997					
Variable Rate Certificates of Participation	1,529,500	-	(753,500)	776,000	776,000
Moreno Valley Public Facilities Financing Authority:					
2011 Private Replacement Refunding, Series 1997					
Variable Rate Certificates of Participation	2,314,000	-	(252,000)	2,062,000	262,000
2013 Refunding of 2005 Lease Revenue Bonds	9,831,000	-	(1,033,000)	8,798,000	1,085,000
Unamortized premium	936,103	-	(117,013)	819,090	117,013
2014 Refunding of 2005 Lease Revenue Bonds	22,655,745	-	(53,676)	22,602,069	-
Unamortized premium	1,452,340	-	(72,279)	1,380,061	72,635
City:					
2013 Total Road Improvement Program COP's					
Unamortized discount	20,000,000	-	-	20,000,000	490,000
OPEB liability	(129,553)	-	5,400	(124,153)	5,398
Accrued self-insurance claims and judgements	1,593,000	6,000	-	1,599,000	-
Compensated absences:	2,217,000	377,900	(634,240)	1,960,660	795,000
Governmental Funds	5,184,344	3,690,260	(2,812,844)	6,061,760	3,110,606
Internal Service Funds	205,718	190,372	(117,822)	278,268	123,431
Totals	<u>\$ 76,489,197</u>	<u>\$ 4,264,532</u>	<u>\$ (6,840,974)</u>	<u>\$ 73,912,755</u>	<u>\$ 7,877,083</u>

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.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the 2007 Towngate Special Tax Refunding Bonds payable outstanding at June 30, 2016, are as follows:

Year Ending June 30,	2007 Towngate Special Tax Refunding Bonds	
	Principal	Interest
2017	\$ 790,000	\$ 218,431
2018	830,000	177,931
2019	870,000	136,106
2020	910,000	96,831
2021	950,000	59,631
2022	985,000	20,316
Totals	\$ 5,335,000	\$ 709,246

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. 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.

The annual debt service requirements for the 2007 Towngate Improvement Tax Refunding Bonds payable outstanding at June 30, 2016, are as follows:

Year Ending June 30,	2007 Towngate Improvement Tax Refunding Bonds	
	Principal	Interest
2017	\$ 250,000	\$ 105,170
2018	260,000	93,851
2019	275,000	81,676
2020	290,000	68,536
2021	300,000	54,671
2022-2023	990,000	73,288
Totals	\$ 2,365,000	\$ 477,192

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 6 Long Term Debt (Continued)

2011 Private Placement Refunding, 1997 Certificates of Participation

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

The annual debt service requirements for the 2011 Private Placement Refunding, 1997 Certificates of Participation payable outstanding at June 30, 2016, are as follows:

Year Ending June 30,	<u>2011 Private Placement Refunding, 1997 Certificates of Participation</u>	
	<u>Principal</u>	<u>Interest</u>
2017	<u>\$ 776,000</u>	<u>\$ 11,330</u>
Totals	<u>\$ 776,000</u>	<u>\$ 11,330</u>

2011 Private Placement Refunding, 1997 Lease Revenue Bonds

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the 2011 Private Placement Refunding, 1997 Lease Revenue Bonds payable outstanding at June 30, 2016, are as follows:

Year Ending June 30,	2011 Private Placement Refunding 1997 Lease Revenue Bonds	
	Principal	Interest
2017	\$ 262,000	\$ 76,854
2018	273,000	66,207
2019	282,000	55,163
2020	291,000	43,760
2021	305,000	31,900
2022-2024	649,000	26,089
Totals	\$ 2,062,000	\$ 299,973

2013 Refunding Lease Revenue Bonds

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the 2013 Refunding Lease Revenue Bonds, payable outstanding at June 30, 2016, are as follows:

<u>2013 Refunding Lease Revenue Bonds</u>		
Year Ending June 30,	Principal	Interest
2017	\$ 1,085,000	\$ 411,946
2018	1,132,000	356,649
2019	1,183,000	298,898
2020	1,256,000	238,026
2021	1,312,000	173,920
2022-2023	2,830,000	143,039
Totals	<u>\$ 8,798,000</u>	<u>\$ 1,622,478</u>

2013 Total Road Improvement Program Certificates of Participation

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

The annual debt service requirements for the 2013 Total Road Improvement Program COPs payable outstanding at June 30, 2016, are as follows:

<u>2013 Total Road Improvement Program Certificates of Participation</u>		
Year Ending June 30,	Principal	Interest
2017	\$ 490,000	\$ 991,313
2018	515,000	966,813
2019	540,000	941,063
2020	570,000	914,063
2021	600,000	885,563
2022-2026	3,435,000	3,984,819
2027-2031	4,300,000	3,116,894
2032-2036	5,510,000	1,910,600
2037-2039	4,040,000	421,019
Totals	<u>\$ 20,000,000</u>	<u>\$ 14,132,147</u>

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 6 Long Term Debt (Continued)

2014 Refunding Lease Revenue Bonds

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

The annual debt service requirements for the 2014 Refunding Lease Revenue Bonds, payable outstanding at June 30, 2016, are as follows:

<u>2014 Refunding Lease Revenue Bonds</u>		
Year Ending June 30,	Principal	Interest
2017	\$ -	\$ 1,009,332
2018	-	1,009,332
2019	-	1,009,332
2020	-	1,009,332
2021	-	1,009,332
2022-2026	4,079,376	4,747,195
2027-2031	8,266,104	3,043,586
2032-2036	10,256,589	1,057,865
Totals	<u>\$ 22,602,069</u>	<u>\$ 13,895,306</u>

Compensated Absences

At June 30, 2016, the amount of compensated absences liability was \$6,340,028. This amount consists of \$6,061,760 for governmental funds, principally paid by the General Fund, and \$278,268 for internal service funds.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (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, 2016:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Lease Revenue Bonds, 2007	\$ 23,120,000	-	\$ (520,000)	\$ 22,600,000	\$ 550,000
Less unamortized discount	(240,792)	-	10,945	(229,847)	-
Refunding Lease Revenue Bonds, 2013	1,169,000	-	(122,000)	1,047,000	130,000
Plus unamortized premium	100,852	-	(12,606)	88,246	-
Refunding Lease Revenue Bonds, 2014	2,669,255	-	(6,324)	2,662,931	-
Plus unamortized premium	163,714	-	(7,796)	155,918	-
Lease Revenue Bonds, 2015	-	10,430,000	-	10,430,000	175,000
Less unamortized discount	-	(41,707)	1,438	(40,269)	-
Compensated absences	137,225	166,816	(58,325)	245,716	147,430
Totals	<u>\$ 27,119,254</u>	<u>\$ 10,555,109</u>	<u>\$ (714,668)</u>	<u>\$ 36,959,695</u>	<u>\$ 1,002,430</u>

Lease Revenue Bonds, 2007

Lease Revenue Bonds 2007 (Taxable) in the original issue amount of \$25,765,000 were issued for the purpose of financing a City-owned 115kV to 12kV substation, an 115kV to 12kV switchyard adjacent to the substation, and other infrastructure improvements to support planned growth of the City-owned electrical distribution system. The bonds mature in serial and term fashion through May 1, 2038 and bear interest ranging from 5.084% to 5.75%. The bonds are subject to both optional and mandatory redemption beginning May 1, 2017. The bonds are payable from lease payments made by the City under a project lease dated May 1, 2007, 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 115kV to 12kV substation. This issue is fully insured in the event of nonpayment by the City.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the Lease Revenue Bonds, 2007 payable outstanding at June 30, 2016, are as follows:

Year Ending June 30,	Lease Revenue Bonds, 2007	
	Principal	Interest
2017	\$ 550,000	\$ 1,280,893
2018	575,000	1,252,931
2019	610,000	1,221,024
2020	640,000	1,187,175
2021	680,000	1,151,661
2022-2026	3,995,000	5,150,414
2027-2031	5,245,000	3,899,208
2032-2036	6,940,000	2,209,150
2037-2038	3,365,000	292,963
Totals	\$22,600,000	\$ 17,645,419

2013 Refunding Lease Revenue Bonds

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the 2013 Refunding Lease Revenue Bonds, payable outstanding at June 30, 2016, are as follows

<u>2013 Refunding Lease Revenue Bonds</u>		
Year Ending June 30,	Principal	Interest
2017	\$ 130,000	\$ 49,929
2018	133,000	43,226
2019	142,000	36,227
2020	149,000	28,850
2021	158,000	21,080
2022-2023	335,000	17,335
Totals	<u>\$ 1,047,000</u>	<u>\$ 196,647</u>

2014 Refunding Lease Revenue Bonds

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 6 Long Term Debt (Continued)

The annual debt service requirements for the 2014 Refunding Lease Revenue Bonds payable outstanding at June 30, 2016 are as follows:

Year Ending June 30,	2014 Refunding Lease Revenue Bonds	
	Principal	Interest
2017	\$ -	118,918
2018	-	118,918
2019	-	118,918
2020	-	118,918
2021	-	118,918
2022-2026	480,624	559,305
2027-2031	973,896	358,589
2032-2036	1,208,411	124,636
Totals	\$ 2,662,931	\$ 1,637,120

Lease Revenue Bonds, 2015

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

The annual debt service requirements for the 2015 Lease Revenue Bonds payable outstanding at June 30, 2016 are as follows:

Year Ending June 30,	Lease Revenue Bonds, 2015	
	Principal	Interest
2017	\$ 175,000	\$ 460,288
2018	200,000	457,444
2019	205,000	453,388
2020	210,000	448,325
2021	215,000	442,344
2022-2026	1,170,000	2,098,281
2027-2031	1,415,000	1,844,116
2032-2036	1,760,000	1,486,838
2037-2041	2,235,000	1,001,375
2042-2045	2,845,000	369,375
Totals	\$ 10,430,000	\$ 9,061,773

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

Compensated Absences

At June 30, 2016, the amount of compensated absences liability totaled \$245,716. Based on the current trend of usage, \$147,430 is expected to be paid within one year.

c. Conduit Debt

The City has no conduit debt as of June 30, 2016.

d. Non-Commitment Debt

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, 2016, was \$5,605,000.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

Due From Other Funds	Due To Other Funds				Total
	CSD Zones	Neighborhood Stabilization Grant	Nonmajor Governmental Funds	Agency Funds	
General Fund	<u>\$ 14,745</u>	<u>\$ 3,135,377</u>	<u>\$ 2,445,431</u>	<u>4,267</u>	<u>\$ 5,599,820</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. In June 2006, the General Fund LAIF account reached the LAIF threshold and as an alternative for investing, the remaining funds were loaned to the CSD Zones Fund. The amount of the loans outstanding at June 30, 2016, was \$14,745.

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

Major Fund:	
Neighborhood Stabilization Grant	\$ 3,135,377
Nonmajor Governmental Funds:	
Article 3 Transportation	7,462
Law Enforcement	235,068
Other Grants	57,227
Community Development Grant	736,007
Child Care Grant	27,316
Stormwater Maintenance	56,297
ASES Pogram Grants	464,216
TUMF Capital Projects	708,942
TRIP Capital Projects	36,766
Miscellaneous Grants	116,130
Total Nonmajor Governmental Funds	\$ 5,580,808

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

a. Advances To/From Other Funds

	Advances from Other Funds
	Development Impact Fees
Advances to Other Funds	
General Fund	\$ 4,222,000

The General Fund loaned \$4,222,000 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, 2017.

b. Interfund Transfers (Continued)

Transfers Out	Transfers In						Total
	General Fund	CSD Zones	Development Impact Fees	Facility Construction	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 1,004,137	\$ -	\$ -	\$ 922,534	\$ 815,000	\$ 2,741,671
Development Impact Fees	4,552	-	-	-	3,357,645	-	3,362,197
Nonmajor Governmental Funds	-	-	1,239,184	155,000	1,089,957	-	2,484,141
Internal Service Funds	658,686	-	-	-	787,160	7,873,977	9,319,823
Total	\$ 663,238	\$ 1,004,137	\$ 1,239,184	\$ 155,000	\$ 6,157,296	\$ 8,688,977	\$ 17,907,832

The General Fund transferred a total of \$2,741,671 to several funds to provide subsidies to cover the operating deficits and to cover the cost for general benefit services.

The Development Impact Fees Fund transferred a total of \$3,357,645 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 \$7,873,977 between other Internal Service funds primarily as a result of reserve funds being transferred to the Equipment Maintenance Fund for future vehicle fleet replacements.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 8 Employee Pension Plan

a. General Information about the Pension Plans

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

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	52-62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	23.959%	27.196%

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Active employees	331
Retired employees	271
Inactive employees	268

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 8 Employee Pension Plan (Continued)

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

b. Net Pension Liability

The City’s net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	Varies by Entry Age and Service (1)
Investment rate of return	7.65% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds

(1) Depending on age, service, and type of employment

(2) Net of pension plan investment expenses, including inflation

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

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

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

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 8 Employee Pension Plan (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
Total	<u>100%</u>		

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (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	Governmental Activities Net Pension Liability (Asset)	Enterprise Net Pension Liability (Asset)
Balance at June 30, 2014	\$ 53,821,367	\$ 52,471,997	\$ 1,349,370
Changes in the year:			
Service cost	4,122,713	3,975,936	146,777
Interest on the total pension liability	12,457,642	12,014,125	443,517
Difference between actual and expected experience	(1,159,680)	(1,118,393)	(41,287)
Changes in assumptions	(3,142,601)	(3,030,718)	(111,883)
Contribution - employer	(4,923,787)	(4,748,490)	(175,297)
Contribution - employee (paid by employer)	(1,688,857)	(1,628,730)	(60,127)
Net investment income	(2,629,698)	(2,536,077)	(93,621)
Administrative expense	132,025	127,325	4,700
Net Changes	<u>3,167,757</u>	<u>3,054,978</u>	<u>112,779</u>
Balance at June 30, 2015	<u>\$ 56,989,124</u>	<u>\$ 55,526,975</u>	<u>\$ 1,462,149</u>

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

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

	<u>Miscellaneous</u>
1% Decrease	6.65%
Net pension liability	\$ 81,175,549
Current Discount Rate	7.65%
Net pension liability	\$ 56,989,124
1% Increase	8.65%
Net pension liability	\$ 37,029,628

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (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, 2016, the City recognized pension expense of \$4,141,716. At June 30, 2016, 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	\$ 5,070,294	\$ -
Changes of assumptions	-	(2,058,945)
Differences between expected and actual experiences	-	(759,790)
Net difference between projected and actual earnings on pension plan	<u>4,824,682</u>	<u>(5,831,643)</u>
	<u>\$ 9,894,976</u>	<u>\$ (8,650,378)</u>

\$ 5,070,294 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2016	\$	(2,221,257)
2017		(2,072,900)
2018		(737,711)
2019		1,206,172
2020		-
Thereafter		-

As of June 30, 2016, the City did not have outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 9 Other Post-Employment Benefits (OPEB)

Plan Description

The City's defined benefit postemployment healthcare plan provides a portion of certain health care for retired employees. In accordance with City policy, employees hired prior to September 30, 2011, who retire directly from the City under Cal PERS (age 50 and 5 years of Cal PERS 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 (Cal PERS), 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 Cal PERS and adopts those benefits through local ordinance. Cal PERS issues a separate comprehensive annual financial report. Copies of the Cal PERS annual financial report may be obtained from the Cal PERS Headquarters, 400 Q Street, Sacramento, California 95811.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by City Council. The City is required to contribute the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The current ARC rate is 5.00% of the annual covered payroll.

Annual OPEB Cost

For fiscal year 2015-2016, the City's annual OPEB cost was \$910,000. The required contribution for the fiscal year was determined as part of the June 30, 2015 actuarial valuation using the entry age normal cost method. The actuarial assumptions included:

- a) 6.00% investment rate of return (net of administrative expenses),
- b) projected salary increases for employees of 3.25%, and
- c) an annual healthcare cost increase of 4.5%.

Both a) and b) include an inflation component of 3.00%. The amortization method is the level percent of payroll.

The amortization period is a 30 year fixed (closed) period for the initial unfunded accrued actuarial liability with 22 years remaining as of June 30, 2016.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$	904,000
Interest on OPEB obligation		115,000
Adjustment to annual required contribution		<u>(109,000)</u>
Annual OPEB cost (expense)		910,000
Contribution made		<u>(904,000)</u>
Increase on OPEB obligation		6,000
Net OPEB obligation - beginning of year		<u>1,593,000</u>
Net OPEB obligation - end of year		<u><u>\$ 1,599,000</u></u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information on the next page, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

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

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for last three fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 1,066,000	58%	\$ 1,347,000
6/30/2015	910,000	73%	1,593,000
6/30/2016	910,000	99%	1,599,000

Required Supplementary Information – Funded Status of Plan
Latest Information Available

Valuation Date	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UAAI as Percent of Payroll
6/30/2013	\$ 12,531,000	\$ 6,186,000	\$ 6,345,000	49.4%	\$ 21,589,000	29.4%
6/30/2015	18,148,000	7,805,000	10,343,000	43.0%	17,919,000	57.7%

Note 10 Fund Deficits

The following fund contained a deficit fund balance as of June 30, 2016:

<u>Nonmajor Governmental Funds:</u>	
Capital Fund Projects:	
TUMF Capital Projects	\$ 122,130

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, 2016 (Continued)

Note 11 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, 2016:

Project Name	Contract Amount	Expenditures to date as of 6/30/2016	Remaining Commitments
<u>Governmental Activities</u>			
Perris Blvd/Ironwood-Manzanita	\$ 5,217,720	\$ 5,096,936	\$ 120,784
Nason St./Cactus Ave to Fir Ave.	8,748,971	7,945,321	803,650
SR-60/Nason Overcrossin Bridge	14,991,322	14,911,824	79,498
Corporate Yard	3,244,512	2,102,413	1,142,099

Electric Utility

No commitments at June 30, 2016

c. Litigation

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

d. Grants Review

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 12 Self-Insurance

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

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

Self-Insurance Payable

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

The fund establishes claims liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The City has accrued for its anticipated liability with respect to claims filed and claims incurred but not reported to the City as of year-end. The accruals are in the amounts of \$1,353,000 and \$607,660 for the workers' compensation claims and general liability claims, respectively, for a total of \$1,960,660. Of these amounts, the current year's adjustment is a decrease of \$256,340.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 12 Self-Insurance (Continued)

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

	General Liability	Workers; Compensation	Total
Amounts of accrued claims at June 30, 2014	\$ 671,000	\$ 1,423,000	\$ 2,094,000
Incurred claims, representing the total of a provision for events for the current fiscal year and any changes (increase or decrease) in the provision for events of prior fiscal years and adjustments to estimates.	359,000	436,000	795,000
Payments on claims attributable to events of both the current fiscal year and prior fiscal years.	<u>(183,000)</u>	<u>(489,000)</u>	<u>(672,000)</u>
Amount of accrued claims at June 30, 2015	<u>847,000</u>	<u>1,370,000</u>	<u>2,217,000</u>
Incurred claims, representing the total of a provision for events for the current fiscal year and any changes (increase or decrease) in the provision for events of prior fiscal years and adjustments to estimates.	<u>(44,100)</u>	<u>422,000</u>	<u>377,900</u>
Payments on claims attributable to events of both the current fiscal year and prior fiscal years.	<u>(195,240)</u>	<u>(439,000)</u>	<u>(634,240)</u>
Amount of accrued claims at June 30, 2016	<u>\$ 607,660</u>	<u>\$ 1,353,000</u>	<u>\$ 1,960,660</u>

Note 13 Successor Agency Trust for Assets of the Former Redevelopment Agency

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

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

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 13 **Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

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

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

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

Cash and Investments

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

Cash and investments	\$ 3,235,375
Cash and investments with fiscal agent	<u>8</u>
	<u><u>\$ 3,235,383</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, 2016 (Continued)

Note 13 **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, 2016, follows:

	Balance July 1, 2015	Additions	Repayments	Balance June 30, 2016	Due Within One Year
Fiduciary Activities					
City loans - principal	\$12,192,276	\$ -	\$ (595,140)	\$11,597,136	\$ 595,140
City loans - interest	3,376,068	-	(167,860)	3,208,205	167,860
Notes payable, Price Company	166,043	-	(166,043)	-	-
2007 TABs, Series A	41,585,000	-	(235,000)	41,350,000	245,000
Totals	<u>\$57,319,387</u>	<u>\$ -</u>	<u>\$(1,164,043)</u>	<u>\$56,155,341</u>	<u>\$ 1,008,000</u>

Loans Payable to the City of Moreno Valley

The Towngate Regional Mall notes (Sears Note), totaling \$13,000,000, originated from a participation agreement (as amended) whereby the Agency acquired certain parcels within the mall for subsequent transfer to major tenants. The notes bear interest of 4.9% and are payable solely from available site-generated property tax increment and up to 50% of site-generated sales tax. 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, 2016, the outstanding principal and accrued interest balances are \$11,597,136 and \$3,208,208, respectively.

Note Payable - Price Company

The former Redevelopment Agency had recorded a long-term payable in the original amount of \$2,433,744 under a development and disposition agreement and promissory note with Price Company for the reimbursement of costs of construction of a 130,000-square-foot retail store. The note bears interest at 8% per annum and is payable from property tax equal to 50% of site-generated sales tax. As of June 30, 2016, the outstanding balance was paid in full.

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 13 **Successor Agency Trust for Assets of the Former Redevelopment Agency (Continued)**

2007 Tax Allocation Bonds Series A

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

The annual debt service requirements for the 2007 Tax Allocation Bonds Series A payable outstanding at June 30, 2016, are as follows:

Year Ending June 30,	2007 Tax Allocation Bonds Series A	
	Principal	Interest
2017	\$ 245,000	\$ 2,000,109
2018	250,000	1,990,209
2019	260,000	1,980,009
2020	265,000	1,969,509
2021	270,000	1,958,640
2022-2026	6,415,000	9,204,840
2027-2031	10,040,000	7,187,818
2032-2036	13,655,000	4,261,125
2037-2038	9,950,000	762,500
Totals	\$ 41,350,000	\$ 31,314,759

City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 13 **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 \$72,664,759 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$5,877,243 and the debt service obligation on the bonds was \$2,244,121.

a. Insurance

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

b. Commitments and Contingencies

Litigation

At June 30, 2016, the Successor Agency was involved as a defendant in several lawsuits arising out of the ordinary conduct of its affairs. It is the opinion of management that settlements of these lawsuits, including losses for claims that are incurred but not reported, if any, will not have a material effect on the financial position of the Successor Agency.

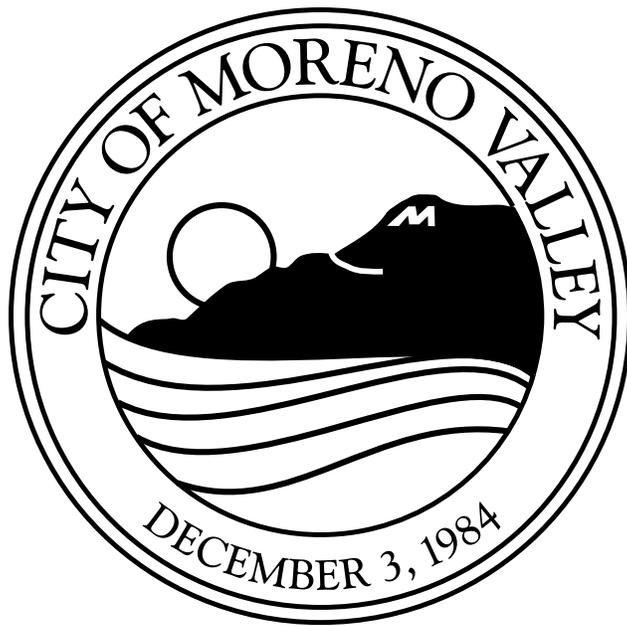
City of Moreno Valley, California
Notes to Financial Statements
Year Ended June 30, 2016 (Continued)

Note 14 Subsequent Events

The City has evaluated events subsequent to June 30, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 6, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

On August 25, 2016 the Community Facilities District No. 7 of the City of Moreno Valley issued bonds in the amount of \$3,265,000. These bonds mature September 1, 2047 and bear a total interest cost of 3.31%. These bonds were issued in order to reimburse the developer for the cost of certain site improvements and will be repaid from a special tax assessment levied on the parcels. This debt is not the responsibility of the City but the City has agreed to 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 City is in the process of issuing bonds totaling approximately \$24,475,000 with the purpose of refunding the outstanding balance of the 2007 Lease Revenue Bonds (Taxable). In 2007 the City issued bonds in the amount of \$25,765,000 to construct various facilities related to the Moreno Valley Utility. As of June 30, 2016 the remaining outstanding balance totaled \$22.6 million. The issue is structured as an advanced refunding issue with the bond proceeds to be held by the trustee until the first call date in May 2017. The refunding bond issuance is expected to be finalized by mid-December 2016.



City of Moreno Valley, California

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

Last Ten Years *

	Reporting Period	
	2015	2016
Total Pension Liability		
Service cost	\$ 4,630,703	\$ 4,122,713
Interest on total pension liability	11,785,648	12,457,642
Differences between expected and actual experience	—	(1,159,680)
Changes in assumptions	—	(3,142,601)
Benefit payments, including refunds of employee contributions	(5,670,706)	(6,643,394)
Net change in total pension liability	<u>10,745,645</u>	<u>5,634,680</u>
Total pension liability - beginning of year	<u>157,661,972</u>	<u>168,407,617</u>
Total pension liability - end of year (a)	<u>\$ 168,407,617</u>	<u>\$ 174,042,297</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ 4,620,745	\$ 4,923,787
Contributions - employee	1,934,518	1,688,857
Net investment income	16,911,034	2,629,698
Benefit payments	(5,670,706)	(6,643,394)
Administrative expenses	—	(132,025)
Net change in plan fiduciary net position	<u>17,795,591</u>	<u>2,466,923</u>
Plan fiduciary net position - beginning of year	<u>96,790,659</u>	<u>114,586,250</u>
Plan fiduciary net position - end of year (b)	<u>\$ 114,586,250</u>	<u>\$ 117,053,173</u>
Net pension liability - end of year (a)-(b)	<u>\$ 53,821,367</u>	<u>\$ 56,989,124</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>68.04%</u>	<u>67.26%</u>
Covered - employee payroll	<u>\$ 23,278,052</u>	<u>\$ 22,079,654</u>
Net pension liability as percentage of covered-employee payroll	<u>231.21%</u>	<u>258.11%</u>

Notes to Schedule:

Benefit changes - The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. 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 - The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

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

City of Moreno Valley, California

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

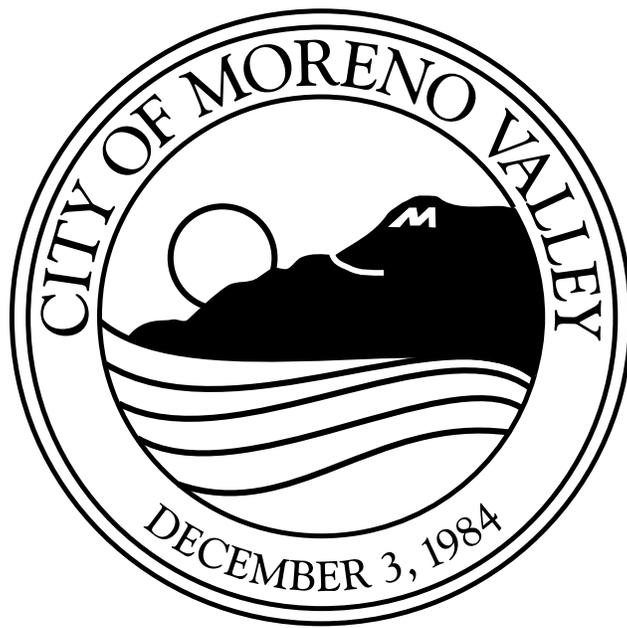
	<u>2015</u>	<u>2016</u>
Actually determined contributions	\$ 4,616,283	\$ 4,919,325
Contributions in relation to the actuarially determined contribution:	(4,620,745)	(4,923,787)
Contribution deficiency / (excess)	<u>\$ (4,462)</u>	<u>\$ (4,462)</u>
Covered-employee payroll	<u>\$ 23,278,052</u>	<u>\$ 22,079,654</u>
Contributions as a percentage of covered-employee payroll	<u>19.85%</u>	<u>22.30%</u>

Notes to Schedule:

Valuation date	6/30/2013	6/30/2014
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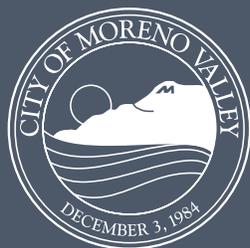
The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 public agency valuations.

Actuarial cost method	Entry Age Normal
Amortization method / Period	For details, see June 30, 2012 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report.
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.00%
Investment rate of return	7.50%, Net of Pension Plan Investment Expense and Expenses; including inflation.
Retirement age	The probabilities of Retirement are based on the 2010 Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre- and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

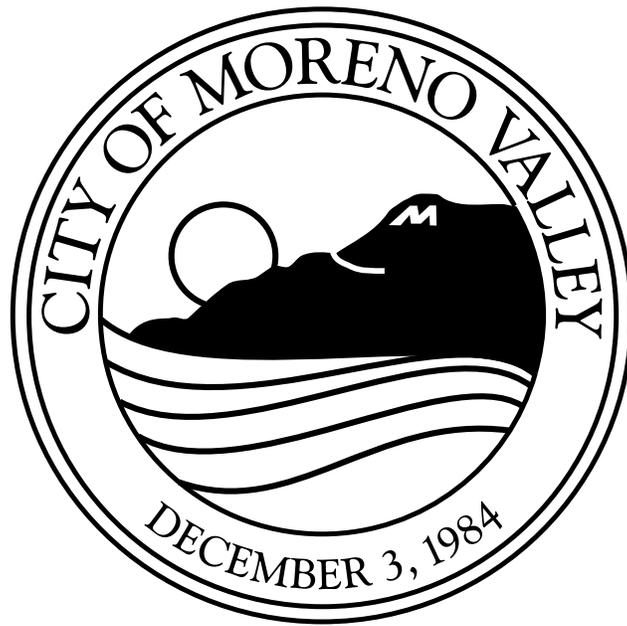


Supplemental
Schedules

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR
ENDED JUNE 30, 2016



NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

State Gas Tax Fund

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

Article 3 Transportation Fund

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

Measure A Fund

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

Law Enforcement Grants Fund

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

Other Grants Fund

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

Public Education Government Access Fund

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

Air Quality Management Fund

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

Community Development Block Grant Fund

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED):

Special Districts Administration Fund

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

Storm Water Management Fund

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

HOME Fund

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

Child Care Grant Fund

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

Used Oil Recycling Grant Fund

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

Storm Water Maintenance Fund

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

ASES Program Grants Fund

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

CFD No. 2014-01 Fund

This fund is used to finance public services related to new parks constructed after the formation of the District and authorized the levy of a special tax. Financial responsibility for new parks is placed onto those properties that created the need for additional park facilities.

CFD No. 4-M Fund

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (CONTINUED):

Civil Penalties Fund

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

Emergency Services Agency Fines Fund

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

Energy Efficiency Revolving Fund

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

Capital Projects Grants Fund

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

CAPITAL PROJECTS FUNDS:

Public Works Capital Projects Fund

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

Traffic Signal Mitigation Fund

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

Fire Services Capital Projects Fund

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

Towngate Capital/Administration Fund

This fund is used to account for the acquisition and construction of capital facilities in the Towngate area financed through special tax bonds.

Warner Ranch Capital/Development Fund

This fund is used to account for the acquisition or construction of capital facilities in the Warner Ranch area financed through special assessments.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS (CONTINUED):

Parks and Community Services Development and Projects Fund

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

TUMF Capital Projects Fund

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

DIF Capital Projects Fund

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

TRIP Capital Projects Fund

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

DEBT SERVICE FUNDS:

2007 Towngate Improvement Refunding Debt Service Fund

This fund is used to account for the accumulation of resources and 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 Debt Service Fund

This fund is used to account for the accumulation of resources and for the payment of principal, interest, and trustee and administrative costs related to the Special Tax Refunding Bonds issued November 29, 2007.

2011 Private Placement Refunding 97 Lease Rev Bonds

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

2011 Private Placement Refunding 97 Various COPs

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

DEBT SERVICE FUNDS (CONTINUED):

TRIP COP 13A Debt Service Fund

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

2013 Refunding 2005 Lease Revenue Bonds

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

2014 Refunding 2005 Lease Revenue Bonds

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

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 will use 85% of the interest earned each year to sponsor a community event at Celebration Park for the surrounding community to enhance community pride and involvement.

Equestrian Trail Endowment Fund

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

Rockridge Park Endowment Fund

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

NPDES Endowment Fund

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

Cultural Preservation Fund

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

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	<u>Special Revenue Funds</u>			
	State Gasoline Tax	Article 3 Transportation	Measure A	Law Enforcement Grants
Assets				
Pooled cash and investments	\$ 45,529	\$ -	\$ 6,794,068	\$ -
Receivables:				
Accounts	-	-	9,220	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	32,821	1,100,532	254,079
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u>\$ 45,529</u>	<u>\$ 32,821</u>	<u>\$ 7,903,820</u>	<u>\$ 254,079</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ 29,175	\$ 25,359	\$ 187,454	\$ 19,011
Accrued liabilities	16,354	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	7,462	-	235,068
Total Liabilities	<u>45,529</u>	<u>32,821</u>	<u>187,454</u>	<u>254,079</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	7,716,366	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>-</u>	<u>-</u>	<u>7,716,366</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 45,529</u>	<u>\$ 32,821</u>	<u>\$ 7,903,820</u>	<u>\$ 254,079</u>

City of Moreno Valley, California

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016**

<u>Special Revenue Funds</u>				
<u>Other Grants</u>	<u>Public Education Government Access</u>	<u>Air Quality Management</u>	<u>Community Development Block Grant</u>	
\$ -	\$ 1,397,752	\$ 158,718	\$ -	Assets
10,733	147,931	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
291,966	-	-	1,151,719	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
<u>\$ 302,699</u>	<u>\$ 1,545,683</u>	<u>\$ 158,718</u>	<u>\$ 1,151,719</u>	Restricted assets:
				Cash with fiscal agents
				Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ 72,595	\$ -	\$ 11,794	\$ 415,712	Liabilities
-	-	-	-	Accounts payable
56,747	-	-	-	Accrued liabilities
173,357	-	-	736,007	Unearned revenues
<u>302,699</u>	<u>-</u>	<u>11,794</u>	<u>1,151,719</u>	Due to other funds
				Total Liabilities
				Deferred Inflows of Resources:
				Unavailable revenues
				Total Deferred Inflows of Resources
				Fund Balances:
				Nonspendable
-	-	-	-	Notes and loans
-	-	-	-	Advances to other funds
-	-	-	-	Permanent fund principal
-	1,545,683	-	-	Restricted for:
-	-	-	-	Community development projects
-	-	146,924	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
<u>-</u>	<u>1,545,683</u>	<u>146,924</u>	<u>-</u>	Unassigned
				Total Fund Balances
<u>\$ 302,699</u>	<u>\$ 1,545,683</u>	<u>\$ 158,718</u>	<u>\$ 1,151,719</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	<u>Special Revenue Funds</u>			
	<u>Special Districts Administration</u>	<u>Storm Water Management</u>	<u>HOME</u>	<u>Child Care Grant</u>
Assets				
Pooled cash and investments	\$ 1,212,450	\$ 701,883	\$ 246,318	\$ -
Receivables:				
Accounts	-	39,790	-	-
Notes and loans	-	-	5,682,485	-
Interest	-	-	536,658	-
Due from other governments	-	4,026	132,017	60,005
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u><u>\$ 1,212,450</u></u>	<u><u>\$ 745,699</u></u>	<u><u>\$ 6,597,478</u></u>	<u><u>\$ 60,005</u></u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ 1,813	\$ 38,082	\$ 60,231	\$ 2,907
Accrued liabilities	21,243	-	-	29,782
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	27,316
Total Liabilities	<u><u>23,056</u></u>	<u><u>38,082</u></u>	<u><u>60,231</u></u>	<u><u>60,005</u></u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	637,987	-
Total Deferred Inflows of Resources	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>637,987</u></u>	<u><u>-</u></u>
Fund Balances:				
Nonspendable				
Notes and loans	-	-	5,581,156	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	318,104	-
Public safety	-	-	-	-
Public works	1,189,394	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water Quality	-	707,617	-	-
Unassigned				
Total Fund Balances	<u><u>1,189,394</u></u>	<u><u>707,617</u></u>	<u><u>5,899,260</u></u>	<u><u>-</u></u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,212,450</u></u>	<u><u>\$ 745,699</u></u>	<u><u>\$ 6,597,478</u></u>	<u><u>\$ 60,005</u></u>

City of Moreno Valley, California

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016**

<u>Special Revenue Funds</u>				
<u>Used Oil Recycling</u>	<u>Storm Water Maintenance</u>	<u>ASES Program Grants</u>	<u>CFD No. 2014-01</u>	
\$ 62,107	\$ -	\$ -	\$ 157,753	Assets
-	140,786	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	505,092	835	Interest
-	-	-	-	Due from other governments
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 62,107</u>	<u>\$ 140,786</u>	<u>\$ 505,092</u>	<u>\$ 158,588</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ 7,249	\$ 4,883	\$ 5,403	\$ 87,621	Liabilities
-	-	-	-	Accounts payable
54,858	-	-	-	Accrued liabilities
-	56,297	464,216	-	Unearned revenues
<u>62,107</u>	<u>61,180</u>	<u>469,619</u>	<u>87,621</u>	Due to other funds
				Total Liabilities
-	-	-	-	Deferred Inflows of Resources:
-	-	-	-	Unavailable revenues
				Total Deferred Inflows of Resources
				Fund Balances:
-	-	-	-	Nonspendable
-	-	-	-	Notes and loans
-	-	-	-	Advances to other funds
-	-	-	-	Permanent fund principal
-	-	35,473	-	Restricted for:
-	-	-	-	Community development projects
-	79,606	-	70,967	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Unassigned
<u>-</u>	<u>79,606</u>	<u>35,473</u>	<u>70,967</u>	Total Fund Balances
<u>\$ 62,107</u>	<u>\$ 140,786</u>	<u>\$ 505,092</u>	<u>\$ 158,588</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	<u>Special Revenue Funds</u>			
	<u>CFD No. 4-M</u>	<u>Civil Penalties</u>	<u>Emergency Services Agency Fines</u>	<u>Energy Efficiency Revolving</u>
Assets				
Pooled cash and investments	\$ 85,013	\$ 124,174	\$ 391,028	\$ 123,949
Receivables:				
Accounts	-	-	82,254	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u>\$ 85,013</u>	<u>\$ 124,174</u>	<u>\$ 473,282</u>	<u>\$ 123,949</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ 3,748	\$ 2,599	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>3,748</u>	<u>2,599</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Nonspendable				
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	121,575	-	-
Public safety	-	-	473,282	-
Public works	81,265	-	-	123,949
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>81,265</u>	<u>121,575</u>	<u>473,282</u>	<u>123,949</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 85,013</u>	<u>\$ 124,174</u>	<u>\$ 473,282</u>	<u>\$ 123,949</u>

City of Moreno Valley, California

**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016**

<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>			
<u>Grants Capital Projects</u>	<u>Public Works Capital Projects</u>	<u>Traffic Signal Mitigation</u>	<u>Fire Services Capital Projects</u>		
\$ 676,708	\$ 904,994	\$ 141,191	\$ 62,884		Assets
-	-	-	-		Pooled cash and investments
-	-	-	-		Receivables:
-	-	-	-		Accounts
172,230	374,637	-	-		Notes and loans
-	-	-	-		Interest
-	-	-	-		Due from other governments
-	-	-	-		Restricted assets:
-	-	-	-		Cash with fiscal agents
<u>\$ 848,938</u>	<u>\$ 1,279,631</u>	<u>\$ 141,191</u>	<u>\$ 62,884</u>		Total Assets
					Liabilities, Deferred Inflows of Resources, and Fund Balances:
					Liabilities
\$ 49,521	\$ 113,439	\$ -	\$ -		Accounts payable
-	-	-	-		Accrued liabilities
-	-	-	-		Unearned revenues
-	-	-	-		Due to other funds
<u>49,521</u>	<u>113,439</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
-	-	-	-		Notes and loans
-	-	-	-		Advances to other funds
-	-	-	-		Permanent fund principal
					Restricted for:
-	-	-	-		Community development projects
-	-	-	-		Public safety
-	-	-	-		Public works
799,417	1,166,192	141,191	62,884		Capital projects
-	-	-	-		Debt service
-	-	-	-		Endowment
-	-	-	-		Water quality
-	-	-	-		Unassigned
<u>799,417</u>	<u>1,166,192</u>	<u>141,191</u>	<u>62,884</u>		Total Fund Balances
<u>\$ 848,938</u>	<u>\$ 1,279,631</u>	<u>\$ 141,191</u>	<u>\$ 62,884</u>		Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Capital Projects Funds			
	Towngate Capital / Administration	Warner Ranch Capital / Development	Parks and Community Services Capital Projects	TUMF Capital Projects
Assets				
Pooled cash and investments	\$ -	\$ -	\$ 4,436,925	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	612,940
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ -	\$ 4,436,925	\$ 612,940
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 20,726	\$ 26,128
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	708,942
Total Liabilities	-	-	20,726	735,070
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	4,416,199	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	-	-	-	(122,130)
Total Fund Balances	-	-	4,416,199	(122,130)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 4,436,925	\$ 612,940

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

<u>Capital Projects Funds</u>		<u>Debt Service Funds</u>		
<u>DIF Capital Projects</u>	<u>TRIP Capital Projects</u>	<u>2007 Towngate Improvement Refunding</u>	<u>2007 Towngate Refunding</u>	
\$ 1,052,513	\$ -	\$ 72,436	\$ 47,816	Assets
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
20,555	-	2,004	-	Due from other governments
-	-	-	-	Restricted assets:
-	1,576,698	785,861	2,804,299	Cash with fiscal agents
<u>\$ 1,073,068</u>	<u>\$ 1,576,698</u>	<u>\$ 860,301</u>	<u>\$ 2,852,115</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
				Liabilities
\$ 21,307	\$ 822,052	\$ -	\$ -	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	36,766	-	-	Due to other funds
<u>21,307</u>	<u>858,818</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
-	-	-	-	Notes and loans
-	-	-	-	Advances to other funds
-	-	-	-	Permanent fund principal
				Restricted for:
-	-	-	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
1,051,761	717,880	-	-	Capital projects
-	-	860,301	2,852,115	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Unassigned
<u>1,051,761</u>	<u>717,880</u>	<u>860,301</u>	<u>2,852,115</u>	Total Fund Balances
<u>\$ 1,073,068</u>	<u>\$ 1,576,698</u>	<u>\$ 860,301</u>	<u>\$ 2,852,115</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Debt Service Funds			
	2011 Private Placement Ref 97 Lease Rev Bonds	2011 Private Placement Ref 97 COPs	TRIP COP 13A Debt Service	2013 Refunding 2005 Lease Revenue Bonds
Assets				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	2,778	9
Total Assets	\$ -	\$ -	\$ 2,778	\$ 9
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable				
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	2,778	9
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	-	2,778	9
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ -	\$ 2,778	\$ 9

City of Moreno Valley, California

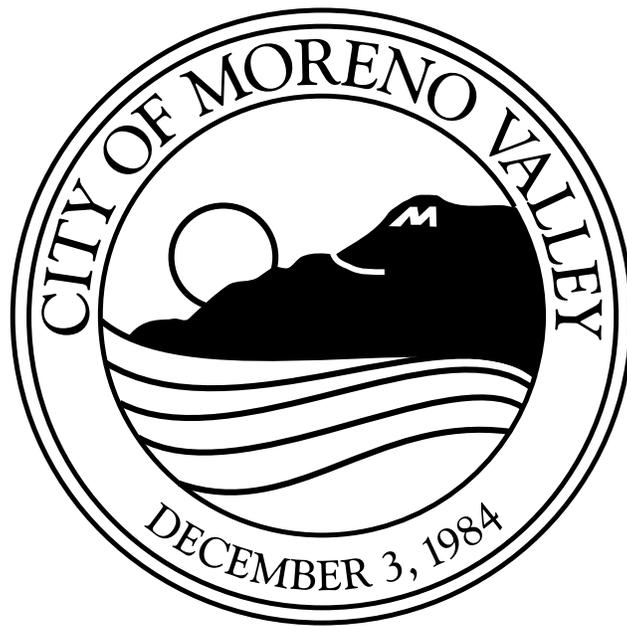
**Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016**

<u>Debt Services Funds</u>	<u>Permanent Funds</u>			
2014 Refunding 2005 Lease Revenue Bonds	Celebration Park Endowment	Equestrian Trail Endowment	Rockridge Park Endowment	
\$ 6,019,109	\$ 63,282	\$ 11,159	\$ 109,704	Assets
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
18	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 6,019,127</u>	<u>\$ 63,282</u>	<u>\$ 11,159</u>	<u>\$ 109,704</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
				Liabilities
\$ -	\$ -	\$ -	\$ -	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other funds
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Liabilities
				Deferred Inflows of Resources:
-	-	-	-	Unavailable revenues
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Deferred Inflows of Resources
				Fund Balances:
				Nonspendable
-	-	-	-	Notes and loans
-	-	-	-	Advances to other funds
-	49,050	10,000	100,000	Permanent fund principal
				Restricted for:
-	-	-	-	Community development projects
-	-	-	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
6,019,127	-	-	-	Debt service
-	14,232	1,159	9,704	Endowment
-	-	-	-	Water quality
-	-	-	-	
<u>6,019,127</u>	<u>63,282</u>	<u>11,159</u>	<u>109,704</u>	Unassigned
				Total Fund Balances
<u>\$ 6,019,127</u>	<u>\$ 63,282</u>	<u>\$ 11,159</u>	<u>\$ 109,704</u>	Total Liabilities, Deferred Inflows of Resources and Fund Balances

City of Moreno Valley, California

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	<u>Permanent Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>NPDES Endowment</u>	<u>Cultural Preservation</u>	
Assets			
Pooled cash and investments	\$ 32,790	\$ 120,747	\$ 25,253,000
Receivables:			
Accounts	-	-	430,714
Notes and loans	-	-	5,682,485
Interest	-	-	536,658
Due from other governments	-	-	4,715,458
Restricted assets:			
Cash with fiscal agents	-	-	5,169,663
Total Assets	<u>\$ 32,790</u>	<u>\$ 120,747</u>	<u>\$ 41,787,978</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 2,028,809
Accrued liabilities	-	-	67,379
Unearned revenues	-	-	111,605
Due to other funds	-	-	2,445,431
Total Liabilities	<u>-</u>	<u>-</u>	<u>4,653,224</u>
Deferred Inflows of Resources:			
Unavailable revenues	-	-	637,987
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>637,987</u>
Fund Balances:			
Nonspendable			
Notes and loans	-	-	5,581,156
Advances to other funds	-	-	-
Permanent fund principal	14,506	114,542	288,098
Restricted for:			
Community development projects	-	-	2,020,835
Public safety	-	-	473,282
Public works	-	-	9,408,471
Capital projects	-	-	8,355,524
Debt service	-	-	9,734,330
Endowment	18,284	6,205	49,584
Water quality	-	-	707,617
Unassigned	-	-	(122,130)
Total Fund Balances	<u>32,790</u>	<u>120,747</u>	<u>36,496,767</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,790</u>	<u>\$ 120,747</u>	<u>\$ 41,787,978</u>



City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	<u>Special Revenue Funds</u>			
	<u>State Gasoline Tax</u>	<u>Article 3 Transportation</u>	<u>Measure A</u>	<u>Law Enforcement</u>
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,319,726	32,821	5,051,521	449,813
Fees and charges for services	5,505	-	9,220	-
Use of money and property	-	-	80,681	-
Miscellaneous	4,669	-	35,710	-
Total Revenues	4,329,901	32,821	5,177,132	449,813
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	449,813
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	4,208,561	-	1,581,072	-
Capital outlay	36,450	32,821	2,177,126	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,245,011	32,821	3,758,198	449,813
Excess (Deficiency) of Revenues Over (Under) Expenditures	84,890	-	1,418,934	-
Other Financing Sources (Uses)				
Transfers in	160,000	-	-	-
Transfers out	(50,000)	-	(2,090,303)	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	110,000	-	(2,090,303)	-
Net Change in Fund Balances	194,890	-	(671,369)	-
Fund Balances				
Beginning of year	(194,890)	-	8,387,735	-
End of year	\$ -	\$ -	\$ 7,716,366	\$ -

City of Moreno Valley, California

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016**

Special Revenue Funds			
Other Grants	Public Education Government Access	Air Quality Management	Community Development Block Grant
\$ -	\$ -	\$ -	\$ -
526,270	-	250,806	2,539,555
-	-	23,597	-
-	-	622	-
-	598,352	-	-
526,270	598,352	275,025	2,539,555
16,779	657,976	-	-
162,405	-	-	124,666
132,601	-	-	744,053
8,175	-	-	-
38,382	-	198,125	-
167,928	5,820	77,589	1,670,836
-	-	-	-
-	-	-	-
526,270	663,796	275,714	2,539,555
-	(65,444)	(689)	-
-	-	-	-
-	-	-	-
-	-	-	-
-	(65,444)	(689)	-
-	1,611,127	147,613	-
\$ -	\$ 1,545,683	\$ 146,924	\$ -

Revenues
Taxes:
Other taxes
Intergovernmental
Fees and charges for services
Use of money and property
Miscellaneous
Total Revenues
Expenditures
Current:
General government
Public safety
Community development
Community and cultural
Public works
Capital outlay
Debt service:
Principal retirement
Interest and fiscal charges
Total Expenditures
Excess (Deficiency) of Revenues Over (Under) Expenditures
Other Financing Sources (Uses)
Transfers in
Transfers out
Contributions from Successor Agency
Total other financing sources (uses)
Net Change in Fund Balances
Fund Balances
Beginning of year
End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	Special Revenue Funds			
	Special Districts Administration	Storm Water Management	HOME	Child Care Grant
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	142,590	626,967
Fees and charges for services	705,915	615,888	-	14,572
Use of money and property	10,484	-	-	-
Miscellaneous	-	-	-	729
Total Revenues	716,399	615,888	142,590	642,268
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	457,149	-
Community and cultural	-	-	-	642,268
Public works	577,346	447,402	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	577,346	447,402	457,149	642,268
Excess (Deficiency) of Revenues Over (Under) Expenditures	139,053	168,486	(314,559)	-
Other Financing Sources (Uses)				
Transfers in	-	223	-	-
Transfers out	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	-	223	-	-
Net Change in Fund Balances	139,053	168,709	(314,559)	-
Fund Balances				
Beginning of year	1,050,341	538,908	6,213,819	-
End of year	\$ 1,189,394	\$ 707,617	\$ 5,899,260	\$ -

City of Moreno Valley, California

**Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016**

<u>Special Revenue Funds</u>				
<u>Used Oil Recycling</u>	<u>Storm Water Maintenance</u>	<u>ASES Program Grants</u>	<u>CFD No. 2014-01</u>	
				Revenues
				Taxes:
\$ -	\$ -	\$ -	\$ 27,547	Other taxes
51,803	-	6,734,556	-	Intergovernmental
-	299,542	-	11,560	Fees and charges for services
-	-	-	528	Use of money and property
-	-	21,131	-	Miscellaneous
<u>51,803</u>	<u>299,542</u>	<u>6,755,687</u>	<u>39,635</u>	Total Revenues
				Expenditures
				Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	6,735,844	-	Community and cultural
51,803	305,340	-	6,860	Public works
-	-	-	-	Capital outlay
				Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
<u>51,803</u>	<u>305,340</u>	<u>6,735,844</u>	<u>6,860</u>	Total Expenditures
				Excess (Deficiency) of Revenues Over (Under) Expenditures
<u>-</u>	<u>(5,798)</u>	<u>19,843</u>	<u>32,775</u>	
				Other Financing Sources (Uses)
-	50,000	-	-	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Contributions from Successor Agency
<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	Total other financing sources (uses)
<u>-</u>	<u>44,202</u>	<u>19,843</u>	<u>32,775</u>	Net Change in Fund Balances
				Fund Balances
-	35,404	15,630	38,192	Beginning of year
<u>\$ -</u>	<u>\$ 79,606</u>	<u>\$ 35,473</u>	<u>\$ 70,967</u>	End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	Special Revenue Funds			
	CFD #4M	Civil Penalties	Emergency Services Agency Fines	Energy Efficiency Revolving
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	82,253	-
Fees and charges for services	33,978	-	-	-
Use of money and property	1,285	-	6,743	-
Miscellaneous	-	11,008	-	21,986
Total Revenues	35,263	11,008	88,996	21,986
Expenditures				
Current:				
General government	-	86,616	-	-
Public safety	-	-	1,195	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	28,063	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	28,063	86,616	1,195	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,200	(75,608)	87,801	21,986
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	7,200	(75,608)	87,801	21,986
Fund Balances				
Beginning of year	74,065	197,183	385,481	101,963
End of year	\$ 81,265	\$ 121,575	\$ 473,282	\$ 123,949

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

Special Revenue Funds	Capital Projects Fund			
Grants Capital Projects	Public Works Capital Projects	Traffic Signal Mitigation	Fire Services Capital Projects	
\$ -	\$ -	\$ -	\$ -	Revenues
1,142,200	994,626	-	-	Taxes:
-	1,236	-	-	Other taxes
-	-	-	-	Intergovernmental
-	347,672	-	-	Fees and charges for services
<u>1,142,200</u>	<u>1,343,534</u>	<u>-</u>	<u>-</u>	Use of money and property
				Miscellaneous
				Total Revenues
				Expenditures
-	-	-	-	Current:
-	-	-	-	General government
46,340	-	-	-	Public safety
-	-	-	-	Community development
-	-	-	-	Community and cultural
-	-	-	-	Public works
1,358,586	1,188,303	-	98,242	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
<u>1,404,926</u>	<u>1,188,303</u>	<u>-</u>	<u>98,242</u>	Interest and fiscal charges
				Total Expenditures
<u>(262,726)</u>	<u>155,231</u>	<u>-</u>	<u>(98,242)</u>	Excess (Deficiency) of Revenues Over (Under) Expenditures
				Other Financing Sources (Uses)
-	11,001	-	176,500	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Contributions from Successor Agency
<u>-</u>	<u>11,001</u>	<u>-</u>	<u>176,500</u>	Total other financing sources (uses)
<u>(262,726)</u>	<u>166,232</u>	<u>-</u>	<u>78,258</u>	Net Change in Fund Balances
				Fund Balances
1,062,143	999,960	141,191	(15,374)	Beginning of year
<u>\$ 799,417</u>	<u>\$ 1,166,192</u>	<u>\$ 141,191</u>	<u>\$ 62,884</u>	End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	Capital Projects Funds			
	Towngate Capital / Administration	Warner Ranch Capital / Development	Parks and Community Services Capital Projects	TUMF Capital Projects
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,530,577
Fees and charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,530,577</u>
Expenditures				
Current:				
General government	-	2,672	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	177,430	-	-	-
Capital outlay	-	-	660,907	1,415,343
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>177,430</u>	<u>2,672</u>	<u>660,907</u>	<u>1,415,343</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(177,430)</u>	<u>(2,672)</u>	<u>(660,907)</u>	<u>115,234</u>
Other Financing Sources (Uses)				
Transfers in	177,430	-	1,035,000	-
Transfers out	-	(11,001)	(155,184)	-
Contributions from Successor Agency	-	-	-	-
Total other financing sources (uses)	<u>177,430</u>	<u>(11,001)</u>	<u>879,816</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>(13,673)</u>	<u>218,909</u>	<u>115,234</u>
Fund Balances				
Beginning of year	-	13,673	4,197,290	(237,364)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,416,199</u>	<u>\$ (122,130)</u>

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

Capital Projects Funds		Debt Service Funds		
DIF Capital Projects	TRIP Capital Projects	2007 Towngate Improvement Refunding	2007 Towngate Refunding	
				Revenues
\$ -	\$ -	\$ 114,070	\$ -	Taxes:
31,839	-	-	-	Other taxes
-	-	-	-	Intergovernmental
-	2,042	178	677	Fees and charges for services
24,711	6,505	-	-	Use of money and property
<u>56,550</u>	<u>8,547</u>	<u>114,248</u>	<u>677</u>	Miscellaneous
				Total Revenues
				Expenditures
				Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	-	-	Community and cultural
-	-	-	-	Public works
498,142	6,475,159	-	-	Capital outlay
-	-	240,000	760,000	Debt service:
-	-	115,739	253,381	Principal retirement
<u>498,142</u>	<u>6,475,159</u>	<u>355,739</u>	<u>1,013,381</u>	Interest and fiscal charges
				Total Expenditures
				Excess (Deficiency) of Revenues
<u>(441,592)</u>	<u>(6,466,612)</u>	<u>(241,491)</u>	<u>(1,012,704)</u>	Over (Under) Expenditures
				Other Financing Sources (Uses)
2,145	-	-	-	Transfers in
-	-	(31,366)	(146,064)	Transfers out
-	-	280,000	1,190,000	Contributions from Successor Agency
<u>2,145</u>	<u>-</u>	<u>248,634</u>	<u>1,043,936</u>	Total other financing sources (uses)
<u>(439,447)</u>	<u>(6,466,612)</u>	<u>7,143</u>	<u>31,232</u>	Net Change in Fund Balances
				Fund Balances
1,491,208	7,184,492	853,158	2,820,883	Beginning of year
<u>\$ 1,051,761</u>	<u>\$ 717,880</u>	<u>\$ 860,301</u>	<u>\$ 2,852,115</u>	End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	Debt Service Funds			
	2011 Private Placement Ref 97 Lease Rev Bonds	2011 Private Placement Ref 97 COPs	TRIP COP 13A Debt Service	2013 Refunding 2005 Lease Revenue Bonds
Revenues				
Taxes:				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Fees and charges for services	-	-	-	-
Use of money and property	-	-	42	15
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>42</u>	<u>15</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	-	-	12,254	3,848
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	252,000	753,500	-	1,033,000
Interest and fiscal charges	87,082	33,660	991,313	459,641
Total Expenditures	<u>339,082</u>	<u>787,160</u>	<u>1,003,567</u>	<u>1,496,489</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(339,082)</u>	<u>(787,160)</u>	<u>(1,003,525)</u>	<u>(1,496,474)</u>
Other Financing Sources (Uses)				
Transfers in	189,082	787,160	1,006,303	1,496,452
Transfers out	-	-	-	-
Contributions from Successor Agency	150,000	-	-	-
Total other financing sources (uses)	<u>339,082</u>	<u>787,160</u>	<u>1,006,303</u>	<u>1,496,452</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>2,778</u>	<u>(22)</u>
Fund Balances				
Beginning of year	-	-	-	31
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,778</u>	<u>\$ 9</u>

City of Moreno Valley, California

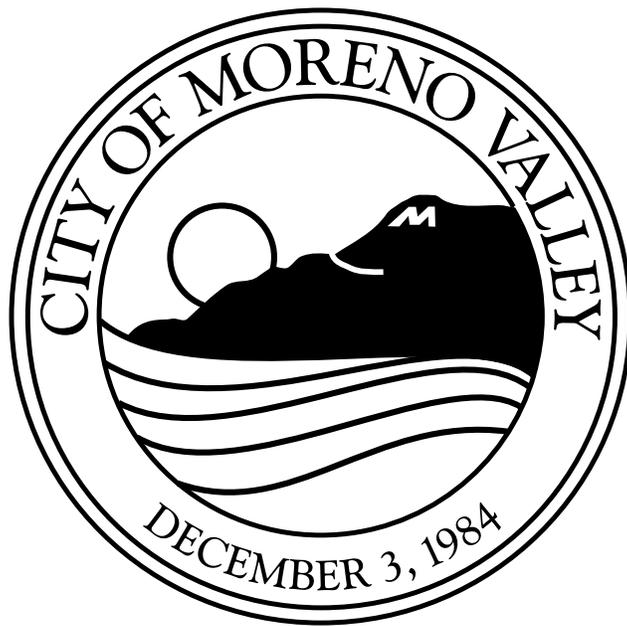
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

Debt Service Funds	Permanent Funds			
2014 Refunding 2005 Lease Revenue Bonds	Celebration Park Endowment	Equestrian Trail Endowment	Rockridge Park Endowment	
				Revenues
\$ -	\$ -	\$ -	\$ -	Taxes:
-	-	-	-	Other taxes
-	-	-	-	Intergovernmental
-	-	-	-	Fees and charges for services
21	1,068	187	1,853	Use of money and property
-	-	114	-	Miscellaneous
<u>21</u>	<u>1,068</u>	<u>301</u>	<u>1,853</u>	Total Revenues
				Expenditures
				Current:
5,186	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	510	-	Community and cultural
-	-	-	-	Public works
-	-	-	-	Capital outlay
-	-	-	-	Debt service:
53,676	-	-	-	Principal retirement
1,009,869	-	-	-	Interest and fiscal charges
<u>1,068,731</u>	<u>-</u>	<u>510</u>	<u>-</u>	Total Expenditures
				Excess (Deficiency) of Revenues
<u>(1,068,710)</u>	<u>1,068</u>	<u>(209)</u>	<u>1,853</u>	Over (Under) Expenditures
				Other Financing Sources (Uses)
1,066,000	-	-	-	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Contributions from Successor Agency
<u>1,066,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total other financing sources (uses)
<u>(2,710)</u>	<u>1,068</u>	<u>(209)</u>	<u>1,853</u>	Net Change in Fund Balances
				Fund Balances
6,021,837	62,214	11,368	107,851	Beginning of year
<u>\$ 6,019,127</u>	<u>\$ 63,282</u>	<u>\$ 11,159</u>	<u>\$ 109,704</u>	End of year

City of Moreno Valley, California

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2016

	<u>Permanent Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>NPDES Endowment</u>	<u>Cultural Preservation</u>	
Revenues			
Taxes:			
Other taxes	\$ -	\$ -	\$ 141,617
Intergovernmental	-	-	24,507,923
Fees and charges for services	-	-	1,721,013
Use of money and property	556	2,040	109,022
Miscellaneous	-	-	1,072,587
Total Revenues	<u>556</u>	<u>2,040</u>	<u>27,552,163</u>
Expenditures			
Current:			
General government	-	-	769,229
Public safety	-	-	738,079
Community development	-	-	1,380,143
Community and cultural	-	-	7,386,797
Public works	-	-	7,636,486
Capital outlay	-	-	15,863,252
Debt service:			-
Principal retirement	-	-	3,092,176
Interest and fiscal charges	-	-	2,950,685
Total Expenditures	<u>-</u>	<u>-</u>	<u>39,816,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>556</u>	<u>2,040</u>	<u>(12,264,684)</u>
Other Financing Sources (Uses)			
Transfers in	-	-	6,157,296
Transfers out	(223)	-	(2,484,141)
Contributions from Successor Agency	-	-	1,620,000
Total other financing sources (uses)	<u>(223)</u>	<u>-</u>	<u>5,293,155</u>
Net Change in Fund Balances	<u>333</u>	<u>2,040</u>	<u>(6,971,529)</u>
Fund Balances			
Beginning of year	<u>32,457</u>	<u>118,707</u>	<u>43,468,296</u>
End of year	<u>\$ 32,790</u>	<u>\$ 120,747</u>	<u>\$ 36,496,767</u>



City of Moreno Valley, California

**Budgetary Comparison Schedule
State Gasoline Tax
Year Ended June 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,292,910	\$ 4,292,910	\$ 4,319,726	\$ 26,816
Use of money and property	1,000	1,000	-	(1,000)
Fees and charges for services	-	-	5,505	5,505
Miscellaneous	1,000	1,000	4,669	3,669
Total Revenues	4,294,910	4,294,910	4,329,901	34,991
Expenditures:				
Current:				
Public works	4,086,467	4,386,821	4,208,561	178,260
Capital outlay	-	-	36,450	(36,450)
Total Expenditures	4,086,467	4,386,821	4,245,011	141,810
Excess (Deficiency) of Revenues Over (Under) Expenditures	208,443	(91,911)	84,890	176,801
Other Financing Sources (Uses):				
Transfers in	160,000	160,000	160,000	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	110,000	110,000	110,000	-
Net Change in Fund Balances	318,443	18,089	194,890	176,801
Fund Balance, Beginning of year	(194,890)	(194,890)	(194,890)	-
Fund Balance, End of year	\$ 123,553	\$ (176,801)	\$ -	\$ 176,801

City of Moreno Valley, California

Budgetary Comparison Schedule
 Article 3 Transportation
 Year Ended June 30, 2016

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

City of Moreno Valley, California

Budgetary Comparison Schedule
Measure A
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental	\$ 3,694,000	\$ 8,995,899	\$ 5,051,521	\$ (3,944,378)
Use of money and property	105,000	105,000	80,681	(24,319)
Fees and charges for services	-	-	9,220	9,220
Miscellaneous	11,500	11,500	35,710	24,210
Total Revenues	3,810,500	9,112,399	5,177,132	(3,935,267)
Expenditures:				
Current:				
Public works	2,116,356	1,843,418	1,581,072	262,346
Capital outlay	1,582,000	9,308,509	2,177,126	7,131,383
Total Expenditures	3,708,956	11,151,927	3,758,198	7,393,729
Excess (Deficiency) of Revenues Over (Under) Expenditures	101,544	(2,039,528)	1,418,934	3,458,462
Other Financing Sources (Uses):				
Transfers in	-	86,414	-	(86,414)
Transfers out	(2,083,000)	(2,083,000)	(2,090,303)	(7,303)
Total Other Financing Sources (Uses)	(2,083,000)	(1,996,586)	(2,090,303)	(93,717)
Net Change in Fund Balances	(1,981,456)	(4,036,114)	(671,369)	3,364,745
Fund Balance, Beginning of year	8,387,735	8,387,735	8,387,735	-
Fund Balance, End of year	\$ 6,406,279	\$4,351,621	\$7,716,366	\$ 3,364,745

City of Moreno Valley, California

Budgetary Comparison Schedule
Law Enforcement Grants
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 325,000	\$ 483,994	\$ 449,813	\$ (34,181)
Total Revenues	325,000	483,994	449,813	(34,181)
Expenditures:				
Current:				
Public safety	325,000	483,994	449,813	34,181
Total Expenditures	325,000	483,994	449,813	34,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule

Other Grants

Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 526,324	\$ 1,510,520	\$ 526,270	\$ (984,250)
Total Revenues	526,324	1,510,520	526,270	(984,250)
Expenditures:				
Current:				
General government	-	19,942	16,779	3,163
Public safety	275,700	305,009	162,405	142,604
Community development	195,624	486,794	132,601	354,193
Community and cultural	-	643,775	8,175	635,600
Public works	55,000	55,000	38,382	16,618
Capital outlay	-	-	167,928	(167,928)
Total Expenditures	526,324	1,510,520	526,270	984,250
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California
Budgetary Comparison Schedule
Public Education Government Access
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 565,000	\$ 565,000	\$ 598,352	\$ 33,352
Total Revenues	<u>565,000</u>	<u>565,000</u>	<u>598,352</u>	<u>33,352</u>
Expenditures:				
Current:				
General government	652,840	666,340	657,976	8,364
Capital outlay	-	-	5,820	(5,820)
Total Expenditures	<u>652,840</u>	<u>666,340</u>	<u>663,796</u>	<u>2,544</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(87,840)</u>	<u>(101,340)</u>	<u>(65,444)</u>	<u>35,896</u>
Net Change in Fund Balances	(87,840)	(101,340)	(65,444)	35,896
Fund Balance, Beginning of year	<u>1,611,127</u>	<u>1,611,127</u>	<u>1,611,127</u>	<u>-</u>
Fund Balance, End of year	<u><u>\$1,523,287</u></u>	<u><u>\$1,509,787</u></u>	<u><u>\$1,545,683</u></u>	<u><u>\$ 35,896</u></u>

City of Moreno Valley, California

Budgetary Comparison Schedule
Air Quality Management
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 250,806	\$ 30,806
Fees and charges for services	-	-	23,597	23,597
Use of money and property	7,000	7,000	622	(6,378)
Total Revenues	227,000	227,000	275,025	48,025
Expenditures:				
Current:				
Public works	202,372	202,372	198,125	4,247
Capital outlay	30,000	94,069	77,589	16,480
Total Expenditures	232,372	296,441	275,714	20,727
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,372)	(69,441)	(689)	68,752
Net Change in Fund Balances	(5,372)	(69,441)	(689)	68,752
Fund Balance, Beginning of year	147,613	147,613	147,613	-
Fund Balance, End of year	\$ 142,241	\$ 78,172	\$ 146,924	\$ 68,752

City of Moreno Valley, California
Budgetary Comparison Schedule
Community Development Block Grant
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,280,484	\$ 3,558,619	\$ 2,539,555	\$ (1,019,064)
Total Revenues	<u>2,280,484</u>	<u>3,558,619</u>	<u>2,539,555</u>	<u>(1,019,064)</u>
Expenditures:				
Current:				
Public safety	-	125,000	124,666	334
Community development	1,438,465	1,189,895	744,053	445,842
Capital outlay	840,000	2,243,724	1,670,836	572,888
Total Expenditures	<u>2,278,465</u>	<u>3,558,619</u>	<u>2,539,555</u>	<u>1,019,064</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,019</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	2,019	-	-	-
Fund Balance, Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 2,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Moreno Valley, California

**Budgetary Comparison
Special Districts Administration
Year Ended June 30, 2016**

	Budget Amounts		Actual Amounts	Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees and charges for services	\$ 679,449	\$ 682,121	\$ 705,915	\$ 23,794
Use of money and property	(1,000)	(1,000)	10,484	11,484
Total Revenues	678,449	681,121	716,399	35,278
Expenditures:				
Current:				
Public works	850,949	836,749	577,346	259,403
Total Expenditures	850,949	836,749	577,346	259,403
Excess (Deficiency) of Revenues Over (Under) Expenditures	(172,500)	(155,628)	139,053	294,681
Net Change in Fund Balances	(172,500)	(155,628)	139,053	294,681
Fund Balance, Beginning of year	1,050,341	1,050,341	1,050,341	-
Fund Balance, End of year	\$ 877,841	\$ 894,713	\$1,189,394	\$ 294,681

City of Moreno Valley, California

**Budgetary Comparison Schedule
Storm Water Management
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 714,940	\$ 714,940	\$ 615,888	\$ (99,052)
Total Revenues	714,940	714,940	615,888	(99,052)
Expenditures:				
Current:				
Public works	641,132	641,132	447,402	193,730
Total Expenditures	641,132	641,132	447,402	193,730
Excess (Deficiency) of Revenues Over (Under) Expenditures	73,808	73,808	168,486	94,678
Other Financing Sources (Uses):				
Transfers in	223	223	223	-
Total Other Financing Sources (Uses)	223	223	223	-
Net Change in Fund Balances	74,031	74,031	168,709	94,678
Fund Balance, Beginning of year	538,908	538,908	538,908	-
Fund Balance, End of year	\$ 612,939	\$ 612,939	\$707,617	\$ 94,678

City of Moreno Valley, California
Budgetary Comparison Schedule
HOME
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 516,846	\$ 1,816,846	\$ 142,590	\$ (1,674,256)
Total Revenues	516,846	1,816,846	142,590	(1,674,256)
Expenditures:				
Current:				
Community development	516,846	1,816,846	457,149	1,359,697
Total Expenditures	516,846	1,816,846	457,149	1,359,697
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(314,559)	(314,559)
Net Change in Fund Balances	-	-	(314,559)	(314,559)
Fund Balance, Beginning of year	6,213,819	6,213,819	6,213,819	-
Fund Balance, End of year	\$6,213,819	\$6,213,819	\$ 5,899,260	\$ (314,559)

City of Moreno Valley, California

Budgetary Comparison Schedule
Child Care Grant
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 627,054	\$ 665,386	\$ 626,967	\$ (38,419)
Charges for services	20,000	20,000	14,572	(5,428)
Miscellaneous	-	-	729	729
Total Revenues	647,054	685,386	642,268	(43,118)
Expenditures:				
Current:				
Community and cultural	647,054	685,386	642,268	43,118
Total Expenditures	647,054	685,386	642,268	43,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
Used Oil Recycling
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 52,583	\$ 51,525	\$ 51,803	\$ 278
Total Revenues	52,583	51,525	51,803	278
Expenditures:				
Current:				
Public works	52,583	51,525	51,803	(278)
Total Expenditures	52,583	51,525	51,803	(278)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
Storm Water Maintenance
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Fees and charges for services	\$ 390,000	\$ 390,000	\$ 299,542	\$ (90,458)
Total Revenues	390,000	390,000	299,542	(90,458)
Expenditures:				
Current:				
Public works	396,764	396,764	305,340	91,424
Total Expenditures	396,764	396,764	305,340	91,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,764)	(6,764)	(5,798)	966
Other Financing Sources (Uses):				
Transfers in	50,000	50,000	50,000	-
Total Other Financing Sources (Uses)	50,000	50,000	50,000	-
Net Change in Fund Balances	43,236	43,236	44,202	966
Fund Balance, Beginning of year	35,404	35,404	35,404	-
Fund Balance, End of year	\$ 78,640	\$ 78,640	\$ 79,606	\$ 966

City of Moreno Valley, California

Budgetary Comparison Schedule
 ASES Program Grants
 Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,773,200	\$ 6,734,556	\$ 6,734,556	\$ -
Use of money and property	5,000	5,000	-	(5,000)
Miscellaneous	-	-	21,131	21,131
Total Revenues	6,778,200	6,739,556	6,755,687	16,131
Expenditures:				
Current:				
Community and cultural	6,778,200	6,733,300	6,735,844	(2,544)
Total Expenditures	6,778,200	6,733,300	6,735,844	(2,544)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	6,256	19,843	13,587
Net Change in Fund Balances	-	6,256	19,843	13,587
Fund Balance, Beginning of year	15,630	15,630	15,630	-
Fund Balance, End of year	\$ 15,630	\$ 21,886	\$ 35,473	\$ 13,587

City of Moreno Valley, California

Budgetary Comparison Schedule
CFD No. 2014-01
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Other taxes	\$ 40,000	\$ 27,500	\$27,547	\$ 47
Fees and charges for services	1,000	1,000	11,560	10,560
Use of money and property	100	100	528	428
Total Revenues	41,100	28,600	39,635	11,035
Expenditures:				
Current:				
Public works	14,811	14,911	6,860	8,051
Total Expenditures	14,811	14,911	6,860	8,051
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,289	13,689	32,775	19,086
Net Change in Fund Balances	26,289	13,689	32,775	19,086
Fund Balance, Beginning of year	38,192	38,192	38,192	-
Fund Balance, End of year	\$ 64,481	\$ 51,881	\$70,967	\$ 19,086

City of Moreno Valley, California

Budgetary Comparison Schedule

CFD No. 4-M

Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 41,400	\$ 41,400	\$ 33,978	\$ (7,422)
Use of money and property	81	81	1,285	1,204
Total Revenues	41,481	41,481	35,263	(6,218)
Expenditures:				
Current:				
Public works	33,815	33,815	28,063	5,752
Total Expenditures	33,815	33,815	28,063	5,752
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,666	7,666	7,200	(466)
Net Change in Fund Balances	7,666	7,666	7,200	(466)
Fund Balance, Beginning of year	74,065	74,065	74,065	-
Fund Balance, End of year	\$ 81,731	\$ 81,731	\$ 81,265	\$ (466)

City of Moreno Valley, California

Budgetary Comparison Schedule
Civil Penalties
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Miscellaneous	60,000	60,000	11,008	(48,992)
Total Revenues	64,000	64,000	11,008	(52,992)
Expenditures:				
Current:				
General government	103,324	103,324	86,616	16,708
Total Expenditures	103,324	103,324	86,616	16,708
Excess (Deficiency) of Revenues Over (Under) Expenditures	(39,324)	(39,324)	(75,608)	(36,284)
Net Change in Fund Balances	(39,324)	(39,324)	(75,608)	(36,284)
Fund Balance, Beginning of year	197,183	197,183	197,183	-
Fund Balance, End of year	\$ 157,859	\$ 157,859	\$121,575	\$ (36,284)

City of Moreno Valley, California

**Budgetary Comparison Schedule
Emergency Services Agency Fines
Year Ended June 30, 2016**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 82,253	\$ 42,253
Use of money and property	4,000	4,000	6,743	2,743
Total Revenues	44,000	44,000	88,996	44,996
Expenditures:				
Current:				
Public safety	44,000	44,000	1,195	42,805
Total Expenditures	44,000	44,000	1,195	42,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	87,801	87,801
Net Change in Fund Balances	-	-	87,801	87,801
Fund Balance, Beginning of year	385,481	385,481	385,481	-
Fund Balance, End of year	\$ 385,481	\$ 385,481	\$ 473,282	\$ 87,801

City of Moreno Valley, California

Budgetary Comparison Schedule
Energy Efficiency Revolving
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ 21,400	\$ 21,986	\$ 586
Total Revenues	-	21,400	21,986	586
Excess (Deficiency) of Revenues Over (Under) Expenditures, California	-	21,400	21,986	586
Net Change in Fund Balances	-	21,400	21,986	586
Fund Balance, Beginning of year	101,963	101,963	101,963	-
Fund Balance, End of year	\$ 101,963	\$ 123,363	\$ 123,949	\$ 586

City of Moreno Valley, California

Budgetary Comparison Schedule
Grants Capital Projects
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,747,840	\$ 18,675,302	\$ 1,142,200	\$ (17,533,102)
Total Revenues	5,747,840	18,675,302	1,142,200	(17,533,102)
Expenditures:				
Current:				
Community development	-	53,000	46,340	6,660
Capital outlay	-	13,666,424	1,358,586	12,307,838
Total Expenditures	-	13,719,424	1,404,926	12,314,498
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,747,840	4,955,878	(262,726)	(5,218,604)
Net Change in Fund Balances	5,747,840	4,955,878	(262,726)	(5,218,604)
Fund Balance, Beginning of year	1,062,143	1,062,143	1,062,143	-
Fund Balance, End of year	\$ 6,809,983	\$ 6,018,021	\$ 799,417	\$ (5,218,604)

City of Moreno Valley, California

Budgetary Comparison Schedule
Public Works Capital Projects
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,453,420	\$ 5,382,970	\$ 994,626	\$ (4,388,344)
Fees anc charges for services	-	-	1,236	1,236
Miscellaneous	-	-	347,672	347,672
Total Revenues	3,453,420	5,382,970	1,343,534	(4,039,436)
Expenditures:				
Capital outlay	472,754	5,072,422	1,188,303	3,884,119
Total Expenditures	472,754	5,072,422	1,188,303	3,884,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,980,666	310,548	155,231	(155,317)
Other Financing Sources (Uses):				
Transfers in	-	11,001	11,001	-
Total Other Financing Sources (Uses)	-	11,001	11,001	-
Net Change in Fund Balances	2,980,666	321,549	166,232	(155,317)
Fund Balance, Beginning of year	999,960	999,960	999,960	-
Fund Balance, End of year	\$3,980,626	\$1,321,509	\$1,166,192	\$ (155,317)

City of Moreno Valley, California

Budgetary Comparison Schedule
Fire Services Capital Projects
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay	\$ -	\$ 100,642	\$ 98,242	2,400
Total Expenditures	-	100,642	98,242	2,400
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(100,642)	(98,242)	2,400
Other Financing Sources (Uses):				
Transfers in	-	176,500	176,500	-
Total Other Financing Sources (Uses)	-	176,500	176,500	-
Net Change in Fund Balances	-	75,858	78,258	2,400
Fund Balance, Beginning of year	(15,374)	(15,374)	(15,374)	-
Fund Balance, End of year	\$ (15,374)	\$ 60,484	\$ 62,884	\$ 2,400

City of Moreno Valley, California

**Budgetary Comparison Schedule
Towngate Capital / Administration
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Expenditures:				
Current:				
Public works	\$ 180,500	\$ 180,500	\$ 177,430	\$ 3,070
Total Expenditures	180,500	180,500	177,430	3,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(180,500)	(180,500)	(177,430)	3,070
Other Financing Sources (Uses):				
Transfers in	180,500	180,500	177,430	(3,070)
Total Other Financing Sources (Uses)	180,500	180,500	177,430	(3,070)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
Warner Ranch Capital Development
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
General government	\$ -	\$ 2,672	\$ 2,672	-
Total Expenditures	<u>-</u>	<u>2,672</u>	<u>2,672</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,672)</u>	<u>(2,672)</u>	<u>-</u>
Other Financing Sources (Uses):				
Transfers out	-	(11,001)	(11,001)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(11,001)</u>	<u>(11,001)</u>	<u>-</u>
Net Change in Fund Balances	-	(13,673)	(13,673)	-
Fund Balance, Beginning of year	13,673	13,673	13,673	-
Fund Balance, End of year	<u>\$ 13,673</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
Parks and Community Services Capital Projects
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay	\$ 1,035,000	\$ 2,582,031	\$ 660,907	\$ 1,921,124
Total Expenditures	1,035,000	2,582,031	660,907	1,921,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,035,000)	(2,582,031)	(660,907)	1,921,124
Other Financing Sources (Uses):				
Transfers in	1,035,000	1,035,000	1,035,000	-
Transfers out	(268,760)	(268,760)	(155,184)	113,576
Total Other Financing Sources (Uses)	766,240	766,240	879,816	113,576
Net Change in Fund Balances	(268,760)	(1,815,791)	218,909	2,034,700
Fund Balance, Beginning of year	4,197,290	4,197,290	4,197,290	-
Fund Balance, End of year	\$3,928,530	\$ 2,381,499	\$ 4,416,199	\$ 2,034,700

City of Moreno Valley, California
Budgetary Comparison Schedule
TUMF Capital Projects
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,650,000	\$ 2,650,000	\$ 1,530,577	\$ (1,119,423)
Total Revenues	<u>2,650,000</u>	<u>2,650,000</u>	<u>1,530,577</u>	<u>(1,119,423)</u>
Expenditures:				
Capital outlay	300,000	1,864,667	1,415,343	449,324
Total Expenditures	<u>300,000</u>	<u>1,864,667</u>	<u>1,415,343</u>	<u>449,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,350,000</u>	<u>785,333</u>	<u>115,234</u>	<u>(670,099)</u>
Fund Balance, Beginning of year	<u>(237,364)</u>	<u>(237,364)</u>	<u>(237,364)</u>	<u>-</u>
Fund Balance, End of year	<u><u>\$2,112,636</u></u>	<u><u>\$ 547,969</u></u>	<u><u>\$ (122,130)</u></u>	<u><u>\$ (670,099)</u></u>

City of Moreno Valley, California

Budgetary Comparison Schedule
DIF Capital Projects
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 31,839	\$ 31,839
Miscellaneous	500	500	24,711	24,211
Total Revenues	500	500	56,550	56,050
Expenditures:				
Capital outlay	120,000	1,491,422	498,142	993,280
Total Expenditures	120,000	1,491,422	498,142	993,280
Excess (Deficiency) of Revenues Over (Under) Expenditures	(119,500)	(1,490,922)	(441,592)	1,049,330
Other Financing Sources (Uses):				
Transfers in	120,000	120,000	2,145	(117,855)
Total Other Financing Sources (Uses)	120,000	120,000	2,145	(117,855)
Net Change in Fund Balances	500	(1,370,922)	(439,447)	931,475
Fund Balance, Beginning of year	1,491,208	1,491,208	1,491,208	-
Fund Balance, End of year	\$1,491,708	\$ 120,286	\$1,051,761	\$ 931,475

City of Moreno Valley, California

Budgetary Comparison Schedule
TRIP Capital Projects
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,042	\$ 2,042
Miscellaneous	-	-	6,505	6,505
Total Revenues	-	-	8,547	8,547
Expenditures:				
Capital outlay	14,870	7,183,614	6,475,159	708,455
Total Expenditures	14,870	7,183,614	6,475,159	708,455
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,870)	(7,183,614)	(6,466,612)	717,002
Net Change in Fund Balances	(14,870)	(7,183,614)	(6,466,612)	717,002
Fund Balance, Beginning of year	7,184,492	7,184,492	7,184,492	-
Fund Balance, End of year	\$7,169,622	\$ 878	\$ 717,880	\$ 717,002

City of Moreno Valley, California

Budgetary Comparison Schedule
2007 Towngate Improvement Refunding
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Other taxes	\$ 114,500	\$ 114,500	\$ 114,070	\$ (430)
Use of money and property	100	100	178	78
Contributions from Successor Agency	280,000	280,000	280,000	-
Total Revenues	394,600	394,600	394,248	(352)
Expenditures:				
Debt service:				
Principal retirement	240,000	240,000	240,000	-
Interest and fiscal charges	115,800	115,800	115,739	61
Total Expenditures	355,800	355,800	355,739	61
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,800	38,800	38,509	(291)
Other Financing Sources (Uses):				
Transfers out	(33,900)	(33,900)	(31,366)	2,534
Total Other Financing Sources (Uses)	(33,900)	(33,900)	(31,366)	2,534
Net Change in Fund Balances	4,900	4,900	7,143	2,243
Fund Balance, Beginning of year	853,158	853,158	853,158	-
Fund Balance, End of year	\$ 858,058	\$ 858,058	860,301	\$ 2,243

City of Moreno Valley, California

**Budgetary Comparison Schedule
2007 Towngate Refunding
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ 300	\$ 300	\$ 677	\$ 377
Contributions from Successor Agency	1,190,000	1,190,000	1,190,000	-
Total Revenues	1,190,300	1,190,300	1,190,677	377
Expenditures:				
Debt service:				
Principal retirement	760,000	760,000	760,000	-
Interest and fiscal charges	253,400	253,400	253,381	19
Total Expenditures	1,013,400	1,013,400	1,013,381	19
Excess (Deficiency) of Revenues Over (Under) Expenditures	176,900	176,900	177,296	396
Other Financing Sources (Uses):				
Transfers out	(146,600)	(146,600)	(146,064)	536
Total Other Financing Sources (Uses)	(146,600)	(146,600)	(146,064)	536
Net Change in Fund Balances	30,300	30,300	31,232	932
Fund Balance, Beginning of year	2,820,883	2,820,883	2,820,883	-
Fund Balance, End of year	\$ 2,851,183	\$ 2,851,183	2,852,115	\$ 932

City of Moreno Valley, California

Budgetary Comparison Schedule
 2011 Private Placement Refunding 97 Lease Revenue Bonds
 Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	\$ 252,000	\$ 252,000	\$ 252,000	-
Interest and fiscal charges	88,000	88,000	87,082	918
Total Expenditures	340,000	340,000	339,082	918
Excess (Deficiency) of Revenues Over (Under) Expenditures	(340,000)	(340,000)	(339,082)	918
Other Financing Sources (Uses):				
Transfers in	190,000	190,000	189,082	(918)
Contributions from Successor Agency	150,000	150,000	150,000	-
Total Other Financing Sources (Uses)	340,000	340,000	339,082	(918)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
 2011 Private Placement Refunding 97 COPs
 Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	\$ 754,000	\$ 754,000	\$ 753,500	\$ 500
Interest and fiscal charges	34,000	34,000	33,660	340
Total Expenditures	788,000	788,000	787,160	840
Excess (Deficiency) of Revenues Over (Under) Expenditures	(788,000)	(788,000)	(787,160)	840
Other Financing Sources (Uses):				
Transfers in	788,000	788,000	787,160	(840)
Total Other Financing Sources (Uses)	788,000	788,000	787,160	(840)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley, California

Budgetary Comparison Schedule
TRIP COP 13A Debt Service
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 42	\$ (42)
Total Revenues	<u>-</u>	<u>-</u>	<u>42</u>	<u>(42)</u>
Expenditures:				
Current:				
Public works	7,000	7,000	12,254	(5,254)
Debt service:				
Interest and fiscal charges	992,000	992,000	991,313	687
Total Expenditures	<u>999,000</u>	<u>999,000</u>	<u>1,003,567</u>	<u>(4,567)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>(999,000)</u>	<u>(999,000)</u>	<u>(1,003,525)</u>	<u>(4,525)</u>
Other Financing Sources (Uses):				
Transfers in	999,000	999,000	1,006,303	7,303
Total Other Financing Sources (Uses)	<u>999,000</u>	<u>999,000</u>	<u>1,006,303</u>	<u>7,303</u>
Net Change in Fund Balances	-	-	2,778	2,778
Fund Balance, Beginning of year	-	-	-	-
Fund Balance, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,778</u>	<u>\$ 2,778</u>

City of Moreno Valley, California
Budgetary Comparison Schedule
2013 Refunding 2005 Lease Revenue Bonds
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 15	\$ (15)
Total Revenues	-	-	15	(15)
Expenditures:				
Public works	3,300	3,300	3,848	\$ (548)
Debt service:				
Principal retirement	1,033,000	1,033,000	1,033,000	-
Interest and fiscal charges	460,000	460,000	459,641	359
Total Expenditures	1,496,300	1,496,300	1,496,489	(189)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,496,300)</u>	<u>(1,496,300)</u>	<u>(1,496,474)</u>	<u>(174)</u>
Other Financing Sources (Uses):				
Transfers in	1,497,000	1,497,000	1,496,452	(548)
Total Other Financing Sources (Uses)	1,497,000	1,497,000	1,496,452	(548)
Net Change in Fund Balances	700	700	(22)	(722)
Fund Balance, Beginning of year	31	31	31	-
Fund Balance, End of year	<u>\$ 731</u>	<u>\$ 731</u>	<u>\$ 9</u>	<u>\$ (722)</u>

City of Moreno Valley, California
Budgetary Comparison Schedule
2014 Refunding 2005 Lease Revenue Bonds
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 21	\$ 21
Total Revenues	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Expenditures:				
Current:				
General government	3,300	3,300	5,186	(1,886)
Debt service:				
Principal retirement	54,000	54,000	53,676	324
Interest and fiscal charges	1,007,000	1,007,000	1,009,869	(2,869)
Total Expenditures	<u>1,064,300</u>	<u>1,064,300</u>	<u>1,068,731</u>	<u>(2,545)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,064,300)</u>	<u>(1,064,300)</u>	<u>(1,068,710)</u>	<u>(4,410)</u>
Other Financing Sources (Uses):				
Transfers in	1,066,000	1,066,000	1,066,000	-
Total Other Financing Sources (Uses)	<u>1,066,000</u>	<u>1,066,000</u>	<u>1,066,000</u>	<u>-</u>
Net Change in Fund Balances	1,700	1,700	(2,710)	(4,410)
Fund Balance, Beginning of year	6,021,837	6,021,837	6,021,837	-
Fund Balance, End of year	<u>\$6,023,537</u>	<u>\$6,023,537</u>	<u>\$6,019,127</u>	<u>\$ (4,410)</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
 Celebration Park Endowment
 Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 1,068	\$ 68
Total Revenues	1,000	1,000	1,068	68
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	1,068	68
Net Change in Fund Balances	1,000	1,000	1,068	68
Fund Balance, Beginning of year	62,214	62,214	62,214	-
Fund Balance, End of year	\$63,214	\$63,214	\$63,282	\$ 68

City of Moreno Valley, California

Budgetary Comparison Schedule
Equestrian Trail Endowment
Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 200	\$ 200	\$ 187	\$ (13)
Miscellaneous revenue	-	-	114	114
Total Revenues	200	200	301	(13)
Expenditures:				
Current:				
Community and cultural	200	200	510	(310)
Total Expenditures	200	200	510	(310)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(209)	(209)
Net Change in Fund Balances	-	-	(209)	(209)
Fund Balance, Beginning of year	11,368	11,368	11,368	-
Fund Balance, End of year	\$ 11,368	\$ 11,368	\$ 11,159	\$ (209)

City of Moreno Valley, California

Budgetary Comparison Schedule
 Rockridge Park Endowment
 Year Ended June 30, 2016

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 2,000	\$ 2,000	\$ 1,853	\$ (147)
Total Revenues	2,000	2,000	1,853	(147)
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,000	2,000	1,853	(147)
Net Change in Fund Balances	2,000	2,000	1,853	(147)
Fund Balance, Beginning of year	107,851	107,851	107,851	-
Fund Balance, End of year	\$ 109,851	\$ 109,851	\$109,704	\$ (147)

City of Moreno Valley, California
Budgetary Comparison Schedule
NPDES Endowment
Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 556	\$ 556
Total Revenues	<u>-</u>	<u>-</u>	<u>556</u>	<u>556</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>556</u>	<u>556</u>
Other Financing Sources (Uses):				
Transfers out	<u>(223)</u>	<u>(223)</u>	<u>(223)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(223)</u>	<u>(223)</u>	<u>(223)</u>	<u>-</u>
Net Change in Fund Balances	(223)	(223)	333	556
Fund Balance, Beginning of year	<u>32,457</u>	<u>32,457</u>	<u>32,457</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 32,234</u>	<u>\$ 32,234</u>	<u>\$ 32,790</u>	<u>\$ 556</u>

City of Moreno Valley, California

Budgetary Comparison Schedule
 Cultural Preservation
 Year Ended June 30, 2016

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,040	\$ 2,040
Total Revenues	<u>-</u>	<u>-</u>	<u>2,040</u>	<u>2,040</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>2,040</u>	<u>2,040</u>
Net Change in Fund Balances	-	-	2,040	2,040
Fund Balance, Beginning of year	<u>118,707</u>	<u>118,707</u>	<u>118,707</u>	<u>-</u>
Fund Balance, End of year	<u>\$ 118,707</u>	<u>\$ 118,707</u>	<u>\$ 120,747</u>	<u>\$ 2,040</u>

INTERNAL SERVICE FUNDS

General Liability Insurance Fund

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

Worker's 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 Service Fund

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

Facilities Maintenance Fund

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

Equipment Maintenance / 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 City vehicles and 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, 2016

	<u>General Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Technology Services</u>	<u>Facilities Maintenance</u>
Assets:				
Current:				
Pooled cash and investments	\$ 2,071,317	\$ 3,541,883	\$ 9,201,409	\$ 5,571,812
Receivables:				
Accounts	-	-	-	111
Prepaid costs	-	-	-	1,696
Inventories	-	-	-	23,787
Total Current Assets	<u>2,071,317</u>	<u>3,541,883</u>	<u>9,201,409</u>	<u>5,597,406</u>
Noncurrent:				
Capital assets - net of accumulated depreciation	-	-	2,652,284	10,063,542
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>2,652,284</u>	<u>10,063,542</u>
Total Assets	<u>2,071,317</u>	<u>3,541,883</u>	<u>11,853,693</u>	<u>15,660,948</u>
Liabilities:				
Current:				
Accounts payable	26,720	-	92,156	128,373
Compensated absences	21,783	2,623	-	119,734
Self-insurance payable	314,900	422,000	-	-
Total Current Liabilities	<u>363,403</u>	<u>424,623</u>	<u>92,156</u>	<u>248,107</u>
Noncurrent:				
Compensated absences	14,522	1,749	-	79,823
Self-insurance payable	292,760	931,000	-	-
Total Noncurrent Liabilities	<u>307,282</u>	<u>932,749</u>	<u>-</u>	<u>79,823</u>
Total Liabilities	<u>670,685</u>	<u>1,357,372</u>	<u>92,156</u>	<u>327,930</u>
Net Position:				
Investment in capital assets	-	-	2,652,284	10,063,542
Unrestricted	1,400,632	2,184,511	9,109,253	5,269,476
Total Net Position	<u>\$ 1,400,632</u>	<u>\$ 2,184,511</u>	<u>\$ 11,761,537</u>	<u>\$ 15,333,018</u>

City of Moreno Valley, California

**Combining Statement of Net Position
Internal Service Funds
June 30, 2016**

<u>Equipment Maintenance</u>	<u>Equipment Replacement Reserve</u>	<u>Compensated Absences</u>	<u>Total</u>	
				ASSETS
				Current:
\$ 7,913,634	\$ 13,028,163	\$ 1,633,042	\$ 42,961,260	Pooled cash and investments
-	-	-	111	Receivables:
-	-	-	1,696	Accounts
6,957	-	-	30,744	Prepaid costs
<u>7,920,591</u>	<u>13,028,163</u>	<u>1,633,042</u>	<u>42,993,811</u>	Inventories
				Total Current Assets
126,902	-	-	12,842,728	Noncurrent:
<u>126,902</u>	<u>-</u>	<u>-</u>	<u>12,842,728</u>	Capital assets - net of accumulated depreciation
<u>8,047,493</u>	<u>13,028,163</u>	<u>1,633,042</u>	<u>55,836,539</u>	Total Noncurrent Assets
				Total Assets
				Liabilities:
				Current:
67,018	-	-	314,267	Accounts payable
22,820	-	-	166,960	Compensated absences
-	-	-	736,900	Self-insurance payable
<u>89,838</u>	<u>-</u>	<u>-</u>	<u>1,218,127</u>	Total Current Liabilities
				Noncurrent:
15,213	-	-	111,307	Compensated absences
-	-	-	1,223,760	Self-insurance payable
<u>15,213</u>	<u>-</u>	<u>-</u>	<u>1,335,067</u>	Total Noncurrent Liabilities
<u>105,051</u>	<u>-</u>	<u>-</u>	<u>2,553,194</u>	Total Liabilities
				Net Position:
126,902	-	-	12,842,728	Investment in capital assets
7,815,540	13,028,163	1,633,042	40,440,617	Unrestricted
<u>\$ 7,942,442</u>	<u>\$ 13,028,163</u>	<u>\$ 1,633,042</u>	<u>\$ 53,283,345</u>	Total Net Position

City of Moreno Valley, California

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2016

	General Liability Insurance	Workers' Compensation Insurance	Technology Services	Facilities Maintenance
Operating Revenues:				
Sales and service charges	\$ 1,087,090	\$ 486,739	\$ -	\$ 4,337,152
Miscellaneous	-	294,492	69,250	1,590
Total Operating Revenues	1,087,090	781,231	69,250	4,338,742
Operating Expenses:				
Cost of services	228,524	112,346	244,310	3,961,603
Depreciation expense	-	-	792,309	357,195
Self-insurance claims and charges	294,083	555,605	-	-
Total Operating Expenses	522,607	667,951	1,036,619	4,318,798
Operating Income (Loss)	564,483	113,280	(967,369)	19,944
Nonoperating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	-	-	(24,608)	(13,054)
Total Nonoperating Revenues (Expenses)	-	-	(24,608)	(13,054)
Income (Loss) Before Transfers and Contributions	564,483	113,280	(991,977)	6,890
Transfers in	600,000	-	823,000	-
Transfers out	-	(600,000)	-	(787,160)
Changes in net position	1,164,483	(486,720)	(168,977)	(780,270)
Net Position:				
Beginning of year	236,149	2,671,231	11,930,514	16,113,288
End of year	\$ 1,400,632	\$ 2,184,511	\$ 11,761,537	\$ 15,333,018

City of Moreno Valley, California

**Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2016**

<u>Equipment Maintenance</u>	<u>Equipment Replacement Reserve</u>	<u>Compensated Absences</u>	<u>Total</u>	
				Operating Revenues:
\$ 2,061,386	\$ 580,866	\$ -	\$ 8,553,233	Sales and service charges
8,885	608	-	374,825	Miscellaneous
<u>2,070,271</u>	<u>581,474</u>	<u>-</u>	<u>8,928,058</u>	Total Operating Revenues
				Operating Expenses:
1,191,311	-	-	5,738,094	Cost of services
5,676	-	-	1,155,180	Depreciation expense
-	-	-	849,688	Self-insurance claims and charges
<u>1,196,987</u>	<u>-</u>	<u>-</u>	<u>7,742,962</u>	Total Operating Expenses
873,284	581,474	-	1,185,096	Operating Income (Loss)
				Nonoperating Revenues (Expenses):
-	27,405	-	(10,257)	Gain (loss) on disposal of capital assets
<u>-</u>	<u>27,405</u>	<u>-</u>	<u>(10,257)</u>	Total Nonoperating Revenues (Expenses)
873,284	608,879	-	1,174,839	Income (Loss) Before Transfers and Contributions
7,265,977	-	-	8,688,977	Transfers in
<u>(274,807)</u>	<u>(7,657,857)</u>	<u>-</u>	<u>(9,319,824)</u>	Transfers out
7,864,454	(7,048,978)	-	543,992	Changes in net position
				Net Position:
77,988	20,077,141	1,633,042	52,739,353	Beginning of year
<u>\$ 7,942,442</u>	<u>\$ 13,028,163</u>	<u>\$ 1,633,042</u>	<u>\$ 53,283,345</u>	End of year

City of Moreno Valley, California

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2016**

	<u>General Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Technology Services</u>	<u>Facilities Maintenance</u>
Cash Flows from Operating Activities:				
Cash received from customers	\$ 1,087,090	\$ 781,231	\$ 69,250	\$ 4,338,742
Cash paid to suppliers for goods and services	(78,267)	(60,606)	(3,692)	(3,218,983)
Cash paid for claims	(533,423)	(572,605)	-	-
Cash paid to employees for services	(97,899)	(51,092)	(236,849)	(828,175)
Net Cash Provided (Used) by Operating Activities	<u>377,501</u>	<u>96,928</u>	<u>(171,291)</u>	<u>291,584</u>
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	600,000	-	823,000	-
Cash transfers out	-	(600,000)	-	(787,160)
Net Cash Provided (Used) by Non-capital Financing Activities	<u>600,000</u>	<u>(600,000)</u>	<u>823,000</u>	<u>(787,160)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from sale of capital assets	-	-	-	-
Acquisition and construction of capital assets	-	-	(288,258)	(24,730)
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>(288,258)</u>	<u>(24,730)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	977,501	(503,072)	363,451	(520,306)
Cash and Cash Equivalents at Beginning of Year	1,093,816	4,044,955	8,837,958	6,092,118
Cash and Cash Equivalents at End of Year	<u>\$ 2,071,317</u>	<u>\$ 3,541,883</u>	<u>\$ 9,201,409</u>	<u>\$ 5,571,812</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	\$ 564,483	\$ 113,280	\$ (967,369)	\$ 19,944
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	792,309	357,195
(Increase) decrease in accounts receivable	-	-	-	(11)
(Increase) decrease in prepaid costs	-	-	(10,055)	(1,014)
(Increase) decrease in inventories	-	-	-	(14,267)
Increase (decrease) in accounts payable	23,871	(87)	13,824	(97,888)
Increase (decrease) in self-insurance payable	(239,340)	(17,000)	-	-
Increase (decrease) in compensated absences	28,487	735	-	27,625
Total Adjustments	<u>(186,982)</u>	<u>(16,352)</u>	<u>796,078</u>	<u>271,640</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 377,501</u>	<u>\$ 96,928</u>	<u>\$ (171,291)</u>	<u>\$ 291,584</u>

City of Moreno Valley, California

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2016**

<u>Equipment Maintenance</u>	<u>Equipment Replacement Reserve</u>	<u>Compensated Absences</u>	<u>Total</u>	
\$ 2,070,271	\$ 581,474	\$ -	\$ 8,928,058	Cash Flows from Operating Activities:
(692,115)	-	-	(4,053,663)	Cash received from customers
-	-	-	(1,106,028)	Cash paid to suppliers for goods and services
(442,496)	-	-	(1,656,511)	Cash paid for claims
<u>935,660</u>	<u>581,474</u>	<u>-</u>	<u>2,111,856</u>	Cash paid to employees for services
				Net Cash Provided (Used) by Operating Activities
7,265,977	-	-	8,688,977	Cash Flows from Non-Capital Financing Activities:
(274,807)	(7,657,857)	-	(9,319,824)	Cash transfers in
				Cash transfers out
<u>6,991,170</u>	<u>(7,657,857)</u>	<u>-</u>	<u>(630,847)</u>	Net Cash Provided (Used) by Non-capital Financing Activities
-	27,405	-	27,405	Cash Flows from Capital and Related Financing Activities:
(46,442)	-	-	(359,430)	Proceeds from sale of capital assets
				Acquisition and construction of capital assets
<u>(46,442)</u>	<u>27,405</u>	<u>-</u>	<u>(332,025)</u>	Net Cash Provided (Used) by Investing Activities
7,880,388	(7,048,978)	-	1,148,984	Net Increase (Decrease) in Cash and Cash Equivalents
33,246	20,077,141	1,633,042	41,812,276	Cash and Cash Equivalents at Beginning of Year
<u>\$ 7,913,634</u>	<u>\$ 13,028,163</u>	<u>\$ 1,633,042</u>	<u>\$ 42,961,260</u>	Cash and Cash Equivalents at End of Year
				Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities
\$ 873,284	\$ 581,474	\$ -	\$ 1,185,096	Operating Income (loss)
				Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:
5,676	-	-	1,155,180	Depreciation
-	-	-	(11)	(Increase) decrease in accounts receivable
-	-	-	(11,069)	(Increase) decrease in prepaid costs
(4,882)	-	-	(19,149)	(Increase) decrease in inventories
45,880	-	-	(14,400)	Increase (decrease) in accounts payable
-	-	-	(256,340)	Increase (decrease) in self-insurance payable
15,702	-	-	72,549	Increase (decrease) in compensated absences
<u>62,376</u>	<u>-</u>	<u>-</u>	<u>926,760</u>	Total Adjustments
<u>\$ 935,660</u>	<u>\$ 581,474</u>	<u>\$ -</u>	<u>\$ 2,111,856</u>	Net Cash Provided (Used) by Operating Activities

City of Moreno Valley, California

AGENCY FUNDS

Deposit Liability Fund

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

Assessment District 87-4 Fund

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

TUMF Trust Fund

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

MSHCP Trust Fund

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

Moreno Valley Foundation Donations Fund

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

CFD #5 Stoneridge Fund

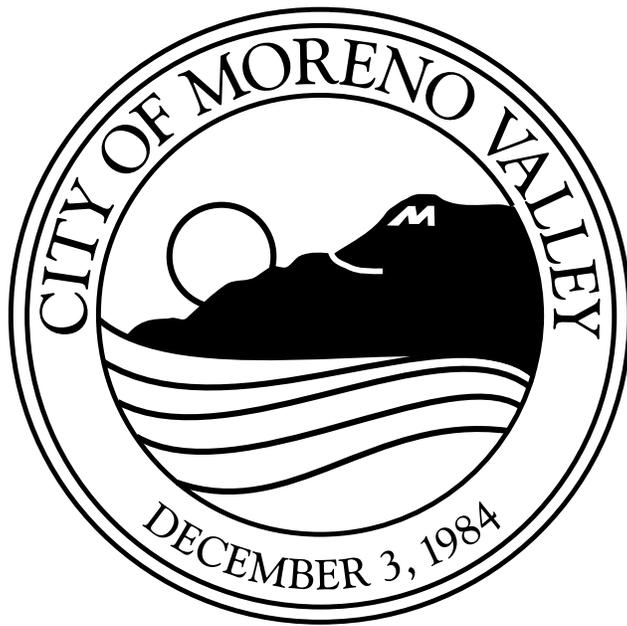
This fund is used to account for the receipt and remittance of special taxes for the CFD #5 Stoneridge Special Tax Bonds. The bonds are not secured by the general taxing power of the City, the State of California or any other political subdivision thereof, and neither the City nor the State, nor any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

Riverside County Flood Control and Water Conservation District Fund

This fund is used to account for receipt and disbursements of the District's tax increment for flood control improvement projects.

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.



City of Moreno Valley, California

**Combining Balance Sheet
All Agency Funds
June 30, 2016**

	<u>Deposit Liability</u>	<u>Assessment District 87-4</u>	<u>TUMF Trust</u>	<u>MSHCP Trust</u>
Assets:				
Current:				
Pooled cash and investments	\$ 4,586,410	966	\$ 1,456,045	\$ 54,656
Restricted Assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u>\$ 4,586,410</u>	<u>\$ 966</u>	<u>\$ 1,456,045</u>	<u>\$ 54,656</u>
Liabilities:				
Current:				
Accounts payable	73,588	\$ -	\$ 1,456,045	\$ 54,656
Deposits Payable	4,512,822	-	-	-
Payable to trustee	-	966	-	-
Due to City of Moreno Valley	-	-	-	-
Total Liabilities	<u>\$ 4,586,410</u>	<u>\$ 966</u>	<u>\$ 1,456,045</u>	<u>\$ 54,656</u>

City of Moreno Valley, California

**Combining Balance Sheet
All Agency Funds
June 30, 2016**

<u>Moreno Valley Foundation Donations</u>	<u>CFD # 5 Stoneridge</u>	<u>Arts Commission</u>	<u>Total</u>	
\$ 221,650	\$ -	\$ 2,693	\$ 6,322,420	Assets:
				Current:
				Pooled cash and investments
				Restricted Assets:
				Cash with fiscal agents
<u>-</u>	<u>793,858</u>	<u>-</u>	<u>793,858</u>	
<u>\$ 221,650</u>	<u>\$ 793,858</u>	<u>\$ 2,693</u>	<u>\$ 7,116,278</u>	Total Assets
				Liabilities:
				Current:
				Accounts payable
				Deposits Payable
				Payable to trustee
				Due to City of Moreno Valley
\$ -	\$ -	\$ -	\$ 1,584,289	
-	-	-	4,512,822	
221,650	789,591	2,693	1,014,900	
<u>-</u>	<u>4,267</u>	<u>-</u>	<u>4,267</u>	
<u>\$ 221,650</u>	<u>\$ 793,858</u>	<u>\$ 2,693</u>	<u>\$ 7,116,278</u>	Total Liabilities

City of Moreno Valley, California

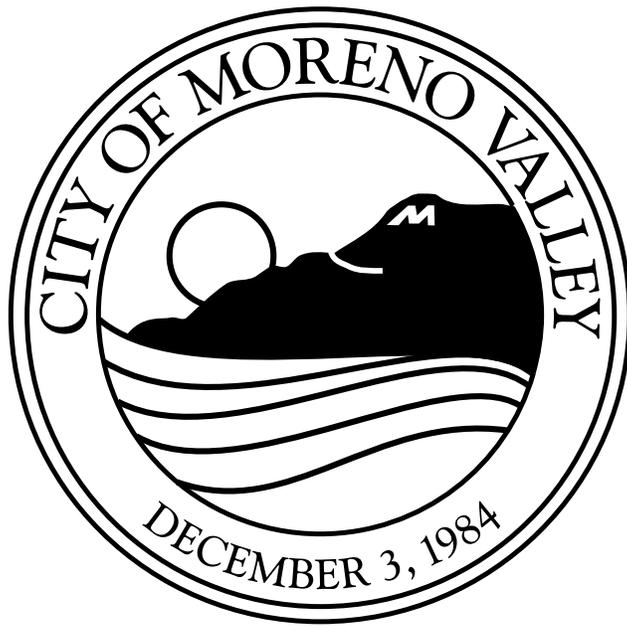
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>Deposit Liability</u>				
Assets:				
Pooled cash and investments	\$ 4,497,684	1,463,861	1,375,135	\$ 4,586,410
Total Assets	\$ 4,497,684	1,463,861	1,375,135	\$ 4,586,410
Liabilities:				
Accounts payable	\$ 11,971	883,458	821,841	\$ 73,588
Deposits payable	4,485,713	1,463,861	1,436,752	4,512,822
Total Liabilities	\$ 4,497,684	2,347,319	2,258,593	\$ 4,586,410
<u>Assessment District 87-4</u>				
Assets:				
Pooled cash and investments	\$ 924	42	-	\$ 966
Due from other governments	43	-	43	-
Total Assets	\$ 967	42	43	\$ 966
Liabilities:				
Payable to trustee	\$ 967	42	43	\$ 966
Total Liabilities	\$ 967	42	43	\$ 966
<u>TUMF Trust</u>				
Assets:				
Pooled cash and investments	\$ 17,746	3,152,322	1,714,023	\$ 1,456,045
Total Assets	\$ 17,746	3,152,322	1,714,023	\$ 1,456,045
Liabilities:				
Accounts payable	\$ 17,746	6,147,055	4,708,756	\$ 1,456,045
Total Liabilities	\$ 17,746	6,147,055	4,708,756	\$ 1,456,045
<u>MSHCP Trust</u>				
Assets:				
Pooled cash and investments	\$ 470,384	436,550	852,278	\$ 54,656
Total Assets	\$ 470,384	436,550	852,278	\$ 54,656
Liabilities:				
Accounts payable	\$ 470,384	873,099	1,288,827	\$ 54,656
Total Liabilities	\$ 470,384	873,099	1,288,827	\$ 54,656

City of Moreno Valley, California

**Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2016**

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2016</u>
<u>Moreno Valley Foundation Donation</u>				
Assets:				
Pooled cash and investments	\$ 221,650	-	-	\$ 221,650
Total Assets	\$ 221,650	-	-	\$ 221,650
Liabilities:				
Payable to trustee	\$ 221,650	-	-	\$ 221,650
Total Liabilities	\$ 221,650	-	-	\$ 221,650
<u>CFD # 5 Stoneridge</u>				
Assets:				
Pooled cash and investments	\$ 22,358	437,813	460,171	\$ -
Restricted assets:				
Cash and investments with fiscal agents	758,476	406,975	371,593	793,858
Total Assets	\$ 780,834	844,788	831,764	\$ 793,858
Liabilities:				
Accounts payable	\$ -	4,450	4,450	\$ -
Payable to trustee	780,834	8,757	-	\$ 789,591
Due to general fund	-	4,267	-	\$ 4,267
Total Liabilities	\$ 780,834	17,474	4,450	\$ 793,858
<u>Riverside County Flood Control and Water Conservation District</u>				
Assets:				
Pooled cash and investments	\$ 447,054	-	447,054	\$ -
Total Assets	\$ 447,054	-	447,054	\$ -
Liabilities:				
Payable to trustee	\$ 447,054	-	447,054	\$ -
Total Liabilities	\$ 447,054	-	447,054	\$ -
<u>Arts Commission</u>				
Assets:				
Pooled cash and investments	\$ 1,341	5,587	4,235	\$ 2,693
Total Assets	\$ 1,341	5,587	4,235	\$ 2,693
Liabilities:				
Accounts payable	\$ -	813	813	\$ -
Payable to trustee	1,341	1,352	-	2,693
Total Liabilities	\$ 1,341	1,352	-	\$ 2,693
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 5,679,141	5,496,175	4,852,896	\$ 6,322,420
Due from other governments	43	-	43	-
Restricted assets:				
Cash and investments with fiscal agents	758,476	406,975	371,593	793,858
Total Assets	\$ 6,437,660	5,903,150	5,224,532	\$ 7,116,278
Liabilities:				
Accounts payable	\$ 500,101	7,908,875	6,824,687	\$ 1,584,289
Deposits payable	4,485,713	1,463,861	1,436,752	4,512,822
Payable to trustee	1,451,846	10,151	447,097	1,014,900
Due to general funds	-	4,267	-	4,267
Total Liabilities	\$ 6,437,660	\$ 9,387,154	\$ 8,708,536	\$ 7,116,278



Statistical
Section

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR
ENDED JUNE 30, 2016

STATISTICAL SECTION

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

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

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 594,870,636	\$ 622,102,140	\$ 704,987,685	\$ 768,345,954	\$ 784,881,452	\$ 757,856,437	\$ 812,637,341	\$ 841,259,763	\$ 848,135,743	\$ 843,153,359
Restricted for:										
Community development projects	-	41,908,201	19,960,752	36,341,964	7,079,640	37,716,605	38,269,946	47,104,275	44,564,797	67,426,468
Community and cultural	-	8,259,181	-	8,368,534	8,968,479	10,880,981	12,219,506	13,201,156	15,490,740	17,003,008
Public safety	973,667	663,854	280,107	2,103,241	644,786	626,545	328,561	328,236	1,000,633	473,282
Public works/capital projects	66,493,508	79,745,801	71,335,816	61,365,635	109,095,517	27,654,589	40,264,691	56,388,219	43,385,566	45,945,528
Debt service	12,538,629	7,291,425	17,373,369	15,818,072	12,867,643	11,956,354	12,413,131	11,996,640	9,695,909	9,734,330
Other programs	14,863,573	3,598,110	11,731,764	2,545,781	301,868	170,051	311,702	538,101	538,908	707,617
Permanent funds-nonexpendable	62,537	64,692	66,436	169,287	170,162	188,335	191,646	328,823	332,597	337,682
Unrestricted	101,941,651	104,545,617	69,630,581	46,594,052	24,461,651	95,014,503	91,359,292	70,552,111	33,342,552	27,376,839
Total Governmental activities net position	\$ 791,744,201	\$ 868,179,021	\$ 895,366,510	\$ 941,652,520	\$ 948,471,198	\$ 942,064,400	\$ 1,007,995,816	\$ 1,041,697,324	\$ 996,487,445	\$ 1,012,158,113
Business-type activities										
Net investment in capital assets	\$ 14,130,659	\$ 14,110,399	\$ 10,083,679	\$ 12,201,754	\$ 13,942,981	\$ 8,396,845	\$ 9,052,878	\$ 9,569,296	\$ 10,903,412	\$ 13,977,670
Restricted										
Regulatory contingencies	1,604,444	948,207	1,767,402	1,158,200	1,702,037	2,520,912	3,444,969	3,903,663	3,803,242	4,605,893
Unrestricted	(634,406)	(2,252,565)	(4,023,374)	(4,520,034)	(5,623,674)	(413,445)	(652,825)	260,457	4,297,438	7,881,183
Total Business-type activities net position	\$ 15,100,697	\$ 12,806,041	\$ 7,827,707	\$ 8,839,920	\$ 10,021,344	\$ 10,504,312	\$ 11,845,022	\$ 13,733,416	\$ 19,004,092	\$ 26,464,746
Primary government										
Net investment in capital assets	\$ 609,001,295	\$ 636,212,539	\$ 715,071,364	\$ 780,547,708	\$ 798,824,433	\$ 766,253,282	\$ 821,690,219	\$ 850,829,059	\$ 859,039,155	\$ 857,131,029
Restricted for:										
Community development projects	-	41,908,201	19,960,752	36,341,964	7,079,640	37,716,605	38,269,946	47,104,275	44,564,797	67,426,468
Community and cultural	-	8,259,181	-	8,368,534	8,968,479	10,880,981	12,219,506	13,201,156	15,490,740	17,003,008
Public safety	973,667	663,854	280,107	2,103,241	644,786	626,545	328,561	328,236	1,000,633	473,282
Public works/capital projects	66,493,508	79,745,801	71,335,816	61,365,635	109,095,517	27,654,589	40,264,691	56,388,219	43,385,566	45,945,528
Debt service	12,538,629	7,291,425	17,373,369	15,818,072	12,867,643	11,956,354	12,413,131	11,996,640	9,695,909	9,734,330
Other programs	14,863,573	3,598,110	11,731,764	2,545,781	301,868	170,051	311,702	538,101	538,908	707,617
Permanent funds-nonexpendable	62,537	64,692	66,436	169,287	170,162	188,335	191,646	328,823	332,597	337,682
Regulatory contingencies	1,604,444	948,207	1,767,402	1,158,200	1,702,037	2,520,912	3,444,969	3,903,663	3,803,242	4,605,893
Unrestricted	101,307,245	102,293,052	65,607,207	42,074,018	18,837,977	94,601,058	90,706,467	70,812,568	37,639,990	35,258,022
Total primary government net position	\$ 806,844,898	\$ 880,985,062	\$ 903,194,217	\$ 950,492,440	\$ 958,492,542	\$ 952,568,712	\$ 1,019,840,838	\$ 1,055,430,740	\$ 1,015,491,537	\$ 1,038,622,859

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
Governmental activities:										
General government	\$ 10,796,963	\$ 14,416,941	\$ 14,948,628	\$ 12,093,157	\$ 13,001,340	\$ 11,326,363	\$ 11,758,206	\$ 12,081,324	\$ 26,675,932	\$ 17,250,813
Public safety	43,415,662	54,412,284	50,856,439	58,165,412	59,640,431	56,037,192	56,896,151	53,578,915	56,270,003	56,238,838
Community development	9,643,084	10,964,507	12,036,237	29,663,451	10,003,780	11,317,359	11,886,089	7,755,380	9,873,837	9,527,082
Community and cultural	21,181,096	33,717,135	27,904,884	22,700,681	25,046,848	19,245,060	18,400,148	20,615,807	20,589,032	20,910,561
Public works	30,750,411	29,247,892	36,095,949	14,990,867	34,432,579	36,159,171	39,467,695	43,540,207	29,397,062	34,772,563
Interest on long-term debt	8,724,134	12,081,884	10,334,932	9,126,054	8,333,540	6,415,304	2,552,119	4,031,673	3,338,928	3,625,887
Total Governmental activities expenses	<u>124,511,350</u>	<u>154,840,643</u>	<u>152,177,069</u>	<u>146,739,622</u>	<u>150,458,518</u>	<u>140,500,449</u>	<u>140,960,408</u>	<u>141,603,306</u>	<u>146,144,794</u>	<u>142,325,744</u>
Business-type activities:										
Electric	8,298,955	12,282,161	14,067,086	13,812,966	14,807,788	16,549,224	18,139,446	19,796,146	22,277,378	24,230,158
Total business-type activities expenses	<u>8,298,955</u>	<u>12,282,161</u>	<u>14,067,086</u>	<u>13,812,966</u>	<u>14,807,788</u>	<u>16,549,224</u>	<u>18,139,446</u>	<u>19,796,146</u>	<u>22,277,378</u>	<u>24,230,158</u>
Total primary government expenses	<u>\$ 132,810,305</u>	<u>\$ 167,122,804</u>	<u>\$ 166,244,155</u>	<u>\$ 160,552,588</u>	<u>\$ 165,266,306</u>	<u>\$ 157,049,673</u>	<u>\$ 159,099,854</u>	<u>\$ 161,399,452</u>	<u>\$ 168,422,172</u>	<u>\$ 166,555,902</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,994,550	\$ 1,329,861	\$ 1,144,983	\$ 3,148,712	\$ 5,008,441	\$ 7,056,028	\$ 9,505,989	\$ 5,057,964	\$ 4,996,612	\$ 6,142,310
Public safety	1,212,229	4,948,923	6,559,817	4,371,535	2,787,962	2,738,303	2,951,403	3,077,843	3,196,167	3,409,176
Community development	12,947,546	6,962,389	7,607,316	4,071,460	4,911,984	5,973,104	4,821,911	7,620,631	7,529,017	7,437,687
Community and cultural	10,963,716	12,163,575	14,982,931	11,254,752	11,237,049	11,584,756	11,343,108	6,518,337	6,292,363	4,927,785
Public works	10,612,170	19,134,172	7,840,754	2,264,619	3,364,804	1,495,407	3,109,029	2,604,218	3,245,439	3,268,761
Operating contributions and grants:										
General government	622,513	-	92,319	66,861	940,799	1,094,413	2,974,751	121,564	154,230	121,850
Public safety	931,062	704,324	385,195	1,016,552	1,009,290	988,848	796,155	687,498	4,213,573	3,954,561
Community development	4,023,295	2,873,752	2,541,925	8,909,018	5,769,165	4,028,880	9,928,414	4,972,354	2,278,546	1,225,925
Community and cultural	100,777	6,911,186	5,936,040	5,174,090	6,635,271	6,284,823	7,166,971	7,515,185	7,595,170	7,437,170
Public works	460,787	631,830	3,901,583	6,345,620	6,353,159	15,499,751	15,250,978	12,279,173	12,837,819	10,131,877
Capital contributions and grants										
General government	-	-	-	31,307	-	5,056,545	-	17,576	-	-
Public safety	-	-	-	146,606	534,771	893,608	357,393	-	-	-
Community development	-	-	-	918,785	20,180	-	-	9,729,528	16,679,953	16,440,489
Community and cultural	-	-	239,746	-	-	-	-	-	-	-
Public works	74,752,980	74,004,139	31,573,778	70,826,175	29,208,716	(270,863)	37,847,697	6,544,892	5,052,634	1,638,903
Total governmental activities program revenues	<u>119,621,625</u>	<u>129,664,151</u>	<u>82,806,387</u>	<u>118,546,092</u>	<u>77,781,591</u>	<u>62,423,603</u>	<u>106,053,799</u>	<u>66,746,763</u>	<u>74,071,523</u>	<u>66,136,494</u>
Business-type activities:										
Charges for services										
Electric	8,712,097	10,311,654	12,430,482	13,326,364	15,671,939	16,778,766	19,098,088	20,213,736	27,678,542	29,363,663
Capital contributions and grants	1,604,577	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>10,316,674</u>	<u>10,311,654</u>	<u>12,430,482</u>	<u>13,326,364</u>	<u>15,671,939</u>	<u>16,778,766</u>	<u>19,098,088</u>	<u>20,213,736</u>	<u>27,678,542</u>	<u>29,363,663</u>
Total primary government program revenues	<u>\$ 129,938,299</u>	<u>\$ 139,975,805</u>	<u>\$ 95,236,869</u>	<u>\$ 131,872,456</u>	<u>\$ 93,453,530</u>	<u>\$ 79,202,369</u>	<u>\$ 125,151,887</u>	<u>\$ 86,960,499</u>	<u>\$ 101,750,065</u>	<u>\$ 95,500,157</u>

(continued)

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ (4,889,725)	\$ (25,176,492)	\$ (69,370,682)	\$ (28,193,530)	\$ (72,676,927)	\$ (78,076,846)	\$ (34,906,609)	\$ (74,856,543)	\$ (72,073,271)	\$ (76,189,250)
Business-type activities	2,017,719	(1,970,507)	(1,636,604)	(486,602)	864,151	229,542	958,642	417,590	5,401,164	5,133,505
Total primary government net (expense)/revenue	\$ (2,872,006)	\$ (27,146,999)	\$ (71,007,286)	\$ (28,680,132)	\$ (71,812,776)	\$ (77,847,304)	\$ (33,947,967)	\$ (74,438,953)	\$ (66,672,107)	\$ (71,055,745)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 23,379,735	\$ 30,351,211	\$ 28,316,208	\$ 16,836,699	\$ 22,699,683	\$ 18,342,475	\$ 13,088,911	\$ 14,281,943	\$ 15,600,436	\$ 17,009,795
Property taxes in lieu	14,150,000	16,728,600	16,791,078	13,703,197	13,055,796	13,170,964	13,414,446	13,871,754	15,137,754	16,409,009
Transient occupancy tax	586,383	593,009	497,936	535,775	692,586	747,100	831,881	991,431	1,197,143	1,416,343
Sales tax	15,701,460	13,623,654	12,163,719	10,982,811	12,277,450	14,003,993	14,043,560	15,887,129	16,130,340	18,937,738
Franchise taxes	4,349,870	4,381,882	4,876,055	4,607,594	4,888,143	5,008,507	5,147,342	5,361,531	5,885,913	5,493,936
Business license taxes	1,315,039	1,111,021	1,051,702	961,303	1,053,146	1,175,104	1,305,925	1,581,918	1,886,558	2,249,400
Utility users tax	15,463,291	15,186,616	15,081,266	15,358,341	15,317,439	15,591,386	15,683,931	15,595,141	16,138,202	15,824,481
Other taxes	6,320,978	2,620,059	2,683,193	2,278,529	1,204,064	1,155,334	1,325,025	6,467,203	6,512,910	6,529,065
Franchise in lieu taxes	78,573	96,816	120,969	132,548	150,456	168,267	189,577	194,943	278,186	293,022
Documentary transfer tax	972,995	575,003	598,084	479,208	424,931	434,554	350,413	447,103	502,822	740,120
Intergovernmental-motor vehicle in lieu, unrestricted	16,054,145	800,667	865,718	547,188	-	-	-	-	-	-
Use of property and money	13,467,580	16,380,462	9,381,199	10,850,116	5,298,098	8,708,429	2,236,328	4,718,739	3,440,087	4,774,277
Gain on sale of capital assets	-	2,575	-	-	605	-	-	-	-	-
Miscellaneous	405,679	885,602	1,787,772	1,238,641	2,784,308	469,671	1,728,104	696,377	403,609	2,182,732
Extraordinary items	-	-	-	-	-	(7,305,736)	31,492,582	26,364,076	-	-
Transfers	(75,851)	61,817	653,554	225,192	(107,841)	-	-	(904,032)	-	-
Total governmental activities	112,169,877	103,398,994	94,868,473	78,737,142	79,738,864	71,670,048	100,838,025	105,555,256	83,113,960	91,859,918
Business-type activities										
Use of property and money	-	-	-	61,428	29,540	89,183	8,848	35,249	137,947	202,544
Other	-	-	131,033	1,250,000	179,892	164,243	373,220	531,523	1,141,838	2,124,605
Transfers	75,851	(61,817)	(653,554)	(225,192)	107,841	-	-	904,032	-	-
Total business-type activities	75,851	(61,817)	(522,521)	1,086,236	317,273	253,426	382,068	1,470,804	1,279,785	2,327,149
Total primary government	\$ 112,245,728	\$ 103,337,177	\$ 94,345,952	\$ 79,823,378	\$ 80,056,137	\$ 71,923,474	\$ 101,220,093	\$ 107,026,060	\$ 84,393,745	\$ 94,187,067
Change in Net Position										
Government activities	\$ 107,280,152	\$ 78,222,502	\$ 25,497,791	\$ 50,543,612	\$ 7,061,937	\$ (6,406,798)	\$ 65,931,416	\$ 30,698,713	\$ 11,040,689	\$ 15,670,668
Business-type activities	2,093,570	(2,032,324)	(2,159,125)	599,634	1,181,424	482,968	1,340,710	1,888,394	6,680,949	7,460,654
Total primary government	\$ 109,373,722	\$ 76,190,178	\$ 23,338,666	\$ 51,143,246	\$ 8,243,361	\$ (5,923,830)	\$ 67,272,126	\$ 32,587,107	\$ 17,721,638	\$ 23,131,322

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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 13,580,492	\$ 35,752,164	\$ 34,787,698	\$ 33,788,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	39,494,188	21,937,845	17,066,883	17,500,579	-	-	-	-	-	-
Nonspendable	-	-	-	-	5,716,008	5,438,306	5,497,653	9,132,415	8,388,275	8,215,977
Restricted	-	-	-	-	-	1,000,000	-	-	-	-
Committed	-	-	-	-	2,600,000	2,600,000	2,701,000	2,729,722	2,266,281	2,755,281
Assigned	-	-	-	-	1,414,860	2,613,937	646,598	1,156,993	1,115,184	3,149,038
Unassigned	-	-	-	-	36,634,651	29,814,811	25,528,774	27,536,445	31,606,163	37,001,739
Total General Fund	<u>\$ 53,074,680</u>	<u>\$ 57,690,009</u>	<u>\$ 51,854,581</u>	<u>\$ 51,289,539</u>	<u>\$ 46,365,519</u>	<u>\$ 41,467,054</u>	<u>\$ 34,374,025</u>	<u>\$ 40,555,575</u>	<u>\$ 43,375,903</u>	<u>\$ 51,122,035</u>
All Other Funds										
Reserved	\$ 49,559,718	\$ 90,143,820	\$ 86,530,127	\$ 79,688,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	48,534,518	50,516,963	42,222,678	30,378,947	-	-	-	-	-	-
Capital projects funds	36,453,807	29,300,262	27,359,094	27,373,151	-	-	-	-	-	-
Permanent funds	-	-	66,436	169,287	-	-	-	-	-	-
Nonspendable	-	-	-	-	32,582,050	35,169,140	35,479,835	6,848,083	6,351,290	5,869,254
Restricted	-	-	-	-	106,735,045	54,025,315	68,502,016	123,037,367	110,373,496	103,223,132
Committed	-	-	-	-	13,321	17,332	17,332	-	-	1,000,000
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)
Total all other funds	<u>\$ 134,548,043</u>	<u>\$ 169,961,045</u>	<u>\$ 156,178,335</u>	<u>\$ 137,609,871</u>	<u>\$ 120,527,204</u>	<u>\$ 108,227,828</u>	<u>\$ 114,054,878</u>	<u>\$ 129,436,171</u>	<u>\$ 116,277,158</u>	<u>\$ 109,970,256</u>

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)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenue										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax	26,854,009	30,351,211	28,316,208	16,836,699	22,699,683	18,342,475	13,088,911	14,281,943	15,600,436	17,009,795
Property taxes in lieu	14,150,000	16,728,600	16,791,078	13,703,197	13,055,796	13,170,964	13,414,446	13,871,754	15,137,754	16,409,009
Utility taxes	15,463,291	15,186,616	15,081,286	15,358,341	15,317,439	15,591,386	15,683,931	15,595,141	16,138,202	15,824,481
Sales taxes	15,701,460	13,623,654	12,163,719	10,982,811	12,277,450	14,003,993	14,043,560	15,887,129	16,130,340	18,937,738
Other taxes	9,637,850	9,377,790	9,827,939	8,994,957	8,413,326	8,688,866	9,150,163	15,044,129	16,263,532	16,721,886
Licenses, fees and permits	13,552,983	2,650,530	1,930,905	1,354,188	1,532,514	1,523,800	1,585,312	2,164,753	2,020,230	2,834,449
Charges for services	25,046,576	24,745,073	21,876,389	20,182,147	21,497,689	25,480,671	27,718,832	20,229,634	21,050,766	21,193,893
Intergovernmental	16,703,254	31,497,898	32,642,154	39,049,424	27,591,342	28,993,998	38,624,704	28,810,219	32,505,519	27,463,858
Use of property and money	13,466,716	16,380,462	9,381,199	10,850,116	7,027,197	7,605,758	1,749,494	4,034,589	3,405,008	4,734,930
Fines and forfeitures	1,159,350	1,293,056	1,262,712	1,176,403	833,799	653,285	650,259	619,942	630,175	569,383
Miscellaneous/other	1,089,949	885,602	1,787,772	1,238,641	4,251,577	1,424,186	3,162,871	2,269,465	1,623,569	2,273,288
Total revenues	152,825,438	162,720,492	151,061,361	139,726,924	134,497,812	135,479,382	138,872,483	132,808,698	140,505,531	143,972,711
Expenditures										
General government	12,060,789	14,681,999	14,825,012	12,607,630	14,504,781	14,442,873	12,099,984	12,019,962	13,146,749	16,275,216
Public safety	50,276,192	56,361,973	57,866,348	58,311,716	58,152,125	54,602,358	58,393,974	53,492,051	55,248,006	55,140,221
Community development	10,116,658	18,144,115	13,895,163	15,003,855	9,061,184	10,530,127	12,374,216	7,923,409	9,883,788	9,116,820
Community and cultural	19,286,807	32,683,219	27,331,726	21,982,074	23,006,061	17,348,779	18,021,610	19,232,689	18,797,257	19,031,065
Public works	31,391,248	34,616,617	45,328,685	13,796,314	15,018,071	15,588,709	15,673,611	18,273,006	18,130,438	19,293,627
Capital outlay	-	-	-	26,269,751	23,879,656	27,709,622	45,615,380	27,212,890	28,898,279	19,586,004
Debt service										
Principal retirement	3,095,000	18,538,387	4,154,660	3,690,094	11,724,021	3,965,407	3,017,500	13,884,500	2,556,230	3,092,176
Interest and fiscal charges	8,476,750	9,213,625	10,382,080	9,198,762	8,345,084	6,250,237	2,462,481	3,284,958	3,388,158	2,950,685
Bond issuance costs	326,385	2,413,464	-	-	-	-	-	895,960	360,956	-
Total expenditures	135,029,829	186,653,399	173,783,674	160,860,196	163,690,983	150,438,112	167,658,756	156,219,425	150,409,861	144,485,814
Excess of revenues over/ (under) expenditures	17,795,609	(23,932,907)	(22,722,313)	(21,133,272)	(29,193,171)	(14,958,730)	(28,786,273)	(23,410,727)	(9,904,330)	(513,103)
Other Financing Sources (Uses)										
Issuance of debt	5,870,000	58,412,429	-	-	7,447,764	-	-	-	-	-
Transfers in	33,422,242	38,016,856	27,284,397	29,322,934	18,994,235	25,245,873	16,689,425	30,993,218	44,585,720	9,218,855
Transfers out	(30,526,931)	(36,688,115)	(24,926,511)	(26,106,962)	(19,012,256)	(25,818,899)	(15,473,618)	(30,111,368)	(44,677,294)	(8,588,009)
Contributions from Successor Agency	-	-	-	-	-	900,124	2,811,741	9,729,528	1,489,134	1,620,000
Contributions to Successor Agency	-	-	-	-	-	-	-	-	-	(298,513)
Sale of capital assets	-	442,085	-	-	-	-	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	905,166	-	-
Other debts issued	-	-	-	-	-	-	-	20,000,000	-	-
Defeased bonds	-	-	-	-	-	-	-	-	(25,940,000)	-
Refunding bonds issued	-	-	-	-	-	-	-	10,454,230	24,108,085	-
Total other financing sources (uses)	8,765,311	60,183,255	2,357,886	3,215,972	7,429,743	327,098	4,027,548	41,970,774	(434,355)	1,952,333
Extraordinary Items	-	-	-	-	-	(2,566,209)	23,492,746	-	-	-
Net change in fund balances	\$ 26,560,920	\$ 36,250,348	\$ (20,364,427)	\$ (17,917,300)	\$ (21,763,428)	\$ (17,197,841)	\$ (1,265,979)	\$ 18,560,047	\$ (10,338,685)	\$ 1,439,230
Debt service as a percentage of noncapital expenditures	10.56%	19.40%	10.65%	9.58%	14.35%	8.59%	4.39%	13.06%	5.38%	5.21%

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

Fiscal Year	Property	Property Tax In-Lieu of Vehicle License Fees	Utility Users	Sales & Use	Transient Occupancy	Franchise	Motor Vehicle In-Lieu	Business License Gross Receipt	Documentary Transfer	Total
2007	\$ 14,022,135	\$ 14,150,000	\$ 15,463,291	\$ 13,116,271	\$ 586,383	\$ 4,349,870	\$ 943,313	\$ 1,315,039	\$ 972,995	\$ 64,919,297
2008	14,361,253	16,728,600	15,186,616	11,694,525	593,009	4,478,698	800,667	1,111,021	575,003	65,529,392
2009	12,790,196	16,791,078	15,081,286	10,202,384	497,936	4,997,024	865,718	1,051,701	598,084	62,875,407
2010	9,917,734	13,703,197	15,358,341	9,298,296	535,775	4,757,920	547,188	961,303	479,208	55,558,962
2011	9,430,846	13,055,796	15,317,439	11,283,435	692,586	5,038,600	887,331	1,053,145	424,931	57,184,109
2012	9,397,373	13,170,964	15,591,386	14,003,992	747,100	5,176,775	96,578	1,175,104	434,554	59,793,826
2013	9,765,007	13,414,446	15,683,931	14,043,560	831,881	5,336,919	100,727	1,305,924	350,413	60,832,808
2014	10,668,782	13,871,755	15,595,141	15,887,129	991,431	5,556,474	84,056	1,581,918	447,103	64,683,789
2015	11,594,459	15,137,754	16,138,202	16,130,340	1,197,143	6,164,099	81,658	1,886,558	502,822	68,833,035
2016	12,679,455	16,409,009	15,824,481	18,937,742	1,416,343	5,786,958	80,967	2,249,400	740,120	74,124,475
Change										
2007 to 2016	-10.00%	16.00%	2.00%	44.00%	142.00%	33.00%	-91.00%	71.00%	-24.00%	14.00%

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 Tax	Property Tax	Property Tax In-Lieu of VLF	Vehicle License In-Lieu Fees	Sales Tax	Property Tax In-Lieu of Sales Tax	Development Services
2007	\$ 15,463,291	\$ 14,022,135	\$ 14,150,000	\$ 943,313	\$ 9,472,304	\$ 3,643,967	\$ 12,473,161
2008	15,186,616	14,361,253	16,728,600	800,667	7,942,982	3,751,543	8,706,327
2009	15,081,286	12,790,196	16,791,078	865,718	7,135,246	3,067,138	5,510,492
2010	15,358,341	9,917,734	13,703,197	547,188	6,952,123	2,346,173	2,631,820
2011	15,317,439	9,430,846	13,055,796	887,331	8,113,635	3,169,800	2,675,770
2012	15,591,386	9,397,373	13,170,964	96,578	10,848,031	3,155,962	3,928,365
2013	15,683,931	9,765,007	13,414,446	100,727	10,523,544	3,520,016	3,586,632
2014	15,595,141	10,668,782	13,871,754	84,056	11,478,971	4,408,158	5,832,468
2015	16,138,202	11,594,459	15,137,754	81,658	12,347,660	3,782,680	5,323,881
2016	15,824,481	12,679,455	16,409,009	80,967	15,412,390	3,525,352	6,453,497

Source: City of Moreno Valley Financial and Management Services Department

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

Fiscal Year Ended June 30,	City						Redevelopment Agency **						
	Secured Value	Unsecured Value	Total Assessed and Estimated Full Value	Less: Exemptions	Taxable Assessed Value	Direct Tax Rate	Secured Value	Unsecured Value	Total Assessed and Estimated Full Value	Less: Exemptions	Taxable Assessed Value	Direct Tax Rate	Total Direct Tax Rate
2007	\$13,419,168	\$198,776	\$13,617,944	(\$147,891)	\$13,470,053	0.00140	\$2,546,327	\$109,685	\$2,656,012	(\$47,345)	\$2,608,667	0.00672	0.00226
2008	13,491,161	232,774	13,723,935	(194,693)	13,529,242	0.00143	2,788,876	137,206	2,926,082	(75,251)	2,850,831	0.00838	0.00264
2009	13,132,444	243,521	13,375,965	(154,973)	13,220,992	0.00131	2,229,290	117,596	2,346,886	(72,232)	2,274,654	0.01045	0.00265
2010	10,625,910	236,904	10,862,814	(154,289)	10,708,525	0.00160	2,391,494	154,639	2,546,133	(81,595)	2,464,538	0.00675	0.00256
2011	10,516,338	238,786	10,755,124	(227,178)	10,527,946	0.00164	2,375,549	157,430	2,532,979	(81,830)	2,451,149	0.00575	0.00242
2012	10,561,585	271,336	10,832,921	(236,235)	10,596,686	0.00258	-	-	-	-	-	-	0.00258
2013	10,646,415	342,094	10,988,509	(249,331)	10,739,178	0.00183	-	-	-	-	-	-	0.00183
2014	11,042,637	352,337	11,394,974	(264,161)	11,130,813	0.00185	-	-	-	-	-	-	0.00185
2015	12,102,252	366,400	12,468,652	(262,713)	12,205,939	0.00179	-	-	-	-	-	-	0.00179
2016	12,991,881	486,350	13,478,231	(256,756)	13,221,475	0.00173	-	-	-	-	-	-	0.00173

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

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

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City Direct Rate:	\$0.00140	\$0.00143	\$0.00131	\$0.00160	\$0.00164	\$0.00258	\$0.00177	\$0.00185	\$0.00179	\$0.00173
Redevelopment Agency Direct Rate:	0.00672	0.00838	0.01045	0.00675	0.00575	0.00000	0.00000	0.00000	0.00000	0.00000
Total Direct Tax Rate:	0.00226	0.00264	0.00265	0.00256	0.00242	0.00258	0.00177	0.00185	0.00179	0.00173
Eastern Municipal Water Imp Dist	0.01500	0.01500	0.00700	0.03000	0.03000	0.03000	0.03000	0.03000	0.01100	0.01100
Metro Water East 1301999 Debt Svc	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350
Metro Water West 1302999 Debt Svc	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350	0.00350	0.00350
Moreno Valley Unified School District	0.02271	0.03066	0.03081	0.02660	0.03357	0.04096	0.04060	0.04354	0.04071	0.10223
Nuview School District	0.00000	0.02998	0.02996	0.02790	0.02987	0.02988	0.04043	0.07389	0.07156	0.00000
Perris Union High School District	0.03222	0.02110	0.02031	0.02686	0.03126	0.03429	0.03429	0.06970	0.06303	0.00000
Mt. San Jacinto Jr College	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01394
Riverside City Community College District	0.01800	0.01259	0.01254	0.01242	0.01499	0.01700	0.01702	0.01768	0.01791	0.01725
San Jacinto Unified School District	0.01407	0.07202	0.09600	0.09052	0.11744	0.12875	0.12800	0.12746	0.11866	0.11727
Val Verde Unified District	0.00000	0.00000	0.03189	0.04089	0.03347	0.03160	0.08383	0.07235	0.07882	0.07135
Total Tax Rate	<u>\$0.12178</u>	<u>\$0.20280</u>	<u>\$0.25152</u>	<u>\$0.22708</u>	<u>\$0.30781</u>	<u>\$0.32504</u>	<u>\$0.38471</u>	<u>\$0.44532</u>	<u>\$0.41048</u>	<u>\$0.34177</u>

NOTE:

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

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

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

Taxpayer	2016			2007		
	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 T1 (Sketchers)	\$ 220,979,063	1	1.67%	\$ -		0.00%
FR California Indian Avenue	168,378,744	2	1.27%	-		0.00%
Ross Dress for Less, Inc.	137,855,825	3	1.04%	45,032,063	4	0.40%
Walgreen Company	117,547,840	4	0.89%	134,927,663	1	1.19%
Golden State FC LLC	108,546,560	5	0.82%	-		0.00%
First Industrial LP	96,338,637	6	0.73%	-		0.00%
IIT Inland Empire Logistics Center	92,170,534	7	0.70%	-		0.00%
Kaiser	90,084,923	8	0.68%	-		0.00%
Stonegate 552	84,647,427	9	0.64%	-		0.00%
I 215 Logistics	83,965,386	10	0.64%	-		0.00%
Falls Apartments	-		0.00%	58,804,789	2	0.52%
Moreno Valley Properties	-		0.00%	58,658,080	3	0.52%
Homart Newco Two, Inc.	-		0.00%	40,000,000	5	0.35%
Western Pacific Housing, Inc.	-		0.00%	32,388,133	6	0.28%
Moreno Valley Plaza	-		0.00%	29,694,237	7	0.26%
Divi Divi Tree	-		0.00%	29,434,368	8	0.26%
Lasselle Place	-		0.00%	28,970,785	9	0.25%
MV Homes	-		0.00%	28,640,446	10	0.25%
	<u>\$ 1,200,514,939</u>		<u>9.08%</u>	<u>\$ 486,550,564</u>		<u>4.28%</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	
		Amount	Percent of Levy (1)		Amount	Percent of Levy
2007	39,206,275	39,141,295	99.83%	64,980	39,206,275	100.00%
2008	43,561,908	43,457,010	99.76%	104,898	43,561,908	100.00%
2009	41,285,111	41,165,168	99.71%	119,943	41,285,111	100.00%
2010	35,573,656	35,492,693	99.77%	80,963	35,573,656	100.00%
2011	33,713,334	33,658,226	99.84%	55,108	33,713,334	100.00%
2012	33,226,437	33,172,713	99.84%	53,724	33,226,437	100.00%
2013	25,630,602	25,580,901	99.81% (2)	49,701	25,630,602	100.00%
2014	26,906,254	26,862,040	99.84%	44,214	26,906,254	100.00%
2015	26,455,986	26,154,116	98.86%	301,870	26,455,986	100.00%
2016	27,643,578	27,249,232	98.57%	-	27,249,232	98.57%

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.

Supplemental taxes for new construction put into service after the tax rolls are completed are collected in a county pool and then allocated to all cities based on a formula. Because these tax amounts are not included on the original tax roll these amounts are reported as collections but are not included in the amount levied.

(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 2015/16 Assessed Valuation \$ 13,224,174,633

	Total Debt 6/30/2016	% Applicable(1)	City's Share of Debt 6/30/2016
OVERLAPPING TAX AND ASSESSMENT DEBT			
Metropolitan Water District	\$ 92,865,000	0.539%	\$ 500,542
Riverside County Flood Control and Water Reclamation District, Zone No.4	20,650,000	31.264	6,456,016
Eastern Municipal Water District I.D. No U-22	2,547,000	100	2,547,000
Riverside Community College District	267,357,209	14.953	39,977,923
Mount San Jacinto Community College District	70,000,000	0.028	19,600
Moreno Valley Unified School District	133,088,521	84.389	112,312,072
San Jacinto Unified School District	41,434,584	0.844	349,708
Val Verde Unified School District	107,286,488	39.287	42,149,643
Moreno Valley Unified School District Community Facilities District No. 2002-1	7,230,000	100	7,230,000
Moreno Valley Unified School District Community Facilities District No. 2003-1&2	10,835,000	100	10,835,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	2,915,000	100	2,915,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	5,135,000	100	5,135,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	3,775,000	100	3,775,000
Moreno Valley Unified School District Community Facilities District No. 2004-4	3,855,000	100	3,855,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	4,705,000	100	4,705,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	25,795,000	100	25,795,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3 & 5	23,330,000	100	23,330,000
Moreno Valley Unified School District Community Facilities District No. 2007-1	5,195,000	100	5,195,000
Val Verde Unified School District Community Facilities District No. 98-1	18,020,000	100	18,020,000
Val Verde Unified School District Community Facilities District No. 2003-2	2,830,000	100	2,830,000
Eastern Municipal Water District Community Facilities District	12,211,000	100	12,211,000
City of Moreno Valley Community Facilities District No. 5	5,605,000	100	5,605,000
City of Moreno Valley Community Facilities District No. 87-1, I.A. No. 1	2,365,000	100	2,365,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 338,113,504
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	\$ 889,831,745	5.550%	\$ 49,385,662
Riverside County Pension Obligations	304,520,000	5.550%	16,900,860
Riverside County Board of Education Certificates of Participation	935,000	5.550%	51,893
Moreno Valley Unified School District Certificates of Participation	11,640,000	84.389%	9,822,880
San Jacinto Unified School District Certificates of Participation	39,440,000	0.844%	332,874
Val Verde Unified School District Certificates of Participation	70,205,000	39.287%	27,581,438
City of Moreno Valley General Fund Obligations	70,978,000	100.000%	70,978,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			175,053,607
Less: Riverside County self-supporting obligations			346,150
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			174,707,457
City Direct Debt (City of Moreno Valley General Fund Obligations)			70,978,000
TOTAL DIRECT & OVERLAPPING DEBT			\$ 245,685,457
OVERLAPPING TAX INCREMENT DEBT:			
	\$ 77,690,000	31.460-100	\$ 56,439,173
TOTAL DIRECT DEBT			70,978,000
TOTAL GROSS OVERLAPPING DEBT			498,628,284
TOTAL NET OVERLAPPING DEBT			498,282,134
GROSS COMBINED TOTAL DEBT			569,606,284 (2)
NET COMBINED TOTAL DEBT			569,260,134

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 2015-16 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt 2.56%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$70,978,000) 0.54%

Gross Combined Total Debt 4.31%

Net Combined Total Debt 4.30%

Ratios to Redevelopment Incremental Valuation (\$2,543,839,920):

Total Overlapping Tax Increment Debt 2.22%

AB: (\$475)

Source: California Municipal Statistics

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

Legal Debt Margin Calculation for Fiscal Year 2016	\$ 13,082,108
Assessed Value	1,962,316
Debt Limit (15% of assessed value)	-
Debt applicable to limit:	-
	-
	<u>\$ -</u>

Total net debt applicable to limit

	Fiscal Year (1)									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Valuation (in thousands)	\$ 11,220,188	\$ 13,374,229	\$ 13,375,965	\$ 10,862,814	\$ 10,366,869	\$ 10,462,566	\$ 10,590,832	\$ 12,199,659	\$ 12,064,572	\$ 13,082,108
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation (in thousands)	2,805,047	3,343,557	3,343,991	2,715,704	2,591,717	2,615,642	2,647,708	3,049,915	3,016,143	3,270,527
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit (in thousands)	420,757	501,534	501,599	407,356	388,758	392,346	397,156	457,487	452,421	490,579
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin (in thousands)	420,757	501,534	501,599	407,356	388,758	392,346	397,156	457,487	452,421	490,579
Total net debt applicable to the limit as a percentage of the debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

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 (2)	Debt per Capita
	(1) Special Tax Bonds	Certificates of Participation	Lease Revenue Bonds	RDA Tax Allocation Bonds	Notes and Other	Governmental Activities	Lease Revenue Bonds			
2007	\$21,415,000	\$6,590,000	\$46,890,000	-	\$4,696,689	\$79,591,689	\$30,870,000	\$110,461,689	3.67%	612
2008	18,925,000	6,040,000	46,160,000	43,495,000	4,318,513	118,938,513	30,870,000	149,808,513	4.61%	815
2009	17,265,000	5,470,001	45,205,000	42,725,000	6,849,487	117,514,488	30,775,000	148,289,488	4.48%	796
2010	15,525,000	4,875,000	44,205,000	42,605,000	6,667,850	113,877,850	30,285,000	144,162,850	4.09%	765
2011	13,655,000	- (3)	39,660,000 (3)	42,475,000	12,301,668 (3)	108,091,668	29,780,000	137,871,668	3.80%	706
2012	11,870,000	-	38,775,000	- (4)	12,405,733	63,050,733	29,245,000	92,295,733	2.70%	470
2013	10,685,000	-	37,855,000	- (4)	12,340,304	60,880,304	28,685,000	89,565,304	2.62%	452
2014	9,660,000	20,000,000	36,394,230	- (4)	11,874,411	77,928,641	27,836,607	105,765,248	2.93%	531
2015	8,700,000	20,000,000	32,486,745	- (4)	10,620,844	71,807,589	26,982,029	98,789,618	2.72%	485
2016	7,700,000	20,000,000	33,788,512	- (4)	2,838,000 (6)	64,326,512	36,743,303 (5)	101,069,815	2.78%	492

Notes:

- 1) GASB 44 allowed for the implementation of historical reporting on a prospective basis. The City has elected to report historical data in this manner.
- 2) These ratios are calculated using personal income and population for the prior year.
- 3) In Fiscal Year 2011 the City defeased the 1997 Lease Revenue Bonds and the 1997 City Hall COPs with private placement financing.
- 4) No Longer considered general bonded debt as the result of the dissolution of the Redevelopment Agency.
- 5) In Fiscal Year 2016 the Moreno Valley Electric Utility issued Taxable Lease Revenue Bonds in the amount of \$10,430,000.
- 6) In Fiscal Year 2016 OPEB and Compensated Absences are not included in Notes and Other.

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

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

Fiscal Year Ended June 30,	(1)	Special Tax Bonds	Certificates of Participation	Lease Revenue Bonds	Total Governmental Activities	Percent of Assessed Value (2)	Per Capita
2008		\$18,925,000	\$6,040,000	\$46,160,000	\$71,125,000	0.53%	387
2009		17,265,000	5,470,001	45,205,000	67,940,001	0.51%	365
2010		15,525,000	4,875,000	44,205,000	64,605,000	0.59%	343
2011		13,655,000	- (3)	39,660,000 (3)	53,315,000	0.50%	273
2012		11,870,000	-	38,775,000	50,645,000	0.47%	258
2013		10,685,000	-	37,855,000	48,540,000	0.45%	245
2014		9,660,000	20,000,000	36,394,230	66,054,230	0.59%	332
2015		8,700,000	20,000,000	32,486,745	61,186,745	0.50%	300
2016		7,700,000	20,000,000	33,788,512	61,488,512	0.46%	299

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

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

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

City of Moreno Valley
Pledged Revenue Coverage
Last Ten Years

Fiscal Year Ended June 30,	Community Facilities District No. 3, AutoMall Refinancing					Community Facilities District No. 5 of the City of Moreno Valley (Stoneridge)				Towngate Community Facilities District No. 87-1, 2007 Special Tax Refunding Bonds				Towngate Community Facilities District No. 87-1, Improvement No. 1 Special Tax Refunding Bonds				
	Special Tax Lewy	Property Tax Increment	Debt Service		Coverage	Special Tax Lewy	Debt Service		Coverage	Property Tax Increment	Debt Service		Coverage	Special Tax Lewy	Property Tax Increment	Debt Service		Coverage
			Principal	Interest			Principal	Interest			Principal	Interest				Principal	Interest	
2007	1,179,479	108,986	710,000	379,375	1.18	-	-	-		-	-	-		-	-	-	-	
2008	1,088,427	190,425	785,000	327,050	1.15	198,306	-	217,261	0.91	2,072,568	-	226,176	9.16	429,990	-	-	60,994	0.00
2009	1,212,713	103,026	865,000	269,300	1.16	344,701	-	288,613	1.19	1,164,131	575,000	435,881	1.15	108,706	287,228	220,000	175,859	1.00
2010	1,173,443	185,125	950,000	205,775	1.18	362,124	15,000	288,313	1.19	373,011	600,000	409,381	0.37	78,519	303,573	190,000	168,029	1.07
2011	78,021	96,489	1,045,000	135,950	0.15	376,005	20,000	287,613	1.22	1,168,536	630,000	382,569	1.15	112,162	277,359	195,000	160,375	1.10
2012	74,137	29,292	925,000	64,688	0.10	384,249	30,000	286,613	1.21	1,175,145	655,000	359,294	1.16	115,946	274,445	205,000	152,173	1.09
2013	75,878	31,192	295,000	18,938	0.34	388,022	35,000	285,295	1.21	1,170,595	680,000	335,931	1.15	110,672	275,008	210,000	143,719	1.09
2014	-	-	105,000	3,938	0.00	393,684	45,000	283,633	1.20	1,174,345	700,000	310,906	1.16	117,164	275,007	220,000	135,009	1.10
2015	-	-	-	-	0.00	398,468	55,000	281,505	1.18	1,186,238	730,000	283,181	1.17	114,616	277,896	230,000	125,668	1.10
2016	-	-	-	-	0.00	405,862	65,000	278,893	1.18	1,190,000	760,000	253,381	1.17	114,070	280,000	240,000	115,739	1.11

Community Redevelopment Agency 2007 Tax Allocation Bonds

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

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 eight years

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

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

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

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

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

Employer	Sector	Business Type	2016		2007	
			Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
March Air Reserve Base	Military/Public Sector	Military Reserve Base	8,600	9.30%	8,482	24.71%
Amazon	Fulfillment	Retail Distribution	7,500	8.11%		
Moreno Valley Unified School District	Public Sector	Public Schools	3,489	3.77%	3,519	10.25%
Riverside University Health System (formerly RCRMC)	Medical Facilities	County Hospital	2,987	3.23%	1,700	4.95%
Ross Dress for Less / dd's Discounts	Distribution	Retail Distribution	1,921	2.08%	600	1.75%
Moreno Valley Mall (excludes major tenants)	Retail	Retail Mall	1,390	1.50%	1,669	4.86%
Harbor Freight Tools	Distribution	Retail Distribution	800	0.86%		
Kaiser Permanente Community Hospital / Office	Medical Facilities	Hospital/Medical Services	789	0.85%		
Val Verde Unified School District (MV Only)	Public Sector	Public Schools	680	0.74%	721	2.10%
Walgreens	Distribution	Retail Distribution	600	0.65%		
Moreno Valley College	Public Sector	Higher Education			1,038	3.02%
City of Moreno Valley	Public Sector	Municipal Government			875	2.55%
Thor California	Manufacturing	R.V. Manufacturer			704	2.05%
Walgreens	Distribution	Retail Distribution			650	1.89%

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

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

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	153	150	142	150	147	125	96	93	94	91
Public Works	134	141	151	146	143	134	122	121	119	118
Community Development	74	74	72	68	59	66	59	49	51	60
Parks and Community Services	184 (2)	240	238	453	101 (3)	118	112	113	127	138
Animal Services	26	27	29	27	21	19	21	22	22	22
Redevelopment Agency	17	18	16	14	12	0	0	0	0	0
Public Safety (1)	356	383	393	415	407	407	318	286	287	284
	<u>944</u>	<u>1,033</u>	<u>1,041</u>	<u>1,273</u>	<u>890</u>	<u>869</u>	<u>728</u>	<u>684</u>	<u>700</u>	<u>713</u>

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.

(2) In 2007 the Parks and Community Services Department received a grant from the State of California related to the After School Education and Safety Grant. This grant resulted in an increase in staffing to achieve the grant growth objectives.

(3) 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 Eight Fiscal Years

	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Lane miles of streets	1,076	1,076	1,076	1,076	1,095	1,080	1,080	1,080
Number of street lights	11,037	11,046	11,260	11,358	11,381	11,449	11,512	11,620
Number of traffic signals	167	170	173	175	180	182	186	188
Fire protection:								
Number of stations	6	6	6	6	7	7	7	7
Police protection:								
Number of policing stations	1	1	1	1	1	1	1	1
Number of policing substations	4	4	4	6	6	6	2	3
Recreation and culture:								
Parks	39	37	37	37	37	37	38	38
Maintained acreage of parks	531.48	531.48	531.66	519.91	519.91	520	533	533
Parks under construction	6	6	1	1	1	1	-	-
Acreage of parks under construction	25.14	25.14	12.25	12.75	12.75	12.75	-	-
Multi-use athletic fields	21	21	21	21	21	21	24	24
Conference/Recreation centers	1	1	1	1	1	1	1	1
Square footage of recreation centers	42,413	42,413	42,413	42,413	42,413	42,413	42,413	42,800
Senior Centers	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
Equestrian centers	1	1	1	1	1	1	1	1
Maintained acreage of equestrian centers	45	45	45	45	45	45	45	45
Multi-use equestrian trails maintained	10 Miles	10 Miles	10 Miles	10 Miles	10 Miles	10 Miles	10 Miles	11 Miles
Community centers	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
Sports courts	24	24	24	24	24	24	24	24
Skate parks	1	1	1	1	1	1	1	1
Square footage of skate parks	1,850	1,850	1,851	1,850	1,850	1,850	1,850	1,850
Soccer Arena	0	0	0	1	1	1	1	1
Nine-hole golf courses	1	1	1	1	1	1	1	1
Play apparatus	24	26	26	26	26	26	27	27
Water play features	2	2	2	2	2	2	2	2
Utilities:								
Residential utility meters	4,802	4,904	5,003	5,028	5,091	5,202	5,260	5,365
Commercial utility meters	565	545	599	592	607	639	652	663

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

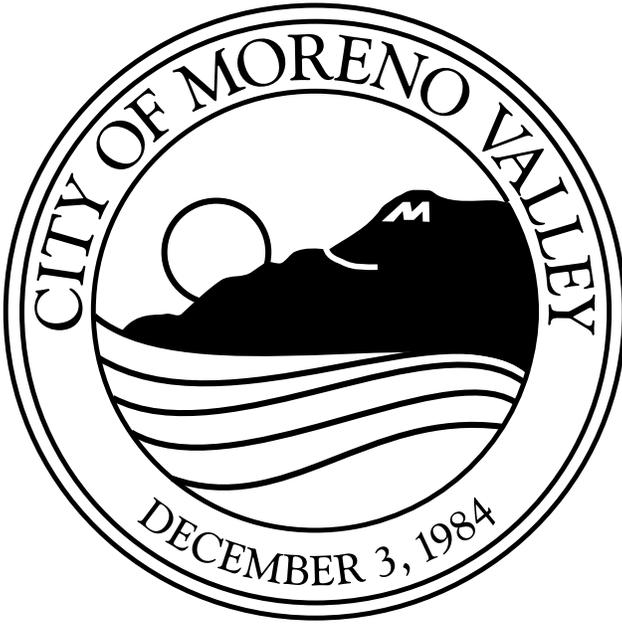
Sources: City of Moreno Valley Technology Services, Special Districts, Transportation, Fire Department, Police Department, Parks & Community Services, Utilities.

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

	Fiscal Year							
	2009	2010	2011	2012	2013	2014	2015	2016
Square mileage of area	52	52	52	52	52	52	52	52
Fire protection:								
Provided by the County of Riverside in cooperation with the State Department of Forestry and Fire:								
Sworn personnel	81	80	79	71	72	69	69	69
Volunteers	25	25	10	16	16	25	18	16
Non-sworn personnel	8	8	8	8	8	11	13	12
OEM non-sworn personnel	0	0	0	2	3	3	2	3
Responses to emergency calls	12,971	13,530	15,268	14,824	15,905	16,340	17,727	19,006
Inspections and Permits	3,522	2,369	3,383	2,304	2,400	3,251	3,445	6,382
Apartment Complex Inspections	0	0	0	849	872	1,476	1,777	1,943
Plan checks	664	424	358	786	1,218	1,646	1,788	1,317
Counter/Public inquires	7,249	2,734	2,452	2,671	2,431	2,966	2,683	2,604
Police protection:								
Provided through contract with the County of Riverside Sheriff's Department:								
Sworn officers	186	184	186	181	181	153	151	150
Classified personnel	55	54	55	54	51	49	50	50
City support personnel	3	3	3	3	3	2	2	0
Volunteers	56	62	77	85	77	69	84	72
Responses to Calls:								
Priority 1	572	519	423	363	425	402	420	461
Priority 1A	1,110	1,181	1,274	1,289	1,584	1,500	1,463	1,480
Priority 2	24,967	24,938	27,797	26,021	27,733	28,048	28,696	30,294
Priority 3	26,466	24,800	27,487	29,393	29,860	28,521	30,499	35,317
Priority 4	17,592	16,630	18,625	18,087	17,280	16,662	16,749	17,944
Priority 5	91	1	1	1	1	63	62	54
Priority 6	0	0	0	0	0	0	0	0
Priority 7	0	0	0	0	0	0	1	0
Priority 8	0	0	1	1	0	0	0	0
Priority 9	248	279	312	223	347	436	312	295
Cancelled	5,359	5,222	5,543	5,991	23,338	26,172	29,095	26,061
Disp/Arr Time Missing	8,540	7,638	7,944	8,125	8,941	8,191	9,384	8,807
Same Disp/Arr Time	60,510	54,645	54,379	47,638	45,096	40,425	45,041	47,794
T. R. U. Calls	43	32	37	54	87	76	42	27
Building and Safety:								
Building permits issued	2,058	1,645	1,700	1,889	1,797	2,066	2,329	2,411
Counter requests for service	8,922	6,611	6,105	6,563	6,407	7,049	7,597	8,066
Planning:								
Planning applications processed	894	682	644	740	745	752	667	672
Counter requests for service	4,669	3,875	3,683	3,853	3,749	3,718	3,527	3,366
Recreation and culture:								
Rounds of golf played	6,123	6,638	9,719	n/a	8,209	9,002	7,948	8,237
Facility rentals	893	1,026	1,005	992	997	1,058	1,087	1,235
Participants in recreation programs	46,075	46,561	46,040	48,473	41,992	47,405	43,361	44,000
Utilities:								
Average residential daily consumption (kilowatt hours)	19.8	18.5	18.5	19.7	20.7	19.1	20.1	19.7
Average commercial daily consumption (kilowatt hours)	254.8	284.4	296.3	371.9	383.0	395.3	573	622.2
New residential connections	123	93	99	23	63	111	58	105
New commercial connections	65	5	54	23	15	32	13	11
Employees:								
Members of City Council	5	5	5	5	5	5	5	5
Members of the Planning Commission	7	7	7	7	7	7	7	9
Full-time career status (FTE)	324	312	283	281	277	299	261	264
Part-time career status (FTE)	14	29	21	66	22	11	14	15

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

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT
FISCAL YEAR ENDED JUNE 30, 2016



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

**Financial Statements
Year Ended June 30, 2016**

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, Community Services District (the District) as of and for the year ended June 30, 2016, 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 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; 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, 2016, and the respective changes in financial position and budgetary comparison for the Zone L Library Services, Zone A Parks and Community Services, Landscape Maintenance District (LMD) 2014-02, and Zone E Extensive Landscaping Administration for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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.

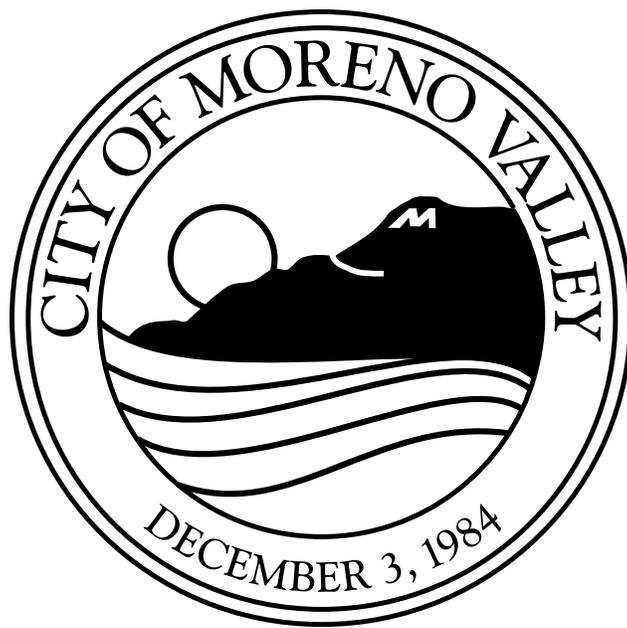


Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2016 on our consideration of the City's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Vasquez + Company LLP

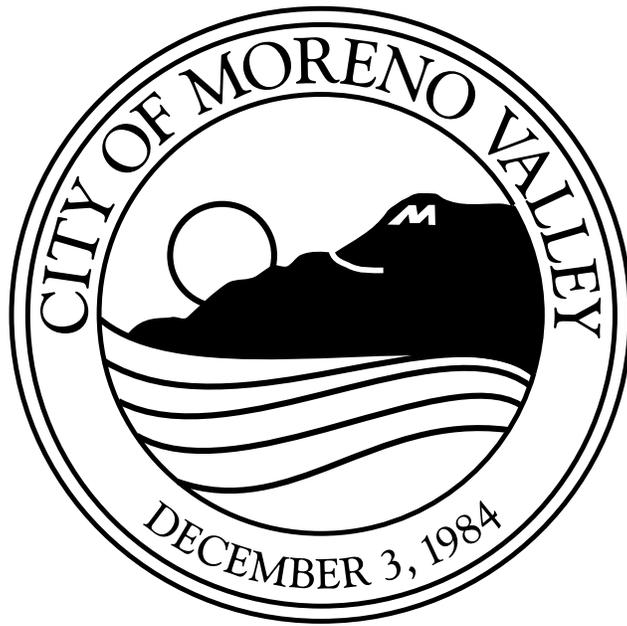
**Los Angeles, California
December 6, 2016**



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

**Statement of Net Position
June 30, 2016**

	<u>Governmental Activities</u>
Assets	
Cash and investments (note 2)	\$ 16,627,649
Receivables:	
Accounts	87,937
Due from other governments	1,283,749
Capital assets not being depreciated (note 3)	982,736
Capital assets, net of depreciation (note 3)	<u>20,801,186</u>
Total Assets	<u>39,783,257</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	<u>1,260,373</u>
Total Deferred Outflows of Resources	<u>1,260,373</u>
Liabilities	
Accounts payable	745,968
Unearned revenue	232,051
Deposits payable	3,540
Due to other governments	23
Due to the City of Moreno Valley	14,745
Net pension liability	<u>9,310,838</u>
	<u>10,307,165</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	<u>1,398,270</u>
Total Deferred Inflows of Resources	<u>1,398,270</u>
Net Position	
Net investment in capital assets	21,783,922
Restricted for:	
Special zones	<u>7,554,273</u>
	<u>\$ 29,338,195</u>



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

**Statement of Activities
Year Ended June 30, 2016**

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Functions/Programs:					
Primary Government:					
Governmental Activities					
Community and cultural	\$ 13,707,078	\$ 6,015,891	\$ -	\$ -	\$ (7,691,187)
Public works	6,906,699	-	-	-	(6,906,699)
Total Governmental Activities	\$ 20,613,777	\$ 6,015,891	\$ -	\$ -	(14,597,886)
General revenues					
Taxes:					
Property taxes, levied for general purpose					4,330,340
Other taxes					6,387,448
Use of money and property					926,457
Other					1,074,042
Capital assets contribution from the City of Moreno Valley					715,139
Contributions from the City of Moreno Valley					<u>1,004,137</u>
Total general revenues and contributions					<u>14,437,563</u>
Change in Net Position					(160,323)
Net Position - Beginning of year					<u>29,498,518</u>
Net position - End of year					\$ <u><u>29,338,195</u></u>

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

**Governmental Funds
Balance Sheet
June 30, 2016**

	Special Revenue Funds		
	Zone L Library Services	Zone A Parks and Community Services	Landscape Maintenance District No. 2014-02
Assets:			
Pooled cash and investments (note 2)	\$ 667,235	\$ 5,673,164	\$ 4,426,783
Receivables:			
Accounts	-	87,937	-
Due from other governments	53,934	138,549	309,892
	\$ 721,169	\$ 5,899,650	\$ 4,736,675
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 11,511	\$ 274,392	\$ 247,473
Unearned revenues	-	232,051	-
Deposits payable	-	3,540	-
Due to other governments	-	23	-
Due to the City of Moreno Valley	-	14,745	-
	11,511	524,751	247,473
Fund Balances:			
Restricted for:			
Special zones	709,658	5,374,899	4,489,202
	709,658	5,374,899	4,489,202
Total Liabilities and Fund Balances	\$ 721,169	\$ 5,899,650	\$ 4,736,675

Special Revenue Funds

Zone E Extensive Landscaping Administration	Nonmajor Governmental Funds	Total Governmental Funds
\$ 2,443,375	\$ 3,417,092	\$ 16,627,649
-	-	87,937
96,759	684,615	1,283,749
\$ 2,540,134	\$ 4,101,707	\$ 17,999,335
\$ 20,479	\$ 192,113	\$ 745,968
-	-	232,051
-	-	3,540
-	-	23
-	-	14,745
20,479	192,113	996,327
2,519,655	3,909,594	17,003,008
2,519,655	3,909,594	17,003,008
\$ 2,540,134	\$ 4,101,707	\$ 17,999,335

Assets:

Pooled cash and investments (note 2)
 Receivables:
 Accounts
 Due from other governments

Total Assets

Liabilities and Fund Balances:

Liabilities:

Accounts payable
 Unearned revenues
 Deposits payable
 Due to other governments
 Due to the City of Moreno Valley

Total Liabilities

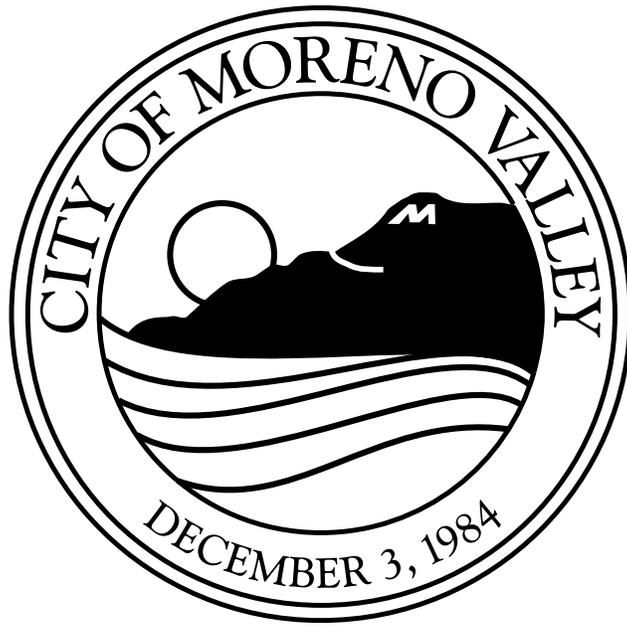
Fund Balances:

Restricted for:

Special zones

Total Fund Balances

Total Liabilities and Fund Balances



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

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2016**

Fund balances of governmental funds	\$ 17,003,008
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of depreciation, used in governmental activities are not financial resources and therefore, are not reported in the funds.	
Capital assets, not being depreciated	982,736
Depreciable capital assets, net of accumulated depreciation	20,801,186
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the governmental funds	1,260,373
Long-term liabilities related to pension are not due and payable in the current period and therefore are not reported in the governmental funds	
Net pension liability	(9,310,838)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the governmental funds	<u>(1,398,270)</u>
Net position of governmental activities	<u>\$ 29,338,195</u>

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

**Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2016**

	<u>Special Revenue Funds</u>		
	<u>Zone L Library Services</u>	<u>Zone A Parks and Community Services</u>	<u>Landscape Maintenance District No. 2014-02</u>
Revenues:			
Taxes:			
Property taxes	\$ 1,810,897	\$ 2,228,315	\$ -
Other taxes	-	4,930,807	-
Fees and charges for services	40,276	1,175,207	2,056,708
Use of money and property	-	755,656	73,721
Fines and forfeitures	39,161	-	-
Miscellaneous	1,425	45,795	271,943
Total Revenues	<u>1,891,759</u>	<u>9,135,780</u>	<u>2,402,372</u>
Expenditures:			
Current:			
Community and cultural	1,763,068	8,678,359	-
Public works	-	-	2,225,495
Capital outlay	-	38,963	-
Total Expenditures	<u>1,763,068</u>	<u>8,717,322</u>	<u>2,225,495</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	128,691	418,458	176,877
Other Financing Sources (Uses):			
Contribution from the City of Moreno Valley	-	521,021	215,928
Transfers in	-	-	49,992
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>521,021</u>	<u>265,920</u>
Net Change in Fund Balances	<u>128,691</u>	<u>939,479</u>	<u>442,797</u>
Fund Balances, Beginning of Year	580,967	4,435,420	4,046,405
Fund Balances, End of Year	<u>\$ 709,658</u>	<u>\$ 5,374,899</u>	<u>\$ 4,489,202</u>

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

**Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2016**

<u>Special Revenue Funds</u>			
<u>Zone E</u>			
<u>Extensive</u>	<u>Nonmajor</u>	<u>Total</u>	
<u>Landscaping</u>	<u>Governmental</u>	<u>Governmental</u>	
<u>Administration</u>	<u>Funds</u>	<u>Funds</u>	
			Revenues:
			Taxes:
\$ -	\$ 291,128	\$ 4,330,340	Property taxes
-	1,456,641	6,387,448	Other taxes
314,306	2,429,394	6,015,891	Fees and charges for services
37,508	59,572	926,457	Use of money and property
-	-	39,161	Fines and forfeitures
84,383	631,335	1,034,881	Miscellaneous
<u>436,197</u>	<u>4,868,070</u>	<u>18,734,178</u>	Total Revenues
			Expenditures:
			Current:
-	1,202,841	11,644,268	Community and cultural
271,841	4,045,480	6,542,816	Public works
-	-	38,963	Capital outlay
<u>271,841</u>	<u>5,248,321</u>	<u>18,226,047</u>	Total Expenditures
			Excess (Deficiency) of Revenues Over (Under) Expenditures
164,356	(380,251)	508,131	
			Other Financing Sources (Uses):
-	267,188	1,004,137	Contribution from the City of Moreno Valley
-	-	49,992	Transfers in
-	(49,992)	(49,992)	Transfers out
<u>-</u>	<u>217,196</u>	<u>1,004,137</u>	Total Other Financing Sources (Uses)
<u>164,356</u>	<u>(163,055)</u>	<u>1,512,268</u>	Net Change in Fund Balances
2,355,299	4,072,649	15,490,740	Fund Balances, Beginning of Year
<u>\$ 2,519,655</u>	<u>\$ 3,909,594</u>	<u>\$ 17,003,008</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
Year Ended June 30, 2016
Statement of Activities**

Net change in fund balances - total governmental funds \$ 1,512,268

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. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Outlay	38,963
Depreciation expense	(1,994,268)
Loss on disposal of assets	(363,883)
Capital assets contributions from the City of Moreno Valley	715,139

Pension expense reported in the statement of activities that does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds (68,542)

Change in net position of governmental activities \$ (160,323)

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

**Budgetary Comparison Statement
Zone L Library Services
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 1,694,285	\$ 1,694,285	\$ 1,810,897	\$ 116,612
Fees and charges for services	18,000	18,000	40,276	22,276
Fines and forfeitures	50,000	50,000	39,161	(10,839)
Miscellaneous	2,000	2,000	1,425	(575)
Total Revenues	<u>1,764,285</u>	<u>1,764,285</u>	<u>1,891,759</u>	<u>127,474</u>
Expenditures:				
Current:				
Community and cultural	1,747,334	1,747,334	1,763,068	(15,734)
Total Expenditures	<u>1,747,334</u>	<u>1,747,334</u>	<u>1,763,068</u>	<u>(15,734)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>16,951</u>	<u>16,951</u>	<u>128,691</u>	<u>111,740</u>
Net Change in Fund Balances	16,951	16,951	128,691	111,740
Fund Balance, Beginning of Year	<u>580,967</u>	<u>580,967</u>	<u>580,967</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 597,918</u>	<u>\$ 597,918</u>	<u>\$ 709,658</u>	<u>\$ 111,740</u>

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

**Budgetary Comparison Statement
Zone A Parks and Community Services
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 2,133,544	\$ 2,133,544	\$ 2,228,315	\$ 94,771
Other taxes	4,930,000	4,930,000	4,930,807	807
Fees and charges for services	1,075,350	1,075,350	1,175,207	99,857
Use of money and property	671,200	671,200	755,656	84,456
Miscellaneous	7,150	7,150	45,795	38,645
Total Revenues	<u>8,817,244</u>	<u>8,817,244</u>	<u>9,135,780</u>	<u>318,536</u>
Expenditures:				
Current				
Community and cultural	9,067,471	9,092,329	8,678,359	413,970
Capital outlay	50,192	396,418	38,963	357,455
Total Expenditures	<u>9,117,663</u>	<u>9,488,747</u>	<u>8,717,322</u>	<u>771,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(300,419)</u>	<u>(671,503)</u>	418,458	<u>1,089,961</u>
Other Financing Sources (Uses):				
Contributions from the City of Moreno Valley	521,021	521,021	521,021	-
Total Other Financing Sources (Uses)	<u>521,021</u>	<u>521,021</u>	<u>521,021</u>	<u>-</u>
Net Change in Fund Balances	220,602	(150,482)	939,479	1,089,961
Fund Balance, Beginning of Year	<u>4,435,420</u>	<u>4,435,420</u>	<u>4,435,420</u>	<u>-</u>
Fund Balance, End of Year	<u>\$4,656,022</u>	<u>\$4,284,938</u>	<u>\$5,374,899</u>	<u>\$ 1,089,961</u>

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

**Budgetary Comparison Statement
Landscape Maintenance District (LMD) No. 2014-02
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 2,075,397	\$ 2,051,897	\$ 2,056,708	\$ 4,811
Use of money and property	15,532	15,532	73,721	58,189
Miscellaneous	-	284,060	271,943	(12,117)
Total Revenues	<u>2,090,929</u>	<u>2,351,489</u>	<u>2,402,372</u>	<u>50,883</u>
Expenditures:				
Current:				
Public works	2,326,393	2,828,966	2,225,495	603,471
Total Expenditures	<u>2,326,393</u>	<u>2,828,966</u>	<u>2,225,495</u>	<u>603,471</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(235,464)	(477,477)	176,877	654,354
Other Financing Sources (Uses):				
Contributions from the City of Moreno Valley	217,724	215,928	215,928	-
Transfers in	49,992	49,992	49,992	-
Total Other Financing Sources (Uses)	<u>267,716</u>	<u>265,920</u>	<u>265,920</u>	<u>-</u>
Net Change in Fund Balances	32,252	(211,557)	442,797	654,354
Fund Balance, Beginning of Year	4,046,405	4,046,405	4,046,405	-
Fund Balance, End of Year	<u>\$4,078,657</u>	<u>\$ 3,834,848</u>	<u>\$4,489,202</u>	<u>\$ 654,354</u>

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

**Budgetary Comparison Statement
Zone E Extensive Landscaping Administration
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Fees and charges for services	\$ 397,900	\$ 383,100	\$ 314,306	\$ (68,794)
Use of money and property	22,369	22,369	37,508	15,139
Miscellaneous	-	88,192	84,383	(3,809)
Total Revenues	<u>420,269</u>	<u>493,661</u>	<u>436,197</u>	<u>(57,464)</u>
Expenditures:				
Current				
Public works	527,795	505,792	271,841	233,951
Total Expenditures	<u>527,795</u>	<u>505,792</u>	<u>271,841</u>	<u>233,951</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(107,526)</u>	<u>(12,131)</u>	<u>164,356</u>	<u>176,487</u>
Net Change in Fund Balances	(107,526)	(12,131)	164,356	176,487
Fund Balance, Beginning of Year	<u>2,355,299</u>	<u>2,355,299</u>	<u>2,355,299</u>	<u>-</u>
Fund Balance, End of Year	<u>\$2,247,773</u>	<u>\$2,343,168</u>	<u>\$2,519,655</u>	<u>\$ 176,487</u>

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

**Notes to Financial Statements
June 30, 2016**

Note 1 Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Moreno Valley, California, Community Services District (the District), was created by a City Council ordinance adopted on December 3, 1984. Its purpose is to act as a legal entity, separate and distinct from the City of Moreno Valley (the City), even though the City Council is currently serving as the District's Governing Board. The District is broadly empowered to engage in the general maintenance and administration of the City's community programs.

Governmental Accounting Standards define the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either: a) the primary government has the ability to impose its will, or b) the possibility that the component unit will provide a financial benefit to, or impose a financial burden on the primary government. Since the City Council of the City of Moreno Valley also serves as the Governing Board of the District, the City, in effect, has the ability to influence and control operations. Therefore, the City has oversight responsibility for the District. Accordingly, in applying the criteria of Governmental Accounting Standards, the financial statements of the District are included in the City's Comprehensive Annual Financial Report. The District has the same fiscal year end as the City and its financial statements can be obtained from the City Clerk.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the component unit. For the most part, the effect of interfund activity has been removed from these statements. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the fund financial statements.

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers operating revenues to be available if they are collected within 60 days of the end of the current fiscal period, while grant revenues have an availability period of 120 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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

The District reports the following major governmental funds:

Zone L Library Services accounts for the operations necessary to process and administer the library services program.

Zone A Parks and Community Services accounts for the administration and maintenance of the parks and community services facilities and programs.

Landscape Maintenance District (LMD) 2014-02 provides the funding for the operation and maintenance of public landscaping throughout the City.

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

Zone E Extensive Landscaping Administration accounts for the operations necessary to provide high-service level landscape maintenance in and around specific major residential developments throughout the City.

d. Budgetary Reporting

Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for the governmental activities. Budgets presented in this report for comparison to actual amounts are presented in accordance with generally accepted accounting principles (GAAP). From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various District departments.

Reported budget amounts represent the original legally adopted budget as amended. The City Council may amend the budget only by a duly adopted minute resolution during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIII B of the State Constitution. Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the Governmental Fund type, unexpended budgeted amounts, except for amounts relating to capital projects, lapse at the end of the budget year. Spending control for most funds is established by the amount of expenditures budgeted for each department within the fund, but management control is exercised at budgetary line item levels within the departments. Management can transfer budgeted amounts between line items within each department provided that they do not increase or decrease total department appropriations. Expenditures may not legally exceed budgeted appropriations at the department and fund levels. For the year ended June 30, 2016, there was one fund, the Zone L Library Services Fund, that had expenditures in excess of appropriations adopted by the City Council.

e. Unavailable Revenue and Unearned Revenue

The District reports unavailable revenue in the fund-level statements as deferred inflows. Unavailable revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the deferred inflow for unavailable revenue is removed and revenue is recognized.

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

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

f. Fund Balance

In the fund financial statements, governmental funds report the following fund balance classifications:

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

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

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

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

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

Fund Balance Flow Assumptions

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

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

g. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets. Currently, the District does not have any debt attributed to capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Net Position Flow Assumption

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

h. Capital Assets

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

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

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

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 1 Summary of Significant Accounting Policies (Continued)

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

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

i. Investments

The District records all investments at fair value. The current year's changes in fair value are recognized in the statement of revenues, expenditures and changes in fund balances as use of money and property. *Use of money and property* includes interest earnings, changes in fair value, rental income and any gains or losses.

j. Salary Expenditures

The District does not employ any personnel and relies on the City for administrative services. The financial statements include expenditures for salary and other benefits, which were allocated to the District by the City.

k. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Secured property taxes are levied on August 10 and are payable in two installments on November 1 and February 1. Unsecured personal property taxes are due in a single installment on July 1. The County of Riverside bills and collects the property taxes and remits them to the District in installments during the year. Property taxes received within 60 days after the District's fiscal year-end are considered "measurable" and "available" and are accrued in the District's financial statements.

l. Use of Estimates

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

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

**Notes to Financial Statements (Continued)
June 30, 2016**

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 \$16,627,649

The District's cash and investments are pooled with the City of Moreno Valley's cash and investments in order to generate optimum investment income. The District is a voluntary participant in the City's investment pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The District has not adopted an investment policy separate from that of the City. Each fund's share of the pooled cash account is separately accounted for, and investment income is allocated to all participating funds based on the relationship of their average daily cash balances to the total of the pooled cash and investments. Information regarding the authorized types of deposits and investments, the type of risks (i.e. credit, interest rate, custodial, etc.) and other disclosures associated with the City's pooled cash and investments is included in the City's basic financial statements, which are available at City Hall.

Fair Value Measurement

In accordance with GASB Statement 72, *Fair Value Measurement*, the City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical investments; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Refer to the City's basic financial statements for details about fair value measurement disclosures.

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 3 Capital Assets

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

	Balances 7/1/2015	Additions	Deletions	Balances 6/30/2016
Non-Depreciable Assets:				
Land	\$ 779,584	\$ -	\$ -	\$ 779,584
Construction in Progress	93,167	467,536	(357,551)	203,152
Total Non-Depreciable Assets	<u>872,751</u>	<u>467,536</u>	<u>(357,551)</u>	<u>982,736</u>
Depreciable Assets				
Buildings and Improvements	57,189,876	82,964	(174,110)	57,098,730
Furniture and Equipment	3,376,768	203,602	(325,033)	3,255,337
Vehicles	778,780	-	(778,780)	-
Total Depreciable Assets	<u>61,345,424</u>	<u>286,566</u>	<u>(1,277,923)</u>	<u>60,354,067</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(36,503,762)	(1,802,936)	-	(38,306,698)
Furniture and Equipment	(1,566,227)	(191,332)	511,376	(1,246,183)
Vehicles	(760,215)	-	760,215	-
Total Accumulated Depreciation	<u>(38,830,204)</u>	<u>(1,994,268)</u>	<u>1,271,591</u>	<u>(39,552,881)</u>
Total Depreciable Assets, Net of Accumulated Depreciation	<u>22,515,220</u>	<u>(1,707,702)</u>	<u>(6,332)</u>	<u>20,801,186</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 23,387,971</u>	<u>\$ (1,240,166)</u>	<u>\$ (363,883)</u>	<u>\$ 21,783,922</u>

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

Community and cultural \$ 1,994,268

Note 4 Pension Plans

A. General Information about the Pension Plans

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

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 4 Pension Plans (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement Age	50-55	52-62
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.0%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	23.959%	27.196%

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms of the Plan:

	Miscellaneous
Active employees	331
Retired employees	271
Inactive employees	268

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.

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 4 Pension Plans (Continued)

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, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 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, 2013 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	Entry Age Normal Cost Method
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	(1)
Investment rate of return	7.65% (2)
Mortality	Membership Data for all Funds

(1) Depending on age, service, and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 4 Pension Plans (Continued)

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

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

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

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

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 4 Pension Plans (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	19%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	2%	-0.55%	-1.05%
Total	<u>100%</u>		

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

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

C. Changes in the Net Pension Liability

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

Miscellaneous Plan:	Net Pension Liability (Asset)
Balance at June 30, 2014	\$ 8,907,346
Changes in the year:	
Service cost	525,131
Interest on the total pension liability	1,586,793
Difference between actual and expected experience	147,714
Changes in assumptions	(400,289)
Contribution - employer	(627,168)
Contribution - employee (paid by employer)	(153,636)
Net investment income	(691,870)
Administrative expense	16,817
Net Changes	<u>403,492</u>
Balance at June 30, 2015	\$ 9,310,838

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

**Notes to Financial Statements (Continued)
June 30, 2016**

Note 4 Pension Plans (Continued)

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

For the year ended June 30, 2016, the District recognized pension expense of \$527,655. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 645,829	\$ -
Changes of assumptions	-	(262,258)
Differences between expected and actual experiences	-	(153,636)
Net difference between projected and actual earnings on pension plan	614,544	(982,376)
	\$ 1,260,373	\$ (1,398,270)

The amount of \$1,260,373 reported as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30		
2017	\$	(321,709)
2018		(321,709)
2019		(321,709)
Thereafter		-

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

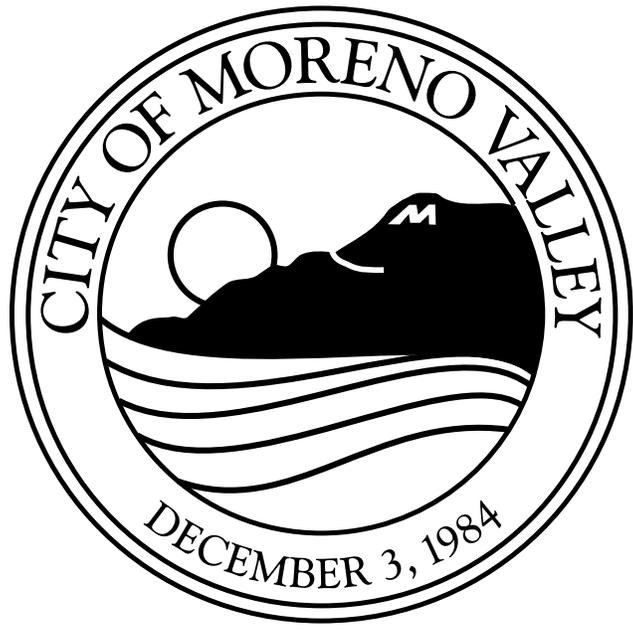
**Notes to Financial Statements (Continued)
June 30, 2016**

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, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 6, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.



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

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016**

	Special Revenue Funds			
	Lighting Maintenance District No. 2014-01	Zone C Arterial Street Lights Administration	Zone D Standard Landscaping Administration	Zone M Median
Assets:				
Pooled cash and investments	\$ 381,141	\$ 470,277	\$ 1,200,586	\$ 473,835
Due from other governments	17,955	11,211	521,549	124,343
Total Assets	<u>\$ 399,096</u>	<u>\$ 481,488</u>	<u>\$ 1,722,135</u>	<u>\$ 598,178</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 4,550	40,219	76,062	18,761
Total Liabilities	<u>4,550</u>	<u>40,219</u>	<u>76,062</u>	<u>18,761</u>
Fund Balances:				
Restricted for:				
Special zones	394,546	441,269	1,646,073	579,417
Total Fund Balances	<u>394,546</u>	<u>441,269</u>	<u>1,646,073</u>	<u>579,417</u>
Total Liabilities and Fund Balances	<u>\$ 399,096</u>	<u>\$ 481,488</u>	<u>\$ 1,722,135</u>	<u>\$ 598,178</u>

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

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016**

Special Revenue Funds

CFD #1	Zone S Sunnymead Boulevard Maintenance	Total Nonmajor Funds
\$ 788,579	\$ 102,674	\$ 3,417,092
8,098	1459	684,615
\$ 796,677	\$ 104,133	\$ 4,101,707
\$ 49,742	2,779	192,113
49,742	2,779	192,113
746,935	101,354	3,909,594
746,935	101,354	3,909,594
\$ 796,677	\$ 104,133	\$ 4,101,707

Assets:

Pooled cash and investments

Due from other governments

Total Assets

Liabilities and Fund Balances:

Liabilities:

Accounts payable

Total Liabilities

Fund Balances:

Restricted for:

Special zones

Total Fund Balances

Total Liabilities and Fund Balances

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

**Nonmajor Governmental Funds
Combining Statement of Revenues
Expenditures and Changes in Fund Balances
Year Ended June 30, 2016**

	Special Revenue Funds				
	Lighting Maintenance District No. 2014-01	Zone C Arterial Street Lights Administration	Zone D Standard Landscaping Administration	Zone M Median	
	Revenues:				
	Taxes				
Property taxes	\$ 106,924	\$ 184,204	\$ -	\$ -	
Other taxes	-	423,563	-	-	
Fees and charges for services	941,341	63,160	1,183,924	158,098	
Use of money and property	9,948	10,046	18,323	9,760	
Miscellaneous	-	-	506,210	122,457	
Total Revenues	1,058,213	680,973	1,708,457	290,315	
Expenditures:					
Current:					
Community and cultural	-	-	-	-	
Public works	1,459,304	839,685	1,282,987	407,789	
Total Expenditures	1,459,304	839,685	1,282,987	407,789	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(401,091)	(158,712)	425,470	(117,474)	
Other Financing Sources (Uses):					
Contributions from the City of Moreno Valley	159,008	-	-	108,180	
Transfers out	-	-	(49,992)	-	
Total Other financing sources (uses)	159,008	-	(49,992)	108,180	
Net Change in Fund Balances	(242,083)	(158,712)	375,478	(9,294)	
Fund Balances, Beginning of Year	636,629	599,981	1,270,595	588,711	
Fund Balances, End of Year	\$ 394,546	\$ 441,269	\$ 1,646,073	\$ 579,417	

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

**Nonmajor Governmental Funds
Combining Statement of Revenues
Expenditures and Changes in Fund Balances
Year Ended June 30, 2016**

<u>Special Revenue Funds</u>		
	Zone S	
	Sunnymead	
	Boulevard	Total Nonmajor
CFD #1	Maintenance	Funds
\$ -	\$ -	\$ 291,128
1,033,078	-	1,456,641
25,571	57,300	2,429,394
9,832	1,664	59,573
2,667	-	631,334
1,071,148	58,964	4,868,070
1,202,841	-	1,202,841
-	55,715	4,045,480
1,202,841	55,715	5,248,321
(131,693)	3,249	(380,251)
-	-	267,188
-	-	(49,992)
-	-	217,196
(131,693)	3,249	(163,055)
878,628	98,105	4,072,649
\$ 746,935	\$ 101,354	\$ 3,909,594

Revenues:

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

Total Revenues

Expenditures:

Current:
 Community and cultural
 Public works

Total Expenditures

Excess (Deficiency) of Revenues

Over (Under) Expenditures

Other Financing Sources (Uses):

Contributions from the City of Moreno Valley
 Transfers out

Total Other Financing Sources (Uses)

Net Change in Fund Balances

Fund Balances, Beginning of Year

Fund Balances, End of Year

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

**Budgetary Comparison Schedule
Lighting Maintenance District (LMD) No. 2014-01
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 87,600	\$ 87,600	\$ 106,924	\$ 19,324
Fees and charges for services	963,200	946,200	941,341	(4,859)
Use of money and property	-	-	9,948	9,948
Total Revenues	<u>1,050,800</u>	<u>1,033,800</u>	<u>1,058,213</u>	<u>24,413</u>
Expenditures:				
Current:				
Public works	1,700,769	1,524,323	1,459,304	65,019
Total Expenditures	<u>1,700,769</u>	<u>1,524,323</u>	<u>1,459,304</u>	<u>65,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(649,969)</u>	<u>(490,523)</u>	<u>(401,091)</u>	<u>89,432</u>
Other Financing Sources (Uses):				
Contributions from the City of Moreno Valley	459,008	159,008	159,008	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>459,008</u>	<u>159,008</u>	<u>159,008</u>	<u>-</u>
Net Change in Fund Balances	<u>(190,961)</u>	<u>(331,515)</u>	<u>(242,083)</u>	<u>89,432</u>
Fund Balance, Beginning of Year	<u>636,629</u>	<u>636,629</u>	<u>636,629</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 445,668</u>	<u>\$ 305,114</u>	<u>\$ 394,546</u>	<u>\$ 89,432</u>

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

**Budgetary Comparison Schedule
Zone C Arterial Street Lights Administration
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property Taxes	\$ 130,000	\$ 130,000	\$ 184,204	\$ 54,204
Other taxes	423,300	423,300	423,563	263
Fees and charges for services	163,700	70,000	63,160	(6,840)
Use of money and property	-	-	10,046	10,046
Total Revenues	<u>717,000</u>	<u>623,300</u>	<u>680,973</u>	<u>57,673</u>
Expenditures:				
Current:				
Public works	1,005,200	827,987	839,685	(11,698)
Total Expenditures	<u>1,005,200</u>	<u>827,987</u>	<u>839,685</u>	<u>(11,698)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(288,200)</u>	<u>(204,687)</u>	<u>(158,712)</u>	<u>45,975</u>
Other Financing Sources (Uses):				
Contribution from the City of Moreno Valley	206,749	-	-	-
Total Other Financing Sources (Uses)	<u>206,749</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(81,451)	(204,687)	(158,712)	45,975
Fund Balance, Beginning of Year	<u>599,981</u>	<u>599,981</u>	<u>599,981</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 518,530</u>	<u>\$ 395,294</u>	<u>\$ 441,269</u>	<u>\$ 45,975</u>

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

**Budgetary Comparison Schedule
Zone D Standard Landscaping Administration
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 1,218,000	\$ 1,184,400	\$ 1,183,924	\$ (476)
Use of money and property	7,000	7,000	18,323	11,323
Miscellaneous	-	529,058	506,210	(22,848)
Total Revenues	<u>1,225,000</u>	<u>1,720,458</u>	<u>1,708,457</u>	<u>(12,001)</u>
Expenditures:				
Current:				
Public works	1,178,686	1,621,688	1,282,987	338,701
Total Expenditures	<u>1,178,686</u>	<u>1,621,688</u>	<u>1,282,987</u>	<u>338,701</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>46,314</u>	<u>98,770</u>	<u>425,470</u>	<u>326,700</u>
Other Financing Sources (Uses):				
Transfers out	<u>(49,992)</u>	<u>(49,992)</u>	<u>(49,992)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(49,992)</u>	<u>(49,992)</u>	<u>(49,992)</u>	<u>-</u>
Net Change in Fund Balances	<u>(3,678)</u>	<u>48,778</u>	<u>375,478</u>	<u>326,700</u>
Fund Balance, Beginning of Year	<u>1,270,595</u>	<u>1,270,595</u>	<u>1,270,595</u>	<u>-</u>
Fund Balance, End of Year	<u>\$1,266,917</u>	<u>\$1,319,373</u>	<u>\$1,646,073</u>	<u>\$ 326,700</u>

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

**Budgetary Comparison Schedule
Zone M Median
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 167,300	\$ 157,000	\$ 158,098	\$ 1,098
Use of money and property	2,600	2,600	9,760	
Miscellaneous	-	125,592	122,457	(3,135)
Total Revenues	169,900	285,192	290,315	(2,037)
Expenditures:				
Current:				
Public works	195,126	494,230	407,789	86,441
Total Expenditures	195,126	494,230	407,789	86,441
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,226)	(209,038)	(117,474)	91,564
Other Financing Sources (Uses):				
Contributions from the City of Moreno Valley	105,881	108,180	108,180	-
Total Other Financing Sources (Uses)	105,881	108,180	108,180	-
Net Change in Fund Balances	80,655	(100,858)	(9,294)	91,564
Fund Balance, Beginning of Year	588,711	588,711	588,711	-
Fund Balance, End of Year	\$ 669,366	\$ 487,853	\$ 579,417	\$ 91,564

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

**Budgetary Comparison Schedule
CFD No. 1
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Other taxes	\$ 1,039,000	\$ 1,039,000	\$ 1,033,078	\$ (5,922)
Fees and charges for services	26,000	26,000	25,571	(429)
Use of money and property	24,997	24,997	9,832	(15,165)
Miscellaneous revenue	-	-	2,667	
Total Revenues	<u>1,089,997</u>	<u>1,089,997</u>	<u>1,071,148</u>	<u>(21,516)</u>
Expenditures:				
Current:				
Community and cultural	1,410,481	1,461,879	1,202,841	259,038
Total Expenditures	<u>1,410,481</u>	<u>1,461,879</u>	<u>1,202,841</u>	<u>259,038</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(320,484)</u>	<u>(371,882)</u>	<u>(131,693)</u>	<u>240,189</u>
Net Change in Fund Balances	(320,484)	(371,882)	(131,693)	240,189
Fund Balance, Beginning of Year	<u>878,628</u>	<u>878,628</u>	<u>878,628</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 558,144</u>	<u>\$ 506,746</u>	<u>\$ 746,935</u>	<u>\$ 240,189</u>

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

**Budgetary Comparison Schedule
Zone S Sunnymead Boulevard Maintenance
Year Ended June 30, 2016**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fees and charges for services	\$ 57,500	\$ 57,500	\$ 57,300	\$ (200)
Use of money and property	200	200	1,664	1,464
Total Revenues	<u>57,700</u>	<u>57,700</u>	<u>58,964</u>	<u>1,264</u>
Expenditures:				
Current:				
Public works	53,346	70,721	55,715	15,006
Total Expenditures	<u>53,346</u>	<u>70,721</u>	<u>55,715</u>	<u>15,006</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,354</u>	<u>(13,021)</u>	<u>3,249</u>	<u>16,270</u>
Net Change in Fund Balances	4,354	(13,021)	3,249	16,270
Fund Balance, Beginning of Year	<u>98,105</u>	<u>98,105</u>	<u>98,105</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 102,459</u></u>	<u><u>\$85,084</u></u>	<u><u>\$ 101,354</u></u>	<u><u>\$ 16,270</u></u>

