



CITY OF EASTVALE, CALIFORNIA

Comprehensive Annual Financial Report

For Fiscal Year
Ended June 30, 2018



CITY OF EASTVALE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2018

Prepared By:
Department of Finance and Administration

**City of Eastvale
Comprehensive Annual Financial Report
Year Ended June 30, 2018**

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Introduction Section



Clint Lorimore
Mayor

December 6, 2018

Todd Rigby
Mayor Pro Tem

Honorable Mayor, City Council,
And of the City of Eastvale
City of Eastvale
Eastvale, CA 91752

Brandon Plott
Council Member

Letter of Transmittal
Fiscal Year 2017-18 Comprehensive Annual Financial Report (CAFR)

Dear Honorable Mayor, Council Members and Eastvale Residents,

Adam Rush
Council Member

I am pleased to present the 2017-18 Comprehensive Annual Financial Report (CAFR) for the City of Eastvale, California for the fiscal year ended June 30, 2018.

Joe Tessari
Council Member

This report consists of management representations concerning the finances of the City of Eastvale in its eighth year of incorporation. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Eastvale continues to establish a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Eastvale's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City of Eastvale's comprehensive framework of internal controls is being 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.

Bryan Jones
City Manager

State Law and the City's Municipal Code require that an annual financial report is prepared. This report fulfills that obligation. It has been prepared in conformity with generally accepted accounting principles (GAAP) and with the financial reporting requirements prescribed by the Governmental Accounting Standards Board (GASB).

The City of Eastvale's financial statements have been audited by Teaman, Ramirez, & Smith, Inc., a firm of certified public accountants and consultants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Eastvale for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative of introductions, overview, and analysis to

accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Eastvale's MD&A can be found immediately following the report of the independent auditors in the financial section of this report.

Profile of the Government

The City of Eastvale is the second newest city not only in Western Riverside County, but of the entire state of California. The City of Eastvale incorporated on October 1, 2010 and has an ever-growing population of over 64,855 residents as of January 1, 2018 and a total area of 13.1 square miles. The City of Eastvale is located in northwestern Riverside County, California, the Inland Empire region of Southern California. The proximity of Los Angeles County approximately 8 miles northwest of Eastvale and Orange County approximately 5 miles to the southwest has made Eastvale something of a commuter town.

Eastvale has a Council-Manager form of government. The City Council consists of 5 Council Members, elected within districts, including a Mayor and Mayor Pro Temp. Biannual elections are held in November. The terms of office are 4 years but are overlapping so that the City is provided with a continuity of knowledge in the City business and legislative matters.

This report includes all funds of the City. It includes all governmental organizations and activities for which the City of Eastvale's City Council is financially accountable. The City provides a wide range of services including planning, building, public works, engineering, code enforcement, and general administrative activities. Services including street maintenance, police, animal control and fire protection are also provided to the City and its citizens through contract with the County of Riverside. Other services are provided directly through other agencies, specifically library services through the County of Riverside, water and sewer through the Jurupa Community Services District, parks and recreation through the Jurupa Community Services District and Jurupa Area Recreation and Parks District, and public transit through the Riverside Transit Agency. The City has franchise agreements for electricity service through Southern California Edison, natural gas through the Gas Company, refuse collection through Waste Management and Burrtec and cable service through state franchise agreements with Pacific Bell (AT&T), Time Warner and Charter Communications.

The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as the appointment of members of various statutory and advisory boards and the City Manager and City Attorney. As Chief Administrative Officer, the City Manager has the responsibility of administering programs in accordance with policies established by the City Council and within the guidelines of the annual budget adopted by the Council.

Relevant financial policies

The City has a set of financial policies that it abides by and is continually enhancing and adding relevant policies as it develops its formal financial systems. Initially following incorporation, the City adopted all of the County's policies/codes. As the City develops its own unique needs, it will continue to create and tailor these former County policies to directly address the City's goals.

The Budget Process

Beginning at incorporation, and continuing each year thereafter, the City embarks on a strategic planning process which begins in late winter / early spring with a discussion of the City Council goals and priorities and ends with the adoption of the budget in May or June. The annual budget serves as the foundation for the City of Eastvale's financial planning and control. The development of the budget is completed as two separate projects: the development of the governmental activities operating budget, and the development of the capital improvement program (CIP) focusing on longer term capital projects.

Local Economy

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 Eastvale operates.

The City of Eastvale is in its eighth year of incorporation and has a young and growing population and remains one of the fastest growing cities in Riverside County.

The largest source of revenue for the general fund is property tax for fiscal year 2017/2018, which is \$10.5M, or 36.2% of the total general fund revenue received. Sales tax comes in at \$9M, or 31.4% of the general fund's total revenue.

Current Year Initiatives

Despite the various fiscal challenges that the City has faced in recent years, which are outside of our direct control, management has continued to move the City forward and has begun to grow the number of staff to improve efficiencies and provide better customer service.

For fiscal year 2017/2018, the City focused on adding new talent to the staffing levels including growing from 11.75 full-time equivalents (FTE) in FY 16/17, to 22 FTE by the end of FY 17/18.

Long-term financial planning and initiatives

The City will continue to focus its emphasis on controlled and fiscally balanced growth. The City believes that with the appropriate policies in place, as approved and revisited each year as part of the budget program, the City's long term financial goals will be met. The City has taken many steps to preserve the City's financial integrity, maintain critical service levels, and sustain a reserve to grow the City into the coming years.

Concluding remarks

The City, in its eighth year of operation, has achieved a great deal in transitioning from the County support services and establishing its own culture and approach to local governance. This eighth year provided the city the opportunity to continue the implementation of its longer term oriented policies and procedures and making adjustments as needed. Building on these experiences, the forthcoming ninth year of operation is poised to refine and enhance these activities which will provide the needed foundation for future successful operations and service delivery.

In closing, I'd like to state that the preparation of this report would not have been possible without the efficient and dedicated service of the Finance Department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their

support for striving to have the highest standards of professionalism in the management of the City of Eastvale's finances.

Awards and Acknowledgments

The Government Finance Officers Associate of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Eastvale for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

Respectfully submitted,



Bryan Jones
City Manager



Ernie Reyna, CPA
Finance Director / City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Eastvale
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

CITY OF EASTVALE, CALIFORNIA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2018

CITY COUNCIL

CLINT LORIMORE
Mayor

TODD RIGBY
Mayor Pro Tempore

BRANDON PLOTT, Councilmember
ADAM RUSH, Councilmember
JOSEPH TESSARI, Councilmember

CITY ADMINISTRATION

BRYAN JONES
Interim City Manager

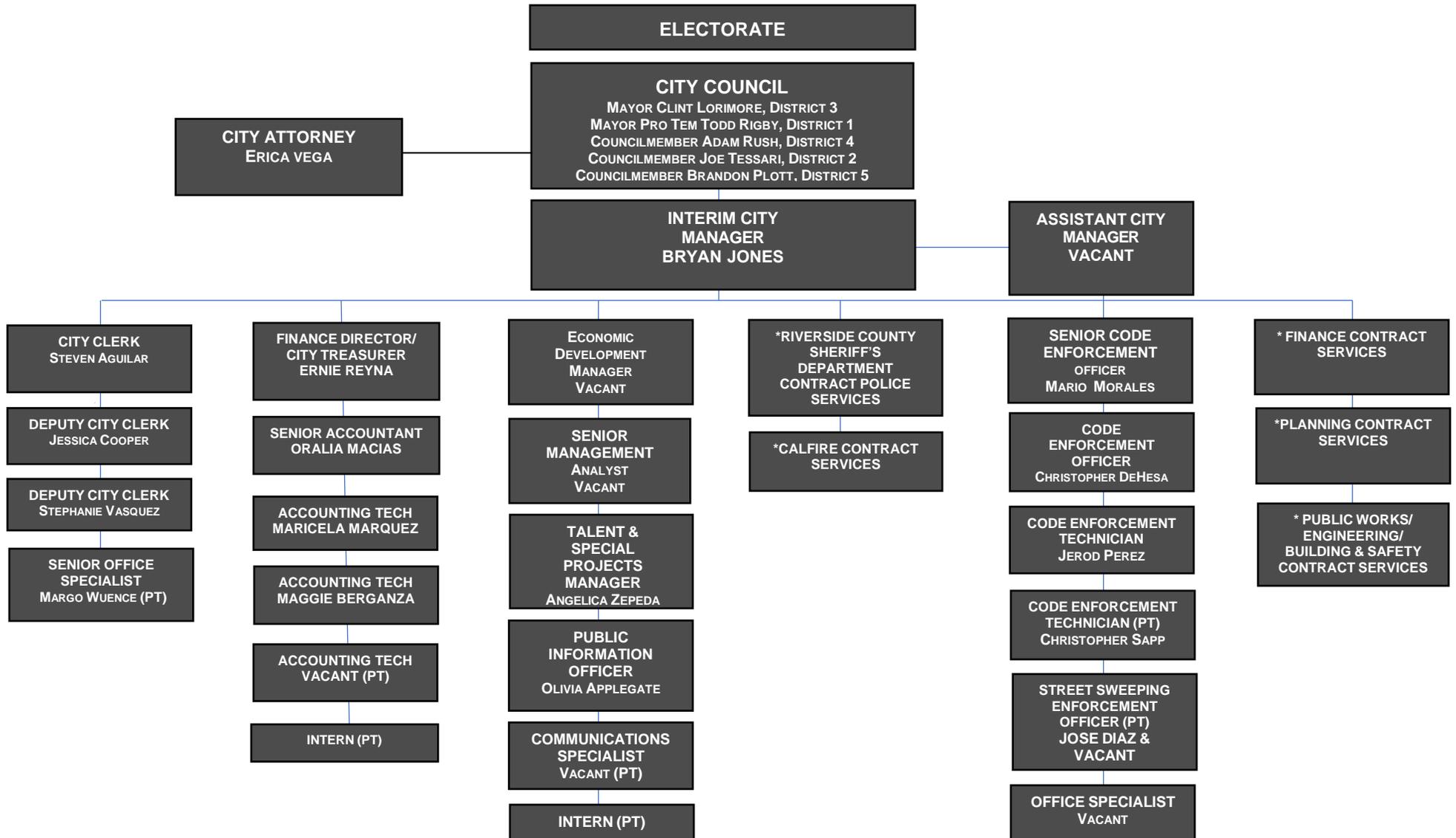
ERICA VEGA
City Attorney

ERNIE REYNA, Finance Director/City Treasurer
ANNA MONTOYA, Deputy Finance Director



City of Eastvale

ORGANIZATION CHART



*Denotes contract services

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Financial Section



INDEPENDENT AUDITORS' REPORT

City Council
City of Eastvale
Eastvale, California

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 Eastvale, California (the "City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Eastvale, California, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1c to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3 through 15 and 56 through 63 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, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2018, 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.



Riverside, California
December 6, 2018

Management's Discussion and Analysis

As management of the City of Eastvale, California (City), we are pleased to offer to the readers of the City's financial statements this narrative, overview, and analysis of the financial activities of the City for the year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statement, which follow this discussion.

Financial Highlights

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. The relationship between the revenues and expenses can be thought of as the City's operating results. The City's net position, as measured in the Statement of Net Position, is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position, as measured in the Statement of Activities, are another indicator of whether its financial health is improving or deteriorating. However, it is the City's goal to provide services that improve the quality of life of the residents, not to generate profits.

It is for that reason that readers need to consider many other non-financial factors, such as the condition of roads and public safety service levels in assessing the overall health of the City.

- The assets of the City exceeded its liabilities and deferred outflow/inflow of resources at the end of fiscal year 2017 by \$302,876,601. The difference between assets, liabilities, and deferred outflow/inflow of resources is referred to as net position. This is a \$11,394,892 increase from the prior year. The increase is mostly attributed to capital contributions of \$4,193,270 from developers for infrastructure assets, in addition to first-time revenues of \$4.32 million received for Vehicle License Fee Adjustment Amount (VLFAA) received from the approval of Senate Bill 130 on May 4, 2017.
- As of June 30, 2018, the city's governmental funds reported combined fund balances of \$60,676,499, a \$10,642,143 increase in comparison to the prior year. Approximately 44 percent, or \$26,769,726, of the total amount of the governmental funds' fund balances are unassigned.
- As of June 30, 2018, unassigned fund balance for the General Fund was \$27,934,729, or 139 percent of total General Fund expenditures. The fund balance increased during the year by \$10,378,593. In addition to the new VLFAA revenue mentioned above, this excess of revenues over expenditures is due to a combination of aggressive economic development efforts resulting in an increased tax revenue base and conservative spending.

Overview of the Financial Statements

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

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 that is similar to a private-sector business.

Government-wide financial statements include a statement of net position and a statement of activities. The statement of net position presents information on all of the City's assets, liabilities, and deferred outflow/inflow of resources with the difference reported as net position. Over time, increases or decreases may provide a useful indicator on whether the financial position of the City is improving or deteriorating.

The *statement of activities* provides information showing how the City's net position changed during the most recent fiscal year. These changes are reported using the full accrual basis of accounting, that is, when the economic event occurs, rather than when cash is received or paid. Under this basis of accounting, revenues and expenses are reported in the statement for some items that will only result in future cash inflows or outflows such as vacation earned but not paid and uncollected taxes.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (government 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, economic development, building and planning, animal control, and public works. The City does not have any business-type activities.

The government-wide financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

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. The funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of nonspendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, and Gas Tax Special Revenue Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for its general fund, special revenue funds, debt service fund and capital projects fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

Fiduciary funds: *Fiduciary funds* are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found in the Table of Contents under the heading Basic Financial Statements.

Notes to the basic financial statements: The notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the Table of Contents under the heading Notes to the Financial Statements.

Other supplementary information: In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI), about the City’s General Fund and the Gas Tax Fund budgetary comparison in addition to the Schedule of Proportionate Share of the Net Pension Liability, Schedules of Contributions – CalPERS Pension Plan, Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Contributions - OPEB. The combining statements referred to earlier in connection with nonmajor governmental funds are presented for all non-major Special Revenue Funds and Capital Projects Funds. The supplementary financial information also includes budgetary comparison schedules for the nonmajor governmental funds to demonstrate compliance with the annual budget as adopted and amended. The Required Supplementary Information can be found following the Notes to Financial Statements.

The combining statements for nonmajor governmental funds and the budgetary comparison schedules for the nonmajor funds can be found following the Required Supplementary Information.

Government-wide Financial Analysis

The government-wide financial statements provide long-term and short-term information about the City’s overall financial condition. This analysis addresses the financial statements of the City as a whole.

For the fiscal year ended June 30, 2018, City assets exceeded liabilities and deferred outflow/inflow of resources by \$302,875,601 as summarized below:

**City of Eastvale
Summary of Net Position
For the Year Ended June 30, 2018**

	Governmental Activities	
	2018	2017⁽¹⁾
Assets:		
Current and Other Assets	\$ 66,875,305	\$ 55,822,360
Capital Assets (net of depreciation)	240,610,162	240,849,128
Total Assets	307,485,467	296,671,488
Deferred Outflows of Resources	170,996	130,708
Liabilities:		
Current and Other Liabilities	4,667,329	5,250,971
Long-term Liabilities	84,143	54,240
Total Liabilities	4,751,472	5,305,211
Deferred Inflows of Resources	28,390	15,276
Net Position:		
Net Investment in Capital Assets	240,610,162	240,849,128
Restricted	30,841,979	28,675,880
Unrestricted	31,424,460	21,956,701
Total Net Position	\$ 302,876,601	\$ 291,481,709

⁽¹⁾ as restated

Total assets increased \$10,813,979 as a result of significant increases in cash and investments of \$9,349,363 and an increase of receivables of \$1,729,831. This increase in cash is explained by total revenues exceeding expenditures of \$10,642,143 less a depletion of accounts payable of \$583,642 for fiscal year 2017-2018.

Current and other liabilities decreased by \$583,642 due to timing of public safety invoices paid to Riverside County for police and fire contracts for services provided through June 2018 compared to invoices paid for services provided in the prior year through June 2017.

Net investment in capital assets represents 79 percent of the City’s net position. The majority of capital assets are streets and other infrastructure; consequently, these assets are not liquid or available for future spending. An additional portion of the City’s net position, \$30,841,979 or ten percent represents resources that are subject to restrictions on how they may be used. The remaining balance, unrestricted net position, is \$31,424,460.

Statement of Activities: The statement of activities shows how the City’s net position changed during the fiscal year 2017-2018. Provided below is a summary of changes in net position.

**City of Eastvale
Summary of Changes in Net Position
For the Year Ended June 30, 2018**

	Governmental Activities	
	2018	2017⁽¹⁾
Revenues:		
Program revenues:		
Charges for services	\$ 10,785,550	\$ 10,429,008
Operating grants and contributions	5,630,616	3,657,633
Capital grants and contributions	6,036,310	17,144,643
General revenues	18,550,621	12,554,971
Total revenues	<u>41,003,097</u>	<u>43,786,255</u>
Expenses:		
General government	2,604,682	2,126,160
Public safety	13,456,997	12,177,491
Public works	9,211,040	8,372,712
Community development	3,867,139	3,459,579
Revenue neutrality	468,347	456,201
Total expenses	<u>29,608,205</u>	<u>26,592,143</u>
Increase in net position:	11,394,892	17,194,112
Net position, beginning	291,481,709	274,287,597
Net position, ending	<u>\$ 302,876,601</u>	<u>\$ 291,481,709</u>

⁽¹⁾ as restated

The City’ total revenues were \$41,003,097 while the total cost of all programs and services was \$29,608,205. Total revenues decreased \$2,783,158 from the prior year. The net decrease was due several factors:

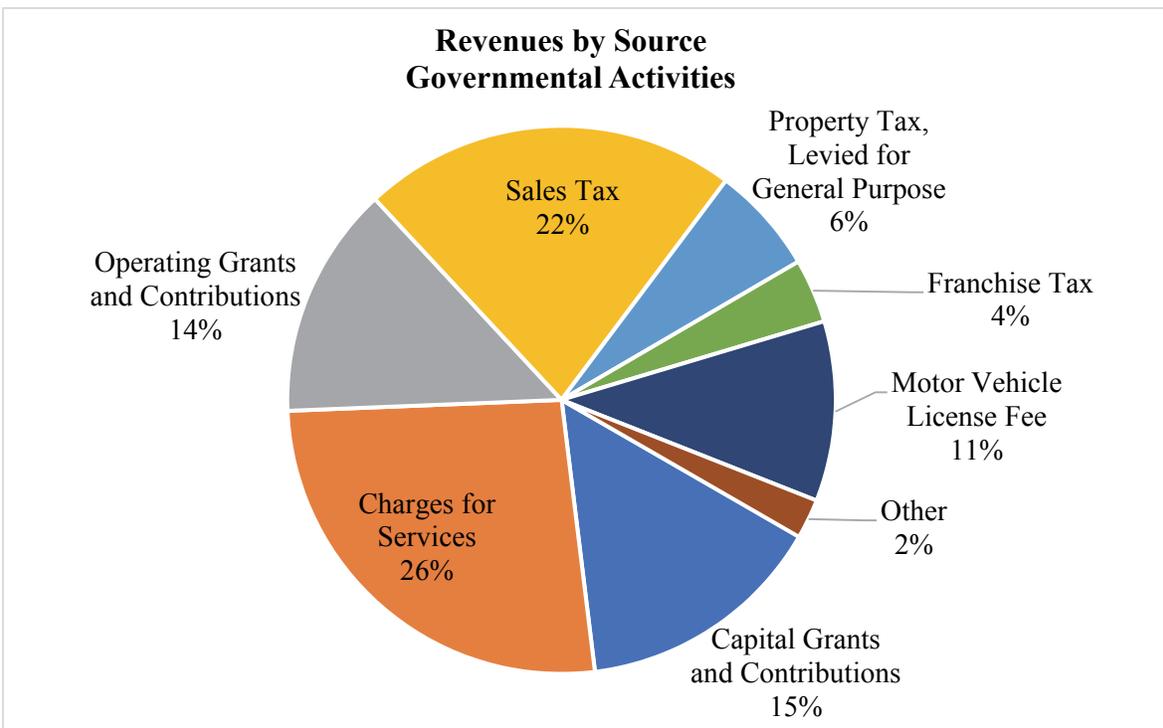
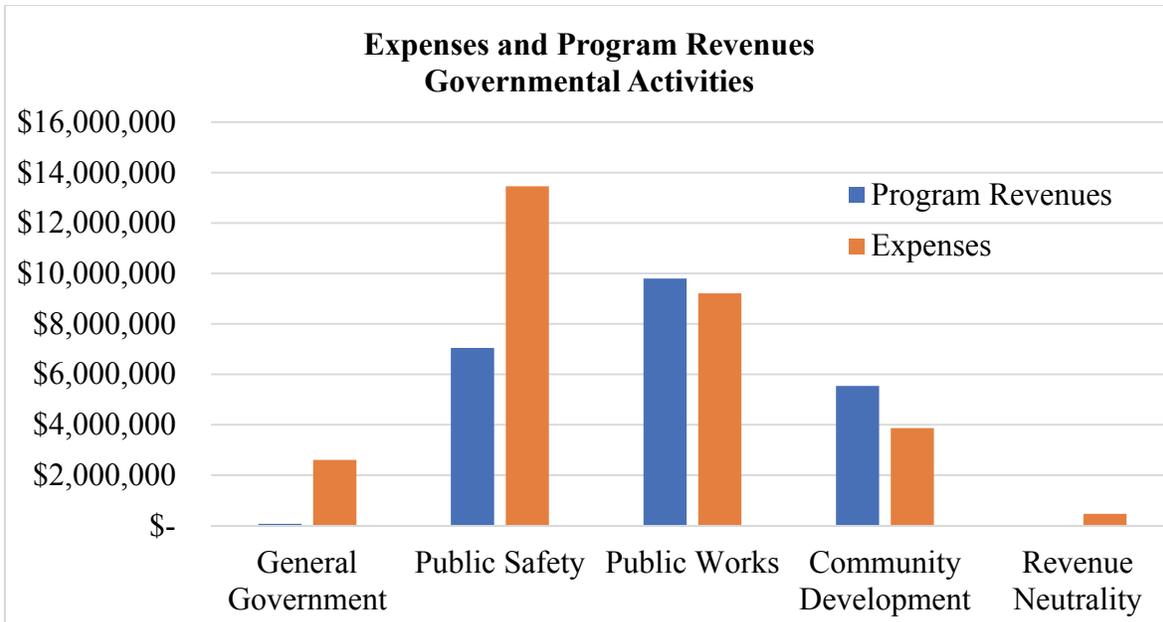
- Operating grants and contributions increased by \$1,972,983. The increase is due largely to new State funding for SB1 Road Maintenance and Rehabilitation in the amount of \$452,058, increase in developer fees for Road and Bridge Benefit District in the amount of \$273,293 over prior year, and increase in grant revenue from prior year by approximately \$950,000 for a storm drain improvement project.

- Capital grants and contributions decreased by \$11,108,333. The contribution of capital assets of \$4,193,270 in 2017-2018 was significantly less compared to capital asset contribution of \$16,399,151 in the prior year. This decrease in capital assets was due to a decrease in contributions of donated infrastructure from developers.
- General revenues increased by \$5,995,650 in 2017-2018. The City received \$4.32 million for Vehicle License Fee Adjustment Amount (VLFAA) received from the approval of Senate Bill 130 on May 4, 2017. These revenues were not received in previous years. Also contributing to the increase in general revenues is Sales Tax revenue increasing by \$1,384,712 compared to prior year, an increase of 18% over prior year. Although general retail sales were up by 2.8% in the City, the majority of the increase is due in part to fuel sales with the addition of a new service station, higher retail gas prices, and the development of the Goodman Commerce Center.

Total expenses increased \$3,016,062 over the prior year. The increase was due to the following major factors:

- General Government increased by \$478,522. Approximately \$320,000 of the increase is due in large part to the salaries and benefits for the addition of 2.75 full-time equivalent (FTE) staff positions throughout the City Manager, City Clerk and Finance Departments. In addition, the City had a one-time sales tax audit payment in 2017/18 in the amount of \$80,000 for a sales tax revenue adjustment that occurred in the prior year. Other increases included costs associated with economic development initiatives, a change in the attorney services contract, and a higher lease rate for City Hall.
- The increase in Public Safety expenses of \$1,279,506 is due to increased contracts rates with the County of Riverside for police and fire protection. Also, the second Eastvale fire station became operational in February 2017, increasing staff costs for additional personnel for a full year.
- The Public Works increase of \$838,328 is due to new and ongoing capital projects.
- The Community Development increase was \$407,560 over prior year. Approximately \$308,000 of the increase was due to the cost to permit, inspect and regulate the increase in private commercial and residential development. The remaining increase was attributed to salaries and benefits expense of adding 2.25 Code Enforcement FTE staff positions throughout the year.

The charts below provide graphic representation of the City's expenses compared to program revenues by function and its revenue by source.



The governmental activities' expense and program revenue chart is designed to reflect expenses associated with each City function and the revenues that are directly attributable to each function. It is important to note that general revenues such as general property, sales and other taxes are not directly attributable to specific functions and are therefore used to support program activities citywide. As the chart above shows, six percent of all revenues came from property tax levied for general purposes.

Financial Analysis of City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds: The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

General Fund Financial and Budgetary Highlights

The General Fund is the chief operating fund of the City. At June 30, 2018, unassigned fund balance was \$27,934,729. As a measure of the General Funds' financial condition, it may be useful to compare the unassigned fund balance to total expenditures. Unassigned fund balance represents 139% of General Fund expenditures of \$20,082,326. Provided below is a summary of net changes in fund balances.

Overall, General Fund revenues for fiscal year ended June 30, 2018 total \$29 million, compared to \$22.5 million for the previous year. The major components of revenues are property taxes (\$8.9 million), sales taxes (\$9.1 million), franchise taxes (\$1.5 million), and licenses and permits (\$8.1 million). General Fund expenditures total \$20,082,326 for the fiscal year ended June 30, 2018, compared to \$20,747,689 for the previous year.

As of June 30, 2018, the City's General Fund reported an excess of revenues over expenditures of \$8,872,838, compared to \$1,784,947 in 2016-2017, an increase of \$7,087,891. The increase of \$7 million over prior year is to several factors including the following:

General Fund Revenues

- New Vehicle License Fee revenue was received in the amount of \$4,320,926. This state allocation was not received in prior years and was approved as Senate Bill 130 in May 2017. The City expects to receive this funding in future years.
- Sales tax revenue increased by \$1,384,712 compared to prior year. Economic development efforts combined with commercial and retail growth attributed to the increase. Included in the increase is one-time sales tax for the improvements to the Goodman Commerce Center, a 3.1 million square foot mixed-use business park. Sales tax for the 2017-2018 fiscal year totaled \$9,077,639.
- Property tax increased by \$397,490. The median prices of homes have continued to increase as well as residential development throughout the city resulting in an increase of net taxable assessed value of 7.1% over the prior fiscal year.
- Investment earnings increased by \$172,927 in the General Fund as a result of larger investment balances and strategic investment strategies.

General Fund Expenditures

- Operating expenditures increased by \$2.4 million throughout several departments. The increase is due to increase salary and benefit costs for adding five full-time equivalent staff positions throughout the year. In addition, police and fire contract cost have increased as well as costs to staff the newly constructed Fire Station #31.
- Capital Outlay decreased by \$3,055,038 due to the completion of Fire Station #31. The fire station became operational in February 2017.

City of Eastvale
Summary of Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended June 30, 2018

	Governmental Activities	
	2018	2017⁽¹⁾
Revenues:		
Taxes	\$ 19,559,742	\$ 17,734,997
Licenses, Permits and Fees	3,804,955	3,800,866
Fines and Forfeitures	742,956	695,656
Intergovernmental	4,391,804	28,296
Investment Earnings	402,465	229,538
Other	53,242	43,283
Total Revenues	28,955,164	22,532,636
Expenditures:		
General Government	2,519,077	2,030,164
Public Safety	12,993,054	11,500,000
Public Works	104,374	116,372
Community Development	3,867,139	3,459,579
Revenue Neutrality	468,347	456,201
Capital Outlay	130,335	3,185,373
Total Expenditures	20,082,326	20,747,689
Excess of Revenues over Expenditures	8,872,838	1,784,947
Other Finance Sources (Uses):		
Transfers In	1,509,250	245,697
Transfers Out	(3,495)	(107,004)
Total Other Financing Sources (Uses)	1,505,755	138,693
Change in Fund Balances	10,378,593	1,923,640
Fund Balance, Beginning of Year	27,691,025	25,767,385
Fund Balance, End of Year	\$ 38,069,618	\$ 27,691,025

General Fund Budget Highlights

The final budget for revenues increased \$5,520,926 from the original adopted budget of \$20,548,830 to a revised budget of \$26,069,756. The change was to account for new Vehicle License Fee revenue and an increase of sales tax not anticipated during the budget preparation. Expenditures remained the same from the original adopted budget at \$20,744,264. Any changes to the departmental expenditures budget were offset by the City's contingency budget.

City of Eastvale
Summary of Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund
For the Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:			
Taxes	\$17,630,030	\$19,559,742	\$1,929,712
Licenses, Permits and Fees	3,168,800	3,804,955	636,155
Fines and Forfeitures	585,000	742,956	157,956
Intergovernmental	4,360,926	4,391,804	30,878
Charges for Services	100,000	-0-	(100,000)
Investment Earnings	175,000	402,465	227,465
Other	50,000	53,242	3,242
Total Revenues	<u>26,069,756</u>	<u>28,955,164</u>	<u>2,885,408</u>
Expenditures:			
General Government	2,876,047	2,519,077	356,970
Public Safety	13,729,514	12,993,054	736,460
Public Works	162,640	104,374	58,266
Community Development	3,394,122	3,867,139	(473,017)
Revenue Neutrality	470,000	468,347	1,653
Capital Outlay	111,941	130,335	(18,394)
Total Expenditures	<u>20,744,264</u>	<u>20,082,326</u>	<u>661,938</u>
Excess of Revenues over Expenditures	<u>5,325,492</u>	<u>8,872,838</u>	<u>3,547,346</u>
Other Finance Sources (Uses):			
Transfers In	364,313	1,509,250	1,144,937
Transfers Out	(3,000,000)	(3,495)	2,996,505
Total Other Financing Sources	<u>(2,635,687)</u>	<u>1,505,755</u>	<u>4,141,442</u>
Change in Fund Balances	<u>\$2,689,805</u>	<u>\$10,378,593</u>	<u>\$7,688,788</u>

In most cases, the City of Eastvale takes a conservative budgeting approach by estimating minimal growth in revenues and adopting status quo service levels year over year. As a result, General Fund actual revenues were above budget by \$2,885,408. The excess above budget is due to higher than anticipated sales and property taxes, higher than anticipated permitting revenues from residential and commercial development and greater fines and forfeiture revenues due to increased efficiencies in Code Enforcement.

Actual expenditures were under the budgeted amount by \$661,938. Community Development was the only governmental function with expenditures exceeding budgeted amounts by the amount of \$473,017 due to the higher than anticipated permitting and inspection services for residential and commercial development. This excess cost was offset by increased permitting revenue received beyond budget. Capital Outlay also exceeded by \$18,394 due to ancillary costs related to the newly constructed second fire station.

Gas Tax Fund Financial and Budgetary Highlights

As of June 30, 2018, the City's Gas Tax Fund reported ending fund balance of \$6,617,612. The Gas Tax fund balance is restricted for the maintenance, rehabilitation, or improvement of the City's streets, as required by California Streets and Highways Code. Provided below is a summary of net changes in fund balance.

City of Eastvale
Summary of Statement of Revenues, Expenditures and Changes in Fund Balance
Gas Tax Fund
For the Year Ended June 30, 2018

	Governmental Activities	
	2018	2017
Revenues:		
Taxes	\$ 378,603	\$ -0-
Intergovernmental	1,375,192	1,201,181
Investment Earnings	65,309	35,633
Other	-0-	3,526
Total Revenues	1,819,104	1,240,340
Expenditures:		
Public works	674,404	568,884
Capital Outlay	837,217	362,446
Total Expenditures	1,511,621	931,330
Excess of Revenues over Expenditures	307,483	309,010
Other Finance Sources (Uses):		
Transfers In	144,893	-0-
Transfers Out	(210,353)	(119,060)
Total Other Financing Sources (Uses)	(65,460)	(119,060)
Change in Fund Balances	242,023	189,950
Fund Balance, Beginning of Year	6,375,589	6,185,639
Fund Balance, End of Year	\$ 6,617,612	\$ 6,375,589

As of June 30, 2018, the City's Gas Tax Fund reported an excess of revenues over expenditures of \$307,483, compared to \$309,010 in 2016-2017, a decrease of \$1,527. Although there is little variance in the net revenues from prior year, both revenues and expenditures have increased in the current year by \$578,764 and 580,291, respectively.

Gas Tax Fund Revenues

- The approval of SB1 Road Maintenance and Rehabilitation Account (RMRA) increased Gas Tax funding in the amount of \$452,057. This new State revenue is anticipated in future years.
- The City's allocation of Highway User's Tax, specifically Section 2103, increased by \$88,578. The Section 2103 Local Streets and Roads allocation to cities and counties continued to fluctuate from year to year due to California Legislature enacting a swap of state sales taxes on gasoline for a gasoline excise tax signed in March 2010.

Gas Tax Fund Expenditures

- Road maintenance and street sweeping operational costs increased by \$105,520. Capital outlay also increased by \$474,771 due to timing of street improvement projects throughout the City. Projects funded by Gas Tax and SB1 include Hamner Avenue Widening and Residential Slurry Seal, respectively.

City of Eastvale
Summary of Statement of Revenues, Expenditures and Changes in Fund Balance
Miscellaneous Grants Fund
For the Year Ended June 30, 2018

	Governmental Activities	
	2018	2017
Revenues:		
Intergovernmental	\$ 294,655	\$ 168,431
Total Revenues	<u>294,655</u>	<u>168,431</u>
Expenditures:		
General Government	19,582	5,318
Capital Outlay	1,272,577	95,626
Total Expenditures	<u>1,292,159</u>	<u>67,487</u>
Excess of Revenues over Expenditures	<u>(997,504)</u>	<u>67,487</u>
Other Finance Sources (Uses):		
Transfers In	3,997	70,487
Total Other Financing Sources (Uses)	<u>3,997</u>	<u>70,487</u>
Change in Fund Balances	(993,507)	137,974
Fund Balance, Beginning of Year	(132,093)	(270,067)
Fund Balance, End of Year	<u>\$ (1,025,600)</u>	<u>\$ (132,093)</u>

Miscellaneous Grant Revenues

- The City received various grant revenues throughout fiscal year 2017-2018 for various purposes. \$83,549 was received from the Western Riverside Council of Governments for the BEYOND grant. These funds were used to purchase radar speed signs.
- The California Governor Office of Emergency Services (CalOES) providing funds in the amount of \$5,093 for CERT training.
- \$191,100 was received from Riverside County Flood Control for Storm Drainage reimbursement. The remaining reimbursement for the storm drain project is expected in fiscal year 2018-2019.
- The County of Riverside Emergency Management Department issued an Emergency Management Performance Grant (EMPG) in the amount of \$14,080 for various positions throughout the City for laptops and desktops as they related to the Emergency Operations Center (EOC).

Miscellaneous Grant Expenditures

- Costs associated with the miscellaneous grant included office equipment of \$14,518 and other professional services of \$5,063.
- The capital outlay expenditures of \$1,272,577 was for storm drain improvements. Funding for this project is from the Riverside County Flood Control. Notice of completion was filed in June 2018.

Capital Assets and Debt Administration

Capital Assets: City investment in capital assets for its governmental activities as of June 30, 2018, amounted to \$240,610,162 (net of accumulated depreciation). During the year, \$7,071,510, of net capital assets was added in

the governmental activities. Additional information on the City’s capital assets can be found in Note 6 to the basic financial statements.

Major capital assets events during the current fiscal year included the following:

- Additions to buildings in the amount of \$4,901,748 for the completion of the new Fire Station #31. Other infrastructure improvements related to the fire station site were for storm drains, street lights, traffic signal, and curb and gutter in the amount of \$645,262. Notice of completion was filed in October 2017.
- Donations of infrastructure assets, including streets, sidewalks, curb and gutter, storm drains, and signs by private development sources to the City amounted to \$4,193,270.
- A Storm Drain project throughout the City has been completed in the amount of \$1,389,942. This project was funded by the County Flood Control Zone 2.
- A new traffic signal at Sumner Avenue and 65th Street was completed in the amount of \$334,563.
- Several construction projects are in various stages of completion. Construction in progress had an increase of \$2.9 million, while a decrease of \$ 7.5 million was added to other capital assets as described above.

**City of Eastvale
Summary of Capital Assets (net of depreciation)
For the Year Ended June 30, 2018**

	2018	2017
Land	\$ 4,066,491	\$ 4,066,491
Construction in Progress	1,421,961	5,964,242
Buildings	8,005,345	3,238,987
Improvements	-0-	1,635
Vehicles	544,219	720,670
Furniture and Fixtures	21,328	-0-
Machinery and Equipment	30,310	46,297
Software	135,456	202,697
Infrastructure	226,385,052	226,608,109
Total Capital Assets	<u>\$ 240,610,162</u>	<u>\$ 240,849,128</u>

Long-term debt: At the end of fiscal year 2018, the City’s total long-term debt outstanding was \$84,143. Outstanding long-term debt of the City is summarized below and additional information can be found in note 7 to the basic financial statements.

**City of Eastvale
Summary of Outstanding Long-Term Debt
For the Year Ended June 30, 2018**

	2018	2017
Compensated Absences	\$ 49,022	\$ 53,104
Net Pension Liability	35,121	14,412
Total Capital Assets	<u>\$ 84,143</u>	<u>\$ 67,516</u>

Economic Factors and Next Year's Budget

After the adoption of the city's Fiscal Year 2011-2012 Budget, the State of California on June 28, 2011 approved SB 89 which eliminated Vehicle License Fees, which was a subvention collected by the State and allocated to cities based on population. The City of Eastvale last approximately \$12.6 million for fiscal years 2011-2012 through 2014-2015, and approximately \$2.6 million per year thereafter. As of the date of this report, funding as finally been restored through the passage of Senate Bill (SB) 130 signed May 12, 2017.

SB130 remedies the SB89 problem for the four cities by directing the Riverside County Auditor to establish a "VLF Adjustment Amount," property tax share in lieu of Vehicle License Fee (VLF) for each of the four newest cities much like what every other city in California receives. The cities will each receive a VLF Adjustment Amount for fiscal year 2018-2019 in proportion to the VLF Adjustment Amounts received by the other 24 cities in Riverside county. The Auditor Controller will sum the total of the VLF adjustment amounts of each of the 24 cities, divide by the sum of populations in cities in the county and then determine an amount for each of the four cities by multiplying this per capita amount by the population of each city. In fiscal year 2018-2019 and subsequent years, the VLF Adjustment amounts will increase based on the growth in assessed valuation in the jurisdictions, just like all other cities.

The fiscal year 2018-2019 City budget was prepared conservatively and with no tax rate or fee increases as part of the preparation of and adoption of the budget. The only revenue with significant budgeted increases was sales tax estimates which were projected with 8% growth from the previous fiscal year due to continued development of commercial and retail centers, including the Goodman Commerce Center, a 200-acre mixed-use project.

The General Fund budget for fiscal year 2018-2019 is balanced with revenues equaling expenditures; however, the City has earmarked \$8,000,000 of available reserves to fund a portion of the land and construction for the future Civic Center (estimated construction year 2019-2020).

With the expansion of the city and desire to bring many positions in-house, the City has begun an effort to increase its staffing levels to provide better customer service to its residents. For example, in fiscal year 2016-2017, the City employed 11.75 FTE and outsourced many departmental duties to consultants. As the City's revenue and fund balance grew, fiscal year 2017-2018 saw the number of FTE increase from 11.75 the prior year to 22 approved FTE positions in the 2018-2019 adopted budget.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional information should be addressed to the City Clerk of Eastvale, 12363 Limonite Ave., Suite 910, Eastvale, CA 91752, or call (951) 361-0900.

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BASIC FINANCIAL STATEMENTS

City of Eastvale
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Cash and Investments	\$ 62,313,661
Receivables:	
Accounts	425,837
Intergovernmental	3,817,365
Interest	252,235
Prepaid Items	64,794
Net OPEB Asset	1,413
Capital Assets:	
Land and Construction in Progress	5,488,452
Other Capital Assets, Net of Accumulated Depreciation	235,121,710
	307,485,467
 DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Items	170,996
	170,996
 LIABILITIES	
Accounts Payable and Accrued Liabilities	4,667,329
Noncurrent Liabilities:	
Due Within One Year	12,255
Due in More Than One Year	71,888
	4,751,472
 DEFERRED INFLOWS OF RESOURCES	
Pension Related Items	3,162
OPEB Related Items	25,228
	28,390
 NET POSITION	
Net Investments in Capital Assets	240,610,162
Restricted:	
Street Maintenance/Projects	18,876,670
Capital Projects City Facilities	3,257,616
Fire Operations/Improvements	7,070,095
Other Purposes	1,637,598
Unrestricted	31,424,460
	302,876,601
	\$ 302,876,601

The accompanying notes are an integral part of this statement.

City of Eastvale
Statement of Activities
For the Year Ended June 30, 2018

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 2,604,682	\$ 18,625	\$ 50,000	\$ -	\$ (2,536,057)
Public Safety	13,456,997	6,899,084	148,935	-	(6,408,978)
Public Works	9,211,040	229,316	5,373,457	4,193,270	585,003
Community Development	3,867,139	3,638,525	58,224	1,843,040	1,672,650
Revenue Neutrality	468,347	-	-	-	(468,347)
 Total Governmental Activities	\$ 29,608,205	\$ 10,785,550	\$ 5,630,616	\$ 6,036,310	(7,155,729)
 General Revenues:					
Taxes:					
Property Tax, Levied for General Purpose					2,605,707
Franchise Tax					1,552,260
Sales Tax					9,077,639
Other Taxes					361,715
Motor Vehicle in Lieu Tax (Intergovernmental/Unrestricted)					4,354,937
Investment Earnings					580,349
Other					18,014
Total General Revenues					18,550,621
Change in Net Position					11,394,892
Net Position - Beginning of Year					286,523,907
Prior Period Adjustment					4,957,802
Net Position - Beginning of Year, as Restated					291,481,709
Net Position - End of Year					\$ 302,876,601

The accompanying notes are an integral part of this statement.

**City of Eastvale
Balance Sheet
Governmental Funds
June 30, 2018**

	General	Special Revenue Fund Gas Tax	Special Revenue Fund Miscellaneous Grants	Total Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 38,708,108	\$ 6,722,110	\$ -	\$ 16,883,443	\$ 62,313,661
Receivables:					
Accounts	425,837	-	-	-	425,837
Intergovernmental	2,016,668	239,311	1,198,842	362,544	3,817,365
Interest	179,378	27,148	-	45,709	252,235
Due from Other Funds	1,338,197	-	-	-	1,338,197
Prepaid Items	64,794	-	-	-	64,794
	<u>42,732,982</u>	<u>6,988,569</u>	<u>1,198,842</u>	<u>17,291,696</u>	<u>68,212,089</u>
Total Assets	<u>\$ 42,732,982</u>	<u>\$ 6,988,569</u>	<u>\$ 1,198,842</u>	<u>\$ 17,291,696</u>	<u>\$ 68,212,089</u>
LIABILITIES					
Accounts Payable	\$ 4,235,713	\$ 234,159	\$ 11,126	\$ 89,077	\$ 4,570,075
Accrued Liabilities	97,254	-	-	-	97,254
Due to Other Funds	-	136,798	1,114,474	86,925	1,338,197
	<u>4,332,967</u>	<u>370,957</u>	<u>1,125,600</u>	<u>176,002</u>	<u>6,005,526</u>
Total Liabilities	<u>4,332,967</u>	<u>370,957</u>	<u>1,125,600</u>	<u>176,002</u>	<u>6,005,526</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Taxes & Assessments	330,397	-	-	825	331,222
Unavailable Revenue - Intergovernmental	-	-	1,198,842	-	1,198,842
	<u>330,397</u>	<u>-</u>	<u>1,198,842</u>	<u>825</u>	<u>1,530,064</u>
Total Deferred Inflows of Resources	<u>330,397</u>	<u>-</u>	<u>1,198,842</u>	<u>825</u>	<u>1,530,064</u>
FUND BALANCES					
Nonspendable	64,794	-	-	-	64,794
Restricted	7,070,095	6,617,612	-	17,154,272	30,841,979
Committed	3,000,000	-	-	-	3,000,000
Unassigned	27,934,729	-	(1,125,600)	(39,403)	26,769,726
	<u>38,069,618</u>	<u>6,617,612</u>	<u>(1,125,600)</u>	<u>17,114,869</u>	<u>60,676,499</u>
Total Fund Balances	<u>38,069,618</u>	<u>6,617,612</u>	<u>(1,125,600)</u>	<u>17,114,869</u>	<u>60,676,499</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 42,732,982</u>	<u>\$ 6,988,569</u>	<u>\$ 1,198,842</u>	<u>\$ 17,291,696</u>	<u>\$ 68,212,089</u>

The accompanying notes are an integral part of this statement.

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

Fund Balances of Governmental Funds	\$	60,676,499
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Long-term assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Net OPEB Asset		1,413
Capital Assets		240,610,162

Deferred inflows of resources not available to liquidate liabilities of the current period are not recognized in the funds.		1,530,064
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Deferred outflows and inflows of resources related to pensions and OPEB that are required to be recognized over a defined closed period.

Pension Related Deferred Outflows of Resources		170,996
Pension Related Deferred Inflows of Resources		(3,162)
OPEB Related Deferred Inflows of Resources		(25,228)

Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported in as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position.

Compensated Absences		(49,022)
Net Pension Liability		(35,121)

Net Position of Governmental Activities	\$	<u>302,876,601</u>
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City of Eastvale
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General	Special Revenue Fund Gas Tax	Special Revenue Fund Miscellaneous Grants	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 19,559,742	\$ 378,603	\$ -	\$ -	\$ 19,938,345
Licenses, Permits and Fees	3,804,955	-	-	-	3,804,955
Fines and Forfeitures	742,956	-	-	-	742,956
Intergovernmental	4,391,804	1,375,192	294,655	1,602,738	7,664,389
Development Impact Fees	-	-	-	2,829,417	2,829,417
Assessments	-	-	-	229,316	229,316
Investment Earnings	402,465	65,309	-	112,574	580,348
Other	53,242	-	-	-	53,242
Total Revenues	28,955,164	1,819,104	294,655	4,774,045	35,842,968
EXPENDITURES					
Current:					
General Government	2,519,077	-	19,582	6,000	2,544,659
Public Safety	12,993,054	-	-	154,591	13,147,645
Public Works	104,374	674,404	-	96,040	874,818
Community Development	3,867,139	-	-	-	3,867,139
Revenue Neutrality	468,347	-	-	-	468,347
Capital Outlay	130,335	837,217	1,272,577	2,058,088	4,298,217
Total Expenditures	20,082,326	1,511,621	1,292,159	2,314,719	25,200,825
Excess (Deficiency) of Revenues over Expenditures	8,872,838	307,483	(997,504)	2,459,326	10,642,143
OTHER FINANCING SOURCES (USES)					
Transfers In	1,509,250	144,893	3,997	90,087	1,748,227
Transfers Out	(3,495)	(210,353)	-	(1,534,379)	(1,748,227)
Total Other Financing Sources (Uses)	1,505,755	(65,460)	3,997	(1,444,292)	-
Net Change in Fund Balances	10,378,593	242,023	(993,507)	1,015,034	10,642,143
Fund Balances (Deficit), Beginning of Year	27,691,025	6,375,589	(132,093)	11,101,475	45,035,996
Prior Period Adjustment	-	-	-	4,998,360	4,998,360
Fund Balances (Deficit), Beginning of Year, As Restated	27,691,025	6,375,589	(132,093)	16,099,835	50,034,356
Fund Balances - End of Year	\$ 38,069,618	\$ 6,617,612	\$ (1,125,600)	\$ 17,114,869	\$ 60,676,499

The accompanying notes are an integral part of this statement.

City of Eastvale
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 10,642,143

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

Earned unavailable revenue and other resources not available to liquidate liabilities of the current period are not recognized in governmental funds. Revenues in the statement of activities is not limited by availability, so certain revenues need to be increased by the amounts that were unavailable at the end of the year. 966,859

Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 4,193,270

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Cost of assets capitalized	2,878,240
Depreciation expense	(7,307,837)
Gain (Loss) on Disposal of Capital Assets	(2,639)

Some expenses reported in statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Net Change in Compensated Absences	4,082
Net Change in Net Pension Liability (Asset)	20,709
Net Change in Net OPEB Liability (Asset)	25,249
Net Change in Pension Related Deferred Outflows and Inflows of Resources - Pension	(52,402)
Net Change in Pension Related Deferred Outflows and Inflows of Resources - OPEB	27,218
	27,218

Change in Net Position of Governmental Activities \$ 11,394,892

City of Eastvale
Statement of Fiduciary Assets and Liabilities
June 30, 2018

	Agency Fund
ASSETS	
Cash and Investments	\$ 3,725,268
Total Assets	\$ 3,725,268
LIABILITIES	
Accounts Payable	\$ 1,396,690
Deposits	2,328,578
Total Liabilities	\$ 3,725,268

The accompanying notes are an integral part of this statement.

City of Eastvale
Notes to Financial Statements
June 30, 2018

I.) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of Eastvale (City) was incorporated on October 1, 2010, under the laws of the State of California and enjoys all the rights and privileges pertaining to “General Law” cities. The City operates under a council-manager form of government and currently provides a wide variety of services to its citizens, including public safety, public works, community development, general administrative and other services. As required by generally accepted accounting principles, these financial statements present the City (the primary government) and its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity’s financial statements to be incomplete. Under this definition, it is determined that there are no component units for this reporting entity, and these financial statements present the financial reporting entity that consisted solely of the City as the primary government.

b. Government-wide and Fund Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. Governmental activities which normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Currently, the City does not have any business-type activities.

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.

Separate financial statements are provided for governmental funds, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City does not have any proprietary funds.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Accordingly, all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges or services, 2) operating grants and contributions, and 3) capital grants and contributions.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified-accrual basis of accounting, revenues are recognized in these funds when susceptible to accrual (i.e. when they are both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers property taxes collected after year-end as available, if they are collected within 60 days of the end of the current fiscal period. Other revenue susceptible to accrual includes sales tax, state gasoline taxes, investment earnings, and certain other intergovernmental revenues. Expenditures in the governmental funds are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, except for unmatured principal and interest on general long-term debt, as well as compensated absences and claims and judgments, which are recognized when due.

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 not accounted and reported in another fund.

The *Special Revenue Fund (Gas Tax)* is used to account for the maintenance, rehabilitation, or improvement of public streets of the City. Financing is through the State Highway Users Tax Sections 2103, 2105, 2106, 2107, and 2107.5 of the California Streets and Highways Code and Road Maintenance and Rehabilitation Program Section 2032(h) of the California Streets and Highways Code.

The *Special Revenue Fund (Miscellaneous Grants)* is used to account for the receipts and expenditures of miscellaneous grants not accounted for in a separate fund.

Additionally, the City reports the following fund type:

The *Agency Fund* is used to account for the resources held by the City in a fiduciary capacity for developer deposits received for various planning and building projects.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for the effect of interfund services provided and used.

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 program revenues. Likewise, general revenues include all unrestricted taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use the restricted resources first, and then unrestricted, as they are needed.

Other Accounting Policies

Deposits and Investments

The City 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 are reported at fair value. The City's policy is to hold investments until maturity or until market values equal or exceed cost.

Interfund 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 are reported in the government-wide financial statements as "internal balances".

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both government-wide and fund financial statements. The City uses the consumption method for prepaid items in the governmental funds.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

Capital Assets

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

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

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Leasehold Improvements	10 years
Infrastructure	10 to 65 years
Vehicles	5 to 10 years
Office Equipment	5 to 10 years
Computer Equipment	5 years

Use of Estimates

The financial statements have been prepared in accordance with generally accepted accounting principles accepted in the United States of America and necessarily include amounts based on estimates and assumptions by management. Actual results could differ from those amounts.

Compensated Absences

The City provides to its employees a comprehensive annual leave program. Leave pay is payable at the time it is taken or upon termination.

The total amount of liability for compensated absences is segregated between short-term and long-term with both portions reflected in the government-wide statements. The short-term portion is determined to be the amount due to employees for future absences which is attributable to services already rendered and which is expected to be paid during the next fiscal year.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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 expenditures. The City has not issued bonds and currently has no bonds payable.

Property Taxes

The County of Riverside collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding, the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1st to June 30th. All secured personal property taxes and one-half of the taxes on real property are due November 1st, the second installment is due February 1st. All taxes are delinquent, if unpaid, on December 10th and April 10th respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31st.

Unearned Revenues

In the government-wide financial statements and the fund financial statements, unearned revenues represent cash advances by various grantors that have not been spent; therefore no revenue has been recognized.

Fund Equity

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted - amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

Fund Equity - Continued

Committed - amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority, an adoption of an ordinance; to be reported as committed, amounts cannot be used for any other purpose unless the City Council takes the same highest level action (the adoption of another ordinance) to remove or change the constraint.

Assigned - amounts a government intends to use for a specific purpose; the City Council has delegated the authority to assign unrestricted fund balance to the City Manager or the City Manager's designee, per the City Council "Fund Balance Reserve Policy".

Unassigned - amount that are for any purpose; positive amounts are reported only in a general fund.

The City Council may establish (and modify or rescind) fund balance commitments by passage of an ordinance.

The City has established a General Fund minimum fund balance policy as follows:

At the end of each fiscal year, the General Fund should have a minimum fund balance of 50% of the next year's General Fund annual budgeted operating expenditures, as calculated by the Finance Director. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. The City has deferred outflows related to pensions and other postemployment benefits, which arise only under a full accrual basis of accounting. Accordingly, these items (*pension and other postemployment benefits*), are reported only in the government-wide statement of net position. This includes pension and other postemployment benefits contributions subsequent to the measurement date of the net liabilities and other amounts (see Note 9 and 10, respectively), which are amortized by an actuarial determined period.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

Deferred Outflows/Inflows of Resources - Continued

In addition to liabilities, the statement of net position and the 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 and other postemployment benefits that apply to future period(s) and so will *not* be recognized as an outflow of resources (revenue) until that time. The government has one type of 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 government funds balance sheet. The governmental funds report unavailable revenues from these sources: property taxes, special assessments, grant revenues and Measure A revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources related to pensions and OPEB, which arises only under a full accrual basis of accounting. Accordingly, this item (*pension and other postemployment benefit related items*), are reported only in the government-wide statement of net position. These amounts (see Note 9 and 10, respectively) are amortized by an actuarial determined period.

Pensions

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

Other Postemployment Benefits - OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standard Board Statement No. 75

In June of 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement was issued to improve accounting and financial reporting for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. Statement No. 75 is effective for fiscal years beginning after June 15, 2017. The City has implemented GASB No. 75 which is reflected in the City's financial statements.

Governmental Accounting Standard Board Statement No. 81

In March of 2016, GASB issued Statement No. 81, *Irrevocable Split Interest Agreements*. This statement was issued to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2016. Currently, this Statement has no effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 83

In November of 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement was issued to address the criteria for the recognition and measurement of the liability and corresponding deferred outflows of resources associated with certain asset retirement obligations (AROs). An ARO is a legally enforceable

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 83 - Continued

liability associated with the retirement of a tangible capital asset. Statement No. 83 is effective for reporting periods beginning after June 15, 2018. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 84

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This Statement establishes the criteria for identifying fiduciary activities which should be reported in a fiduciary fund in the basic financial statements. The fiduciary funds that should be reported, if applicable: a) pensions trust funds, b) investment trust funds, c) private purpose trust funds, d) custodial funds. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 85

In March of 2017, GASB issued Statement No. 85, *Omnibus 2017*. This Statement addresses practice issues that have risen from the implementation of certain GASB Statements; primarily pension and OPEB related measurement, recognition, timing, and reporting issues. Other issues include blending of component units for governments whose primary activity is business-type, goodwill reporting, classifying real estate held by insurance entities and measuring particular investments at amortized cost. This Statement is effective for reporting periods beginning after June 15, 2017. Currently, this Statement has no effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 86

In May of 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement expands upon GASB No. 7 *Advance Refundings Resulting in Defeasance of Debt* which defines debt defeased in substance and the criteria for the trusts used to extinguish debt. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. This Statement is effective for reporting periods beginning after June 15, 2017. Currently, this Statement has no effect on the City's financial statements.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. The intent of this Statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for reporting periods beginning after December 15, 2019. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

Governmental Accounting Standard Board Statement No. 88

In March of 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement was issued to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Statement No. 88 is effective for fiscal years beginning after June 15, 2018. The City has elected not to early implement GASB No. 88 and has not determined its effect on the City's financial statements.

Governmental Accounting Standard Board Statement No. 89

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement was issued to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for fiscal years beginning after December 15, 2019. The City has elected not to early implement GASB No. 88 and has not determined its effect on the City's financial statements.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 1: Organization and Summary of Significant Accounting Policies - Continued

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

Implementation of New Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 90

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. This Statement was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for fiscal years beginning after December 15, 2018. The City has elected not to early implement GASB No. 88 and has not determined its effect on the City's financial statements.

City of Eastvale
Notes to Financial Statements
June 30, 2018

II.) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Note 2: Budgetary Information

The City prepares its budgets on the basis of estimated actual expenditures and, accordingly, the budget amounts included in the accompanying financial statements are presented on a basis consistent with generally accepted accounting principles.

Each year, the City Manager submits a proposed budget to the City Council during May. The City Council holds budget hearings during May and June. The final budget is adopted by the City Council in June.

No budget expenditures can be disbursed without proper appropriations. Once the budget is adopted, no additional funds can be authorized without the City Council’s approval. The level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the individual fund level. The City Manager can authorize budget transfers between departments without additional appropriations.

Throughout the year, budgeted expenditures are reviewed and projections are made by the City Manager. Therefore, any necessary changes are submitted for approval to the City Council with a recorded action for any budget adjustments.

Formal budgetary integration is employed as a management control device during the year for all the Governmental Type Funds. Budgets for all the Governmental Type Funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted and as further amended by the City Council.

The following funds had expenditures in excess of appropriations:

Fund	Budget	Actual	Variance
Miscellaneous Grants Fund	\$ 356,513	\$ 1,292,159	\$ (935,646)
Supplemental Law Enforcement Services Fund	\$ 100,000	\$ 153,980	\$ (53,980)
Development Impact Fees Fund	\$ -	\$ 422,242	\$ (422,242)

City of Eastvale
Notes to Financial Statements
June 30, 2018

III.) DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments at June 30, 2018 are classified in the accompanying financial statements as follow:

Statement of Net Position:	
Cash and Investments	\$ 62,313,661
Statement of Fiduciary Assets and Liabilities:	
Cash and Investments	3,725,268
Total Cash and Investments	\$ 66,038,929

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

Cash on Hand	\$ 800
Deposits with Financial Institutions	17,107,468
Investments	48,930,661
Total Cash and Investments	\$ 66,038,929

The City follows the practice of pooling cash and investments of all funds. Investment earnings earned on pooled cash and investments is allocated quarterly to the various funds based on cash balances.

The City adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. 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.

Authorized Investments

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 3: Cash and Investments - Continued

Authorized Investments - Continued

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasuries	5 years	None	None
Money Market Mutual Funds	N/A	20%	5%
Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Federal Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	10%
Medium-Term Notes	5 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Asset-Backed Securities	5 years	20%	5%

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuation are presented below:

Investment Type	Total	12 Months Or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	\$ 13,057,880	\$ 13,057,880	\$ -	\$ -
Money Market Mutual Funds	1,242,025	1,242,025	-	-
Federal Agency Securities	14,214,300	-	-	14,214,300
Commercial Paper	17,500,895	2,724,067	5,264,829	9,511,999
Medium-Term Notes	2,915,561	-	347,039	2,568,522
Total	<u>\$ 48,930,661</u>	<u>\$ 17,023,972</u>	<u>\$ 5,611,868</u>	<u>\$ 26,294,821</u>

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 3: Cash and Investments - Continued

Disclosures Relating to Credit Risk - Continued

Information about the minimum rating required by the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as of year-end for each type of investment held by the City can be found below:

Investment Type		Minimum Legal Rating	Rating as of Year End			
			AAA	AA	A	Not Rated
Local Agency Investment Fund	\$ 13,057,880	N/A	\$ -	\$ -	\$ -	\$ 13,057,880
Money Market Mutual Funds	1,242,025	N/A	-	-	-	1,242,025
Federal Agency Securities	14,214,300	N/A	14,214,300	-	-	-
Commercial Paper	17,500,895	A	2,001,013	1,165,420	6,932,577	7,401,885
Medium-Term Notes	<u>2,915,561</u>	A	<u>1,712,513</u>	<u>-</u>	<u>-</u>	<u>1,203,048</u>
Total	<u>\$ 48,930,661</u>		<u>\$ 17,927,826</u>	<u>\$ 1,165,420</u>	<u>\$ 6,932,577</u>	<u>\$ 22,904,838</u>

Concentration of Credit Risk

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	Federal Agency Securities	\$ 3,620,495

Custodial Credit Risk

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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2018, the City had deposits of \$9,389,392 with financial institutions in excess of federal depository insurance limits that were held in collateralized accounts.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 3: Cash and Investments - Continued

Investment in Investment Pools

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based on the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The maximum investment in LAIF is \$65,000,000.

At June 30, 2018 the LAIF portfolio included medium-term and short-term structured notes and asset-backed securities as a percent of the portfolio of 1.1% and 1.8%, respectively. The pool does not invest in Derivative Products.

Note 4: Fair Value Measurements

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 4: Fair Value Measurements - Continued

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of assets measured on a recurring basis at June 30, 2018, are as follows:

Investment Type	Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Uncategorized
Local Agency Investment Fund	\$ 13,057,880	\$ -	\$ -	\$ 13,057,880
Money Market Mutual Funds	1,242,025	-	1,242,025	-
Federal Agency Securities	14,214,300	-	14,214,300	-
Commercial Paper	17,500,895	-	17,500,895	-
Medium-Term Notes	2,915,561	-	2,915,561	-
Total	\$ 48,930,661	\$ -	\$ 35,872,781	\$ 13,057,880

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices.

Uncategorized investments do not fall under the fair value hierarchy as there is no active market for the investments.

Note 5: Interfund Receivables, Payables and Transfers

Due To/From Other Funds

Current interfund balances at June 30, 2018 consisted of the following:

Due From Other Funds	Due To Other Funds	Amount
General Fund	Special Revenue Fund Gas Tax	\$ 136,798
	Special Revenue Fund Miscellaneous Grants	1,114,474
	Nonmajor Governmental Funds	86,925
		<u>\$ 1,338,197</u>

The Due to General Fund from the Nonmajor Governmental Fund was a result of temporary cash shortfalls recorded in those funds.

Interfund transfers are as follows:

Transfers In	Transfers Out			Total
	General Fund	Special Revenue Gas Tax	Non-major Governmental Funds	
General Fund	\$ -	\$ 210,353	\$ 1,298,897	\$ 1,509,250
Special Revenue Gas Tax	-	-	144,893	144,893
Special Revenue Miscellaneous Grants	3,495	-	502	3,997
Non-major Governmental Funds	-	-	90,087	90,087
Total	\$ 3,495	\$ 210,353	\$ 1,534,379	\$ 1,748,227

Transfers are used to provide services and construct assets between funds.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated				
Land	\$ 4,066,491	\$ -	\$ -	\$ 4,066,491
Construction in Progress	5,964,242	2,925,789	7,468,070	1,421,961
Total Capital Assets, Not Being Depreciated	<u>10,030,733</u>	<u>2,925,789</u>	<u>7,468,070</u>	<u>5,488,452</u>
Capital Assets, Being Depreciated				
Buildings	4,318,649	4,901,748	-	9,220,397
Leasehold Improvements	37,235	-	-	37,235
Improvements	5,450	-	5,450	-
Vehicles	921,842	-	-	921,842
Furniture and Fixtures	-	22,451	-	22,451
Machinery and Equipment	104,833	-	14,054	90,779
Software	480,412	-	-	480,412
Infrastructure	<u>265,119,992</u>	<u>6,689,592</u>	<u>-</u>	<u>271,809,584</u>
Total Capital Assets, Being Depreciated	<u>270,988,413</u>	<u>11,613,791</u>	<u>19,504</u>	<u>282,582,700</u>
Less Accumulated Depreciated for:				
Buildings	(1,079,662)	(135,390)	-	(1,215,052)
Leasehold Improvements	(37,235)	-	-	(37,235)
Improvements	(3,815)	-	(3,815)	-
Vehicles	(201,172)	(176,451)	-	(377,623)
Furniture and Fixtures	-	(1,123)	-	(1,123)
Machinery and Equipment	(58,536)	(14,983)	(13,050)	(60,469)
Software	(277,715)	(67,241)	-	(344,956)
Infrastructure	<u>(38,511,883)</u>	<u>(6,912,649)</u>	<u>-</u>	<u>(45,424,532)</u>
Total Accumulated Depreciation	<u>(40,170,018)</u>	<u>(7,307,837)</u>	<u>(16,865)</u>	<u>(47,460,990)</u>
Total Capital Assets Being Depreciated, Net	<u>230,818,395</u>	<u>4,305,954</u>	<u>2,639</u>	<u>235,121,710</u>
Governmental Activities Capital Assets, Net	<u>\$ 240,849,128</u>	<u>\$ 7,231,743</u>	<u>\$ 7,470,709</u>	<u>\$ 240,610,162</u>

Depreciation expense was charged to the governmental activities as follows:

General Government	\$ 84,879
Public Safety	309,352
Public Works	<u>6,913,606</u>
Total Governmental Activities Depreciation Expense	<u>\$ 7,307,837</u>

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 7: Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 53,104	\$ 38,825	\$ 42,907	\$ 49,022	\$ 12,255
Net Pension Liability	14,412	20,709	-	35,121	-
Total	\$ 67,516	\$ 59,534	\$ 42,907	\$ 84,143	\$ 12,255

Liabilities for compensated absences and the net pension liability are typically liquidated by the General Fund.

Note 8: Operating Lease

The City leases a copier/scanner/printer/fax (equipment) under a non-cancelable operating lease. Rental costs for the lease were \$4,152 for the fiscal year ended June 30, 2018. The future minimum lease payments as of June 30, 2018 are as follows:

Year Ending June 30,	Equipment
2019	\$ 4,152
2020	2,224
Total	\$ 6,376

On October 1, 2010, the City entered into a 22-month operating lease agreement to rent its current office suite. The office lease provided for monthly rent of \$2,150 in addition to common area maintenance costs for the first ten months and \$2,215 thereafter. On July 1, 2011, the City Hall relocated and the lease was amended providing for monthly rent starting at \$5,080 per month in addition to common area maintenance costs for the first 17 months, \$5,232 for months 18-22, and \$5,385 for months 29-41. Effective October 1, 2012 the City leased additional space under the same terms for \$1,000 per month through the end of the lease term. The City amended its lease agreement on November 3, 2014 to extend the lease until November 30, 2016 with monthly rent starting at \$5,165 for months 1-12 and \$5,268 for months 13-24. The City had the option to renew the lease upon termination at November 30, 2016. The City amended its lease agreement on December 6, 2016 to extend the lease until November 30, 2017 with monthly rent of \$10,239. The City amended its lease agreement March 21, 2018 for 3 years at \$7,328 a month. Rental costs, including maintenance costs, for the year ended June 30, 2018 were \$126,435.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 8: Operating Lease - Continued

Minimum future rental payments under the operating leases as of June 30, 2018 are as follows (amounts do not include common area maintenance costs):

Year Ending June 30,	Office Lease
2019	\$ 87,936
2020	87,936
2021	58,624
Total	<u>\$ 234,496</u>

Note 9: Retirement Plan

a. General Information about the Pension Plans

Plan Descriptions

All full time employees are eligible to participate in the City’s Miscellaneous Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City’s resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Eligible employees hired after January 1, 2013 that, are considered new members as defined by the Public Employees’ Pension Reform Act (PEPRA) are participating in the PEPRA Miscellaneous Plan.

Benefits Provided

CalPERS, provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service as discussed above. Members with five years of total service are eligible to retire at age 50 or 52 if in the PEPRA Miscellaneous Plan with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The system also provides for the Optional Settlement 2W Death Benefit, as well as the 1959 Survivor Benefit. The cost of living adjustments for all plans are applied as specified by the Public Employees’ Retirement Law.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 9: Retirement Plan - Continued

a. General Information about the Pension Plans - Continued

The rate plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013 ⁽¹⁾
Hire Date		
Benefit Formula	2.0% at 60	2.0% at 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50 - 55+	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	1.092% - 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	7%	6.25%
Required Employer Contribution Rates	9.126%	6.237 - 7.802%

⁽¹⁾ For employees hired on or after January 1, 2013, they are included in their respective PEPRA (California Public Employees' Pension Reform Act) Plans with the above provisions and benefits.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ended June 30, 2018 were \$56,387.

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$35,121.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 9: Retirement Plan - Continued - Continued

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

	Miscellaneous
Proportion - June 30, 2017	0.00041%
Proportion - June 30, 2018	0.00089%
Change - Increase (Decrease)	0.00048%

For the year ended June 30, 2018, the City recognized pension expense of \$62,314. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 56,387	\$ -
Differences between actual and expected experience	-	(2,003)
Changes in assumptions	17,225	-
Differences between the employer's contributions and the employer's proportionate share of contributions	55,410	(1,159)
Change in employer's proportion	37,756	-
Net differences between projected and actual earnings on plan investments	4,218	-
Total	\$ 170,996	\$ (3,162)

Deferred outflows of resources of \$56,387 related to contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as an increase or (decrease) in pension expense as follows:

Year Ended June 30	Deferred Outflows/Inflows of Resources
2019	\$ 52,604
2020	37,374
2021	23,973
2022	(2,504)
2023	-
Thereafter	-
	\$ 111,447

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 9: Retirement Plan - Continued - Continued

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Actuarial Assumptions

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

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Projected Salary Increase	Depending on age, service and type of employment
Investment Rate of Return	7.50% ⁽¹⁾
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

⁽¹⁾Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 9: Retirement Plan - Continued - Continued

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

Discount Rate - Continued

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

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

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80%	2.27%
Inflation Sensitive	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	<u>100%</u>		

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

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

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 9: Retirement Plan - Continued - Continued

b. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Continued

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

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

		<u>Miscellaneous</u>
1% Decrease		6.15%
Net Pension Liability	\$	96,586
Current Discount Rate		7.15%
Net Pension Liability	\$	35,121
1% Increase		8.15%
Net Pension Liability	\$	(15,785)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

c. Payable to the Pension Plan

At June 30, 2018, the City had \$5,870 owed to the pension plan for contributions for the year ended June 30, 2018 which is included in accrued liabilities.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 10: Other Post-Employment Benefits (OPEB)

Plan Description

The City's defined benefit postemployment healthcare plan provides medical benefits to eligible retired employees and qualified dependents. The Plan is part of the Public Agency portion of the California Employers' Retiree Benefit Trust Fund (CERBT), an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statute within the Public Employees' Retirement Law. CalPERS issues a Comprehensive Annual Financial Report (CAFR). The CAFR is issued in aggregate and includes the sum of all CalPERS plans. Copies of the CalPERS CAFR may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of the City are established and may be amended by the City Council.

Employees Covered

As of June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	23
Inactive employees or beneficiaries currently receiving benefits	-
Inactive employees entitled to, but not yet receiving benefits	-
	<hr/>
Total	23

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2018, the City did not make any contributions to the Plan.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 10: Other Post-Employment Benefits (OPEB) - Continued

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 based on the following actuarial methods and assumptions:

Actuarial Assumptions

Discount Rate	3.75%
Inflation	1.75%
Salary Increases	2.50% plus merit
Investment Rate of Return	3.75%
Mortality Rate ⁽¹⁾	Derived using CalPERS Membership Data for all funds
Pre-Retirement Turnover ⁽²⁾	Derived using CalPERS Membership Data for all funds
Healthcare Trend Rate	3.75%

Notes:

⁽¹⁾Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be access on the CalPERS website www.calpers.ca.gov under Forms and Publications.

⁽²⁾The pre-retirement turnover information was developed based on CalPERS specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity	40.0%	4.82%
Fixed Income	39.0%	1.47%
TIPS	10.0%	1.29%
REITS	8.0%	3.76%
Commodities	3.0%	0.84%
Total	100%	

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 10: Other Post-Employment Benefits (OPEB) - Continued

Discount Rate

The discount rate used to measure the total OPEB liability was 3.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projects benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2017 <i>(Valuation Date June 30, 2018)</i>	\$ 52,233	\$ 68,193	\$ (15,960)
Changes Recognized for the Measurement Period:			
Service Cost	19,154	-	19,154
Interest	2,677	-	2,677
Actual and Expected Experience Difference	(3,628)	-	(3,628)
Changes of Assumptions	-	-	-
Contribution – Employer	-	-	-
Net Investment Income	-	3,730	(3,730)
Benefit Payments	-	-	-
Administrative Expense	-	(74)	74
Net Changes	18,203	3,656	14,547
Balance at June 30, 2018 <i>(Measurement Date June 30, 2018)</i>	\$ 70,436	\$ 71,849	\$ (1,413)

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 10: Other Post-Employment Benefits (OPEB) - Continued

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB Liability (Asset)	\$ 13,451	\$ (1,413)	\$ (17,449)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability (asset) of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (2.75%)	Current Healthcare Cost Trend Rates (3.75%)	1% Increase (4.75%)
Net OPEB Liability (Asset)	\$ (49,649)	\$ (1,413)	\$ (56,336)

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from the California Public Employees Retirement System Executive Office, 400 P Street, Sacramento, California 95814.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 10: Other Post-Employment Benefits (OPEB) - Continued

Recognition of Deferred Outflows and Deferred Inflows of Resources - Continued

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

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

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$18,203. As of fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ -	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on OPEB plan investments	-	(25,228)
Total	\$ -	\$ (25,228)

There were no deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date as the valuation was for the same reporting period. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2019	\$ (5,046)
2020	(5,046)
2021	(5,046)
2022	(5,046)
2023	(5,044)
Thereafter	-

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 11: Risk Management

The City is a member of the Public Entity Risk Management Authority (PERMA), a joint powers insurance authority formed under Section 990 of the California Government Code for the purpose of jointly funding programs of insurance coverage for its members. PERMA is comprised of thirty-one participating member agencies: twenty-two cities, three transit agencies and six special districts. The City participates in the liability, property, auto physical damage, and crime insurance programs of PERMA.

The liability program provides coverage up to \$50 million per occurrence for personal injury, bodily injury, property damage and public officials’ errors and omissions. The City has selected a \$0 self-insured retention for this coverage and participates in risk sharing pools for losses up to \$1 million, followed by PERMA’s membership in the CSAC Excess Insurance Authority (EIA) for \$49 million of excess liability coverage.

The property insurance program is group purchased under a master property insurance policy with accumulated values from all participants effecting lower rates and broader coverage for members. The program covers real property, business personal property, inland marine coverage for special mobile equipment and business interruption. Commercial property coverage is written on a replacement cost basis and all risk, eliminating the traditional commercial “named peril” policy.

The auto physical damage insurance program is also group purchased under a master insurance policy with accumulated values from all participants effecting lower rates for members. Auto physical damage coverage is written on an agreed amount basis.

The crime insurance program provides public employee dishonesty, forgery or alteration, and computer fraud coverage under a master insurance policy.

The City is insured with the State Compensation Insurance Fund for workers’ compensation claims. There is no deductible requirement for this coverage.

Note 12: Net Position and Fund Equity

Net Position

The details of the restricted other purposes in the Statement of Net Position are presented below:

	Statement of Net Position
Landscape Maintenance	\$ 1,345,265
AQMD Projects	288,559
Other	3,774
	\$ 1,637,598

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 12: Net Position and Fund Equity - Continued

Fund Equity

The City has established certain fund balance designations to report the amounts in the following funds, which represent available spendable resources restricted, committed or assigned for a specific purpose:

	General Fund	Special Revenue Fund Gas Tax	Special Revenue Miscellaneous Grants	Non-Major Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Prepaid Items	\$ 64,794	\$ -	\$ -	\$ -	\$ 64,794
Restricted For:					
Street Maintenance/Projects	-	6,617,612	-	12,259,053	18,876,665
Landscape Maintenance	-	-	-	1,345,265	1,345,265
AQMD Projects	-	-	-	288,559	288,559
Capital Projects City Facilities	-	-	-	3,257,621	3,257,621
Fire Operations/Improvements	7,070,095	-	-	-	7,070,095
Other Purposes	-	-	-	3,774	3,774
Total Restricted	7,070,095	6,617,612	-	17,154,272	30,841,979
Committed for:					
City Hall Facility	3,000,000	-	-	-	3,000,000
Total Committed	3,000,000	-	-	-	3,000,000
Unassigned	27,934,729	-	(1,125,600)	(39,403)	26,769,726
Total	\$ 38,069,618	\$ 6,617,612	\$ (1,125,600)	\$ 17,114,869	\$ 60,676,499

The following had a deficit fund balance at June 30, 2018. These deficits are expected to be eliminated through future revenues.

Fund	Amount
Miscellaneous Grants Special Revenue Fund	\$ (1,125,600)
CDBG Special Revenue Fund	\$ (38,918)
Capital Projects Fund	\$ (485)

City of Eastvale
Notes to Financial Statements
June 30, 2018

Note 13: Joint Ventures

The Western Riverside County Regional Conservation Authority (“Authority”) was created in 2004 to protect 146 native species of plants and animals and preserving a half million acres of their habitat. Resolution 10-28, signed October 1, 2010, authorized the City Manager to pursue membership in the Riverside Conservation Authority, which would also fulfil one of the LAFCO’s conditions of incorporation for the City. Resolution 10-48, signed December 8, 2010, authorized the Mayor to sign the Joint Powers Agreement with the Riverside Conservation Authority and the agreement with the U.S. Fish and Wildlife Service and California Department of Fish and Game relating to the implementation of the Western Riverside County Multiple Species Habitat Conservation Plan.

There will also be some additional (and unquantifiable) expenses associated with the City’s interaction with the Authority. However, these additional expenses are expected to be relatively minor. There will be staff costs associated with locally implementing the program, which will be borne by the general fund for City projects and for the periodic reports to the Authority, and by landowners and developers through the City’s full cost recovery program for private development applications. Copies of the Authority’s annual financial report may be obtained from the Western Riverside County Regional Conservation Authority Riverside Centre Building at 3403 10th Street, Suite 320, Riverside, CA 92501.

Note 14: Prior Period Adjustment

The prior period adjustment of \$40,558 relates to the implementation of GASB Statement 75 for postemployment benefits other than pensions. According to GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which was implemented by the City in the 2018 fiscal year, recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB plan.

A prior period adjustment of \$4,998,360 is related to prior Road and Bridge Benefit fees that were previously recorded as a deposit in the City’s agency fund, but was determined that the fees should be reported separately in a special revenue fund. This was recorded a fund balance transfer between the Agency Fund and the special revenue fund.

Note 15: Subsequent Event

Subsequent to year end as part of the Streetlight Acquisition of 4,039 streetlights and retrofit to energy efficient LED lamps from Southern California Edison, the City borrowed \$4,491,640 as a loan at a rate of 5.46% interest over a 15-year term.

REQUIRED SUPPLEMENTARY INFORMATION

City of Eastvale
Schedule of Proportionate Share of the Net Pension Liability
CalPERS Pension Plan
Last Ten Years*
As of June 30, 2018

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.00032%	\$ 19,852	\$ 534,402	3.71%	84.01%
2016	-0.00007%	\$ (1,555)	\$ 628,256	-0.25%	100.84%
2017	0.00041%	\$ 14,412	\$ 575,155	2.51%	95.12%
2018	0.00089%	\$ 35,121	\$ 578,739	6.07%	92.14%

Notes to Schedule:

Benefit Changes. In 2018, there was no benefit terms modified.

Changes in Assumptions. For the 2017 fiscal year the discount rate was changed from 7.65 percent to 7.15 percent.

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

**City of Eastvale
Schedule of Contributions
CalPERS Pension Plan
Last Ten Years*
As of June 30, 2018**

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 38,818	\$ (38,818)	\$ -	\$ 628,256	6.18%
2016	\$ 38,874	\$ (38,874)	\$ -	\$ 575,155	6.76%
2017	\$ 41,112	\$ (41,112)	\$ -	\$ 578,739	7.10%
2018	\$ 56,387	\$ (56,387)	\$ -	\$ 809,185	6.97%

Notes to Schedule:

Valuation Date 6/30/2016

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	7 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Discount Rate	7.15%
Salary Increases	Various by entry age and service
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.

* Fiscal year 2015 was the 1st year of implementation, therefore only four years are shown.

Required Supplemental Information
Schedule of Changes in the Net OPEB Liability and Related Ratios for
Measurement Periods Ended June 30,

	Measurement Period	2018
Total OPEB Liability		
Service Cost		\$ 19,154
Interest on the Total OPEB Liability		2,677
Actual and Expected Experience Difference		(3,628)
Changes in Assumptions		-
Changes in Benefit Terms		-
Benefit Payments		-
		<hr/>
	Net Change in Total OPEB Liability	18,203
	Total OPEB Liability - Beginning	52,233
		<hr/>
	Total OPEB Liability - Ending (a)	\$ 70,436
		<hr/>
Plan Fiduciary Net Position		
Contribution - Employer		\$ -
Net Investment Income		3,730
Benefit Payments		-
Administrative Expense		(74)
		<hr/>
	Net Change in Plan Fiduciary Net Position	3,656
	Plan Fiduciary Net Position - Beginning	68,193
		<hr/>
	Plan Fiduciary Net Position - Ending (b)	\$ 71,849
		<hr/>
	Net OPEB Liability (Asset) - Ending (a)-(b)	\$ (1,413)
		<hr/>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		102.0%
Covered-employee Payroll		1,113,007
Net OPEB Liability (Asset) as a Percentage of Covered-employee Payroll		(0.13)%

Notes to Schedule:

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Required Supplemental Information
Schedule of Contributions - OPEB
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	<u>2018</u>
Actuarially Determined Contribution (ADC)	\$ -
Contributions in Relation to the ADC	(-)
Contribution Deficiency (Excess)	<u>\$ (-)</u>
Covered-Employee Payroll	\$ 1,113,007
Contributions as a percentage of covered-employee payroll	0%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018 were from the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Inflation	1.75%
Salary Increases	2.50% plus merit
Investment Rate of Return	3.75% per annum
Healthcare Cost-trend Rates	3.75%
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	Pre-retirement mortality probability based on 2014 CalPERS 1997-2011 Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information become available.

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 16,430,030	\$ 17,630,030	\$ 19,559,742	\$ 1,929,712
License, Permits and Fees	3,168,800	3,168,800	3,804,955	636,155
Fines and Forfeitures	585,000	585,000	742,956	157,956
Intergovernmental	40,000	4,360,926	4,391,804	30,878
Charges for Services	100,000	100,000	-	(100,000)
Investment Earnings	175,000	175,000	402,465	227,465
Other	50,000	50,000	53,242	3,242
	<u>20,548,830</u>	<u>26,069,756</u>	<u>28,955,164</u>	<u>2,885,408</u>
EXPENDITURES				
Current:				
General Government	3,001,042	2,876,047	2,519,077	356,970
Public Safety	13,729,514	13,729,514	12,993,054	736,460
Public Works	162,640	162,640	104,374	58,266
Community Development	3,294,122	3,394,122	3,867,139	(473,017)
Revenue Neutrality	470,000	470,000	468,347	1,653
Capital Outlay	86,946	111,941	130,335	(18,394)
	<u>20,744,264</u>	<u>20,744,264</u>	<u>20,082,326</u>	<u>661,938</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(195,434)</u>	<u>5,325,492</u>	<u>8,872,838</u>	<u>3,547,346</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	364,313	1,509,250	1,144,937
Transfers Out	-	(3,000,000)	(3,495)	2,996,505
	<u>-</u>	<u>(2,635,687)</u>	<u>1,505,755</u>	<u>4,141,442</u>
Net Change in Fund Balances	(195,434)	2,689,805	10,378,593	7,688,788
Fund Balance, Beginning of Year	<u>27,691,025</u>	<u>27,691,025</u>	<u>27,691,025</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 27,495,591</u>	<u>\$ 30,380,830</u>	<u>\$ 38,069,618</u>	<u>\$ 7,688,788</u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Gas Tax
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes	\$ -	\$ -	\$ 378,603	\$ 378,603
Intergovernmental	1,764,790	1,764,790	1,375,192	(389,598)
Investment Earnings	12,000	12,000	65,309	53,309
Total Revenues	1,776,790	1,776,790	1,819,104	42,314
EXPENDITURES				
Current:				
Public Works	758,900	757,400	674,404	82,996
Capital Outlay	3,120,000	3,564,238	837,217	2,727,021
Total Expenditures	3,878,900	4,321,638	1,511,621	2,810,017
Excess (Deficiency) of Revenues over Expenditures	(2,102,110)	(2,544,848)	307,483	2,852,331
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	144,893	144,893
Transfers Out	(210,353)	(210,353)	(210,353)	-
Total Other Financing Sources (Uses)	(210,353)	(210,353)	(65,460)	144,893
Net Change in Fund Balance	(2,102,110)	(2,544,848)	242,023	2,997,224
Fund Balance, Beginning of Year	6,375,589	6,375,589	6,375,589	-
Fund Balance, End of Year	<u>\$ 4,273,479</u>	<u>\$ 3,830,741</u>	<u>\$ 6,617,612</u>	<u>\$ 2,997,224</u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Miscellaneous Grants Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,406,790	\$ 2,406,790	\$ 294,655	\$ (2,112,135)
Total Revenues	<u>2,406,790</u>	<u>2,406,790</u>	<u>294,655</u>	<u>(2,112,135)</u>
EXPENDITURES				
Current:				
General Government	95,013	95,013	19,582	75,431
Capital Outlay	<u>261,500</u>	<u>261,500</u>	<u>1,272,577</u>	<u>(1,011,077)</u>
Total Expenditures	<u>356,513</u>	<u>356,513</u>	<u>1,292,159</u>	<u>(935,646)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,050,277</u>	<u>2,050,277</u>	<u>(997,504)</u>	<u>(3,047,781)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>3,997</u>	<u>3,997</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,997</u>	<u>3,997</u>
Net Change in Fund Balances	2,050,277	2,050,277	(993,507)	(3,043,784)
Fund Balance (Deficit), Beginning of Year	<u>(132,093)</u>	<u>(132,093)</u>	<u>(132,093)</u>	<u>-</u>
Fund Balance (Deficit), End of Year	<u>\$ 1,918,184</u>	<u>\$ 1,918,184</u>	<u>\$ (1,125,600)</u>	<u>\$ (3,043,784)</u>

City of Eastvale
Notes to Required Supplementary Information
June 30, 2018

Budgets and Budgetary Data

The City Council approves each year's budget submitted by the City Manager prior to the beginning of the fiscal year. Public hearings are conducted prior to the adoption by City Council.

Total appropriations for each fund may only be increased or decreased by the City Council by passage of a resolution amending the budget. During the year, there were no budgetary appropriation increases, and no budgetary revenue increases.

The City Manager has authority to adjust the amounts appropriated between the funds and activities of a fund, provided, however, that the total appropriations for each fund may not exceed the amounts provided in the budget resolution.

The level on which expenditures may not legally exceed appropriations is the fund level.

The City Manager is also authorized to approve continuing appropriations at year-end for capital improvement projects and other expenditures previously approved by the City Council.

Budgets for the various funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets were legally adopted for all governmental funds with the exception of the Special Revenue Fund, Law Enforcement Grants.

SUPPLEMENTARY INFORMATION

City of Eastvale
Non-Major Governmental Funds
June 30, 2018

Special Revenue Funds

Measure A Fund - This fund is used to account for the voter approved ½ cent sales tax to fund transportation improvements including the alteration, construction and reconstruction maintenance of the streets and roads of the City.

AQMD Trust Fund - This fund is used to account for the City's portion of motor vehicle registration fees collected pursuant to AB2766 passed during the 1990 State legislative session. This fee was levied to fund programs to reduce air pollution from mobile sources such as cars, trucks, and buses. It also included funds allocated through a competitive process as a result of this legislation.

Supplemental Law Enforcement Services Fund - This fund is used to account for the receipts and expenditures of funds resulting from the Citizen's Option for Public Safety (COPS) program, a state funded program.

Landscape Maintenance Fund - This fund is used to account for the costs of operation, maintenance, landscaping, and lighting of the City. Funding is provided by assessments specific to parcels in the various maintenance districts.

Benefit Assessment Fund - This fund is used to account for funds received from assessments from individual property owners and the expenditures for certain costs of operation and street related maintenance.

Development Impact Fees Fund - This fund is used to account for the receipt of fees for development related activities such as infrastructure and public facilities.

Road and Bridge Benefit District Fund - This fund is used to account for funds received from developer fees and the expenditures for the maintenance and improvements of roads and bridges.

CDBG Fund - This fund is used to account for the Community Development Block Grant Funds received from U.S. Department of Housing and Urban Development. The funds must be expended to accomplish the elimination of blight or to benefit low and moderate income persons by providing loans or grants for various programs.

Capital Projects Funds

Capital Projects Fund - This fund is used to account for the financial resources to be used for the acquisition or construction of capital facilities.

City of Eastvale
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2018

	Special Revenue Funds		
	Measure A	AQMD Trust	Supplemental Law Enforcement Services
ASSETS			
Cash and Investments	\$ 4,147,200	\$ 266,274	\$ -
Receivables:			
Intergovernmental	313,262	21,272	25,000
Interest	15,227	1,047	-
	<u>4,475,689</u>	<u>288,593</u>	<u>25,000</u>
Total Assets	<u>\$ 4,475,689</u>	<u>\$ 288,593</u>	<u>\$ 25,000</u>
LIABILITIES			
Accounts Payable	\$ 69,736	\$ 34	\$ -
Due to Other Funds	-	-	25,000
	<u>69,736</u>	<u>34</u>	<u>25,000</u>
Total Liabilities	<u>69,736</u>	<u>34</u>	<u>25,000</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Taxes and Assessments	-	-	-
Unavailable Revenue - Intergovernmental	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted for:			
Street Maintenance/Projects	4,405,953	-	-
Landscape Maintenance	-	-	-
AQMD Projects	-	288,559	-
Capital Projects City Facilities	-	-	-
Other Purposes	-	-	-
Unassigned	-	-	-
	<u>4,405,953</u>	<u>288,559</u>	<u>-</u>
Total Fund Balances	<u>4,405,953</u>	<u>288,559</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,475,689</u>	<u>\$ 288,593</u>	<u>\$ 25,000</u>

City of Eastvale
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2018

Special Revenue Funds					
Landscape Maintenance	Benefit Assessment	Development Impact Fees	Road and Bridge Benefit District	CDBG	Total Special Revenue Funds
\$ 1,379,536	\$ 3,712	\$ 5,101,984	\$ 5,984,737	\$ -	\$ 16,883,443
2,966	44	-	-	-	362,544
5,417	18	24,000	-	-	45,709
<u>\$ 1,387,919</u>	<u>\$ 3,774</u>	<u>\$ 5,125,984</u>	<u>\$ 5,984,737</u>	<u>\$ -</u>	<u>\$ 17,291,696</u>
\$ 3,737	\$ -	\$ -	\$ -	\$ 15,480	\$ 88,987
38,092	-	-	-	23,438	86,530
41,829	-	-	-	38,918	175,517
825	-	-	-	-	825
-	-	-	-	-	-
825	-	-	-	-	825
-	-	1,868,368	5,984,737	-	12,259,058
1,345,265	-	-	-	-	1,345,265
-	-	-	-	-	288,559
-	-	3,257,616	-	-	3,257,616
-	3,774	-	-	-	3,774
-	-	-	-	(38,918)	(38,918)
1,345,265	3,774	5,125,984	5,984,737	(38,918)	17,115,354
<u>\$ 1,387,919</u>	<u>\$ 3,774</u>	<u>\$ 5,125,984</u>	<u>\$ 5,984,737</u>	<u>\$ -</u>	<u>\$ 17,291,696</u>

Continued

City of Eastvale
Combining Balance Sheet
Non-major Governmental Funds - Continued
June 30, 2018

	Capital Projects Fund	Total Non-Major Governmental Funds
	Capital Projects	Funds
ASSETS		
Cash and Investments	\$ -	\$ 16,883,443
Receivables:		
Intergovernmental	-	362,544
Interest	-	45,709
	-	45,709
Total Assets	\$ -	\$ 17,291,696
LIABILITIES		
Accounts Payable	\$ 90	\$ 89,077
Due to Other Funds	395	86,925
	485	176,002
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue - Taxes and Assessments	-	825
Unavailable Revenue - Intergovernmental	-	-
	-	-
Total Deferred Inflows of Resources	-	825
FUND BALANCES		
Restricted for:		
Street Maintenance/Projects	-	12,259,058
Landscape Maintenance	-	1,345,265
AQMD Projects	-	288,559
Capital Projects City Facilities	-	3,257,616
Other Purposes	-	3,774
Unassigned	(485)	(39,403)
	(485)	(39,403)
Total Fund Balances	(485)	17,114,869
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 17,291,696

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City of Eastvale
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds		
	Measure A	AQMD Trust	Supplemental Law Enforcement Services
REVENUES			
Intergovernmental	\$ 1,314,044	\$ 82,720	\$ 147,750
Development Impact Fees	-	-	-
Assessments	-	-	-
Investment Earnings	40,720	2,466	-
Total Revenues	<u>1,354,764</u>	<u>85,186</u>	<u>147,750</u>
EXPENDITURES			
Current:			
General Government	-	6,000	-
Public Safety	-	611	153,980
Public Works	31,459	-	-
Capital Outlay	1,586,404	17,515	-
Total Expenditures	<u>1,617,863</u>	<u>24,126</u>	<u>153,980</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(263,099)</u>	<u>61,060</u>	<u>(6,230)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	89,692	-	-
Transfers Out	(98,415)	(3,175)	-
Total Other Financing Sources (Uses)	<u>(8,723)</u>	<u>(3,175)</u>	<u>-</u>
Net Change in Fund Balances	<u>(271,822)</u>	<u>57,885</u>	<u>(6,230)</u>
Fund Balances (Deficit), Beginning of Year	4,677,775	230,674	6,230
Prior Period Adjustment	-	-	-
Fund Balances (Deficit), Beginning of the Year, As Restated	<u>4,677,775</u>	<u>230,674</u>	<u>6,230</u>
Fund Balances (Deficit), End of Year	<u>\$ 4,405,953</u>	<u>\$ 288,559</u>	<u>\$ -</u>

City of Eastvale
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Revenue Funds - Continued
Year Ended June 30, 2018

Special Revenue Funds					Total
Landscape Maintenance	Benefit Assessment	Development Impact Fees	Road and Bridge Benefit District	CDBG	Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 58,224	\$ 1,602,738
-	-	1,843,040	986,377	-	2,829,417
224,964	4,352	-	-	-	229,316
12,801	35	56,552	-	-	112,574
<u>237,765</u>	<u>4,387</u>	<u>1,899,592</u>	<u>986,377</u>	<u>58,224</u>	<u>4,774,045</u>
-	-	-	-	-	6,000
-	-	-	-	-	154,591
62,172	2,409	-	-	-	96,040
-	-	422,242	-	31,837	2,057,998
<u>62,172</u>	<u>2,409</u>	<u>422,242</u>	<u>-</u>	<u>31,837</u>	<u>2,314,629</u>
<u>175,593</u>	<u>1,978</u>	<u>1,477,350</u>	<u>986,377</u>	<u>26,387</u>	<u>2,459,416</u>
-	-	395	-	-	90,087
(30,975)	(1,394)	(1,392,300)	-	(7,725)	(1,533,984)
<u>(30,975)</u>	<u>(1,394)</u>	<u>(1,391,905)</u>	<u>-</u>	<u>(7,725)</u>	<u>(1,443,897)</u>
<u>144,618</u>	<u>584</u>	<u>85,445</u>	<u>986,377</u>	<u>18,662</u>	<u>1,015,519</u>
1,200,647	3,190	5,040,539	-	(57,580)	11,101,475
-	-	-	4,998,360	-	4,998,360
<u>1,200,647</u>	<u>3,190</u>	<u>5,040,539</u>	<u>4,998,360</u>	<u>(57,580)</u>	<u>16,099,835</u>
<u>\$ 1,345,265</u>	<u>\$ 3,774</u>	<u>\$ 5,125,984</u>	<u>\$ 5,984,737</u>	<u>\$ (38,918)</u>	<u>\$ 17,115,354</u>

Continued

City of Eastvale
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Revenue Funds - Continued
Year Ended June 30, 2018

	Capital Projects Fund	Total Non-Major Governmental Funds
	Capital Projects	Funds
REVENUES		
Intergovernmental	\$ -	\$ 1,602,738
Development Impact Fees	-	2,829,417
Assessments	-	229,316
Investment Earnings	-	112,574
	-	112,574
Total Revenues	-	4,774,045
EXPENDITURES		
Current:		
General Government	-	6,000
Public Safety	-	154,591
Public Works	-	96,040
Capital Outlay	90	2,058,088
	90	2,058,088
Total Expenditures	90	2,314,719
Excess (Deficiency) of Revenues over Expenditures	(90)	2,459,326
OTHER FINANCING SOURCES (USES)		
Transfers In	-	90,087
Transfers Out	(395)	(1,534,379)
	(395)	(1,534,379)
Total Other Financing Sources (Uses)	(395)	(1,444,292)
Net Change in Fund Balances	(485)	1,015,034
Fund Balances (Deficit), Beginning of Year	-	11,101,475
Prior Period Adjustment	-	4,998,360
	-	4,998,360
Fund Balances (Deficit), Beginning of the Year, As Restated	-	16,099,835
Fund Balances (Deficit), End of Year	\$ (485)	\$ 17,114,869

City of Eastvale
Non-Major Governmental Funds Comparison Schedules
June 30, 2018

Budgetary comparison statements are presented as required supplementary information for the General Fund and all Major Special Revenue Funds as provided for by GASB Statement No. 34. The budgetary comparison schedules for the remaining funds are presented to aid in additional analysis and are not a required part of the basic financial statements.

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Measure A Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,255,000	\$ 1,255,000	\$ 1,314,044	\$ 59,044
Investment Earnings	15,000	15,000	40,720	25,720
 Total Revenues	 1,270,000	 1,270,000	 1,354,764	 84,764
EXPENDITURES				
Current:				
Public Works	-	-	31,459	(31,459)
Capital Outlay	2,360,000	1,995,762	1,586,404	409,358
 Total Expenditures	 2,360,000	 1,995,762	 1,617,863	 377,899
 Excess (Deficiency) of Revenues over Expenditures	 (1,090,000)	 (725,762)	 (263,099)	 462,663
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	89,692	89,692
Transfers Out	(98,415)	(98,415)	(98,415)	-
 Total Other Financing Sources (Uses)	 (98,415)	 (98,415)	 (8,723)	 89,692
 Net Change in Fund Balances	 (1,090,000)	 (725,762)	 (271,822)	 552,355
Fund Balance, Beginning of Year	4,677,775	4,677,775	4,677,775	-
Fund Balance, End of Year	<u>\$ 3,587,775</u>	<u>\$ 3,952,013</u>	<u>\$ 4,405,953</u>	<u>\$ 552,355</u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - AQMD Trust Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 82,720	\$ 12,720
Investment Earnings	1,000	1,000	2,466	1,466
 Total Revenues	 71,000	 71,000	 85,186	 14,186
EXPENDITURES				
Current:				
General Government	6,000	6,000	6,000	-
Public Safety	1,500	1,500	611	889
Community Development	1,000	1,000	-	1,000
Capital Outlay	55,000	55,000	17,515	37,485
 Total Expenditures	 63,500	 63,500	 24,126	 39,374
 Excess (Deficiency) of Revenues over Expenditures	 7,500	 7,500	 61,060	 53,560
OTHER FINANCING SOURCES (USES)				
Transfers Out	(3,175)	(3,175)	(3,175)	-
 Total Other Financing Sources (Uses)	 (3,175)	 (3,175)	 (3,175)	 -
 Net Change in Fund Balances	 4,325	 4,325	 57,885	 53,560
 Fund Balance, Beginning of Year	 230,674	 230,674	 230,674	 -
 Fund Balance, End of Year	 \$ 234,999	 \$ 234,999	 \$ 288,559	 \$ 53,560

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Supplemental Law Enforcement Services Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 147,750	\$ 47,750
Total Revenues	100,000	100,000	147,750	47,750
EXPENDITURES				
Current:				
Public Safety	100,000	100,000	153,980	(53,980)
Total Expenditures	100,000	100,000	153,980	(53,980)
Net Change in Fund Balances	-	-	(6,230)	(6,230)
Fund Balance, Beginning of Year	6,230	6,230	6,230	-
Fund Balance, End of Year	<u>\$ 6,230</u>	<u>\$ 6,230</u>	<u>\$ -</u>	<u>\$ (6,230)</u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Landscape Maintenance Fund
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Assessments	\$ 224,942	\$ 224,942	\$ 224,964	\$ 22
Investment Earnings	-	-	12,801	12,801
Total Revenues	<u>224,942</u>	<u>224,942</u>	<u>237,765</u>	<u>12,823</u>
EXPENDITURES				
Current:				
Public Works	<u>260,620</u>	<u>260,620</u>	<u>62,172</u>	<u>198,448</u>
Total Expenditures	<u>260,620</u>	<u>260,620</u>	<u>62,172</u>	<u>198,448</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(35,678)</u>	<u>(35,678)</u>	<u>175,593</u>	<u>211,271</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(30,975)</u>	<u>(30,975)</u>	<u>(30,975)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(30,975)</u>	<u>(30,975)</u>	<u>(30,975)</u>	<u>-</u>
Net Change in Fund Balances	<u>(35,678)</u>	<u>(35,678)</u>	<u>144,618</u>	<u>211,271</u>
Fund Balance, Beginning of Year	<u>1,200,647</u>	<u>1,200,647</u>	<u>1,200,647</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,164,969</u></u>	<u><u>\$ 1,164,969</u></u>	<u><u>\$ 1,345,265</u></u>	<u><u>\$ 211,271</u></u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Benefit Assessment Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Assessments	\$ 4,235	\$ 4,235	\$ 4,352	\$ 117
Investment Earnings	-	-	35	35
Total Revenues	<u>4,235</u>	<u>4,235</u>	<u>4,387</u>	<u>152</u>
EXPENDITURES				
Current:				
Public Works	<u>11,728</u>	<u>11,728</u>	<u>2,409</u>	<u>9,319</u>
Total Expenditures	<u>11,728</u>	<u>11,728</u>	<u>2,409</u>	<u>9,319</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,493)</u>	<u>(7,493)</u>	<u>1,978</u>	<u>9,471</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,394)</u>	<u>(1,384)</u>	<u>(1,394)</u>	<u>(10)</u>
Total Other Financing Sources (Uses)	<u>(1,394)</u>	<u>(1,384)</u>	<u>(1,394)</u>	<u>(10)</u>
Net Change in Fund Balances	(7,493)	(7,493)	584	9,461
Fund Balance, Beginning of Year	<u>3,190</u>	<u>3,190</u>	<u>3,190</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (4,303)</u></u>	<u><u>\$ (4,303)</u></u>	<u><u>\$ 3,774</u></u>	<u><u>\$ 9,461</u></u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Development Impact Fees Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Development Impact Fees	\$ 950,000	\$ 950,000	\$ 1,843,040	\$ 893,040
Investment Earnings	8,000	8,000	56,552	48,552
Total Revenues	<u>958,000</u>	<u>958,000</u>	<u>1,899,592</u>	<u>941,592</u>
EXPENDITURES				
Capital Outlay	-	-	422,242	(422,242)
Total Expenditures	<u>-</u>	<u>-</u>	<u>422,242</u>	<u>(422,242)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>958,000</u>	<u>958,000</u>	<u>1,477,350</u>	<u>519,350</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	395	395
Transfers Out	<u>(2,520,000)</u>	<u>(2,520,000)</u>	<u>(1,392,300)</u>	<u>1,127,700</u>
Total Other Financing Sources (Uses)	<u>(2,520,000)</u>	<u>(2,520,000)</u>	<u>(1,391,905)</u>	<u>1,128,095</u>
Net Change in Fund Balances	(1,562,000)	(1,562,000)	85,445	1,647,445
Fund Balance, Beginning of Year	<u>5,040,539</u>	<u>5,040,539</u>	<u>5,040,539</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 3,478,539</u></u>	<u><u>\$ 3,478,539</u></u>	<u><u>\$ 5,125,984</u></u>	<u><u>\$ 1,647,445</u></u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Road and Bridge Benefit District Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Development Impact Fees	\$ -	\$ -	\$ 986,377	\$ 986,377
Total Revenues	-	-	986,377	986,377
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	986,377	986,377
Net Change in Fund Balances	-	-	986,377	986,377
Fund Balance, Beginning of Year	-	-	-	-
Prior Period Adjustment	-	-	4,998,360	4,998,360
Fund Balance, Beginning of Year, As Restated	-	-	4,998,360	4,998,360
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,984,737</u>	<u>\$ 5,984,737</u>

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Community Development Block Grant Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
REVENUES				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 58,224	\$ (191,776)
Total Revenues	250,000	250,000	58,224	(191,776)
EXPENDITURES				
Capital Outlay	250,000	250,000	31,837	218,163
Total Expenditures	250,000	250,000	31,837	218,163
Excess (Deficiency) of Revenues over Expenditures	-	-	26,387	26,387
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(7,725)	(7,725)
Total Other Financing Sources (Uses)	-	-	(7,725)	(7,725)
Net Change in Fund Balances	-	-	18,662	18,662
Fund Balance (Deficit), Beginning of Year	(57,580)	(57,580)	(57,580)	-
Fund Balance (Deficit), End of Year	\$ (57,580)	\$ (57,580)	\$ (38,918)	\$ 18,662

City of Eastvale
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Capital Outlay	5,500,000	5,500,000	90	5,499,910
Total Expenditures	5,500,000	5,500,000	90	5,499,910
Excess (Deficiency) of Revenues over Expenditures	(5,500,000)	(5,500,000)	(90)	5,499,910
OTHER FINANCING SOURCES (USES)				
Transfers In	5,500,000	5,500,000	-	(5,500,000)
Transfers Out	-	-	(395)	(395)
Total Other Financing Sources (Uses)	5,500,000	5,500,000	(395)	(5,500,395)
Net Change in Fund Balances	-	-	(485)	(485)
Fund Balance (Deficit), Beginning of Year	-	-	-	-
Fund Balance (Deficit), End of Year	\$ -	\$ -	\$ (485)	\$ (485)

City of Eastvale
Fiduciary Fund - Agency Fund
June 30, 2018

Agency Fund - To account for developer deposits received for various planning projects.

City of Eastvale
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
ASSETS				
Cash and Investments	\$ 7,647,996	\$ 8,941,943	\$ 12,864,671	\$ 3,725,268
Total Assets	<u>\$ 7,647,996</u>	<u>\$ 8,941,943</u>	<u>\$ 12,864,671</u>	<u>\$ 3,725,268</u>
Liabilities:				
Accounts Payable	\$ 162,362	\$ 5,314,643	\$ 4,080,315	\$ 1,396,690
Deposits	<u>7,485,634</u>	<u>9,114,332</u>	<u>14,271,388</u>	<u>2,328,578</u>
Total Liabilities	<u>\$ 7,647,996</u>	<u>\$ 14,428,975</u>	<u>\$ 18,351,703</u>	<u>\$ 3,725,268</u>



Statistical Section

STATISTICAL SECTION

This part of the City of Eastvale'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>
<u>Financial Trends</u> – These schedules contain trend information to help the reader understand how the City's financial performance and position have changed over time.	83-90
<u>Revenue Capacity</u> – These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	91-95
<u>Debt Capacity</u> – 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. The City maintains no outstanding debt and does not have any pledge revenues to report.	96-100
<u>Demographic and Economic Information</u> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other government Agencies.	101-104
<u>Operating Information</u> – 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.	105-108

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City incorporated on October 1, 2010 with a nine month fiscal year ending June 30, 2011 and does not have any historical data beyond that year.

City of Eastvale
Net Position by Component
Last Eight Years
(accrual basis of accounting)
(amount expressed in thousands)

	Fiscal Year		
	2011	2012	2013
Governmental activities			
Net Investment in Capital Assets	\$ 175,187	\$ 179,845	\$ 194,527
Restricted	2,098	4,306	7,280
Unrestricted	3,743	5,316	12,017
Total governmental activities net position	\$ 181,028	\$ 189,467	\$ 213,824

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-211 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

City of Eastvale
Net Position by Component - Continued
Last Eight Years
(accrual basis of accounting)
(amount expressed in thousands)

Fiscal Year				
2014	2015	2016	2017	2018
\$ 210,630	\$ 221,512	\$ 228,474	\$ 240,849	\$ 240,610
16,699	20,399	22,945	23,718	30,842
11,601	15,214	18,624	21,957	31,424
\$ 238,930	\$ 257,125	\$ 270,043	\$ 286,524	\$ 302,876

City of Eastvale
Changes in Net Position
Last Eight Years
(accrual basis of accounting)
(amount expressed in thousands)

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
General government	\$ 903	\$ 1,391	\$ 1,736	\$ 1,801	\$ 1,917
Public Safety	4,459	6,107	6,689	8,889	9,685
Public works	3,928	5,629	6,501	6,752	7,604
Community development	1,022	1,991	2,067	2,309	2,620
Revenue neutrality	-	1,804	421	462	393
Interest expense	-	-	-	11	-
Total governmental activities expenses	<u>10,312</u>	<u>16,922</u>	<u>17,414</u>	<u>20,224</u>	<u>22,219</u>
Total primary government expenses	\$ 10,312	\$ 16,922	\$ 17,414	\$ 20,224	\$ 22,219
Program Revenues					
Governmental activities:					
Charges for services					
General government	-	74	55	55	5
Public Safety	22	221	413	479	5,722
Public Works	-	-	-	-	217
Community development	893	2,174	2,347	3,138	3,516
Operating contributions and grants	1,899	2,940	3,571	4,338	3,293
Capital contributions and grants	179,045	9,533	20,651	22,177	17,076
Total primary government program revenues	<u>181,859</u>	<u>14,942</u>	<u>27,037</u>	<u>30,187</u>	<u>29,829</u>
Total primary government program revenues	<u>\$ 181,859</u>	<u>\$ 14,942</u>	<u>\$ 27,037</u>	<u>\$ 30,187</u>	<u>\$ 29,829</u>
Total primary government net expense	<u>\$ 171,547</u>	<u>\$ (1,980)</u>	<u>\$ 9,623</u>	<u>\$ 9,963</u>	<u>\$ 7,610</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property tax	\$ 3,871	\$ 4,620	\$ 6,189	\$ 6,285	\$ 2,193
Franchise tax	594	1,346	1,330	1,419	1,616
Sales tax	1,487	3,885	5,720	6,988	6,692
Other taxes	290	310	448	355	343
Motor Vehicle in Lieu tax	3,235	38	37	29	27
Investment earnings	4	9	24	54	73
Other	-	1	1	13	4
Total governmental activities	<u>9,481</u>	<u>10,209</u>	<u>13,749</u>	<u>15,143</u>	<u>10,948</u>
Total primary governmental activities	<u>\$ 9,481</u>	<u>\$ 10,209</u>	<u>\$ 13,749</u>	<u>\$ 15,143</u>	<u>\$ 10,948</u>
Total Change in Net Position	<u>\$ 181,028</u>	<u>\$ 8,229</u>	<u>\$ 23,372</u>	<u>\$ 25,106</u>	<u>\$ 18,558</u>

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-211 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

(1) Beginning in fiscal year 2014-15, property taxes levied for fire services were reclassified from general revenue to program revenue as charges for services within the public safety function.

Source: City of Eastvale Finance Department

City of Eastvale
Changes in Net Position - Continued
Last Eight Years
(accrual basis of accounting)
(amount expressed in thousands)

Fiscal Year		
2016	2017	2018
\$ 2,367	\$ 2,126	\$ 2,605
10,669	12,177	13,457
7,817	8,373	9,211
2,903	3,460	3,867
444	456	468
-	-	-
24,200	26,592	29,608
\$ 24,200	\$ 26,592	\$ 29,608
-	2	19
6,002	6,512	6,899
227	229	229
3,303	3,686	3,638
3,436	2,944	5,631
11,703	17,145	6,036
24,671	30,518	22,452
\$ 24,671	\$ 30,518	\$ 22,452
\$ 471	\$ 3,926	\$ (7,156)
\$ 2,812	\$ 2,631	\$ 2,606
1,638	1,420	1,552
7,289	7,693	9,078
390	451	362
24	28	4,355
294	324	580
-	8	18
12,447	12,555	18,551
\$ 12,447	\$ 12,555	\$ 18,551
\$ 12,918	\$ 16,481	\$ 11,395

City of Eastvale
Fund Balances of Governmental Funds
Last Eight Years
(accrual basis of accounting)
(amount expressed in thousands)

	Fiscal Year		
	2011	2012	2013
General fund			
Nonspendable	\$ 26	\$ 30	\$ 2
Restricted	-	-	-
Committed	-	-	-
Unassigned	3,932	7,227	13,338
Total general fund	3,958	7,257	13,340
All other governmental funds			
Nonspendable	\$ -	\$ -	\$ -
Restricted	2,099	4,195	7,280
Unassigned	-	(4)	(41)
Total all other governmental funds	2,099	4,191	7,239
Total fund balances of governmental funds	\$ 6,057	\$ 11,448	\$ 20,579

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-211 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

City of Eastvale
Fund Balances of Governmental Funds - Continued
Last Eight Years
(accrual basis of accounting)
(amount expressed in thousands)

Fiscal Year				
2014	2015	2016	2017	2018
\$ -	\$ -	\$ 49	\$ 51	\$ 65
5,272	6,918	6,969	5,925	7,070
7,179	7,179	1,000	3,000	3,000
4,323	7,917	17,749	18,715	27,935
<u>16,774</u>	<u>22,014</u>	<u>25,767</u>	<u>27,691</u>	<u>38,070</u>
\$ -	\$ -	\$ -	\$ -	\$ -
11,427	13,451	15,508	17,535	23,772
-	(39)	(383)	(190)	(1,165)
<u>11,427</u>	<u>13,412</u>	<u>15,125</u>	<u>17,345</u>	<u>22,607</u>
<u>\$ 28,201</u>	<u>\$ 35,426</u>	<u>\$ 40,892</u>	<u>\$ 45,036</u>	<u>\$ 60,677</u>

City of Eastvale
Changes in Fund Balances of Governmental Funds
Last Eight Years
(accrual basis of accounting)
(amount expressed in thousands)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Taxes:				
Property tax	\$ 3,871	\$ 4,620	\$ 6,189	\$ 6,140
Franchise tax	594	1,346	1,330	1,419
Sales tax	1,487	3,885	5,720	6,987
Other taxes	290	310	448	355
Licenses, permits and fees	893	2,251	2,541	3,360
Fines and forfeitures	22	205	269	303
Intergovernmental	5,132	2,974	2,830	4,141
Special use fees	338	102	1,225	941
Assessments	-	-	769	208
Investment earnings	6	15	35	78
Other	-	13	7	176
Total revenues	12,633	15,721	21,363	24,108
Expenditures				
Current:				
General government	\$ 955	\$ 1,351	\$ 1,823	\$ 1,735
Public safety	4,481	6,102	6,681	9,503
Public Works	328	710	772	976
Community development	1,022	1,992	2,066	2,309
Revenue neutrality	-	-	-	462
Debt service:				
Principal	-	-	-	1,240
Interest	-	-	-	11
Capital outlay	-	175	890	249
Total expenditures	6,786	10,330	12,232	16,485
Excess of revenues over expenditures	5,847	5,391	9,131	7,623
Other financing sources				
Proceeds of long-term debt	210	-	-	-
Total other financing sources	210	-	-	-
Net change in fund balance	\$ 6,057	\$ 5,391	\$ 9,131	\$ 7,623
Debt service as a % of noncapital expenditures	0.0%	0.0%	0.0%	0.0%

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-211 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

City of Eastvale
Changes in Fund Balances of Governmental Funds - Continued
Last Eight Years
(accrual basis of accounting)
(amount expressed in thousands)

		Fiscal Year					
		2015	2016	2017	2018		
\$	7,163	\$	8,141	\$	8,171	\$	8,930
	1,616		1,637		1,420		1,552
	6,692		7,289		7,693		9,078
	343		390		451		379
	3,645		3,454		3,801		3,805
	619		524		696		743
	3,227		2,972		3,146		7,664
	747		999		745		2,830
	215		227		229		229
	108		294		324		580
	52		50		47		53
	<u>24,427</u>		<u>25,977</u>		<u>26,723</u>		<u>35,843</u>
\$	1,911	\$	2,077	\$	2,048	\$	2,545
	9,621		10,030		11,630		13,148
	795		982		863		875
	2,621		2,903		3,460		3,867
	393		444		456		468
	-		-		-		-
	-		-		-		-
	-		-		-		-
	1,498		4,074		4,123		4,298
	<u>16,839</u>		<u>20,510</u>		<u>22,580</u>		<u>25,201</u>
	7,588		5,467		4,143		10,642
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
\$	<u>7,588</u>	\$	<u>5,467</u>	\$	<u>4,143</u>	\$	<u>10,642</u>
	0.0%		0.0%		0.0%		0.0%

City of Eastvale
Assessed Value and Estimated Actual Value of Taxable Property
Last Seven Years
(amount expressed in thousands)

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other	Total Assessed Valuation
2012	\$ 5,084,826	\$ 207,045	\$ 418,137	\$ 317,720	\$ 6,027,728
2013	5,190,205	225,586	402,370	408,069	6,226,230
2014	5,625,726	231,234	406,711	419,587	6,683,258
2015	6,464,576	242,419	408,625	495,062	7,610,682
2016	6,866,359	261,470	440,387	489,328	8,057,544
2017	7,251,789	272,192	465,414	491,561	8,480,956
2018	7,663,784	288,085	642,081	486,943	9,080,893

Note: Fiscal Year 2011-12 is the first fiscal year since the incorporation of Eastvale on October 1, 2010. California Revenue and Taxation Code Section 2905 states that taxes on unsecured property are to be taxed at tax rates fixed prior to the lien date (prior year). No unsecured value is included in the report above for the year 2011-12 roll year as the County received taxes on the unsecured value in that year. Estimated Actual Value amounts are not available.

(1) - City's Share of 1% Levy Per Prop 13

Source: County of Riverside, Auditor-Controller/HdL, Coren & Cone

City of Eastvale
Assessed Value and Estimated Actual Value of Taxable Property - Continued
Last Seven Years
(amount expressed in thousands)

<u>Less Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>District Tax (1) Rate (City)</u>
\$ (18,826)	\$ 6,008,902	0.02448
(19,753)	6,206,477	0.02402
(21,494)	6,661,764	0.10237
(18,594)	7,592,088	0.10057
(19,868)	8,037,676	0.09996
(24,368)	8,456,588	0.10082
(26,206)	9,054,687	0.09875

City of Eastvale
Direct and Overlapping Property Tax Rates
Last Seven Years
(rate per \$100 of assessed value)

Fiscal Year	City Direct Rates					Total (1)
	Basic County, City, and School Levy	Community College District	Water District	School District		
2012	1.00000	0.01700	0.00370	0.11541		1.13611
2013	1.00000	0.01702	0.00350	0.11326		1.13378
2014	1.00000	0.01768	0.00350	0.11758		1.13876
2015	1.00000	0.01791	0.00350	0.11092		1.13233
2016	1.00000	0.01725	0.00350	0.18908		1.20983
2017	1.00000	0.01649	0.00350	0.19695		1.21694
2018	1.00000	0.01616	0.00350	0.17946		1.19912

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transactional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

(1) Total direct rate is the weighted average of all individual direct rates applied by the City of Eastvale. This amount includes the city's Share of 1% Levy Per Prop 13 plus community college, water and school districts.

Source: County of Riverside, Auditor-Controller/HdL, Coren & Cone

**City of Eastvale
Principal Property Tax Payers
Current Year and Six Years Ago**

Taxpayer	2018		2012	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Tarpon Property Ownership 2 LLC	\$ 166,273,237	1.84%	-	-
BPP Pacific Industrial California Reit	150,150,059	1.66%	-	-
Homecoming at Eastvale	135,461,783	1.50%	-	-
Eastvale Gateway	91,786,160	1.01%	-	-
AMB Institutional Alliance Fund	80,000,000	0.88%	81,045,851	1.35%
Teachers Insurance and Annuity Assoc	64,859,421	0.72%	-	-
John C Leal	45,060,988	0.50%	-	-
Prologis California I	44,987,785	0.50%	41,282,996	0.69%
Golden State FC LLC	39,271,160	0.43%	-	-
Hamner Park Associates	37,201,537	0.41%	33,769,695	0.56%
LBA Riv Company IV	-	-	71,860,000	1.20%
Eastvale Gateway II	-	-	52,226,362	0.87%
Homecoming III at Eastvale	-	-	52,048,559	0.87%
SC Eastvale Development Company	-	-	49,591,287	0.83%
Homecoming II at Eastvale	-	-	43,375,919	0.72%
J W Mitchell Company	-	-	31,541,228	0.52%
WW Grainer Inc.	-	-	28,849,600	0.48%
Total	\$ 855,052,130	9.44%	\$ 485,591,497	8.08%

Note: Due to the City's incorporation on October 1, 2010, fiscal year 2010-11 is a nine month transitional fiscal year.

The City was incorporated during fiscal year 2010-2011. No information for that year and prior to that year are available.

Source: HdL, Coren & Cone

**City of Eastvale
Property Tax Levies and Collections
Last Seven Fiscal Years**

Fiscal Year	Collected within the Levy Year			Collection in Subsequent Years	Total Collections to Date		
	Taxes Levied For the Levy Year	Amount	Percentage of Levy		Amount	Percentage of Levy	
2012	\$ 4,981,958	\$ 4,514,142	90.61%	\$ 245,141	\$ 4,759,283	95.53%	(1)
2013	5,567,463	5,547,886	99.65%	19,577	5,567,463	100.00%	(2)
2014	5,967,172	5,639,937	94.52%	162,758	5,802,695	97.24%	
2015	6,777,856	6,555,914	96.73%	16,963	6,572,877	96.98%	
2016	7,148,652	7,062,635	98.80%	19,879	7,082,514	99.07%	
2017	7,597,972	7,571,107	99.65%	17,515	7,588,622	99.88%	
2018	7,873,083	7,848,417	99.69%	-	7,848,417	99.69%	

Notes:

(1) Fiscal Year 2011-12 is the first full year since incorporation of Eastvale on October 1, 2010. California Revenue and Taxation Code Section 2905 states that tax on unsecured property are to be taxed at rates fixed prior to the lien date (prior year). The City had no collection in prior fiscal year of which taxes were collected in subsequent years.

(2) Fiscal Year 2012-13 collected within the year of levy includes a one-time settlement amount of \$483,426 resulting from renegotiations with the County of Riverside of the Riverside Neutrality Agreement and Property Tax Allocation Factor.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department, Riverside County Auditor-Controller's Office.

**City of Eastvale
Ratio of Outstanding Debt by Type
Last Seven Fiscal Years**

Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Total Governmental Activities	% of Actual Assessed Value of Property	Per Capita
2012	\$ -	\$ -	\$ -	0.000%	\$ -
2013	-	-	-	0.000%	-
2014	-	-	-	0.000%	-
2015	-	-	-	0.000%	-
2016	-	-	-	0.000%	-
2017	-	-	-	0.000%	-
2018	-	-	-	0.000%	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale
Ratio of General Bonded Debt
Last Seven Fiscal Years**

Fiscal Year	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	Total Governmental Activities	Percent of Assessed Value	Debt per Capita
2012	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2013	-	-	-	-	0.00%	-
2014	-	-	-	-	0.00%	-
2015	-	-	-	-	0.00%	-
2016	-	-	-	-	0.00%	-
2017	-	-	-	-	0.00%	-
2018	-	-	-	-	0.00%	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statement.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

City of Eastvale
Direct and Overlapping Bonded Debt
June 30, 2018

2017-18 Assessed Valuation \$ 9,056,989,328

	<u>Outstanding Debt</u>	<u>Percent Applicable⁽¹⁾</u>	<u>Amount Applicable to City</u>
	<u>June 30, 2018</u>		<u>June 30, 2018</u>
<u>Overlapping Tax and Assessment Debt</u>			
Metropolitan Water District	\$ 60,600,000	0.330%	\$ 199,980
Riverside Community College District	256,365,337	9.168	23,503,574
Corona-Norco Unified School District	433,791,926	22.567	97,893,824
Jurupa-Unified School District	124,587,972	13.403	16,698,526
Corona-Norco Unified School District Comm Facilities District	86,053,703	91.622-100	82,834,038
Jurupa Community Services District Comm Facilities District	316,640,000	31.369-100	307,048,818
Total Overlapping Tax and Assessment Debt			\$ 528,178,760

Direct and Overlapping General Fund Debt

Riverside County General Fund Obligations	812,829,106	3.435%	\$ 27,920,680
Riverside County Pension Obligation Bonds	266,365,000	3.435	9,149,638
Corona-Norco Unified School District General Fund Obligations	31,262,071	22.567	7,054,912
Jurupa Unified School District Certificates of Participation	41,727,209	13.403	5,592,698
City of Eastvale	0	100	0
Western Municipal Water District General Fund Obligations	10,197,212	10.626	1,083,556
Total Gross Direct and Overlapping General Fund Debt			\$ 50,801,484
Less: Riverside County supported obligations			115,186
Total Net Direct and Overlapping General Fund Debt			\$ 50,686,298

Overlapping Tax Increment Debt (Successor Agency)

Total Direct Debt	\$ -
Gross Combined Total Debt (4)	\$ 626,617,997 ⁽²⁾
Net Combined Total Debt	\$ 626,502,811

Ratios to 2016-17 Assessed Valuation

Direct Debt	0%
Total Overlapping Tax and Assessment Debt	5.83%
Gross Combined Total Debt	6.92%
Net Combined Total Debt	6.92%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,078,662,299)

Total Overlapping Tax Increment Debt	4.42%
--------------------------------------	-------

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 non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

City of Eastvale
Legal Debt Margin Information
Last Seven Fiscal Years
(amount expressed in thousands)

Fiscal Year	Assessed Valuation	Legal Debt Limit (15% of Assessed Value)	Amount of Debt Applicable to Debt Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a Percentage of the Debt Limit
2012	\$ 6,008,902	\$ 901,335	\$ -	\$ 901,335	0.0%
2013	6,206,477	930,972	-	930,972	0.0%
2014	6,661,764	999,265	-	999,265	0.0%
2015	7,592,088	1,138,813	-	1,138,813	0.0%
2016	8,037,676	1,205,651	-	1,205,651	0.0%
2017	8,577,102	1,286,565	-	1,286,565	0.0%
2018	9,085,096	1,362,764	-	1,362,764	0.0%

Notes: Section 43605 of the Government Code of the State of California limits the amount of general bonded indebtedness for public improvements to 15% of the assessed valuation of all real and personal property of the City. The City has no general obligation bonded debt.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: HdL, Coren & Cone

**City of Eastvale
Pledged Revenue Coverage
Last Seven Fiscal Years**

Fiscal Year	Lease Revenue Bonds					Coverage
	Revenue	Less Operating Expenses	Net Available Revenue	Principal	Interest	
2012	The City has no direct outstanding bonded debt					
2013	The City has no direct outstanding bonded debt					
2014	The City has no direct outstanding bonded debt					
2015	The City has no direct outstanding bonded debt					
2016	The City has no direct outstanding bonded debt					
2017	The City has no direct outstanding bonded debt					
2018	The City has no direct outstanding bonded debt					

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale
Demographic and Economic Status
Last Seven Fiscal Years**

Calendar Year	(1) Population	(2) Personal Income in Thousands	(2) Per Capita Personal Income	(3) Median Age	(4) Unemployment Rate
2011	55,602	\$ 1,514,209	\$ 27,233	30.1	13.5%
2012	57,251	1,723,999	30,113	31.1	12.2%
2013	59,185	1,723,881	29,127	30.8	10.2%
2014	59,151	1,793,044	30,313	31.2	5.5%
2015	63,162	1,586,340	25,115	31.8	4.5%
2016	64,613	1,592,100	24,641	31.9	4.0%
2017	64,855	1,688,799	26,040	32.7	4.4%

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source:

- (1) Population - California Department of Finance
- (2) Personal Income/Population - US Census Bureau
- (3) Median Age - HdL Coren & Cone
- (4) Unemployment Rate - HdL Coren & Cone

**City of Eastvale
Principal Employers
Current Year ⁽⁴⁾**

Business Name	2017-18	
	Number of Employees	Percent of Total Employment (%)
Amazon Fulfillment Center	3,000	9.62%
Corona-Norco USD ⁽¹⁾	1,029	3.30%
Ingram Micro	556	1.78%
Walmart Distribution ⁽²⁾	518	1.66%
Costco	250	0.80%
Grainger Inc.	175	0.56%
Home Depot	174	0.56%
Kmart Distribution Center	166	0.53%
Coringware Corelle & More ⁽³⁾	120	0.38%
Albertsons	96	0.31%
	6,084	19.50%
Total Top 10 Employers		
Total City Labor Force ⁽⁵⁾	31,200	

Notes:

Results based on direct correspondence with city's local businesses.

(1) Within the City of Eastvale only. Certificated and Classified Employees included.

(2) Includes 2 Distribution centers and NFI Industries

(3) Company contracted Employees

(4) 2015-16 is the city's first CAFR publication, therefore prior year data availability is limited.

(5) Total City Labor Force provided by EDD Labor Force Data.

Source: Avenue Insights & Analytics

City of Eastvale
Taxable Sales by Category (in thousands of dollars)
Last Seven Calendar Years

Calendar Year	Apparel Stores	Auto Dealers and Supplies	Eating and Drinking Places	Furniture and Appliances	Packaged Liquor
2011	14,426	\$ 958	\$ 28,947	30,166	3,534
2012	15,408	1,072	40,137	33,934	4,328
2013	16,913	1,064	47,207	37,344	4,064
2014	18,468	2,295	54,934	38,216	4,694
2015	20,974	2,452	60,787	44,094	5,256
2016	22,060	2,722	67,153	46,477	5,947
2017	19,699	3,509	70,376	47,901	6,061

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: HdL, Coren & Cone/State of California Board of Equalization

City of Eastvale
Taxable Sales by Category (in thousands of dollars) - Continued
Last Seven Calendar Years

Service Stations	Other Retail Stores	All Other Outlets	Total
50,632	116,130	149,832	394,625
64,333	119,344	265,026	543,582
73,561	129,996	300,150	610,299
85,566	135,603	325,377	665,153
76,812	145,573	381,468	737,416
70,166	151,352	397,089	762,966
70,469	162,877	461,807	842,699

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**City of Eastvale
Full-time City Employers
by Function
Last Eight Fiscal Years**

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Community Development</u>	<u>Total</u>
2011	4.00	0.00	0.00	0.00	4.00
2012	6.00	0.00	0.00	0.00	6.00
2013	6.00	0.00	0.00	0.00	6.00
2014	7.00	0.00	0.00	2.00	9.00
2015	10.25	0.00	0.00	2.50	12.75
2016	9.50	0.00	0.00	2.25	11.75
2017	10.00	0.00	0.00	1.75	11.75
2018	13.75	0.00	0.00	4.00	17.75

Notes: The City of Eastvale contracts services for Public Works, Planning, Building & Safety, Police and Fire. Parks and Recreation is provided by the Jurupa Community Services District.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Finance Department

**City of Eastvale
Operating Indicators
by Function
Last Eight Fiscal Years**

	Fiscal Year			
	2011	2012	2013	2014
Finance				
Business registration applications / renewals	(1)	817	920	1,061
Building and Safety				
Construction valuation	\$ 71,690,823	\$ 133,358,335	\$ 201,070,031	\$ 168,641,107
Building permits issued	968	1,509	2,105	2,168
Public Safety				
Total arrests	512	648	746	953
Calls for service	1,311	22,154	27,826	17,630

Notes:

(1) Fiscal year 2011-12 is the first fiscal year the City provided the business license program. No business licenses were issued by the City during fiscal year 2010-11.

The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale, Various Departments

**City of Eastvale
 Operating Indicators - Continued
 by Function
 Last Eight Fiscal Years**

Fiscal Year			
2015	2016	2017	2018
1,837	1,297	1,632	2,083
\$ 184,550,926	\$ 205,136,969	\$ 230,282,478	\$ 75,756,134
2,481	1,677	1,584	1,196
612	571	621	488
27,579	28,717	31,875	31,204

**City of Eastvale
Capital Asset Statistics
by Function
Last Eight Fiscal Years**

<u>Fiscal Year</u>	<u>Street (miles)</u>	<u>Traffic Signaled Intersections</u>	<u>Bridges</u>	<u>Buildings</u>
2011	291	40	1	-
2012	307	41	1	-
2013	320	42	1	-
2014	334	44	1	-
2015	365	44	1	1
2016	367	47	2	1
2017	386	47	2	1
2018	410	48	2	1

Note: The City was incorporated during fiscal year 2010-2011. No information prior to that year is available.

Source: City of Eastvale Public Works Department