



COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF MORENO VALLEY
Fiscal Year Ended June 30, 2014





City of Moreno Valley
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014

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Introductory Section

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**

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P.O. BOX 88005
MORENO VALLEY, CA 92552-0805

November 24, 2014

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, 2014.

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 Lance, Soll & Lunghard, 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, 2014. 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 199,258, continues to be the second largest city in Riverside County. Though it has slowed because of the economy, the City's population continues to grow.

The City operates 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, school crossing guards, 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, 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, departments or funds, provided that such transfers do not increase the overall budget. Appropriations that increase the 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 Basic Financial Statements section of this report. The budget-to-actual comparisons for the non-major governmental funds can be found in the Non-Major governmental funds 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, including Amazon and Proctor & Gamble, have chosen Moreno Valley and positively impacted industrial growth with construction and occupancy of distribution centers. 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 2013, the City Council approved an Operating Budget that, for the first time since 2008, is balanced without the use of General Fund reserves. The previously adopted framework established in 2011 by the Deficit Elimination Plan to reduce the General Fund expenses to match the expected revenue stream was a critical framework that provided support to this balanced budget

objective. The City also prepared a Long Range Business Plan approved in July 2012 that includes projected revenues and expenditures through June 2020. This provides the City Council with expected results of operations based on their budget and other policy decisions within the scope of projected revenues and expenditures. The City 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. The first year of the CIP represents the capital expenditure budget for the City.

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, 2013. This was the sixteenth 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 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, Lance, Soll & Lunghard, LLP, for their assistance in preparing this important financial document.

Respectfully submitted,



Richard Teichert
Chief Financial Officer/City Treasurer

CITY OF MORENO VALLEY

MUNICIPAL OFFICIALS

June 30, 2014

CITY COUNCIL

Jesse L. Molina, Mayor
Victoria Baca, Mayor Pro Tem
Richard A. Stewart, Councilmember
George Price, Councilmember

EXECUTIVE OFFICERS

Michelle Dawson, City Manager
Tom DeSantis, Assistant City Manager
Suzanne Bryant, City Attorney
Jane Halstead, City Clerk
Richard Teichert, Chief Financial Officer/City Treasurer
Ahmad Ansari, P.E., Public Works Director/City Engineer
John Terell, Community & Economic Development Director
Chris Paxton, Administrative Services Director
Abdul Ahmad, Fire Chief
Betsy Adams, Parks & Community Services Director
Joel Ontiveros, Police Chief



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, 2013

Executive Director/CEO

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**

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, 2014, 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.



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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Moreno Valley, California, as of June 30, 2014, 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 and Neighborhood Stabilization Grant Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Lance, Solt & Lughard, LLP

Brea, California
November 24, 2014



Management's Discussion and Analysis

As management of the City of Moreno Valley (the City), we offer this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found in the Introductory Section of this Comprehensive Annual Financial Report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City of Moreno Valley exceeded its liabilities at June 30, 2014, by \$1.06 billion (*net position*). Of this amount, \$70.8 million (*unrestricted*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's net position increased by \$35.6 million from the previous fiscal year. Current year operations resulted in an increase of \$6.2 million, \$26.4 million was due to the extraordinary gain from the dissolution of the former Redevelopment Agency, and a restatement of \$3.0 million to the beginning balance all contributed to this increase.
- For business-type activities, revenues exceeded expenses by \$0.4 million. Adding other miscellaneous charges and transfer of \$1.5 million to the revenue, the current fiscal year showed a \$1.9 million surplus in the business-type activities.
- The total debt of the City showed a net increase of \$17.4 million (18.9%) during the current fiscal year. The increase in debt was primarily as a result of \$20.0 million of new debt secured for current and future street improvement projects.
- The General Fund had an end of year fund balance of \$40.6 million. This was an increase of \$6.2 million and an increase of 18.0% over FY 2012-13.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains certain supplementary information.

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

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



The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this

statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements display functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, community development, community and cultural, public works, and interest on long-term debt. The business-type activities of the City include the Electric Utility.

The government-wide financial statements include the City and its component units. The City's component units are the Moreno Valley Community Services District, Moreno Valley Public Financing Authority, and the Moreno Valley Public Facilities Financing Corporation. Although legally separate, for all practical purposes these entities function as departments of the City and therefore have been blended as part of the primary government.

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

Governmental funds. *Governmental funds* are used to account for the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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*.

The City adopts an annual appropriated budget for all of its funds. Budgetary comparison statement have been provided to demonstrate compliance with the budget.

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, and equipment replacement. 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 funds are used to account for resources held for the benefit of parties outside the City. In these cases, the City has a fiduciary responsibility and is acting as *trustee*. The *Statement of Fiduciary Fund Assets and Liabilities*, included in the Basic Financial Statements, separately reports all of the City's fiduciary activities. The City's fiduciary activities are reported in separate statements of fiduciary net position, statements of changes in fiduciary net position (Successor Agency of the former RDA only), and combining statement of changes in assets and liabilities (Agency Fund only). Detailed information of the fiduciary funds is in the Agency Funds section of the report. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. However, the City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Government-wide Financial Analysis

The following table presents a condensed version of the City's statement of net position for its governmental and business-type activities for fiscal year ended June 30, 2014. Comparative data from fiscal year ended June 30, 2013, is also presented.

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

	Governmental Activities		Business-type Activities		Totals	
	2013	2014	2013	2014	2013	2014
Current and other assets	\$ 226,948	\$ 250,640	\$ 10,998	\$ 10,196	\$ 237,946	\$ 260,836
Capital Assets	866,938	894,985	35,418	35,960	902,356	930,945
Total Assets	<u>1,093,886</u>	<u>1,145,625</u>	<u>46,416</u>	<u>46,156</u>	<u>1,140,302</u>	<u>1,191,781</u>
Current liabilities	28,662	29,482	6,702	5,101	28,294	34,583
Long-term liabilities	57,229	74,445	27,869	27,322	92,168	101,767
Total Liabilities	<u>85,891</u>	<u>103,927</u>	<u>34,571</u>	<u>32,423</u>	<u>120,462</u>	<u>136,350</u>
Net invested in capital assets	812,637	841,260	9,053	9,569	821,690	850,829
Restricted	103,999	129,886	3,445	3,904	107,444	133,790
Unrestricted	91,359	70,552	(653)	260	90,706	70,812
Total Net Position	<u>\$ 1,007,995</u>	<u>\$ 1,041,698</u>	<u>\$ 11,845</u>	<u>\$ 13,733</u>	<u>\$ 1,019,840</u>	<u>\$ 1,055,431</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Moreno Valley, net position as a whole increased by 3.5% from \$1.02 billion at June 30, 2013, to \$1.06 billion at June 30, 2014. By far the largest portion of the City's net position (78.9%) is its net investment

in capital assets (e.g., land, buildings, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table presents a summary of the changes in net position of the City's governmental and business-type activities, as of June 30, 2014. Comparative data from fiscal year ended June 30, 2013, is also presented.

Changes in Net Position
(\$000's)

	Governmental Activities		Business-type Activities		Totals	
	2013	2014	2013	2014	2013	2014
Revenues						
Program Revenues:						
Charges for services	\$ 31,731	\$ 24,879	\$ 19,098	\$ 20,214	\$ 50,829	\$ 45,093
Operating contributions and grants	36,117	25,576	-	-	36,117	25,576
Capital contributions and grants	38,205	16,292	-	-	38,205	16,292
General Revenues:						
Property tax	13,089	14,282	-	-	13,089	14,282
Property tax in lieu	13,414	13,872	-	-	13,414	13,872
Transient occupancy tax	832	991	-	-	832	991
Sales tax	14,044	15,887	-	-	14,044	15,887
Franchise tax	5,147	5,361	-	-	5,147	5,361
Business license tax	1,306	1,582	-	-	1,306	1,582
Utility user's tax	15,684	15,595	-	-	15,684	15,595
Franchise in lieu tax	190	195	-	-	190	195
Documentary transfer tax	350	447	-	-	350	447
Other taxes	1,325	6,467	-	-	1,325	6,467
Use of money and property	2,236	4,719	9	35	2,245	4,754
Other	1,728	696	373	531	2,101	1,227
Extraordinary gain/(loss) on						
Dissolution of Redevelopment Agency	31,493	26,364	-	-	31,493	26,364
Transfers	-	(904)	-	904	-	-
Total Revenues	206,891	172,301	19,480	21,684	226,371	193,985
Expenses:						
General government	11,758	12,081	-	-	11,758	12,081
Public safety	56,896	53,579	-	-	56,896	53,579
Community development	11,886	7,755	-	-	11,886	7,755
Community and cultural	18,400	20,616	-	-	18,400	20,616
Public works	39,468	43,540	-	-	39,468	43,540
Interest on long-term debt	2,552	4,032	-	-	2,552	4,032
Electric	-	-	18,139	19,796	18,139	19,796
Total Expenses	140,960	141,603	18,139	19,796	159,099	161,399
Change in Net Position	65,931	30,698	1,341	1,888	67,272	32,586
Restatement of Net Position	-	3,003	-	-	-	3,003
Net Position Beginning of Year	942,065	1,007,996	10,504	11,845	952,569	1,019,841
Net Position End of Year	\$ 1,007,996	\$ 1,041,697	\$ 11,845	\$ 13,733	\$ 1,019,841	\$ 1,055,430

Charges for services decreased \$5.7 million, 11.3%, under FY 2012-13. This decrease was primarily due to a reclassification of a revenue item that was included as charges for services in FY 2012-13 that is classified as a special tax in FY 2013-14 in the amount of \$4.9 million.

Operating and capital contributions and grants decreased \$32.5 million, 43.7% under FY 2012-13. This category fluctuates dramatically each year depending upon the number and value of dedications of developer constructed and City investment in infrastructure projects, such as streets, curbs, gutters, and street lights.

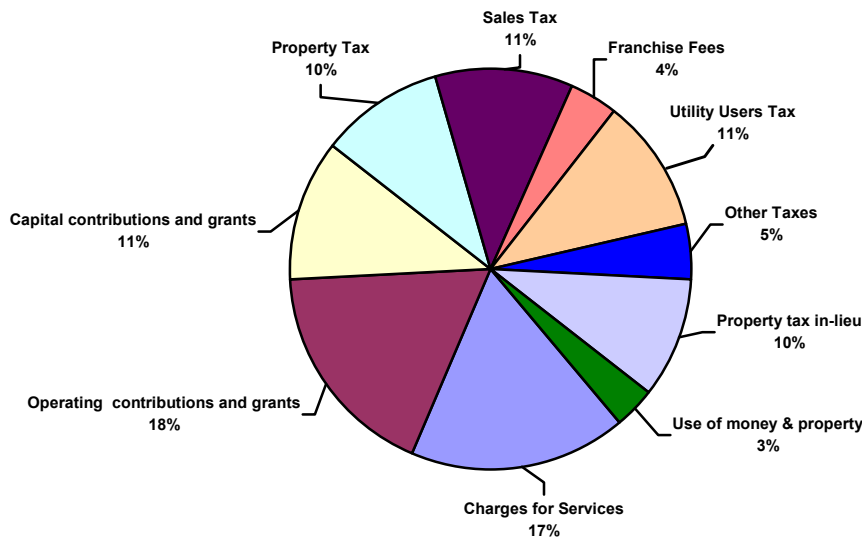
Property tax revenue increased \$1.2 million, 9.1% over FY 2012-13. The Property Tax collections in FY 2013-14 primarily increased as a result of property values experiencing a slight increase in valuation.

Sales tax revenue increased \$1.8 million, 13.1% over FY 2012-13. The sales tax revenue is directly tied to consumer spending and this increase is primarily due to the increase in taxable sales experienced this year that has been positively impacted by the development of sales tax generators such as Robertson’s Ready Mix, an Amazon Fulfillment Center, a new Volkswagen auto dealership, and an O’Reilly Auto Parts Distribution Center.

Governmental Activities

The government’s net position, with the restatement of \$3.0 million, increased by \$33.7 million with total revenues of \$172.3 million and total expenses of \$141.6 million. Program revenues were \$66.7 million and general revenues were \$105.6 million. The largest single category of revenue was an extraordinary gain due to the dissolution of the former redevelopment agency at \$26.4 million. The second largest single revenue category was operating contributions and grants, at \$25.6 million. This is program revenue and goes directly against expenses in recovering the costs of providing those services. The third largest single revenue category was charges for services at \$24.9 million. Capital contributions and grants at \$16.3 million was the fourth largest single revenue source, and sales tax was the fifth largest revenue source at \$15.9 million. The below graph presents the revenues by source for governmental activities for the fiscal year ended June 30, 2014, not including the extraordinary gain.

Revenues by Source – Governmental Activities



The single largest expense category was public safety at \$53.6 million, accounting for 37.8% of total expenses. Public works was the second largest expense category at \$43.5 million and 30.7% of total expenses. Community and cultural was the third largest expense category at \$20.6 million. General government was the fourth largest expense category at \$12.1 million, followed by community development at \$7.8 million, the fifth largest expense category, and interest on long-term debt at \$4.0 million, the sixth largest expense category.

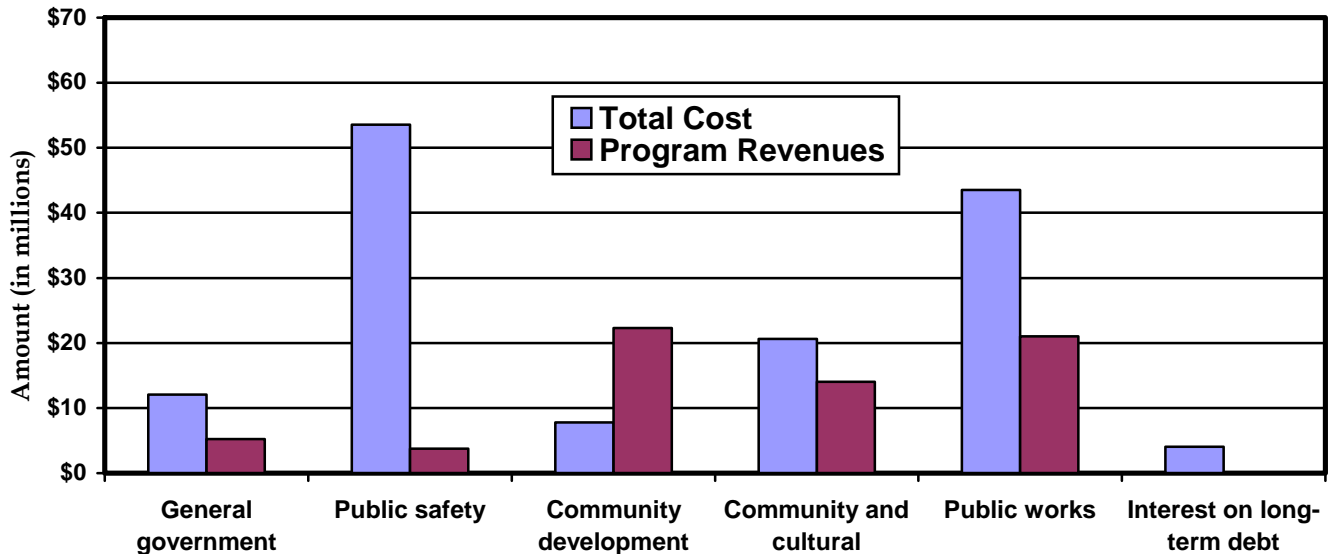
The table below presents the cost of each of the six major program categories, and identifies each program's *net cost* (total cost less revenues generated by the activities). The net cost is the amount paid for by general revenue sources that are generated by all City taxpayers.

**Governmental Activities - Net Cost of Services
For the year ended June 30, 2014**

	Total Cost of Services	Net Cost of Services
General government	\$ 12,081,325	\$ (6,884,221)
Public safety	53,578,915	(49,813,574)
Community development	7,755,380	14,567,133
Community and cultural	20,615,807	(6,582,285)
Public works	43,540,207	(22,111,924)
Interest on long-term debt	4,031,673	(4,031,673)
TOTAL	\$ 141,603,307	\$ (74,856,544)

As illustrated in the above table, program revenues recovered \$66.7 million of the cost of providing these services. The City paid for the remaining public benefit portion of these governmental activities with \$74.7 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, 2014**



Business-Type Activities

The City's business-type activities include the activities of the Electric Utility. The net position of the City's business-type activities increased \$1.9 million primarily due to the increase in electric consumption. The Electric Utility had total revenues of \$21.7 million, and total expenses of \$19.8 million.

THE CITY'S FUNDS

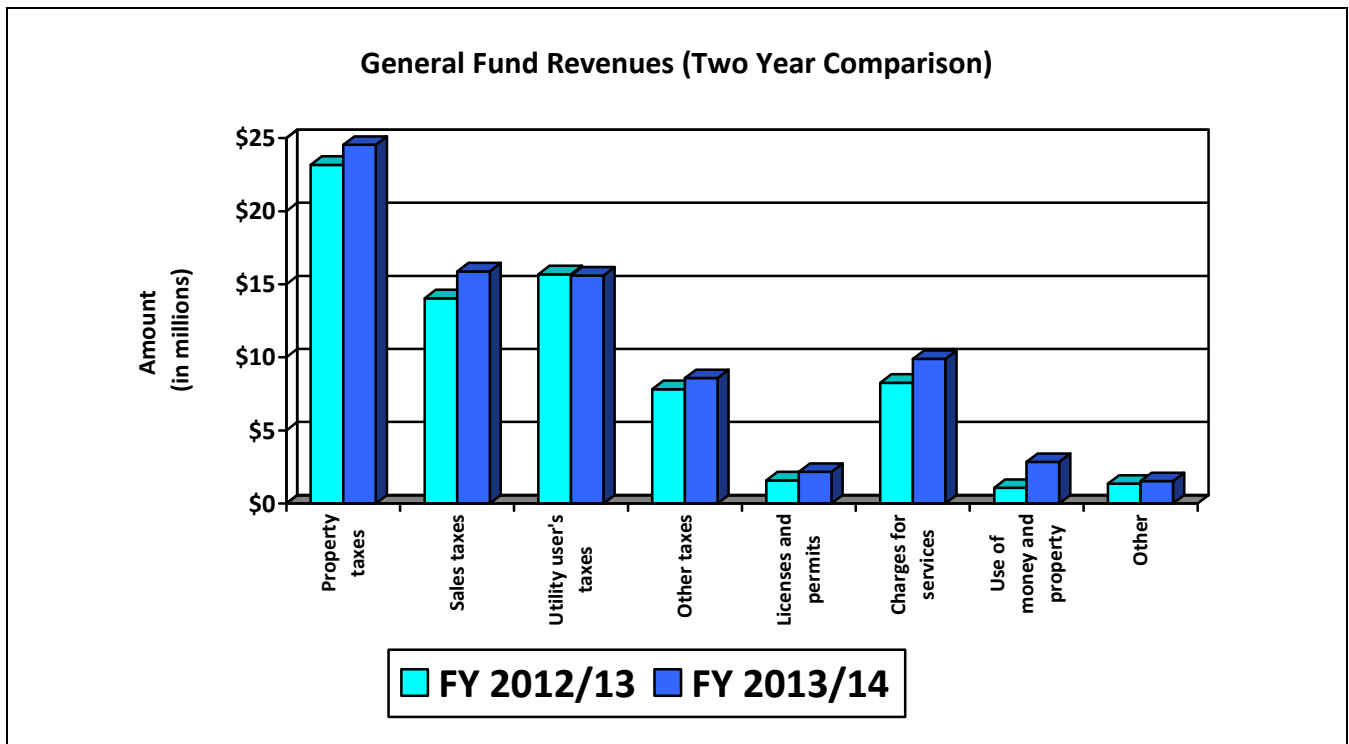
Total fund balances presented in the governmental funds balance sheet are \$170.0 million, with the General Fund representing \$40.6 million, or 23.9% of the total. The City's General Fund fund balance has unassigned fund balance of \$27.5 million.

General Fund Financial Results

The General Fund fund balance increased by \$6.2 million over FY 2012-13 with actual results realizing an increase of \$3.1 million in revenues along with expenditure savings of \$3.1 million. The final budget anticipated a balanced budget with minimal impact to fund balance as FY 2013-14 was the third and final year of the Three-Year Deficit Elimination Plan adopted by Council in response to the economic downturn.

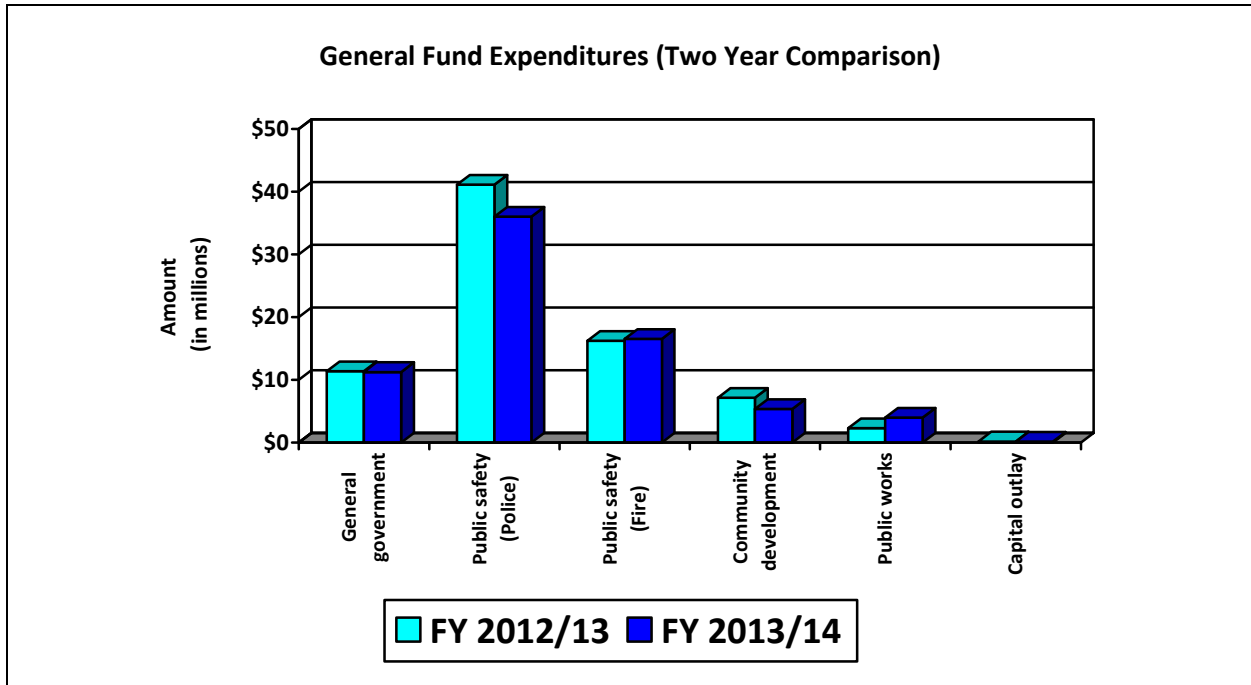
General Fund tax revenues were \$1.5 million more than anticipated and an increase in charges for services of \$0.7 million along with a \$0.8 million increase in licenses, permits and miscellaneous activity all contributed to the unanticipated revenue increase.

The graph below presents a comparison of each General Fund revenue source for the fiscal years ended June 30, 2013 and 2014.



General Fund actual expenditures were \$3.1 million less than the final budget. The major contributor to this result was in large part due to Police and Fire Services coming in under budget by \$2.4 million primarily as a result of contract service rates coming in below budgeted rates.

The graph below presents a comparison of each General Fund expenditure category for the fiscal years ended June 30, 2013 and 2014.



Other Major Fund Financial Results

The fund balance of the Community Service District Zones Special Revenue Fund increased by \$1.0 million over FY 2012-13. 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 increase in fund balance is primarily the result of \$1.8 million in transfers from the General Fund to support Residential Street Lights Administration (\$896,000), Library Services (\$617,835), and projects in Parks and Community Services (\$307,500).



The fund balance of the Development Impact Fees Special Revenue Fund decreased by \$0.4 million under FY 2012-13. 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 decrease in fund balance is primarily due to the remodel of Fire Station #48 that received development impact fee funding during the fiscal year.

The fund balance of the Housing Authority Fund increased \$8.0 million over FY 2012-13. This fund accounts for the housing assets as a result of the recently dissolved redevelopment agency of the City. In FY 2013-14 the Successor Agency of the former redevelopment agency transferred to the Housing Authority several property notes, Hemlock Apartments and Rancho Dorado South that were approved for transfer by the Successor Agency Oversight Board and the Department of Finance.

The fund balance of the Neighborhood Stabilization Grant Fund decreased \$0.1 million under FY 2012-13. 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 decrease in fund balance is primarily the result of program expenses that were incurred for qualifying programs in the fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the City’s governmental activities had \$1.28 billion (\$895.0 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 net increase of \$28.0 million from FY 2012-13 is primarily attributed to the increase in infrastructure.

At June 30, 2014, the City’s business-type activities had \$42.2 million (\$36.0 million net of depreciation) invested in capital assets, primarily utility infrastructure. The net increase of \$0.5 million from FY 2012-13 is primarily attributed to the increase in infrastructure.

City of Moreno Valley Capital Assets

	Governmental Activities		Business-type Activities		Total Primary Government		Total % Change
	2013	2014	2013	2014	2013	2014	
Land	\$ 300,286,754	\$ 310,197,236	\$ 1,237,459	\$ 1,237,459	\$ 301,524,213	\$ 311,434,695	3%
Buildings and Improvements	115,194,031	130,081,944	-	-	115,194,031	130,081,944	13%
Machinery and Equipment	16,129,238	17,576,368	-	-	16,129,238	17,576,368	9%
Vehicles	10,510,284	9,277,549	-	-	10,510,284	9,277,549	-12%
Construction in Progress	38,339,817	25,740,972	161,713	1,099,586	38,501,530	26,840,558	-30%
Infrastructure	734,572,111	782,157,370	39,381,574	39,838,486	773,953,685	821,995,856	6%
	1,215,032,235	1,275,031,439	40,780,746	42,175,531	1,255,812,981	1,317,206,970	5%
Accumulated Depreciation	(348,093,894)	(380,046,084)	(5,362,442)	(6,215,426)	(353,456,336)	(386,261,510)	9%
Total Capital Assets	\$ 866,938,341	\$ 894,985,355	\$ 35,418,304	\$ 35,960,105	\$ 902,356,645	\$ 930,945,460	3%

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

- Civic Center Site Improvements
- SR60 / Nason Overcrossing Bridge
- City Hall Rehab of 2nd Floor
- Cactus Ave 3rd Eastbound Lane
- Citywide Camera Surveillance
- Gilman Springs Road Improvements



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

- Alessandro Blvd Median/Indian St
- Nason St/Cactus Ave to Fir Ave
- SR60 / Moreno Bch Drive Interchange (ph 1)
- Moval 33KV S Industrial

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

- Sunnymead Blvd/SR60 E/B On-Ramp
- San Timoteo Foothill Storm Drain
- Box Springs Communication Site
- Heacock Street Channel

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

Long-Term Debt

At year-end, the City's governmental activities had \$77.3 million in bonds, notes, certificates of participation, leases, and compensated absences, versus \$60.6 million last year, an increase of \$16.7 million, or 27.6%. This increase is primarily due to the issuance of \$20 million of new debt secured for current and future street improvement projects.

At June 30, 2014, the City's business-type activities had \$28.1 million in bonds and compensated absences versus \$28.5 million last year, a decrease of \$0.4 million. The decrease was the result of normal maturity on existing debt. The City was able to meet its current debt obligations in a timely manner. The City has an active Debt Management Committee and an approved Debt Management Policy. The table on the next page provides the total long-term debt by category.

**Outstanding Debt at Year End
For the Year Ended June 30, 2014**

	Governmental Activities	Business-type Activities
Special tax bonds	\$ 9,660,000	\$ -
Notes and Other	4,816,500	-
Certificates of participation	20,000,000	-
Lease revenue bonds	36,394,230	28,000,770
Compensated absences	6,478,751	125,667
TOTAL	\$ 77,349,481	\$ 28,126,437

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, 2014, it is important for the City’s financial management to report on current issues affecting the City and their economic impact on FY 2013-14 and future years.

Clearly the economic downturn has impacted Moreno Valley, as well as the Inland Region as a whole. Both Riverside and San Bernardino counties are experiencing a delayed and slow economic recovery period. With a population of 199,258, Moreno Valley is still experiencing population growth, albeit at a slower rate because of the economic downturn impacting California. 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 2013-14 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. The impact of the action plan has had a positive influence on the unemployment rate in our City as we have begun to experience a decrease in the unemployment rate since last year with projections to further decrease this rate over the next few fiscal years. Creating employment opportunities and job growth is important to the continued development of the community and to the development of the City’s tax revenue base in the future.

In a recent credit status review by Standard & Poors 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. Our council and management team strategized, planned and

delivered on a three-year deficit elimination plan that has brought revenues in line with expenditures. 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.



COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**

City of Moreno Valley

Statement of Net Position
June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Pooled cash and investments (note 3)	\$ 146,707,926	\$ 6,145,248	\$ 152,853,174
Receivables:			
Accounts	4,735,122	2,940,180	7,675,302
Notes and loans (note 4)	44,421,616	-	44,421,616
Notes to Successor Agency (note 4)	16,998,503	-	16,998,503
Interest	2,147,995	-	2,147,995
Internal balances	580,657	(580,657)	-
Prepaid costs	193,460	-	193,460
Due from other governments	6,902,629	-	6,902,629
Inventories	39,739	243,400	283,139
Land held for resale	3,916,126	-	3,916,126
Restricted assets:			
Cash with fiscal agent (note 3)	23,995,648	1,447,798	25,443,446
Capital assets not being depreciated (note 5)	335,938,208	2,337,045	338,275,253
Capital assets, net of depreciation (note 5)	559,047,147	33,623,060	592,670,207
Total Assets	1,145,624,776	46,156,074	1,191,780,850
Liabilities:			
Accounts payable	19,947,163	3,081,297	23,028,460
Accrued liabilities	960,789	-	960,789
Accrued interest	511,589	255,296	766,885
Unearned revenue	884,698	33,959	918,657
Deposits payable	16,861	993,332	1,010,193
Due to other governments	9,321	94,500	103,821
Noncurrent liabilities:			
Long-term debt, due within one year (note 6)	7,151,481	642,170	7,793,651
Long-term debt, due in more than one year (note 6)	74,445,550	27,322,104	101,767,654
Total Liabilities	103,927,452	32,422,658	136,350,110
Net Position:			
Net investment in capital assets	841,259,763	9,569,296	850,829,059
Restricted for:			
Community development projects	47,104,275	-	47,104,275
Public safety	328,236	-	328,236
Community and cultural	13,201,156	-	13,201,156
Public works	23,648,320	-	23,648,320
Capital projects	32,739,899	-	32,739,899
Debt service	11,996,640	-	11,996,640
Permanent funds - nonexpendable	328,823	-	328,823
Water quality	538,101	-	538,101
Public purpose programs	-	3,903,663	3,903,663
Unrestricted	70,552,111	260,457	70,812,568
Total Net Position	\$ 1,041,697,324	\$ 13,733,416	\$ 1,055,430,740

City of Moreno Valley

Statement of Activities
Year Ended June 30, 2014

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 12,081,325	\$ 5,057,964	\$ 121,564	\$ 17,576
Public safety	53,578,915	3,077,843	687,498	-
Community development	7,755,380	7,620,631	4,972,354	9,729,528
Community and cultural	20,615,807	6,518,337	7,515,185	-
Public works	43,540,207	2,604,218	12,279,173	6,544,892
Interest on long-term debt	4,031,673	-	-	-
Total Governmental Activities	141,603,307	24,878,993	25,575,774	16,291,996
Business-Type Activities:				
Electric	19,796,146	20,213,736	-	-
Total Business-Type Activities	19,796,146	20,213,736	-	-
Total Primary Government	\$ 161,399,453	\$ 45,092,729	\$ 25,575,774	\$ 16,291,996

General Revenues:

Taxes:

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

**Extraordinary gain/(loss) on dissolution
of redevelopment agency (note 13)**

Transfers

Total General Revenues and Extraordinary Items

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position (note 14)

Net Position at End of Year

**Net (Expenses) Revenues and Changes in Net
Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (6,884,221)	\$ -	\$ (6,884,221)
(49,813,574)	-	(49,813,574)
14,567,133	-	14,567,133
(6,582,285)	-	(6,582,285)
(22,111,924)	-	(22,111,924)
(4,031,673)	-	(4,031,673)
(74,856,544)	-	(74,856,544)
-	417,590	417,590
-	417,590	417,590
(74,856,544)	417,590	(74,438,954)
14,281,943	-	14,281,943
13,871,754	-	13,871,754
991,431	-	991,431
15,887,129	-	15,887,129
5,361,531	-	5,361,531
1,581,918	-	1,581,918
15,595,141	-	15,595,141
6,467,203	-	6,467,203
194,943	-	194,943
447,103	-	447,103
4,718,739	35,249	4,753,988
696,377	531,523	1,227,900
26,364,076	-	26,364,076
(904,032)	904,032	-
105,555,256	1,470,804	107,026,060
30,698,712	1,888,394	32,587,106
1,007,995,816	11,845,022	1,019,840,838
3,002,796	-	3,002,796
\$ 1,041,697,324	\$ 13,733,416	\$ 1,055,430,740



MAJOR GOVERNMENTAL FUNDS

General Fund

This fund is used to account for all financial resources of the city traditionally associated with government 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 nine Zones within the Community Services District providing services. Zone A-Parks and Community Services provides citywide park maintenance and recreation programming. Zone B-Residential Street Lighting provides residential subdivision street lighting. Zone C-Arterial Street Lighting provides citywide street lighting on major arterial streets. Zone D-Standard Landscaping provides landscaping for residential developments throughout the City. Zone E-Extensive Landscaping provides landscaping in major developments within the City. Zone L-Library Services provides library services to City residents. Zone M-Medians provides maintenance of medians within the City. Community Facilities District (CFD) #1 provides maintenance of new parks, trails and class 1 bikeways. Zone S – Sunnymead Boulevard Maintenance provides maintenance of extensive landscape services for certain improvements constructed along Sunnymead Boulevard.

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.

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

Balance Sheet
Governmental Funds
June 30, 2014

	Special Revenue Funds			
	General	CSD Zones	Development Impact Fees	Housing Authority
Assets:				
Pooled cash and investments (note 3)	\$ 40,659,739	\$ 13,807,767	\$ 16,260,358	\$ 136,546
Receivables:				
Accounts	2,427,060	128,916	-	-
Notes and loans (note 4)	-	-	-	34,444,031
Notes to Successor Agency (note 4)	16,998,503	-	-	-
Interest	560,730	-	-	1,190,264
Due from other governments	3,021,893	229,033	-	-
Due from other funds (note 7)	2,807,492	-	-	-
Advances to other funds (note 7)	3,772,000	-	-	-
Land held for resale	-	-	-	3,916,126
Restricted assets:				
Cash with fiscal agents (note 3)	-	-	-	-
Total Assets	\$ 70,247,417	\$ 14,165,716	\$ 16,260,358	\$ 39,686,967
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 16,485,502	\$ 773,027	\$ -	\$ 144
Accrued liabilities	933,348	-	-	-
Unearned revenues	628,786	169,021	-	-
Deposits payable	-	16,861	-	-
Due to other governments	6,119	17	-	-
Due to other funds (note 7)	-	5,634	-	-
Advances from other funds	-	-	4,132,000	-
Total Liabilities	18,053,755	964,560	4,132,000	144
Deferred Inflows of Resources:				
Unavailable revenues	11,638,087	-	-	1,190,264
Total Deferred Inflows of Resources	11,638,087	-	-	1,190,264
Fund Balances:				
Nonspendable:				
Notes and loans	-	-	-	-
Notes to Successor Agency	5,360,415	-	-	-
Advances to other funds	3,772,000	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	-	38,496,559
Public safety	-	-	-	-
Community and cultural	-	13,201,156	-	-
Public works	-	-	12,128,358	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowments	-	-	-	-
Water quality	-	-	-	-
Committed to:				
Revolving line of credit	2,600,000	-	-	-
Maintenance of pedestrian bridge	129,722	-	-	-
Assigned to:				
Continuing appropriations	534,245	-	-	-
GASB 31	622,748	-	-	-
Unassigned	27,536,445	-	-	-
Total Fund Balances	40,555,575	13,201,156	12,128,358	38,496,559
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 70,247,417	\$ 14,165,716	\$ 16,260,358	\$ 39,686,967

Special Revenue Funds Neighborhood Stabilization Grant	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 34,503,178	\$ 105,367,588
-	2,178,984	4,734,960
4,358,257	5,619,328	44,421,616
-	-	16,998,503
-	397,001	2,147,995
665,472	2,986,231	6,902,629
-	-	2,807,492
-	940,657	4,712,657
-	-	3,916,126
-	23,995,648	23,995,648
\$ 5,023,729	\$ 70,621,027	\$ 216,005,214
\$ 319,425	\$ 2,040,600	\$ 19,618,698
-	27,441	960,789
-	86,891	884,698
-	-	16,861
-	3,185	9,321
433,825	2,368,033	2,807,492
-	-	4,132,000
753,250	4,526,150	28,429,859
4,358,257	397,001	17,583,609
4,358,257	397,001	17,583,609
-	5,619,328	5,619,328
-	-	5,360,415
-	940,657	4,712,657
-	288,098	288,098
-	2,988,388	41,484,947
-	328,236	328,236
-	-	13,201,156
-	10,579,305	22,707,663
-	32,739,899	32,739,899
-	11,996,640	11,996,640
-	40,725	40,725
-	538,101	538,101
-	-	2,600,000
-	-	129,722
-	-	534,245
-	-	622,748
(87,778)	(361,501)	27,087,166
(87,778)	65,697,876	169,991,746
\$ 5,023,729	\$ 70,621,027	\$ 216,005,214

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)
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

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

Assigned to:

Continuing appropriations
GASB 31

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances



City of Moreno Valley

**Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2014**

Fund balances of governmental funds \$ 169,991,746

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)	1,250,030,499
Accumulated depreciation (excludes internal service accumulated depreciation)	(369,310,914)

Long-term debt and compensated absences have not been included in the governmental fund activity:

2007 Towngate Special Tax Refunding Bonds	\$ (6,825,000)	
2007 Towngate Improvement Tax Refunding	(2,835,000)	
2011 Private Placement Refunding, Series 1997 Variable Rate Certificates of Participation	(2,261,500)	
2005 Lease Revenue Bonds	(25,940,000)	
2011 Private Placement Refunding, Series 1997 Variable Rate Certificates of Participation	(2,555,000)	
2013 Refunding of 2005 Lease Revenue Bonds	(10,454,230)	
2013 Total Road Improvement Certificates of Participation	(20,000,000)	
Unamortized Premium/Discount	(806,550)	
Prepaid Bond Insurance	191,538	
Compensated Absences	<u>(5,710,911)</u>	(77,196,653)

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 a asset or liability. (1,347,000)

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds. (511,589)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 17,583,609

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. 52,457,626

Net Position of governmental activities \$1,041,697,324

City of Moreno Valley

Statement of Revenues,
Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

Special Revenue Funds

	General	CSD Zones	Development Impact Fees	Housing Authority
Revenues:				
Taxes:				
Property taxes	\$ 10,668,782	\$ 3,613,161	\$ -	\$ -
Property taxes in lieu	13,871,754	-	-	-
Utility taxes	15,595,141	-	-	-
Sales taxes	15,887,129	-	-	-
Other taxes	8,576,926	6,350,039	-	-
Licenses and permits	2,164,753	-	-	-
Intergovernmental	311,509	4,660	-	-
Charges for services	9,895,991	5,958,400	2,340,687	-
Use of money and property	2,836,595	725,733	257,273	34,261
Fines and forfeitures	577,962	41,980	-	-
Contributions	-	-	-	-
Contributions from Successor Agency	150,000	-	-	7,970,000
Miscellaneous	492,855	480,449	-	17,962
Total Revenues	81,029,397	17,174,422	2,597,960	8,022,223
Expenditures:				
Current:				
General government	11,249,491	-	-	-
Public safety	52,565,026	-	-	-
Community development	5,344,292	-	-	56,016
Community and cultural	-	11,888,439	-	-
Public works	3,974,839	5,760,298	-	-
Capital outlay	152,247	339,048	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	73,285,895	17,987,785	-	56,016
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,743,502	(813,363)	2,597,960	7,966,207
Other Financing Sources (Uses):				
Transfers in (note 7)	1,013,421	1,924,735	1,484,426	-
Transfers out (note 7)	(2,575,373)	(129,722)	(4,518,200)	-
Refunding bonds issued	-	-	-	-
Other debt issued	-	-	-	-
Bond premium/(discount)	-	-	-	-
Total Other Financing Sources (Uses)	(1,561,952)	1,795,013	(3,033,774)	-
Net Change in Fund Balances	\$ 6,181,550	\$ 981,650	\$ (435,814)	\$ 7,966,207
Fund Balances:				
Beginning of year, as originally reported	\$ 34,374,025	\$ 12,219,506	\$ 12,564,172	\$ 30,530,352
Restatements	-	-	-	-
Beginning of year, as restated	34,374,025	12,219,506	12,564,172	30,530,352
Net change in fund balances	6,181,550	981,650	(435,814)	7,966,207
End of Year	\$ 40,555,575	\$ 13,201,156	\$ 12,128,358	\$ 38,496,559

**Special
Revenue Funds**

Neighborhood Stabilization Grant	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 14,281,943
-	-	13,871,754
-	-	15,595,141
-	-	15,887,129
-	117,164	15,044,129
-	-	2,164,753
1,096,836	27,397,214	28,810,219
-	2,034,556	20,229,634
-	180,727	4,034,589
-	-	619,942
-	17,576	17,576
-	1,609,528	9,729,528
-	1,260,623	2,251,889
1,096,836	32,617,388	142,538,226
-	770,471	12,019,962
-	927,025	53,492,051
1,211,334	1,311,767	7,923,409
-	7,344,250	19,232,689
-	8,537,869	18,273,006
-	26,721,595	27,212,890
-	13,884,500	13,884,500
-	3,284,958	3,284,958
-	895,960	895,960
1,211,334	63,678,395	156,219,425
(114,498)	(31,061,007)	(13,681,199)
-	26,570,636	30,993,218
-	(22,888,073)	(30,111,368)
-	10,454,230	10,454,230
-	20,000,000	20,000,000
-	905,166	905,166
-	35,041,959	32,241,246
\$ (114,498)	\$ 3,980,952	\$ 18,560,047
\$ 26,720	\$ 58,714,128	\$ 148,428,903
-	3,002,796	3,002,796
26,720	61,716,924	151,431,699
(114,498)	3,980,952	18,560,047
\$ (87,778)	\$ 65,697,876	\$ 169,991,746

Revenues:

Taxes:

Property taxes
Property taxes in lieu
Utility taxes
Sales taxes
Other taxes
Licenses and permits
Intergovernmental
Charges for services
Use of money and property
Fines and forfeitures
Contributions
Contributions from Successor Agency
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
Bond issuance costs

Total Expenditures

Excess (Deficiency) of Revenues
Over (Under) Expenditures

Other Financing Sources (Uses):

Transfers in (note 7)
Transfers out (note 7)
Refunding bonds issued
Other debt issued
Bond premium/(discount)

**Total Other Financing Sources
(Uses)**

Net Change in Fund Balances

Fund Balances:

Beginning of year, as originally reported
Restatements
Beginning of year, as restated
Net change in fund balances

End of Year

City of Moreno Valley

**Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2014**

Net change in fund balances - total governmental funds \$ 18,560,047

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay (excludes internal service capital outlay)	24,777,578
Depreciation expense (excludes internal service depreciation)	(26,784,459)
Contributed capital assets	3,335,000

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.

Principal repayments	13,884,500
New debt issued	(20,000,000)
Refunded debt issued	(10,454,230)
Plus premium/discount on debt issued	(905,166)
Prepaid bond insurance on debt issued	199,518
Amortization of bond premiums/discounts and prepaid insurance	90,636

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. (140,909)

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. (31,607)

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. (447,000)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. 968,749

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 net revenues (expenses) of the internal service funds is reported with governmental activities. 1,281,979

Extraordinary gains and losses relating to capital assets and long-term liabilities transferred to the Successor Agency are reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported in the governmental funds.

Capital assets	26,364,076
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Change in net position of governmental activities \$ 30,698,712

City of Moreno Valley

Budgetary Comparison Statement
General Fund
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property taxes	\$ 9,647,100	\$ 9,647,100	\$ 10,668,782	\$ 1,021,682
Property taxes in-lieu	13,640,000	13,840,000	13,871,754	31,754
Utility user's tax	16,114,000	16,114,000	15,595,141	(518,859)
Sales taxes	15,570,000	15,570,000	15,887,129	317,129
Other taxes	7,965,000	7,965,000	8,576,926	611,926
Licenses and permits	1,514,000	1,764,000	2,164,753	400,753
Intergovernmental	265,000	235,000	311,509	76,509
Charges for services	8,869,395	9,224,707	9,895,991	671,284
Use of money and property	2,688,000	2,688,000	2,836,595	148,595
Fines and forfeitures	601,500	601,500	577,962	(23,538)
Contributions from Successor Agency	-	150,000	150,000	-
Miscellaneous	51,400	51,400	492,855	441,455
Total Revenues:	76,925,395	77,850,707	81,029,397	3,178,690
Expenditures:				
Current:				
General government				
City council	616,632	654,113	642,585	11,528
City manager	1,318,957	1,917,210	1,915,199	2,011
City clerk	448,351	541,202	573,396	(32,194)
City attorney	483,533	776,045	869,430	(93,385)
Financial and management services	2,980,392	3,091,265	2,844,706	246,559
Administrative services	3,657,689	3,764,674	3,544,108	220,566
Non-departmental	812,500	221,553	860,067	(638,514)
Public safety				
Police	37,936,734	37,520,695	36,019,308	1,501,387
Fire	17,368,153	17,417,212	16,545,718	871,494
Community development	6,731,597	5,714,662	5,344,292	370,370
Public works	2,136,995	4,465,001	3,974,839	490,162
Capital outlay	192,000	337,679	152,247	185,432
Total Expenditures	74,683,533	76,421,311	73,285,895	3,135,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,241,862	1,429,396	7,743,502	6,314,106
Other Financing Sources (Uses):				
Transfers in (note 7)	967,341	1,097,063	1,013,421	(83,642)
Transfers out (note 7)	(2,284,003)	(2,575,427)	(2,575,373)	54
Total Other Financing Sources (Uses)	(1,316,662)	(1,478,364)	(1,561,952)	(83,588)
Net Change in Fund Balances	925,200	(48,968)	6,181,550	6,230,518
Fund Balance, Beginning of Year	34,374,025	34,374,025	34,374,025	-
Fund Balance, End of Year	\$ 35,299,225	\$ 34,325,057	\$ 40,555,575	\$ 6,230,518

City of Moreno Valley
Budgetary Comparison Statement
CSD Zones
Year Ended June 30, 2014

	<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	\$ 3,188,300	\$ 3,188,300	\$ 3,613,161	\$ 424,861
Other taxes	6,322,000	6,322,000	6,350,039	28,039
Intergovernmental	-	-	4,660	4,660
Charges for services	6,115,031	5,865,531	5,958,400	92,869
Use of money and property	614,221	614,221	725,733	111,512
Fines and forfeitures	50,000	50,000	41,980	(8,020)
Miscellaneous	20,100	20,580	480,449	459,869
Total Revenues	<u>16,309,652</u>	<u>16,060,632</u>	<u>17,174,422</u>	<u>1,113,790</u>
Expenditures:				
Current:				
Community and cultural	11,790,946	12,350,161	11,888,439	461,722
Public works	6,520,744	6,560,347	5,760,298	800,049
Capital outlay	883,000	992,000	339,048	652,952
Total Expenditures	<u>19,194,690</u>	<u>19,902,508</u>	<u>17,987,785</u>	<u>1,914,723</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,885,038)</u>	<u>(3,841,876)</u>	<u>(813,363)</u>	<u>3,028,513</u>
Other Financing Sources (Uses):				
Transfers in (note 7)	1,783,244	2,041,371	1,924,735	(116,636)
Transfers out (note 7)	-	(129,722)	(129,722)	-
Total Other Financing Sources (Uses)	<u>1,783,244</u>	<u>1,911,649</u>	<u>1,795,013</u>	<u>(116,636)</u>
Net Change in Fund Balances	(1,101,794)	(1,930,227)	981,650	2,911,877
Fund Balance, Beginning of Year	<u>12,219,506</u>	<u>12,219,506</u>	<u>12,219,506</u>	<u>-</u>
Fund Balance, End of Year	<u>\$11,117,712</u>	<u>\$10,289,279</u>	<u>\$13,201,156</u>	<u>\$ 2,911,877</u>

City of Moreno Valley

Budgetary Comparison Statement
Development Impact Fees
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 418,500	\$ 418,500	\$ 2,340,687	\$ 1,922,187
Use of money and property	211,400	225,350	257,273	31,923
Total Revenues	629,900	643,850	2,597,960	1,954,110
Excess (Deficiency) of Revenues Over (Under) Expenditures	629,900	643,850	2,597,960	1,954,110
Other Financing Sources (Uses):				
Transfers in (note 7)	1,484,426	1,484,426	1,484,426	-
Transfers out (note 7)	(4,291,200)	(4,518,200)	(4,518,200)	-
Total Other Financing Sources (Uses)	(2,806,774)	(3,033,774)	(3,033,774)	-
Net Change in Fund Balances	(2,176,874)	(2,389,924)	(435,814)	1,954,110
Fund Balance, Beginning of Year	12,564,172	12,564,172	12,564,172	-
Fund Balance, End of Year	\$ 10,387,298	\$ 10,174,248	\$ 12,128,358	\$ 1,954,110

City of Moreno Valley
Budgetary Comparison Statement
Housing Authority
Year Ended June 30, 2014

	<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	\$ 15,000	\$ 15,000	\$ 34,261	\$ 19,261
Contributions from Successor Agency	-	-	7,970,000	7,970,000
Miscellaneous	-	-	17,962	17,962
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>8,022,223</u>	<u>8,007,223</u>
Expenditures:				
Current:				
Community development	-	-	56,016	(56,016)
Total Expenditures	<u>-</u>	<u>-</u>	<u>56,016</u>	<u>(56,016)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>15,000</u>	<u>15,000</u>	<u>7,966,207</u>	<u>7,951,207</u>
Fund Balance, Beginning of Year	<u>30,530,352</u>	<u>30,530,352</u>	<u>30,530,352</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 30,545,352</u>	<u>\$ 30,545,352</u>	<u>\$ 38,496,559</u>	<u>\$ 7,951,207</u>

City of Moreno Valley

Budgetary Comparison Statement
 Neighborhood Stabilization Grant
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 3,500,000	\$ 3,500,000	\$ 1,096,836	\$ (2,403,164)
Total Revenues	3,500,000	3,500,000	1,096,836	(2,403,164)
Expenditures:				
Current:				
Community development	3,466,451	4,664,280	1,211,334	3,452,946
Total Expenditures	3,466,451	4,664,280	1,211,334	3,452,946
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,549	(1,164,280)	(114,498)	1,049,782
Net Change in Fund Balances	33,549	(1,164,280)	(114,498)	1,049,782
Fund Balance, Beginning of Year	26,720	26,720	26,720	-
Fund Balance, End of Year	\$ 60,269	\$ (1,137,560)	\$ (87,778)	\$ 1,049,782



PROPRIETARY FUNDS

ENTERPRISE FUND:

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

These 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, and accumulating cash reserves for equipment replacement.

City of Moreno Valley

Statement of Net Position
Proprietary Funds
June 30, 2014

	<u>Enterprise Fund - Electric</u>	<u>Governmental Activities- Internal Service Funds</u>
Assets:		
Current:		
Pooled cash and investments (note 3)	\$ 6,145,248	\$ 41,340,338
Receivables:		
Accounts	2,940,180	162
Prepaid costs	-	1,922
Inventories	243,400	39,740
Restricted:		
Cash with fiscal agent (note 3)	<u>1,447,798</u>	<u>-</u>
Total Current Assets	<u>10,776,626</u>	<u>41,382,162</u>
Noncurrent:		
Capital assets - net of accumulated depreciation (note 5)	<u>35,960,105</u>	<u>14,265,769</u>
Total Noncurrent Assets	<u>35,960,105</u>	<u>14,265,769</u>
Total Assets	<u>\$46,736,731</u>	<u>\$ 55,647,931</u>
Liabilities and Net Position:		
Liabilities:		
Current:		
Accounts payable	\$ 3,081,297	\$ 328,465
Accrued interest	255,296	-
Unearned revenues	33,959	-
Deposits payable	993,332	-
Due to other governments	94,500	-
Compensated absences (note 6)	75,400	460,704
Self-insurance payable (note 12)	-	708,000
Bonds, notes, and loans payable (note 6)	<u>566,770</u>	<u>-</u>
Total Current Liabilities	<u>5,100,554</u>	<u>1,497,169</u>
Noncurrent:		
Advances from other funds (note 7)	580,657	-
Compensated absences (note 6)	50,267	307,136
Self-insurance payable (note 12)	-	1,386,000
Bonds, notes, and loans payable (note 6)	<u>27,271,837</u>	<u>-</u>
Total Noncurrent Liabilities	<u>27,902,761</u>	<u>1,693,136</u>
Total Liabilities	<u>33,003,315</u>	<u>3,190,305</u>
Net Position:		
Net investment in capital assets	9,569,296	14,265,769
Restricted for public purpose programs	3,903,663	-
Unrestricted	<u>260,457</u>	<u>38,191,857</u>
Total Net Position	<u>13,733,416</u>	<u>52,457,626</u>
Total Liabilities and Net Position	<u>\$46,736,731</u>	<u>\$ 55,647,931</u>

City of Moreno Valley

Statement of Revenues, Expenses
and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2014

	Enterprise Fund - Electric	Governmental Activities- Internal Service Funds
Operating Revenues:		
Sales and service charges	\$ 19,905,135	\$ 13,171,084
Miscellaneous	531,523	35,451
Total Operating Revenues	20,436,658	13,206,535
Operating Expenses:		
Cost of services	726,109	8,336,198
Depreciation expense	852,984	915,603
Electricity purchased	10,200,721	-
Services and supplies	3,695,862	-
Distributive share	2,678,910	-
Self-insurance claims and charges	-	849,758
Total Operating Expenses	18,154,586	10,101,559
Operating Income (Loss)	2,282,072	3,104,976
Nonoperating Revenues (Expenses):		
Interest revenue	35,249	-
Interest expense	(1,641,560)	-
Engineering plan check fees	308,601	-
Gain (loss) on disposal of capital assets	-	(37,115)
Total Nonoperating Revenues (Expenses)	(1,297,710)	(37,115)
Income (Loss) Before Transfers	984,362	3,067,861
Transfers in (note 7)	904,032	2,325,628
Transfers out (note 7)	-	(4,111,510)
Changes in Net Position	1,888,394	1,281,979
Net Position:		
Beginning of Fiscal Year	11,845,022	51,175,647
End of Fiscal Year	\$ 13,733,416	\$ 52,457,626

City of Moreno Valley

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2014

	<u>Enterprise Fund - Electric</u>	<u>Governmental Activities- Internal Service Funds</u>
Cash Flows from Operating Activities:		
Cash received from customers	\$ 20,324,328	\$ 13,206,585
Cash paid to suppliers for goods and services	(12,242,327)	(5,692,713)
Cash paid to employees for services	(4,414,354)	(3,294,902)
Cash paid for claims	-	(863,758)
Net Cash Provided (Used) by Operating Activities	<u>3,667,647</u>	<u>3,355,212</u>
Cash Flows from Non-Capital Financing Activities:		
Cash transfers in	904,032	2,325,628
Cash transfers out	-	(4,111,510)
Cash paid to utility operator	(2,289,297)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(1,385,265)</u>	<u>(1,785,882)</u>
Cash Flows from Capital and Related Financing Activities:		
Proceeds from capital debt	1,341,288	-
Acquisition and construction of capital assets	(1,394,785)	(1,307,536)
Engineering plan check fees	308,601	-
Principal paid on capital debt	(1,925,000)	-
Interest paid on capital debt	(1,646,664)	-
Repayment of loans to other governments	(31,500)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,348,060)</u>	<u>(1,307,536)</u>
Cash Flows from Investing Activities:		
Interest received	35,249	-
Net Cash Provided (Used) by Investing Activities	<u>35,249</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,030,429)</u>	<u>261,794</u>
Cash and Cash Equivalents at Beginning of Year	8,623,475	41,078,544
Cash and Cash Equivalents at End of Year	<u>\$ 7,593,046</u>	<u>\$ 41,340,338</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 2,282,072	\$ 3,104,976
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation	852,984	915,603
(Increase) decrease in accounts receivable	(216,868)	50
(Increase) decrease in prepaid costs	-	3,877
(Increase) decrease in inventories	(11,350)	2,896
Increase (decrease) in accounts payable	648,352	(711,949)
Increase (decrease) in accrued liabilities	(13,990)	(60,299)
Increase (decrease) in unearned revenue	11,758	-
Increase (decrease) in deposits payable	92,780	-
Increase (decrease) in self-insurance payable	-	(14,000)
Increase (decrease) in compensated absences	21,909	114,058
Total Adjustments	<u>1,385,575</u>	<u>250,236</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,667,647</u>	<u>\$ 3,355,212</u>

Non-Cash Investing, Capital, and Financing Activities:

There were no noncash investing, capital or noncapital financing activities for the year ended June 30, 2014.

FIDUCIARY FUNDS

FIDUCIARY FUNDS:

Fiduciary Funds

These funds are used to account for assets held in an agency or trustee capacity for others. These funds cannot be used to support the City's own programs.

City of Moreno Valley

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>	<u>Private- Purpose Trust Fund</u>
		<u>Successor Agency of the Former RDA</u>
Assets:		
Pooled cash and investments (note 3 and 13)	\$ 4,873,927	\$ 3,527,892
Due from other governments	-	94,500
Restricted assets:		
Cash with fiscal agents (note 3 and 13)	749,308	2
Total Assets	<u>\$ 5,623,235</u>	<u>3,622,394</u>
Liabilities:		
Accounts payable	\$ 187,093	7,189
Accrued interest	-	842,202
Deposits payable	3,993,060	-
Due to other governments	-	1,058
Payable to trustee	1,443,082	-
Long-term debt, due within one year (note 13)	-	230,000
Long-term debt, due in more than one year (note 13)	-	59,242,136
Total Liabilities	<u>\$ 5,623,235</u>	<u>60,322,585</u>
Net Position:		
Held in trust for other purposes		(56,700,191)
Total Net Position		<u>\$ (56,700,191)</u>

City of Moreno Valley

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2014

	<u>Private- Purpose Trust Fund</u>
	<u>Successor Agency of the Former RDA</u>
Additions:	
Taxes	\$ 6,305,087
Use of money and property	13,942
Total Additions	<u>6,319,029</u>
Deductions:	
Administrative expenses	76,260
Contractual services	14,589
Interest expense	3,048,923
Depreciation expense	991,196
Contributions to City	9,729,528
Total Deductions	<u>13,860,496</u>
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 13)	<u>(26,364,076)</u>
Changes in Net Position	<u>(33,905,543)</u>
Net Position - Beginning of the Year	<u>(22,794,648)</u>
Net Position - End of the Year	<u><u>\$ (56,700,191)</u></u>



Notes to Basic Financial Statements

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014**

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 included in the City's reporting entity because of their operational significance or financial relationships with the City. These component units are controlled by common governing boards, which are substantively the same as the City's and are presented as blended component units for financial reporting purposes. 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 No. 3 (Auto Mall Refinancing), 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

**Notes to Financial Statements
Year Ended June 30, 2014 (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. Separate financial statements are not available for the Housing Authority.

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

b. Government-Wide and Fund Financial Statements

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

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

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

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

The government-wide financial statements are reported using the economic 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 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.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

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

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

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

The City reports the following major governmental funds:

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

The CSD Zones Special Revenue Fund accounts for restricted property taxes for the various Community Services District (CSD) programs. There are nine Zones within the Community Services District providing services. Zone A-Parks and Community Services provides citywide park maintenance and recreation programming. Zone B-Residential Street Lighting provides residential subdivision street lighting. Zone C-Arterial Street Lighting provides citywide street lighting on major arterial streets. Zone D-Standard Landscaping provides landscaping for residential developments throughout the City. Zone E-Extensive Landscaping provides landscaping in major developments within the City. Zone L-Library Services provides library services to City residents. Zone M-Medians provides maintenance of median landscaping within the City. Community Facilities District (CFD) #1 provides maintenance of new parks, trails and class 1 bikeways. Zone S – Sunnymead Boulevard Maintenance provides maintenance of extensive landscape services for certain 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.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

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 City reports the following major business-type fund:

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

Additionally the government reports the following fund types:

Internal Service Funds account for financial transactions related to repair, replacement and maintenance of City-owned 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 charges between the government's proprietary funds function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

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.

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

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

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.

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.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

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.

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.

An individual governmental fund could include nonspendable 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

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

Fund Balance Flow Assumptions

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

Net Position Flow Assumption

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

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.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (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 XIIIB 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.

For fiscal year 2013-2014, the following funds had no adopted annual budgets:

- Traffic Signal Mitigation Capital Projects Fund
- Warner Ranch Capital Development Capital Projects Fund

These funds had no adopted budget due to the timing of the usage of the funds. Money will be budgeted as needed based on specific projects to be completed with these funds.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (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:

	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund:			
City clerk	\$ 541,202	\$ 573,396	\$ 32,194
City attorney	776,045	869,430	93,385
Non-departmental	221,553	860,067	638,514
Housing Authority Special Revenue Fund:			
Community development	-	56,016	56,016
State Gasoline Tax Special Revenue Fund:			
Public works	5,710,352	5,885,902	175,550
Public Education Government Access Special Revenue Fund:			
Public works	-	865	865
Capital outlay	499,889	500,343	454
Air Quality Management Special Revenue Fund:			
Public works	230,164	236,985	6,821
Prop 42 Replacement Funds Special Revenue Fund:			
Capital outlay	842,161	843,310	1,149
Civil Penalties Special Revenue Fund:			
Community development	-	14,075	14,075
Lease Revenue Bonds 2005 Debt Service Fund:			
General government	2,100	2,525	425
TRIP COP 13A Debt Fund Debt Service Fund:			
Public works	-	2,268	2,268
Equestrian Trail Endowment Permanent Fund:			
Community and cultural	-	429	429

Note 3: Cash and Investments

As of June 30, 2014, cash and investments were reported in the accompanying financial statements as follows:

Government Activities:	\$ 170,703,574
Business-Type Activities	7,593,046
Fiduciary Funds	<u>9,151,129</u>
 Total Cash and Investments	 <u>\$ 187,447,749</u>

Cash and investments as of June 30, 2014, consist of the following:

Cash and Cash Equivalents	
Petty cash and change boxes	\$ 10,770
Demand deposit	(1,315,312)
Investments	162,559,535
Cash and Investments with fiscal agents	<u>26,192,756</u>
 Total Cash and Investments	 <u>\$ 187,447,749</u>

City of Moreno Valley

Notes to Financial Statements Year Ended June 30, 2014 (Continued)

Note 3: Cash and Investments (Continued)

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.

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
- 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

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 3: Cash and Investments (Continued)

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.

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, 2014, the City's investment in medium term notes consisted of investments with Blackrock Inc., PepsiCo Inc., JP Morgan Chase, IBM Corp, Wells Fargo Bank, Berkshire Hathaway, Coca Cola Company, Bank of New York, Pfizer Inc., Praxair Inc., EBAY Inc., Google Inc., John Deere, Occidental Petroleum, United Technologies Corp., Chevron Corp., Intel Corp., WalMart Stores Inc., Apple Inc., U.S. Bankcorp, General Electric, Cisco Systems, Honda, Toyota, and Chase. At June 30, 2014, 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, 2014, 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 (\$1,315,312) at June 30, 2014. Bank balances before reconciling items was \$2,372,882 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed above under "Deposits". 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

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 3: Cash and Investments (Continued)

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.

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, 2014, the City had the following investments and original maturities:

Investment Type	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	Fair Value
Local Agency Investment Fund	\$ 28,883,670	\$ -	\$ -	\$ -	\$ 28,883,670
Money Market Fund	36,335	-	-	-	36,335
Commercial Paper	665,000	-	-	-	665,000
Medium Term Notes	1,653,493	20,543,581	4,946,776	23,087,925	50,231,775
US Treasury Notes	-	-	6,196,292	23,166,960	29,363,252
Federal Farm Credit Bank	-	-	5,233,923	1,633,615	6,867,538
Federal Farm Loan Bank	-	-	10,765,543	919,484	11,685,027
Federal Home Loan Mortgage Corp	-	-	12,167,695	3,271,661	15,439,356
Federal National Mortgage Assn	2,031,571	-	3,314,860	14,041,151	19,387,582
Held by Bond Trustee:					
Money Market Funds	26,192,756	-	-	-	26,192,756
Totals	\$ 59,462,825	\$ 20,543,581	\$ 42,625,089	\$ 66,120,796	\$ 188,752,291

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 3: Cash and Investments (Continued)

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:

<u>Investment Types</u>	<u>Maturity Limit</u>	<u>Maximum Portfolio Percentage</u>	<u>Maximum Investment in One Issuer</u>
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 Repurchase 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

As of June 30, 2014, 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 Farm Loan Bank	6.2%
Federal Home Loan Mortgage Corp	8.2%
Federal National Mortgage Association	10.3%

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

Note 4: Notes and Loans

a. Notes and Loans Receivable

Notes and loans receivables of \$44,421,616 consist primarily of revolving home improvement loans and are due beyond one year.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 4: Notes and Loans (Continued)

A summary of amounts owed at June 30, 2014, follows:

	Housing Authority	Neighborhood Stabilization Grant	Nonmajor Governmental Funds	Total
Cottonwood Properties	\$ 3,839,108	\$ -	\$ 2,050,000	\$ 5,889,108
Sheila Street Rehabilitation	2,651,875	-	-	2,651,875
RHDC Properties	1,833,103	-	739,756	2,572,859
CVHC	1,639,450	-	-	1,639,450
Ability First	824,917	-	-	824,917
Bay Family Apartments	755,000	-	-	755,000
Perris Isle	413,000	-	687,000	1,100,000
Oakwood	3,000,000	-	-	3,000,000
Rancho Dorado	12,500,000	-	-	12,500,000
Hemlock Family Apartments	6,300,000	-	1,628,643	7,928,643
Others	687,578	4,358,257	513,929	5,559,764
Totals	\$ 34,444,031	\$ 4,358,257	\$ 5,619,328	\$ 44,421,616

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, 2014, the balance of \$16,998,503 consists of the following:

The Towngate Regional Mall notes (Sears Note) totaling \$13,000,000, 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 7.25% and are payable solely from available site-generated property tax increment and up to 50% of site-generated sales tax. 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, 2014, accrued interest amounts to \$3,331,838.

The long-term payable to the General Fund from the Agency Debt Service Fund includes \$652,248 representing monies borrowed in prior fiscal years by the Agency to finance redevelopment activities. The monies loaned to the Agency bear an interest rate of 12%. Repayment of the long-term payable will be made when funds becomes available. At June 30, 2014, accrued interest amounts to \$14,417.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 5: Capital Assets

The following is a schedule of changes in governmental activities capital assets for the year ended June 30, 2014:

	Balance July 1, 2013	Transfers	Additions	Deletions	Transfers from Successor Agency*	Balance June 30, 2014
Non-Depreciable Assets:						
Land	\$ 300,286,754	\$ 474,546	\$ -	\$ -	\$ 9,435,936	\$ 310,197,236
Construction In Progress	38,339,817	(39,195,822)	27,548,188	(951,211)	-	25,740,972
Total Non-Depreciable Assets	338,626,571	(38,721,276)	27,548,188	(951,211)	9,435,936	335,938,208
Depreciable Assets:						
Buildings and Improvements	115,194,031	2,919,080	26,598	(249,602)	12,191,837	130,081,944
Furniture and Equipment	16,129,238	1,471,873	217,993	(595,573)	352,837	17,576,368
Vehicles	10,510,284	-	228,276	(1,461,011)	-	9,277,549
Infrastructure	734,572,111	34,330,323	3,335,000	(13,864)	9,933,800	782,157,370
Total Depreciable Assets	876,405,664	38,721,276	3,807,867	(2,320,050)	22,478,474	939,093,231
Less Accumulated Depreciation:						
Buildings and Improvements	(44,688,621)	-	(3,156,493)	-	(4,118,674)	(51,963,788)
Furniture and Equipment	(11,258,538)	-	(1,060,764)	575,584	(352,837)	(12,096,555)
Vehicles	(8,698,070)	-	(429,895)	722,622	-	(8,405,343)
Infrastructure	(283,448,665)	-	(23,052,910)	-	(1,078,823)	(307,580,398)
Total Accumulated Depreciation	(348,093,894)	-	(27,700,062)	1,298,206	(5,550,334)	(380,046,084)
Total Depreciable Assets, Net of Accumulated Depreciation	528,311,770	38,721,276	(23,892,195)	(1,021,844)	16,928,140	559,047,147
Total Net Capital Assets	\$ 866,938,341	\$ -	\$ 3,655,993	\$ (1,973,055)	\$ 26,364,076	\$ 894,985,355

*As a result of the dissolution of the former Redevelopment Agency, capital assets of the Successor Agency were transferred to the City after review by the Oversight Board and approval of the California Department of Finance. See Note 13 for additional information on the Successor Agency.

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

Governmental Activities:	
General government	\$ 344,641
Public safety	1,172,658
Community development	135,831
Community and cultural	1,998,740
Public works	23,132,589
Internal service funds	915,603
Total	\$ 27,700,062

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (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, 2014:

	Balance July 1, 2013	Transfers	Additions	Deletions	Balance June 30, 2014
Non-Depreciable Assets:					
Land	\$ 1,237,459	\$ -	\$ -	\$ -	\$ 1,237,459
Construction In Progress	161,713	(78,187)	1,016,060	-	1,099,586
Total Non-Depreciable Assets	<u>1,399,172</u>	<u>(78,187)</u>	<u>1,016,060</u>	<u>-</u>	<u>2,337,045</u>
Depreciable Assets:					
Infrastructure	39,381,574	78,187	378,725	-	39,838,486
Total Depreciable Assets	<u>39,381,574</u>	<u>78,187</u>	<u>378,725</u>	<u>-</u>	<u>39,838,486</u>
Less Accumulated Depreciation:					
Infrastructure	(5,362,442)	-	(852,984)	-	(6,215,426)
Total Accumulated Depreciation	<u>(5,362,442)</u>	<u>-</u>	<u>(852,984)</u>	<u>-</u>	<u>(6,215,426)</u>
Total Depreciable Assets, Net of Accumulated Depreciation	<u>34,019,132</u>	<u>78,187</u>	<u>(474,259)</u>	<u>-</u>	<u>33,623,060</u>
Total Net Capital Assets	<u>\$ 35,418,304</u>	<u>\$ -</u>	<u>\$ 541,801</u>	<u>\$ -</u>	<u>\$ 35,960,105</u>

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

Electric Utility	<u>\$ 852,984</u>
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City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (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, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Towngate Community Facilities District No. 87-1:					
2007 Towngate Special Tax Refunding Bonds	\$ 7,525,000	\$ -	\$ (700,000)	\$ 6,825,000	\$ 730,000
2007 Towngate Improvement Tax Refunding	3,055,000	-	(220,000)	2,835,000	230,000
Community Facilities District No. 3:					
Auto Mall Special Tax Bonds	105,000	-	(105,000)	-	-
Moreno Valley Public Facilities Financing:					
2011 Private Placement Refunding, Series 1997 Variable Rate Certificates of Participation	2,972,000	-	(710,500)	2,261,500	732,000
Moreno Valley Public Facilities Financing Authority:					
Lease Revenue Bonds, 2005	37,855,000	-	(11,915,000)	25,940,000	-
2011 Private Placement Refunding, Series 1997 Variable Rate Certificates of Participation	2,789,000	-	(234,000)	2,555,000	241,000
2013 Refunding of 2005 Lease Revenue Bonds	-	10,454,230		10,454,230	623,230
Unamortized Issue Premium	-	1,040,115	(104,012)	936,103	-
City:					
2013 Total Road Improvement Program COPs	-	20,000,000	-	20,000,000	-
Unamortized Issue Discount	-	(134,949)	5,396	(129,553)	-
OPEB Liability	900,000	447,000	-	1,347,000	-
Accrued Self-Insurance Claims and Judgments	2,108,000	123,000	(137,000)	2,094,000	708,000
Compensated Absences:					
Governmental Funds	5,679,304	2,534,179	(2,502,572)	5,710,911	3,426,547
Internal Service Funds	653,782	307,238	(193,180)	767,840	460,704
Totals	\$63,642,086	\$34,770,813	\$(16,815,868)	\$ 81,597,031	\$7,151,481

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

**Notes to Financial Statements
Year Ended June 30, 2014 (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, 2014, are as follows:

Year Ending June 30,	2007 Towngate Special Tax Refunding Bonds	
	Principal	Interest
2015	\$ 730,000	\$ 283,181
2016	760,000	253,381
2017	790,000	218,431
2018	830,000	177,931
2019	870,000	136,106
2020-2024	2,845,000	176,778
Totals	<u>\$ 6,825,000</u>	<u>\$ 1,245,808</u>

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, 2014, are as follows:

Year Ending June 30,	2007 Towngate Improvement Tax Refunding Bonds	
	Principal	Interest
2015	\$ 230,000	\$ 125,669
2016	240,000	115,739
2017	250,000	105,170
2018	260,000	93,851
2019	275,000	81,676
2020-2024	1,580,000	196,496
Totals	<u>\$ 2,835,000</u>	<u>\$ 718,601</u>

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 6: Long Term Debt (Continued)

Auto Mall Special Tax Bonds

Community Facilities District No. 3, Auto Mall Special Tax Bonds 2000, Refinancing in March 2000, the Community Facilities District No. 3 of the City of Moreno Valley issued Special Tax Bonds 2000 (Refinancing Bonds) in the amount of \$8,075,000 to refund on June 1, 2000 \$7,828,258 of outstanding Auto Mall Special Tax Bonds (Refunded Bonds). The Refinancing Bonds mature in serial and term fashion through September 2030 and bear interest payable semi-annually at rates ranging from 5.25% to 7.50%. The bonds are subject to optional and mandatory redemption prior to maturity beginning September 1, 2010. The bonds are payable from and secured by a special tax levy against parcels within the District. Under an arrangement (Owner Participation Agreement) involving the parcel owners, the District, the City and the Successor Agency of the former RDA, the required tax levy is to be offset by available property tax increment from the Agency. Should available increment be insufficient to offset the levy, available project sales tax collected by the City will be used. At of June 30, 2014, these bonds have been paid off.

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. This issue is fully insured in the event of nonpayment by the City. 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, 2014, are as follows:

Year Ending June 30,	2011 Private Placement Refunding, 1997 Certificates of Participation	
	Principal	Interest
2015	\$ 732,000	\$ 55,349
2016	753,500	33,660
2017	776,000	11,330
Totals	<u>\$ 2,261,500</u>	<u>\$ 100,339</u>

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 6: Long Term Debt (Continued)

2011 Private Placement Refunding, 1997 Lease Revenue Bonds

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

The annual debt service requirements for the 2011 Private Placement Refunding, 1997 Lease Revenue Bonds payable outstanding at June 30, 2014, are as follows:

Year Ending June 30,	2011 Private Placement Refunding, 1997 Lease Revenue Bonds	
	Principal	Interest
2015	\$ 241,000	\$ 96,893
2016	252,000	87,082
2017	262,000	76,854
2018	273,000	66,207
2019	282,000	55,163
2020-2024	1,245,000	101,749
Totals	<u>\$ 2,555,000</u>	<u>\$ 483,948</u>

Lease Revenue Bonds, 2005

Lease Revenue Bonds 2005 in the original issue amount of \$48,205,000 were issued for the purpose of financing a portion of the cost of the expansion of the public safety building, electric utility infrastructure, construction of a fire station, various public works and redevelopment projects, to fund a reserve for the bonds and to pay issuance costs. Of the \$48,205,000 originally issued, the portion for the electric utility infrastructure (\$5,105,000) has been separated and is shown as long-term debt of the Electric Fund business-type activities. The bonds mature in serial and term fashion through November 1, 2035 and bear interest ranging from 3% to 4.375%. The bonds are subject to both optional and mandatory redemption beginning November 1, 2006. 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. This issue is fully insured in the event of nonpayment by the City.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 6: Long Term Debt (Continued)

The annual debt service requirements for the Lease Revenue Bonds, 2005 payable outstanding at June 30, 2014, are as follows:

Year Ending June 30,	2005 Lease Revenue Bonds	
	Principal	Interest
2015	\$ -	\$ 1,145,336
2016	-	1,145,336
2017	-	1,145,336
2018	-	1,145,336
2019	-	1,145,336
2020-2024	1,520,000	5,693,170
2025-2029	8,650,000	4,475,600
2030-2034	10,770,000	2,313,418
2035-2039	5,000,000	221,156
Totals	\$ 25,940,000	\$ 18,430,024

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 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. This issue is fully insured in the event of nonpayment by the City.

The annual debt service requirements for the 2013 Refunding Lease Revenue Bonds, payable outstanding at June 30, 2014, are as follows:

Year Ending June 30,	2013 Refunding Lease Revenue Bonds	
	Principal	Interest
2015	\$ 623,230	\$ 489,542
2016	1,033,000	549,641
2017	1,085,000	411,946
2018	1,132,000	649
2019	1,183,000	298,898
2020-2024	5,398,000	554,985
Totals	\$ 10,454,230	\$ 2,305,661

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 6: Long Term Debt (Continued)

2013 Total Road Improvement Program COPs

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.

The annual debt service requirements for the 2013 Total Road Improvement Program COPs payable outstanding at June 30, 2014, are as follows:

Year Ending June 30,	2013 Total Road Improvement Program COPs	
	Principal	Interest
2015	\$ -	\$ 991,313
2016	-	991,313
2017	490,000	991,313
2018	515,000	966,813
2019	540,000	941,063
2020-2024	3,145,000	4,276,913
2025-2029	3,915,000	3,503,688
2030-2034	4,985,000	2,433,506
2035-2039	6,410,000	1,018,850
Totals	\$ 20,000,000	\$ 16,114,772

Compensated Absences

At June 30, 2014, the amount of compensated absences liability was \$6,478,751. This amount consists of \$5,710,911 for governmental funds, principally paid by the General Fund, and \$767,840 for internal service funds.

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, 2014:

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014	Due Within One Year
Lease Revenue Bonds, 2005	\$ 4,595,000	\$ -	\$(1,450,000)	\$ 3,145,000	\$ -
Less Unamortized Discount	-	(26,539)	2,654	(23,885)	-
Lease Revenue Bonds, 2007	24,090,000	-	(475,000)	23,615,000	495,000
Less Unamortized Discount	(262,681)	-	10,945	(251,736)	-
Refunding Lease Revenue Bonds, 2013	-	1,240,770	-	1,240,770	71,770
Plus Unamortized Premium	-	126,064	(12,606)	113,458	-
Compensated Absences	103,758	68,182	(46,273)	125,667	75,400
Totals	\$ 28,526,077	\$ 1,408,477	\$(1,970,280)	\$ 27,964,274	\$ 642,170

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 6: Long Term Debt (Continued)

Lease Revenue Bonds, 2005

Lease Revenue Bonds 2005 in the original issue amount of \$48,205,000 were issued for the purpose of financing a portion of the cost of the expansion of the public safety building, electric utility infrastructure, construction of a fire station, various public works and redevelopment projects, to fund a reserve for the bonds and to pay issuance costs. Of the \$48,205,000 originally issued, the portion for the electric utility infrastructure (\$5,105,000) has been separated and is shown as long-term debt for business-type activities. The bonds mature in serial and term fashion through November 1, 2035 and bear interest ranging from 3% to 4.375%. The bonds are subject to both optional and mandatory redemption beginning November 1, 2006. 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. This issue is fully insured in the event of nonpayment by the City.

The annual debt service requirements for the Lease Revenue Bonds, 2005 payable outstanding at June 30, 2014, are as follows:

Year Ending June 30,	2005 Lease Revenue Bonds	
	Principal	Interest
2015	\$ -	\$ 138,817
2016	-	138,817
2017	-	138,817
2018	-	138,817
2019	-	138,817
2020-2024	185,000	690,083
2025-2029	1,050,000	531,543
2030-2034	1,305,000	280,041
2035-2039	605,000	26,797
Totals	<u>\$ 3,145,000</u>	<u>\$ 2,222,549</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

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 6: Long Term Debt (Continued)

The annual debt service requirements for the Lease Revenue Bonds, 2007 payable outstanding at June 30, 2014, are as follows:

Year Ending June 30,	Lease Revenue Bonds, 2007	
	Principal	Interest
2015	\$ 495,000	\$ 1,332,495
2016	520,000	1,307,329
2017	550,000	1,280,893
2018	575,000	1,252,931
2019	610,000	1,221,024
2020-2024	3,585,000	5,559,375
2025-2029	4,700,000	4,445,921
2030-2034	6,205,000	2,943,425
2035-2039	6,375,000	941,850
Totals	\$ 23,615,000	\$ 20,285,243

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. This issue is fully insured in the event of nonpayment by the City.

The annual debt service requirements for the 2013 Refunding Lease Revenue Bonds, payable outstanding at June 30, 2014, are as follows:

Year Ending June 30,	2013 Refunding Lease Revenue Bonds	
	Principal	Interest
2015	\$ 71,770	\$ 59,333
2016	122,000	55,709
2017	130,000	49,929
2018	133,000	43,226
2019	142,000	36,227
2020-2024	642,000	67,266
Totals	\$ 1,240,770	\$ 311,690

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 6: Long Term Debt (Continued)

Compensated Absences

At June 30, 2014, the amount of compensated absences liability totaled \$125,667. Based on the current trend of usage, \$75,400 is expected to be paid within one year.

c. Conduit Debt

The Moreno Valley Public Financing Authority issued \$5,548,000 Assisted Living Housing Revenue Bonds, Series 2000A. The bonds and interest thereon are limited obligations of the issuer, payable solely from the revenues and the trust estate, which are assigned and pledged to such purposes. Consequently, no liability is reported in these accompanying financial statements. The outstanding balance at June 30, 2014, was \$5,113,000.

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, 2014, was \$5,725,000.

Note 7: Interfund Receivables, Payables and Transfers

a. Due To/From Other Funds

Due From Other Funds	Due To Other Funds			Total
	CSD Zones	Neighborhood Stabilization Grant	Nonmajor Governmental Funds	
General Fund	\$ 5,634	\$ 433,825	\$ 2,368,033	\$ 2,807,492

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 7: Interfund Receivables, Payables and Transfers (Continued)

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, 2014, was \$5,634.

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

Major Governmental Funds:	
Neighborhood Stabilization Grant	\$ 433,825
Nonmajor Governmental Funds:	
Article 3 Transportation	138,420
Law Enforcement	203,454
Other Grants	34,694
Stormwater Maintenance	189,211
ASES Program Grants	481,357
TUMF Capital Projects	33,007
TRIP Capital Projects	1,280,654
TRIP COP 13A Debt Fund	7,236
	<hr/>
Total Nonmajor Governmental Funds	<u>\$ 2,801,858</u>

b. Advances To/From Other Funds

Advances to Other Funds	Advances from Other Funds		Total
	Development Impact Fees	Electric Enterprise Fund	
General Fund	\$ 3,772,000	\$ -	\$ 3,772,000
Nonmajor Governmental Fund	360,000	580,657	940,657
	<hr/>	<hr/>	<hr/>
Total	<u>\$ 4,132,000</u>	<u>\$ 580,657</u>	<u>\$ 4,712,657</u>

The General Fund and Nonmajor Governmental Funds loaned to the Development Impact Fees Fund \$4,132,000 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, 2015.

The Special Districts Administration Fund has loaned \$580,657 to the Electric Fund for start-up costs. The loan will be repaid when revenue becomes available.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 7: Interfund Receivables, Payables and Transfers (Continued)

c. Interfund Transfers

Transfers Out	Transfers In						Total
	General Fund	CSD Zones	Development Impact Fees	Nonmajor Governmental Funds	Electric Fund	Internal Service Funds	
General Fund	\$ -	\$ 1,924,735	\$ -	\$ 650,638	\$ -	\$ -	\$ 2,575,373
CSD Zones	129,722	-	-	-	-	-	129,722
Development Impact Fees	-	-	-	4,518,200	-	-	4,518,200
Nonmajor Governmental Funds	-	-	1,484,426	20,499,615	904,032	-	22,888,073
Internal Service Funds	883,699	-	-	902,183	-	2,325,628	4,111,510
Total	\$ 1,013,421	\$ 1,924,735	\$ 1,484,426	\$ 26,570,636	\$ 904,032	\$ 2,325,628	\$ 34,222,878

The General Fund transferred a total of \$2,575,373 to several funds to provide subsidies to cover the operating deficits.

The Development Impact Fees Fund transferred a total of \$4,518,200 to nonmajor governmental funds for debt service payments and to provide support for several capital projects in the fiscal year.

Note 8: Employee Pension Plan

Plan Description

The City's defined benefit pension plan, Public Employees Retirement System (PERS), provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, is established by state statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

Funding Policy

Active plan members in PERS are required to contribute a percentage of their annual covered salary based on their hire date. The City pays the 8% required contribution for employees hired prior to July 1, 2009. Employees hired between July 1, 2009 and December 22, 2011, have a required employee contribution of 8%. Employees hired between December 23, 2011 and December 31, 2012 have a required contribution of 7% and the required contribution for all employees hired on or after January 1, 2013 is 6.25%. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate was 22.305% for fiscal year 2013-2014. The contribution requirements

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 8: Employee Pension Plan (Continued)

of the plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year 2013-2014, the City's annual pension cost was \$4,267,872. The City also contributed \$1,608,343 on behalf of the employees for the employee contribution. The required contribution for the fiscal year 2013-2014 was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included: a) 7.75% investment rate of return (net of administrative expenses), b) projected salary increases for employees that vary by duration of service ranging from 3.30% to 14.20% for miscellaneous members, and c) 3.25% cost-of-living adjustment. Both a) and b) include an inflation component of 2.75%. The actuarial value of assets was determined using a technique that smooths the effect of short-term volatility in the fair value of investments over a 15-year period. The PERS unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2014, was 21 years.

Year Ended June 30,	Pension Cost (APC)	Percentage of APC Contributed	Pension Obligation
2012	\$ 5,402,864	100%	\$ -
2013	4,793,228	100%	-
2014	4,267,872	100%	-

Required Supplementary Information – Funded Status of Plan
Latest Information Available

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll	UAAL as Percent of Payroll
06/30/11	\$ 132,322,141	\$ 92,912,456	\$ 39,409,685	70.2%	\$ 24,148,281	163.2%
06/30/12	140,092,781	99,774,860	40,317,921	71.2%	22,103,213	182.4%
06/30/13	150,104,023	97,111,799	52,992,224	64.7%	22,600,050	234.5%

The Funded Status of Plan schedule above shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll. The Funded Status of Plan schedule, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 9: Other Post Employment Benefits (OPEB)

Plan Description

The City's defined benefit postemployment healthcare plan provides a portion of certain health care for retired employees. In accordance with City policy, employees hired prior to September 30, 2011, who retire directly from the City under CalPERS (age 50 and 5 years of CalPERS service or disability) and are not temporary employees, are eligible for these benefits. In June 2009, the City established an irrevocable trust fund to begin funding the City's unfunded liability through the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and

City of Moreno Valley

Notes to Financial Statements
Year Ended June 30, 2014 (Continued)

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

administrative agent for participating public employers within the State of California. A menu of benefit provisions, as well as other requirements, are established by state statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

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 2013-2014, the City's annual OPEB cost was \$1,066,000. The required contribution for the fiscal year was determined as part of the June 30, 2013 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 24 years remaining as of June 30, 2014.

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	\$ 1,069,000
Interest on OPEB obligation	54,000
Adjustment to annual required contribution	<u>(57,000)</u>
Annual OPEB cost (expense)	1,066,000
Contribution made	<u>619,000</u>
Increase in OPEB Obligation	447,000
Net OPEB obligation - beginning of year	<u>900,000</u>
Net OPEB obligation - end of the year	<u>\$ 1,347,000</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 healthcare 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.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

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.

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 Ending	Annual OPEB Cost (AOC)	Percentage of OPEB Cost Contributed	Net OPEB Obligation
06/30/12	\$ 1,615,000	72%	\$ 450,000
06/30/13	1,018,000	56%	900,000
06/30/14	1,066,000	58%	1,347,000

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	UAAL as Percent of Payroll
01/01/10	\$ 13,600,000	\$ 2,386,000	\$ 11,214,000	17.5%	\$ 22,465,000	49.9%
06/30/11	11,670,000	4,428,000	7,242,000	37.9%	23,195,000	31.2%
06/30/13	12,531,000	6,186,000	6,345,000	49.4%	21,589,000	29.4%

Note 10: Fund Deficits

The following funds contained a deficit fund balance as of June 30, 2014:

<u>Major Governmental Funds:</u>	
Special Revenue Funds:	
Neighborhood Stabilization Grant	\$ 87,778
<u>Nonmajor Governmental Funds:</u>	
Special Revenue Funds:	
Stormwater Maintenance	148,151
Capital Projects Funds:	
TUMF Capital Projects	213,350

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

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 11: Commitments and Contingencies

a. Community Facilities District No. 3 Agreement

In conjunction with the issue of the Moreno Valley Auto Mall Special Tax Bonds Series 2000 (Auto Mall Refinancing), the Successor Agency of the former RDA and the City are parties to an owner-participation agreement which provides that the Agency will transmit to the Community Facilities District No. 3 (District) the available property tax increment it receives on parcels within the District as a credit against the special parcel taxes that otherwise would be payable by the owners. This agreement replaces a previous arrangement involving these parcels when they were included in Community Facilities District No. 2.

b. 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.

c. Other Agreements

On May 10, 2005, the former Community Redevelopment Agency and the Community Services District entered into a lease agreement for the Conference and Recreation Center. The Community Services District occupied the building during June 2005 although construction was still in progress. Upon completion of construction during fiscal year 2005-2006, the lease agreement became effective for a base rent of \$1.00 per month. The Community Services District has responsibility for facility maintenance and provides programming that serves the residents of the Project Area.

d. Construction Commitments

The following material construction commitments existed at June 30, 2014:

Project Name	Contract Amount	Expenditures to date as of June 30, 2014	Remaining Commitments
<u>Governmental Activities</u>			
Annual Pavement Resurfacing Program	\$ 4,058,320	\$ -	\$ 4,058,320
Alessandro Blvd Median/Indian St. to Perris Blvd	1,300,461	291,136	1,009,325
Perris Blvd/Ironwood-Manzanita	5,400,582	-	5,400,582
Nason St./Cactus Ave to Fir Ave.	8,769,997	-	8,769,997
SR-60/Nason Overcrossing Bridge	13,101,324	11,497,408	1,603,916
<u>Electric Utility</u>			
MVU-0023 Moval 33KV S Industrial	1,136,304	407,653	728,651

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

Note 11: Commitments and Contingencies (Continued)

e. 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.

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 \$1,423,000 and \$671,000 for the workers' compensation claims and general liability claims, respectively, for a total of \$2,094,000. Of these amounts, the current year's adjustment is a decrease of \$14,000.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (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:

	<u>General Liability</u>	<u>Workers' Compensation</u>	<u>Total</u>
Amount of accrued claims at June 30, 2012	\$ 1,130,000	\$ 1,766,000	\$ 2,896,000
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.	312,000	372,000	684,000
Payments on claims attributable to events of both the current fiscal year and prior fiscal years.	<u>(879,000)</u>	<u>(593,000)</u>	<u>(1,472,000)</u>
Amount of accrued claims at June 30, 2013	<u>563,000</u>	<u>1,545,000</u>	<u>2,108,000</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>321,000</u>	<u>387,000</u>	<u>708,000</u>
Payments on claims attributable to events of both the current fiscal year and prior fiscal years.	<u>(213,000)</u>	<u>(509,000)</u>	<u>(722,000)</u>
Amount of accrued claims at June 30, 2014	<u>\$ 671,000</u>	<u>\$ 1,423,000</u>	<u>\$ 2,094,000</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.

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).

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

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 Bill directed the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private purpose trust fund) in the financial statements of the City.

On March 6, 2014, the Department of Finance approved the Long-Range Property Management Plan submitted by the City and all capital assets have been moved from the Successor Agency to the City as of June 30, 2014, which will result in an extraordinary gain/(loss) on dissolution of the redevelopment agency in the amount of \$26,364,076.

a. Cash and Investments

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

Cash and investments	\$ 3,527,892
Cash and investments with fiscal agent	<u>2</u>
	<u>\$ 3,527,894</u>

The Successor Agency's cash and investments are pooled with the City's cash and investment 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

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

b. Capital Assets

Capital assets as of June 30, 2014, are as follows:

	Balance July 1, 2013	Additions	Deletions	Transfers To City*	Balance June 30, 2014
Non-Depreciable Assets:					
Land	\$ 9,435,936	\$ -	\$ -	\$ (9,435,936)	\$ -
Total Non-Depreciable Assets	9,435,936	-	-	(9,435,936)	-
Depreciable Assets:					
Buildings and improvements	12,191,837	-	-	(12,191,837)	-
Furniture and Equipment	352,837	-	-	(352,837)	-
Infrastructure	9,933,800	-	-	(9,933,800)	-
Total Depreciable Assets	22,478,474	-	-	(22,478,474)	-
Less Accumulated Depreciation:					
Buildings and improvements	(3,643,781)	(474,892)	-	4,118,673	-
Furniture and Equipment	(352,837)	-	-	352,837	-
Infrastructure	(562,520)	(516,304)	-	1,078,824	-
Total Accumulated Depreciation	(4,559,138)	(991,196)	-	5,550,334	-
Total Depreciable Assets Net of Accumulated Depreciation	17,919,336	(991,196)	-	(16,928,140)	-
Total Net Capital Assets	\$ 27,355,272	\$ (991,196)	\$ -	\$ (26,364,076)	\$ -

* As a result of the dissolution of the former Redevelopment Agency, capital assets of the Successor Agency were transferred to the City after review by the Oversight Board and approval of the California Department of Finance.

c. Long-Term Debt

A description of long-term debt outstanding of the Successor Agency as of June 30, 2014, follows:

	Balance July 1, 2013	Additions	Repayments	Balance June 30, 2014	Due Within One Year
Fiduciary Activities					
City Loans - Principal	\$ 13,652,248	\$ -	\$ -	\$ 13,652,248	\$ -
City Loans - Interest	3,071,326	365,987	(91,058)	3,346,255	-
Notes Payable, Price Company	1,096,434	-	(437,801)	658,633	-
2007 TABs, Series A	42,045,000	-	(230,000)	41,815,000	230,000
Totals	\$ 59,865,008	\$ 365,987	\$ (758,859)	\$ 59,472,136	\$ 230,000

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

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 7.25% 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, 2014, the outstanding principal and accrued interest balances are \$13,000,000 and \$3,331,838 respectively.

The Successor Agency owes the City a total of \$652,248 for funds borrowed to finance redevelopment activities. \$518,520 represents monies borrowed during 2006-2007 by the Agency. \$133,728 represents monies borrowed during 2007-2008 by the Agency. The interest rate on the borrowings is 12% and repayment of the long-term payable is made when funds become available. In a letter dated May 16, 2014, the California Department of Finance recalculated the accumulated interest to the LAIF rate. At June 30, 2014, the outstanding principal and accrued interest balances are \$652,248 and \$14,417.

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. Any remainder payable after May 2015 will be forgiven. The amount outstanding as of June 30, 2014, was \$658,633.

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.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

The annual debt service requirements for the 2007 Tax Allocation Bonds Series A payable outstanding at June 30, 2014, are as follows:

Year Ending June 30,	2007 Tax Allocation Bonds Series A	
	Principal	Interest
2015	\$ 230,000	\$ 2,017,259
2016	235,000	2,009,121
2017	245,000	2,000,109
2018	250,000	1,990,209
2019	260,000	1,980,009
2020-2024	3,510,000	9,641,116
2025-2029	9,185,000	8,101,816
2030-2034	12,085,000	5,547,125
2035-2049	15,815,000	2,054,375
Totals	\$41,815,000	\$35,341,139

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 \$77,156,139 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 \$6,305,087 and the debt service obligation on the bonds was \$2,255,884.

d. 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.

City of Moreno Valley

**Notes to Financial Statements
Year Ended June 30, 2014 (Continued)**

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

e. Commitments and Contingencies

Litigation

At June 30, 2014, 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.

Borrowings from the City of Moreno Valley

In accordance with AB X1 26 which dissolves redevelopment agencies, Section 34171(d)(2) states, in relation to borrowings between the City and the Agency, that "for purposes of this part, enforceable obligation does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency. However, written agreements entered into (A) at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and (B) solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations for the purposes of this part. Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city, county, or city and county that created it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations". As a result of the dissolution of the former redevelopment agency, loans between the City and former redevelopment agency totaling \$18,759,570 have been removed from these statements. The City and Agency believe these are to be upheld as viable enforceable obligations and have been included on the Recognized Obligation Payment Schedule (ROPS) from the Successor Agency, however they have been denied by the Department of Finance at this time. Upon receiving a Finding of Completion from the Department of Finance, Health and Safety Code Section 34191.4(b) may cause these items to be enforceable in future periods; however the result is not determinable at this time.

Note 14: Fund Balances and Net Position Restatements

Beginning fund balances in Measure A fund and Public Work Capital Projects fund were restated by \$577,977 and \$2,424,819 respectively to recognize prior year grants revenue. As a result, net position was restated by \$3,002,796.



Non-Major Governmental Funds

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**

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 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 #4M 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):

Prop 42 Replacement Fund

This fund is used to account for the City's share of Prop 42 revenue restricted for transportation programs.

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 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 FUNDS:

Facility Construction Fund

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

Public Works Capital Projects Fund

This fund is used to account for 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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS (CONTINUED):

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.

Auto Mall Capital/Administration Fund

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

Parks and Community Services Development and Projects Fund

This fund is used to account for parks acquisition and development projects funded by revenues received from developers on a dwelling unit basis 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.

Lease Revenue Bonds 2005 Capital Projects Fund

This fund is used to account for the construction of capital improvements funded by the 2005 Lease Revenue Bonds issued in July 2005.

2007 Tax Allocation Bonds Capital Projects Fund

This fund is used to account for the construction of capital improvements funded by the 2007 Tax Allocation Bonds issued in November 2007.

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

DEBT SERVICE FUNDS:

Auto Mall Special Tax Bonds 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 Auto Mall Special Tax Bonds Series 2000 (Auto Mall Refinancing).

Lease Revenue Bonds 2005 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 2005 Lease Revenue Bonds issued in July 2005 to finance various City capital improvements.

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 Priv Place Ref 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 Priv Place Ref 97 Various COPs

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

TRIP COP 13A 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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

PERMANENT FUNDS:

Celebration Park Endowment Fund

This fund is used to account for the endowment program for Celebration Park. The principal endowment amount was provided by a developer. The Parks and Community Services Department 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

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	<u>Special Revenue Funds</u>			
	<u>State</u>	<u>Article 3</u>	<u>Measure A</u>	<u>Law</u>
	<u>Gasoline Tax</u>	<u>Transportation</u>	<u>Measure A</u>	<u>Enforcement</u>
Assets:				
Pooled cash and investments	\$ 389,396	\$ -	\$ 7,364,695	\$ 189
Receivables:				
Accounts	39,767	-	959,618	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	575,588	145,333	1,013,575	260,599
Advances to other funds	-	-	360,000	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u>\$ 1,004,751</u>	<u>\$ 145,333</u>	<u>\$ 9,697,888</u>	<u>\$ 260,788</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 34,197	\$ 6,913	\$ 413,247	\$ 57,334
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	138,420	-	203,454
Total Liabilities	<u>34,197</u>	<u>145,333</u>	<u>413,247</u>	<u>260,788</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	-	-	360,000	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	970,554	-	8,924,641	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>970,554</u>	<u>-</u>	<u>9,284,641</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,004,751</u>	<u>\$ 145,333</u>	<u>\$ 9,697,888</u>	<u>\$ 260,788</u>

(Continued)

Special Revenue Funds				
Other Grants	Public Education Government Access	Air Quality Management	Community Development Block Grant	
\$ -	\$ 1,673,665	\$ 79,385	\$ 98,714	Assets:
				Pooled cash and investments
55,339	148,568	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
98,383	-	63,980	294,241	Interest
-	-	-	-	Due from other governments
-	-	-	-	Advances to other funds
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
\$ 153,722	\$ 1,822,233	\$ 143,365	\$ 392,955	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ 80,186	\$ -	\$ 27,413	\$ 257,119	Liabilities:
-	-	-	-	Accounts payable
38,842	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other governments
34,694	-	-	-	Due to other funds
153,722	-	27,413	257,119	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
-	1,822,233	-	135,836	Restricted for:
-	-	-	-	Community development projects
-	-	115,952	-	Public safety
-	-	-	-	Public works
-	-	-	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Unassigned
-	1,822,233	115,952	135,836	Total Fund Balances
\$ 153,722	\$ 1,822,233	\$ 143,365	\$ 392,955	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

City of Moreno Valley

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	<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	\$ 394,640	\$ 537,608	\$ 780,710	\$ 13,955
Receivables:				
Accounts	-	5,329	-	-
Notes and loans	-	-	5,619,328	-
Interest	-	-	397,001	-
Due from other governments	-	3,949	2,891	19,273
Advances to other funds	580,657	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	<u>\$ 975,297</u>	<u>\$ 546,886</u>	<u>\$ 6,799,930</u>	<u>\$ 33,228</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 3,521	\$ 8,785	\$ 1,179	\$ 2,602
Accrued liabilities	-	-	-	27,441
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	3,185
Due to other funds	-	-	-	-
Total Liabilities	<u>3,521</u>	<u>8,785</u>	<u>1,179</u>	<u>33,228</u>
Deferred Inflows of Resources:				
Unavailable revenues	-	-	397,001	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>397,001</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Notes and loans	-	-	5,619,328	-
Advances to other funds	580,657	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	782,422	-
Public safety	-	-	-	-
Public works	391,119	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	538,101	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>971,776</u>	<u>538,101</u>	<u>6,401,750</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 975,297</u>	<u>\$ 546,886</u>	<u>\$ 6,799,930</u>	<u>\$ 33,228</u>

(Continued)

Special Revenue Funds

Used Oil Recycling	Storm Water Maintenance	ASES Program Grants	CFD #4M	
\$ 48,069	\$ -	\$ -	\$ 83,039	Assets:
-	46,091	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	507,990	-	Interest
-	-	-	-	Due from other governments
-	-	-	-	Advances to other funds
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
\$ 48,069	\$ 46,091	\$ 507,990	\$ 83,039	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ 20	\$ 5,031	\$ 24,004	\$ 11,944	Liabilities:
-	-	-	-	Accounts payable
48,049	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other governments
-	189,211	481,357	-	Due to other funds
48,069	194,242	505,361	11,944	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
		2,629		Restricted for:
		-	-	Community development projects
		-	-	Public safety
		-	71,095	Public works
		-	-	Capital projects
		-	-	Debt service
		-	-	Endowment
		-	-	Water quality
	(148,151)	-	-	Unassigned
-	(148,151)	2,629	71,095	Total Fund Balances
\$ 48,069	\$ 46,091	\$ 507,990	\$ 83,039	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

City of Moreno Valley

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds			
	Prop 42 Replacement	Civil Penalties	Emergency Services Agency Fines	Energy Efficiency Revolving
Assets:				
Pooled cash and investments	\$ -	\$ 246,741	\$ 328,236	\$ 105,944
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 246,741	\$ 328,236	\$ 105,944
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 1,473	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	1,473	-	-
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	-	245,268	-	-
Public safety	-	-	328,236	-
Public works	-	-	-	105,944
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	245,268	328,236	105,944
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 246,741	\$ 328,236	\$ 105,944

(Continued)

Capital Projects Funds

Facility Construction	Public Works Capital Projects	Traffic Signal Mitigation	Fire Services Capital Projects	
\$ 5,556,347	\$ 2,464,386	\$ 137,578	\$ 641,200	Assets:
-	352,000	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
-	-	-	-	Advances to other funds
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
<u>\$ 5,556,347</u>	<u>\$ 2,816,386</u>	<u>\$ 137,578</u>	<u>\$ 641,200</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ 94,398	\$ 487,773	\$ -	\$ 34,159	Liabilities:
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other governments
-	-	-	-	Due to other funds
<u>94,398</u>	<u>487,773</u>	<u>-</u>	<u>34,159</u>	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
5,461,949	2,328,613	137,578	607,041	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
-	-	-	-	Unassigned
<u>5,461,949</u>	<u>2,328,613</u>	<u>137,578</u>	<u>607,041</u>	Total Fund Balances
<u>\$ 5,556,347</u>	<u>\$ 2,816,386</u>	<u>\$ 137,578</u>	<u>\$ 641,200</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

City of Moreno Valley

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Capital Projects Funds			
	Towngate Capital / Administration	Warner Ranch Capital / Development	Auto Mall Capital / Administration	Parks and Community Services Capital Projects
Assets:				
Pooled cash and investments	\$ -	\$ 13,673	\$ -	\$ 4,379,089
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 13,673	\$ -	\$ 4,379,089
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 18,975
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	18,975
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	-	13,673	-	4,360,114
Debt service	-	-	-	-
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	13,673	-	4,360,114
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 13,673	\$ -	\$ 4,379,089

(Continued)

Capital Projects Funds				
TUMF Capital Projects	DIF Capital Projects	Lease Revenue Bonds 2005 Capital Projects	2007 Tax Allocation Bonds Capital Projects	
\$ -	\$ 2,619,502	\$ 258,105	\$ -	Assets:
				Pooled cash and investments
43,026	529,246	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
-	-	-	-	Advances to other funds
-	-	-	-	Restricted assets:
-	-	-	-	Cash with fiscal agents
\$ 43,026	\$ 3,148,748	\$ 258,105	\$ -	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ 223,369	\$ 152,927	\$ 64,019	\$ -	Liabilities:
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other governments
33,007	-	-	-	Due to other funds
256,376	152,927	64,019	-	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
-	2,995,821	194,086	-	Capital projects
-	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
(213,350)	-	-	-	Unassigned
(213,350)	2,995,821	194,086	-	Total Fund Balances
\$ 43,026	\$ 3,148,748	\$ 258,105	\$ -	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

City of Moreno Valley

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Capital Projects Funds		Debt Service Funds	
	TRIP Capital Projects	Auto Mall Special Tax Bonds	Lease Revenue Bonds 2005 Debt Service	2007 Towngate Improvement Refunding
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ 5,705,649	\$ 86,308
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	429
Advances to other funds	-	-	-	-
Restricted assets:				
Cash with fiscal agents	17,951,690	-	2,649,358	760,740
Total Assets	\$ 17,951,690	\$ -	\$ 8,355,007	\$ 847,477
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ 30,012	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	1,280,654	-	-	-
Total Liabilities	1,310,666	-	-	-
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	16,641,024	-	-	-
Debt service	-	-	8,355,007	847,477
Endowment	-	-	-	-
Water quality	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	16,641,024	-	8,355,007	847,477
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 17,951,690	\$ -	\$ 8,355,007	\$ 847,477

(Continued)

Debt Service Funds

2007 Towngate Refunding	2011 Priv Placement Ref 97 Lease Rev Bonds	2011 Priv Placement Ref 97 COPs	TRIP COP 13A Debt Service	
\$ 167,532	\$ -	\$ -	\$ -	Assets:
-	-	-	-	Pooled cash and investments
-	-	-	-	Receivables:
-	-	-	-	Accounts
-	-	-	-	Notes and loans
-	-	-	-	Interest
-	-	-	-	Due from other governments
-	-	-	-	Advances to other funds
2,626,624	-	-	7,236	Restricted assets:
				Cash with fiscal agents
<u>\$ 2,794,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,236</u>	Total Assets
				Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ -	\$ -	\$ -	\$ -	Liabilities:
-	-	-	-	Accounts payable
-	-	-	-	Accrued liabilities
-	-	-	-	Unearned revenues
-	-	-	-	Due to other governments
-	-	-	7,236	Due to other funds
			<u>7,236</u>	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
2,794,156	-	-	-	Debt service
-	-	-	-	Endowment
-	-	-	-	Water quality
				Unassigned
<u>2,794,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total Fund Balances
<u>\$ 2,794,156</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,236</u>	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

City of Moreno Valley

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Debt Service Funds		Permanent Funds	
	2013 Refunding 2005 Lease Revenue Bonds	Celebration Park Endowment	Equestrian Trail Endowment	Rockridge Park Endowment
Assets:				
Pooled cash and investments	\$ -	\$ 61,344	\$ 11,979	\$ 106,342
Receivables:				
Accounts	-	-	-	-
Notes and loans	-	-	-	-
Interest	-	-	-	-
Due from other governments	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 61,344	\$ 11,979	\$ 106,342
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Notes and loans	-	-	-	-
Advances to other funds	-	-	-	-
Permanent fund principal	-	49,050	10,000	100,000
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Endowment	-	12,294	1,979	6,342
Water quality	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	-	61,344	11,979	106,342
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ -	\$ 61,344	\$ 11,979	\$ 106,342

Permanent Funds

<u>NPDES Endowment</u>	<u>Cultural Preservation</u>	<u>Total Nonmajor Governmental Funds</u>	
\$ 32,161	\$ 116,997	\$ 34,503,178	Assets:
-	-	2,178,984	Pooled cash and investments
-	-	5,619,328	Receivables:
-	-	397,001	Accounts
-	-	2,986,231	Notes and loans
-	-	940,657	Interest
-	-	23,995,648	Due from other governments
-	-		Advances to other funds
-	-		Restricted assets:
-	-		Cash with fiscal agents
\$ 32,161	\$ 116,997	\$ 70,621,027	Total Assets
			Liabilities, Deferred Inflows of Resources, and Fund Balances:
\$ -	\$ -	\$ 2,040,600	Liabilities:
-	-	27,441	Accounts payable
-	-	86,891	Accrued liabilities
-	-	3,185	Unearned revenues
-	-	2,368,033	Due to other governments
-	-		Due to other funds
-	-	4,526,150	Total Liabilities
-	-	397,001	Deferred Inflows of Resources:
-	-		Unavailable revenues
-	-	397,001	Total Deferred Inflows of Resources
-	-	5,619,328	Fund Balances:
-	-	940,657	Nonspendable:
14,506	114,542	288,098	Notes and loans
-	-		Advances to other funds
-	-		Permanent fund principal
-	-	2,988,388	Restricted for:
-	-	328,236	Community development projects
-	-	10,579,305	Public safety
-	-	32,739,899	Public works
-	-	11,996,640	Capital projects
-	-	40,725	Debt service
17,655	2,455	538,101	Endowment
-	-	(361,501)	Water quality
-	-		Unassigned
32,161	116,997	65,697,876	Total Fund Balances
\$ 32,161	\$ 116,997	\$ 70,621,027	Total Liabilities, Deferred Inflows of Resources, and Fund Balances

City of Moreno Valley

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	<u>Special Revenue Funds</u>			
	<u>State Gasoline</u>	<u>Article 3</u>	<u>Measure A</u>	<u>Law</u>
	<u>Tax</u>	<u>Transportation</u>	<u>Measure A</u>	<u>Enforcement</u>
Revenues:				
Taxes				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,146,513	216,285	5,099,438	595,620
Charges for services	-	-	-	-
Use of money and property	(47,519)	-	158,954	-
Contributions	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Miscellaneous	19,729	-	6,192	-
Total Revenues	6,118,723	216,285	5,264,584	595,620
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	597,620
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	5,885,902	-	545,957	-
Capital outlay	113,882	216,285	3,408,130	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	11,653	-
Bond issuance costs	-	-	-	-
Total Expenditures	5,999,784	216,285	3,965,740	597,620
Excess (Deficiency) of Revenues Over (Under) Expenditures	118,939	-	1,298,844	(2,000)
Other Financing Sources (Uses):				
Transfers in	1,294,211	-	15,274	-
Transfers out	(50,000)	-	(3,401,255)	-
Refunding bonds issued	-	-	-	-
Other debt issued	-	-	-	-
Bond premium/(discount)	-	-	-	-
Total Other Financing Sources (Uses)	1,244,211	-	(3,385,981)	-
Net Change in Fund Balances	<u>\$ 1,363,150</u>	<u>\$ -</u>	<u>\$ (2,087,137)</u>	<u>\$ (2,000)</u>
Fund Balances:				
Beginning of year, as originally reported	\$ (392,596)	\$ -	\$ 10,793,801	\$ 2,000
Restatements	-	-	577,977	-
Beginning of year, as restated	(392,596)	-	11,371,778	2,000
Net change in fund balances	1,363,150	-	(2,087,137)	(2,000)
End of Year	\$ 970,554	\$ -	\$ 9,284,641	\$ -

(Continued)

Special Revenue Funds				
Other Grants	Public Education Government Access	Air Quality Management	Community Development Block Grant	
\$ -	\$ -	\$ -	\$ -	Revenues:
370,967	-	244,155	2,003,634	Taxes
-	-	-	-	Other taxes
-	-	1,607	-	Intergovernmental
-	-	-	-	Charges for services
-	-	-	-	Use of money and property
-	-	-	-	Contributions
-	-	-	-	Contributions from Successor Agency
-	565,358	-	6,215	Miscellaneous
370,967	565,358	245,762	2,009,849	Total Revenues
				Expenditures:
				Current:
368	767,510	-	-	General government
263,840	-	-	-	Public safety
70,252	-	-	1,194,417	Community development
-	-	-	-	Community and cultural
36,507	865	236,985	-	Public works
-	500,343	108,663	809,365	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	-	-	-	Bond issuance costs
370,967	1,268,718	345,648	2,003,782	Total Expenditures
				Excess (Deficiency) of Revenues
-	(703,360)	(99,886)	6,067	Over (Under) Expenditures
				Other Financing Sources (Uses):
-	-	-	-	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Refunding bonds issued
-	-	-	-	Other debt issued
-	-	-	-	Bond premium/(discount)
-	-	-	-	Total Other Financing Sources (Uses)
\$ -	\$ (703,360)	\$ (99,886)	\$ 6,067	Net Change in Fund Balances
				Fund Balances:
\$ -	\$ 2,525,593	\$ 215,838	\$ 129,769	Beginning of year, as originally reported
-	-	-	-	Restatements
-	2,525,593	215,838	129,769	Beginning of year, as restated
-	(703,360)	(99,886)	6,067	Net change in fund balances
\$ -	\$ 1,822,233	\$ 115,952	\$ 135,836	End of Year

City of Moreno Valley

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	<u>Special Revenue Funds</u>			
	<u>Special Districts Administration</u>	<u>Storm Water Management</u>	<u>HOME</u>	<u>Child Care Grant</u>
Revenues:				
Taxes				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,517,033	531,580
Charges for services	908,738	680,172	-	19,938
Use of money and property	4,630	-	500	-
Contributions	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Miscellaneous	-	92	296,491	-
Total Revenues	913,368	680,264	1,814,024	551,518
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	33,023	-
Community and cultural	-	-	-	551,518
Public works	659,810	454,518	-	-
Capital outlay	-	-	175,674	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	659,810	454,518	208,697	551,518
Excess (Deficiency) of Revenues Over (Under) Expenditures	253,558	225,746	1,605,327	-
Other Financing Sources (Uses):				
Transfers in	-	653	-	-
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Other debt issued	-	-	-	-
Bond premium/(discount)	-	-	-	-
Total Other Financing Sources (Uses)	-	653	-	-
Net Change in Fund Balances	<u>\$ 253,558</u>	<u>\$ 226,399</u>	<u>\$ 1,605,327</u>	<u>\$ -</u>
Fund Balances:				
Beginning of year, as originally reported	\$ 718,218	\$ 311,702	\$ 4,796,423	\$ -
Restatements	-	-	-	-
Beginning of year, as restated	718,218	311,702	4,796,423	-
Net change in fund balances	253,558	226,399	1,605,327	-
End of Year	<u>\$ 971,776</u>	<u>\$ 538,101</u>	<u>\$ 6,401,750</u>	<u>\$ -</u>

(Continued)

Special Revenue Funds

Used Oil Recycling	Storm Water Maintenance	ASES Program Grants	CFD #4M	
				Revenues:
\$ -	\$ -	\$ -	\$ -	Taxes
54,974	-	6,772,900	-	Other taxes
-	382,518	-	43,190	Intergovernmental
-	-	3,126	1,081	Charges for services
-	-	-	-	Use of money and property
-	-	-	-	Contributions
-	-	-	-	Contributions from Successor Agency
-	-	-	-	Miscellaneous
54,974	382,518	6,776,026	44,271	Total Revenues
				Expenditures:
				Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	6,792,303	-	Community and cultural
54,974	445,409	-	30,747	Public works
-	-	-	-	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	-	-	-	Bond issuance costs
54,974	445,409	6,792,303	30,747	Total Expenditures
-	(62,891)	(16,277)	13,524	Excess (Deficiency) of Revenues Over (Under) Expenditures
				Other Financing Sources (Uses):
-	50,000	-	-	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Refunding bonds issued
-	-	-	-	Other debt issued
-	-	-	-	Bond premium/(discount)
-	50,000	-	-	Total Other Financing Sources (Uses)
\$ -	\$ (12,891)	\$ (16,277)	\$ 13,524	Net Change in Fund Balances
				Fund Balances:
\$ -	\$ (135,260)	\$ 18,906	\$ 57,571	Beginning of year, as originally reported
-	-	-	-	Restatements
-	(135,260)	18,906	57,571	Beginning of year, as restated
-	(12,891)	(16,277)	13,524	Net change in fund balances
\$ -	\$ (148,151)	\$ 2,629	\$ 71,095	End of Year

City of Moreno Valley

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	<u>Special Revenue Funds</u>			
	<u>Prop 42 Replacement</u>	<u>Civil Penalties</u>	<u>Emergency Services Agency Fines</u>	<u>Energy Efficiency Revolving</u>
Revenues:				
Taxes				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	61,441	-
Charges for services	-	-	-	-
Use of money and property	-	4,270	5,799	-
Contributions	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Miscellaneous	-	12,958	-	46,188
Total Revenues	-	17,228	67,240	46,188
Expenditures:				
Current:				
General government	-	68	-	-
Public safety	-	-	65,565	-
Community development	-	14,075	-	-
Community and cultural	-	-	-	-
Public works	-	-	-	-
Capital outlay	843,310	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	843,310	14,143	65,565	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(843,310)	3,085	1,675	46,188
Other Financing Sources (Uses):				
Transfers in	-	-	-	59,756
Transfers out	-	-	-	-
Refunding bonds issued	-	-	-	-
Other debt issued	-	-	-	-
Bond premium/(discount)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	59,756
Net Change in Fund Balances	\$ (843,310)	\$ 3,085	\$ 1,675	\$ 105,944
Fund Balances:				
Beginning of year, as originally reported	\$ 843,310	\$ 242,183	\$ 326,561	\$ -
Restatements	-	-	-	-
Beginning of year, as restated	843,310	242,183	326,561	-
Net change in fund balances	(843,310)	3,085	1,675	105,944
End of Year	\$ -	\$ 245,268	\$ 328,236	\$ 105,944

(Continued)

Capital Projects Funds

Facility Construction	Public Works Capital Projects	Traffic Signal Mitigation	Fire Services Capital Projects	
\$ -	\$ -	\$ -	\$ -	Revenues:
-	2,885,308	-	-	Taxes
-	-	-	-	Other taxes
-	-	-	-	Intergovernmental
-	-	-	-	Charges for services
-	-	-	-	Use of money and property
-	-	-	-	Contributions
-	-	-	-	Contributions from Successor Agency
674	189,558	-	142	Miscellaneous
674	3,074,866	-	142	Total Revenues
				Expenditures:
				Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	-	-	Community and cultural
-	-	-	-	Public works
766,825	5,132,338	-	287,873	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	-	-	-	Bond issuance costs
766,825	5,132,338	-	287,873	Total Expenditures
(766,151)	(2,057,472)	-	(287,731)	Excess (Deficiency) of Revenues Over (Under) Expenditures
6,500,000	-	-	900,000	Other Financing Sources (Uses):
-	(4,754,032)	-	(383,000)	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Refunding bonds issued
-	-	-	-	Other debt issued
-	-	-	-	Bond premium/(discount)
6,500,000	(4,754,032)	-	517,000	Total Other Financing Sources (Uses)
\$ 5,733,849	\$ (6,811,504)	\$ -	\$ 229,269	Net Change in Fund Balances
\$ (271,900)	\$ 6,715,298	\$ 137,578	\$ 377,772	Fund Balances:
-	2,424,819	-	-	Beginning of year, as originally reported
(271,900)	9,140,117	137,578	377,772	Restatements
5,733,849	(6,811,504)	-	229,269	Beginning of year, as restated
				Net change in fund balances
\$ 5,461,949	\$ 2,328,613	\$ 137,578	\$ 607,041	End of Year

City of Moreno Valley

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	Capital Projects Funds			
	Towngate Capital / Administration	Warner Ranch Capital / Development	Auto Mall Capital / Administration	Parks and Community Services Capital Projects
Revenues:				
Taxes				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Contributions	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	177,536	-	6,391	-
Capital outlay	-	-	-	481,413
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	177,536	-	6,391	481,413
Excess (Deficiency) of Revenues Over (Under) Expenditures	(177,536)	-	(6,391)	(481,413)
Other Financing Sources (Uses):				
Transfers in	177,536	-	6,391	1,308,000
Transfers out	-	-	-	(881,426)
Refunding bonds issued	-	-	-	-
Other debt issued	-	-	-	-
Bond premium/(discount)	-	-	-	-
Total Other Financing Sources (Uses)	177,536	-	6,391	426,574
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ (54,839)
Fund Balances:				
Beginning of year, as originally reported	\$ -	\$ 13,673	\$ -	\$ 4,414,953
Restatements	-	-	-	-
Beginning of year, as restated	-	13,673	-	4,414,953
Net change in fund balances	-	-	-	(54,839)
End of Year	\$ -	\$ 13,673	\$ -	\$ 4,360,114

(Continued)

Capital Projects Funds				
TUMF Capital Projects	DIF Capital Projects	Lease Revenue Bonds 2005 Capital Projects	2007 Tax Allocation Bonds Capital Projects	
\$ -	\$ -	\$ -	\$ -	Revenues:
364,929	532,437	-	-	Taxes
-	-	-	-	Other taxes
-	-	-	-	Intergovernmental
-	-	-	35,822	Charges for services
-	-	-	-	Use of money and property
-	-	-	-	Contributions
-	-	-	-	Contributions from Successor Agency
-	1,567	-	-	Miscellaneous
364,929	534,004	-	35,822	Total Revenues
-	-	-	-	Expenditures:
-	-	-	-	Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	-	-	Community and cultural
-	-	-	-	Public works
378,328	2,503,409	222,342	9,333,926	Capital outlay
-	-	-	-	Debt service:
-	-	-	-	Principal retirement
-	-	-	-	Interest and fiscal charges
-	-	-	-	Bond issuance costs
378,328	2,503,409	222,342	9,333,926	Total Expenditures
(13,399)	(1,969,405)	(222,342)	(9,298,104)	Excess (Deficiency) of Revenues Over (Under) Expenditures
-	357,000	-	-	Other Financing Sources (Uses):
-	(220,000)	-	-	Transfers in
-	-	-	-	Transfers out
-	-	-	-	Refunding bonds issued
-	-	-	-	Other debt issued
-	-	-	-	Bond premium/(discount)
-	137,000	-	-	Total Other Financing Sources (Uses)
\$ (13,399)	\$ (1,832,405)	\$ (222,342)	\$ (9,298,104)	Net Change in Fund Balances
\$ (199,951)	\$ 4,828,226	\$ 416,428	\$ 9,298,104	Fund Balances:
-	-	-	-	Beginning of year, as originally reported
-	-	-	-	Restatements
(199,951)	4,828,226	416,428	9,298,104	Beginning of year, as restated
(13,399)	(1,832,405)	(222,342)	(9,298,104)	Net change in fund balances
\$ (213,350)	\$ 2,995,821	\$ 194,086	\$ -	End of Year

City of Moreno Valley

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	Capital Projects	Debt Service Funds		
	Funds			
	TRIP Capital	Auto Mall	Lease	2007
	Projects	Special Tax	Revenue	Towngate
		Bonds	Bonds 2005	Improvement
			Debt Service	Refunding
Revenues:				
Taxes				
Other taxes	\$ -	\$ -	\$ -	\$ 117,164
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	5,706	2	313	59
Contributions	-	-	-	-
Contributions from Successor Agency	-	-	-	277,181
Miscellaneous	917	-	-	-
Total Revenues	6,623	2	313	394,404
Expenditures:				
Current:				
General government	-	-	2,525	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	-	-
Public works	-	-	-	-
Capital outlay	1,439,489	-	-	-
Debt service:				
Principal retirement	-	105,000	11,915,000	220,000
Interest and fiscal charges	-	3,938	1,724,040	135,009
Bond issuance costs	-	-	-	-
Total Expenditures	1,439,489	108,938	13,641,565	355,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,432,866)	(108,936)	(13,641,252)	39,395
Other Financing Sources (Uses):				
Transfers in	-	190,176	13,191,230	-
Transfers out	(1,926,110)	(6,391)	-	(30,972)
Refunding bonds issued	-	-	-	-
Other debt issued	20,000,000	-	-	-
Bond premium/(discount)	-	-	-	-
Total Other Financing Sources (Uses)	18,073,890	183,785	13,191,230	(30,972)
Net Change in Fund Balances	\$ 16,641,024	\$ 74,849	\$ (450,022)	\$ 8,423
Fund Balances:				
Beginning of year, as originally reported	\$ -	\$ (74,849)	\$ 8,805,029	\$ 839,054
Restatements	-	-	-	-
Beginning of year, as restated	-	(74,849)	8,805,029	839,054
Net change in fund balances	16,641,024	74,849	(450,022)	8,423
End of Year	\$ 16,641,024	\$ -	\$ 8,355,007	\$ 847,477

(Continued)

Debt Service Funds				
2007 Towngate Refunding	2011 Priv Placement Ref 97 Lease Rev Bonds	2011 Priv Placement Ref 97 COPs	TRIP COP 13A Debt Service	
\$ -	\$ -	\$ -	\$ -	Revenues:
-	-	-	-	Taxes
-	-	-	-	Other taxes
231	-	-	5	Intergovernmental
-	-	-	-	Charges for services
1,182,347	150,000	-	-	Use of money and property
-	-	-	-	Contributions
-	-	-	-	Contributions from Successor Agency
-	-	-	-	Miscellaneous
1,182,578	150,000	-	5	Total Revenues
				Expenditures:
				Current:
-	-	-	-	General government
-	-	-	-	Public safety
-	-	-	-	Community development
-	-	-	-	Community and cultural
-	-	-	2,268	Public works
-	-	-	-	Capital outlay
700,000	234,000	710,500	-	Debt service:
310,906	106,346	76,409	748,992	Principal retirement
-	-	-	656,950	Interest and fiscal charges
-	-	-	-	Bond issuance costs
1,010,906	340,346	786,909	1,408,210	Total Expenditures
				Excess (Deficiency) of Revenues Over (Under) Expenditures
171,672	(190,346)	(786,909)	(1,408,205)	
				Other Financing Sources (Uses):
-	190,346	786,909	1,543,154	Transfers in
(146,564)	-	-	-	Transfers out
-	-	-	-	Refunding bonds issued
-	-	-	-	Other debt issued
-	-	-	(134,949)	Bond premium/(discount)
(146,564)	190,346	786,909	1,408,205	Total Other Financing Sources (Uses)
\$ 25,108	\$ -	\$ -	\$ -	Net Change in Fund Balances
				Fund Balances:
\$ 2,769,048	\$ -	\$ -	\$ -	Beginning of year, as originally reported
-	-	-	-	Restatements
2,769,048	-	-	-	Beginning of year, as restated
25,108	-	-	-	Net change in fund balances
\$ 2,794,156	\$ -	\$ -	\$ -	End of Year

City of Moreno Valley

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2014

	Debt Service	Permanent Funds		
	Funds			
	2013			
	Refunding	Celebration	Equestrian	Rockridge
	2005 Lease	Park	Trail	Park
	Revenue	Endowment	Endowment	Endowment
	Bonds			
Revenues:				
Taxes				
Other taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	1,092	217	2,008
Contributions	-	-	-	-
Contributions from Successor Agency	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	1,092	217	2,008
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community and cultural	-	-	429	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	167,665	-	-	-
Bond issuance costs	239,010	-	-	-
Total Expenditures	406,675	-	429	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(406,675)	1,092	(212)	2,008
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(11,087,670)	-	-	-
Refunding bonds issued	10,454,230	-	-	-
Other debt issued	-	-	-	-
Bond premium/(discount)	1,040,115	-	-	-
Total Other Financing Sources (Uses)	406,675	-	-	-
Net Change in Fund Balances	\$ -	\$ 1,092	\$ (212)	\$ 2,008
Fund Balances:				
Beginning of year, as originally reported	\$ -	\$ 60,252	\$ 12,191	\$ 104,334
Restatements	-	-	-	-
Beginning of year, as restated	-	60,252	12,191	104,334
Net change in fund balances	-	1,092	(212)	2,008
End of Year	\$ -	\$ 61,344	\$ 11,979	\$ 106,342

Permanent Funds		
NPDES Endowment	Cultural Preservation	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 117,164
-	-	27,397,214
-	-	2,034,556
369	2,455	180,727
17,576	-	17,576
-	-	1,609,528
-	114,542	1,260,623
17,945	116,997	32,617,388
-	-	770,471
-	-	927,025
-	-	1,311,767
-	-	7,344,250
-	-	8,537,869
-	-	26,721,595
-	-	13,884,500
-	-	3,284,958
-	-	895,960
-	-	63,678,395
17,945	116,997	(31,061,007)
-	-	26,570,636
(653)	-	(22,888,073)
-	-	10,454,230
-	-	20,000,000
-	-	905,166
(653)	-	35,041,959
\$ 17,292	\$ 116,997	\$ 3,980,952
\$ 14,869	\$ -	\$ 58,714,128
-	-	3,002,796
14,869	-	61,716,924
17,292	116,997	3,980,952
\$ 32,161	\$ 116,997	\$ 65,697,876

Revenues:

Taxes
Other taxes
Intergovernmental
Charges for services
Use of money and property
Contributions
Contributions from Successor Agency
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
Bond issuance costs

Total Expenditures

Excess (Deficiency) of Revenues
Over (Under) Expenditures

Other Financing Sources (Uses):

Transfers in
Transfers out
Refunding bonds issued
Other debt issued
Bond premium/(discount)

**Total Other Financing Sources
(Uses)**

Net Change in Fund Balances

Fund Balances:

Beginning of year, as originally reported
Restatements
Beginning of year, as restated
Net change in fund balances

City of Moreno Valley

Budgetary Comparison Schedule
State Gasoline Tax
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,042,755	\$ 5,042,755	\$ 6,146,513	\$ 1,103,758
Use of money and property	1,000	1,000	(47,519)	(48,519)
Miscellaneous	21,000	21,000	19,729	(1,271)
Total Revenues	5,064,755	5,064,755	6,118,723	1,053,968
Expenditures:				
Current:				
Public works	5,332,697	5,710,352	5,885,902	(175,550)
Capital outlay	4,500,000	128,702	113,882	14,820
Total Expenditures	9,832,697	5,839,054	5,999,784	(160,730)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,767,942)	(774,299)	118,939	893,238
Other Financing Sources (Uses):				
Transfers in	160,000	1,294,211	1,294,211	-
Transfers out	-	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	160,000	1,244,211	1,244,211	-
Net Change in Fund Balances	(4,607,942)	469,912	1,363,150	893,238
Fund Balance, Beginning of Year	(392,596)	(392,596)	(392,596)	-
Fund Balance, End of Year	\$ (5,000,538)	\$ 77,316	\$ 970,554	\$ 893,238

City of Moreno Valley

Budgetary Comparison Schedule
 Article 3 Transportation
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 150,000	\$ 470,385	\$ 216,285	\$ (254,100)
Total Revenues	150,000	470,385	216,285	(254,100)
Expenditures:				
Capital outlay	-	470,385	216,285	254,100
Total Expenditures	-	470,385	216,285	254,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	150,000	-	-	-
Net Change in Fund Balances	150,000	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ 150,000	\$ -	\$ -	\$ -

City of Moreno Valley
Budgetary Comparison Schedule
Measure A
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 9,032,955	\$ 9,649,857	\$ 5,099,438	\$ (4,550,419)
Use of money and property	102,500	102,500	158,954	56,454
Miscellaneous	1,000	74,000	6,192	(67,808)
Total Revenues	9,136,455	9,826,357	5,264,584	(4,561,773)
Expenditures:				
Current:				
Public works	1,361,795	1,426,025	545,957	880,068
Capital outlay	3,808,000	14,545,044	3,408,130	11,136,914
Debt service:				
Interest and fiscal charges	-	13,950	11,653	2,297
Total Expenditures	5,169,795	15,985,019	3,965,740	12,019,279
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,966,660	(6,158,662)	1,298,844	7,457,506
Other Financing Sources (Uses):				
Transfers in	424,939	424,939	15,274	(409,665)
Transfers out	-	(3,398,992)	(3,401,255)	(2,263)
Total Other Financing Sources (Uses)	424,939	(2,974,053)	(3,385,981)	(411,928)
Net Change in Fund Balances	4,391,599	(9,132,715)	(2,087,137)	7,045,578
Fund Balance, Beginning of Year as Restated	11,371,778	11,371,778	11,371,778	-
Fund Balance, End of Year	\$ 15,763,377	\$ 2,239,063	\$ 9,284,641	\$ 7,045,578

City of Moreno Valley

Budgetary Comparison Schedule
Law Enforcement
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 102,200	\$ 675,014	\$ 595,620	\$ (79,394)
Total Revenues	102,200	675,014	595,620	(79,394)
Expenditures:				
Current:				
Public safety	165,805	675,713	597,620	78,093
Total Expenditures	165,805	675,713	597,620	78,093
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,605)	(699)	(2,000)	(1,301)
Net Change in Fund Balances	(63,605)	(699)	(2,000)	(1,301)
Fund Balance, Beginning of Year	2,000	2,000	2,000	-
Fund Balance, End of Year	\$ (61,605)	\$ 1,301	\$ -	\$ (1,301)

City of Moreno Valley

Budgetary Comparison Schedule
Other Grants
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 159,000	\$ 532,138	\$ 370,967	\$ (161,171)
Total Revenues	159,000	532,138	370,967	(161,171)
Expenditures:				
Current:				
General government	-	30,000	368	29,632
Public safety	74,506	346,218	263,840	82,378
Community development	29,415	100,920	70,252	30,668
Public works	55,300	55,000	36,507	18,493
Total Expenditures	159,221	532,138	370,967	161,171
Excess (Deficiency) of Revenues Over (Under) Expenditures	(221)	-	-	-
Net Change in Fund Balances	(221)	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ (221)	\$ -	\$ -	\$ -

City of Moreno Valley

Budgetary Comparison Schedule
Public Education Government Access
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ 550,000	\$ 550,000	\$ 565,358	\$ 15,358
Total Revenues	550,000	550,000	565,358	15,358
Expenditures:				
Current:				
General government	845,570	914,998	767,510	147,488
Public works	-	-	865	(865)
Capital outlay	-	499,889	500,343	(454)
Total Expenditures	845,570	1,414,887	1,268,718	146,169
Excess (Deficiency) of Revenues Over (Under) Expenditures	(295,570)	(864,887)	(703,360)	161,527
Net Change in Fund Balances	(295,570)	(864,887)	(703,360)	161,527
Fund Balance, Beginning of Year	2,525,593	2,525,593	2,525,593	-
Fund Balance, End of Year	\$ 2,230,023	\$ 1,660,706	\$ 1,822,233	\$ 161,527

City of Moreno Valley

Budgetary Comparison Schedule
Air Quality Management
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 244,155	\$ 44,155
Use of money and property	7,000	7,000	1,607	(5,393)
Total Revenues	207,000	207,000	245,762	38,762
Expenditures:				
Current:				
Public works	221,448	230,164	236,985	(6,821)
Capital outlay	30,000	153,521	108,663	44,858
Total Expenditures	251,448	383,685	345,648	38,037
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,448)	(176,685)	(99,886)	76,799
Net Change in Fund Balances	(44,448)	(176,685)	(99,886)	76,799
Fund Balance, Beginning of Year	215,838	215,838	215,838	-
Fund Balance, End of Year	\$ 171,390	\$ 39,153	\$ 115,952	\$ 76,799

City of Moreno Valley

Budgetary Comparison Schedule
Community Development Block Grant
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,575,197	\$ 3,359,929	\$ 2,003,634	\$ (1,356,295)
Miscellaneous	-	-	6,215	6,215
Total Revenues	2,575,197	3,359,929	2,009,849	(1,350,080)
Expenditures:				
Current:				
Community development	2,575,197	1,573,363	1,194,417	378,946
Capital outlay	800,000	2,238,013	809,365	1,428,648
Total Expenditures	3,375,197	3,811,376	2,003,782	1,807,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800,000)	(451,447)	6,067	457,514
Net Change in Fund Balances	(800,000)	(451,447)	6,067	457,514
Fund Balance, Beginning of Year	129,769	129,769	129,769	-
Fund Balance, End of Year	\$ (670,231)	\$ (321,678)	\$ 135,836	\$ 457,514

City of Moreno Valley

Budgetary Comparison Schedule
 Special Districts Administration
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 852,400	\$ 797,600	\$ 908,738	\$ 111,138
Use of money and property	-	-	4,630	4,630
Total Revenues	852,400	797,600	913,368	115,768
Expenditures:				
Current:				
Public works	814,116	872,911	659,810	213,101
Total Expenditures	814,116	872,911	659,810	213,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,284	(75,311)	253,558	328,869
Net Change in Fund Balances	38,284	(75,311)	253,558	328,869
Fund Balance, Beginning of Year	718,218	718,218	718,218	-
Fund Balance, End of Year	\$ 756,502	\$ 642,907	\$ 971,776	\$ 328,869

City of Moreno Valley

Budgetary Comparison Schedule
Storm Water Management
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 736,902	\$ 703,802	\$ 680,172	\$ (23,630)
Miscellaneous	-	-	92	92
Total Revenues	736,902	703,802	680,264	(23,538)
Expenditures:				
Current:				
Public works	1,074,370	697,873	454,518	243,355
Total Expenditures	1,074,370	697,873	454,518	243,355
Excess (Deficiency) of Revenues Over (Under) Expenditures	(337,468)	5,929	225,746	219,817
Other Financing Sources (Uses):				
Transfers in	266,995	653	653	-
Total Other Financing Sources (Uses)	266,995	653	653	-
Net Change in Fund Balances	(70,473)	6,582	226,399	219,817
Fund Balance, Beginning of Year	311,702	311,702	311,702	-
Fund Balance, End of Year	\$ 241,229	\$ 318,284	\$ 538,101	\$ 219,817

City of Moreno Valley
Budgetary Comparison Schedule
HOME
Year Ended June 30, 2014

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 902,077	\$ 2,487,202	\$ 1,517,033	\$ (970,169)
Use of money and property	-	-	500	500
Miscellaneous	-	-	296,491	296,491
Total Revenues	<u>902,077</u>	<u>2,487,202</u>	<u>1,814,024</u>	<u>(673,178)</u>
Expenditures:				
Current:				
Community development	902,077	964,010	33,023	930,987
Capital outlay	-	1,500,000	175,674	1,324,326
Total Expenditures	<u>902,077</u>	<u>2,464,010</u>	<u>208,697</u>	<u>2,255,313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>23,192</u>	<u>1,605,327</u>	<u>1,582,135</u>
Net Change in Fund Balances	-	23,192	1,605,327	1,582,135
Fund Balance, Beginning of Year	<u>4,796,423</u>	<u>4,796,423</u>	<u>4,796,423</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 4,796,423</u></u>	<u><u>\$ 4,819,615</u></u>	<u><u>\$ 6,401,750</u></u>	<u><u>\$ 1,582,135</u></u>

City of Moreno Valley

Budgetary Comparison Schedule
 Child Care Grant
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 581,461	\$ 595,056	\$ 531,580	\$ (63,476)
Charges for services	25,000	25,000	19,938	(5,062)
Total Revenues	606,461	620,056	551,518	(68,538)
Expenditures:				
Current:				
Community and cultural	612,761	620,056	551,518	68,538
Total Expenditures	612,761	620,056	551,518	68,538
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,300)	-	-	-
Net Change in Fund Balances	(6,300)	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ (6,300)	\$ -	\$ -	\$ -

City of Moreno Valley

Budgetary Comparison Schedule
Used Oil Recycling
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 56,630	\$ 103,023	\$ 54,974	\$ (48,049)
Total Revenues	56,630	103,023	54,974	(48,049)
Expenditures:				
Current:				
Public works	56,630	103,023	54,974	48,049
Total Expenditures	56,630	103,023	54,974	48,049
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

Budgetary Comparison Schedule
Storm Water Maintenance
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 414,000	\$ 414,000	\$ 382,518	\$ (31,482)
Total Revenues	414,000	414,000	382,518	(31,482)
Expenditures:				
Current:				
Public works	450,748	462,789	445,409	17,380
Total Expenditures	450,748	462,789	445,409	17,380
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,748)	(48,789)	(62,891)	(14,102)
Other Financing Sources (Uses):				
Transfers in	-	50,000	50,000	-
Total Other Financing Sources (Uses)	-	50,000	50,000	-
Net Change in Fund Balances	(36,748)	1,211	(12,891)	(14,102)
Fund Balance, Beginning of Year	(135,260)	(135,260)	(135,260)	-
Fund Balance, End of Year	\$ (172,008)	\$ (134,049)	\$ (148,151)	\$ (14,102)

City of Moreno Valley

Budgetary Comparison Schedule
 ASES Program Grants
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 6,079,800	\$ 6,773,200	\$ 6,772,900	\$ (300)
Use of money and property	25,000	25,000	3,126	(21,874)
Total Revenues	6,104,800	6,798,200	6,776,026	(22,174)
Expenditures:				
Current:				
Community and cultural	6,080,840	6,798,200	6,792,303	5,897
Total Expenditures	6,080,840	6,798,200	6,792,303	5,897
Excess (Deficiency) of Revenues Over (Under) Expenditures	23,960	-	(16,277)	(16,277)
Net Change in Fund Balances	23,960	-	(16,277)	(16,277)
Fund Balance, Beginning of Year	18,906	18,906	18,906	-
Fund Balance, End of Year	\$ 42,866	\$ 18,906	\$ 2,629	\$ (16,277)

City of Moreno Valley

Budgetary Comparison Schedule
CFD #4M
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 41,000	\$ 41,000	\$ 43,190	\$ 2,190
Use of money and property	74	74	1,081	1,007
Total Revenues	41,074	41,074	44,271	3,197
Expenditures:				
Current:				
Public works	35,300	35,300	30,747	4,553
Total Expenditures	35,300	35,300	30,747	4,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,774	5,774	13,524	7,750
Net Change in Fund Balances	5,774	5,774	13,524	7,750
Fund Balance, Beginning of Year	57,571	57,571	57,571	-
Fund Balance, End of Year	\$ 63,345	\$ 63,345	\$ 71,095	\$ 7,750

City of Moreno Valley

Budgetary Comparison Schedule
 Prop 42 Replacement
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Capital outlay	\$ -	\$ 842,161	\$ 843,310	\$ (1,149)
Total Expenditures	-	842,161	843,310	(1,149)
Excess (Deficiency) of Revenues				
Net Change in Fund Balances	-	(842,161)	(843,310)	(1,149)
Fund Balance, Beginning of Year	843,310	843,310	843,310	-
Fund Balance, End of Year	\$ 843,310	\$ 1,149	\$ -	\$ (1,149)

City of Moreno Valley

Budgetary Comparison Schedule
Civil Penalties
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 4,000	\$ 4,000	\$ 4,270	\$ 270
Miscellaneous	60,000	60,000	12,958	(47,042)
Total Revenues	64,000	64,000	17,228	(46,772)
Expenditures:				
Current:				
General government	39,415	40,273	68	40,205
Community development	-	-	14,075	(14,075)
Total Expenditures	39,415	40,273	14,143	26,130
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,585	23,727	3,085	(20,642)
Net Change in Fund Balances	24,585	23,727	3,085	(20,642)
Fund Balance, Beginning of Year	242,183	242,183	242,183	-
Fund Balance, End of Year	\$ 266,768	\$ 265,910	\$ 245,268	\$ (20,642)

City of Moreno Valley

Budgetary Comparison Schedule
Emergency Services Agency Fines
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 38,000	\$ 38,000	\$ 61,441	\$ 23,441
Use of money and property	4,000	4,000	5,799	1,799
Total Revenues	42,000	42,000	67,240	25,240
Expenditures:				
Current:				
Public safety	110,000	110,000	65,565	44,435
Total Expenditures	110,000	110,000	65,565	44,435
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,000)	(68,000)	1,675	69,675
Net Change in Fund Balances	(68,000)	(68,000)	1,675	69,675
Fund Balance, Beginning of Year	326,561	326,561	326,561	-
Fund Balance, End of Year	\$ 258,561	\$ 258,561	\$ 328,236	\$ 69,675

City of Moreno Valley

Budgetary Comparison Schedule
Energy Efficiency Revolving
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 46,188	\$ 46,188
Total Revenues	<u>-</u>	<u>-</u>	<u>46,188</u>	<u>46,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>46,188</u>	<u>46,188</u>
Other Financing Sources (Uses):				
Transfers in	-	59,756	59,756	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>59,756</u>	<u>59,756</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>59,756</u>	<u>105,944</u>	<u>46,188</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 59,756</u>	<u>\$ 105,944</u>	<u>\$ 46,188</u>

City of Moreno Valley

Budgetary Comparison Schedule
 Facility Construction
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 674	\$ 674
Total Revenues	-	-	674	674
Expenditures				
Capital outlay	2,500,000	4,238,653	766,825	3,471,828
Total Expenditures	2,500,000	4,238,653	766,825	3,471,828
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,500,000)	(4,238,653)	(766,151)	3,472,502
Other Financing Sources (Uses):				
Transfers in	-	6,500,000	6,500,000	-
Total Other Financing Sources (Uses)	-	6,500,000	6,500,000	-
Net Change in Fund Balances	(2,500,000)	2,261,347	5,733,849	3,472,502
Fund Balance, Beginning of Year	(271,900)	(271,900)	(271,900)	-
Fund Balance, End of Year	\$ (2,771,900)	\$ 1,989,447	\$ 5,461,949	\$ 3,472,502

City of Moreno Valley

Budgetary Comparison Schedule
Public Works Capital Projects
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ 8,834,706	\$ 2,885,308	\$ (5,949,398)
Charges for services	-	500,000	-	(500,000)
Miscellaneous	-	-	189,558	189,558
Total Revenues	-	9,334,706	3,074,866	(6,259,840)
Expenditures				
Capital outlay	2,010,000	21,920,608	5,132,338	16,788,270
Total Expenditures	2,010,000	21,920,608	5,132,338	16,788,270
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,010,000)	(12,585,902)	(2,057,472)	10,528,430
Other Financing Sources (Uses):				
Transfers out	-	(4,754,032)	(4,754,032)	-
Total Other Financing Sources (Uses)	-	(4,754,032)	(4,754,032)	-
Net Change in Fund Balances	(2,010,000)	(17,339,934)	(6,811,504)	10,528,430
Fund Balance, Beginning of Year as Restated	9,140,117	9,140,117	9,140,117	-
Fund Balance, End of Year	\$ 7,130,117	\$ (8,199,817)	\$ 2,328,613	\$ 10,528,430

City of Moreno Valley

Budgetary Comparison Schedule
 Fire Services Capital Projects
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 142	\$ 142
Total Revenues	-	-	142	142
Expenditures				
Capital outlay	800,000	964,770	287,873	676,897
Total Expenditures	800,000	964,770	287,873	676,897
Excess (Deficiency) of Revenues Over (Under) Expenditures	(800,000)	(964,770)	(287,731)	677,039
Other Financing Sources (Uses):				
Transfers in	800,000	900,000	900,000	-
Transfers out	(383,000)	(383,000)	(383,000)	-
Total Other Financing Sources (Uses)	417,000	517,000	517,000	-
Net Change in Fund Balances	(383,000)	(447,770)	229,269	677,039
Fund Balance, Beginning of Year	377,772	377,772	377,772	-
Fund Balance, End of Year	\$ (5,228)	\$ (69,998)	\$ 607,041	\$ 677,039

City of Moreno Valley

Budgetary Comparison Schedule
 Towngate Capital / Administration
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
Public works	\$ 188,400	\$ 188,400	\$ 177,536	\$ 10,864
Total Expenditures	188,400	188,400	177,536	10,864
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,400)	(188,400)	(177,536)	10,864
Other Financing Sources (Uses):				
Transfers in	188,400	188,400	177,536	(10,864)
Total Other Financing Sources (Uses)	188,400	188,400	177,536	(10,864)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley

Budgetary Comparison Schedule
 Auto Mall Capital / Administration
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Current:				
Public works	\$ 63,900	\$ 10,000	\$ 6,391	\$ 3,609
Total Expenditures	63,900	10,000	6,391	3,609
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,900)	(10,000)	(6,391)	3,609
Other Financing Sources (Uses):				
Transfers in	63,900	10,000	6,391	(3,609)
Total Other Financing Sources (Uses)	63,900	10,000	6,391	(3,609)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley

Budgetary Comparison Schedule
Parks and Community Services Capital Projects
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Capital outlay	\$ 1,308,000	\$ 3,069,389	\$ 481,413	\$ 2,587,976
Total Expenditures	1,308,000	3,069,389	481,413	2,587,976
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,308,000)	(3,069,389)	(481,413)	2,587,976
Other Financing Sources (Uses):				
Transfers in	1,308,000	1,308,000	1,308,000	-
Transfers out	(881,426)	(881,426)	(881,426)	-
Total Other Financing Sources (Uses)	426,574	426,574	426,574	-
Net Change in Fund Balances	(881,426)	(2,642,815)	(54,839)	2,587,976
Fund Balance, Beginning of Year	4,414,953	4,414,953	4,414,953	-
Fund Balance, End of Year	\$ 3,533,527	\$ 1,772,138	\$ 4,360,114	\$ 2,587,976

City of Moreno Valley

Budgetary Comparison Schedule
TUMF Capital Projects
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,300,000	\$ 6,929,676	\$ 364,929	\$ (6,564,747)
Total Revenues	5,300,000	6,929,676	364,929	(6,564,747)
Expenditures				
Capital outlay	3,500,000	7,180,031	378,328	6,801,703
Total Expenditures	3,500,000	7,180,031	378,328	6,801,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,800,000	(250,355)	(13,399)	236,956
Net Change in Fund Balances	1,800,000	(250,355)	(13,399)	236,956
Fund Balance, Beginning of Year	(199,951)	(199,951)	(199,951)	-
Fund Balance, End of Year	\$ 1,600,049	\$ (450,306)	\$ (213,350)	\$ 236,956

City of Moreno Valley

Budgetary Comparison Schedule
DIF Capital Projects
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 895,000	\$ 1,335,300	\$ 532,437	\$ (802,863)
Miscellaneous	1,000	1,000	1,567	567
Total Revenues	896,000	1,336,300	534,004	(802,296)
Expenditures				
Capital outlay	130,000	4,740,978	2,503,409	2,237,569
Total Expenditures	130,000	4,740,978	2,503,409	2,237,569
Excess (Deficiency) of Revenues Over (Under) Expenditures	766,000	(3,404,678)	(1,969,405)	1,435,273
Other Financing Sources (Uses):				
Transfers in	130,000	357,000	357,000	-
Transfers out	(220,000)	(220,000)	(220,000)	-
Total Other Financing Sources (Uses)	(90,000)	137,000	137,000	-
Net Change in Fund Balances	676,000	(3,267,678)	(1,832,405)	1,435,273
Fund Balance, Beginning of Year	4,828,226	4,828,226	4,828,226	-
Fund Balance, End of Year	\$ 5,504,226	\$ 1,560,548	\$ 2,995,821	\$ 1,435,273

City of Moreno Valley

Budgetary Comparison Schedule
 Lease Revenue Bonds 2005 Capital Projects
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Capital outlay	\$ -	\$ 285,116	\$ 222,342	\$ 62,774
Total Expenditures	-	285,116	222,342	62,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(285,116)	(222,342)	62,774
Net Change in Fund Balances	-	(285,116)	(222,342)	62,774
Fund Balance, Beginning of Year	416,428	416,428	416,428	-
Fund Balance, End of Year	\$ 416,428	\$ 131,312	\$ 194,086	\$ 62,774

City of Moreno Valley

Budgetary Comparison Schedule
 2007 Tax Allocation Bonds Capital Projects
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 35,822	\$ 35,822
Total Revenues	<u>-</u>	<u>-</u>	<u>35,822</u>	<u>35,822</u>
Expenditures				
Current:				
Capital outlay	-	9,335,102	9,333,926	1,176
Total Expenditures	<u>-</u>	<u>9,335,102</u>	<u>9,333,926</u>	<u>1,176</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(9,335,102)</u>	<u>(9,298,104)</u>	<u>36,998</u>
Net Change in Fund Balances	<u>-</u>	<u>(9,335,102)</u>	<u>(9,298,104)</u>	<u>36,998</u>
Fund Balance, Beginning of Year	<u>9,298,104</u>	<u>9,298,104</u>	<u>9,298,104</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 9,298,104</u>	<u>\$ (36,998)</u>	<u>\$ -</u>	<u>\$ 36,998</u>

City of Moreno Valley

Budgetary Comparison Schedule
TRIP Capital Projects
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 5,706	\$ 5,706
Miscellaneous	-	-	917	917
Total Revenues	-	-	6,623	6,623
Expenditures				
Capital outlay	-	18,067,390	1,439,489	16,627,901
Total Expenditures	-	18,067,390	1,439,489	16,627,901
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(18,067,390)	(1,432,866)	16,634,524
Other Financing Sources (Uses):				
Transfers out	-	(1,932,610)	(1,926,110)	6,500
Other debt issued	-	20,000,000	20,000,000	-
Total Other Financing Sources (Uses)	-	18,067,390	18,073,890	6,500
Net Change in Fund Balances	-	-	16,641,024	16,641,024
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ 16,641,024	\$ 16,641,024

City of Moreno Valley

Budgetary Comparison Schedule
Auto Mall Special Tax Bonds
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Other taxes	\$ 54,400	\$ -	\$ -	\$ -
Use of money and property	200	3	2	(1)
Contributions from Successor Agency	109,451	-	-	-
Total Revenues	164,051	3	2	(1)
Expenditures:				
Debt service:				
Principal retirement	15,000	105,000	105,000	-
Interest and fiscal charges	7,400	3,938	3,938	-
Total Expenditures	22,400	108,938	108,938	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	141,651	(108,935)	(108,936)	(1)
Other Financing Sources (Uses):				
Transfers in	-	190,176	190,176	-
Transfers out	(63,900)	(10,000)	(6,391)	3,609
Total Other Financing Sources (Uses)	(63,900)	180,176	183,785	3,609
Net Change in Fund Balances	77,751	71,241	74,849	3,608
Fund Balance, Beginning of Year	(74,849)	(74,849)	(74,849)	-
Fund Balance, End of Year	\$ 2,902	\$ (3,608)	\$ -	\$ 3,608

City of Moreno Valley

Budgetary Comparison Schedule
 Lease Revenue Bonds 2005 Debt Service
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 313	\$ 313
Contributions from Successor Agency	594,773	-	-	-
Total Revenues	594,773	-	313	313
Expenditures:				
Current:				
General government	2,100	2,100	2,525	(425)
Debt service:				
Principal retirement	970,000	13,340,236	11,915,000	1,425,236
Interest and fiscal charges	1,670,800	1,748,634	1,724,040	24,594
Total Expenditures	2,642,900	15,090,970	13,641,565	1,449,405
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,048,127)	(15,090,970)	(13,641,252)	1,449,718
Other Financing Sources (Uses):				
Transfers in	2,053,200	14,719,296	13,191,230	(1,528,066)
Total Other Financing Sources (Uses)	2,053,200	14,719,296	13,191,230	(1,528,066)
Net Change in Fund Balances	5,073	(371,674)	(450,022)	(78,348)
Fund Balance, Beginning of Year	8,805,029	8,805,029	8,805,029	-
Fund Balance, End of Year	\$ 8,810,102	\$ 8,433,355	\$ 8,355,007	\$ (78,348)

City of Moreno Valley

Budgetary Comparison Schedule
2007 Towngate Improvement Refunding
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Other taxes	\$ 115,500	\$ 115,500	\$ 117,164	\$ 1,664
Use of money and property	100	100	59	(41)
Contributions from Successor Agency	277,181	277,181	277,181	-
Total Revenues	392,781	392,781	394,404	1,623
Expenditures:				
Debt service:				
Principal retirement	220,000	220,000	220,000	-
Interest and fiscal charges	135,100	135,100	135,009	91
Total Expenditures	355,100	355,100	355,009	91
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,681	37,681	39,395	1,714
Other Financing Sources (Uses):				
Transfers out	(33,800)	(33,800)	(30,972)	2,828
Total Other Financing Sources (Uses)	(33,800)	(33,800)	(30,972)	2,828
Net Change in Fund Balances	3,881	3,881	8,423	4,542
Fund Balance, Beginning of Year	839,054	839,054	839,054	-
Fund Balance, End of Year	\$ 842,935	\$ 842,935	\$ 847,477	\$ 4,542

City of Moreno Valley

Budgetary Comparison Schedule
2007 Towngate Refunding
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 300	\$ 300	\$ 231	\$ (69)
Contributions from Successor Agency	1,182,347	1,182,347	1,182,347	-
Total Revenues	1,182,647	1,182,647	1,182,578	(69)
Expenditures:				
Debt service:				
Principal retirement	700,000	700,000	700,000	-
Interest and fiscal charges	311,000	311,000	310,906	94
Total Expenditures	1,011,000	1,011,000	1,010,906	94
Excess (Deficiency) of Revenues Over (Under) Expenditures	171,647	171,647	171,672	25
Other Financing Sources (Uses):				
Transfers out	(154,600)	(154,600)	(146,564)	8,036
Total Other Financing Sources (Uses)	(154,600)	(154,600)	(146,564)	8,036
Net Change in Fund Balances	17,047	17,047	25,108	8,061
Fund Balance, Beginning of Year	2,769,048	2,769,048	2,769,048	-
Fund Balance, End of Year	\$ 2,786,095	\$ 2,786,095	\$ 2,794,156	\$ 8,061

City of Moreno Valley

Budgetary Comparison Schedule
 2011 Priv Placement Ref 97 Lease Rev Bonds
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Contributions from Successor Agency	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Total Revenues	150,000	150,000	150,000	-
Expenditures:				
Debt service:				
Principal retirement	234,000	234,000	234,000	-
Interest and fiscal charges	106,400	106,400	106,346	54
Total Expenditures	340,400	340,400	340,346	54
Excess (Deficiency) of Revenues Over (Under) Expenditures	(190,400)	(190,400)	(190,346)	54
Other Financing Sources (Uses):				
Transfers in	190,400	190,400	190,346	(54)
Total Other Financing Sources (Uses)	190,400	190,400	190,346	(54)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley

Budgetary Comparison Schedule
 2011 Priv Placement Ref 97 COPs
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	\$ 710,500	\$ 710,500	\$ 710,500	\$ -
Interest and fiscal charges	76,500	76,500	76,409	91
Total Expenditures	787,000	787,000	786,909	91
Excess (Deficiency) of Revenues Over (Under) Expenditures	(787,000)	(787,000)	(786,909)	91
Other Financing Sources (Uses):				
Transfers in	787,000	787,000	786,909	(91)
Total Other Financing Sources (Uses)	787,000	787,000	786,909	(91)
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

City of Moreno Valley

Budgetary Comparison Schedule
 TRIP COP 13A Debt Service
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 5	\$ 5
Total Revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Expenditures:				
Current:				
Public works	-	-	2,268	(2,268)
Debt service:				
Interest and fiscal charges	-	748,992	748,992	-
Bond issuance costs	-	798,399	656,950	141,449
Total Expenditures	<u>-</u>	<u>1,547,391</u>	<u>1,408,210</u>	<u>139,181</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,547,391)</u>	<u>(1,408,205)</u>	<u>139,186</u>
Other Financing Sources (Uses):				
Transfers in	-	1,547,391	1,543,154	(4,237)
Bond premium/(discount)	-	-	(134,949)	(134,949)
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,547,391</u>	<u>1,408,205</u>	<u>(139,186)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Moreno Valley

Budgetary Comparison Schedule
 2013 Refunding 2005 Lease Revenue Bonds
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures:				
Debt service:				
Interest and fiscal charges	\$ -	\$ 167,666	\$ 167,665	\$ 1
Bond issuance costs	-	245,442	239,010	6,432
Total Expenditures	-	413,108	406,675	6,433
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(413,108)	(406,675)	6,433
Other Financing Sources (Uses):				
Transfers out	-	(12,615,736)	(11,087,670)	1,528,066
Refunding bonds issued	-	12,861,178	10,454,230	(2,406,948)
Bond premium/(discount)	-	-	1,040,115	1,040,115
Total Other Financing Sources (Uses)	-	245,442	406,675	161,233
Net Change in Fund Balances	-	(167,666)	-	167,666
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ (167,666)	\$ -	\$ 167,666

City of Moreno Valley

Budgetary Comparison Schedule
 Celebration Park Endowment
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 1,092	\$ 92
Total Revenues	1,000	1,000	1,092	92
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	1,092	92
Net Change in Fund Balances	1,000	1,000	1,092	92
Fund Balance, Beginning of Year	60,252	60,252	60,252	-
Fund Balance, End of Year	\$ 61,252	\$ 61,252	\$ 61,344	\$ 92

City of Moreno Valley

Budgetary Comparison Schedule
Equestrian Trail Endowment
Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 200	\$ 200	\$ 217	\$ 17
Total Revenues	200	200	217	17
Expenditures:				
Current:				
Community and cultural	-	-	429	(429)
Total Expenditures	-	-	429	(429)
Excess (Deficiency) of Revenues Over (Under) Expenditures	200	200	(212)	(412)
Net Change in Fund Balances	200	200	(212)	(412)
Fund Balance, Beginning of Year	12,191	12,191	12,191	-
Fund Balance, End of Year	\$ 12,391	\$ 12,391	\$ 11,979	\$ (412)

City of Moreno Valley

Budgetary Comparison Schedule
 Rockridge Endowment
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 1,800	\$ 1,800	\$ 2,008	\$ 208
Total Revenues	1,800	1,800	2,008	208
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,800	1,800	2,008	208
Net Change in Fund Balances	1,800	1,800	2,008	208
Fund Balance, Beginning of Year	104,334	104,334	104,334	-
Fund Balance, End of Year	\$ 106,134	\$ 106,134	\$ 106,342	\$ 208

City of Moreno Valley

Budgetary Comparison Schedule
 NPDES Endowment
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 369	\$ 369
Contributions	-	-	17,576	17,576
Total Revenues	-	-	17,945	17,945
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	17,945	17,945
Other Financing Sources (Uses):				
Transfers out	-	(653)	(653)	-
Total Other Financing Sources (Uses)	-	(653)	(653)	-
Net Change in Fund Balances	-	(653)	17,292	17,945
Fund Balance, Beginning of Year	14,869	14,869	14,869	-
Fund Balance, End of Year	\$ 14,869	\$ 14,216	\$ 32,161	\$ 17,945

City of Moreno Valley

Budgetary Comparison Schedule
 Cultural Preservation Fund
 Year Ended June 30, 2014

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ -	\$ -	\$ 2,455	\$ 2,455
Miscellaneous	-	114,542	114,542	-
Total Revenues	-	114,542	116,997	2,455
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	114,542	116,997	2,455
Net Change in Fund Balances	-	114,542	116,997	2,455
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ 114,542	\$ 116,997	\$ 2,455



Internal Service Fund

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**



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 Fund

This fund is used to account for the maintenance costs of the City's inventory of vehicles and equipment, on a cost reimbursement basis through user charges to benefiting funds.

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.

City of Moreno Valley

Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	General Liability Insurance	Workers' Compensation Insurance	Technology Services	Facilities Maintenance
Assets:				
Current:				
Pooled cash and investments	\$ 1,630,611	\$ 4,531,183	\$ 9,352,389	\$ 5,371,019
Receivables:				
Accounts	-	-	-	162
Prepaid costs	-	-	-	1,922
Inventories	-	-	-	28,371
Total Current Assets	1,630,611	4,531,183	9,352,389	5,401,474
Noncurrent:				
Capital assets - net of accumulated depreciation	-	-	3,559,000	10,657,597
Total Noncurrent Assets	-	-	3,559,000	10,657,597
Total Assets	\$ 1,630,611	\$ 4,531,183	\$ 12,911,389	\$ 16,059,071
Liabilities and Net Position:				
Liabilities:				
Current:				
Accounts payable	\$ 6,462	\$ 6,268	\$ 99,414	\$ 176,816
Compensated absences	4,674	1,390	349,970	92,851
Self-insurance payable	321,000	387,000	-	-
Total Current Liabilities	332,136	394,658	449,384	269,667
Noncurrent:				
Compensated absences	3,116	927	233,313	61,901
Self-insurance payable	350,000	1,036,000	-	-
Total Noncurrent Liabilities	353,116	1,036,927	233,313	61,901
Total Liabilities	685,252	1,431,585	682,697	331,568
Net Position:				
Investment in capital assets	-	-	3,559,000	10,657,597
Unrestricted	945,359	3,099,598	8,669,692	5,069,906
Total Net Position	945,359	3,099,598	12,228,692	15,727,503
Total Liabilities and Net Position	\$ 1,630,611	\$ 4,531,183	\$ 12,911,389	\$ 16,059,071

Equipment Maintenance	Equipment Replacement Reserve	Totals
\$ 176,219	\$ 20,278,917	\$ 41,340,338
-	-	162
-	-	1,922
11,369	-	39,740
187,588	20,278,917	41,382,162
11,791	37,381	14,265,769
11,791	37,381	14,265,769
\$ 199,379	\$ 20,316,298	\$ 55,647,931
\$ 39,505	\$ -	\$ 328,465
11,819	-	460,704
-	-	708,000
51,324	-	1,497,169
7,879	-	307,136
-	-	1,386,000
7,879	-	1,693,136
59,203	-	3,190,305
11,791	37,381	14,265,769
128,385	20,278,917	38,191,857
140,176	20,316,298	52,457,626
\$ 199,379	\$ 20,316,298	\$ 55,647,931

Assets:

Current:

Pooled cash and investments

Receivables:

Accounts

Prepaid costs

Inventories

Total Current Assets

Noncurrent:

Capital assets - net of accumulated depreciation

Total Noncurrent Assets

Total Assets

Liabilities and Net Position:

Liabilities:

Current:

Accounts payable

Compensated absences

Self-insurance payable

Total Current Liabilities

Noncurrent:

Compensated absences

Self-insurance payable

Total Noncurrent Liabilities

Total Liabilities

Net Position:

Net investment in capital assets

Unrestricted

Total Net Position

Total Liabilities and Net Position

City of Moreno Valley

Combining Statement of Revenues, Expenses
and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2014

	<u>General Liability Insurance</u>	<u>Workers' Compensation Insurance</u>	<u>Technology Services</u>	<u>Facilities Maintenance</u>
Operating Revenues:				
Sales and service charges	\$ 793,154	\$ 785,600	\$ 3,762,700	\$ 4,342,550
Miscellaneous	11,922	-	14,602	8,268
Total Operating Revenues	805,076	785,600	3,777,302	4,350,818
Operating Expenses:				
Cost of services	435,459	135,264	3,820,194	3,190,736
Depreciation expense	-	-	569,090	298,535
Self-insurance claims and charges	668,901	180,857	-	-
Total Operating Expenses	1,104,360	316,121	4,389,284	3,489,271
Operating Income (Loss)	(299,284)	469,479	(611,982)	861,547
Nonoperating Revenues (Expenses):				
Gain (loss) on disposal of capital assets	-	-	(5,336)	(404)
Total Nonoperating Revenues (Expenses)	-	-	(5,336)	(404)
Income (Loss) Before Transfers and Contributions	(299,284)	469,479	(617,318)	861,143
Transfers in	-	-	1,834,813	490,815
Transfers out	(43,950)	(4,500)	-	(915,972)
Changes in Net Position	(343,234)	464,979	1,217,495	435,986
Net Position:				
Beginning of Year	1,288,593	2,634,619	11,011,197	15,291,517
End of Year	\$ 945,359	\$ 3,099,598	\$ 12,228,692	\$ 15,727,503

Equipment Maintenance	Equipment Replacement Reserve	Totals	
\$ 724,414	\$ 2,762,666	\$ 13,171,084	Operating Revenues:
659	-	35,451	Sales and service charges
			Miscellaneous
725,073	2,762,666	13,206,535	Total Operating Revenues
			Operating Expenses:
754,545	-	8,336,198	Cost of services
2,948	45,030	915,603	Depreciation expense
-	-	849,758	Self-insurance claims and charges
757,493	45,030	10,101,559	Total Operating Expenses
(32,420)	2,717,636	3,104,976	Operating Income (Loss)
			Nonoperating Revenues (Expenses):
-	(31,375)	(37,115)	Gain (loss) on disposal of capital assets
-	(31,375)	(37,115)	Total Nonoperating Revenues (Expenses)
(32,420)	2,686,261	3,067,861	Income (Loss) Before Transfers and Contributions
-	-	2,325,628	Transfers in
-	(3,147,088)	(4,111,510)	Transfers out
(32,420)	(460,827)	1,281,979	Changes in Net Position
172,596	20,777,125	51,175,647	Net Position:
			Beginning of Year
\$ 140,176	\$ 20,316,298	\$ 52,457,626	End of Year

City of Moreno Valley

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2014

	General Liability Insurance	Workers' Compensation Insurance	Technology Services	Facilities Maintenance
Cash Flows from Operating Activities:				
Cash received from customers	\$ 805,076	\$ 785,600	\$ 3,777,302	\$ 4,350,868
Cash paid to suppliers for goods and services	(267,674)	(84,451)	(2,245,971)	(2,544,945)
Cash paid for claims	(560,901)	(302,857)	-	-
Cash paid to employees for services	(186,779)	(43,195)	(2,046,562)	(803,511)
Net Cash Provided (Used) by Operating Activities	(210,278)	355,097	(515,231)	1,002,412
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	-	-	1,834,813	490,815
Cash transfers out	(43,950)	(4,500)	-	(915,972)
Net Cash Provided (Used) by Non-Capital Financing Activities	(43,950)	(4,500)	1,834,813	(425,157)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	(721,424)	(586,112)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(721,424)	(586,112)
Net Increase (Decrease) in Cash and Cash Equivalents	(254,228)	350,597	598,158	(8,857)
Cash and Cash Equivalents at Beginning of Year	1,884,839	4,180,586	8,754,231	5,379,876
Cash and Cash Equivalents at End of Year	\$ 1,630,611	\$ 4,531,183	\$ 9,352,389	\$ 5,371,019
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (299,284)	\$ 469,479	\$ (611,982)	\$ 861,547
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:				
Depreciation	-	-	569,090	298,535
(Increase) decrease in accounts receivable	-	-	-	50
(Increase) decrease in prepaid costs	-	-	-	3,877
(Increase) decrease in inventories	-	-	-	871
Increase (decrease) in accounts payable	(24,688)	6,107	(474,922)	(207,686)
Increase (decrease) in accrued liabilities	(2,096)	(806)	(38,132)	(14,701)
Increase (decrease) in self-insurance payable	108,000	(122,000)	-	-
Increase (decrease) in compensated absences	7,790	2,317	40,715	59,919
Total Adjustments	89,006	(114,382)	96,751	140,865
Net Cash Provided (Used) by Operating Activities	\$ (210,278)	\$ 355,097	\$ (515,231)	\$ 1,002,412

Non-Cash Investing, Capital, and Financing Activities:

There was no noncash investing, capital or noncapital financing activities for the year ended June 30, 2014.

Equipment Maintenance	Equipment Replacement Reserve	Totals
\$ 725,073	\$ 2,762,666	\$ 13,206,585
(549,672)	-	(5,692,713)
-	-	(863,758)
(214,855)	-	(3,294,902)
(39,454)	2,762,666	3,355,212
-	-	2,325,628
-	(3,147,088)	(4,111,510)
-	(3,147,088)	(1,785,882)
-	-	(1,307,536)
-	-	(1,307,536)
(39,454)	(384,422)	261,794
215,673	20,663,339	41,078,544
\$ 176,219	\$ 20,278,917	\$ 41,340,338
\$ (32,420)	\$ 2,717,636	\$ 3,104,976
2,948	45,030	915,603
-	-	50
-	-	3,877
2,025	-	2,896
(10,760)	-	(711,949)
(4,564)	-	(60,299)
-	-	(14,000)
3,317	-	114,058
(7,034)	45,030	250,236
\$ (39,454)	\$ 2,762,666	\$ 3,355,212

Cash Flows from Operating Activities:

Cash received from customers
Cash paid to suppliers for goods and services
Cash paid for claims
Cash paid to employees for services

Net Cash Provided (Used) by Operating Activities

Cash Flows from Non-Capital Financing Activities:

Cash transfers in
Cash transfers out

Net Cash Provided (Used) by Non-Capital Financing Activities

Cash Flows from Capital and Related Financing Activities:

Acquisition and construction of capital assets

Net Cash Provided (Used) by Capital and Related Financing Activities

Net Increase (Decrease) in Cash and Cash Equivalents

Cash and Cash Equivalents at Beginning of Year

Cash and Cash Equivalents at End of Year

Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:

Operating income (loss)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:

Depreciation
(Increase) decrease in accounts receivable
(Increase) decrease in prepaid costs
(Increase) decrease in inventories
Increase (decrease) in accounts payable
Increase (decrease) in accrued liabilities
Increase (decrease) in self-insurance payable
Increase (decrease) in compensated absences

**Total Adjustments
Net Cash Provided (Used) by Operating Activities**



Agency Funds

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**



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.

Assessment District 98-1 Fund

This fund is used to account for the receipt and remittance of special assessments for the Assessment District 98-1 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

Combining Balance Sheet
All Agency Funds
June 30, 2014

	<u>Deposit Liability</u>	<u>Assessment District 87-4</u>	<u>Assessment District 98-1</u>	<u>TUMF Trust</u>	<u>MSHCP Trust</u>
Assets:					
Pooled cash and investments	\$ 4,023,826	\$ -	\$ 2,704	\$ 141,968	\$ 11,628
Restricted assets:					
Cash with fiscal agents	-	-	-	-	-
Total Assets	<u>\$ 4,023,826</u>	<u>\$ -</u>	<u>\$ 2,704</u>	<u>\$ 141,968</u>	<u>\$ 11,628</u>
Liabilities:					
Accounts payable	\$ 30,766	\$ -	\$ 2,704	\$ 141,968	\$ 11,628
Deposits payable	3,993,060	-	-	-	-
Payable to trustee	-	-	-	-	-
Total Liabilities	<u>\$ 4,023,826</u>	<u>\$ -</u>	<u>\$ 2,704</u>	<u>\$ 141,968</u>	<u>\$ 11,628</u>

Moreno Valley Foundation Donations	CFD # 5 Stoneridge	Riverside County Flood Control and Water Conservation District	Arts Commission	Totals	
\$ 221,650	\$ 22,500	\$ 447,054	\$ 2,597	\$ 4,873,927	Assets:
-	749,308	-	-	749,308	Pooled cash and investments
\$ 221,650	\$ 771,808	\$ 447,054	\$ 2,597	\$ 5,623,235	Restricted assets: Cash with fiscal agents
					Total Assets
\$ -	\$ -	\$ -	\$ 27	\$ 187,093	Liabilities:
-	-	-	-	3,993,060	Accounts payable
221,650	771,808	447,054	2,570	1,443,082	Deposits payable
\$ 221,650	\$ 771,808	\$ 447,054	\$ 2,597	\$ 5,623,235	Payable to trustee
					Total Liabilities

City of Moreno Valley

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2014

	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2014</u>
<u>Deposit Liability</u>				
Assets:				
Pooled cash and investments	\$ 4,119,614	\$ 2,178,470	\$ 2,274,258	\$ 4,023,826
Total Assets	<u>\$ 4,119,614</u>	<u>\$ 2,178,470</u>	<u>\$ 2,274,258</u>	<u>\$ 4,023,826</u>
Liabilities:				
Accounts payable	\$ 12,747	\$ 960,805	\$ 942,786	\$ 30,766
Deposits payable	4,106,867	2,178,470	2,292,277	3,993,060
Total Liabilities	<u>\$ 4,119,614</u>	<u>\$ 3,139,275</u>	<u>\$ 3,235,063</u>	<u>\$ 4,023,826</u>
<u>Assessment District 87-4</u>				
Assets:				
Pooled cash and investments	\$ 105,577	\$ 93	\$ 105,670	\$ -
Due from other governments	93	-	93	-
Total Assets	<u>\$ 105,670</u>	<u>\$ 93</u>	<u>\$ 105,763</u>	<u>\$ -</u>
Liabilities:				
Payable to trustee	\$ 105,670	\$ -	\$ 105,670	\$ -
Total Liabilities	<u>\$ 105,670</u>	<u>\$ -</u>	<u>\$ 105,670</u>	<u>\$ -</u>
<u>Assessment District 98-1</u>				
Assets:				
Pooled cash and investments	\$ 2,649	\$ 55	\$ -	\$ 2,704
Total Assets	<u>\$ 2,649</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 2,704</u>
Liabilities:				
Accounts payable	\$ -	\$ 2,704	\$ -	\$ 2,704
Payable to trustee	2,649	55	2,704	-
Total Liabilities	<u>\$ 2,649</u>	<u>\$ 2,759</u>	<u>\$ 2,704</u>	<u>\$ 2,704</u>
<u>TUMF Trust</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 2,455,556	\$ 2,313,588	\$ 141,968
Total Assets	<u>\$ -</u>	<u>\$ 2,455,556</u>	<u>\$ 2,313,588</u>	<u>\$ 141,968</u>
Liabilities:				
Accounts payable	\$ -	\$ 2,455,556	\$ 2,313,588	\$ 141,968
Total Liabilities	<u>\$ -</u>	<u>\$ 2,455,556</u>	<u>\$ 2,313,588</u>	<u>\$ 141,968</u>
<u>MSHCP Trust</u>				
Assets:				
Pooled cash and investments	\$ 23,256	\$ 2,275,137	\$ 2,286,765	\$ 11,628
Total Assets	<u>\$ 23,256</u>	<u>\$ 2,275,137</u>	<u>\$ 2,286,765</u>	<u>\$ 11,628</u>
Liabilities:				
Accounts payable	\$ 23,256	\$ 2,275,137	\$ 2,286,765	\$ 11,628
Total Liabilities	<u>\$ 23,256</u>	<u>\$ 2,275,137</u>	<u>\$ 2,286,765</u>	<u>\$ 11,628</u>

City of Moreno Valley

Combining Statement of Changes in Assets and Liabilities
All Agency Funds
Year Ended June 30, 2014

	Balance 7/1/2013	Additions	Deductions	Balance 6/30/2014
<u>Moreno Valley Foundation Donations</u>				
Assets:				
Pooled cash and investments	\$ 221,650	\$ -	\$ -	\$ 221,650
Total Assets	\$ 221,650	\$ -	\$ -	\$ 221,650
Liabilities:				
Payable to trustee	\$ 221,650	\$ -	\$ -	\$ 221,650
Total Liabilities	\$ 221,650	\$ -	\$ -	\$ 221,650
<u>CFD # 5 Stoneridge</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 473,068	\$ 450,568	\$ 22,500
Restricted assets:				
Cash and investments with fiscal agents	763,813	423,041	437,546	749,308
Total Assets	\$ 763,813	\$ 896,109	\$ 888,114	\$ 771,808
Liabilities:				
Due to other governments	\$ 4,116	\$ -	\$ 4,116	\$ -
Payable to trustee	759,697	396,624	384,513	771,808
Total Liabilities	\$ 763,813	\$ 396,624	\$ 388,629	\$ 771,808
<u>Riverside County Flood Control and Water Conservation District</u>				
Assets:				
Pooled cash and investments	\$ 455,446	\$ -	\$ 8,392	\$ 447,054
Total Assets	\$ 455,446	\$ -	\$ 8,392	\$ 447,054
Liabilities:				
Payable to trustee	\$ 455,446	\$ -	\$ 8,392	\$ 447,054
Total Liabilities	\$ 455,446	\$ -	\$ 8,392	\$ 447,054
<u>Arts Commission</u>				
Assets:				
Pooled cash and investments	\$ 4,968	\$ 310	\$ 2,681	\$ 2,597
Total Assets	\$ 4,968	\$ 310	\$ 2,681	\$ 2,597
Liabilities:				
Accounts payable	\$ -	\$ 1,210	\$ 1,183	\$ 27
Payable to trustee	4,968	-	2,398	2,570
Total Liabilities	\$ 4,968	\$ 1,210	\$ 3,581	\$ 2,597
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ 4,933,160	\$ 7,382,689	\$ 7,441,922	\$ 4,873,927
Due from other governments	93	-	93	-
Restricted assets:				
Cash and investments with fiscal agents	763,813	423,041	437,546	749,308
Total Assets	\$ 5,697,066	\$ 7,805,730	\$ 7,879,561	\$ 5,623,235
Liabilities:				
Accounts payable	\$ 36,003	\$ 5,695,412	\$ 5,544,322	\$ 187,093
Deposits payable	4,106,867	2,178,470	2,292,277	3,993,060
Due to other governments	4,116	-	4,116	-
Payable to trustee	1,550,080	396,679	503,677	1,443,082
Total Liabilities	\$ 5,697,066	\$ 8,270,561	\$ 8,344,392	\$ 5,623,235



COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**





City of Moreno Valley
Schedule of General Capital Assets
By Function and Activity
June 30, 2014

Function and Activity:	Land	CIP	Buildings and Improvements	Furniture and Equipment
General Government				
City Manager	\$ -	\$ -	\$ -	\$ 773,300
City Clerk	-	-	-	319,048
Administrative Services	590,127	-	-	89,705
Finance	55,204,836	-	18,996,277	1,328,099
Total General Government	<u>55,794,963</u>	<u>-</u>	<u>18,996,277</u>	<u>2,510,152</u>
Public Safety				
Police	1,030,444	-	11,787,424	1,341,853
Fire	1,457,861	-	28,205,362	541,768
Total Public Safety	<u>2,488,305</u>	<u>-</u>	<u>39,992,786</u>	<u>1,883,621</u>
Public Works	251,134,384	24,499,898	-	1,169,056
Community & Economic Development	-	-	5,965,157	132,501
Community Services District	779,584	1,054,137	50,514,544	2,599,873
Internal Service Funds	-	186,937	14,613,180	9,281,165
Grand Total	<u>\$ 310,197,236</u>	<u>\$ 25,740,972</u>	<u>\$ 130,081,944</u>	<u>\$ 17,576,368</u>

<u>Vehicles</u>	<u>Infrastructure</u>	<u>Total</u>	Function and Activity:
\$ 99,428	\$ -	\$ 872,728	General Government
-	-	319,048	City Manager
82,896	-	762,728	City Clerk
760,379	9,933,571	86,223,162	Administrative Services
<u>942,703</u>	<u>9,933,571</u>	<u>88,177,666</u>	Finance
			Total General Government
1,151,752	-	15,311,473	Public Safety
2,182,501	-	32,387,492	Police
<u>3,334,253</u>	<u>-</u>	<u>47,698,965</u>	Fire
			Total Public Safety
3,023,173	771,869,229	1,051,695,740	Public Works
446,156	-	6,543,814	Community & Economic Development
864,722	101,457	55,914,317	Community Services District
666,542	253,113	25,000,937	Internal Service Funds
<u>\$ 9,277,549</u>	<u>\$ 782,157,370</u>	<u>\$ 1,275,031,439</u>	Grand Total



Statistical Section

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**Fiscal Year
Ended June 30, 2014**

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.	179
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its key revenues.	184
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.	190
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.	195
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.	197

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 475,642,146	\$ 523,083,597	\$ 594,870,636	\$ 622,102,140	\$704,987,685	\$ 768,345,954	\$ 784,881,452	\$ 757,856,437	\$ 812,637,341	\$ 841,259,763
Restricted for:										
Community development projects	6,404,249	10,076,376	-	41,908,201	19,960,752	36,341,964	7,079,640	37,716,605	38,269,946	47,104,275
Community and cultural	-	-	-	8,259,181	-	8,368,534	8,968,479	10,880,981	12,219,506	13,201,156
Public safety	2,649,176	1,655,374	973,667	663,854	280,107	2,103,241	644,786	626,545	328,561	328,236
Public works/capital projects	47,442,301	60,687,985	66,493,508	79,745,801	71,335,816	61,365,635	109,095,517	27,654,589	40,264,691	56,388,219
Debt service	21,673,132	12,985,998	12,538,629	7,291,425	17,373,369	15,818,072	12,867,643	11,956,354	12,413,131	11,996,640
Other Programs	-	-	14,863,573	3,598,110	11,731,764	2,545,781	301,868	170,051	311,702	538,101
Permanent funds-nonexpendable	-	59,359	62,537	64,692	66,436	169,287	170,162	188,335	191,646	328,823
Unrestricted	46,215,255	73,846,697	101,941,651	104,545,617	69,630,581	46,594,052	24,461,651	95,014,503	91,359,292	70,552,111
Total Governmental activities net position	<u>\$ 600,026,259</u>	<u>\$ 682,395,386</u>	<u>\$ 791,744,201</u>	<u>\$ 868,179,021</u>	<u>\$ 895,366,510</u>	<u>\$ 941,652,520</u>	<u>\$ 948,471,198</u>	<u>\$ 942,064,400</u>	<u>\$ 1,007,995,816</u>	<u>\$ 1,041,697,324</u>
Business-type activities										
Net investment in capital assets	\$ 1,815,311	\$ 18,151,135	\$ 14,130,659	\$ 14,110,399	\$ 10,083,679	\$ 12,201,754	\$ 13,942,981	\$ 8,396,845	\$ 9,052,878	\$ 9,569,296
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
Unrestricted	(799,941)	(3,713,053)	(634,406)	(2,252,565)	(4,023,374)	(4,520,034)	(5,623,674)	(413,445)	(652,825)	260,457
Total Business-type activities net position	<u>\$ 1,015,370</u>	<u>\$ 14,438,082</u>	<u>\$ 15,100,697</u>	<u>\$ 12,806,041</u>	<u>\$ 7,827,707</u>	<u>\$ 8,839,920</u>	<u>\$ 10,021,344</u>	<u>\$ 10,504,312</u>	<u>\$ 11,845,022</u>	<u>\$ 13,733,416</u>
Primary government										
Net investment in capital assets	\$ 477,457,457	\$ 541,234,732	\$ 609,001,295	\$ 636,212,539	\$ 715,071,364	\$ 780,547,708	\$ 798,824,433	\$ 766,253,282	\$ 821,690,219	\$ 850,829,059
Restricted for:										
Community development projects	6,404,249	10,076,376	-	41,908,201	19,960,752	36,341,964	7,079,640	37,716,605	38,269,946	47,104,275
Community and cultural	-	-	-	8,259,181	-	8,368,534	8,968,479	10,880,981	12,219,506	13,201,156
Public safety	2,649,176	1,655,374	973,667	663,854	280,107	2,103,241	644,786	626,545	328,561	328,236
Public works/capital projects	47,442,301	60,687,985	66,493,508	79,745,801	71,335,816	61,365,635	109,095,517	27,654,589	40,264,691	56,388,219
Debt service	21,673,132	12,985,998	12,538,629	7,291,425	17,373,369	15,818,072	12,867,643	11,956,354	12,413,131	11,996,640
Other Programs	-	-	14,863,573	3,598,110	11,731,764	2,545,781	301,868	170,051	311,702	538,101
Permanent funds-nonexpendable	-	59,359	62,537	64,692	66,436	169,287	170,162	188,335	191,646	328,823
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
Unrestricted	45,415,314	70,133,644	101,307,245	102,293,052	65,607,207	42,074,018	18,837,977	94,601,058	90,706,467	70,812,568
Total primary government net position	<u>\$ 601,041,629</u>	<u>\$ 696,833,468</u>	<u>\$ 806,844,898</u>	<u>\$ 880,985,062</u>	<u>\$ 903,194,217</u>	<u>\$ 950,492,440</u>	<u>\$ 958,492,542</u>	<u>\$ 952,568,712</u>	<u>\$ 1,019,840,838</u>	<u>\$ 1,055,430,720</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 18,583,987	\$ 12,817,483	\$ 10,796,963	\$ 14,416,941	\$ 14,948,628	\$ 12,093,157	\$ 13,001,340	\$ 11,326,363	\$ 11,758,206	\$ 12,081,325
Public safety	42,797,971	47,282,305	43,415,662	54,412,284	50,856,439	58,165,412	59,640,431	56,037,192	56,896,151	53,578,915
Community development	10,041,715	13,666,378	9,643,084	10,964,507	12,036,237	29,663,451	10,003,780	11,317,359	11,886,089	7,755,380
Community and cultural	14,132,146	15,999,800	21,181,096	33,717,135	27,904,884	22,700,681	25,046,848	19,245,060	18,400,148	20,615,807
Public works	11,352,870	10,273,707	30,750,411	29,247,892	36,095,949	14,990,867	34,432,579	36,159,171	39,467,695	43,540,207
Interest on long-term debt	5,514,358	8,079,935	8,724,134	12,081,884	10,334,932	9,126,054	8,333,540	6,415,304	2,552,119	4,031,673
Total Governmental activities expenses	<u>102,423,047</u>	<u>108,119,608</u>	<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>141,603,307</u>
Business-type activities:										
Electric	1,080,589	3,673,509	8,298,955	12,282,161	14,067,086	13,812,966	14,807,788	16,549,224	18,139,446	19,796,146
Total business-type activities expenses	<u>1,080,589</u>	<u>3,673,509</u>	<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>
Total primary government expenses	<u>\$ 103,503,636</u>	<u>\$ 111,793,117</u>	<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>\$ 161,399,453</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,855,342	\$ 2,447,730	\$ 2,994,550	\$ 1,329,861	\$ 1,144,983	\$ 3,148,712	\$ 5,008,441	\$ 7,056,028	\$ 9,505,989	\$ 5,057,964
Public safety	1,158,745	2,040,725	1,212,229	4,948,923	6,559,817	4,371,535	2,787,962	2,738,303	2,951,403	3,077,843
Community development	10,814,238	12,576,280	12,947,546	6,962,389	7,607,316	4,071,460	4,911,984	5,973,104	4,821,911	7,620,631
Community and cultural	9,012,514	10,067,509	10,963,716	12,163,575	14,982,931	11,254,752	11,237,049	11,584,756	11,343,108	6,518,337
Public works	14,639,669	20,523,959	10,612,170	19,134,172	7,840,754	2,264,619	3,364,804	1,495,407	3,109,029	2,604,218
Operating contributions and grants:										
General government	2,121,229	422,310	622,513	-	92,319	66,861	940,799	1,094,413	2,974,751	121,564
Public safety	773,875	838,921	931,062	704,324	385,195	1,016,552	1,009,290	988,848	796,155	687,498
Community development	1,586,824	3,252,611	4,023,295	2,873,752	2,541,925	8,909,018	5,769,165	4,028,880	9,928,414	4,972,354
Community and cultural	68,396	133,325	100,777	6,911,186	5,936,040	5,174,090	6,635,271	6,284,823	7,166,971	7,515,185
Public works	887,750	2,985,031	460,787	631,830	3,901,583	6,345,620	6,353,159	15,499,751	15,250,978	12,279,173
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
Community and cultural	-	-	-	-	239,746	-	-	-	-	-
Public works	2,160,498	24,442,306	74,752,980	74,004,139	31,573,778	70,826,175	29,208,716	(270,863)	37,847,697	6,544,892
Total governmental activities program revenues	<u>45,079,080</u>	<u>79,730,707</u>	<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>
Business-type activities:										
Charges for services										
Electric	1,356,555	11,445,287	8,712,097	10,311,654	12,430,482	13,326,364	15,671,939	16,778,766	19,098,088	20,213,736
Capital contributions and grants	-	-	1,604,577	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>1,356,555</u>	<u>11,445,287</u>	<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>
Total primary government program revenues	<u>\$ 46,435,635</u>	<u>\$ 91,175,994</u>	<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>

(Continued)

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net (Expense)/Revenue										
Governmental activities	\$ (57,343,967)	\$ (28,388,901)	\$ (4,889,725)	\$ (25,176,492)	\$ (69,370,682)	\$ (28,193,530)	\$ (72,676,927)	\$ (78,076,846)	\$ (34,906,609)	\$ (74,856,544)
Business-type activities	275,966	7,771,778	2,017,719	(1,970,507)	(1,636,604)	(486,602)	864,151	229,542	958,642	417,590
Total primary government net (expense)/revenue	\$ (57,068,001)	\$ (20,617,123)	\$ (2,872,006)	\$ (27,146,999)	\$ (71,007,286)	\$ (28,680,132)	\$ (71,812,776)	\$ (77,847,304)	\$ (33,947,967)	\$ (74,438,954)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 19,678,253	\$ 18,001,808	\$ 23,379,735	\$ 30,351,211	\$ 28,316,208	\$ 16,836,699	\$ 22,699,683	\$ 18,342,475	\$ 13,088,911	\$ 14,281,943
Property taxes in lieu	8,644,834	12,068,070	14,150,000	16,728,600	16,791,078	13,703,197	13,055,796	13,170,964	13,414,446	13,871,754
Transient occupancy tax	519,193	582,307	586,383	593,009	497,936	535,775	692,586	747,100	831,881	991,431
Sales tax	18,054,078	12,275,626	15,701,460	13,623,654	12,163,719	10,982,811	12,277,450	14,003,993	14,043,560	15,887,129
Franchise taxes	3,791,547	4,099,859	4,349,870	4,381,882	4,876,055	4,607,594	4,888,143	5,008,507	5,147,342	5,361,531
Business license taxes	1,457,521	1,240,764	1,315,039	1,111,021	1,051,702	961,303	1,053,146	1,175,104	1,305,925	1,581,918
Utility users tax	12,527,514	13,811,740	15,463,291	15,186,616	15,081,286	15,358,341	15,317,439	15,591,386	15,683,931	15,595,141
Other taxes	4,497,323	5,448,829	6,320,978	2,620,059	2,683,193	2,278,529	1,204,064	1,155,334	1,325,025	6,467,203
Franchise in lieu taxes	9,699	42,788	78,573	96,816	120,969	132,548	150,456	168,267	189,577	194,943
Documentary transfer tax	1,391,199	1,548,205	972,995	575,003	598,084	479,208	424,931	434,554	350,413	447,103
Intergovernmental-motor vehicle in lieu, unrestricted	3,484,623	11,899,563	16,054,145	800,667	865,718	547,188	-	-	-	-
Use of property and money	5,295,415	6,959,412	13,467,580	16,380,462	9,381,199	10,850,116	5,298,098	8,708,429	2,236,328	4,718,739
Gain on sale of capital assets	-	-	-	2,575	-	-	605	-	-	-
Miscellaneous	5,435,103	1,820,976	405,679	885,602	1,787,772	1,238,641	2,784,308	469,671	1,728,104	696,377
Extraordinary items	-	-	-	-	-	-	-	(7,305,736)	31,492,582	26,364,076
Transfers	(16,857)	(1,257,370)	(75,851)	61,817	653,554	225,192	(107,841)	-	-	(904,032)
Total governmental activities	84,769,445	88,542,577	112,169,877	103,398,994	94,868,473	78,737,142	79,738,864	71,670,048	100,838,025	105,555,256
Business-type activities										
Use of property and money	-	-	-	-	-	61,428	29,540	89,183	8,848	35,249
Other	589,027	-	-	-	131,033	1,250,000	179,892	164,243	373,220	531,523
Transfers	16,857	1,257,370	75,851	(61,817)	(653,554)	(225,192)	107,841	-	-	904,032
Total business-type activities	605,884	1,257,370	75,851	(61,817)	(522,521)	1,086,236	317,273	253,426	382,068	1,470,804
Total primary government	\$ 85,375,329	\$ 89,799,947	\$ 112,245,728	\$ 103,337,177	\$ 94,345,952	\$ 79,823,378	\$ 80,056,137	\$ 71,923,474	\$ 101,220,093	\$ 107,026,060
Change in Net Position										
Government activities	\$ 27,425,478	\$ 60,153,676	\$ 107,280,152	\$ 78,222,502	\$ 25,497,791	\$ 50,543,612	\$ 7,061,937	\$ (6,406,798)	\$ 65,931,416	\$ 30,698,712
Business-type activities	881,850	9,029,148	2,093,570	(2,032,324)	(2,159,125)	599,634	1,181,424	482,968	1,340,710	1,888,394
Total primary government	\$ 28,307,328	\$ 69,182,824	\$ 109,373,722	\$ 76,190,178	\$ 23,338,666	\$ 51,143,246	\$ 8,243,361	\$ (5,923,830)	\$ 67,272,126	\$ 32,587,106

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund										
Reserved	\$ 6,052,320	\$ 11,808,994	\$ 13,580,492	\$ 35,752,164	\$ 34,787,698	\$ 33,788,960	\$ -	\$ -	\$ -	\$ -
Unreserved	24,992,976	25,920,111	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
Restricted	-	-	-	-	-	-	-	1,000,000	-	-
Committed	-	-	-	-	-	-	2,600,000	2,600,000	2,701,000	2,729,722
Assigned	-	-	-	-	-	-	1,414,860	2,613,937	646,598	1,156,993
Unassigned	-	-	-	-	-	-	36,634,651	29,814,811	25,528,774	27,536,445
Total General Fund	<u>\$31,045,296</u>	<u>\$ 37,729,105</u>	<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>
All Other Funds										
Reserved	\$21,994,729	\$ 49,040,215	\$ 49,559,718	\$ 90,143,820	\$ 86,530,127	\$ 79,688,486	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	44,049,195	47,464,569	48,534,518	50,516,963	42,222,678	30,378,947	-	-	-	-
Capital projects funds	(2,959,368)	27,383,018	36,453,807	29,300,262	27,359,094	27,373,151	-	-	-	-
Debt service funds	917,262	949,518	-	-	-	-	-	-	-	-
Permanent funds	-	59,359	-	-	66,436	169,287	-	-	-	-
Nonspendable	-	-	-	-	-	-	32,582,050	35,169,140	35,479,835	6,848,083
Restricted	-	-	-	-	-	-	106,735,045	54,025,315	68,502,016	123,037,367
Committed	-	-	-	-	-	-	13,321	17,332	17,332	-
Assigned	-	-	-	-	-	-	15,151,482	19,708,984	11,130,251	-
Unassigned	-	-	-	-	-	-	(33,954,694)	(692,943)	(1,074,556)	(449,279)
Total all other funds	<u>\$64,001,818</u>	<u>\$124,896,679</u>	<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>

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenue										
Taxes	\$ 54,463,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property tax	-	14,342,099	26,854,009	30,351,211	28,316,208	16,836,699	22,699,683	18,342,475	13,088,911	14,281,943
Property taxes in lieu	-	12,068,070	14,150,000	16,728,600	16,791,078	13,703,197	13,055,796	13,170,964	13,414,446	13,871,754
Utility taxes	-	13,811,740	15,463,291	15,186,616	15,081,286	15,358,341	15,317,439	15,591,386	15,683,931	15,595,141
Sales taxes	-	12,275,627	15,701,460	13,623,654	12,163,719	10,982,811	12,277,450	14,003,993	14,043,560	15,887,129
Other taxes	-	16,622,460	9,637,850	9,377,790	9,827,939	8,994,957	8,413,326	8,688,866	9,150,163	15,044,129
Licenses, fees and permits	12,159,692	13,041,187	13,552,983	2,650,530	1,930,905	1,354,188	1,532,514	1,523,800	1,585,312	2,164,753
Charges for services	25,755,085	18,574,210	25,046,576	24,745,073	21,876,389	20,182,147	21,497,689	25,480,671	27,718,832	20,229,634
Intergovernmental	27,037,053	33,213,048	16,703,254	31,497,898	32,642,154	39,049,424	27,591,342	28,993,998	38,624,704	28,810,219
Use of property and money	4,438,468	7,199,105	13,466,716	16,380,462	9,381,199	10,850,116	7,027,197	7,605,758	1,749,494	4,034,589
Fines and forfeitures	1,097,508	1,205,173	1,159,350	1,293,056	1,262,712	1,176,403	833,799	653,285	650,259	619,942
Contributions from successor agency	-	-	-	-	-	-	-	900,124	2,811,741	9,729,528
Miscellaneous/other	4,078,406	2,652,320	1,089,949	885,602	1,787,772	1,238,641	4,251,577	1,424,186	3,162,871	2,269,465
Total revenues	<u>129,030,033</u>	<u>145,005,039</u>	<u>152,825,438</u>	<u>162,720,492</u>	<u>151,061,361</u>	<u>139,726,924</u>	<u>134,497,812</u>	<u>136,379,506</u>	<u>141,684,224</u>	<u>142,538,226</u>
Expenditures										
General government	14,983,932	10,723,374	12,060,789	14,681,999	14,825,012	12,607,630	14,504,781	14,442,873	12,099,984	12,019,962
Public Safety	36,806,865	43,478,949	50,276,192	56,361,973	57,866,348	58,311,716	58,152,125	54,602,358	58,393,974	53,492,051
Community development	8,711,599	24,608,096	10,116,658	18,144,115	13,895,163	15,003,855	9,061,184	10,530,127	12,374,216	7,923,409
Community and cultural	12,331,683	14,889,677	19,286,807	32,683,219	27,331,726	21,982,074	23,006,061	17,348,779	18,021,610	19,232,689
Public works	9,999,497	21,262,923	31,391,248	34,616,617	45,328,685	13,796,314	15,018,071	15,588,709	15,673,611	18,273,006
Capital outlay	19,885,754	-	-	-	-	26,269,751	23,879,656	27,709,622	45,615,380	27,212,890
Debt service										
Principal retirement	2,723,847	2,896,585	3,095,000	18,538,387	4,154,660	3,690,094	11,724,021	3,965,407	3,017,500	13,884,500
Interest and fiscal charges	5,381,740	7,334,361	8,476,750	9,213,625	10,382,080	9,198,762	8,345,084	6,250,237	2,462,481	3,284,958
Bond issuance costs	-	664,638	326,385	2,413,464	-	-	-	-	-	895,960
Total expenditures	<u>110,824,917</u>	<u>125,858,603</u>	<u>135,029,829</u>	<u>186,653,399</u>	<u>173,783,674</u>	<u>160,860,196</u>	<u>163,690,983</u>	<u>150,438,112</u>	<u>167,658,756</u>	<u>156,219,425</u>
Excess of revenues over/ (under) expenditures	<u>18,205,116</u>	<u>19,146,436</u>	<u>17,795,609</u>	<u>(23,932,907)</u>	<u>(22,722,313)</u>	<u>(21,133,272)</u>	<u>(29,193,171)</u>	<u>(14,058,606)</u>	<u>(25,974,532)</u>	<u>(13,681,199)</u>
Other Financing Sources (Uses)										
Issuance of debt	-	48,205,000	5,870,000	58,412,429	-	-	7,447,764	-	-	-
Transfers in	24,871,852	37,201,043	33,422,242	38,016,856	27,284,397	29,322,934	18,994,235	25,245,873	16,689,425	30,993,218
Transfers out	(24,165,709)	(38,480,919)	(30,526,931)	(36,688,115)	(24,926,511)	(26,106,962)	(19,012,256)	(25,818,899)	(15,473,618)	(30,111,368)
Sale of capital assets	-	-	-	442,085	-	-	-	-	-	-
Premium on debt issued	-	570,840	-	-	-	-	-	-	-	905,166
Discount on debt issued	-	(385,640)	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agents	(5,006,586)	-	-	-	-	-	-	-	-	-
Other debts issued	250,767	-	-	-	-	-	-	-	-	20,000,000
Refunding bonds issued	-	-	-	-	-	-	-	-	-	10,454,230
Total other financing sources (uses)	<u>(4,049,676)</u>	<u>47,110,324</u>	<u>8,765,311</u>	<u>60,183,255</u>	<u>2,357,886</u>	<u>3,215,972</u>	<u>7,429,743</u>	<u>(573,026)</u>	<u>1,215,807</u>	<u>32,241,246</u>
Extraordinary Items	-	-	-	-	-	-	-	(2,566,209)	23,492,746	-
Net change in fund balances	<u>\$ 14,155,440</u>	<u>\$ 66,256,760</u>	<u>\$ 26,560,920</u>	<u>\$ 36,250,348</u>	<u>\$(20,364,427)</u>	<u>\$(17,917,300)</u>	<u>\$(21,763,428)</u>	<u>\$(17,197,841)</u>	<u>\$ (1,265,979)</u>	<u>\$ 18,560,047</u>
Debt service as a percentage of noncapital expenditures	8.91%	10.54%	10.56%	19.40%	10.65%	9.58%	14.35%	8.59%	4.39%	13.74%

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

Fiscal Year	Property Tax					Transient Occupancy	Franchise	Motor Vehicle In-Lieu	Business		Documentary Transfer	Total
	Property	In-Lieu of Vehicle License Fees	Utility Users	Sales & Use					License Gross Receipt			
2005	\$ 7,230,082	\$ 8,644,834 ⁽¹⁾	\$ 12,527,514	\$ 11,753,794	\$ 519,193	\$ 3,791,546	\$ 3,478,877 ⁽¹⁾	\$ 1,059,009	\$ 1,391,200	\$ 50,396,049		
2006	11,930,618	12,068,070	13,811,740	11,317,841 ⁽²⁾	582,307	4,142,646	1,275,342	1,240,764	1,548,205	57,917,533		
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 ⁽³⁾	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		
Change 2005 to 2014	48.00% ⁽³⁾	60.00% ⁽³⁾	24.00% ⁽³⁾	35.00% ⁽³⁾	91.00%	47.00%	-98.00%	49.00%	-68.00%	28.00%		

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(1) In 2005 the governor instituted the "triple-flip" which changed the funding source for Vehicle License Fees to the ERAF fund and changed the allocation of funds to cities from a per capita computation to the change in the assessed valuation of property. The foundation of the fee is not based on the tax rates established by the City and as such is not considered to be property tax. Because this revenue is under the control of the state it would be considered a "shared" revenue rather than an "own-source" revenue.

(2) The decline in sales tax reported in FY 2006 is related to the implementation of the "Triple-Flip" and a take-back of revenues related to a change in the formula that was used to allocate funds to the cities. The amount of the take-back was \$720,000.

(3) Documentary Transfer Tax has declined since FY 2006. This decline is due to the combination of a decrease in the number of properties that transferred ownership and the decline in the value of properties being transferred.

Source: City of Moreno Valley Financial and Management Services Department

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

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Utility Users Tax	\$ 12,527,514	\$ 13,811,740	\$ 15,463,291	\$ 15,186,616	\$15,081,286	\$15,358,341	\$15,317,439	\$15,591,386	\$15,683,931	\$15,595,141
Property Tax	7,230,082	11,930,618	14,022,135	14,361,253	12,790,196	9,917,734	9,430,846	9,397,373	9,765,007	10,668,782
Property Tax In-Lieu of VLF	8,644,834	12,068,070	14,150,000	16,728,600	16,791,078	13,703,197	13,055,796	13,170,964	13,414,446	13,871,754
Vehicle License In-Lieu Fees	3,478,877	1,275,342	943,313	800,667	865,718	547,188	887,331	96,578	100,727	84,056
Sales Tax	8,696,776	8,623,390	9,472,304	7,942,982	7,135,246	6,952,123	8,113,635	10,848,031	10,523,544	11,478,971
Property Tax In-Lieu of Sales Tax	3,057,018	2,694,451	3,643,967	3,751,543	3,067,138	2,346,173	3,169,800	3,155,962	3,520,016	4,408,158
Development Services	10,968,374	12,592,569	12,473,161	8,706,327	5,510,492	2,631,820	2,675,770	3,928,365	3,586,632	5,832,468

Notes:

In late FY 2004 due to budget constraints the State of California discontinued the back-fill of the Vehicle In-Lieu fees which accounted for approximately two-thirds of the total amount paid to local government. In 2005 this "gap" amount was repaid to local agencies which for the City of Moreno Valley amounted to \$2,547,036.

The FY 03/04 State of California budget withheld a portion of the Vehicle License Fee back-fill owed to cities. Under the terms of the borrowing the Vehicle License Fee gap loan, as it was known, was to be repaid in FY 06/07. The City of Moreno Valley, along with a number of other cities, sold the rights to the receivable to a third party, California Communities, in order to receive the cash on a more timely basis. The agreement resulted in the City receiving a discounted amount of \$2,347,317 of the original receivable amount of \$2,547,036 in FY 04/05.

In FY 2005 in order to provide collateral for the Budget Deficit Bonds the State of California began withholding twenty five percent of the City's sales tax and replaced it with a like amount from the ERAF fund. This switch was one of the components of the "Triple-flip" and unlike the switch of vehicle license fees, which is permanent, only lasts until the bonds are repaid or mature.

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
2005	\$ 9,182,553	\$ 154,604	\$ 9,337,157	\$ (109,759)	\$ 9,227,398	0.00116	\$ 1,643,835	\$ 82,341	\$ 1,726,176	\$ (34,169)	\$ 1,692,007	0.00572	0.00187
2006	11,327,235	165,133	11,492,368	(118,051)	11,374,317	0.00131	2,028,330	85,608	2,113,938	(35,633)	2,078,305	0.00643	0.00210
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

Source: Riverside County Auditor/Controller

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	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
City Direct Rate:	\$0.00116	\$0.00131	\$0.00140	\$0.00143	\$0.00131	\$0.00160	\$0.00164	\$0.00258	\$0.00177	\$0.00185
Redevelopment Agency Direct Rate:	0.00572	0.00643	0.00672	0.00838	0.01045	0.00675	0.00575	0.00000	0.00000	0.00000
Total Direct Tax Rate:	0.00187	0.00210	0.00226	0.00264	0.00265	0.00256	0.00242	0.00258	0.00177	0.00185
Eastern Municipal Water Imp Dist	0.02900	0.02300	0.01500	0.01500	0.00700	0.03000	0.03000	0.03000	0.03000	0.03000
Metro Water Dist Original Area	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350	0.00350
Moreno Valley Unified School District	0.03395	0.03149	0.02271	0.03066	0.03081	0.02660	0.03357	0.04096	0.04060	0.04354
Nuvview School District	0.00000	0.00000	0.00000	0.02998	0.02996	0.02790	0.02987	0.02988	0.04043	0.07389
Perris Union High School District	0.01192	0.02350	0.03222	0.02110	0.02031	0.02686	0.03126	0.03429	0.03429	0.06970
Riverside City Community College District	0.01800	0.01800	0.01800	0.01259	0.01254	0.01242	0.01499	0.01700	0.01702	0.01768
San Jacinto Unified School District	0.02812	0.02451	0.01407	0.07202	0.09600	0.09052	0.11744	0.12875	0.12800	0.12746
Val Verde Unified District	0.00000	0.00000	0.00000	0.00000	0.03189	0.04089	0.03347	0.03160	0.08383	0.07235
Total Tax Rate	<u>\$0.13554</u>	<u>\$0.13554</u>	<u>\$0.11708</u>	<u>\$0.19830</u>	<u>\$0.24722</u>	<u>\$0.22708</u>	<u>\$0.30411</u>	<u>\$0.32134</u>	<u>\$0.38121</u>	<u>\$0.44182</u>

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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

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

Taxpayer	Fiscal Year 2013/2014			Fiscal Year 2004/2005		
	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)	\$ 202,007,054	1	1.81%	\$ -		0.00%
Ross Dress for Less, Inc.	134,148,489	2	1.21%	-		0.00%
Walgreen Company	117,221,041	3	1.05%	63,029,274	1	0.84%
Stonegate 552	82,614,238	4	0.74%	-		0.00%
IIT Inland Empire Logistics Center	76,952,001	5	0.69%	-		0.00%
Kaiser Foundation Hospitals	65,975,333	6	0.59%	-		0.00%
First Industrial LP	61,643,457	7	0.55%	-		0.00%
FR Cal Moreno Valley	49,509,039	8	0.44%	-		0.00%
CLPF 16850 Heacock Street	47,765,266	9	0.43%	-		0.00%
2250 Town Circle Holdings	47,165,814	10	0.42%	-		0.00%
Homart Newco Two, Inc.			0.00%	40,384,967	2	0.54%
Divi Divi Tree Limited Partnership	-		0.00%	28,290,136	3	0.38%
TSC	-		0.00%	27,168,541	4	0.36%
Moreno Valley Plaza Unlimited	-		0.00%	25,859,701	5	0.34%
Desert Pointe Properties	-		0.00%	19,351,881	6	0.26%
Lowes HIW, Inc.	-		0.00%	15,832,566	7	0.21%
May Company Department Stores	-		0.00%	15,086,961	8	0.20%
El Corte Ingles	-		0.00%	14,566,065	9	0.19%
Cardinal CG Company	-		0.00%	13,671,409	10	0.18%
	<u>\$ 885,001,732</u>		<u>7.93%</u>	<u>\$ 263,241,501</u>		<u>3.50%</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
2005	\$ 26,783,221	\$26,775,299	99.97%	\$ 7,922	\$26,783,221	100.00%
2006	32,385,248	32,347,436	99.88%	37,812	32,385,248	100.00%
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%

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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 2013/14 Assessed Valuation \$ 11,179,377,465

	Total Debt 6/30/2014	% Applicable(1)	City's Share of Debt 6/30/2014
OVERLAPPING TAX AND ASSESSMENT DEBT			
Metropolitan Water District	\$ 132,275,000	0.511%	\$ 675,925
Eastern Municipal Water District I.D. No U-22	3,126,000	100	3,126,000
Riverside Community College District	230,214,563	14.375	33,093,343
Moreno Valley Unified School District	36,708,521	84.134	30,884,347
San Jacinto Unified School District	43,516,722	0.461	200,612
Val Verde Unified School District	100,986,948	37.644	38,015,527
Moreno Valley Unified School District Community Facilities District No. 88-1	2,580,000	100	2,580,000
Moreno Valley Unified School District Community Facilities District No. 2002-1	7,790,000	100	7,790,000
Moreno Valley Unified School District Community Facilities District No. 2003-1&2	11,280,000	100	11,280,000
Moreno Valley Unified School District Community Facilities District No. 2004-1	3,000,000	100	3,000,000
Moreno Valley Unified School District Community Facilities District No. 2004-2	5,300,000	100	5,300,000
Moreno Valley Unified School District Community Facilities District No. 2004-3	3,860,000	100	3,860,000
Moreno Valley Unified School District Community Facilities District No. 2004-5	4,825,000	100	4,825,000
Moreno Valley Unified School District Community Facilities District No. 2004-6	26,715,000	100	26,715,000
Moreno Valley Unified School District Community Facilities District No. 2005-2, 3 & 5	23,775,000	100	23,775,000
Val Verde Unified School District Community Facilities District No. 98-1	19,600,000	100	19,600,000
Val Verde Unified School District Community Facilities District No. 2003-2	2,490,000	100	2,490,000
Eastern Municipal Water District Community Facilities District	12,975,000	100	12,975,000
City of Moreno Valley Community Facilities District No. 5	5,725,000	100	5,725,000
City of Moreno Valley Community Facilities District No. 87-1, I.A. No. 1	2,835,000	100	2,835,000
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 238,745,753

DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Riverside County General Fund Obligations	692,656,315	5.334%	\$ 36,946,288
Riverside County Pension Obligations	334,515,000	5.334%	17,843,030
Riverside County Board of Education Certificates of Participation	2,700,000	5.334%	144,018
Mt. San Jacinto Community College District General Fund Obligations	11,390,000	0.015%	1,709
Moreno Valley Unified School District Certificates of Participation	13,280,000	84.134%	11,172,995
San Jacinto Unified School District Certificates of Participation	41,080,000	0.461%	189,379
Val Verde Unified School District Certificates of Participation	79,365,000	37.644%	29,876,161
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			96,173,580
Less: Riverside County self-supporting obligations			495,174
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			95,678,406
City Direct Debt (City of Moreno Valley General Fund Obligations)			69,211,500
TOTAL DIRECT & OVERLAPPING DEBT			\$ 164,889,906

OVERLAPPING TAX INCREMENT DEBT: 81,610,000 33.477-100 \$ 59,402,468

TOTAL DIRECT DEBT	69,211,500
TOTAL GROSS OVERLAPPING DEBT	394,321,802
TOTAL NET OVERLAPPING DEBT	393,826,628
GROSS COMBINED TOTAL DEBT	463,533,302 (2)
NET COMBINED TOTAL DEBT	463,038,127

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 2013-14 Assessed Valuation:

Total Gross Overlapping Tax and Assessment Debt 2.14%

Ratios to Adjusted Assessed Valuation:

Total Direct Debt (\$69,211,500) 0.62%
Gross Combined Total Debt 4.15%
Net Combined Total Debt 4.14%

Ratios to Redevelopment Incremental Valuation (\$2,139,503,829): 2.78%

Total Overlapping Tax Increment Debt

KD: (\$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 2014	
Assessed Value	\$ 12,199,659
Debt Limit (15% of assessed value)	1,829,949
Debt applicable to limit:	-
	-
Total net debt applicable to limit	<u>\$ -</u>

	Fiscal Year ⁽¹⁾									
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed Valuation (in thousands)	\$ 7,227,360	\$ 9,075,495	\$ 11,220,188	\$ 13,374,229	\$ 13,375,965	\$ 10,862,814	\$ 10,366,869	\$ 10,462,566	\$ 10,590,832	\$ 12,199,659
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation (in thousands)	1,806,840	2,268,874	2,805,047	3,343,557	3,343,991	2,715,704	2,591,717	2,615,642	2,647,708	3,049,915
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit (in thousands)	271,026	340,331	420,757	501,534	501,599	407,356	388,758	392,346	397,156	457,487
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin (in thousands)	271,026	340,331	420,757	501,534	501,599	407,356	388,758	392,346	397,156	457,487
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 ⁽²⁾	Governmental Activities						Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt per Capita
	Special Tax Bonds	Certificates of Participation	Lease Revenue Bonds	<u>RDA Tax</u> <u>Allocation Bonds</u>	Notes and Other	Governmental Activities	Lease Revenue Bonds			
2005	\$25,130,000	\$ 7,625,000	\$ 4,590,000	\$ -	\$ 4,660,558	\$ 42,005,558	\$ -	\$ 42,005,558	1.40%	254
2006	23,345,000	7,115,000	47,530,000	-	4,866,378	82,856,378	4,647,000	87,503,378	2.75%	501
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	19,870,447	37,330,333	- ⁽⁴⁾	11,874,411	78,735,191	27,836,607	106,571,798	2.95%	535

Notes:

- 1) These ratios are calculated using personal income and population for the prior year.
- 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.
- 4) No Longer considered general bonded debt as the result of the dissolution of the Redevelopment Agency.

Source: City of Moreno Valley Financial and Management Services Department
City of Moreno Valley Economic Development 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, ⁽²⁾	Special Tax Bonds	Certificates of Participation	Lease Revenue Bonds	Total Governmental Activities	Percent of Assessed Value ⁽¹⁾	Per Capita
2006	\$ 23,345,000	\$ 7,115,000	\$ 47,530,000	\$ 77,990,000	0.86%	447
2007	21,415,000	6,590,000	46,890,000	74,895,000	0.67%	415
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	19,870,447	37,330,333	66,860,780	0.60%	336

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

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 Levy	Property Tax Increment	Debt Service		Coverage	Special Tax Levy	Debt Service		Coverage	Property Tax Increment	Debt Service		Coverage	Special Tax Levy	Property Tax Increment	Debt Service		Coverage	
			Principal	Interest			Principal	Interest			Principal	Interest				Principal	Interest		
2005	\$ 1,121,094	\$ 116,871	\$ 575,000	\$ 469,150	1.19	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -		
2006	1,189,465	73,700	640,000	426,625	1.18	-	-	-		-	-	-		-	-	-	-		
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	

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	-	-	-	-

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1) The interest payment related to the CFD 5 - Stoneridge was paid from the capitalized interest account but in future years this will be paid from the special tax.

Data Source: City of Moreno Valley Financial and Management Services Department
City of Moreno Valley Community Redevelopment Agency
City of Moreno Valley Special Districts

City of Moreno Valley
 Demographic and Economic Statistics
 Last seven years

<u>Calendar Year (1)</u>	<u>Population</u>	<u>Personal Income (in thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	183,860	\$ 3,423,011	\$ 17,997	9.9%
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%

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(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

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

Employer	Sector	Business Type	2014		2006	
			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	26.12%	9,167	26.71%
Moreno Valley Unified School District	Public Sector	Public Schools	3,442	10.45%	3,447	10.04%
Riverside County Regional Medical Center	Medical Facilities	County Hospital	2,987	9.07%	2,000	5.83%
Ross Dress For Less/DD's Discounts	Distribution	Retail Distribution	1,921	5.83%	0	0.00%
Moreno Valley Mall (excludes major tenants)	Retail	Retail Mall	1,390	4.22%	1,000	2.91%
Kaiser Permanente Community Hospital/Office	Medical Facilities	Hospital/Medical Services	944	2.87%	0	0.00%
iHerb, Inc	Distribution	Natural Supplements Distribution	750	2.28%	0	0.00%
City of Moreno Valley/Police/Fire Depts	Public Sector	Municipal Government	684	2.08%	833	2.43%
Val Verde Unified School District (MV only)	Public Sector	Public Schools	674	2.05%	695	2.02%
Walgreens Co.	Distribution	Retail Distribution	600	1.82%	600	1.75%

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

Source: City of Moreno Valley Economic Development Department

City of Moreno Valley
 Full-time and Part-time City Employees by Function
 Past Nine Years

<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Government	143	153	150	142	150	147	125	96	93
Public Works	126	134	141	151	146	143	134	122	121
Community Development	71	74	74	72	68	59	66	59	49
Parks and Community Services	123	184 ⁽²⁾	240	238	453	101 ⁽³⁾	118	112	113
Animal Services	24	26	27	29	27	21	19	21	22
Redevelopment Agency	17	17	18	16	14	12	0	0	0
Public Safety ⁽¹⁾	329	356	383	393	415	407	407	318	286
	<u>833</u>	<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>

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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.

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.

Source: City of Moreno Valley Financial and Management Services Department

City of Moreno Valley
 Capital Asset Statistics
 Last Seven Fiscal Years

	2008	2009	2010	2011	2012	2013	2014
Lane miles of streets	1,076	1,076	1,076	1,076	1,076	1,095	1,080
Number of street lights	11,027	11,037	11,046	11,260	11,358	11,381	11,449
Number of traffic signals	162	167	170	173	175	180	182
Fire protection:							
Number of stations	6	6	6	6	6	7	7
Police protection:							
Number of policing stations	1	1	1	1	1	1	1
Number of policing substations	4	4	4	4	6	6	6
Recreation and culture:							
Parks	38	39	37	37	37	37	37
Maintained acreage of parks	529.55	531.48	531.48	531.66	519.91	519.91	520
Parks under construction	7	6	6	1	1	1	1
Acreage of parks under construction	27.07	25.14	25.14	12.25	12.75	12.75	12.75
Multi-use athletic fields	21	21	21	21	21	21	21
Conference/Recreation centers	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
Senior Centers	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
Equestrian centers	1	1	1	1	1	1	1
Maintained acreage of equestrian centers	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
Community centers	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
Sports courts	44	44	44	44	44	44	44
Skate parks	1	1	1	1	1	1	1
Square footage of skate parks	1,850	1,850	1,850	1,851	1,850	1,850	1,850
Soccer Arena	0	0	0	0	1	1	1
Nine-hole golf courses	1	1	1	1	1	1	1
Play apparatus	23	24	26	26	26	26	26
Water play features	2	2	2	2	2	2	2
Utilities:							
Residential utility meters	4,702	4,802	4,904	5,003	5,028	5,091	5,202
Commercial utility meters	499	565	545	599	592	607	639

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 Seven Fiscal Years

	2008	2009	2010	2011	2012	2013	2014
Square mileage of area	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	85	81	80	79	71	72	69
Volunteers	25	25	25	10	16	16	25
Non-sworn personnel	10	8	8	8	8	8	11
OEM non-sworn personnel	0	0	0	0	2	3	3
Responses to emergency calls	13,011	12,971	13,530	15,268	14,824	15,905	16,340
Inspections and Permits	4,269	3,522	2,369	3,383	2,304	2,400	3,251
Apartment Complex Inspections	0	0	0	0	849	872	1,476
Plan checks	1,482	664	424	358	786	1,218	1,646
Counter/Public inquires	7,932	7,249	2,734	2,452	2,671	2,431	2,966
Police protection:							
Provided through contract with the County of Riverside Sheriff's Department:							
Sworn officers	188	186	184	186	181	181	153
Classified personnel	56	55	54	55	54	51	49
City support personnel	4	3	3	3	3	3	2
Volunteers	39	56	62	77	85	77	69
Responses to Calls:							
Priority 1	429	572	519	423	363	425	402
Priority 1A	1,271	1,110	1,181	1,274	1,289	1,584	1,500
Priority 2	24,819	24,967	24,938	27,797	26,021	27,733	28,048
Priority 3	24,859	26,466	24,800	27,487	29,393	29,860	28,521
Priority 4	16,932	17,592	16,630	18,625	18,087	17,280	16,662
Priority 5	2	91	1	1	1	1	63
Priority 6	0	0	0	0	0	0	0
Priority 7	0	0	0	0	0	0	0
Priority 8	0	0	0	1	1	0	0
Priority 9	174	248	279	312	223	347	436
Cancelled	5,983	5,359	5,222	5,543	5,991 (2)	23,338	26,172
Disp/Arr Time Missing	9,437	8,540	7,638	7,944	8,125	8,941	8,191
Same Disp/Arr Time	50,516	60,510	54,645	54,379	47,638	45,096	40,425
T. R. U. Calls	32	43	32	37	54	87	76
Building and Safety:							
Building permits issued	2,413	2,058	1,645	1,700	1,889	1,797	2,066
Counter requests for service	11,249	8,922	6,611	6,105	6,563	6,407	7,049
Planning:							
Planning applications processed	1,100	894	682	644	740	745	752
Counter requests for service	6,550	4,669	3,875	3,683	3,853	3,749	3,718
Recreation and culture:							
Rounds of golf played	12,000	6,123	6,638	9,719	n/a	8,209	9,002
Facility rentals	971	893	1,026	1,005	992	997	
Participants in recreation programs	57,139	46,075	46,561	46,040	48,473	41,992	47,405
Utilities:							
Average residential daily consumption (kilowatt hours)	18	19.8	18.5	18.5	19.7	20.7	19.1
Average commercial daily consumption (kilowatt hours)	171	254.8	284.4	296.3	371.9	383.0	395.3
New residential connections	473	123	93	99	23	63	111
New commercial connections	118	65	5	54	23	15	32
Employees:							
Members of City Council	5	5	5	5	5	5	5
Members of the Planning Commission	7	7	7	7	7	7	7
Full-time career status (FTE)	406	324	312	283	281	277	299
Part-time career status (FTE)	18	14	29	21	66	22	11

3) 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, Utilities, Financial-Payroll.





COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2014
(with Independent Auditors' Report Thereon)



City of Moreno Valley, California
Community Services District

Financial Statements

Year Ended June 30, 2014

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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, 2014, 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.



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

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, 2014, and the respective changes in financial position and budgetary comparison for Zone L Library Services, Zone A Parks and Community Services, Zone B Street Lights and Zone E Extensive Landscape 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.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2014 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 District's internal control over financial reporting and compliance.

Lance, Soll & Lughard, LLP

Brea, California
November 24, 2014



**City of Moreno Valley
Community Services District**

**Statement of Net Position
June 30, 2014**

	Governmental Activities
Assets:	
Cash and investments (note 2)	\$ 13,807,767
Receivables:	
Accounts	128,916
Due from other governments	229,033
Capital assets not being depreciated (note 3)	1,833,721
Capital assets, net of depreciation (note 3)	<u>16,435,255</u>
Total Assets	<u>32,434,692</u>
Liabilities:	
Accounts payable	773,027
Unearned revenue	169,021
Deposits payable	16,861
Due to other governments	17
Due to the City of Moreno Valley	<u>5,634</u>
Total Liabilities	<u>964,560</u>
Net Position:	
Net investment in capital assets	18,268,976
Restricted for:	
Special zones	<u>13,201,156</u>
Total Net Position	<u>\$ 31,470,132</u>



**City of Moreno Valley
Community Services District**

**Statement of Activities
Year Ended June 30, 2014**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
Functions/Programs				
Primary Government:				
Governmental Activities:				
Community and cultural	\$ 14,462,217	\$ 6,458,283	\$ 4,660	\$ -
Public works	5,760,298	-	-	-
Total Governmental Activities	\$ 20,222,515	\$ 6,458,283	\$ 4,660	\$ -
General Revenues:				
Taxes:				
Property taxes, levied for general purpose				3,613,161
Other taxes				6,350,039
Use of money and property				725,733
Other				22,546
Capital assets contribution from the City of Moreno Valley				636,915
Contributions from the City of Moreno Valley				1,795,013
Total General Revenues and Contributions				13,143,407
Change in Net Position				(616,165)
Net Position at Beginning of Year				32,086,297
Net Position at End of Year				\$ 31,470,132



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

**Governmental Funds
Balance Sheet
June 30, 2014**

	Special Revenue Funds			
	Zone L Library Services	Zone A Parks and Community Services	Zone B Street Lights	Zone E Extensive Landscaping Administration
Assets:				
Pooled cash and investments (note 2)	\$ 194,683	\$ 4,055,834	\$ 487,349	\$ 5,820,927
Receivables:				
Accounts	-	89,990	-	-
Due from other governments	43,528	111,956	13,739	26,497
Total Assets	\$ 238,211	\$ 4,257,780	\$ 501,088	\$ 5,847,424
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 677	\$ 233,675	\$ 97,129	\$ 189,931
Unearned revenues	-	169,021	-	-
Deposits payable	-	16,861	-	-
Due to other governments	-	17	-	-
Due to the City of Moreno Valley	-	5,634	-	-
Total Liabilities	677	425,208	97,129	189,931
Fund Balances:				
Restricted for:				
Special zones	237,534	3,832,572	403,959	5,657,493
Total Fund Balances	237,534	3,832,572	403,959	5,657,493
Total Liabilities and Fund Balances	\$ 238,211	\$ 4,257,780	\$ 501,088	\$ 5,847,424

Nonmajor Governmental Funds	Total Governmental Funds	
\$ 3,248,974	\$ 13,807,767	Assets:
38,926	128,916	Pooled cash and investments (note 2)
33,313	229,033	Receivables:
		Accounts
		Due from other governments
\$ 3,321,213	\$ 14,165,716	Total Assets
		Liabilities and Fund Balances:
\$ 251,615	\$ 773,027	Liabilities:
-	169,021	Accounts payable
-	16,861	Unearned revenues
-	17	Deposits payable
-	5,634	Due to other governments
-		Due to other funds
251,615	964,560	Total Liabilities
		Fund Balances:
3,069,598	13,201,156	Restricted for:
3,069,598	13,201,156	Special zones
		Total Fund Balances
\$ 3,321,213	\$ 14,165,716	Total Liabilities and Fund Balances



**City of Moreno Valley
Community Services District**

**Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2014**

Fund balances of governmental funds	\$ 13,201,156
-------------------------------------	---------------

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

Capital assets, net of depreciation, used in governmental activities are not financial resources and therefore, are not reported in the funds.

Capital assets, not being depreciated	1,833,721
Depreciable capital assets, net of accumulated depreciation	<u>16,435,255</u>

Net Position of governmental activities	<u><u>\$ 31,470,132</u></u>
--	------------------------------------

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

**Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2014**

	Special Revenue Funds			
	Zone L Library Services	Zone A Parks and Community Services	Zone B Street Lights	Zone E Extensive Landscaping Administration
Revenues:				
Taxes:				
Property taxes	\$ 1,493,915	\$ 1,881,226	\$ 90,126	\$ -
Other taxes	-	4,945,434	-	-
Intergovernmental	4,660	-	-	-
Charges for services	24,877	1,036,384	955,075	2,386,875
Use of money and property	-	578,518	1,878	93,658
Fines and forfeitures	41,980	-	-	-
Miscellaneous	4,619	472,921	-	2,909
Total Revenues	1,570,051	8,914,483	1,047,079	2,483,442
Expenditures:				
Current:				
Community and cultural	2,122,499	8,636,153	-	-
Public works	-	-	1,506,094	2,075,691
Capital outlay	-	52,150	-	-
Total Expenditures	2,122,499	8,688,303	1,506,094	2,075,691
Excess (Deficiency) of Revenues Over (Under) Expenditures	(552,448)	226,180	(459,015)	407,751
Other Financing Sources (Uses):				
Contribution from the City of Moreno Valley	617,835	307,500	608,000	-
Contribution to the City of Moreno Valley	-	-	-	(129,722)
Transfers in	-	-	258,400	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	617,835	307,500	866,400	(129,722)
Net Change in Fund Balances	65,387	533,680	407,385	278,029
Fund Balances, Beginning of Year	172,147	3,298,892	(3,426)	5,379,464
Fund Balances, End of Year	\$ 237,534	\$ 3,832,572	\$ 403,959	\$ 5,657,493

Nonmajor Governmental Funds	Total Governmental Funds	
\$ 147,894	\$ 3,613,161	Revenues:
1,404,605	6,350,039	Taxes:
-	4,660	Property taxes
1,555,189	5,958,400	Other taxes
51,679	725,733	Intergovernmental
-	41,980	Charges for services
-	480,449	Use of money and property
3,159,367	17,174,422	Fines and forfeitures
		Miscellaneous
		Total Revenues
		Expenditures:
1,129,787	11,888,439	Current:
2,178,513	5,760,298	Community and cultural
286,898	339,048	Public works
3,595,198	17,987,785	Capital outlay
		Total Expenditures
(435,831)	(813,363)	Excess (Deficiency) of Revenues Over (Under) Expenditures
		Other Financing Sources (Uses):
391,400	1,924,735	Contribution from the City of Moreno Valley
-	(129,722)	Contribution to the City of Moreno Valley
-	258,400	Transfers in
(258,400)	(258,400)	Transfers out
133,000	1,795,013	Total Other Financing Sources (Uses)
(302,831)	981,650	Net Change in Fund Balances
3,372,429	12,219,506	Fund Balances, Beginning of Year
\$ 3,069,598	\$ 13,201,156	Fund Balances, End of Year

**City of Moreno Valley
Community Services District**

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended June 30, 2014**

Net change in fund balances - total governmental funds \$ 981,650

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay	339,048
Depreciation expense	(2,053,903)
Loss on disposal of assets	(519,875)
Capital assets contributions from the City of Moreno Valley	<u>636,915</u>

Change in net position of governmental activities \$ (616,165)

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

**Zone L Library Services
Budgetary Comparison Statement
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 1,284,000	\$ 1,284,000	\$ 1,493,915	\$ 209,915
Intergovernmental	-	-	4,660	4,660
Charges for services	18,000	18,000	24,877	6,877
Fines and forfeitures	50,000	50,000	41,980	(8,020)
Miscellaneous	2,000	2,480	4,619	2,139
Total Revenues	<u>1,354,000</u>	<u>1,354,480</u>	<u>1,570,051</u>	<u>215,571</u>
Expenditures:				
Current:				
Community and cultural	1,812,217	2,145,013	2,122,499	22,514
Total Expenditures	<u>1,812,217</u>	<u>2,145,013</u>	<u>2,122,499</u>	<u>22,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(458,217)</u>	<u>(790,533)</u>	<u>(552,448)</u>	<u>238,085</u>
Other Financing Sources (Uses)				
Contribution from the City of Moreno Valley	519,708	777,835	617,835	(160,000)
Total Other Financing Sources (Uses)	<u>519,708</u>	<u>777,835</u>	<u>617,835</u>	<u>(160,000)</u>
Net Change in Fund Balances	61,491	(12,698)	65,387	78,085
Fund Balance, Beginning of Year	<u>172,147</u>	<u>172,147</u>	<u>172,147</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 233,638</u>	<u>\$ 159,449</u>	<u>\$ 237,534</u>	<u>\$ 78,085</u>

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

**Zone A Parks and Community Services
Budgetary Comparison Statement
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 1,709,000	\$ 1,709,000	\$ 1,881,226	\$ 172,226
Other taxes	4,900,000	4,900,000	4,945,434	45,434
Charges for services	1,067,122	1,067,122	1,036,384	(30,738)
Use of money and property	583,900	583,900	578,518	(5,382)
Miscellaneous	18,100	18,100	472,921	454,821
Total Revenues	<u>8,278,122</u>	<u>8,278,122</u>	<u>8,914,483</u>	<u>636,361</u>
Expenditures:				
Current:				
Community and cultural	8,796,506	8,978,871	8,636,153	342,718
Capital outlay	192,000	205,000	52,150	152,850
Total Expenditures	<u>8,988,506</u>	<u>9,183,871</u>	<u>8,688,303</u>	<u>495,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(710,384)</u>	<u>(905,749)</u>	<u>226,180</u>	<u>1,131,929</u>
Other Financing Sources (Uses)				
Contribution from the City of Moreno Valley	424,136	424,136	307,500	(116,636)
Transfers out	(160,000)	(160,000)	-	160,000
Total Other Financing Sources (Uses)	<u>264,136</u>	<u>264,136</u>	<u>307,500</u>	<u>43,364</u>
Net Change in Fund Balances	(446,248)	(641,613)	533,680	1,175,293
Fund Balance, Beginning of Year	<u>3,298,892</u>	<u>3,298,892</u>	<u>3,298,892</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 2,852,644</u></u>	<u><u>\$ 2,657,279</u></u>	<u><u>\$ 3,832,572</u></u>	<u><u>\$ 1,175,293</u></u>

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

**Zone B Street Lights
Budgetary Comparison Statement
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 85,300	\$ 85,300	\$ 90,126	\$ 4,826
Charges for services	984,000	941,800	955,075	13,275
Use of money and property	-	-	1,878	1,878
Total Revenues	<u>1,069,300</u>	<u>1,027,100</u>	<u>1,047,079</u>	<u>19,979</u>
Expenditures:				
Current:				
Public works	1,677,100	1,683,805	1,506,094	177,711
Total Expenditures	<u>1,677,100</u>	<u>1,683,805</u>	<u>1,506,094</u>	<u>177,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(607,800)</u>	<u>(656,705)</u>	<u>(459,015)</u>	<u>197,690</u>
Other Financing Sources (Uses)				
Contributions from the City of Moreno Valley	349,600	608,000	608,000	-
Transfers in	258,400	258,400	258,400	-
Total Other Financing Sources (Uses)	<u>608,000</u>	<u>866,400</u>	<u>866,400</u>	<u>-</u>
Net Change in Fund Balances	200	209,695	407,385	197,690
Fund Balance, Beginning of Year	<u>(3,426)</u>	<u>(3,426)</u>	<u>(3,426)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (3,226)</u>	<u>\$ 206,269</u>	<u>\$ 403,959</u>	<u>\$ 197,690</u>

City of Moreno Valley, California
Community Services District

Zone E Extensive Landscaping Administration
Budgetary Comparison Statement
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Charges for services	\$2,466,909	\$ 2,367,309	\$ 2,386,875	\$ 19,566
Use of money and property	4,346	4,346	93,658	89,312
Miscellaneous	-	-	2,909	2,909
Total Revenues	<u>2,471,255</u>	<u>2,371,655</u>	<u>2,483,442</u>	<u>111,787</u>
Expenditures:				
Current:				
Public works	2,481,783	2,498,363	2,075,691	422,672
Total Expenditures	<u>2,481,783</u>	<u>2,498,363</u>	<u>2,075,691</u>	<u>422,672</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,528)	(126,708)	407,751	534,459
Other Financing Sources (Uses)				
Contributions to the City of Moreno Valley	-	(129,722)	(129,722)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(129,722)</u>	<u>(129,722)</u>	<u>-</u>
Net Change in Fund Balances	(10,528)	(256,430)	278,029	534,459
Fund Balance, Beginning of Year	5,379,464	5,379,464	5,379,464	-
Fund Balance, End of Year	<u>\$ 5,368,936</u>	<u>\$ 5,123,034</u>	<u>\$ 5,657,493</u>	<u>\$ 534,459</u>

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

**Notes to Financial Statements
June 30, 2014**

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.

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.

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

**Notes to Financial Statements (Continued)
June 30, 2014**

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

The District reports the following major governmental funds:

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

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

Zone B Street Lights accounts for the operations necessary to provide residential subdivision street lighting.

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

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

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

**Notes to Financial Statements (Continued)
June 30, 2014**

Note 1: Summary of Significant Accounting Policies (Continued)

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, 2014, there were no funds that had in excess of appropriations adopted by 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.

f. Fund Balance

In the fund financial statements, government 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 on the use of resources by either (a) external creditors, grantors, contributors, or laws of 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.

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

**Notes to Financial Statements (Continued)
June 30, 2014**

Note 1: Summary of Significant Accounting Policies (Continued)

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

Fund Balance Flow Assumptions

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

g. Net Position

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

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

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.

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

**Notes to Financial Statements (Continued)
June 30, 2014**

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

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

i. Investments

The District records all investments at fair value. The current year's changes in fair value are recognized in the statement of 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, 2014**

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 \$13,807,767

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.

Note 3: Capital Assets

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

	Balances 7/1/2013	Adjustments*	Transfers	Additions	Deletions	Balances 6/30/2014
Non-depreciable Assets:						
Land	\$ 779,584	\$ -	\$ -	\$ -	\$ -	\$ 779,584
Construction in progress	1,445,420	-	(790,329)	918,921	(519,875)	1,054,137
Total Non-depreciable Assets	<u>2,225,004</u>	<u>-</u>	<u>(790,329)</u>	<u>918,921</u>	<u>(519,875)</u>	<u>1,833,721</u>
Depreciable Assets:						
Buildings and Improvements	49,922,676	144,826	436,632	10,410	-	50,514,544
Furniture and Equipment	1,784,278	441,989	353,697	46,632	(26,723)	2,599,873
Vehicles	535,286	329,436	-	-	-	864,722
Infrastructure	101,457	-	-	-	-	101,457
Total Depreciable Assets	<u>52,343,697</u>	<u>916,251</u>	<u>790,329</u>	<u>57,042</u>	<u>(26,723)</u>	<u>54,080,596</u>
Accumulated Depreciation:						
Buildings and Improvements	(32,895,899)	(144,826)	-	(1,713,489)	-	(34,754,214)
Furniture and Equipment	(1,304,415)	(441,989)	-	(321,985)	26,723	(2,041,666)
Vehicles	(488,682)	(329,436)	-	(14,404)	-	(832,522)
Infrastructure	(12,914)	-	-	(4,025)	-	(16,939)
Total Accumulated Depreciation	<u>(34,701,910)</u>	<u>(916,251)</u>	<u>-</u>	<u>(2,053,903)</u>	<u>26,723</u>	<u>(37,645,341)</u>
Total Depreciable Assets, Net of Depreciation	<u>17,641,787</u>	<u>-</u>	<u>790,329</u>	<u>(1,996,861)</u>	<u>-</u>	<u>16,435,255</u>
Total Capital Assets, Net of Depreciation	<u>\$ 19,866,791</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,077,940)</u>	<u>\$ (519,875)</u>	<u>\$ 18,268,976</u>

*These assets were transferred from the City of Moreno Valley, however they are fully depreciated assets so there is no effect on the Statement of Net Position.

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

**Notes to Financial Statements (Continued)
June 30, 2014**

Note 3: Capital Assets (Continued)

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

Governmental Activities:
Community and cultural \$ 2,053,903

Note 4: Commitments and Contingencies

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

**City of Moreno Valley
Community Services District**

**Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014**

	Special Revenue Funds			
	Zone C Arterial Street Lights Administration	Zone D Standard Landscaping Administration	Zone M Median	CFD #1
Assets:				
Pooled cash and investments	\$ 373,368	\$ 1,010,075	\$ 521,853	\$ 1,256,177
Receivables:				
Accounts	38,926	-	-	-
Due from other governments	9,037	11,462	2,509	9,352
	\$ 421,331	\$ 1,021,537	\$ 524,362	\$ 1,265,529
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 67,891	\$ 77,072	\$ 20,621	\$ 82,471
	67,891	77,072	20,621	82,471
Fund Balances:				
Restricted for:				
Special zones	353,440	944,465	503,741	1,183,058
	353,440	944,465	503,741	1,183,058
Total Liabilities and Fund Balances	\$ 421,331	\$ 1,021,537	\$ 524,362	\$ 1,265,529

Special Revenue Funds	
Zone S Sunnymead Boulevard Maintenance	Total Nonmajor Funds
\$ 87,501	\$ 3,248,974
-	38,926
953	33,313
\$ 88,454	\$ 3,321,213
\$ 3,560	\$ 251,615
3,560	251,615
84,894	3,069,598
84,894	3,069,598
\$ 88,454	\$ 3,321,213

Assets:
Pooled cash and investments
Receivables:
 Accounts
 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
Community Services District**

**Nonmajor Governmental Funds
Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Year Ended June 30, 2014**

	Special Revenue Funds			
	Zone C Arterial Street Lights Administration	Zone D Standard Landscaping Administration	Zone M Median	CFD #1
Revenues:				
Taxes:				
Property taxes	\$ 147,894	\$ -	\$ -	\$ -
Other taxes	424,465	-	-	980,140
Charges for services	133,719	1,167,518	170,796	25,545
Use of money and property	6,158	13,526	8,647	22,022
Total Revenues	712,236	1,181,044	179,443	1,027,707
Expenditures:				
Current:				
Community and cultural	-	-	-	1,129,787
Public works	843,498	1,042,872	244,721	-
Capital outlay	-	-	-	286,898
Total Expenditures	843,498	1,042,872	244,721	1,416,685
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,262)	138,172	(65,278)	(388,978)
Other Financing Sources (Uses):				
Contribution from the City of Moreno Valley	288,000	-	103,400	-
Transfers out	(258,400)	-	-	-
Total Other Financing Sources (Uses)	29,600	-	103,400	-
Net Change in Fund Balances	(101,662)	138,172	38,122	(388,978)
Fund Balances, Beginning of Year	455,102	806,293	465,619	1,572,036
Fund Balances, End of Year	\$ 353,440	\$ 944,465	\$ 503,741	\$ 1,183,058

Special Revenue Funds		
Zone S Sunnymead Boulevard Maintenance	Total Nonmajor Funds	
\$ -	\$ 147,894	Revenues:
-	1,404,605	Taxes:
57,611	1,555,189	Property taxes
1,326	51,679	Other taxes
58,937	3,159,367	Charges for services
		Use of money and property
		Total Revenues
		Expenditures:
-	1,129,787	Current:
47,422	2,178,513	Community and cultural
-	286,898	Public works
47,422	3,595,198	Capital outlay
		Total Expenditures
11,515	(435,831)	Excess (Deficiency) of Revenues Over (Under) Expenditures
		Other Financing Sources (Uses):
-	391,400	Contribution from the City of Moreno Valley
-	(258,400)	Transfers out
-	133,000	Total Other Financing Sources (Uses)
11,515	(302,831)	Net Change in Fund Balances
73,379	3,372,429	Fund Balances, Beginning of Year
\$ 84,894	\$ 3,069,598	Fund Balances, End of Year

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

**Zone C Arterial Street Lights Administration
Budgetary Comparison Schedule
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Property taxes	\$ 110,000	\$ 110,000	\$ 147,894	\$ 37,894
Other taxes	422,000	422,000	424,465	2,465
Charges for services	108,500	60,000	133,719	73,719
Use of money and property	-	-	6,158	6,158
Total Revenues	<u>640,500</u>	<u>592,000</u>	<u>712,236</u>	<u>120,236</u>
Expenditures:				
Current:				
Public works	927,800	929,985	843,498	86,487
Total Expenditures	<u>927,800</u>	<u>929,985</u>	<u>843,498</u>	<u>86,487</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(287,300)</u>	<u>(337,985)</u>	<u>(131,262)</u>	<u>206,723</u>
Other Financing Sources (Uses)				
Contribution from the City of Moreno Valley	288,000	288,000	288,000	-
Transfers out	-	(258,400)	(258,400)	-
Total Other Financing Sources (Uses)	<u>288,000</u>	<u>29,600</u>	<u>29,600</u>	<u>-</u>
Net Change in Fund Balances	700	(308,385)	(101,662)	206,723
Fund Balance, Beginning of Year	<u>455,102</u>	<u>455,102</u>	<u>455,102</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 455,802</u></u>	<u><u>\$ 146,717</u></u>	<u><u>\$ 353,440</u></u>	<u><u>\$ 206,723</u></u>

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

**Zone D Standard Landscaping Administration
Budgetary Comparison Schedule
Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,188,600	\$ 1,163,600	\$ 1,167,518	\$ 3,918
Use of money and property	515	515	13,526	13,011
Total Revenues	1,189,115	1,164,115	1,181,044	16,929
Expenditures:				
Current:				
Public works	1,086,200	1,096,642	1,042,872	53,770
Total Expenditures	1,086,200	1,096,642	1,042,872	53,770
Excess (Deficiency) of Revenues Over (Under) Expenditures	102,915	67,473	138,172	70,699
Net Change in Fund Balances	102,915	67,473	138,172	70,699
Fund Balance, Beginning of Year	806,293	806,293	806,293	-
Fund Balance, End of Year	\$ 909,208	\$ 873,766	\$ 944,465	\$ 70,699

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

**Zone M Median
Budgetary Comparison Schedule
Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 200,700	\$ 166,500	\$ 170,796	\$ 4,296
Use of money and property	409	409	8,647	8,238
Total Revenues	201,109	166,909	179,443	12,534
Expenditures:				
Current:				
Public works	281,844	285,224	244,721	40,503
Total Expenditures	281,844	285,224	244,721	40,503
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,735)	(118,315)	(65,278)	53,037
Other Financing Sources (Uses)				
Contribution from the City of Moreno Valley	103,400	103,400	103,400	-
Total Other Financing Sources (Uses)	103,400	103,400	103,400	-
Net Change in Fund Balances	22,665	(14,915)	38,122	53,037
Fund Balance, Beginning of Year	465,619	465,619	465,619	-
Fund Balance, End of Year	\$ 488,284	\$ 450,704	\$ 503,741	\$ 53,037

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

**CFD #1
Budgetary Comparison Schedule
Year Ended June 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Other taxes	\$ 1,000,000	\$ 1,000,000	\$ 980,140	\$ (19,860)
Charges for services	25,400	25,400	25,545	145
Use of money and property	25,000	25,000	22,022	(2,978)
Total Revenues	<u>1,050,400</u>	<u>1,050,400</u>	<u>1,027,707</u>	<u>(22,693)</u>
Expenditures:				
Current:				
Community and cultural	1,182,223	1,226,277	1,129,787	96,490
Capital outlay	691,000	787,000	286,898	500,102
Total Expenditures	<u>1,873,223</u>	<u>2,013,277</u>	<u>1,416,685</u>	<u>596,592</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(822,823)</u>	<u>(962,877)</u>	<u>(388,978)</u>	<u>573,899</u>
Net Change in Fund Balances	(822,823)	(962,877)	(388,978)	573,899
Fund Balance, Beginning of Year	<u>1,572,036</u>	<u>1,572,036</u>	<u>1,572,036</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 749,213</u>	<u>\$ 609,159</u>	<u>\$ 1,183,058</u>	<u>\$ 573,899</u>

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

**Zone S Sunnymead Boulevard Maintenance
Budgetary Comparison Schedule
Year Ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 55,800	\$ 55,800	\$ 57,611	\$ 1,811
Use of money and property	51	51	1,326	1,275
Total Revenues	55,851	55,851	58,937	3,086
Expenditures:				
Current:				
Public works	66,017	66,328	47,422	18,906
Total Expenditures	66,017	66,328	47,422	18,906
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,166)	(10,477)	11,515	21,992
Net Change in Fund Balances	(10,166)	(10,477)	11,515	21,992
Fund Balance, Beginning of Year	73,379	73,379	73,379	-
Fund Balance, End of Year	\$ 63,213	\$ 62,902	\$ 84,894	\$ 21,992

