



COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017



CITY OF JURUPA VALLEY
Jurupa Valley, California
Comprehensive Annual Financial Report
Year Ended June 30, 2017

Prepared by
FINANCIAL SERVICES
ALAN KREIMEIER
Director of Administrative Services



CITY OF JURUPA VALLEY

Comprehensive Annual Financial Report

Year Ended June 30, 2017

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JURUPA VALLEY CITY HALL



**MAYOR
VERNE LAURITZEN**



**CALIFORNIA GOVERNOR
JERRY BROWN**



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INTRODUCTORY SECTION

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City of Jurupa Valley

May 15, 2018

Honorable Mayor, City Council,
And Citizens of the City of Jurupa Valley
City of Jurupa Valley
Jurupa Valley, CA 92509

Letter of Transmittal
Fiscal Year 2016-17 Comprehensive Annual Financial Report (CAFR)

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Jurupa Valley, California:

It is with great pleasure that we present to you the City of Jurupa Valley's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. This report gives its readers a comprehensive view of the City's financial activities during the fiscal year and the financial position at the end of the fiscal year. The basic financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP). They were audited in accordance with Generally Accepted Auditing Standards (GAAS) by a firm of licensed certified public accountants.

This report consists of management representations concerning the finances of the City of Jurupa Valley in its sixth year of incorporation. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in the report. To provide a reasonable basis for making these representations, management has implemented a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information to prepare the City's financial statements in conformity to GAAP. The City's internal control procedures are established on the principle that the cost of internal controls should not outweigh their benefits. As a result the City has designed the internal control systems to provide reasonable rather than absolute assurance that the financial statements are free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Management also recognizes that the internal control environment changes over time due to changes in operation or the personnel performing various duties. As a result, the internal control environment is continuously being assessed to ensure that adequate controls still exist within the City to achieve the City's objectives.

The City's financial statements have been audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, an independent firm of certified public accountants. The purpose of an independent audit is to provide reasonable assurance that the financial statements of the City of Jurupa Valley for the fiscal year ended June 30, 2017, are free of any material misstatements. The independent auditors' report is presented as the first component of the financial section of this report. GAAP require that management provide a narrative of introduction, 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 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 Jurupa Valley, California was incorporated as a general law city effective July 1, 2011. Jurupa Valley is the 28th city in Riverside County and newest city in California. The City is located approximately 50 miles southeast of Los Angeles. Located in Western Riverside County, in an area also known as the Inland Empire, the City covers approximately 46 square miles, with the borders running along the 15 freeway to the west, the Santa Ana River to the south and east and San Bernardino County to the north.

A community of communities, the City of Jurupa Valley joined together the unincorporated areas of Riverside County previously known as Mira Loma, Glen Avon, Pedley, Indian Hills, Jurupa Hills, Sunnyslope, Crestmore Heights, Rubidoux, and Belltown.

The City operates under a Council-Manager form of government. Under this form of government, policy-making and legislative authority are vested in the City Council consisting of five (5) members elected at-large. The City Council responsibilities include, but are not limited to, passing ordinances, adopting the budget, appointing committees and commissions, and hiring both the City Manager and City Attorney. The Council Members serve four (4) year terms and the Mayor is appointed annually by and from the City Council. As Chief Executive Officer, the City Manager is responsible for administering programs in accordance with policies established by the City Council and within the guidelines of the annual budget adopted by the City Council.

This report includes all funds of the City. It includes all governmental organizations and activities for which the City of Jurupa Valley'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 library, police, animal control and fire protection are also provided to the City and its citizens through contracts with the County of Riverside. Other services are provided directly through other agencies. Water and sewer services are delivered by the Jurupa Community Services District, the Rubidoux Community Services District and Santa Ana River Water Company. Parks and recreation services are provided by the Jurupa Area Recreation and Parks District. Public transit is provided 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), and Charter Communications.

City Milestones

Bond Issue for Pavement Rehabilitation- In October of 2016 the City issued its first long term debt in the form of Certificates of Participation. The net proceeds of approximately \$9.2 million will be used for City-wide pavement rehabilitation projects. This debt is secured by a pledge of tax revenues from the regional Measure "A" tax sales override program.

Limonite under construction- Construction of the widening of Limonite Avenue began in FY 2016-17 and is expected to be completed in FY 2017-18. This is the City's most ambitious Capital Project to date at a cost in excess of \$5.0 million.

Trash Franchise renegotiated- The City successfully renegotiated its solid waste franchise agreement with Burrtec in FY 2016-17 securing a signing bonus of \$1.7 million which has been earmarked for the purchase of the City Hall facility currently leased from a private party.

General Plan- The Final Draft of the City's first ever General Plan was completed in FY 2016-17 and presented for review, discussion and final adoption during the FY 2017-18 fiscal year. The development of this plan has taken several years.

Relevant Financial Policies

The City has a set of financial policies that it abides by and continually reviews and updates the policies as the needs of the City change and, when necessary, to comply with any new and applicable legislation. Initially following incorporation, the City adopted all of Riverside County's Ordinances. As the City develops its own unique needs, it will continue to create and tailor these former County Ordinances to directly address the City's goals.

The Budget Process

Beginning at incorporation, and continuing each year thereafter, the City embarks on a strategic budget process beginning in the spring with a discussion of the City Council goals and priorities. The annual budget serves as the foundation for the City of Jurupa Valley's financial planning and control of both operating and capital expenditures.

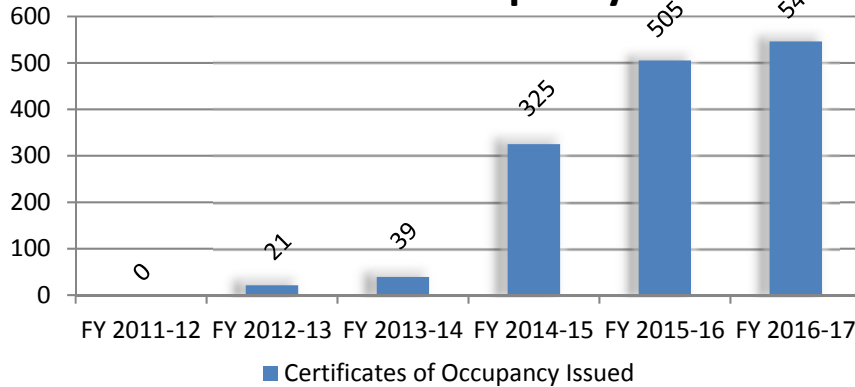
The City maintains budgetary controls to ensure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council. The proposed budget is submitted to the City Council and a public meeting is conducted to allow taxpayers the opportunity to comment on the proposed budget. Subsequently, the budget is adopted by the City Council through the passage of resolutions. Throughout the year the City Council may amend the budget to add or remove appropriations, transfer appropriations within a fund or change appropriations between funds.

Local Economy

This information presented in the financial statements is perhaps best understood when it is considered within the specific environment that the City of Jurupa Valley operates.

The Center for Economic Forecasting and Development at the University of California Riverside reported that the Inland Empire has had a 5-year trend of outpacing the state and nation in job growth. The region's unemployment rate decreased as of June 2017 to 5.2%, a 1.0% decrease when comparing to June 2016. In the same period the Inland Empire experienced 2.7% growth in employee payroll.

Certificates of Occupancy Issued



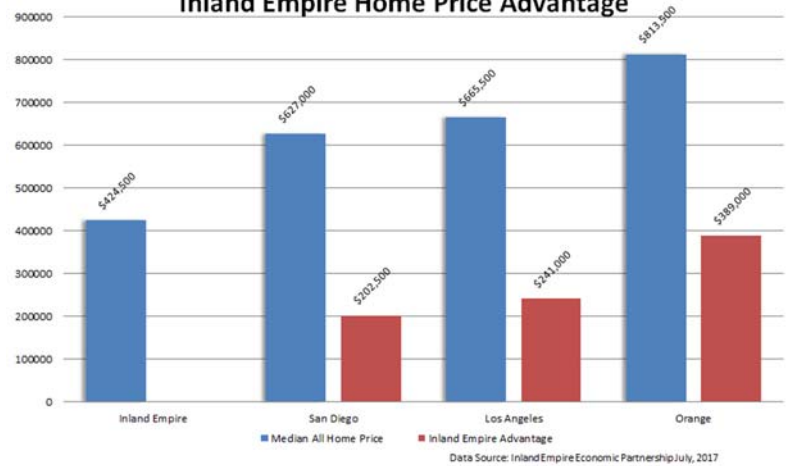
The City of Jurupa Valley saw an increase in the Certificates of Occupancy issued in Fiscal Year 2016-17. Riverside County saw an 8.1% decrease in new home sales. 1,235 new homes sold in the second quarter of 2017 as compared with 1,344 in 2016. New homes sales have been hurt by a lack of supply, high FICO score requirements and the low ceiling on FHA, Fannie Mae and Freddie Mac

conforming loans.

Riverside County new home sales realized a median home price of \$424,500 for the second quarter of 2017. This was 4.9% higher than the second quarter of 2016 when the median price was \$404,500.

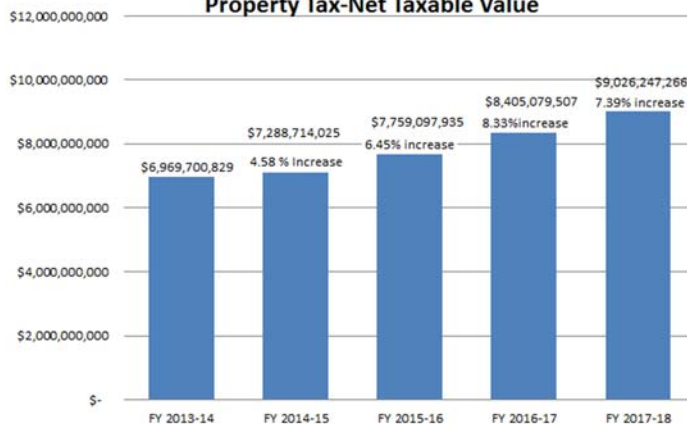
Riverside County also experienced an increase in the median existing home price of 8.5% in the second quarter of 2017 as compared to second quarter 2016, from \$330,000 and \$358,000.

Inland Empire Home Price Advantage

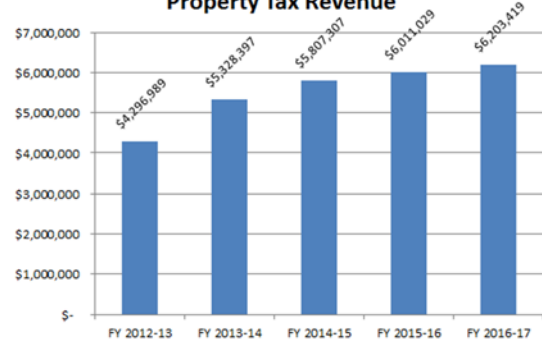


Data Source: Inland Empire Economic Partnership Quarterly Economic Report July 2017

Property Tax-Net Taxable Value

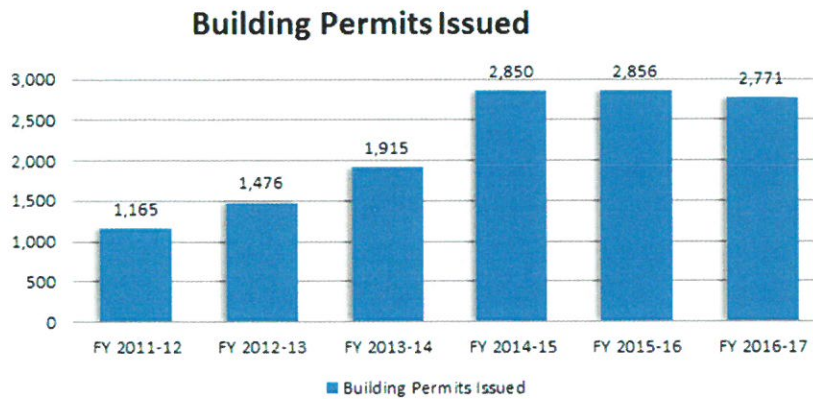


Property Tax Revenue



Data Source: Riverside County Auditor Controller

The City will continue to realize increases in property tax revenues. This is primarily due to the land previously used for agricultural purposes being transformed into residential and commercial properties and the increase in existing home sale prices.



Since incorporation the City has experienced a steady increase in the number of Building Permits issued each year with 1,165 issued in Fiscal Year 2011-2012, 1,476 issued in Fiscal Year 2012-13 a 27% increase, 1,915 issued in Fiscal Year 2013-14 a 19% increase, 2,850 issued in Fiscal Year 2014-15 a 49% increase and 2,856 issued in Fiscal Year 2015-16 a small increase from the previous year.

Building Permits decreased by 3% in Fiscal Year 2016-17 due to the high FICO score requirements and the low ceiling on FHA, Fannie Mae and Freddie Mac conforming loans.

Long-term Financial and Strategic Planning

The General Plan sets forth the goals, policies and directions the City will take in managing its future. The General Plan is the citizens' "blueprint" for development; the guide to achieving our vision. California law requires each local government to adopt a local General Plan, which must contain at least seven elements: Land Use, Transportation, Housing, Conservation, Noise, Open Space and Safety.


The City of Jurupa's City Council, Planning Commission, Planning Department and Citizens are in the second year of developing the City's General Plan.

The Engineering Department has developed a five year Capital Improvement Plan that includes plans for Street, Traffic and Transportation, Drainage and other miscellaneous infrastructure improvements.

Acknowledgements

The preparation of the Comprehensive Annual Financial Report could not have been accomplished without the dedication and effort of the entire Administrative Services Department's staff and the independent auditors, Vavrinek, Trine, Day & Co., LLP. We would like to express our appreciation to the City Council and City staff for their effort and support throughout the year.

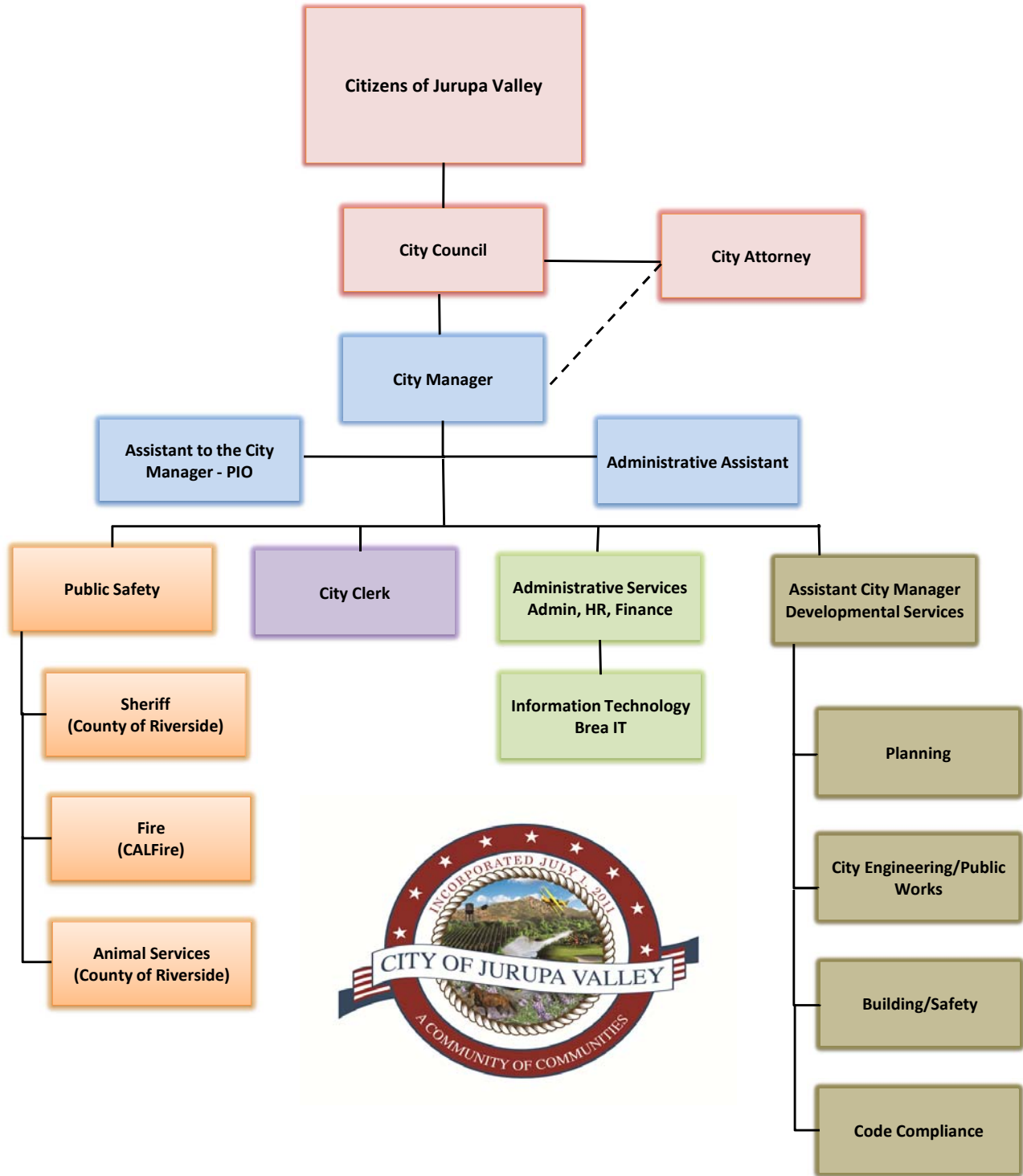
Respectfully submitted,



Gary Thompson, City Manager

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**CITY OF JURUPA VALLEY
Organization Chart
June 30, 2017**



CITY OF JURUPA VALLEY

LIST OF PRINCIPAL OFFICIALS

Council – Manager Form of Government

CITY COUNCIL

VERNE LAURITZEN
Mayor

MICHAEL GOODLAND
Mayor Pro Tem

ANTHONY KELLY JR.
Council Member

BRIAN BERKSON
Council Member

LAURA ROUGHTON
Council Member

CITY ADMINISTRATION

Gary Thompson, City Manager
George Wentz, Assistant City Manager
Peter Thorson, City Attorney
Alan Kreimeier, Director of Administrative Services
Vickie Wasko, City Clerk
Thomas Merrell, Director of Planning Services
Jim Smith, City Engineer

FINANCIAL SECTION

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VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

To the Members of the City Council
City of Jurupa Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of Jurupa Valley (City), California, as of and for the year ended June 30, 2017, 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.

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, and schedule of revenues, expenditures, and changes in fund balance – budget and actual for the General Fund, Gas Tax fund, and Measure A fund and related note on pages 45 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 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 City's internal control over financial reporting and compliance.

Yaurinek, Trine, Day & Co., LLP

Riverside, California
May 15, 2018

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of the City of Jurupa Valley's (City) financial condition and performance provides an introduction and overview of the financial activities for the fiscal year ended June 30, 2017. Since the Management's Discussion and Analysis (MD&A) is designed to be condensed, we encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the basic financial statements including the accompanying notes to the basic financial statements.

Financial Highlights

- Total assets of the City at June 30, 2017 were \$60.90 million and exceeded total liabilities of \$21.08 million by \$39.82 million. The difference between total assets and total liabilities is referred to as total net position.
- As of June 30, 2017, the City's governmental funds reported combined fund balances of \$15.18 million. Approximately \$10.39 million of the governmental funds' fund balance is restricted. The remaining fund balance of \$4.79 million, or 31.57%, is unassigned.
- In October 2016, pursuant to an Installment Sales Agreement, the City issued \$8,165,000 of Certificates of Participation Series 2016, the proceeds of which will be used to finance the design, acquisition, and construction of certain local roadway improvements and street resurfacing projects within the jurisdiction of the City. The debt service payments are pledged from County Measure A sales tax override funds.
- Due to other governments increased by \$1.54 million as the revenue neutrality payment to the County of Riverside for fiscal year ended June 30, 2017 was properly accrued in accordance with the Revenue and Neutrality Agreement by and between the County of Riverside and the City of Jurupa Valley.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the City of Jurupa Valley as prescribed by GASB Statement No. 34. The MD&A is intended to serve as an introduction to the City's financial statements. The City's basic financial statements are comprised of the following three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. 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 and liabilities, with the difference between the two 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 (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community development, public works, and public safety. 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.

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 spendable 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 18 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, Gas Tax Special Revenue Fund, Measure A Special Revenue Fund, Developer Impact Fees Capital Projects Fund, and Measure A COP Series 2016 Capital Projects Fund, which are all 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 and special revenue funds. A budgetary comparison statement has been provided for the General Fund and each major special revenue 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.

Proprietary Funds: *Proprietary funds* account for two types of services – enterprise and internal services funds. The City maintains only internal service funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions and departments. The City uses internal service funds to account for self-funded insurance and information services activities. Because these funds predominantly benefit governmental activities rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary 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. In these cases, the City has a fiduciary responsibility and is acting as a trustee. The Statement of Fiduciary Assets and Liabilities separately reports all of the City’s fiduciary activities. 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 City uses a fiduciary fund to account for development deposits made in conjunction with certain building, planning and engineering permits issued.

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 Basic 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, the Gas Tax Fund and Measure A Fund budgetary comparison. The Required Supplementary Information can be found following the Notes to Basic Financial Statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented for all non-major Special Revenue and Capital Projects Funds. The supplementary financial information also includes budgetary comparison schedules for the nonmajor governmental funds with adopted budgets to demonstrate compliance with the annual budget as adopted and amended. The combining statements for nonmajor governmental funds and the budgetary comparison schedules for the nonmajor governmental funds can be found in the Supplementary Information section immediately 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, 2017, City assets exceeded liabilities by \$39.82 million as summarized below:

	Governmental Activities		Variance
	2017	2016	
Assets:			
Current and other assets	27,638	\$ 24,442	\$ 3,196
Capital assets (net of depreciation)	33,266	22,163	11,103
Total assets	<u>\$ 60,905</u>	<u>\$ 46,605</u>	<u>\$ 14,299</u>
Liabilities:			
Current and other liabilities	\$ 12,232	\$ 7,707	\$ 4,525
Long-term liabilities	8,850	-	8,850
Total liabilities	<u>\$ 21,082</u>	<u>\$ 7,707</u>	<u>\$ 13,375</u>
Net position:			
Net investment in capital assets	\$ 29,225	\$ 22,163	\$ 7,062
Restricted	7,557	8,091	(534)
Unrestricted	3,040	8,644	(5,603)
Total net position	<u>\$ 39,823</u>	<u>\$ 38,898</u>	<u>\$ 924</u>

Total assets increased \$14.30 million mainly as a result of capital projects including infrastructure and city vehicles. Depreciation expense for the fiscal year ended June 30, 2017 was \$2.57 million.

Current liabilities increased by \$4.5 million primarily due to an increase in accounts payable for the year end accruals. For the fiscal year ended June 30, 2017 the City had \$8.85 million in long term liabilities.

Net investment in capital assets represents 73.39% of the City's net position due to the initial transfer of fixed assets from the County of Riverside and the subsequent accounting for donated assets and fixed assets acquired since incorporation. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Statement of Activities: The statement of activities shows how the City’s net position changed during the fiscal year 2016-2017. Provided below is a summary of changes in net position:

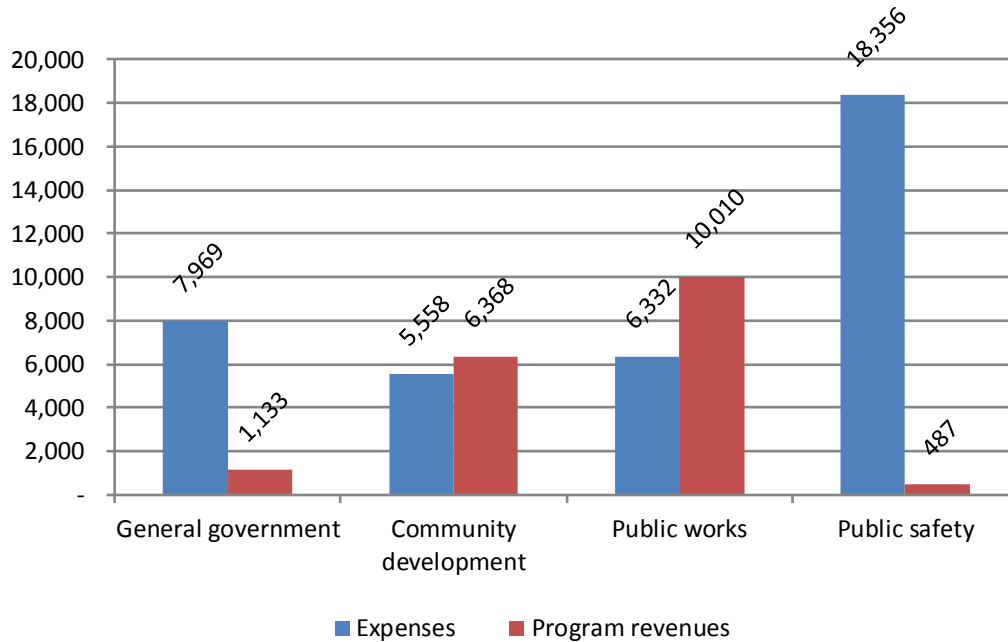
	Governmental Activities		Variance
	2017	2016	
Revenues:			
Program revenues:			
Charges for services	\$ 6,218	\$ 6,198	\$ 20
Operating grants and contributions	8,214	7,828	386
Capital grants and contributions	3,566	289	3,277
General Revenues:			
Taxes			
Property Taxes	6,649	6,468	181
Sales Taxes	10,211	10,407	(196)
Other Taxes	4,457	2,930	1,527
Other	306	226	80
Total revenues	<u>\$ 39,621</u>	<u>\$ 34,346</u>	<u>\$ 5,275</u>
Expenses:			
General government	\$ 7,969	\$ 5,242	\$ 2,727
Community development	5,558	5,661	(103)
Public works	6,332	6,748	(416)
Public safety	18,356	17,759	597
Interest and fiscal charges	482		482
Total expenses	<u>\$ 38,696</u>	<u>\$ 35,410</u>	<u>\$ 3,286</u>
Change in net position:	<u>\$ 925</u>	<u>\$ (1,064)</u>	<u>\$ 1,989</u>
Net position, beginning of year	<u>\$ 38,898</u>	<u>\$ 39,962</u>	<u>\$ (1,064)</u>
Net position, end of year	<u>\$ 39,823</u>	<u>\$ 38,898</u>	<u>\$ 925</u>

Total revenues increased by \$5.28 million over the prior year. In the fiscal year ended June 30, 2017. The City had revenues of \$1.7 million that were directly related to the passage of a new solid waste franchise agreement, this was a one-time revenue. Overall the City saw increases in property taxes of \$0.18 million and a decrease in sales taxes of \$0.19 million. Charges for services increased \$0.02 million due to increased developer activity within the City, operating grant and contributions increased by \$0.39 million, and capital grants and contributions increase by \$3.28 million.

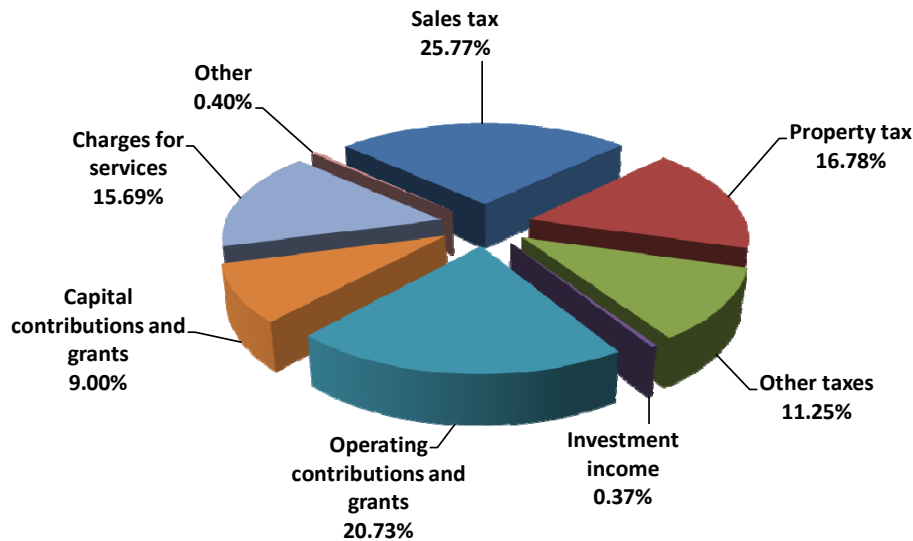
Total expenses increased by \$3.29 million over the prior year. Increases of \$2.7 million in General government were mainly due to the revenue neutrality payment increases in current year. The increase in Public Safety expenditures of \$0.60 million was primarily due to the increased cost of the contract with the Riverside County Sheriff’s Department.

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

Expenses and Program Revenues - Governmental Activities (in thousands)



Revenues by Source - Governmental Activities



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 property, sales, and other taxes are not directly attributable to specific functions and are therefore used to support program activities citywide. Regarding the revenues by source chart, it shows that general revenues (i.e. property tax, sales tax, other taxes) represent 53.80% of governmental activities revenues.

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 ability to meet financial obligations in the short-term. As an example, assigned and unassigned fund balance could serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of June 30, 2017, the City's governmental funds reported combined ending fund balances of \$15.18 million. Of the \$15.18 million, \$10.39 million or 68.43% constitutes restricted fund balance which can only be used for specific purposes due to external restrictions or enabling legislation. The remainder of fund balance is unassigned which represents the amount that is available for any purpose.

Proprietary Funds: Proprietary funds provide the same type of information found in the governmental-wide financial statements, but in more detail. The City's Proprietary funds consist of two Internal Service funds. The Internal Service funds are presented as Governmental Activities in the Statement of Net Position and Statement of Activities. The City uses the two funds to allocate the cost of the City's information systems and risk management activities to various departments.

Fiduciary Funds: The City uses Fiduciary funds to account for development deposits made in conjunction with certain building permits issued.

General Fund Financial and Budgetary Highlights

The General Fund is the chief operating fund of the City. At June 30, 2017 unassigned fund balance was \$5.31 million. As a measure of the General Fund's financial condition, it may be useful to compare the unassigned fund balance to total expenditures. Unassigned fund balance represents 16.1% of the General Fund expenditures.

Overall, General Fund revenues for fiscal year ended June 30, 2017 totaled \$28.55 million, compared to \$25.40 million in the prior year. The major components are property taxes (\$6.65 million), sales taxes (\$10.21 million), licenses and fees (\$1.63 million), charges for services (\$4.01 million) and franchise taxes (\$4.18 million).

General Fund expenditures total \$33.01 million for the fiscal year ended June 30, 2017 compared to \$28.58 million in the prior year. The major expenditure components are General government (\$7.68 million), Community development (\$4.25 million), Public works (\$2.72 million) and Public safety (\$18.36 million).

The difference between General Fund budget and actual are summarized below:

**City of Jurupa Valley
General Fund - Budgetary Comparison Schedule
Year Ended June 30, 2017
(\$ in thousands)**

	<u>Governmental Activities</u>		<u>Variance</u>
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Total revenues	\$ 26,187	\$ 28,546	\$ 2,359
Expenditures:			
Total expenditures	\$ 30,352	\$ 33,008	\$ 2,656
Other financing sources (uses):			
Transfers in	\$ 72	\$ 1,310	\$ 1,237
Transfers out	-	(213)	\$ (213)
Total other financing sources	\$ 72	\$ 1,096	\$ 1,024
Net change in fund balances	(4,094)	(3,366)	727
Net position, beginning of year	\$ 8,680	\$ 8,680	\$ -
Net position, end of year	\$ 4,587	\$ 5,314	\$ 727

- Actual revenues were above budget by \$2.36 million.
 - The City had revenues of \$1.7 million that were directly related to the passage of a new solid waste franchise agreement, this was a one-time revenue.
 - Developer contributions of \$0.79 million were collected for developer agreements to provide constructions of necessary public facilities and to maintain the equestrian lifestyle in the Pedley Village area of Jurupa Valley.
- Actual expenditures were above budget by \$2.66 million. The detailed variances are:
 - General Government expenditures were \$2.90 million over budget primarily due to increases in activity in legal consulting, litigation and reimbursable costs related to development processing, as well as revenue neutrality payments due in excess of amounts budgeted.
 - Public Works expenditures were \$.40 million over budget primarily due to increase expenditures in NPDES consulting services and general engineering services.
 - Community Development was over budget by \$.06 million due to increases in consulting services in both the building and planning departments. These expenditures corresponded to the increase in charges for services in those departments.
 - Public Safety expenditures were \$.71 million under budget due to cost savings achieved in some of the services provided by the County of Riverside Sheriff.

Capital Assets and Debt Administration

Capital Assets: City investment in capital assets for its governmental type activities as of June 30, 2017, amounted to \$33.266 million (net of accumulated depreciation). Investment in capital assets includes infrastructure assets as well as land, buildings, improvements, equipment and vehicles.

Additional information on the City's capital assets can be found in the notes to basic financial statements and a summary is provided below.

City of Jurupa Valley
Capital Assets (net of depreciation)
As of the Years Ended June 30, 2017 and June 30, 2016
(\$ in thousands)

	Governmental Activities		Variance
	2017	2016	
Construction in progress	\$ 9,010	\$ 2,607	\$ 6,403
Infrastructure	23,276	18,614	4,662
Leasehold improvements	444	470	(26)
Furniture and equipment	51	62	(11)
Land improvements	39	-	39
Vehicles	446	410	36
Total assets	<u>\$ 33,266</u>	<u>\$ 22,163</u>	<u>\$ 11,103</u>

Long-term debt: At the end of fiscal year 2016-2017, the City had outstanding long-term debt of \$9.07 million. The City issued Certificates of Participation in the current year of \$9.3 million, with payments of \$0.3 million during the year. Additional information on the City's debt can be found in the notes to the basic financial statements, and a summary of debt activity for the year is provided below.

City of Jurupa Valley
Long Term Debt
As of the Years Ended June 30, 2017 and June 30, 2016
(\$ in thousands)

	Governmental Activities		Variance
	2017	2016	
Certificates of Participation	\$ 8,994	\$ -	\$ 8,994
Compensated Absences	71	42	29
Total	<u>\$ 9,065</u>	<u>\$ 42</u>	<u>\$ 9,023</u>

Economic Factors and Fiscal Year 2017-2018 Budget

The fiscal year 2017-2018 City budget was prepared conservatively. Property tax estimates were projected with minimal growth from the previous fiscal year. The preparation of the adoption of the fiscal year 2017-18 budget anticipated the increased revenues associated with the passage of SB 130, which allows the City to collect about \$6 million in vehicle license fee revenue that previous was disallowed, beginning in fiscal year 2017-18.

Requests 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, City of Jurupa Valley, 8930 Limonite Avenue, Jurupa Valley, California 92509, or call (951) 332-6464.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF JURUPA VALLEY
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets:	
Cash and investments (note 2)	\$ 16,001,680
Receivables:	
Accounts	19,104
Due from other governments	5,536,363
Deposits	1,093,116
Interest	35,890
Restricted cash and investments (note 2)	4,952,333
Capital assets not being depreciated (note 4)	9,010,328
Capital assets net of accumulated depreciation (note 4)	24,255,797
Total Assets	60,904,611
 Liabilities:	
Accounts payable	8,359,427
Accrued liabilities	36,587
Due to other governments	3,440,577
Deposits payable	154,213
Interest payable	26,028
Noncurrent liabilities:	
Due within one year:	
Compensated absences	65,000
Certificates of Participation	150,000
Due in more than one year:	
Compensated absences	6,388
Certificates of Participation	8,843,761
Total Liabilities	21,081,981
 Net Position:	
Net investment in capital assets	29,224,697
Restricted for:	
Community development	1,332,146
Public works	6,225,348
Unrestricted	3,040,439
Total Net Position	\$ 39,822,630

The accompanying notes are an integral part of these financial statements.

CITY OF JURUPA VALLEY
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General government	\$ 7,968,833	\$ 345,304	\$ 787,613	\$ -	\$ (6,835,916)
Community development	5,558,013	3,484,478	2,883,897	-	810,362
Public works	6,332,174	2,101,400	4,342,305	3,566,312	3,677,843
Public safety	18,355,543	287,074	199,892	-	(17,868,577)
Interest and fiscal charges	481,854	-	-	-	(481,854)
Total Governmental Activities	\$ 38,696,417	\$ 6,218,256	\$ 8,213,707	\$ 3,566,312	(20,698,142)
General Revenues:					
Taxes:					
Property taxes					6,649,363
Sales taxes					10,211,266
Franchise taxes					4,183,539
Transient occupancy taxes					273,051
Investment income, unrestricted					145,779
Other					159,507
Total general revenues					<u>21,622,505</u>
Change in net position					924,363
Net position, beginning of year					<u>38,898,267</u>
Net position, end of year					<u>\$ 39,822,630</u>

The accompanying notes are an integral part of these financial statements.

GENERAL FUND

The General Fund has been classified as a major fund and is used to account for revenues and expenditures that are not required to be accounted for in another fund.

MAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose. The following funds have been classified as major funds. The budget-actual comparison for these funds have been presented in the accompanying financial statements as Required Supplementary Information:

Gas Tax Fund

To account for revenue received for gasoline taxes under Sections 2105, 2106, 2107 and 2107.5 of the Street and Highway Code to be used solely for transportation related purposes.

Measure A Fund

To account for revenue received from the State of California from a special ½% sales tax to be used for street maintenance and improvements only.

MAJOR CAPITAL PROJECT FUNDS

Development Impact Fees

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

Measure A COP Series 2016

This fund is used to account for the construction of all capital projects that utilize the resources from the Certificate of Participation Series 2016.

CITY OF JURUPA VALLEY
Governmental Funds
Balance Sheet
June 30, 2017

	General	Special Revenue Fund		Capital Projects Funds	
		Gas Tax	Measure A	Developer Impact Fees	Measure A COP Series 2016
Assets					
Cash and investments	\$ 7,013,747	\$ 160,971	\$ -	\$ 4,811,652	\$ 1,079,803
Accounts receivable	3,104	-	-	-	16,000
Intergovernmental receivable	3,231,391	166,810	1,293,499	-	-
Due from other funds (note 3)	3,186,422	-	-	-	-
Deposits receivable	14,116	-	-	-	-
Interest receivable	17,495	128	-	12,484	-
Cash and investments - restricted	-	-	-	-	4,952,333
Total Assets	13,466,275	327,909	1,293,499	4,824,136	6,048,136
Liabilities:					
Accounts payable	4,594,383	327,909	966,785	27,400	1,574,896
Accrued liabilities	36,587	-	-	-	-
Due to other governments	3,440,577	-	-	-	-
Due to other funds (note 3)	-	-	417,294	-	1,643,127
Deposits payable	80,595	-	-	-	-
Total liabilities	8,152,142	327,909	1,384,079	27,400	3,218,023
Deferred Inflow of Resources					
Unavailable revenue	-	-	359,669	-	-
Fund Balances					
Restricted for:					
Community development	-	-	-	-	-
Public works	-	-	-	4,796,736	2,830,113
Unassigned	5,314,133	-	(450,249)	-	-
Total Fund Balances	5,314,133	-	(450,249)	4,796,736	2,830,113
Total Liabilities, deferred inflows of resources and fund balances	\$ 13,466,275	\$ 327,909	\$ 1,293,499	\$ 4,824,136	\$ 6,048,136

The accompanying notes are an integral part of these financial statements.

Non-Major Governmental Funds	Totals
\$ 2,930,949	\$ 15,997,122
-	19,104
844,663	5,536,363
-	3,186,422
1,079,000	1,093,116
5,783	35,890
-	4,952,333
<u>4,860,395</u>	<u>30,820,350</u>
889,524	8,380,897
-	36,587
-	3,440,577
1,126,001	3,186,422
73,618	154,213
<u>2,089,143</u>	<u>15,198,696</u>
82,568	442,237
1,332,146	1,332,146
1,428,612	9,055,461
(72,074)	4,791,810
<u>2,688,684</u>	<u>15,179,417</u>
<u>\$ 4,860,395</u>	<u>\$ 30,820,350</u>

The accompanying notes are an integral part of these financial statements.

CITY OF JURUPA VALLEY
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2017

Fund Balances of governmental funds	\$ 15,179,417
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	
Nondepreciable assets	9,010,328
Depreciable assets, net of accumulated depreciation	24,255,797
Revenues reported as deferred inflows in the governmental funds do not provide current financial resources but are recognized in the Statement of Activities.	
	442,237
Long-term liabilities are not due and payable in the current period and therefore are not reported in governmental funds. Those long-term liabilities consist of:	
Certificates of Participation	(8,993,761)
Compensated Absences	(71,388)
	\$ 39,822,630
Net Position of Governmental Activities	\$ 39,822,630

The accompanying notes are an integral part of these financial statements.

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CITY OF JURUPA VALLEY
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue Funds		
	General	Gas Tax	Measure A
Revenues:			
Taxes	21,317,219	-	-
Licenses and permits	1,634,272	-	-
Intergovernmental	94,138	1,887,017	3,245,981
Charges for services	4,010,306	-	-
Developer impact fees	-	-	-
Fines and forfeitures	465,126	-	-
Developer contributions	787,613	-	-
Assessments revenue	-	-	-
Investment income	64,179	2,365	2,028
Other	172,959	962	-
	Total revenues	1,890,344	3,248,009
Expenditures:			
Current:			
General government	7,683,959	-	-
Community development	4,247,791	-	-
Public works	2,720,962	2,938,424	4,241,540
Public safety	18,355,543	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and fiscal charges	-	-	-
Cost of issuance	-	-	-
	Total expenditures	2,938,424	4,241,540
	Excess (deficiency) of revenues		
over (under) expenditures	(4,462,443)	(1,048,080)	(993,531)
Other financing sources (uses):			
Transfers in (note 3)	1,309,616	74,504	-
Transfers out (note 3)	(213,486)	-	(90,205)
Bonds issued	-	-	-
Premium on bonds issued	-	-	-
	Total other financing sources (uses)	74,504	(90,205)
	Net Changes in Fund Balances	(973,576)	(1,083,736)
Fund balances, beginning of year	8,680,446	973,576	633,487
Fund balances, end of year	\$ 5,314,133	\$ -	\$ (450,249)

The accompanying notes are an integral part of these financial statements.

Capital Projects Funds		Non-major Governmental Funds	Totals
Developer Impact Fees	Measure A COP Series 2016		
-	-	-	\$ 21,317,219
-	-	-	1,634,272
-	-	1,482,989	6,710,125
-	-	-	4,010,306
2,288,581	-	413,989	2,702,570
-	-	-	465,126
-	-	-	787,613
-	-	1,520,456	1,520,456
38,511	21,333	17,366	145,782
-	-	-	173,921
<u>2,327,092</u>	<u>21,333</u>	<u>3,434,800</u>	<u>39,467,390</u>
-	-	-	7,683,959
-	-	1,310,222	5,558,013
-	5,703,127	1,831,109	17,435,162
-	-	-	18,355,543
-	270,000	-	270,000
-	218,093	-	218,093
-	328,394	-	328,394
<u>-</u>	<u>6,519,614</u>	<u>3,141,331</u>	<u>49,849,164</u>
<u>2,327,092</u>	<u>(6,498,281)</u>	<u>293,469</u>	<u>(10,381,774)</u>
-	-	1,032,500	2,416,620
(2,011,179)	-	(315,236)	(2,630,106)
-	8,165,000	-	8,165,000
-	1,163,394	-	1,163,394
<u>(2,011,179)</u>	<u>9,328,394</u>	<u>717,264</u>	<u>9,114,908</u>
315,913	2,830,113	1,010,733	(1,266,866)
4,480,823	-	1,677,951	16,446,283
<u>\$ 4,796,736</u>	<u>\$ 2,830,113</u>	<u>\$ 2,688,684</u>	<u>\$ 15,179,417</u>

The accompanying notes are an integral part of these financial statements.

CITY OF JURUPA VALLEY
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, 2017

Net change in fund balances - total governmental funds	\$ (1,266,866)
Amounts reported for the governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives as depreciation expense.	
Capital asset additions	\$ 13,672,030
Depreciation	(2,569,042) 11,102,988
Revenues that are measurable but not available are not recorded as revenues in the governmental funds.	153,390
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. There was an issuance of debt and the following repayments of long-term liabilities:	
Certificates of Participation - Proceeds	(8,165,000)
Certificates of Participation - Premium	(1,163,394)
Certificates of Participation - repayment and amortization of premium	334,633
Changes in compensated absences	(71,388)
Change in net position of governmental activities	\$ 924,363

The accompanying notes are an integral part of these financial statements.

CITY OF JURUPA VALLEY
Proprietary Funds
Statement of Net Position
June 30, 2017

	Governmental Activities
	Internal Service
	Funds
Assets:	
Current assets:	
Cash and investments	\$ 4,558
Liabilities:	
Current liabilities:	
Accounts payable	4,558
Net Position:	
Unrestricted	-
Total net position	\$ -

The accompanying notes are an integral part of these financial statements.

CITY OF JURUPA VALLEY
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2017

	Governmental Activities
	Internal Service Funds
Operating revenues:	
Charges for services	\$ -
Operating expenses:	
Contractual services	213,486
Operating income (loss)	(213,486)
Transfers:	
Transfers in (note 3)	213,486
Change in net position	-
Net position, beginning of year	-
Net position, end of year	\$ -

The accompanying notes are an integral part of these financial statements.

CITY OF JURUPA VALLEY
Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2017

	Governmental Activities
	Internal Service
	Funds
Cash flows from operating activities	
Cash payments to suppliers of goods and services	\$ (253,237)
Net cash provided by (used for) operating activities	(253,237)
Cash flows from noncapital financing activities	
Cash received from other funds	213,486
Net cash provided by (used for) noncapital financing activities	213,486
Net increase (decrease) in cash and cash equivalents	(39,751)
Cash and cash equivalents at beginning of year	44,309
Cash and cash equivalents at end of year	4,558
 Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:	
Operating income (loss)	(213,486)
Adjustments to reconcile operating income (loss) to net income provided by (used for) operating activities:	
(Decrease) in accounts payable	(39,751)
Total adjustments	(39,751)
Net cash provided by (used for) operating activities	\$ (253,237)

The accompanying notes are an integral part of these financial statements.

CITY OF JURUPA VALLEY
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2017

Assets:

Cash and investments (note 2)	\$ 3,033,003
Accounts receivable	<u>488,925</u>
Total assets	<u><u>\$ 3,521,928</u></u>

Liabilities:

Accounts payable	\$ 1,023,172
Deposits payable	<u>2,498,756</u>
Total liabilities	<u><u>\$ 3,521,928</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Jurupa Valley (the “City”) conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A) Reporting Entity

The City was incorporated July 1, 2011, under the general laws of the State of California. The City operates under the Council-Manager form of government. The City provides the following services as authorized by its general laws: public safety, public works, community-development and general administrative services. Generally Accepted Accounting Principles require that these financial statements present the City and its component units, entities for which the City is considered to be financially accountable.

B) Basis of Presentation, Measurement Focus and Financial Statement Presentation

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include a single column for the governmental activities of the primary government. The City has no business-type activities. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government’s citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities, to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

B) Basis of Presentation, Measurement Focus and Financial Statement Presentation, (Continued)

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental funds. Fiduciary statements include financial information for fiduciary funds. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 90 days except for property taxes.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle license fee, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received by the government.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

B) Basis of Presentation, Measurement Focus and Financial Statement Presentation, (Continued)

Governmental Funds, (Continued)

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered “available spendable resources,” since they do not represent net current assets.

Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary and Fiduciary Funds

The City’s internal service funds are proprietary funds. In the fund financial statements, the proprietary funds and fiduciary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their statements. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness of the proprietary fund are reported as a reduction of the related liability, rather than as an expense. Agency funds are custodial in nature (assets equal liabilities) and do not involve the recording of City revenues and expenses.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

C) Fund Classifications

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Gas Tax Special Revenue Fund - To account for revenue received for gasoline taxes under Sections 2105, 2106, 2107 and 2107.5 of the Street and Highway Code to be used solely for transportation related purposes.

Measure A Special Revenue Fund - To account for revenue received from the State of California from a special ½% sales tax to be used for street maintenance and improvements only.

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

Measure A Certificate of Participation (COP) Series 2016 Capital Projects Fund - This fund is used to account for the construction of all capital projects that utilize the resources from the Certificate of Participation Series 2016, and to account for the related principal and interest payments.

The City's fund structure also includes the following fund type:

Nonmajor Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

Nonmajor Capital Projects Funds – These funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

Internal Service Funds - These funds are used to account for self-funded insurance and information services activities.

Agency Funds - To account for development deposits made in conjunction with certain building permits issued. Upon satisfactory completion of the project, the deposit is returned to the depositor.

D) Cash and Investments

Investments are reported in the accompanying statement of net position at fair value. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings and changes in fair value. The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash pool that maintains the general characteristics of a demand deposit account.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

E) Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their acquisition value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more (one year for furniture and equipment, and five years for infrastructure). Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

Capital assets used in operations are depreciated over their estimated useful lives. The City uses the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the statement of net position. The range of lives used for depreciation purposes for each capital-asset class are as follows:

<u>Item</u>	<u>Useful Life</u>
Infrastructure	20-100 years
Buildings	30 years
Leasehold Improvements	5-20 years
Furniture	5 years
Vehicles	7 years
Equipment	3 years

E) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

F) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas.

Accordingly, the City accrues only those taxes that are received within 60 days after year-end. Property taxes are attached as a lien on property as of March 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10.

G) Fund Equity

Fund balances are reported in the fund statements in the following classifications:

Nonspendable– Items that cannot be spent because they are either not spendable in form (such as prepaid or inventory) or items that are legally or contractually required to be maintained intact (such as endowments).

Restricted– Items subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed– Items which are constrained by limitations that the government imposes upon itself at its highest level of decision-making. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint. The City Council establishes (and modifies or rescinds) fund balance commitments by passage of a resolution.

Assigned– Amounts that are designated or expressed by the City Council, but does not require a formal action like a resolution. The City Council may delegate the authority, but such delegation of authority has not yet been granted to persons or bodies other than City Council.

Unassigned– The excess remaining amounts in the General Fund and the residual deficit of all other governmental funds, which have not been restricted, committed, or assigned to specific purposes.

It is the City's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Council.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

H) Deferred Outflows and Deferred Inflows of Resources

When applicable, the statement of net position and balance sheet will report a separate section for deferred outflows of resources. Deferred outflows of resources represent outflows of resources (consumption of net position) that apply to future periods and therefore, are not recognized as an expense or expenditure until that time.

When applicable, the statement of net position and the balance sheet will report a separate section for deferred inflows of resources. Deferred inflows of resources represent inflows of resources (acquisition of net position) that apply to future periods and therefore, are not recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category. The government funds report unavailable revenues for certain revenue sources not received during the availability period.

I) Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation (compensated absences). For governmental activities, this accumulation is recorded as an expense and liability in the fiscal year earned. For the governmental funds, the amount of accumulated unpaid vacation, which is payable from available resources, is recorded as liability of the fund when it has matured (i.e. when due and payable).

J) Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense/expenditures during the reporting period. Actual results could differ from those estimates. Additionally, certain minor reclassifications of prior year data have been made in order to enhance its comparability with current year figures.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

K) New GASB Pronouncements

Effective in Future Years

GASB Statement No. 75 – In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The objective of the Statement is to replace the requirements of GASB Statement No. 45. In addition, the Statement requires governments to report a liability on the face of the financial statements for the OPEB provided and requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. The Statement is effective for the periods beginning June 15, 2017, or the 2017-2018 fiscal year. The City has not determined the effect of the statement.

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement is to improve 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. The 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, the 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. The Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for the reporting periods beginning after December 15, 2016, or the 2017-2018 fiscal year. The City has not determined the effect of the Statement.

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the 2018-19 fiscal year. The City has not determined the effect of the Statement.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, or the 2019-20 fiscal year. The City has not determined the effect of this Statement.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-2018 fiscal year. The City has not determined the effect of the Statement.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

K) New GASB Pronouncements (Continued)

Effective in Future Years (Continued)

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Statement is effective for the reporting periods beginning after June 15, 2017, or 2017-2018 fiscal year. The City has not determined the effect of the Statement.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019, or 2020-2021 fiscal year. The City has not determined the effect of the Statement.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement is effective for the reporting periods beginning after June 15, 2018, or 2018-2019 fiscal year. The City has not determined the effect of the Statement.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2017, are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 16,001,680
Cash and investments - restricted	4,952,333
Fiduciary Funds	
Cash and investments	<u>3,033,003</u>
Total Cash and Investments	<u><u>\$ 23,987,016</u></u>

Cash and investments as of June 30, 2017, consist of the following:

Cash on hand (petty cash)	434
Deposits with financial institutions	7,899,747
Investments	11,134,502
Restricted - Money Market Funds	<u>4,952,333</u>
Total Cash and Investments	<u><u>\$ 23,987,016</u></u>

Investments Authorized by the California Government Code and the City’s Investment Policy

The following table identifies the investment types that are authorized for the City by the California Government Code or the City’s Investment Policy, where more restrictive. The table also identifies certain provisions of the California Government Code or the City’s Investment Policy, where more restrictive that address interest rate risk and concentration of credit risk. For bond proceeds or restricted cash and investments, the trustee holds money market mutual funds in accordance with the provision of the debt agreements of the City, rather than the general provisions of California Government Code or the City’s Investment Policy.

Investment Types Authorized by State Law	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment In One Issuer*
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	60%	None
Negotiable Certificates of Deposit	5 years	30%	5%
Money Market Funds	5 years	15%	10%
Local Agency Investment Fund	None	\$60,000,000	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

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.

Information about the sensitivity of the fair values of the City’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

Investment Type	Totals	Remaining Maturity (In Months)	
		12 Months Or Less	
Local Agency Investment Fund	\$ 11,134,502	\$	11,134,502
Held by bond trustee:			
Money market funds	4,952,333	4,952,333	
Total	<u>\$ 16,086,835</u>	<u>\$</u>	<u>16,086,835</u>

Disclosures Relating to Credit Risk

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. Presented below is the minimum rating required by (where applicable) the California Government Code, the City’s Investment Policy, or debt agreements, and the Standard and Poor’s actual rating as of year-end for each investment type:

Investment Type	Totals	Minimum Legal Rating	Rating as of Year End	
			AAA	Not Rated
Local Agency Investment Fund	\$ 11,134,502	N/A	\$ -	\$ 11,134,502
Held by bond trustee:				
Money market funds	4,952,333	AAA	4,952,333	-
Total	<u>\$ 16,086,835</u>		<u>\$ 4,952,333</u>	<u>\$ 11,134,502</u>

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 2 – CASH AND INVESTMENTS (Continued)

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 governmental 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 City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the City’s deposits with financial institutions, \$8,047,866 was in excess of federal depository insurance limits. This amount is collateralized pursuant to California Government Code.

Fair Value Measurements

Fair value measurements are categorized based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, including matrix pricing models; Level 3 inputs are significant unobservable inputs.

Balances as of June 30, 2017 are as follows:

Uncategorized Investments:	
Local Agency Investment Fund	11,134,502
Held by bond trustee:	
Money Market Funds (amortized cost)	4,952,333
Total Investment Portfolio	<u><u>\$ 16,086,835</u></u>

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 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 an amount based upon 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 is available for withdrawal on demand based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. LAIF is not registered with the Securities and Exchange Commission and is not rated. Deposits and withdrawals to and from LAIF are made on the basis of \$1 and not at fair value. Accordingly, under the fair value hierarchy, the fair value measurement of the investment with LAIF is based on uncategorized inputs not defined as level 1, level 2, or level 3.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 3 – INTERFUND TRANSFERS

Interfund balances for the year ended June 30, 2017, are as follows:

	Transfers out				Total
	General Fund	Measure A	Developer Impact Fees	Non-major governmental funds	
Transfers In:					
General fund	\$ -	\$ 90,205	\$ 904,175	\$ 315,236	\$ 1,309,616
Gas Tax fund	-	-	74,504	-	74,504
Non-major governmental funds	-	-	1,032,500	-	1,032,500
Internal service funds	213,486	-	-	-	213,486
Total	<u>\$ 213,486</u>	<u>\$ 90,205</u>	<u>\$ 2,011,179</u>	<u>\$ 315,236</u>	<u>\$ 2,630,106</u>

Interfund transfers from the General Fund to the Internal Service Funds were to close out the Internal Services Funds at year-end.

The interfund transfer from Measure A to the General Fund was to cover administrative expenses.

The interfund transfers from the Developer Impact Fees fund of \$2,011,179 to the General Fund, Gas Tax fund, and non-major governmental funds were for contributions to various capital projects.

Transfers from non-major governmental funds to the General fund of \$315,236 were for costs covered by grants for safety (\$200,684) and for portions of the Riverside Drive capital project (\$114,552).

Due From/Due To Other Funds

The composition of current interfund balances at June 30, 2017 are as follows:

	<u>Due From Other Funds</u>
	<u>General</u>
Due to Other Funds:	
Measure A	417,294
Measure A COP Series 2016	1,643,127
Nonmajor Governmental Funds	1,126,001
Total	<u>\$ 3,186,422</u>

The interfund balances reflected above represent short-term borrowings of cash pending receipt of reimbursements.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ -	\$ 161,760	\$ -	\$ 161,760
Construction in progress	2,607,102	6,896,877	(655,411)	8,848,568
Total capital assets not being depreciated	2,607,102	7,058,637	(655,411)	9,010,328
Capital assets being depreciated:				
Infrastructure	31,610,626	7,122,216	-	38,732,842
Leasehold improvements	506,187	-	-	506,187
Furniture and equipment	78,932	-	-	78,932
Land Improvements	-	40,510	-	40,510
Vehicles	441,673	106,078	-	547,751
Total capital assets being depreciated	32,637,418	7,268,804	-	39,906,222
Less accumulated depreciation for:				
Infrastructure	(12,996,450)	(2,460,434)	-	(15,456,884)
Leasehold improvements	(36,471)	(25,309)	-	(61,780)
Furniture and equipment	(16,914)	(11,276)	-	(28,190)
Land improvements	-	(1,350)	-	(1,350)
Vehicles	(31,548)	(70,673)	-	(102,221)
Total accumulated depreciation	(13,081,383)	(2,569,042)	-	(15,650,425)
Total capital assets being depreciated, net	19,556,035	4,699,762	-	24,255,797
Total capital assets net of accumulated depreciation	\$ 22,163,137	\$ 11,758,399	\$ (655,411)	\$ 33,266,125

Depreciation expense in the amount of \$2,569,042 was charged to Public Works.

Construction Commitments

The City had active construction projects as of June 30, 2017. The following table identifies the largest remaining commitments on projects as of June 30, 2017:

	<u>Contract Amount</u>	<u>Remaining Commitments</u>
Limonite Widening, Etiwanda to Bain	\$ 4,738,969	\$ 1,691,304
Traffic Signal project	293,381	92,564
Citywide Pavement Rehabilitation - TRIP - Phase 1	1,309,392	55,379
Citywide Pavement Rehabilitation - Phase 4	1,395,000	33,895

NOTE 5 – 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-two participating agencies, twenty-two cities, four transit agencies and six special districts. The City participates in the liability, property, auto physical damage, crime, and cyber liability insurance programs of PERMA.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 5 – RISK MANAGEMENT (Continued)

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 mariner 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. Property coverage is limited to \$100 million (\$2.5 million for flood), with deductibles of \$5,000 per occurrence except \$100,000 for flood and 24 hour service interruption.

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 provided up to \$100 million, with self-insured retention limits of \$2,500 for all vehicles. The crime insurance program provides public employee dishonesty, forgery or alteration, and computer fraud coverage under a master insurance policy up to \$3 million, with a \$2,500 deductible per occurrence. For cyber liability, the City is covered up to \$2 million, with a \$50,000 deductible per claim. The City is insured with the State Compensation Insurance Fund for workers’ compensation claims. There is no deductible requirement for this coverage.

NOTE 6 – CONTINGENT LIABILITIES

Various claims and suits have been filed against the City in the normal course of business. Although the outcome of these matters is not presently determinable in the opinion of legal counsel, the resolutions of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 7 – LEASE COMMITMENTS

During the fiscal year ended June 30, 2016, the City renewed its lease for the City Hall building on Limonite Ave. Under the renewed lease terms, the City has the option to purchase the building which houses City Hall for \$1,500,000 prior to the lease term expiration of June 30, 2018. Minimum required future rental payments under lease as of June 30, 2017 were:

Fiscal year:	
2018	96,000
Total minimum future rental payments	\$ 96,000

Rental expense on lease agreements were \$111,000 for the year ending June 30, 2017.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 8 – REVENUE NEUTRALITY PAYMENT COMMITMENTS

As part of the formation of the City, the County of Riverside (“County”) and City entered into a revenue neutrality agreement to be paid to the County annually. Upon reaching property and sales taxes of at least \$15,840,000 the City is required to pay a percentage of such property and sales taxes to the County at escalating rates in accordance with the terms of the agreement.

During the fiscal year-ended June 30, 2015, the Governor signed SB 107 to provide a one-time funding to the County in exchange for the County retiring approximately \$21 million in first year service cost reimbursements, deferred revenue neutrality payments and deferred sheriff payments, which included a portion of the amounts above. Under the Revenue Neutrality Agreement, the City shall continue to pay the County each year a portion of its tax revenues as follows:

	Percentage
Property and Sales Taxes in excess of:	
\$15,840,000	16% of total
\$16,880,000	21% of total
\$17,940,000	22% of total
\$19,030,000	24% of total

Per the agreement, section 3.1.9, the City shall pay the County the total annual amount owed no later than 60 days following the end of the City’s fiscal year. At June 30, 2017, the City reported Due to other Governments of \$3,440,577 to accrue for payments of \$800,087 for amounts due for FY 2015/16 and \$2,640,490 as estimated amounts due for FY 2016/17 under the agreement.

NOTE 9 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures for the year ended June 30, 2017, exceeded appropriations in the following funds:

	Final Budget	Actual	Excess Over Appropriations
General Fund	\$ 30,352,376	\$ 33,221,741	\$ (2,869,365)
Measure A Fund	2,563,807	4,331,745	(1,767,938)
Non-Major Funds:			
Air Quality Improvement Fund	117,000	121,577	(4,577)
COPS Fund	159,000	200,684	(41,684)
Alternative Transportation Program (ATP) Grant Fund	-	1,113,000	(1,113,000)
Landscape & Lighting Maintenance Districts Fund	-	813,007	(813,007)

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 10 – LONG TERM LIABILITIES

The following is a summary of long-term liabilities of the City for the year ended June 30, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year
Certificates of Participation:					
Series 2016	\$ -	\$ 8,165,000	\$ (270,000)	\$ 7,895,000	\$ 150,000
Plus deferred amount for issuance premium	-	1,163,394	(64,633)	1,098,761	-
Total Certificates of Participation	-	9,328,394	(334,633)	8,993,761	150,000
Compensated absences	42,470	90,773	(61,855)	71,388	65,000
Total	42,470	9,419,167	(396,488)	9,065,149	215,000

Certificates of Participation Series 2016

In October 2016, pursuant to an Installment Sales Agreement (Agreement) between the City and the California Municipal Finance Authority (Authority) for the Local Measure A Sales Tax Revenue (Installment Sale) Certificate of Participation, Series 2016 (Jurupa Valley Pavement Rehabilitation Project), the Authority issued \$8,165,000 of Certificates of Participation Series 2016, the proceeds of which will be used to (i) finance the design, acquisition, and construction of certain local roadway improvements and street resurfacing projects within the jurisdiction of the City, (ii) fund a reserve fund for the certificates, and (iii) pay the costs incurred in connection with the execution, sale, and delivery of the Certificates.

Measure A revenues are the sole source of repayment. Payments remitted by the City to the Authority will in turn be remitted to owners of the Certificates of Participation, with principal amounts due annually each June 1, commencing June 1, 2017. The Certificates bear interest rates of 2 percent to 5 percent, and interest is payable semi-annually on December 1 and June 1, beginning on December 1, 2016.

The certificates maturing on June 1, 2027 are subject to optional prepayment prior to maturity after June 1, 2026. The Certificates are subject to mandatory prepayment prior to maturity, in whole or in part, on any date, from amounts received upon the acceleration of Installment Sale Payments upon the occurrence of any event of default under the 2016 Agreement, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

For the current year, principal and interest paid on the bonds was \$270,000 and \$218,093, respectively. The outstanding balance on the bonds was \$7,895,000 as of June 30, 2017. The Measure A revenues were \$1,943,104 for the year ended June 30, 2017.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 10 – LONG TERM LIABILITIES (Continued)

The annual debt service requirements on these bonds are as follows:

Date	Principal	Interest
June 1		
2018	\$ 150,000	\$ 317,700
2019	745,000	314,700
2020	765,000	292,350
2021	790,000	269,400
2022	820,000	237,800
2023-2027	4,625,000	669,050
	<u>\$ 7,895,000</u>	<u>\$ 2,101,000</u>

The City is to maintain a Reserve Fund in the amount equal to the least of: 10% of the initial stated principal amount of the Certificates of Participation, Series 2016, 125% of the average annual installment sales payments, or the maximum annual debt service. The City has satisfied the reserve requirement through purchase of a surety bond, as allowed by the debt agreement.

Compensated Absences

The City’s liability for accrued and unpaid compensated absences in the governmental activities totaled \$71,388 at June 30, 2017. The compensated absences are liquidated through the General Fund.

NOTE 11 – ACCUMULATED FUND DEFICITS

The following individual funds reported deficit fund balances as of June 30, 2017:

	<u>Deficit Balance</u>
Major Funds:	
Measure A	\$ (450,249)
Non-Major Funds:	
Community Development Block Grant	(3,022)
TUMF Grant	(22,484)
Beyond Initiative Grant	(27,985)
TDA Article 3	(18,583)

The City plans to eliminate the deficits in each fund with intergovernmental receivables to be collected in future periods.

CITY OF JURUPA VALLEY
Notes to Financial Statements
Year Ended June 30, 2017

NOTE 12 FUND BALANCES

The following table summarizes the fund balance of the governmental funds as of June 30, 2017:

	Major Governmental Funds						Totals
	General	Gas Tax	Measure A	Developer Impact Fees	Capital Measure A COP Series 2016	Nonmajor Funds	
Restricted:							
Community development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,332,146	\$ 1,332,146
Public works	-	-	-	4,796,736	2,830,113	1,428,612	9,055,461
Total Restricted	-	-	-	4,796,736	2,830,113	2,760,758	10,387,607
Unassigned	5,314,133	-	(450,249)	-	-	(72,074)	4,791,810
Total Fund Balance	<u>\$ 5,314,133</u>	<u>\$ -</u>	<u>\$ (450,249)</u>	<u>\$ 4,796,736</u>	<u>\$ 2,830,113</u>	<u>\$ 2,688,684</u>	<u>\$ 15,179,417</u>

NOTE 13 – FRANCHISE AGREEMENT

During the year, the City renegotiated its franchise agreement for solid waste services. As consideration for entering into the amended agreement, the City recorded a one-time revenue of \$1,700,000, which is reflected within Charges for Services in the General Fund.

NOTE 14 – SUBSEQUENT EVENTS

Effective for the fiscal year beginning July 1, 2017, the City is entitled to additional vehicle license fee revenues payable from the State through the passage of SB 130 on May 12, 2017.

On August 17, 2017, the City exercised the option purchase the City Hall building for \$1,500,000.

On January 18, 2018, the City approved an advance from the General Fund to the Measure A Fund of \$1,167,000 for the widening of Limonite Avenue between Etiwanda Avenue and Bain Street. The advance will be repaid from Measure A proceeds over a period of three fiscal years through June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF JURUPA VALLEY
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Taxes	19,848,064	\$ 19,848,064	\$ 21,317,219	\$ 1,469,155
Licenses, fees and permits	1,706,000	1,706,000	1,634,272	(71,728)
Intergovernmental	43,800	43,800	94,138	50,338
Charges for services	3,976,740	3,976,740	4,010,306	33,566
Fines, forfeitures and penalties	488,000	488,000	465,126	(22,874)
Investment income	9,000	9,000	64,179	55,179
Developer Contributions	-	-	787,613	787,613
Other	115,000	115,000	172,959	57,959
Total Revenues	<u>26,186,604</u>	<u>26,186,604</u>	<u>28,545,812</u>	<u>2,359,208</u>
Expenditures				
Current:				
General government	4,787,481	4,787,481	7,683,959	(2,896,478)
Community development	4,184,117	4,184,117	4,247,791	(63,674)
Public works	2,316,641	2,316,641	2,720,962	(404,321)
Public Safety	19,064,137	19,064,137	18,355,543	708,594
Total Expenditures	<u>30,352,376</u>	<u>30,352,376</u>	<u>33,008,255</u>	<u>(2,655,879)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,165,772)</u>	<u>(4,165,772)</u>	<u>(4,462,443)</u>	<u>(296,671)</u>
Other financing sources (uses)				
Transfers in	72,136	72,136	1,309,616	1,237,480
Transfers out	-	-	(213,486)	(213,486)
Total Other Financing Sources (Uses)	<u>72,136</u>	<u>72,136</u>	<u>1,096,130</u>	<u>1,023,994</u>
Net Change in Fund Balance	(4,093,636)	(4,093,636)	(3,366,313)	727,323
Fund Balance, Beginning of Year	8,680,446	8,680,446	8,680,446	-
Fund Balance, End of Year	<u>\$ 4,586,810</u>	<u>\$ 4,586,810</u>	<u>\$ 5,314,133</u>	<u>\$ 727,323</u>

CITY OF JURUPA VALLEY
Major Special Revenue Fund
Gas Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 2,225,735	\$ 2,225,735	\$ 1,887,017	\$ (338,718)
Investment income	-	-	2,365	2,365
Other Income	-	-	962	962
Total Revenues	2,225,735	2,225,735	1,890,344	(335,391)
Expenditures				
Current:				
Public works	3,456,118	3,456,118	2,938,424	517,694
Total Expenditures	3,456,118	3,456,118	2,938,424	517,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,230,383)	(1,230,383)	(1,048,080)	182,303
Other financing sources (uses)				
Transfers in	-	-	74,504	74,504
Total Other Financing Sources (Uses)	-	-	74,504	
Net Change in Fund Balance	(1,230,383)	(1,230,383)	(973,576)	256,807
Fund Balance, Beginning of Year	973,576	973,576	973,576	-
Fund Balance, End of Year	\$ (256,807)	\$ (256,807)	\$ -	\$ 256,807

CITY OF JURUPA VALLEY
Major Special Revenue Fund
Measure A Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,064,000	\$ 5,064,000	\$ 3,245,981	\$ (1,818,019)
Investment income	2,000	2,000	2,028	28
Total Revenues	<u>5,066,000</u>	<u>5,066,000</u>	<u>3,248,009</u>	<u>(1,817,991)</u>
Expenditures				
Current:				
Public works	2,563,807	2,563,807	4,241,540	(1,677,733)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,502,193</u>	<u>2,502,193</u>	<u>(993,531)</u>	<u>(3,495,724)</u>
Other financing sources (uses)				
Transfers out	-	-	(90,205)	(90,205)
Net Change in Fund Balance	2,502,193	2,502,193	(1,083,736)	(3,585,929)
Fund Balance, Beginning of Year	<u>633,487</u>	<u>633,487</u>	<u>633,487</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 3,135,680</u>	<u>\$ 3,135,680</u>	<u>\$ (450,249)</u>	<u>\$ (3,585,929)</u>

CITY OF JURUPA VALLEY
Notes to Required Supplementary Information
Year Ended June 30, 2017

Budgetary Accounting

The City Manager shall prepare and submit the proposed annual budget to the City Council for its approval for the General Fund, Gas Tax fund, Measure A funds, and other restricted revenues, which includes AQMD, CDBG, COPS, ATP Grant, EMP Grant,, Community Facilities Districts, and Landscape and Lighting Maintenance Districts funds. The agenda for the budget workshops and budget meetings are noted in accordance with the Brown Act. After reviewing the same and making such revisions as it may deem advisable and public input, the budget is then adopted annually by the Council at a regularly held meeting. The budget is adopted prior to the beginning of the fiscal year and serves as the foundation for the City’s financial plan.

The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Transfers of appropriations between department budgets can be made with the City Manager/Director of Administrative Services approval. City Council’s approval is required for all budget amendments that result in a change to the adopted budget of the fund.

Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting.

Appropriations lapse at the end of the fiscal year unless they are re-appropriated through the formal budget process. Open encumbrances will be paid by subsequent year’s budget appropriations. Encumbrances do not constitute expenditures or liabilities of the City.

Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year.

The following funds had expenditures in excess of appropriations for the year ended June 30, 2017:

	Final Budget	Actual	Excess Over Appropriations
General Fund	\$30,352,376	\$33,221,741	\$ (2,869,365)
Measure A Fund	2,563,807	4,331,745	(1,767,938)

The following funds do not have a legally adopted budget for the year ended June 30, 2017:

- TUMF Grant Special Revenue Fund
- CalRecycle Grant Special Revenue Fund
- Beyond Initiative Grant Special Revenue Fund
- TDA Article 3 Special Revenue Fund
- Surface Transportation Grant Special Revenue Fund
- All Capital Projects Funds

SUPPLEMENTARY INFORMATION

CITY OF JURUPA VALLEY
Nonmajor Governmental Funds
June 30, 2017

NON-MAJOR SPECIAL REVENUE FUNDS

Air Quality Improvement Fund

To account for the City's share of vehicle registration fees that the State of California has allocated to address air quality concerns in Southern California. These monies are to be used in air quality maintenance programs locally and/or regionally.

Community Development Block Grant Fund

To account for receipt and disbursement of the Upland Community Development Block Grant Program of the United States Department of Housing and Urban Development Program. Accountability follows the guidelines of Office Management and Budget Circulars A102 and A87.

COPS Fund

To account for revenue received from the State of California for front line public safety purposes.

TUMF Grant Fund

To account for revenues and expenditures associated with the Transportation Uniform Mitigation Fee Program's agreement to reimburse a portion of the improvements to Limonite Avenue.

Alternative Transportation Program (ATP) Grant Fund

To account for revenues and expenditures related to alternative transportation capital projects, specifically sidewalks on Troth Street and Pyrite Street that are partially funded by the State of California ATP grant.

Emergency Management Performance (EMP) Grant Fund

To account for revenues and expenditures associated with the Emergency Management Performance Grant that are utilized to support the building, sustainment, and delivery of core capabilities essential to achieving security and resilience at the City.

CalRecycle Grant Fund

To account for revenues and expenditures associated with the various CalRecycle Grants received from the State of California for use by local governments. The City was granted funds to construct pavement projects using rubberized pavement, to assist in the removal and disposal of materials illegally dumped in the public right of way, to enhance public outreach and education, and to incorporate preventative security measures.

Beyond Initiative Grant Fund

To account for revenue and expenditures associated with The Western Riverside Council of Governments (WRCOG) grants to member cities for Economic Development and Sustainability Framework Goals.

CITY OF JURUPA VALLEY
Nonmajor Governmental Funds (Continued)
June 30, 2017

Community Facilities District Fund

To account for the revenues and expenditures associated with a geographic area where a special property tax on real estate (a parcel tax) is assessed for the services within the district. The City currently has three CFDs: CFD 13-001 Bellegrave, CFD 14-001 Harvest and CFD 14- 002 Mission Estates.

Landscape and Lighting Maintenance Districts Fund

To account for the revenues and expenditures associated with a geographic area where a special assessment on real estate is assessed for the services within the district. In the fiscal year ended June 30, 2016 the City assumed responsibility of the administration for the districts, which includes managing the required services to be provided within the LLMDs.

Transportation Development Act (TDA) Article 3 Fund

To account for the monies received from the State of California under Article 3 of the TDA. These funds may be used for local street and road expenditures.

Surface Transportation Grant Fund

To account for the monies received for the Surface Transportation Grant monies. These funds may be used for local street and road expenditures.

NON-MAJOR CAPITAL PROJECT FUND

Road and Bridge Benefit District

To account for the receipt of fees for development related activities such as road & bridge projects.

CITY OF JURUPA VALLEY
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds				
	AQMD	CDBG	COPS	TUMF Grant	ATP Grant
Assets					
Cash and investments	\$ 36,250	\$ 9	\$ -	\$ -	\$ -
Intergovernmental	31,869	-	-	706,109	-
Deposits receivable	-	-	-	-	692,000
Interest receivable	50	-	-	-	-
Total Assets	<u>\$ 68,169</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 706,109</u>	<u>\$ 692,000</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	10,462	3,031	-	45,051	635,000
Due to other funds	-	-	-	635,433	57,000
Deposits payable	-	-	-	-	-
Total Liabilities	<u>10,462</u>	<u>3,031</u>	<u>-</u>	<u>680,484</u>	<u>692,000</u>
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	48,109	-
Fund balances					
Restricted For: Community Development	57,707	-	-	-	-
Restricted For: Public Works	-	-	-	-	-
Unassigned	-	(3,022)	-	(22,484)	-
Total Fund Balances	<u>57,707</u>	<u>(3,022)</u>	<u>-</u>	<u>(22,484)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 68,169</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 706,109</u>	<u>\$ 692,000</u>

Special Revenue Funds							Capital Project Fund	
EMP Grant	CalRecycle Grant	Beyond Initiative Grant	Community Facilities District	Landscape & Lighting Maint. Districts	TDA Article 3	Surface Transportation Grant	Road and Bridge Benefit District	Totals
\$ 16,240	\$ 16,019	\$ 14,084	\$ 605,473	\$ 887,969	\$ -	\$ -	\$ 1,354,905	2,930,949
-	54,019	34,459	3,467	14,740	-	-	-	844,663
-	-	-	-	-	-	387,000	-	1,079,000
31	53	-	1,192	1,686	-	-	2,771	5,783
<u>\$ 16,271</u>	<u>\$ 70,091</u>	<u>\$ 48,543</u>	<u>\$ 610,132</u>	<u>\$ 904,395</u>	<u>\$ -</u>	<u>\$ 387,000</u>	<u>\$ 1,357,676</u>	<u>4,860,395</u>
-	15,426	14,084	12,049	154,421	-	-	-	889,524
-	-	27,985	-	-	18,583	387,000	-	1,126,001
-	-	-	67,401	6,217	-	-	-	73,618
-	15,426	42,069	79,450	160,638	18,583	387,000	-	2,089,143
-	-	34,459	-	-	-	-	-	82,568
-	-	-	530,682	743,757	-	-	-	1,332,146
16,271	54,665	-	-	-	-	-	1,357,676	1,428,612
-	-	(27,985)	-	-	(18,583)	-	-	(72,074)
<u>16,271</u>	<u>54,665</u>	<u>(27,985)</u>	<u>530,682</u>	<u>743,757</u>	<u>(18,583)</u>	<u>-</u>	<u>1,357,676</u>	<u>2,688,684</u>
<u>\$ 16,271</u>	<u>\$ 70,091</u>	<u>\$ 48,543</u>	<u>\$ 610,132</u>	<u>\$ 904,395</u>	<u>\$ -</u>	<u>\$ 387,000</u>	<u>\$ 1,357,676</u>	<u>4,860,395</u>

CITY OF JURUPA VALLEY
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2017

	Special Revenue Funds				
	AQMD	CDBG	COPS	TUMF Grant	ATP Grant
Revenues					
Intergovernmental	125,372	115,990	199,892	694,867	-
Developer impact fees	-	-	-	-	-
Assessments revenue	-	-	-	-	-
Investment Income	223	4	792	-	-
Total revenues	<u>125,595</u>	<u>115,994</u>	<u>200,684</u>	<u>694,867</u>	<u>-</u>
Expenditures					
Current:					
Community development	121,577	15,351	-	-	-
Public works	-	-	-	706,109	1,113,000
Total expenditures	<u>121,577</u>	<u>15,351</u>	<u>-</u>	<u>706,109</u>	<u>1,113,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,018</u>	<u>100,643</u>	<u>200,684</u>	<u>(11,242)</u>	<u>(1,113,000)</u>
Other financing sources (uses)					
Transfers in	-	-	-	25,917	988,000
Transfers out	-	-	(200,684)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(200,684)</u>	<u>25,917</u>	<u>988,000</u>
Net Change in Fund Balances	4,018	100,643	-	14,675	(125,000)
Fund Balances at Beginning of Year	53,689	(103,665)	-	(37,159)	125,000
Fund Balances at End of Year	<u>\$ 57,707</u>	<u>\$ (3,022)</u>	<u>\$ -</u>	<u>\$ (22,484)</u>	<u>\$ -</u>

Special Revenue Funds							Capital Project Fund	
EMP Grant	CalRecycle Grant	Beyond Initiative Grant	Community Facilities District	Landscape & Lighting Maint. Districts	TDA Article 3	Surface Transportation Grant	Road and Bridge Benefit District	Totals
-	123,385	23,483	-	-	200,000	-	-	1,482,989
-	-	-	-	-	-	-	413,989	413,989
-	-	-	443,744	1,076,712	-	-	-	1,520,456
106	53	-	2,964	4,620	-	-	8,604	17,366
106	123,438	23,483	446,708	1,081,332	200,000	-	422,593	3,434,800
-	22,755	48,421	51,945	813,007	237,166	-	-	1,310,222
-	12,000	-	-	-	-	-	-	1,831,109
-	34,755	48,421	51,945	813,007	237,166	-	-	3,141,331
106	88,683	(24,938)	394,763	268,325	(37,166)	-	422,593	293,469
-	-	-	-	-	18,583	-	-	1,032,500
-	-	-	-	-	-	-	(114,552)	(315,236)
-	-	-	-	-	18,583	-	(114,552)	717,264
106	88,683	(24,938)	394,763	268,325	(18,583)	-	308,041	1,010,733
16,165	(34,018)	(3,047)	135,919	475,432	-	-	1,049,635	1,677,951
\$ 16,271	\$ 54,665	\$ (27,985)	\$ 530,682	\$ 743,757	\$ (18,583)	\$ -	\$ 1,357,676	\$ 2,688,684

CITY OF JURUPA VALLEY
Non-Major Special Revenue Fund
Air Quality Improvement Fund (“AQMD”)
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 121,000	\$ 125,372	\$ 4,372
Investment Income	150	223	73
	<u>121,150</u>	<u>125,595</u>	<u>4,445</u>
Total revenues	<u>121,150</u>	<u>125,595</u>	<u>4,445</u>
Expenditures:			
Current:			
Community development	<u>117,000</u>	<u>121,577</u>	<u>(4,577)</u>
Net change in fund balance	4,150	4,018	(132)
Fund balance, beginning of year	<u>53,689</u>	<u>53,689</u>	<u>-</u>
Fund balance, end of year	<u>\$ 57,839</u>	<u>\$ 57,707</u>	<u>\$ (132)</u>

CITY OF JURUPA VALLEY
Non-Major Special Revenue Fund
Community Development Block Grant (CDBG)
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 115,000	\$ 115,990	\$ 990
Investment Income	-	4	4
Total revenues	<u>115,000</u>	<u>115,994</u>	<u>994</u>
Expenditures:			
Current:			
Community development	<u>115,000</u>	<u>15,351</u>	<u>99,649</u>
Net change in fund balance	-	100,643	100,643
Fund balance, beginning of year	<u> </u>	<u>(103,665)</u>	<u>(103,665)</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ (3,022)</u>	<u>\$ (3,022)</u>

CITY OF JURUPA VALLEY
Non-Major Special Revenue Fund
COPS

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Intergovernmental	\$ 159,000	\$ 199,892	\$ 40,892
Investment income	-	792	792
	<u>159,000</u>	<u>200,684</u>	<u>41,684</u>
Total revenues			
	159,000	200,684	41,684
Excess of revenues over expenditures	<u>159,000</u>	<u>200,684</u>	<u>41,684</u>
Other financing sources (uses):			
Transfer out	<u>(159,000)</u>	<u>(200,684)</u>	<u>(41,684)</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF JURUPA VALLEY
Non-Major Special Revenue Fund
Alternative Transportation Program (ATP) Grant
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 679,000	\$ -	\$ (679,000)
Expenditures:			
Current:			
Public Works	-	1,113,000	(1,113,000)
Excess (deficiency) of revenues over (under) expenditures	679,000	(1,113,000)	(1,792,000)
Other financing sources (uses):			
Transfer In	577,900	988,000	(410,100)
Net change in fund balance	101,100	(125,000)	(226,100)
Fund balance, beginning of year	125,000	125,000	-
Fund balance, end of year	\$ 226,100	\$ -	\$ (226,100)

CITY OF JURUPA VALLEY
Non-Major Special Revenue Fund
Emergency Management Performance Grant
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Intergovernmental	\$ 14,993	\$ -	\$ (14,993)
Investment Income	-	106	106
	<u>14,993</u>	<u>106</u>	<u>(14,887)</u>
Total Revenues	14,993	106	(14,887)
Net change in fund balance	14,993	106	(14,887)
Fund balance, beginning of year	16,165	16,165	-
Fund balance, end of year	<u>\$ 31,158</u>	<u>\$ 16,271</u>	<u>\$ (14,887)</u>

CITY OF JURUPA VALLEY
Non-Major Special Revenue Fund
Community Facilities Districts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:			
Assessment revenue	\$ 164,000	\$ 443,744	\$ 279,744
Investment income	-	2,964	2,964
Total revenues	<u>164,000</u>	<u>446,708</u>	<u>282,708</u>
Expenditures:			
Current:			
Community development	<u>164,000</u>	<u>51,945</u>	<u>112,055</u>
Net change in fund balance	-	394,763	394,763
Fund balance, beginning of year	<u>135,919</u>	<u>135,919</u>	-
Fund balance, end of year	<u><u>\$ 135,919</u></u>	<u><u>\$ 530,682</u></u>	<u><u>\$ 394,763</u></u>

CITY OF JURUPA VALLEY
Non-Major Special Revenue Fund
Landscape and Lighting Maintenance Districts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2017

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues			
Assessments revenue	\$ 879,613	\$ 1,076,712	\$ 197,099
Investment Income	-	4,620	4,620
Total Revenues	<u>879,613</u>	<u>1,081,332</u>	<u>201,719</u>
Expenditures			
Current:			
Community development	-	813,007	(813,007)
Excess of revenues over expenditures	<u>879,613</u>	<u>268,325</u>	<u>(611,288)</u>
Other financing sources (uses):			
Transfers in	<u>140,387</u>	-	<u>(140,387)</u>
Net change in fund balance	1,020,000	268,325	(751,675)
Fund balance, beginning of year	<u>475,432</u>	<u>475,432</u>	-
Fund balance, end of year	<u><u>\$ 1,495,432</u></u>	<u><u>\$ 743,757</u></u>	<u><u>\$ (751,675)</u></u>

CITY OF JURUPA VALLEY
Proprietary Funds
Combining Statement of Net Position
June 30, 2017

	Internal Service Funds		
	Risk Management	Information Systems	Totals
Assets:			
Current assets:			
Cash and investments	-	\$ 4,558	4,558
Total assets	-	4,558	4,558
Liabilities:			
Current liabilities:			
Accounts payable	-	4,558	4,558
Total liabilities	-	4,558	4,558
Net Position:			
Unrestricted	-	-	-
Total Net Position	\$ -	\$ -	\$ -

CITY OF JURUPA VALLEY
Proprietary Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2017

	Internal Service Funds		
	Risk Management	Information Systems	Totals
Operating revenues:			
Charges for services	\$ -	\$ -	\$ -
Total operating revenues	-	-	-
Operating expenses:			
Contractual services	65,939	147,547	213,486
Operating income (loss)	(65,939)	(147,547)	(213,486)
Transfers:			
Transfers in (note 3)	65,939	147,547	213,486
Change in net position	-	-	-
Net position at beginning of year	-	-	-
Net position at end of year	\$ -	\$ -	\$ -

CITY OF JURUPA VALLEY
Proprietary Funds
Combining Statement of Cash Flows
Year Ended June 30, 2017

	<u>Internal Service Funds</u>		
	<u>Risk Management</u>	<u>Information Systems</u>	<u>Totals</u>
Cash flows from operating activities			
Cash payments to suppliers of goods and services	\$ (65,939)	\$ (187,298)	\$ (253,237)
Net cash used for operating activities	<u>(65,939)</u>	<u>(187,298)</u>	<u>(253,237)</u>
Cash flows from non capital financing activities			
Cash received from other funds	<u>65,939</u>	<u>147,547</u>	<u>213,486</u>
Net cash provided by noncapital financing activities	<u>65,939</u>	<u>147,547</u>	<u>213,486</u>
Net increase (decrease) in cash and cash equivalents	<u>-</u>	<u>(39,751)</u>	<u>(39,751)</u>
Cash and cash equivalents at beginning of year	<u>-</u>	<u>44,309</u>	<u>44,309</u>
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 4,558</u>	<u>\$ 4,558</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>(65,939)</u>	<u>(147,547)</u>	<u>(213,486)</u>
Adjustments to reconcile operating income (loss) to net income provided by (used for) operating activities:			
(Decrease) in accounts payable	<u>-</u>	<u>(39,751)</u>	<u>(39,751)</u>
Total adjustments	<u>-</u>	<u>(39,751)</u>	<u>(39,751)</u>
Net cash provided by (used for) operating activities	<u>\$ (65,939)</u>	<u>\$ (187,298)</u>	<u>\$ (253,237)</u>

CITY OF JURUPA VALLEY
Fiduciary Funds
June 30, 2017

General Agency Fund

The General Agency Funds is used to account for assets held by the Government in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

CITY OF JURUPA VALLEY
Statement of Changes in Assets and Liabilities
Agency Fund
As of and For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance at June 30, 2017
Assets				
Cash and investments	\$ 4,150,202	\$ 5,010,403	\$ 6,127,602	\$ 3,033,003
Accounts Receivable	-	488,925	-	488,925
Total Assets	<u>\$ 4,150,202</u>	<u>\$ 5,499,328</u>	<u>\$ 6,127,602</u>	<u>\$ 3,521,928</u>
Liabilities				
Accounts payable	\$ 914,471	\$ 1,023,172	\$ 914,471	\$ 1,023,172
Deposits payable	3,235,731	4,476,156	5,213,131	2,498,756
Total Liabilities	<u>\$ 4,150,202</u>	<u>\$ 5,499,328</u>	<u>\$ 6,127,602</u>	<u>\$ 3,521,928</u>

**STATISTICAL SECTION
(UNAUDITED)**

CITY OF JURUPA VALLEY
Statistical Section
June 30, 2017

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CITY OF JURUPA VALLEY
Net Position by Component
Last Six Fiscal Years
(amounts expressed in thousands)

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Governmental activities						
Net investment in capital assets	\$ 16,666	\$ 14,321	\$ 12,332	\$ 20,858	\$ 22,163	\$ 29,225
Restricted	5,264	8,132	7,617	7,385	8,091	7,557
Unrestricted	(5,825)	(4,206)	(2,203)	11,718	8,662	3,040
Total governmental activities net assets	<u>\$ 16,105</u>	<u>\$ 18,247</u>	<u>\$ 17,746</u>	<u>\$ 39,961</u>	<u>\$ 38,917</u>	<u>\$ 39,823</u>

CITY OF JURUPA VALLEY
Changes in Net Position
Last Six Fiscal Years
(amounts expressed in thousands)

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Expenses						
Governmental activities:						
General government	\$ 1,715	\$ 1,746	\$ 2,207	\$ 3,511	\$ 5,343	\$ 7,969
Community development	710	199	194	4,429	5,453	5,558
Public works	5,606	6,974	11,806	4,999	6,852	6,332
Public safety	7,818	12,762	13,827	15,997	17,743	18,356
Interest and fiscal charges	-	-	-	-	-	482
Total governmental activities expenses	<u>15,849</u>	<u>21,681</u>	<u>28,034</u>	<u>28,936</u>	<u>35,392</u>	<u>38,696</u>
Program Revenues						
Governmental activities:						
Charges for services						
General government	-	-	62	93	91	345
Community development	871	1,841	2,100	3,684	5,589	3,484
Public works	183	363	541	-	-	2,101
Public safety	66	183	336	534	518	287
Operating contributions and grants	5,566	5,204	6,697	7,570	7,828	8,214
Capital contributions and grants	18,958	-	-	232	290	3,566
Total governmental activities program revenues	<u>25,645</u>	<u>7,592</u>	<u>9,736</u>	<u>12,113</u>	<u>14,316</u>	<u>17,998</u>
Total government net (expense)/revenues	<u>\$ 9,796</u>	<u>\$ (14,089)</u>	<u>\$ (18,298)</u>	<u>\$ (16,823)</u>	<u>\$ (21,076)</u>	<u>\$ (20,698)</u>
General Revenues and Other Changes in Net Position						
General revenues:						
Taxes:						
Property taxes	\$ 181	\$ 4,528	\$ 5,597	\$ 6,097	\$ 6,468	\$ 6,649
Sales taxes	4,220	9,316	8,969	8,744	10,407	10,211
Franchise taxes	1,679	1,981	2,793	2,695	2,680	4,184
Transient occupancy taxes	149	171	167	208	250	273
Investment income	3	8	9	9	23	146
Other	76	226	263	15,301	202	160
Total governmental activities	<u>6,309</u>	<u>16,230</u>	<u>17,799</u>	<u>33,054</u>	<u>20,031</u>	<u>21,623</u>
Total Change in Net Position	<u>\$ 16,105</u>	<u>\$ 2,141</u>	<u>\$ (500)</u>	<u>\$ 16,231</u>	<u>\$ (1,044)</u>	<u>\$ 924</u>

Note: Due to the City's incorporation on July 1, 2011, there is no information available prior to FY 2011-2012.

Source: City of Jurupa Valley Finance Department

CITY OF JURUPA VALLEY
Fund Balances of Governmental Funds
Last Six Fiscal Years
(amounts expressed in thousands)

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
General Fund						
Nonspendable	\$ 36	\$ 5	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	3,219	10,479	11,934	11,712	8,699	5,314
Total general fund	<u>\$ 3,255</u>	<u>\$ 10,484</u>	<u>\$ 11,934</u>	<u>\$ 11,712</u>	<u>\$ 8,699</u>	<u>\$ 5,314</u>
All other governmental funds						
Nonspendable	-	-	-	-	-	-
Restricted	5,264	8,132	7,617	7,385	7,944	10,388
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	(11)	(95)	-	-	(178)	(522)
Total all other governmental funds	<u>\$ 5,253</u>	<u>\$ 8,037</u>	<u>\$ 7,617</u>	<u>\$ 7,385</u>	<u>\$ 7,766</u>	<u>\$ 9,865</u>
Total fund balances of governmental funds	<u>\$ 8,508</u>	<u>\$ 18,521</u>	<u>\$ 19,551</u>	<u>\$ 19,097</u>	<u>\$ 16,465</u>	<u>\$ 15,179</u>

Note: Due to the City's incorporation on July 1, 2011, there is no information available prior to FY 2011-2012.

Source: City of Jurupa Valley Finance Department

CITY OF JURUPA VALLEY
Changes in Fund Balances of Governmental Funds
Last Six Fiscal Years
(amounts expressed in thousands)

	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
Revenues						
Taxes:						
Property tax	\$ 181	\$ 4,528	\$ 5,597	\$ 6,096	\$ 6,468	\$ 6,649
Sales tax	4,220	9,316	8,969	8,744	10,407	10,211
Franchise tax	1,679	1,981	2,793	2,696	2,680	4,184
Transient occupancy tax	149	171	167	208	250	273
Other taxes	-	123	62	-	-	-
Licenses and permits	482	637	770	1,342	1,421	1,634
Intergovernmental	5,500	4,833	5,889	5,274	4,427	6,710
Charges for services	625	1,436	2,234	3,093	3,147	4,010
Developer impact fees	-	-	-	2,314	3,118	2,703
Operating contributions and grants	-	-	-	270	190	-
Fines and forfeitures	66	183	336	534	518	465
Developer contributions	-	-	-	232	290	788
Assessments revenue	-	-	-	-	923	1,520
Investment income	8	15	9	9	23	146
Other	76	104	263	221	202	174
Total revenues	12,985	23,325	27,089	31,033	34,065	39,467
Expenditures						
Current:						
General government	1,635	1,737	2,198	3,495	5,316	7,684
Community development	272	198	194	4,408	5,425	5,558
Public works	1,824	4,605	9,773	7,941	8,116	17,435
Public safety	604	12,698	13,766	15,922	17,652	18,356
Debt service:						
Principal retirement	-	-	-	-	-	270
Interest and fiscal charges	-	-	-	-	-	218
Cost of issuance	-	-	-	-	-	328
Capital outlay	-	-	-	-	-	-
	4,335	19,239	25,930	31,766	36,509	49,849
Excess (deficit) of revenues over expenditures	8,650	4,087	1,159	(733)	(2,444)	(10,382)
Other financing sources/(uses)						
Proceeds of loan from County	-	6,019	-	-	-	-
Transfers in	-	155	96	1,079	325	2,417
Transfers out	(142)	(248)	(225)	(1,238)	(513)	(2,630)
Bonds issued	-	-	-	-	-	8,165
Premium on bonds issued	-	-	-	-	-	1,163
Total other financing sources/(uses)	(142)	5,926	(129)	(159)	(188)	9,115
Net change in fund balance	8,508	10,013	1,030	(892)	(2,632)	(1,267)
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	1.67%

Note: Due to the City's incorporation on July 1, 2011, there is no information available prior to FY 2011-2012.

Source: City of Jurupa Valley Finance Department

CITY OF JURUPA VALLEY
Tax Revenues by Source - General Fund
Last Six Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property	Sales & Use	Franchise	Transient Occupancy	Total
2012	\$ 181	\$ 4,220	\$ 1,679	\$ 149	\$ 6,229
2013	4,528	9,316	1,981	171	15,996
2014	5,597	8,969	2,793	167	17,526
2015	6,096	8,744	2,696	208	17,744
2016	6,468	10,407	2,680	250	19,805
2017	6,649	10,211	4,184	273	21,317

Note: Due to the City's incorporation on July 1, 2011, there is no information available prior to that date.

Source: City of Jurupa Valley Finance Department

CITY OF JURUPA VALLEY
Assessed and Estimated Actual Value of Taxable Property
Last Six Fiscal Years
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Other</u>	<u>Total Assessed Valuation</u>	<u>Less Tax Exempt Property</u>	<u>Total Taxable Assessed Value</u>	<u>Direct Tax Rate (City)</u>
2012	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2013	\$ 3,594,252	\$ 427,294	\$ 1,775,487	\$ 599,155	\$ 6,396,187	\$ (43,846)	\$ 6,352,341	0.06933
2014	3,786,080	429,880	1,828,067	1,050,966	7,094,992	(44,707)	7,050,285	0.10347
2015	4,057,872	433,123	1,855,743	1,067,843	7,414,581	(45,601)	7,368,980	0.10196
2016	4,359,971	446,341	1,972,845	1,105,654	7,884,812	(46,292)	7,838,519	0.10011
2017	4,738,804	474,480	2,129,295	1,187,869	8,530,447	(47,027)	8,483,420	0.09838

Note: Due to the City's incorporation on July 1, 2011, there is no data available prior to FY 2012-2013. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll for FY 2011-2012. The first year for assessment and collections in the name of Jurupa Valley was FY 2012-2013.

Source: HdL, Coren & Cone

CITY OF JURUPA VALLEY
Direct and Overlapping Property Tax Rates
Last Six Fiscal Years

Fiscal Year	City Direct Rates				Total
	Basic County, City, and School Levy	Community College District	Water District	School District	
2012	n/a	n/a	n/a	n/a	n/a
2013	1.00000	0.06292	0.16600	0.43349	1.66241
2014	1.00000	0.05958	0.16600	0.46506	1.69064
2015	1.00000	0.05721	0.16600	0.43363	1.65684
2016	1.00000	0.05755	0.16600	0.50210	1.72565
2017	1.00000	0.05149	0.16600	0.53743	1.75492

Note: Due to the City's incorporation on July 1, 2011, there is no historical data available prior to FY 2012-2013. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll in FY 2011-2012. The first year for assessment and collections in the name of Jurupa Valley was FY 2012-2013.

Source: County of Riverside, Tax Rates by Tax Rate Areas (2014-2015) Schedule; HdL, Coren & Cone

**CITY OF JURUPA VALLEY
Principal Property Taxpayers
Current Year and Four Years Ago**

Taxpayer	2017		2013	
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Costco Wholesale Corporation	\$ 164,211,926	1.94%	\$ 103,947,782	1.64%
Teachers Insurance and Annuity Association	110,936,245	1.31%	104,554,198	1.65%
UPS Supply Chain Solutions General Services Inc.	104,341,694	1.23%	88,302,210	1.39%
Nestle Food Company	72,096,386	0.85%	-	-
Metal Container Corporation	67,188,377	0.79%	66,962,730	1.05%
COMREF So California Industrial	64,188,624	0.76%	-	-
Ontario Warehouse 1 Inc.	53,774,439	0.63%	-	-
Cella	52,483,175	0.62%	-	-
Lineage CC California RE LLC	52,263,671	0.62%	63,163,277	0.99%
Industrial Properties Fund VII	49,731,060	0.59%	-	-
MGB X Vernola LLC (Vernola Marketplace)	-	-	57,098,070	0.90%
Home Depot USA Inc.	-	-	49,463,870	0.78%
TCAM Core Properties Fund Operating	-	-	48,564,583	0.76%
Space Center Mira Loma Inc.	-	-	46,221,295	0.73%
Prefco XVIII Limited	-	-	44,295,358	0.70%
Total	\$ 791,215,597	9.33%	\$ 672,573,373	10.59%

Note: Due to the City's incorporation on July 1, 2011, there is no data available prior to FY 2012-2013. The County Riverside assessed and collected all property tax payments as a part of the County's assessment roll in FY 2011-2012. FY 2012-2013 was the first year for assessment and collections in the name of Jurupa Valley.

Source: HdL, Coren & Cone

CITY OF JURUPA VALLEY
Property Tax Levies and Collections
Last Six Fiscal Years

Fiscal Year	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	n/a	n/a	n/a	n/a	n/a	n/a
2013	\$ 4,146,481	\$ 4,030,936	97.21%	\$ 115,545	\$ 4,146,481	100.00%
2014	4,473,310	4,319,380	96.56%	153,930	4,473,310	100.00%
2015	4,611,753	4,593,320	99.60%	18,433	4,611,753	100.00%
2016	4,740,260	4,690,434	98.95%	49,826	4,740,260	100.00%
2017	4,913,741	4,844,250	98.59%	-	4,844,250	98.59%

Note: Due to the City's incorporation on July 1, 2011, there is no data available prior to FY 2012-2013. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll in FY 2011-2012. The first year for assessment and collections in the name of Jurupa Valley was FY 2012-2013.

Source: City of Jurupa Valley Finance Department; Riverside County Auditor-Controller's "2016-2017 Statement of Original Charge"

CITY OF JURUPA VALLEY
Ratios of Outstanding Debt by Type
Last Six Fiscal Years

Fiscal Year (1)	General Obligation Bonds	Lease Revenue Bonds	Certificates of Participation	Unamortized Premium on COP	Total Governmental Activities	Percentage of Personal Income (2)	Debt per Capita
2012	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
2013	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-
2017	-	-	7,895,000	1,098,761	8,993,761	0.49%	88.77

Notes:

- 1) The City of Jurupa Valley was incorporated during fiscal year 2011-2012. No information prior to that year is available.
- 2) These ratios are calculated using personal income and population based on the schedule of demographic and economic statistics

Source: City of Jurupa Valley Finance Department

CITY OF JURUPA VALLEY
Ratio of General Bonded Debt
Last Six Fiscal Years

Fiscal Year	General Obligation Bonds	Tax Allocation Bonds	Certificates of Participation	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%	-

Note: General bonded debt is debt payable with governmental fund resources (of which the City has none).
 Due to the City's incorporation on July 1, 2011, there is no data available prior to FY 2011-2012.

Source: City of Jurupa Valley Finance Department

CITY OF JURUPA VALLEY
Legal Debt Margin Information
Last Six Fiscal Years
(amounts 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
2012	n/a	n/a	n/a	n/a	n/a
2013	\$ 6,407,560	\$ 961,134	\$ -	\$ 961,134	0.0%
2014	7,160,161	1,074,024	-	1,074,024	0.0%
2015	7,429,187	1,114,378	-	1,114,378	0.0%
2016	7,838,519	1,175,778	-	1,175,778	0.0%
2017	8,483,420	1,272,513	-	1,272,513	0.0%

Note: 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.

Due to the City's incorporation on July 1, 2011, there is no data available prior to FY 2011-2012. The County of Riverside assessed and collected all property tax payments as a part of the County's assessment roll in FY 2011-2012. FY 2012-2013 was the first year for assessment and collections in the name of Jurupa Valley.

CITY OF JURUPA VALLEY
Demographic and Economic Statistics
Last Six Fiscal Years

Calendar Year	Population	Personal Income in Thousands	Per Capita Personal Income	Median Age	Unemployment Rate
2012	96,745	\$ 1,002,805	\$ 10,365	27.4	12.2%
2013	97,246	1,039,993	10,694	29.9	11.2%
2014	97,774	1,743,702	17,834	30.4	11.2%
2015	97,738	1,797,500	18,391	30.8	10.7%
2016	98,177	1,806,787	18,403	30.9	8.8%
2017	101,315	1,847,987	18,240	30.9	7.9%

Note: Due to the City's incorporation on July 1, 2011, there is no prior year information available.

- Sources:
- (1) Population - California Department of Finance
 - (2) Personal Income - California Franchise Tax Board, adjusted gross income for zip code 92509
 - (3) Median Age - U.S. Census Bureau State of California - for zip code 92509
 - (4) Unemployment Rate - No individual information for City of Jurupa Valley available; percent represents average unemployment rate from California Employment Development Division for County of Riverside.

CITY OF JURUPA VALLEY
Employment by Industry
Current Year

Industry	2017	
	Labor Force	Percent of Total
Farm	12,800	1.86%
Goods Producing	101,600	14.76%
Trade, Transportation and Utilities	152,800	22.20%
Information	6,300	0.92%
Financial Activities	21,400	3.11%
Professional and Business Services	65,200	9.47%
Education and Health Services	100,200	14.56%
Leisure and Hospitality	88,200	12.81%
Other Services	22,300	3.24%
Government	117,600	17.08%
Total	688,400	100.00%

Note: Information on the largest employers for the City of Jurupa Valley is not available. Presented above is the annual average of Industry Employment & Labor Force for Riverside County as of March 2016.

Due to the City's incorporation on July 1, 2011, there is no information available prior to that date.

Source: State of California Employment Development Department

CITY OF JURUPA VALLEY
Full-time City Employees by Function
Last Six Fiscal Years

Fiscal Year	General Government	Public Works	Public Safety	Community Services	Total
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	1.00	-	-	-	1.00
2016	10.65	1.00	-	-	11.65
2017	11.30	1.00	-	-	12.30

Notes:

- (1) The City of Jurupa Valley has staff employed in City Manager, Finance and Administration, and Public Works departments.
The City contracts services for the remaining General Government and Public Works functions through third party consultants.
- (2) The City of Jurupa Valley contracts Public Safety services through the County of Riverside Sheriff's Department.
- (3) Community Services are provided by the Jurupa Community Services District.

Due to the City's incorporation on July 1, 2011, there is no information available prior to that date.

Sources: City of Jurupa Valley Finance Department

CITY OF JURUPA VALLEY
Top 25 Sales Tax Producers
Current Year and Five Years Ago

2017		2012	
Business Name	Business Category	Business Name	Business Category
Arco AM PM	Service Stations	Adler Tank Rentals	Repair Shop/Equip Rentals
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Arco AM PM	Service Stations	Arco AM PM	Service Stations
ATN Windows	Contractors	Arco AM PM	Service Stations
Circle K	Service Stations	Circle K	Service Stations
Circle K	Service Stations	Circle K 76	Service Stations
Crest Steel Corporation	Heavy Industrial	Costco Distribution Center	Fulfillment Centers
Edward Don & Company	Food Service Equip/Supplies	Edward Don & Company	Food Service Equip/Supplies
GBW Railcar Services	Transportation-Non-Auto	Eldorado National	Trailers/Auto Parts
Inland Bobcat	Warehouse/Farm/Const Equip	G & M Oil	Service Stations
Kmart	Discount Dept Stores	Gasco	Service Stations
Lowes	Building Materials	Kmart	Discount Dept Stores
Merchants Metals	Contractors	Los Compadres Auto Sales	Used Automotive Dealers
Mobile Modular Management	Trailers/RVs	Lowes	Building Materials
Orco Block	Contractors	Mobile Modular Management	Trailers/RVs
Peggs Company	Office Supplies/Furniture	Mostamand Shell	Service Stations
Ross	Family Apparel	Orco Block	Contractors
S W School Supply	Office Supplies/Furniture	Peggs Company	Office Supplies/Furniture
Shell	Service Stations	Ross	Family Apparel
Southwest Material Handling	Warehouse/Farm/Const Equip	Shell	Service Stations
Stater Bros	Grocery Stores	Shell	Service Stations
Universal Forest Products	Contractors	Southwest Material Handling	Warehouse/Farm/Const Equip
Valley Power Systems	Electrical Equipment	Stater Bros	Grocery Stores
Valley Way Arco	Service Stations	Valley Power Systems	Electrical Equipment
Walmart Online	Fulfillment Centers	Valley Way Arco	Service Stations
Percentage of Fiscal Year Total Paid by Top 25 Accounts	<u>47.56%</u>		<u>54.94%</u>

Note: Due to the City's incorporation on July 1, 2011, there is no data available prior to FY 2011-2012.

Source: HdL Reports - Firms listed alphabetically (April through March data for each year)