

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2020



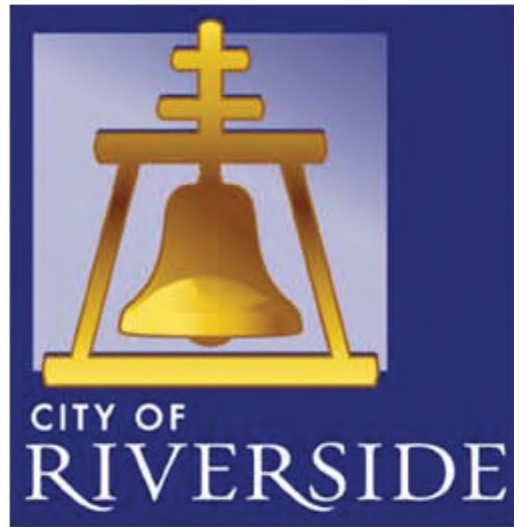
RIVERSIDE, CALIFORNIA

**CITY OF RIVERSIDE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2020**

**Prepared by the Finance Department
Edward Enriquez, Chief Financial Officer/Treasurer**

3900 Main Street, Riverside, California 92522 (951) 826-5660

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**CITY OF RIVERSIDE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2020**

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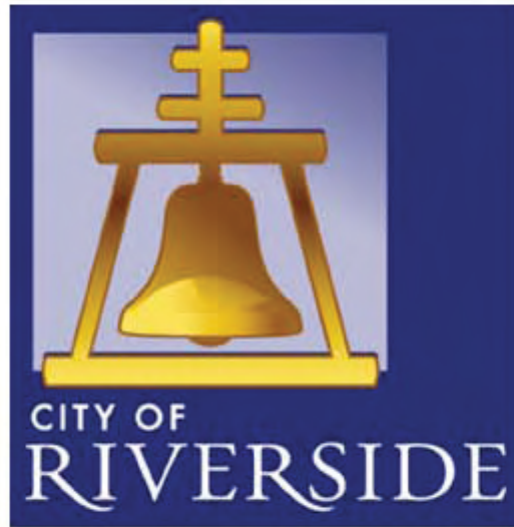
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January 21, 2021

To the Honorable Mayor, Members of the City Council and Citizens of the City of Riverside:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Riverside (the City) for the fiscal year ended June 30, 2020.

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

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2020. The independent auditor's report is presented as the first component of the financial section of this CAFR.

The independent audit of the financial statements of the City was part of the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on internal controls and compliance with legal requirements, with emphasis on those involving the administration of federal awards/grants. These reports will become available in the City's separately issued Single Audit Report.

Management has provided an overall analysis of the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with this section. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the City of Riverside

The City of Riverside, incorporated on October 11, 1883, is located in the western portion of Riverside County, about 60 miles east of Los Angeles. The City currently occupies a land area of 81.507 square miles.

The City operates under the council-manager form of government, with a seven-member council elected by ward for four-year overlapping terms. The mayor is elected at large for a four-year term and is the presiding officer of the Council but does not have a vote except in the case of a tie. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Manager, City Attorney and City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing the heads of various departments. The Council is elected on a non-partisan basis.

The City provides a full range of services which include general government, public safety (police, fire, disaster preparedness and building inspection), construction and maintenance of highways and streets, economic development, culture and recreation, electric, water, airport, refuse, sewer, and senior citizen/handicap transportation. In addition to general City activities, the Council is financially accountable for the Riverside Housing Authority, Riverside Public Financing Authority, Riverside Municipal Improvements Corporation and the Successor Agency, which was formed to hold the assets of the former Redevelopment Agency; therefore, these entities are included as an integral part of the City's financial statements. Additional information on these legally separate entities can be found in note 1 in the Notes to Basic Financial Statements.

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all departments within the general, special revenue and capital project funds. Formal budgets are not employed for debt service funds because debt indenture provisions specify payments. The permanent fund is not budgeted.

Biannually, during the period December through February, department heads prepare estimates of required appropriations for the following two-year budget cycle. These estimates are compiled into a proposed operating budget that includes a summary of proposed expenditures and financial resources and historical data for the preceding budget cycle. The operating budget is presented by the City Manager to the City Council for review. Public hearings are conducted to obtain citizen comments. The City Council generally adopts the budget during one of its June meetings. The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations within a fund. All appropriations shall lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered, except for appropriations for capital projects which shall continue to their completion. For the general fund, this comparison is presented on page 27 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which begins on page 85.

Local economy: The City is located in Inland Southern California, which consists of Riverside and San Bernardino Counties (the "MSA"). The population of Inland Southern California, at approximately 4.5 million, is larger than 24 states. The City leads the Inland Southern California in most measures of economic power, including population, income, employment, bank deposits, assessed valuation, office space and college enrollment. The population of the City is 328,155 which places it as the 12th largest in California.

On March 4, 2020, Governor Newsom declared a state of emergency in California as a result of COVID-19 and on March 13, 2020, the City of Riverside declared a local emergency and closed non-essential facilities to the public. Stay-at-home orders followed from the State and City in mid-March. The last quarter of the fiscal year was dramatically impacted by the COVID-19 shutdown and shelter-in-place directive. General consumer retailers and restaurants were the most immediately hindered, while gas station returns decreased due to the lack of consumption. Unemployment hit record levels not seen since the 2008 great recession. The County of Riverside unemployment rate for the month ending June 2020 was 14.8%. The state provided relief through the CARES Act, which provided funding to state and local governments. The Act also gave an additional \$600 per week federal subsidy through July 31, 2020 for individuals collecting state unemployment benefits.

The food and retail industry have been hit particularly hard due to the pandemic and resulting government shutdowns. The food industry has seen a reduction of 45,300 jobs from March to April 2020, and a loss of 52,500 jobs from April 2019 to April 2020. The retail industry had a loss of 26,400 jobs from March to April 2020, and a reduction of 28,900 jobs from April 2019.

The logistics industry, including wholesale trade, trucking and warehousing, has been the inland empire's primary economic driver in recent years due to e-commerce and international trade. In April 2020, the logistics sector was up 4,200 jobs from April 2019, which included losing 7,100 jobs from March to April 2020 due to the COVID-19 pandemic. Healthcare, construction and manufacturing industries have been slowed due to the pandemic. Healthcare saw a 7,300 reduction in jobs by April 2020, compared to the same time prior year. Construction lost 14,900 jobs in April 2020 compared to prior year, with 13,700 of those jobs lost from March to April 2020. Manufacturing was slowed by 5,100 jobs from March to April 2020, and down 8,600 jobs from April 2019.

So far, home sales and prices have remained strong during the pandemic. In the inland area, new home prices flattened but existing home prices increased. Riverside County saw new homes sell for a median of \$434,000 in April 2020, down 0.2% from the same time last year. Existing homes in Riverside County sold for a median of \$405,000, up 5.2% from April 2019. Riverside County had existing home sales increase by 11.7% and new home sales volume increase 21.5% in April 2020 compared to prior year.

Goals and Vision: On October 20, 2020, Council approved the Riverside 2025 Strategic Plan, which is comprised of two components:

- 1) City Council Strategic Policy, which sets forth the priorities and policy direction of the City Council to advance Riverside's potential and to frame the work efforts over the next five years including Vision, Cross-Cutting Threads, Strategic Priorities, Indicators and Goals; and
- 2) Operational Workplan, which sets forth envisioned actions to be carried out by City staff to implement the City Council Strategic Policy, as well as related metrics to track the trendlines of progress toward achieving City Council priorities and includes the Actions and Performance Measures which will be evaluated and updated by the City Manager on an as-needed basis in conjunction with the City's budget cycle.

Riverside 2025 Strategic Plan Vision: Riverside is a city where every person is respected and cherished, where equity is essential to community well-being, where residents support one another, and where opportunities exist for all to prosper. In Riverside, everyone comes together to help the community, economy and environment reach their fullest potential for the public good.

Strategic Priorities and Indicators:		
Arts, Culture and Recreation Indicators: <ul style="list-style-type: none"> • Lifelong Learning • Shared Uses and Partnerships • Arts and Cultural Opportunities • Access to Parks, Trails and Open Spaces • Programs and Amenities 	Community Well-Being Indicators: <ul style="list-style-type: none"> • Housing Supply and Attainability • Public Safety • Public Health • Placemaking • Homelessness • Household Resilience 	Economic Opportunity Indicators: <ul style="list-style-type: none"> • Workforce Development • Business Development and Success • Local Investment • Regional Partnerships • Economic Mobility
Environmental Stewardship Indicators: <ul style="list-style-type: none"> • Water Quality, Supply, Efficiency and Reliability • Climate Resiliency, Carbon Footprint and Air Quality • Usage, Condition and Quality of Public Lands • Local Food System Vitality • Environmental Justice • Renewable Resource Usage and Waste 	High Performing Government Indicators: <ul style="list-style-type: none"> • Community Centered Services • Adaptive Organization • Financial Health • Equity in Delivery of City Services • Civic Engagement • City Team Engagement 	Infrastructure, Mobility, and Connectivity Indicators: <ul style="list-style-type: none"> • Access to Transportation Choices • Infrastructure Quality and Reliability • Outside Investment • Smart City Ecosystem • Greening Facilities, Fleet and Systems

As the City implements Priority Based Budgeting strategies, which will guide the budget development process for future fiscal years, the City Council’s Strategic Priorities will play a critical role in helping the City make decisions on how to allocate resources.

Long-term financial planning: The City intends to adopt a one-year budget for FY 2021-22 before returning to a two-year budget cycle for FY 2022-24. Adopting a one-year budget will allow the City to focus on immediate fiscal challenges and balancing measures while working to transition to a priority-based budgeting (PBB) process for FY 2022-2024. The PBB budgeting methodology is expected to result in targeted and high-impact actions that will better align the City’s limited resources with the City’s strategic goals.

The Capital Improvement Program (CIP) provides funding for the City’s critical and essential infrastructure projects in the amount of \$110 million for Fiscal Year (FY) 2020-21. Over the course of five years (FY 2020/21 through FY 2024-25), the City anticipates investing a total of \$559 million in our essential assets. The CIP was developed prior to the onset of the COVID-19 pandemic and remains unadjusted for potential COVID-19 impacts on funding sources and labor and material resources required to carry out the planned capital projects. However, the City will remain flexible in response to a potential downgrade of revenues and will recommend necessary budget adjustments throughout the year as these challenges materialize. Due to COVID-19, the CIP budget was developed with a thoughtful and conservative approach in order to further address the needs of the City and community. Given the limitations of the

General Fund contributing to capital projects as it continues to face challenges with unknowns from COVID-19 and increasing Public Employee Retirement (PERS) costs, the City will continue to aggressively pursue grants and work with local, state and federal agencies as well as private partners to fund critical capital projects in our community.

The CIP responds to the needs of our residents to ensure the streets, public buildings, sewer, water, and electric infrastructure, and parks are well maintained and operated for optimum health and safety, added value, increased efficiency and functionality, enhanced attractiveness and beautification, and compliance to legal mandates. The CIP document places equal emphasis on planning for new projects as well as improving and preserving existing capital assets.

The City's CIP document includes a list of Unfunded CIP Projects. This is an attempt to identify and quantify the City's true CIP needs - not only in the short term, but also in the long term. Although the list is comprehensive and reflects a good assessment of the City's needs, it is by no means a complete list as more work needs to be done in the coming years to refine this list, create guidelines to prioritize projects, and prepare a strategic approach to fund and complete these unfunded projects. Additionally, the City has embarked on formulating a 10-year financial forecast model as part of providing a longer-term outlook on City finances.

Measure Z: Measure Z is a one-cent transaction and use tax, with revenues going directly to the City of Riverside. The collection of an additional one-cent sales tax authorized by voters through Measure Z began on April 1, 2017. The FY 2018-2023 Measure Z Spending Plan was approved by the City Council on June 12, 2018, with the adoption of the FY 2018-2020 Two Year Budget. During FY 2019-2020, three new spending items were approved by City Council since budget adoption and added to the Measure Z Spending Plan: Homeless Temporary Housing, Orangecrest Fire Station Dormitory Improvements, and Library Security Guards.

The Measure Z Reserve Policy was adopted by City Council on April 2, 2019 and requires a minimum of \$5 million contingency reserve level to provide for a measured and thoughtful reduction in expenditures during times of economic downturn, rather than making immediate and drastic budget cuts without the time for proper evaluation. The policy also states that if the \$5 million minimum reserve requirement is projected to be met in each fiscal year for the duration of the Measure Z tax (FY 2035-36), City staff shall present a plan to the City Council to allocate surplus reserves to new spending initiatives. Since only five years of the spending plan are approved at a time and are subject to change with the adoption of each budget, the only spending items that could cause the reserves to fall below the required \$5 million are debt obligations. At this time, the debt obligations funded by Measure Z are minimal, with FY 2019-20 debt payments accounting for 13.3% of the FY 2019-20 revenue received.

Financial policies: Fiscal policies establish framework for managing the City's financial resources and safeguarding the City's assets in compliance with relevant regulatory mandates, industry standards, and best practices. Maintaining healthy reserves in the General Fund, and other Funds as well, is a critical component of the City's sound financial management practices.

In February 2018, the City adopted a Long-Term Financial Planning Policy to assist City leaders (elected officials and City management) in making prudent and informed financial decisions regarding economic development, tax policy and labor negotiations. Credit rating agencies encourage long-term financial planning, and generally favor government entities with such plans when assigning bond ratings.

The policy requires the City to adopt long-term financial plans spanning at least five years for all major City funds (e.g., General, Electric, Water, Sewer, etc.) in conjunction with the biennial (two-year) budget. The long-term financial plan should incorporate the following elements as relevant and appropriate:

- An analysis of economic and demographic data at the national, state and local level;
- Past revenue and expenditure trends;
- Forecast assumptions;
- Forecasts of major revenues and expenditures based on known data, documented assumptions, and input from subject matter experts, and various internal and external stakeholders; and
- Compliance with existing City fiscal policies.

The City's key budgetary themes include financial accuracy, financial responsibility/discipline, maintaining essential services/infrastructure, and ensuring a transparent/participatory budget process. This CIP document builds on the City's recent financial successes, by incorporating best practices offered by the Government Finance Officers Association (GFOA) and the California Society of Municipal Financial Officers (CSMFO). Based on recommendations developed by the City Manager's Office and Finance Department, the City Council adopted two new policies to establish the framework for future capital budgets. The first policy, Multi-Year Capital Planning, establishes guidelines that help the City identify and prioritize expected capital needs based on strategic priorities and operational needs, establish project scope and cost, detail estimated amounts of funding from various sources, and project future operating and maintenance costs. The second policy, Prioritization of CIP, establishes an objective process of prioritizing capital improvement projects to ensure consistency with the General Plan, in conjunction with the biennial budget process, or otherwise as capital funding becomes available.

The City's General Fund Reserve Policy, adopted by the City Council on September 6, 2016, requires maintaining the General Fund reserve at 15%. The City Council set an aspiration goal of the General Fund Reserve at 20%; this goal was recently reaffirmed through adoption of the "Responsible Spending Vision Pledge" on October 4, 2016. As of June 30, 2020, the General Fund reserve is currently at its aspirational goal of 20% or \$54.3 million.

In an effort to address the growing pension challenges facing states and local governments nationwide, the City adopted a Pension Funding Policy to achieve these objectives:

The City will create a Pension Stabilization Fund that will deploy resources in the following manner:

- Establish a Section 115 Pension Trust to realize greater investment returns than what is currently available through the City's cash pool investments. An outside investment advisor was hired to administer the trust.
- Pre-pay the City's annual Unfunded Accrued Liability (UAL) payment to save on interest costs. On July 1 of each year, the City receives its annual CalPERS UAL invoice.
- Unanticipated one-time revenues or settlements shall be prioritized at a rate of 50% of the revenue alongside other critical needs to make a one-time payment to CalPERS to pay-off a portion of the City's UAL to save on interest payments, reduce annual payments, and lower annual operating expenses. Payments would be incorporated into the City's annual budget for City Council consideration and will only be utilized if the general fund is not projected to end the year at a deficit.

In addition to establishing a Pension Stabilization Fund, this policy provides the following guidance:

- As part of the annual budget process, City staff shall set aside a portion of any projected year-end increase in fund balance to manage increases in pension contributions. Actual one-time transfers made to the Pension Stabilization Fund will vary on a year-to-year basis depending upon the actual fiscal year end audited reserve balance.
- City staff shall work with its financial and other advisors to refinance its debt obligation bonds when it can achieve savings consistent with the City's Debt Management Policy and redirect any savings to the Pension Stabilization Fund.
- Upon maturity of General Fund Debt Obligation, staff will present a plan to reallocate all or a portion of debt service payments that have matured to the Pension Stabilization program as long as there is no general fund deficit at the time of debt maturity.

One of the biggest challenges to the City's long-term financial sustainability is the long-term unfunded pension obligations for City employees under CalPERS. Over the next five years (FY 2020-21 to FY 2022-23), the City anticipates its annual retirement expenditures to increase by 18.1% from approximately \$87.1 million to \$102.9 million. The Unfunded Accrued Liability (UAL) projections are based on an actuarial report prepared for the City by Bartel Associates., LLC dated January 28, 2019. The normal cost projections are based on FY 2020-2025 preliminary budget estimates. The City has consistently taken steps to mitigate the impacts of increases in pension costs including adopting a two-tier retirement system, pre-paying the annual unfunded accrued liability payment, and increasing employee contributions towards their pensions. Additionally, on June 4, 2020, the City issued \$432 million in Pension Obligations Bonds (POB) to help mitigate rising pension costs. The POBs issued paid off approximately 67% of the City's CalPERS UAL with a potential projected savings to the City of approximately \$179 million over the life of the debt; assuming certain investment targets are achieved by CalPERS. In FY2020-21 and FY2021-22, the City will experience a \$7.25 million savings in pension costs to the General Fund and approximately \$4 million across all other funds in the City.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Program) to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the fourteenth consecutive year that the City has received this prestigious award. The City received this award for publishing an easily readable and efficiently organized CAFR that satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. This award is valid for a period of one year only. We believe that our current CAFR continues to meet the Program's requirements and we are submitting it to the GFOA again this year.

The Government Finance Officers Association (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2019. The City received the award for the third time for the June 30, 2019 report and has continued to prepare an award-winning report. This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The Award is for a period of one year only. The City will continue to participate in the program.

Budget Presentation Award: The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2019. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department and oversight from the City Manager's Office. We would like to express our appreciation to all members of the department who assisted and contributed to its preparation. Credit also must be given to the Budget Engagement Commission and Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Edward Enriquez
Chief Financial Officer/City Treasurer



Government Finance Officers Association

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

Presented to

**City of Riverside
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

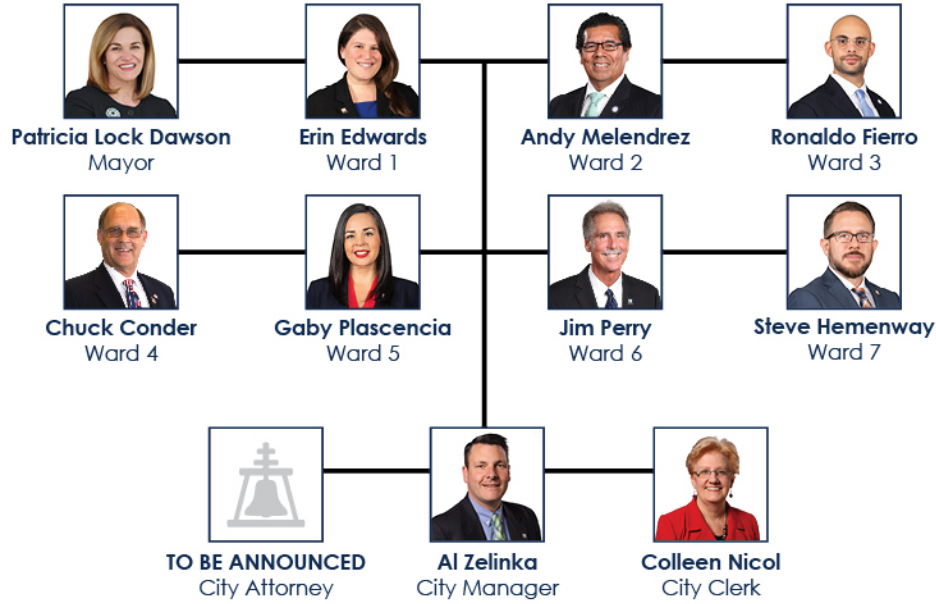
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Riverside for our Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

CITY LEADERSHIP



LEGISLATIVE OFFICIALS

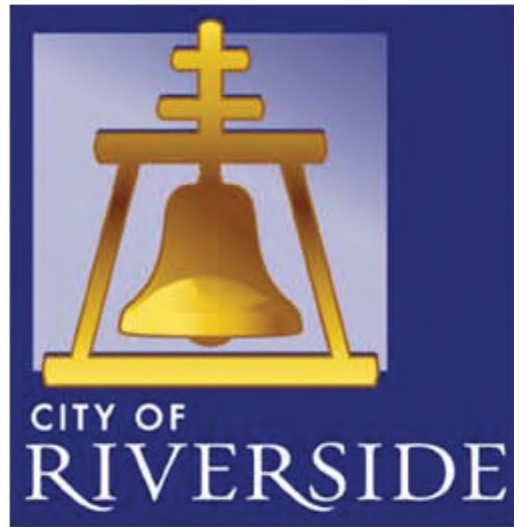
Patricia Lock Dawson..... Mayor
 Erin Edwards..... Councilmember – Ward 1
 Andy Melendrez Councilmember – Ward 2
 Ronaldo Fierro Councilmember – Ward 3
 Chuck Conder Councilmember – Ward 4
 Gaby Plascencia Councilmember – Ward 5
 Jim Perry Councilmember – Ward 6
 Steve Hemenway Councilmember – Ward 7

CITY OFFICIALS

Al Zelinka City Manager*
 Rafael Guzman Assistant City Manager
 Lea Deesing Assistant City Manager
 Moises Lopez Deputy City Manager

 Colleen J. Nicol City Clerk*
 Vacant..... City Attorney*
 Todd CorbinGeneral Manager - Public Utilities
 Larry V. Gonzalez Chief of Police
 Carl Carey General Services Director
 Erin Christmas Library Director
 Adolfo Cruz Parks, Recreation & Community Svcs. Director
 Edward Enriquez Chief Financial Officer/Treasurer
 Rene GoldmanHuman Resources Director
 George Khalil Chief Innovation Officer
 Kris Martinez Public Works Director
 Michael Moore Fire Chief
 Robyn PetersonMuseum & Cultural Affairs Director
 David Welch Community & Economic Development Director

*Appointed by City Council





INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Riverside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Riverside, California, (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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





To the Honorable Mayor and Members of the City Council
City of Riverside, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Riverside, California, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, the schedule of pension plan contributions, and the schedule of changes in total OPEB liability and related ratios 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, budgetary schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



To the Honorable Mayor and Members of the City Council
City of Riverside, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lingham, LLP

Brea, California
January 21, 2021

Management's Discussion and Analysis (Unaudited)

As management of the City, we offer this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on page i of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars (0,000).

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements 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, public safety, highways and streets, and culture and recreation. The business-type activities of the City include Electric, Water, Sewer, Airport, Refuse, Transportation, Public Parking and Civic Entertainment, Refuse.

The government-wide financial statements include the activities of the City and three blended component units, which consist of the Riverside Housing Authority, Riverside Public Financing Authority, and the Riverside Municipal Improvements Corporation. Although legally separate, these entities function for all practical purposes as departments of the City and therefore have been blended as part of the primary government. The Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency) is also included as a fiduciary component unit since it would be misleading to exclude the Successor Agency due to the nature and significance of the relationship between the City and the Successor Agency. The activity of the Successor Agency is reported with the City's fiduciary

funds, which is not included in the government-wide statements since the resources of those funds are *not* available to support the City's own programs.

Both the Governmental Activities and the Business-Type Activities are presented on the accrual basis of accounting, a basis of accounting that differs from the modified accrual basis of accounting used in presenting governmental fund financial statements. Note 1 of the Notes to Basic Financial Statements fully describe these bases of accounting. Proprietary funds, discussed below, also follow the accrual basis of accounting.

The government-wide financial statements can be found on pages 21-22 of this report.

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

Governmental funds *Governmental funds* are used to account for the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, 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.

It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. Reconciliations to facilitate this comparison are provided for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The major reconciling items relate to capital assets and debt. In the Governmental Funds, acquisitions of capital assets are treated as "expenditures" because upon purchase of a capital asset, cash used for the acquisition is no longer available for other purposes. The issuance of debt provides cash, which is now available for specified purposes. Accordingly, at the end of the fiscal year, the unrestricted fund balances of the Governmental Funds reflect spendable resources available for appropriation by the City Council. Spendable balances are not presented on the face of the government-wide financial statements.

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Outlay Fund, and General Debt Service Fund which are major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and can be found on pages 81-84 in this report.

The City adopted an annual appropriated budget for its General Fund for the Year ended June 30, 2020. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 23-26 of this report.

Proprietary funds The City maintains two different types of proprietary funds, enterprise and internal service funds. Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for Electric, Water, Sewer, Airport, Refuse, Transportation, Public Parking and Civic Entertainment services. *Internal service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for self-insured insurance programs, central stores and its fleet of vehicles. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Internal service funds are presented as proprietary funds because both enterprise and internal service funds follow the accrual basis of accounting.

Proprietary funds provide the same type of information as the government-wide financial statements (*business-type activities*), only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water and Sewer operations, all of which are considered to be major funds of the City. The five remaining proprietary funds noted above are combined into a single, aggregated presentation. All internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major proprietary funds and the internal service funds is provided in the form of *combining statements* and can be found on pages 91-100 in this report.

The basic proprietary fund financial statements can be found on pages 28-32 of this report.

Fiduciary funds Fiduciary funds are used to account for situations where the City's role is purely custodial. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 33-34 of this report, and the combining statement for the agency fund can be found on page 102.

Notes to Basic Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Basic Financial Statements begin on page 35 of this report.

Government-wide Financial Analysis

The following table presents a summarization of the City's assets, liabilities, deferred inflows and outflows, and net position for its governmental and business-type activities. As noted earlier, a government's net position may serve over time as a useful indicator of its financial position.

(Amounts presented in Thousands)

	Governmental Activities		Business type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 403,430	\$ 377,554	\$ 768,306	\$ 786,344	\$ 1,171,736	\$ 1,163,898
Capital assets, net	1,250,038	1,254,650	1,971,688	1,975,974	3,221,726	3,230,624
Total assets	1,653,468	1,632,204	2,739,994	2,762,318	4,393,462	4,394,522
Deferred outflows of resources	434,386	114,079	192,756	77,646	627,142	191,725
Current liabilities	57,827	59,495	55,635	86,463	113,462	145,958
Long-term liabilities	1,140,370	780,068	1,743,630	1,619,227	2,884,000	2,399,295
Total liabilities	1,198,197	839,563	1,799,265	1,705,690	2,997,462	2,545,253
Deferred inflows of resources	23,082	33,672	33,674	44,543	56,756	78,215
Net Position						
Net investment in capital assets	1,081,991	1,102,837	751,865	867,206	1,833,856	1,970,043
Restricted	153,806	126,551	75,170	67,057	228,976	193,608
Unrestricted	(369,222)	(356,340)	272,776	155,468	(96,446)	(200,872)
Total net position	\$ 866,575	\$ 873,048	\$ 1,099,811	\$ 1,089,731	\$ 1,966,386	\$ 1,962,779

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,966,386 at June 30, 2020, an increase of \$3,607 from June 30, 2019.

The City's net position reflects its investment in capital assets (i.e., land, buildings, machinery, equipment and infrastructure), net of any related debt that is still outstanding used to acquire those assets and net of unspent bond proceeds and cash held in bond reserve accounts. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending.

An additional portion of the City's net position 11% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$272,776 is held by the business-type activities and \$(369,222) net deficit is held by the governmental activities.

Unrestricted net position in the amount of \$(96,446), a net position increase of 52% from prior year, is the change in resources available to fund City programs to citizens and debt obligations to creditors. The negative unrestricted net position is primarily the result of the reporting of the City's net pension liability in accordance with an accounting standard issued by the Government Accounting Standards

Board (GASB) that relates to pension activity; Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27."

Governmental activities decreased the City's net position by \$6,473 to \$866,575 for the year ended June 30, 2020.

On the following page is a condensed summary of activities of the City's governmental and business-type operations for the period ended June 30, 2020 with the prior fiscal year presented for comparative purposes. Also included in the following analysis are revenue and expense graphs to aid in understanding the results of the current year's activities.

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(Amount presented in Thousands)

	Governmental		Business type		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charge for services	\$ 38,060	\$ 45,225	\$ 546,945	\$ 539,676	\$ 585,005	\$ 584,901
Operating Grants and Contributions	21,779	23,966	3,473	3,093	25,252	27,059
Capital Grants and Contributions	19,945	27,450	13,979	10,607	33,924	38,057
General Revenues:						
Sales taxes	128,653	130,645	-	-	128,653	130,645
Property taxes	72,609	69,478	-	-	72,609	69,478
Other taxes and fees	40,446	40,428	-	-	40,446	40,428
Investment income	10,185	7,500	19,838	19,488	30,023	26,988
Other	9,802	156	8,211	10,322	18,013	10,478
Total Revenues	<u>341,479</u>	<u>344,848</u>	<u>592,446</u>	<u>583,186</u>	<u>933,925</u>	<u>928,034</u>
Expenses:						
General government	63,651	51,139	-	-	63,651	51,139
Public safety	222,061	201,942	-	-	222,061	201,942
Highways and streets	46,983	43,770	-	-	46,983	43,770
Culture and recreation	37,400	31,200	-	-	37,400	31,200
Interest on long-term debt	13,181	10,045	-	-	13,181	10,045
Electric	-	-	350,667	347,804	350,667	347,804
Water	-	-	73,742	70,912	73,742	70,912
Sewer	-	-	62,961	70,137	62,961	70,137
Airport	-	-	2,304	1,972	2,304	1,972
Refuse	-	-	26,549	24,205	26,549	24,205
Transportation	-	-	4,607	4,493	4,607	4,493
Public Parking	-	-	4,628	5,151	4,628	5,151
Civic Entertainment	-	-	21,584	24,151	21,584	24,151
Total expenses	<u>383,276</u>	<u>338,096</u>	<u>547,042</u>	<u>548,825</u>	<u>930,318</u>	<u>886,921</u>
Increase (decrease) in net position	(41,797)	6,752	45,404	34,361	3,607	41,113
Transfers, net	<u>35,324</u>	<u>37,115</u>	<u>(35,324)</u>	<u>(37,115)</u>	<u>-</u>	<u>-</u>
Total changes in net position	<u>(6,473)</u>	<u>43,867</u>	<u>10,080</u>	<u>(2,754)</u>	<u>3,607</u>	<u>41,113</u>
Net position - beginning, as previously stated	<u>873,048</u>	<u>841,579</u>	<u>1,089,731</u>	<u>1,080,087</u>	<u>1,962,779</u>	<u>1,921,666</u>
Prior period adjustment	-	(12,398)	-	12,398	-	-
Net position - beginning, as restated	<u>873,048</u>	<u>829,181</u>	<u>1,089,731</u>	<u>1,092,485</u>	<u>1,962,779</u>	<u>1,921,666</u>
Net position - ending	<u>\$ 866,575</u>	<u>\$ 873,048</u>	<u>\$ 1,099,811</u>	<u>\$ 1,089,731</u>	<u>\$ 1,966,386</u>	<u>\$ 1,962,779</u>

Governmental activities. Total change in net position for governmental activities decreased by \$(6.5) million while prior fiscal year increased by \$31.5 million. Key elements of this year's activity in relation to the prior year are as follows:

Revenues:

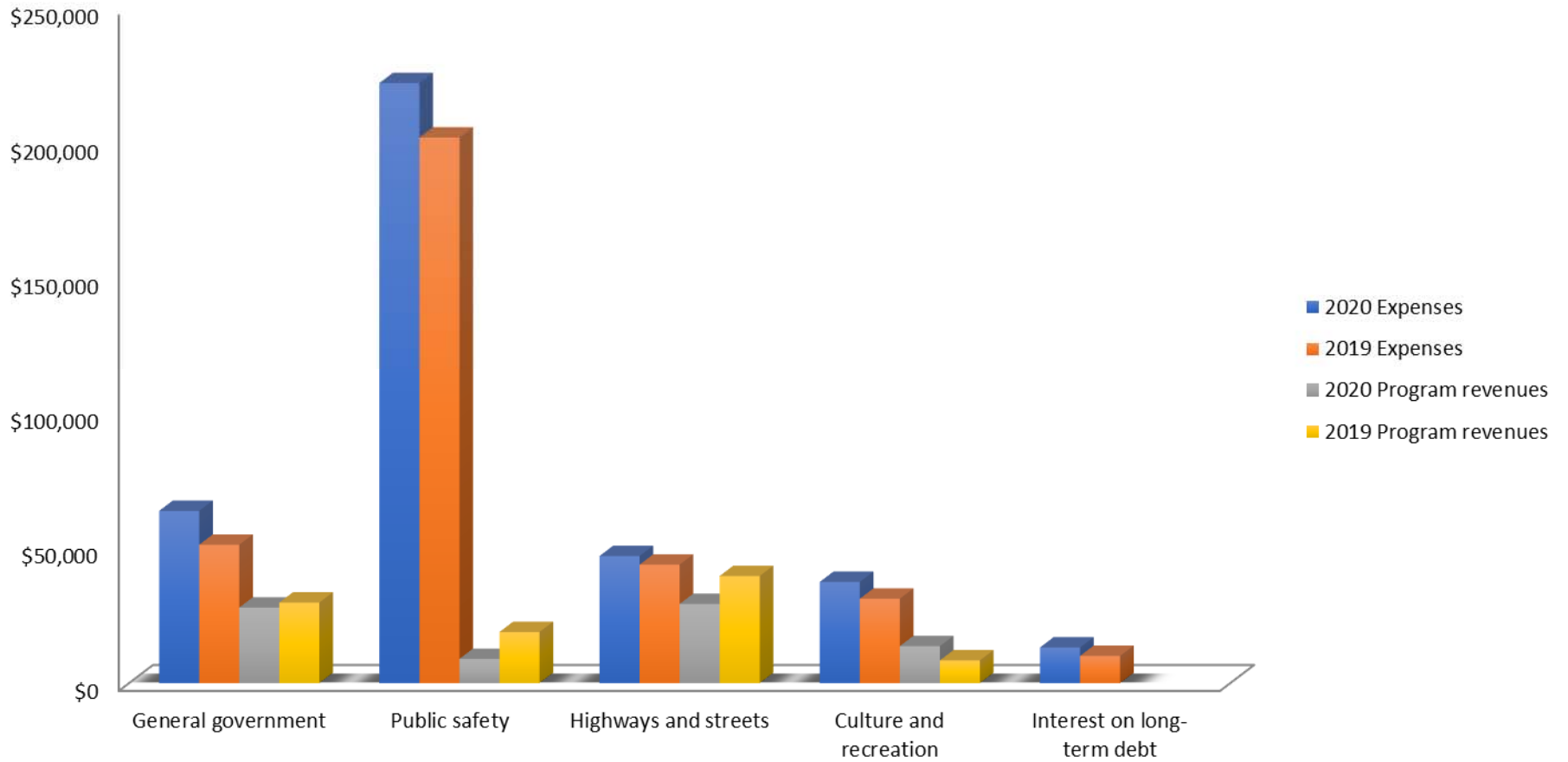
- While variances between years exist for the various revenue categories, the total net decrease was approximately \$(3.4) million or (1%), which is largely attributable to a decrease in charges for services, capital grants and contributions, as well as a decrease in sales tax. The decrease in capital grants and contributions of (27%) is largely due to a decrease of revenue for housing development projects compared to prior year.

Expenses:

- While variances between years exist for the various expense functions, the total net increase was approximately \$45.2 million or 12%. This is primarily related to an increase of approximately \$18.6 million in pension expense related to the annual recording of the City's pension liability; \$14.4 million of the increase in pension expense was related to public safety. In addition, a \$12.2 million increase is related to noncapitalized equipment and supplies expenses.

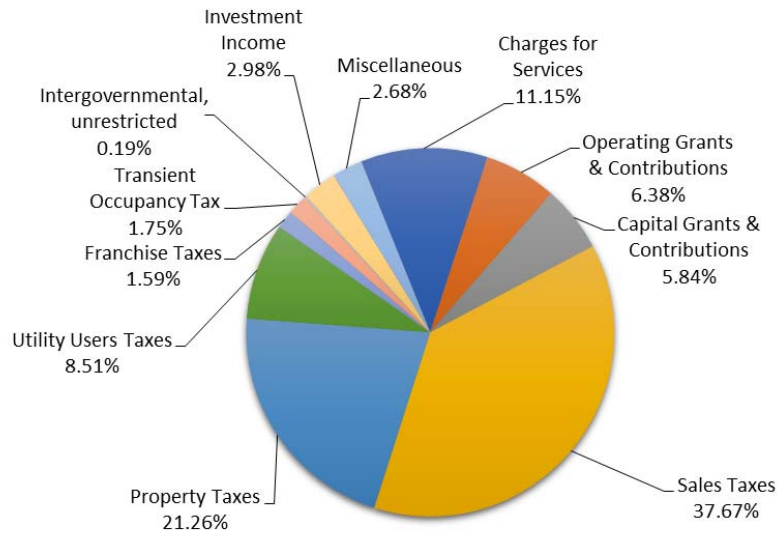
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Program Revenues and Expenses – Governmental Activities – Fiscal Year Comparison 2020 vs. 2019

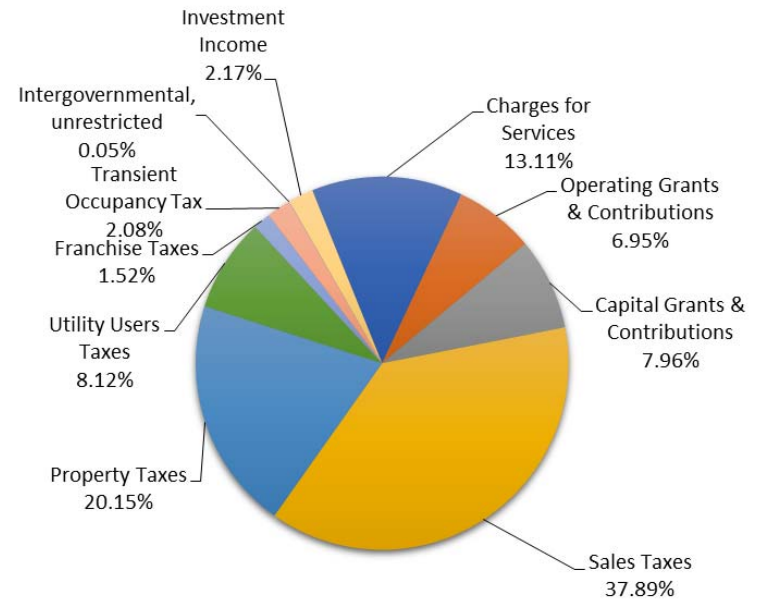


Revenues by Source – Governmental Activities – Fiscal Year Comparison 2020 vs. 2019

2020



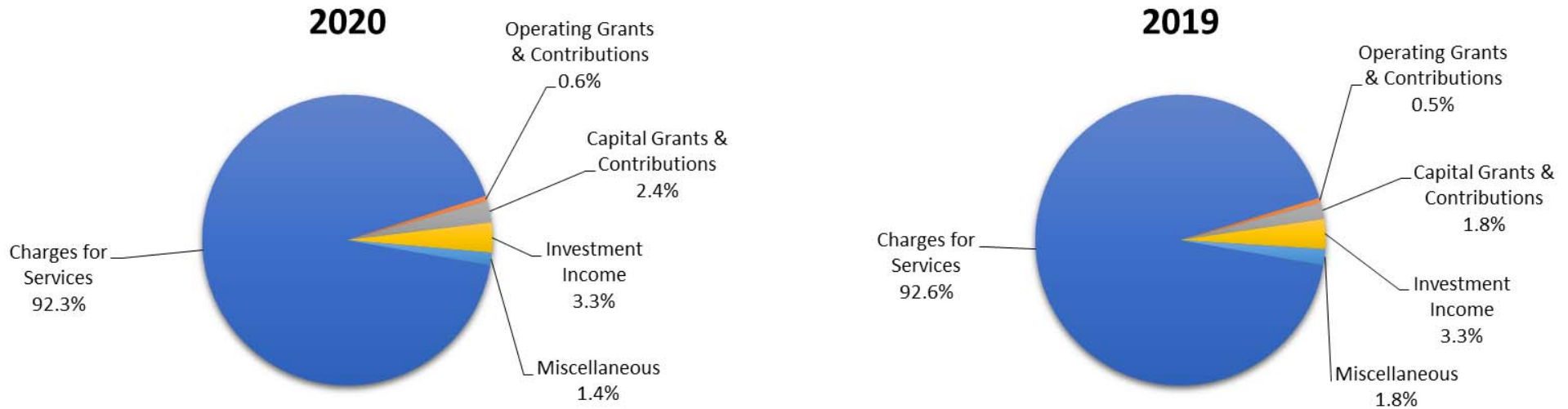
2019



Business-type activities. Total net position for business-type activities increased by \$10.1 million while prior fiscal year increased by \$9.6 million. Key elements of this year’s activity in relation to the prior year are as follows:

- Charges for services slightly increased from prior year resulting in an increase of \$7.3 million or 1.4%. Water charges for services increased \$5 million due to increases in consumption and water conveyance revenue and Electric Fund charges for services increased by \$5.4 million primarily due to an increase in consumption of electricity. Conversely, the Civic Entertainment Fund charges for services decreased by \$4.7 million due to the COVID-19 pandemic and the entertainment venues inability to hold events given the Governor’s orders.
- Overall expenses decreased by \$(1.8) million or (0.3%). The Electric and Water Funds had increased operating expenses of \$2.9 million and \$2.8 million, respectively. While the Sewer Fund showed a decrease of \$(7.2) million. The majority of the decreases are due to interest expense on bond debt and the majority of the increases are due to increased personnel services costs.

Revenues by Source – Business-Type Activities – Fiscal Year Comparison



Financial Analysis of the City's Funds

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

The following table summarizes the balance sheet of the City's General Fund, Capital Outlay Fund, and Other Governmental Funds. As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

(Amounts presented in Thousands)

	General Fund		Capital Outlay Fund		General Debt Service		Other Governmental Funds		Total Governmental Funds	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total assets	\$ 172,931	\$ 161,791	\$ 64,886	\$ 73,977	\$ 13,421	\$ 10,856	\$ 105,538	\$ 95,673	\$ 356,776	\$ 342,297
Total liabilities	\$ 35,513	\$ 35,999	\$ 5,657	\$ 3,383	\$ 2,211	\$ 3,997	\$ 13,167	\$ 7,130	\$ 56,548	\$ 50,509
Deferred inflows of resources										
Unavailable revenue	3,549	4,625	211	117	-	34	42,898	43,908	46,658	48,684
Fund balances										
Nonspendable	1,446	949	-	-	-	-	1,510	1,560	2,956	2,509
Restricted	10,699	3,411	59,018	70,477	11,210	6,825	47,990	43,075	128,917	123,788
Committed	59,280	65,916	-	-	-	-	-	-	59,280	65,916
Assigned	21,260	26,984	-	-	-	-	-	-	21,260	26,984
Unassigned	41,184	23,907	-	-	-	-	(27)	-	41,157	23,907
Total fund balance	133,869	121,167	59,018	70,477	11,210	6,825	49,473	44,635	253,570	243,104
Total liabilities, deferred inflows and fund balances	\$ 172,931	\$ 161,791	\$ 64,886	\$ 73,977	\$ 13,421	\$ 10,856	\$ 105,538	\$ 95,673	\$ 356,776	\$ 342,297

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$253,570 an increase of \$10,466 compared to the prior year. Additionally, 1% of the fund balance \$2,956 is *nonspendable*, which comprises the portion of fund balance that cannot be spent due to form. \$128,917 or 51% of fund balance is *restricted*, which represents the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors. *Committed* fund balance of \$59,280 or 23% of the fund balance was set aside for economic contingencies. Committed for economic contingencies consists of 20% of the 2020-21 General Fund adopted expenditure budget of \$271,400 or \$54,280 and \$5,000 for General Fund – Measure Z. \$21,260 or 8% of fund balance is constrained by the City's intent to utilize fund balance for specific purposes, which is reported within the fund balance classification *assigned*. The remainder of the fund balance \$41,157 or 16% is *unassigned*, meaning it is

available for spending at the City's discretion. The City's governmental funds reported combined total assets of \$356,776 at June 30, 2020, an increase of \$14,479 compared to the prior year. Liabilities and deferred inflows of resources amounted to \$103,206, an increase of \$4,013 from prior year.

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, total fund balance equaled \$133,869, in comparison to \$121,167 in the prior year. The increase in fund balance is due to increased property tax revenues, utility users tax revenue, and the cost saving efforts by departments during the current year. The Capital Outlay Fund is used to account for the acquisition or construction of major capital facilities. The total fund balance was \$59,018, compared to \$70,477 in prior year. The decrease was due to increased capital projects. The General Debt Service Fund accounts for the accumulation of resources and payment of long-term debt principal and interest. The total fund balance was \$11,210, compared to \$6,825 in prior year. The increase was due to payments made on long-term bonds. The Other Governmental Funds are made up of various non-major funds. The fund balance was \$49,473, compared to \$44,635 in prior year. The increase was mainly due to the increase in the Gas Tax Special Revenue Fund of \$4,227 in the current year.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Electric, Water and Sewer Funds at the end of the year amounted to \$221,466, \$(1,210), and \$57,371 respectively. The unrestricted net position for the Electric, Water and Sewer Funds in the prior year was \$206,963, \$1,358, and \$42,101, respectively. The increase in unrestricted net position of the Electric Fund was primarily attributable to the positive operating results. The decrease in unrestricted net position of the Water Fund was primarily attributable to interest expenses and fiscal charges. The increase in unrestricted net position for the Sewer Fund is primarily a result of operating activities as described below.

Electric Fund retail sales (residential, commercial, industrial, and others), net of uncollectibles/recovery, totaled \$308,823, a \$4,651 (1.5%) increase. Retail sales continue to be the primary revenue source for the Electric Utility. The increase in sales was primarily due to an increase in residential sales and rate plan increases, offset by a decrease in commercial and industrial sales. Transmission revenues of \$34,817 decreased by \$913 (2.6%), primarily due to a slight decrease in the load requirements and a decrease in the average Transmission Revenue Requirement rate of \$0.32 per megawatt hour. Investment income of \$14,032 increased by \$660 (4.9%) due to a higher overall interest rate in the current fiscal year.

The Water Fund retail sales (residential, commercial, industrial, and others), net of uncollectibles/recovery, totaled \$61,683, an increase of \$4,078 (7.1%) from prior fiscal year. Retail sales continue to be the primary revenue source for the Water Utility. The increase was due to a 1.5% increase in consumption.

Net position of the Sewer Fund increased by \$6,956 for the year ended June 30, 2020 and increased \$3,390 for the year ended June 30, 2019. The increase was mainly due to decreased interest expense and fiscal chargers from prior year of \$7,111.

General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Total Revenues	\$268,630	\$270,136	\$277,428	\$7,292
Expenditures:				
General Government	22,412	34,865	10,740	24,125
Public Safety	196,814	205,564	193,768	11,796
Highways & Streets	21,466	21,898	21,536	362
Culture & Recreation	32,121	34,637	28,078	6,559
Capital Outlay	264	1,179	761	418
Debt Service	-	-	98	(98)
Total Expenditures	273,077	298,143	254,981	43,162
Excess (deficiency) of revenues over (under) expenditures	(4,447)	(28,007)	22,447	50,454
Other financing sources	575	(7,075)	(9,745)	(2,670)
Net change in fund balances	(3,872)	(35,082)	12,702	47,784
Fund balance - beginning	121,167	121,167	121,167	-
Fund balance - ending	\$117,295	\$86,085	\$133,869	\$47,784

The primary reason for final budgeted revenues and expenditures increasing from the Original Budget is a result of grant and project related appropriations.

Actual amounts differed from the final fund budget are as follows:

Actual expenditures were less than final budgeted amounts by approximately \$43.2 million. This is primarily associated with unspent appropriations for grants, capital projects and other special programs that were not completed during the year (which are carried over to the next fiscal year) as well as the cost saving efforts by City Departments.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for governmental and business-type activities as of June 30, 2020 amounted to \$3,221,726 (net of accumulated depreciation). This investment includes land, intangibles, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City's net capital assets for the current fiscal year was \$(8,898); a decrease of \$(4,612) for governmental activities and a decrease of \$(4,286) for business-type activities.

Major capital improvements during the current fiscal year included ongoing projects: consisting primarily of roads of \$12 million; sewer mains of \$20 million; \$16.5 million in Water Utility projects primarily related to main replacements, distribution system facilities replacement, system expansion, well projects and pump station replacements and meters; and \$40.3 million in Electric Utility capital improvements primarily related to transformer replacements, improvements to the city-wide communications network, new 230 kV station expenditures, transformer additions and substation upgrades, advanced metering infrastructure, and major streetlight projects.

City of Riverside’s Capital Assets
(net of depreciation)

(Amount presented in Thousands)

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$338,504	\$336,997	\$99,985	\$98,601	\$438,489	\$435,598
Construction in progress	68,398	49,288	104,990	114,904	173,388	164,192
Buildings	72,053	76,046	482,697	493,581	554,750	569,627
Improvements other than Buildings	117,693	128,288	1,218,014	1,199,740	1,335,707	1,328,028
Machinery and equipment	34,825	34,655	32,091	32,362	66,916	67,017
Intangibles	3	43	33,911	36,786	33,914	36,829
Infrastructure	618,562	629,333	-	-	618,562	629,333
Total	\$1,250,038	\$1,254,650	\$1,971,688	\$1,975,974	\$3,221,726	\$3,230,624

Additional information on the City’s capital assets can be found in note 5 on page 46 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$2,108,982 which includes bonded debt of \$1,911,768.

City of Riverside's Long-Term Debt

(Amounts presented in Thousands)

	Governmental Activities		Business Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue bonds	\$ -	\$ -	\$ 1,212,914	\$ 1,241,743	\$ 1,212,914	\$ 1,241,743
General obligation bonds	7,874	9,179	-	-	7,874	9,179
Pension obligation bonds	364,633	50,486	119,625	14,775	484,258	65,261
Certificates of participation	94,802	99,178	28,483	29,692	123,285	128,870
Lease revenue bonds	75,964	80,416	7,473	7,867	83,437	88,283
Loans payable	899	1,329	-	-	899	1,329
Notes payable	-	-	69,519	73,673	69,519	73,673
Contracts payable	-	-	1,019	937	1,019	937
Capital leases	18,207	21,422	3,633	5,192	21,840	26,614
Compensated absences	29,228	27,072	10,105	9,042	39,333	36,114
Claims liability	53,828	48,459	-	-	53,828	48,459
Landfill capping	-	-	10,776	11,136	10,776	11,136
Total	\$ 645,435	\$ 337,541	\$ 1,463,547	\$ 1,394,057	\$ 2,108,982	\$ 1,731,598

The City's total debt increased by \$377,384 or 21.8% during the current fiscal year. The net increase is primarily related to the issuance of the 2020 Pension Obligation Bond.

The City's Water Utility maintains "AAA" and "AA+" ratings, from Standard & Poors and Fitch, respectively, for their revenue bonds, while the Electric Utility maintains "AA-" ratings from both rating agencies for fixed rate bonds and "A+" and "AA-" ratings for the variable rate bond from Standard & Poors and Fitch, respectively. The City's general obligation bond ratings are "AA" and "AA," respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total adjusted assessed valuation. The legal debt limit was \$823,682 at June 30, 2020, which applies only to general obligation debt. At June 30, 2020, the City had \$7,874 of general obligation debt, resulting in available legal debt capacity of \$815,808.

Additional information on the City's long-term debt can be found in note 8 beginning on page 49 of this report.

Economic Factors and Next Year's Budget and Rates

- Unemployment in the City of Riverside is 14.8% compared to 3.9% for the prior year as of June 30, 2020. Unemployment increased due to the shutdown caused by the COVID 19 pandemic.

- The largest impact to the City's long-term financial stability relates to pension costs from CalPERS. It is currently anticipated that the City's pension costs will increase by approximately 28% by Fiscal Year 2024/25 and continue to grow through FY 2030/31.

The cost increases are mainly due to investment losses by CalPERS during the Great Recession, which impacted all the California agencies' retirement plans managed by CalPERS. Additional factors causing cost increases, which impact all or many agencies include:

- Retroactive retirement benefit enhancements for City employees between 2001 and 2006.
- Long-term investment returns not meeting expectations (e.g. CalPERS reported a 4.7% net return on investments for the 12-month period ending June 30, 2020 from an estimated 7%. This year's return brings total fund performance to 6.3% for the five-year time period, 8.5% for the 10-year time period, and 5.5% for the 20-year time period. Over the past 30 years, the CalPERS fund has returned an average of 8.0% annually.
- Increased contributions resulting from the CalPERS anticipated return-on-investment rate over the past 15 years, which is currently at 7%.
- CalPERS expects retirees to live longer.

CalPERS began to collect employer contributions toward the plan's unfunded liability as dollar amounts instead of prior method of a contribution rate combined with the normal cost rate effective July 1, 2018. Additionally, in the FY 2019/20, The City issued a pension obligation bond to help reduce future pension contributions. The new bond issuance led to a reduced unfunded liability payment for FY 2020/21. As a result, the following lists the two required contribution components per plan for FY 2020/21:

- Miscellaneous Plan – Unfunded Liability Payment of \$9,189
- Safety Plan – Unfunded Liability Payment of \$7,936

- As a result of the COVID-19 Pandemic, the City adopted a one-year emergency budget on June 16, 2020 for FY 2020-21. The emergency budget addressed the potential impacts of the COVID-19 pandemic, incorporating a 10% reduction in General Fund and Measure Z revenue projections, increasing Measure Z contributions to the General Fund, and adopting a variety of balancing measures to balance the General Fund budget. All City funds will be monitored closely during the FY 2020-21, and intracycle adjustments proposed on a quarterly basis will be presented to the respective board or commission for recommendations to the City Council as more information and data becomes available.

The City intends to adopt a one-year budget for FY 2021-22 before returning to a two-year budget cycle for FY 2022-24. Adopting a one-year budget will allow the City to focus on immediate fiscal challenges and balancing measures while working to transition to a priority-based budgeting (PBB) process for FY 2022-2024. The PBB budgeting methodology is expected to result in targeted and high-impact actions that will better align the City's limited resources with the City's strategic goals.

The General Fund Budget for fiscal year 2020-21 of approximately \$271.4 million was adopted. It represents a decrease from the prior year of approximately 3.8%. Expenditure growth is expected to outpace revenue growth due to the rising cost of PERS.

Request for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 3900 Main Street City of Riverside, California 92522.

CITY OF RIVERSIDE
STATEMENT OF NET POSITION
JUNE 30, 2020
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 272,588	\$ 447,267	\$ 719,855
Receivables, net	91,708	65,730	157,438
Inventory	6,992	3,227	10,219
Prepaid items	1,318	19,656	20,974
Deposits	-	1,633	1,633
Internal balances	(2,079)	2,079	-
Other assets	-	3,825	3,825
Advances to Successor Agency Trust Fund	-	3,383	3,383
Restricted assets:			
Cash and cash equivalents	-	70,332	70,332
Cash and investments with fiscal agent	29,880	135,079	164,959
Receivables	-	1,147	1,147
Regulatory assets	-	14,948	14,948
Land and improvements held for resale	3,023	-	3,023
Capital assets not being depreciated	406,902	226,549	633,451
Capital assets, net of depreciation	843,136	1,745,139	2,588,275
Total Assets	1,653,468	2,739,994	4,393,462
Deferred Outflows of Resources:			
Changes in derivative values	15,010	37,367	52,377
Deferred charge on refunding	2,522	15,485	18,007
Pension related items	411,132	136,878	548,010
OPEB related items	5,722	3,026	8,748
Total Deferred Outflows of Resources	434,386	192,756	627,142
Liabilities:			
Current liabilities:			
Accounts payable and other current liabilities	37,112	28,435	65,547
Unearned revenue	7,807	2,080	9,887
Deposits	9,838	10,688	20,526
Accrued interest	3,070	14,432	17,502
Noncurrent liabilities:			
Due within one year			
Long-term obligations	24,615	41,895	66,510
Compensated absences	16,894	8,040	24,934
Claims liability	9,283	-	9,283
Landfill capping	-	559	559
Decommissioning liability	-	6,179	6,179
Due in more than one year			
Long-term obligations	537,764	1,400,771	1,938,535
Compensated absences	12,334	2,065	14,399
Claims liability	44,545	-	44,545
Landfill capping	-	10,217	10,217
Decommissioning liability	-	49,529	49,529
Regulatory liability	-	5,621	5,621
Derivatives instruments	17,890	46,219	64,109
Net Pension liability	447,825	151,751	599,576
OPEB liability	29,220	20,784	50,004
Total Liabilities	1,198,197	1,799,265	2,997,462
Deferred Inflows of Resources:			
Regulatory charges	-	16,296	16,296
Deferred charges	-	679	679
Pension related items	22,300	16,207	38,507
OPEB related items	782	492	1,274
Total Deferred Inflows of Resources	23,082	33,674	56,756
Net Position:			
Net investment in capital assets	1,081,991	751,865	1,833,856
Restricted for:			
Housing	41,111	-	41,111
Debt service	11,210	31,327	42,537
Public works	25,396	-	25,396
Capital projects	56,209	-	56,209
Landfill capping	-	2,500	2,500
Programs and regulatory requirements	-	41,343	41,343
Economic development	18,400	-	18,400
Nonspendable	1,480	-	1,480
Unrestricted	(369,222)	272,776	(96,446)
Total Net Position	\$ 866,575	\$ 1,099,811	\$ 1,966,386

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Government		
					Governmental Activities	Business-Type Activities	Total	
Functions/Programs								
Primary Government:								
Governmental Activities:								
General government	\$ 63,651	\$ (18,643)	\$ 25,698	\$ 549	\$ 1,659	\$ (17,102)	\$ -	\$ (17,102)
Public safety	222,061	11,773	2,138	4,705	2,108	(224,883)	-	(224,883)
Highways and streets	46,983	3,395	5,174	8,209	15,876	(21,119)	-	(21,119)
Culture and recreation	37,400	3,475	5,050	8,316	302	(27,207)	-	(27,207)
Interest on long-term debt	13,181	-	-	-	-	(13,181)	-	(13,181)
Total Governmental Activities	383,276	-	38,060	21,779	19,945	(303,492)	-	(303,492)
Business-Type Activities:								
Electric	350,667	-	368,969	-	9,492	-	27,794	27,794
Water	73,742	-	70,167	-	3,129	-	(446)	(446)
Sewer	62,961	-	64,114	-	399	-	1,552	1,552
Airport	2,304	-	1,743	-	56	-	(505)	(505)
Refuse	26,549	-	25,109	-	-	-	(1,440)	(1,440)
Transportation	4,607	-	309	3,473	903	-	78	78
Public Parking	4,628	-	4,301	-	-	-	(327)	(327)
Civic Entertainment	21,584	-	12,233	-	-	-	(9,351)	(9,351)
Total Business-Type Activities	547,042	-	546,945	3,473	13,979	-	17,355	17,355
Total Primary Government	\$ 930,318	\$ -	\$ 585,005	\$ 25,252	\$ 33,924	(303,492)	17,355	(286,137)
General Revenues:								
Taxes:								
Sales					128,653	-		128,653
Property					72,609	-		72,609
Utility users					29,044	-		29,044
Franchise					5,443	-		5,443
Transient occupancy					5,959	-		5,959
Intergovernmental, unrestricted					656	-		656
Investment income					10,185	19,838		30,023
Miscellaneous					9,146	8,211		17,357
Transfers					35,324	(35,324)		-
Total General Revenues and Transfers					297,019	(7,275)		289,744
Change in Net Position					(6,473)	10,080		3,607
Net Position at Beginning of Year					873,048	1,089,731		1,962,779
Net Position at End of Year					\$ 866,575	\$ 1,099,811		\$ 1,966,386

CITY OF RIVERSIDE

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020
(amounts expressed in thousands)**

	General Fund	Capital Outlay Fund	General Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 124,020	\$ 50,156	\$ 2,508	\$ 53,836	\$ 230,520
Cash and investments with fiscal agent	9,384	9,003	10,828	665	29,880
Receivables (net of allowance for uncollectibles)					
Interest	261	109	5	141	516
Property taxes	2,509	-	53	80	2,642
Sales tax	23,225	-	-	-	23,225
Utility billed	1,775	-	-	-	1,775
Accounts	6,002	1,385	27	26	7,440
Intergovernmental	3,699	4,233	-	5,484	13,416
Notes	-	-	-	42,428	42,428
Prepaid items	1,271	-	-	30	1,301
Due from other funds	610	-	-	-	610
Land and improvements held for resale	175	-	-	2,848	3,023
Total Assets	\$ 172,931	\$ 64,886	\$ 13,421	\$ 105,538	\$ 356,776
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 6,266	\$ 3,750	\$ 132	\$ 3,876	\$ 14,024
Accrued payroll	19,214	-	-	18	19,232
Retainage payable	20	1,559	-	565	2,144
Intergovernmental	143	-	-	1	144
Unearned revenue	32	348	-	7,427	7,807
Deposits	9,838	-	-	-	9,838
Due to other funds	-	-	-	610	610
Advances from other funds	-	-	2,079	670	2,749
Total Liabilities	35,513	5,657	2,211	13,167	56,548
Deferred Inflows of Resources:					
Unavailable revenue	3,549	211	-	42,898	46,658
Total Deferred Inflows of Resources	3,549	211	-	42,898	46,658
Fund Balances:					
Nonspendable:					
Inventories, prepaids and deposits	1,271	-	-	30	1,301
Land and improvements held for resale	175	-	-	-	175
Permanent fund principal	-	-	-	1,480	1,480
Restricted for:					
Housing and redevelopment	-	-	-	16,611	16,611
Debt service	-	-	11,210	-	11,210
Transportation and public works	-	59,018	-	25,395	84,413
Other purposes	1,315	-	-	5,984	7,299
Unfunded accrued liability	9,384	-	-	-	9,384
Committed to:					
Economic contingency	59,280	-	-	-	59,280
Assigned to:					
General government	2,875	-	-	-	2,875
Public safety	1,060	-	-	-	1,060
Highways and streets	330	-	-	-	330
Culture and recreation	929	-	-	-	929
Continuing projects	16,066	-	-	-	16,066
Unassigned	41,184	-	-	(27)	41,157
Total Fund Balances	133,869	59,018	11,210	49,473	253,570
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 172,931	\$ 64,886	\$ 13,421	\$ 105,538	\$ 356,776

**CITY OF RIVERSIDE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020
(amounts expressed in thousands)**

Total fund balances - governmental funds		\$ 253,570
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		1,243,757
Deferred refunding charges are not available resources and, therefore, are not reported on the funds.		2,522
Deferred outflows on pension related items		405,319
Deferred outflows on OPEB related items		5,540
Deferred inflows on pensions related items		(21,516)
Deferred inflows on OPEB related items		(751)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		46,658
Accrued interest payable for the current portion of interest due on various debt issues has not been reported in the governmental funds.		(3,070)
Long-term liabilities, as listed below, are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds	\$ (7,874)	
Pension obligation bonds	(359,690)	
Certificates of participation	(94,802)	
Lease revenue bonds	(75,964)	
Capital leases	(18,207)	
Loan payable	(899)	
Net Pension liability	(440,729)	
Net OPEB Liability	(27,993)	
Compensated Absences	(28,755)	(1,054,913)
The City uses derivative instruments to hedge its exposure to changing interest rates through the uses of interest swaps. The following related items have been reflected in the Statement of Net Position:		
Net fair value of interest rate swaps	(17,890)	
Deferred amount related to the hedgeable portion of derivative instrument	15,010	(2,880)
Internal service funds are used by management to charge the costs of insurance, centralized purchasing and fleet management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		(7,661)
Net Position of Governmental Activities		\$ 866,575

CITY OF RIVERSIDE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	General Fund	Capital Outlay Fund	General Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 239,904	\$ -	\$ 1,804	\$ -	\$ 241,708
Licenses and permits	10,141	-	-	2,882	13,023
Intergovernmental	2,962	10,792	-	28,542	42,296
Charges for services	15,267	-	-	701	15,968
Fines and forfeitures	1,887	-	-	-	1,887
Special assessments	563	563	1,143	4,681	6,950
Rental and investment income	4,610	1,604	721	1,506	8,441
Miscellaneous	2,094	1,118	-	4,633	7,845
Total Revenues	277,428	14,077	3,668	42,945	338,118
Expenditures:					
Current:					
General government	10,739	339	88,769	7,932	107,779
Public safety	193,769	-	230,231	10,208	434,208
Highways and streets	21,536	-	-	718	22,254
Culture and recreation	28,078	5	-	742	28,825
Capital outlay	761	33,808	-	20,609	55,178
Debt service:					
Principal	-	-	23,737	24	23,761
Interest	98	1	10,642	32	10,773
Bond issuance cost	-	-	1,185	-	1,185
Total Expenditures	254,981	34,153	354,564	40,265	683,963
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,447	(20,076)	(350,896)	2,680	(345,845)
Other Financing Sources (Uses):					
Transfers in	46,536	12,042	35,169	2,185	95,932
Transfers out	(57,137)	(3,425)	(19)	(27)	(60,608)
Issuance of long-term debt	-	-	320,131	-	320,131
Proceeds from sale of capital assets	856	-	-	-	856
Total Other Financing Sources (Uses)	(9,745)	8,617	355,281	2,158	356,311
Net Change in Fund Balances	12,702	(11,459)	4,385	4,838	10,466
Fund Balances, Beginning of Year	121,167	70,477	6,825	44,635	243,104
Fund Balances, End of Year	\$ 133,869	\$ 59,018	\$ 11,210	\$ 49,473	\$ 253,570

**CITY OF RIVERSIDE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)**

Net change in fund balances - total governmental funds \$ 10,466

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. In the current year, depreciation exceeded capital assets additions as listed below:

Capital outlay	\$ 47,799	
Depreciation	(47,890)	
Gain/(loss) on sale of capital assets	<u>(3,887)</u>	(3,978)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Whereas, issuance of long-term debt is a current financial resource in the governmental funds, but the issuance increase long-term debt in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and deferral on loss of refunding when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Issuance of pension obligation bonds	(320,131)	
Principal repayments		
General obligation bonds	1,305	
Pension obligation bonds	10,322	
Certificated of participation	4,376	
Lease revenue bonds	4,452	
Loans payable	430	
Capital leases	3,215	
Deferred charges amortization	<u>(219)</u>	(296,250)

The City uses derivative instruments to hedge its exposure to changing interest rates through the uses of interest swaps. The changes in the fair value of the interest swaps are only reflected on the statement of activities. (355)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. (1,727)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (2,117)

Governmental funds report all contributions in relation to the annual required contribution (ARC) for the City retirement plan as expenditures, however in the statement of activities only the ARC is an expense. (29,322)

Governmental funds reported the pension contribution from the pension obligation bonds as an expenditure, however in the statement of activities the pension contribution from the proceed of the pension obligation bonds have been deferred since the net pension liability as a measurement date of June 30, 2019. 318,944

Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures, however in the statement of activities only the ARC is an expense. (1,690)

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity. (2,026)

Internal service funds are used by management to charge the costs of insurance, central purchasing and fleet management to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities. 1,582

Change in Net Position of Governmental Activities \$ (6,473)

CITY OF RIVERSIDE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY TO ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 229,905	\$ 233,042	\$ 239,904	\$ 6,862
Licenses and permits	10,531	10,531	10,141	(390)
Intergovernmental	2,085	2,361	2,962	601
Charges for services	17,829	17,236	15,267	(1,969)
Fines and forfeitures	1,832	1,190	1,887	697
Special assessments	505	505	563	58
Rental and investment income	1,705	1,890	4,610	2,720
Miscellaneous	4,238	3,381	2,094	(1,287)
Total Revenues	268,630	270,136	277,428	7,292
Expenditures:				
General government				
Mayor	1,152	1,167	1,065	102
Council	1,643	1,642	1,580	62
Manager	7,393	8,971	6,100	2,871
Attorney	7,351	7,576	7,134	442
Clerk	2,237	2,400	2,084	316
Community development	19,515	27,751	16,452	11,299
Human resource	4,854	5,060	4,576	484
General services	7,173	7,001	6,243	758
Finance	12,591	11,493	9,331	2,162
Innovation & technology	16,307	19,586	14,026	5,560
Subtotal	80,216	92,647	68,591	24,056
Allocated expenditures	(57,804)	(57,782)	(57,851)	69
Total general government	22,412	34,865	10,740	24,125
Public safety				
Police	125,460	129,221	121,186	8,035
Fire	64,343	69,107	66,221	2,886
Animal regulation	3,292	3,292	3,175	117
Building and zoning inspection	3,719	3,944	3,186	758
Total public safety	196,814	205,564	193,768	11,796
Highways and streets	21,466	21,898	21,536	362
Culture and recreation				
Library	8,045	8,780	7,323	1,457
Museum & cultural affairs	2,450	2,682	1,973	709
Parks, recreation & community services	21,626	23,175	18,782	4,393
Total culture and recreation	32,121	34,637	28,078	6,559
Capital outlay	264	1,179	761	418
Debt service:				
Interest	-	-	98	(98)
Total Expenditures	273,077	298,143	254,981	43,162
Other Financing Sources (Uses)				
Transfers in	65,492	74,122	46,536	(27,586)
Transfers out	(66,686)	(81,543)	(57,137)	24,406
Proceeds from sale of capital assets	1,769	346	856	510
Total Other Financing Sources (Uses)	575	(7,075)	(9,745)	(2,670)
Net change in fund balance	(3,872)	(35,082)	12,702	47,784
Fund balance, Beginning of year	121,167	121,167	121,167	-
Fund balance, Ending of year	\$ 117,295	\$ 86,085	\$ 133,869	\$ 47,784

CITY OF RIVERSIDE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2020
 (amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Electric	Water	Sewer	Other Enterprise Funds		
Assets:						
Current assets:						
Cash and investments	\$ 299,734	\$ 37,978	\$ 98,638	\$ 10,917	\$ 447,267	\$ 42,068
Receivables (net of allowance for uncollectibles)						
Utility billed	17,894	4,241	3,821	1,405	27,361	-
Utility unbilled	13,724	3,329	2,368	899	20,320	-
Accounts	10,159	1,193	1,279	513	13,144	44
Interest	881	114	247	38	1,280	109
Intergovernmental	74	1,216	1,351	984	3,625	113
Inventory	971	-	2,172	84	3,227	6,992
Prepaid items	5,100	225	15	71	5,411	17
Deposits	1,333	-	-	300	1,633	-
Other current assets	-	300	-	-	300	-
Restricted assets:						
Cash and cash equivalents:						
Rate stabilization cash and cash equivalents	-	-	1,000	-	1,000	-
Other restricted cash and cash equivalents	55,624	10,083	-	3,625	69,332	-
Public benefit programs receivable	983	164	-	-	1,147	-
Total Current Assets	406,477	58,843	110,891	18,836	595,047	49,343
Noncurrent: assets:						
Restricted assets:						
Cash and investments with fiscal agent	97,983	28,826	8,270	-	135,079	-
Regulatory assets	1,850	994	1,313	10,791	14,948	-
Prepaid items - Non-current	14,245	-	-	-	14,245	-
Advances to other funds	-	-	2,079	-	2,079	670
Advances to Successor Agency Trust Fund	3,383	-	-	-	3,383	-
Other noncurrent assets	-	3,525	-	-	3,525	-
Capital assets - net of accumulated depreciation	790,498	499,485	538,241	143,464	1,971,688	6,281
Total Noncurrent Assets	907,959	532,830	549,903	154,255	2,144,947	6,951
Total Assets	1,314,436	591,673	660,794	173,091	2,739,994	56,294
Deferred Outflows of Resources:						
Changes in derivative values	22,623	5,092	-	9,652	37,367	-
Deferred charge on refunding	9,091	5,608	-	786	15,485	-
Pension related items	83,568	26,619	16,316	10,375	136,878	5,813
OPEB related items	1,601	644	411	370	3,026	182
Total Deferred Outflows of Resources	116,883	37,963	16,727	21,183	192,756	5,995

CITY OF RIVERSIDE

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2020
 (amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Electric	Water	Sewer	Other Enterprise Funds		
Liabilities:						
Current liabilities:						
Accounts payable	18,554	2,579	2,533	2,770	26,436	1,519
Accrued payroll	599	228	140	94	1,061	49
Retainage payable	500	293	145	-	938	-
Unearned revenue	73	42	-	1,965	2,080	-
Deposits	9,265	913	6	504	10,688	-
Accrued interest	5,872	1,489	7,009	62	14,432	-
Total Current Liabilities	34,863	5,544	9,833	5,395	55,635	1,568
Noncurrent liabilities:						
Due within one year						
Long-term obligations	17,905	8,770	9,599	5,621	41,895	140
Compensated absences	4,635	1,740	1,154	511	8,040	391
Claims liability	-	-	-	-	-	9,283
Landfill capping	-	-	-	559	559	-
Decommissioning liability	6,179	-	-	-	6,179	-
Due in more than one year						
Long-term obligations	662,290	261,353	387,274	89,854	1,400,771	4,803
Compensated absences	1,227	549	200	89	2,065	82
Claims liability	-	-	-	-	-	44,545
Landfill capping	-	-	-	10,217	10,217	-
Decommissioning liability	49,529	-	-	-	49,529	-
Regulatory liability	2,373	3,248	-	-	5,621	-
Derivatives instruments	27,451	7,774	-	10,994	46,219	-
Net pension liability	89,792	31,840	18,758	11,361	151,751	7,096
OPEB liability	10,708	4,382	3,038	2,656	20,784	1,227
Total Noncurrent Liabilities	872,089	319,656	420,023	131,862	1,743,630	67,567
Total Liabilities	906,952	325,200	429,856	137,257	1,799,265	69,135
Deferred Inflows of Resources:						
Regulatory charges	-	-	16,296	-	16,296	-
Deferred charges	-	-	679	-	679	-
Pension related items	9,220	3,702	2,090	1,195	16,207	784
OPEB related items	262	99	68	63	492	31
Total Deferred Inflows of Resources	9,482	3,801	19,133	1,258	33,674	815
Net Position:						
Net investment in capital assets	238,847	291,659	163,249	58,110	751,865	6,281
Restricted for debt service	18,243	7,284	5,800	-	31,327	-
Restricted for landfill capping	-	-	-	2,500	2,500	-
Restricted for programs and regulatory requirements	36,329	2,902	2,112	-	41,343	-
Unrestricted	221,466	(1,210)	57,371	(4,851)	272,776	(13,942)
Total Net Position	\$ 514,885	\$ 300,635	\$ 228,532	\$ 55,759	\$ 1,099,811	\$ (7,661)

CITY OF RIVERSIDE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Electric	Water	Sewer	Other Enterprise Funds		
Operating Revenues:						
Charges for services	\$ 368,969	\$ 70,167	\$ 64,114	\$ 43,695	\$ 546,945	\$ 27,985
Total Operating Revenues	368,969	70,167	64,114	43,695	546,945	27,985
Operating Expenses:						
Personnel services	54,433	16,855	13,245	9,264	93,797	5,767
Contractual services	7,023	2,995	1,022	13,821	24,861	1,455
Maintenance and operation	214,392	9,223	8,387	8,633	240,635	2,792
General	11,224	17,441	6,954	16,543	52,162	4,400
Materials and supplies	866	738	3,415	1,584	6,603	185
Claims/Insurance	1,309	623	676	619	3,227	12,296
Depreciation and amortization	35,151	16,010	14,032	5,821	71,014	864
Total Operating Expenses	324,398	63,885	47,731	56,285	492,299	27,759
Operating Income (Loss)	44,571	6,282	16,383	(12,590)	54,646	226
Nonoperating Revenues (Expenses):						
Operating grants	-	-	-	3,473	3,473	-
Interest revenue	14,032	2,073	3,273	460	19,838	1,254
Interest expense and fiscal charges	(26,269)	(9,857)	(15,230)	(3,387)	(54,743)	(35)
Capital improvement fees	-	-	1,976	-	1,976	-
Other non-operating revenues	1,550	2,756	90	1,119	5,515	37
Gain (loss) on disposal of capital assets	335	69	65	251	720	29
Total Nonoperating Revenues (Expenses)	(10,352)	(4,959)	(9,826)	1,916	(23,221)	1,285
Income (Loss) Before Contributions and Transfers	34,219	1,323	6,557	(10,674)	31,425	1,511
Cash capital contributions	4,875	2,530	399	959	8,763	71
Non-cash contributions	4,617	599	-	-	5,216	-
Transfers in	-	-	-	10,752	10,752	-
Transfers out	(39,558)	(6,518)	-	-	(46,076)	-
Changes in Net Position	4,153	(2,066)	6,956	1,037	10,080	1,582
Net Position:						
Beginning of Year	510,732	302,701	221,576	54,722	1,089,731	(9,243)
End of Year	\$ 514,885	\$ 300,635	\$ 228,532	\$ 55,759	\$ 1,099,811	\$ (7,661)

CITY OF RIVERSIDE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Electric	Water	Sewer	Other Enterprise Funds	Totals	
Cash Flows from Operating Activities:						
Cash received from customers and users	\$ 358,317	\$ 68,456	\$ 62,833	\$ 44,696	\$ 534,302	\$ -
Cash received from interfund service provided	-	-	-	-	-	27,918
Cash paid to suppliers for goods and services	(237,830)	(30,477)	(20,646)	(41,732)	(330,685)	(15,884)
Cash paid to employees for services	(49,637)	(15,197)	(10,853)	(8,702)	(84,389)	(5,395)
Cash received from (payments to) others	-	974	-	-	974	-
Net Cash Provided (Used) by Operating Activities	70,850	23,756	31,334	(5,738)	120,202	6,639
Cash Flows from Non-Capital Financing Activities:						
Cash transfers out	(39,558)	(6,518)	-	-	(46,076)	-
Cash transfers in	-	-	-	10,752	10,752	-
Payment received from other funds	325	139	-	-	464	703
Payment made to other funds	-	-	-	-	-	(464)
Payment receipt from advance to other funds	-	-	926	-	926	-
Payment receipt from Successor Agency	420	-	-	-	420	-
Intergovernmental	-	-	-	3,491	3,491	71
Proceed from pension obligation bonds issued	66,119	20,566	12,721	8,176	107,582	4,451
Payment to employees pension plan from bonds issued	(65,874)	(20,490)	(12,674)	(8,146)	(107,184)	(4,434)
Payment on pension bond issuance costs	(245)	(76)	(47)	(30)	(398)	(17)
Payment on pension obligation bonds	(1,718)	(619)	(405)	(302)	(3,044)	(158)
Miscellaneous non-operating revenue	1,550	-	90	1,119	2,759	37
Net Cash Provided (Used) by Non-Capital Financing Activities	(38,981)	(6,998)	611	15,060	(30,308)	189
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(26,366)	(19,061)	(13,540)	(1,541)	(60,508)	(211)
Principal paid on capital debt	(10,765)	(5,737)	(8,241)	(5,146)	(29,889)	-
Interest paid on capital debt	(27,439)	(10,955)	(19,782)	(3,017)	(61,193)	-
Capital improvement fees	-	-	1,976	-	1,976	-
Contributions	4,875	2,530	399	375	8,179	-
Proceeds from sales of capital assets	381	68	65	251	765	41
Net Cash Provided (Used) by Capital and Related Financing Activities	(59,314)	(33,155)	(39,123)	(9,078)	(140,670)	(170)
Cash Flows from Investing Activities:						
Proceeds from investment securities	2,190	268	-	-	2,458	-
Interest received	14,127	2,097	3,339	475	20,038	1,257
Net Cash Provided (Used) by Investing Activities	16,317	2,365	3,339	475	22,496	1,257
Net Increase (Decrease) in Cash and Cash Equivalents	(11,128)	(14,032)	(3,839)	719	(28,280)	7,915
Cash and Cash Equivalents at Beginning of Year (including \$106,870 for Electric, \$49,881 for Water, \$26,853 for Sewer and \$2,500 for Other Enterprise Funds in restricted accounts.)	400,319	90,919	111,747	13,823	616,808	34,153
Cash and Cash Equivalents at End of Year (including \$97,983 for Electric, \$28,826 for Water, \$8,270 for Sewer in restricted accounts)	\$ 389,191	\$ 76,887	\$ 107,908	\$ 14,542	\$ 588,528	\$ 42,068

CITY OF RIVERSIDE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds	
	Electric	Water	Sewer	Other Enterprise Funds		Totals
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 44,571	\$ 6,282	\$ 16,383	\$ (12,590)	\$ 54,646	\$ 226
Adjustments to Reconcile Operating Income (loss) Net Cash Provided (Used) by Operating Activities:						
Depreciation	35,151	16,010	14,032	5,257	70,450	864
Other receipts	-	974	-	-	974	-
(Increase) decrease in utility billed receivable	(3,726)	(951)	(322)	(175)	(5,174)	-
(Increase) decrease in utility unbilled receivable	(504)	(323)	29	104	(694)	-
(Increase) decrease in accounts receivable	(6,555)	578	(794)	463	(6,308)	(9)
(Increase) decrease in prepaid items	(1,807)	2	-	(27)	(1,832)	(17)
(Increase) decrease in deposits	(20)	-	-	-	(20)	-
(Increase) decrease in inventory	-	-	(243)	(8)	(251)	(181)
(Increase) decrease in intergovernmental receivable	14	(695)	(193)	8	(866)	(56)
(Increase) decrease in regulatory assets	-	-	64	484	548	-
Increase (decrease) in accounts payable	(757)	175	375	426	219	82
Increase (decrease) in accrued payroll	394	154	96	60	704	30
Increase (decrease) in retainage payable	156	(83)	(326)	(5)	(258)	(11)
Increase (decrease) in landfill capping liabilities	-	-	-	(360)	(360)	-
Increase (decrease) in decommissioning liability	(2,491)	-	-	-	(2,491)	-
Increase (decrease) in deposits payable	2,010	124	3	(71)	2,066	-
Increase (decrease) in unearned revenue	11	3	(4)	109	119	-
Increase (decrease) in claims liability	-	-	-	-	-	5,368
Increase (decrease) in compensated absences	549	262	197	57	1,065	41
Increase (decrease) in net pension liability	5,324	1,103	815	621	7,863	320
Increase (decrease) in OPEB liability	2,136	858	549	493	4,036	243
Increase (decrease) in deferred pension related items	(1,960)	(55)	1,095	(204)	(1,124)	(73)
Increase (decrease) in deferred OPEB related items	(1,646)	(662)	(422)	(380)	(3,110)	(188)
Total Adjustments	26,279	17,474	14,951	6,852	65,556	6,413
Net Cash Provided (Used) by Operating Activities	\$ 70,850	\$ 23,756	\$ 31,334	\$ (5,738)	\$ 120,202	\$ 6,639
Non-Cash Investing, Capital, and Financing Activities:						
Gain/(Loss) on disposition of capital assets	\$ 335	\$ -	\$ -	\$ 251	\$ 586	\$ -
Capital contributions	4,617	599	-	-	5,216	-
Payment on note payable offset by rent credit	-	1,782	-	-	1,782	-

CITY OF RIVERSIDE

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2020
 (amounts expressed in thousands)

	Agency Funds	Private-Purpose Trust Fund Successor Agency Trust Fund
Assets:		
Cash and investments	\$ 3,781	\$ 28,072
Cash and investments with fiscal agent	6,406	4,266
Receivables:		
Interest	8	101
Accounts	-	44
Intergovernmental	-	795
Taxes	54	-
Notes	-	2,391
Direct financing lease receivable	-	11,680
Deposits	-	2
Land and improvements held for resale	-	7,440
Capital assets:		
Capital assets, not being depreciated	-	185
Total Assets	\$ 10,249	54,976
Liabilities:		
Accounts payable	\$ 9	192
Retainage payable	-	153
Accrued interest	-	2,631
Advances from City	-	3,383
Long-term liabilities:		
Due in one year		
Long-term obligations	-	6,814
Due in more than one year		
Long-term obligations	-	188,150
Held for bond holders	10,240	-
Total Liabilities	\$ 10,249	201,323
Deferred Inflows of Resources:		
Deferred charge on refunding		923
Total Deferred Inflows or Resources		923
Net Position:		
Held by Successor Agency		(147,270)
Total Net Position		\$ (147,270)

CITY OF RIVERSIDE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	<u>Private-Purpose Trust Fund</u>
	<u>Successor Agency Trust Fund</u>
Additions:	
Property tax revenue	\$ 16,139
Rental and investment income	1,729
Contribution from City	554
Miscellaneous	692
Total Additions	19,114
Deductions:	
Professional services and other deductions	1,682
Redevelopment projects	3,731
Interest expense	6,903
Loss on sale of land held for resale	593
Total Deductions	12,909
Changes in Net Position	6,205
Net Position - Beginning of the Year	(153,475)
Net Position - End of the Year	\$ (147,270)

1. Summary of Significant Accounting Policies

The City of Riverside (City) was incorporated on October 11, 1883 as a Charter City and operates under a Council-Manager form of Government. The more significant accounting policies reflected in the financial statements are summarized as follows:

A. Reporting Entity

The financial statements present the City and its component units, entities for which the City is financially accountable. Blended component units are legally separate entities, but in substance are part of the City's operations and their data is combined with that of the City's. The City has no component units that meet the criteria for discrete presentation. All of the City's component units have a June 30 year end.

Blended Component Units

Riverside Housing Authority (Housing Authority) was established in 2006 by the City. The Housing Authority's primary purpose is to provide safe and sanitary housing accommodations for persons with low or moderate income. The Housing Authority's activity has been combined with that of the primary government because City Council members serve as the Housing Authority's commissioners and because the City is financially accountable and operationally responsible for all matters.

Riverside Public Financing Authority (Public Financing Authority) was organized in December 1987 by the City and the Redevelopment Agency. Pursuant to Assembly Bill 1X 26 (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies were dissolved effective February 1, 2012. Subsequently, the City became the Successor Agency to the Redevelopment Agency. The Parking Authority of the City of Riverside was added as an additional member of the Public Financing Authority on August 14, 2012. The Public Financing Authority's activity has been combined with that of the primary government because City Council members serve as the Public Financing Authority's board members and because the Public Financing Authority exclusively provides financing assistance to the primary government. The City is also financially accountable and operationally responsible for all matters.

Riverside Municipal Improvements Corporation (Municipal Improvements Corporation) was created in 1978 and operates under provisions of the Nonprofit Public Benefit Corporation Law of the State of California. The

Municipal Improvements Corporation's primary purpose is to provide financing assistance by obtaining land, property and equipment on behalf of the City. The activity of the Municipal Improvements Corporation has been combined with that of the primary government because three members of the City Council serve as the Municipal Improvements Corporation's directors and because the Municipal Improvements Corporation exists to serve exclusively the primary government. The City is financially accountable and operationally responsible for all matters.

Fiduciary Component Unit

Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency) is a separate legal entity, which was formed to hold the assets and liabilities of the former Redevelopment Agency pursuant to City Council actions taken on March 15, 2011 and January 10, 2012. The activity of the Successor Agency is overseen by an Oversight Board comprised of individuals appointed by various government agencies and the City of Riverside as Successor Agency of the former Redevelopment Agency. The nature and significance of the relationship between the City and the Successor Agency is such that it would be misleading to exclude the Successor Agency from the City's financial statements. The Successor Agency is presented herein in the City's fiduciary funds as a private-purpose trust fund.

Complete financial statements are prepared for the Riverside Public Financing Authority and the Successor Agency to the Redevelopment Agency of the City of Riverside, which can be obtained from the City's Finance Department, 3900 Main Street, Riverside, California, 92522 or online at www.riversideca.gov.

B. Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the City and its component units. Interfund activity has been removed from these statements except for utility charges, as this would distort the presentation of function costs and program revenues. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net

position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Indirect expenses are allocated to the various functions based on a proportionate utilization of the services rendered. Such allocations consist of charges for accounting, human resources, information technology and other similar support services.

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

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

The government-wide, proprietary and private-purpose trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds report only assets and liabilities and therefore have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied on the property. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. An allowance for doubtful accounts is maintained for the utility and other miscellaneous receivables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available if they are

generally collected within 60 days after year end, except for revenue associated with neglected property abatement which is eleven (11) months and except for grant revenue, including reimbursement received from Transportation Uniform Mitigation Fees, which is six (6) months. Grant revenue is recognized if received within six (6) months of year end to enable the matching of revenue with applicable expenditures. Expenditures generally are recorded when a liability is incurred under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, sales taxes, franchise taxes, licenses, charges for services, amounts due from other governments and interest associated with the current fiscal period are all considered to be susceptible to accrual. Other revenue items such as fines and permits are considered to be measurable and available only when the government receives cash, and are therefore not susceptible to accrual.

The government reports the following major governmental funds:

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

The Capital Outlay fund accounts for the construction and installation of street and highway capital improvements for the City, including improvements funded by the ½ % sales tax approved by Riverside County in 1988.

The General Debt Service fund accounts for the accumulation of resources and payment of long-term debt obligations of the City and related entities.

The government reports the following major proprietary funds:

The Electric fund accounts for the activities of the City's electric distribution operations.

The Water fund accounts for the activities of the City's water distribution operations.

The Sewer fund accounts for the activities of the City's sewer systems.

Additionally, the government reports the following fund types:

Internal Service funds account for self-insurance, central stores and central garage on a cost reimbursement basis.

Fiduciary funds include private-purpose trust and agency funds. The private-purpose trust fund accounts for assets and activities of the dissolved Redevelopment Agency, which is accounted for in the Successor Agency Trust. The agency fund is used to account for special assessments that service no-commitment debt.

The Permanent fund is a governmental fund that is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's Library programs. Non-expendable net position on the Statement of Net Position includes \$1.5 million of permanent fund principal which are considered nonexpendable.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Sewer fund also recognizes, as operating revenue, the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Investments

The City values its cash and investments in accordance with the provisions of Governmental Accounting Standards Board Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, which requires governmental entities to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value.

The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach or the income approach.

Cash accounts of all funds are pooled for investment purposes to enhance safety and liquidity while maximizing interest earnings. Investments are stated at fair value except for investments in investment contracts which are recorded at contract value. All highly liquid investments (including restricted assets) with a maturity of 90 days or less when purchased are considered cash equivalents. Cash and investments held on behalf of proprietary funds by the City Treasurer are considered highly liquid and are classified as cash equivalents for the purpose of presentation in the statement of cash flows.

E. Restricted Cash and Investments

Certain proceeds of long-term indebtedness, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Restricted cash and investments also include cash set aside for nuclear decommissioning, public benefit programs, regulatory requirements and rate stabilization because their use is legally restricted to a specific purpose. Unspent proceeds received from the City's landfill capping surcharge are also recorded as restricted assets.

F. Allowance for Doubtful Accounts

Management determines the allowance for doubtful accounts by analyzing customer accounts for all balances over 60 days old. The allowance for doubtful accounts is then adjusted at fiscal year-end based on the amount equal to the annual uncollectible accounts. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received. For non-utility accounts receivables, delinquent notices after 60 days are sent to customers with outstanding balances. After 120 days, accounts still outstanding are referred to the City's collection agency. As of June 30, 2020, the City had an allowance for doubtful account balance of \$5,755.

G. Land and Improvements Held for Resale

Land and improvements held for resale were generally acquired for future development projects. The properties are carried at the lower of cost or net realizable value.

H. Inventory

Supplies are valued at cost using the average-cost method. Costs are charged to user departments when consumed rather than when purchased.

I. Prepaid Items

Payments to vendors for services benefiting future periods are recorded as prepaid items and expenditures are recognized when items are consumed.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, right of way, and similar items), are reported in the applicable governmental activities and business-type activities of the government-wide financial statements and in the proprietary funds and the fiduciary private-purpose trust fund statements of net position. The government defines capital assets as assets with an initial, individual cost of more than five thousand dollars and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Costs include: labor; materials; interest during construction; allocated indirect charges such as engineering, construction and transportation equipment, retirement plan contributions and other fringe benefits. Donated capital assets or donated works of art and similar items are recorded at acquisition cost at the date of donation. Capital assets received in a service concession arrangement are recorded at acquisition value. Intangible assets that cost more than one hundred thousand dollars with useful lives of at least three years are capitalized and are recorded at cost. Interest incurred during the construction phase is expensed in the period incurred.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets other than land are depreciated using the straight-line method. Estimated useful lives used to compute depreciation are as follows:

Buildings and Improvements	30-50 years
Improvements other than Buildings	20-99 years
Intangibles - Depreciable	3-15 years
Machinery and Equipment	3-15 years
Infrastructure	20-100 years

K. Compensated Absences

City employees receive 10 to 25 vacation days a year based upon length of service. A maximum of two years' vacation accrual may be accumulated, any excess vacation must be used in accordance to policy, and unused vacation is paid in cash upon separation.

City employees generally receive one day of sick leave for each month of employment with unlimited accumulation. Upon retirement or death, certain employees or their estates receive a percentage of unused sick leave paid in a lump sum based on longevity. The General, Electric and Water funds have been primarily used to liquidate such balances.

The liability associated with these benefits is reported in the government-wide statements. Vacation and sick leave of proprietary funds is recorded as an expense and as a liability of those funds as the benefits accrue to employees.

L. Derivative Instruments

The City's derivative instruments are accounted for in accordance with Government Accounting Standards Board Statement No. 53 (GASB 53), *Accounting and Financial Reporting for Derivative Instruments*, which requires the City to report its derivative instruments at fair value. Changes in fair value for effective hedges that are achieved with derivative instruments are reported as deferrals in the statements of net position.

The City uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps. The City had debt that was layered with "synthetic fixed rate" swaps, which was refunded in 2008 and 2011. The balance of the deferral account for each swap is included as part of the deferred charge on refunding associated with the new bonds. The swaps were also employed as a hedge against the new debt. Hedge accounting was applied to that portion of the hedging relationship, which was determined to be effective. The negative fair value of the interest rate swaps related to the new hedging relationship has been recorded and deferred on the statement of net position. See Note 6 for further discussion related to the City's interest rate swaps.

Various transactions permitted in the Utility's Power Resources Risk Management Policies may be considered derivatives, including energy and/or gas transactions for swaps, options, forward arrangements and congestion revenue rights. The City has determined that all of its contracts including

congestion revenue rights fall under the scope of “normal purchases and normal sales” and are exempt from GASB 53.

M. Long-Term Obligations

Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities columns in the government-wide financial statements and in the proprietary funds and fiduciary private-purpose trust fund statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, government fund types recognize bond issuance costs as expenditures during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Decommissioning

Federal regulations require the Electric Utility to provide for the future decommissioning of its ownership share of the nuclear units at San Onofre. The Electric Utility has established trust accounts to accumulate resources for the decommissioning of the nuclear power plant and restoration of the beachfront at San Onofre. Based on the most recent site specific cost estimate as of September 2014, submitted by Southern California Edison (SCE) and accepted by the Nuclear Regulatory Commission (NRC), the Electric Utility has fully funded the San Onofre Nuclear Generating Station (“SONGS”) decommissioning liability.

As of June 30, 2020, the Electric Utility has set aside \$53,299 in cash investments with the trustee and \$11,710 in an unrestricted designated decommissioning reserve for the Electric Utility’s estimated share of the decommissioning costs. Increases to the funds held for decommissioning liability are from investment earnings. The investment earnings are included in investment income in the Electric Utility’s financial statements. An equivalent amount is reflected as decommissioning expense which is considered part of production and purchased power. Decreases to the funds held for decommissioning liability are from actual funds drawn from the trust for decommissioning costs invoiced by SCE.

On February 23, 2016, the City Council adopted a resolution authorizing the commencement of SONGS decommissioning effective June 7, 2013. This resolution allows the Electric Utility to access the decommissioning trust funds to pay for its share of decommissioning costs. The Electric Utility began drawing decommissioning trust funds to pay for decommissioning costs in the fiscal year ended June 30, 2017. As of June 30, 2020, the Electric Utility has paid to date \$30,958 in decommissioning obligations which have been reimbursed by the trust funds.

The plant site easement at San Onofre terminates May 2024. The plant must be decommissioned and the site restored by the time the easement terminates.

N. Claims and Judgments Payable

Claims and judgments payable are recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Such claims, including an estimate for claims incurred but not reported at year end, are recorded as liabilities in the self-insurance internal service fund. As of June 30, 2020, the City had an obligation related to claims and judgments which is reflected as a liability on the government-wide statements and is more fully described in Note 10.

O. Fund Equity

In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-term loans, and notes receivable, unless the proceeds are restricted, committed or assigned. Also, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund are reported within the nonspendable category.
- Restricted fund balance is the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors.
- Committed fund balance is the portion of fund balance that can only be used for specific purposes due to formal action of the City Council through adoption of a resolution prior to the end of the fiscal year.

Once adopted, the limitation imposed by resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The City Council approved the General Fund Reserve Policy setting a 10% minimum in the Emergency Reserve and 5% in the Contingency Reserve with an aspirational goal of 15% in the Emergency Reserve. The Emergency Reserve was established for the purpose of addressing any extremely unusual and infrequent occurrences, such as a major natural disaster or a major unforeseen settlement. Utilization of the Emergency Reserve requires declaration of an emergency by a two-thirds majority of the City Council, and specification of the maximum dollar amount to be used. The Contingency Reserve was established for the purpose of providing a "bridge" to facilitate a measured and thoughtful reduction in expenditures during times of economic downturn, rather than making immediate and drastic budget reductions without the time for proper evaluation. Utilization of the Contingency Reserve, including specification of the maximum dollar amount to be used, requires approval by a two-thirds majority of the City Council. The reserves committed at June 30, 2020 were calculated utilizing fiscal year 2020-2021 adopted General Fund expenditure budget of \$271,400.

On April 2, 2019, the City Council approved the General Fund - Measure Z Contingency Reserve Policy setting a required \$5,000 in the Contingency Reserve. The Contingency Reserve was established to cover necessary expenses in order to provide time for a measured and thoughtful reduction in expenditures during times of economic downturn, rather than making immediate and drastic budget reductions without the time for proper evaluation. Utilization of the Contingency Reserve, including specification of the maximum dollar amount to be used, requires the affirmative votes of at least five members of the City Council.

- Assigned fund balance reflects the City's intended use of resources. Intent can be expressed by the City Council or by an official to which the City Council delegates the authority. On February 22, 2011, the City Council approved a policy whereby the authority to assign fund balance was delegated to the City's Chief Financial Officer, which authorized the assignment of fund balance for specific programs or purposes in accordance with City Council directives. The City also uses budget and finance policy to authorize the assignment of fund balance, which is done through the adoption of the budget and subsequent budget amendments throughout the year.

- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the City's policy is to use restricted amounts before unrestricted amounts. Within unrestricted resources, committed resources are used first followed by assigned resources, and finally unassigned resources.

P. Net Position

Net position represents the difference between assets and deferred outflows less liabilities and deferred inflows. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the related acquisition, construction or improvement of those assets excluding unspent debt proceeds. Restricted net position represents restricted assets less liabilities and deferred inflows related to those assets. Restricted assets are recorded when there are limitations imposed on their use either through legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.

Q. Interfund Transactions

Interfund transactions are accounted for as revenues and expenditures or expenses. Transactions, which constitute reimbursements, are eliminated in the reimbursed fund and accounted for as expenditures or expenses in the fund to which the transaction is applicable.

During the year, transactions occur between individual funds for goods provided or services rendered. Related receivables and payables are classified as "due from/to other funds" on the accompanying fund level statements. The noncurrent portion of long-term interfund loans receivable are reported as advances and, for governmental fund types, are equally offset by nonspendable fund balance to indicate that the receivable is not in spendable form.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

R. Unearned Revenue

Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.

S. Unavailable Revenue

Unavailable revenue arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

T. Deferred Outflows and Deferred Inflows of Resources

When applicable, the statement of net position and the 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 that, therefore will not be recognized as an expense or expenditure until that time.

Conversely, deferred inflows of resources represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are *not* recognized as an inflow of resources (revenue) until that time.

U. Regulatory Assets and Deferred Regulatory Charges

In accordance with GASB Statement No. 62, enterprise funds that are used to account for rate-regulated activities are permitted to defer certain expenses and revenues that would otherwise be recognized when incurred, provided that the City is recovering or expects to recover or refund such amounts in rates charged to its customers. Accordingly, regulatory assets and/or deferred regulatory charges have been recorded in the Electric, Water, Sewer and Refuse funds.

V. Property Tax Calendar

Under California law, general property taxes are assessed for up to 1% of the property's assessed value. General property taxes are collected by the counties along with other special district taxes and assessments and voter approved debt. General property tax revenues are collected and pooled by the county throughout the fiscal year and then allocated and paid to the county,

cities and school districts based on complex formulas prescribed by State statutes.

Property taxes are calculated on assessed values as of January 1 for the ensuing fiscal year. On January 1 of the fiscal year the levy is placed and a lien is attached to the property. Property taxes are due in two installments. The first installment is due November 1 and is delinquent after December 10. The second installment is due February 1 and is delinquent after April 10. The City generally accrues only those taxes, which are received within sixty days after the year-end. Under the Teeter plan, the County of Riverside has responsibility for the collection of delinquent taxes and the City receives 100% of the levy.

W. Use of Estimates

The preparation of 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures. Specifically, the City has made certain estimates and assumptions relating to the revenues due and expenditures incurred through fiscal year end, collectability of its receivables, the valuation of property held for resale, the useful lives of capital assets, and the ultimate outcome of claims and judgments. Actual results may differ from those estimates and assumptions.

X. Pensions

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

Y. Other Post-Employment Benefit (OPEB)

OPEB refers to the benefits, other than pensions, that the City provides as part of an employee's retirement benefits. The net OPEB liability is defined as the

City of Riverside
Notes to Basic Financial Statements
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(amounts expressed in thousands)

liability of employers contributing to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust.

2. Legal Compliance – Budgets

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for all departments within the general, special revenue and capital project funds. Formal budgets are not employed for debt service funds because debt indenture provisions specify payments. The permanent fund is not budgeted.

Biannually, during the period December through February, department heads prepare estimates of required appropriations for the following two-year budget cycle. These estimates are compiled into a proposed operating budget that includes a summary of proposed expenditures and financial resources and historical data for the preceding budget cycle. The operating budget is presented by the City Manager to the City Council for review. Public hearings are conducted to obtain citizen comments. The City Council generally adopts the budget during one of its June meetings. The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations within a fund. All appropriations shall lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered, except for appropriations for capital projects which shall continue to their completion.

In 2020, community outreach on the biennial budget was interrupted by the pandemic which presented significant challenges to staffing levels, the ability to accommodate public meetings, and the unknown impact of the pandemic on City finances. As a result of these challenges, the City temporarily shifted to a one-year budget and instituted an emergency budget process compliant with the City Charter. The City Council adopted an emergency budget for FY 2020/21 following a public hearing on June 16, 2020. Intracycle budget updates to the adopted FY 2020/21 emergency budget will be made as more data becomes available during the fiscal year.

3. Cash and Investments

Cash and investments at fiscal year-end consist of the following:

Investments	\$ 745,130
Investments at fiscal agent	172,784
	<u>917,914</u>
Cash on hand and deposits with financial institutions	79,757
	<u>\$ 997,671</u>

The amounts are reflected in the statements of net position of the government-wide and fiduciary fund financial statements:

Cash and investments	\$ 719,855
Restricted cash and cash equivalents	70,332
Restricted cash and investments with fiscal agent	164,959
Total per statement of net position	<u>955,146</u>
Fiduciary fund cash and investments	31,853
Fiduciary fund cash and investments with fiscal agent	10,672
	<u>\$ 997,671</u>

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures, which are administered by outside agencies.

Interest income earned on pooled cash and investments is allocated monthly to funds based on the beginning and month-end balances. Interest income from cash and investments held at fiscal agents is credited directly to the related account. Bank deposits are covered by federal depository insurance for the first \$250 or by collateral held in the pledging bank's trust department in the name of the City.

Authorized Investments

Under provisions of the City's investment policy, and in accordance with California Government Code Section 53601, the City Treasurer may invest or deposit in the following types of investments:

	Max <u>Maturity</u>	Max % of <u>Portfolio</u>
Local Agency Investment Fund (State Pool)	N/A	100%
Money Market Funds	N/A	20%
Mutual Funds	N/A	20%
Joint Powers Authority Pools	N/A	100%
Medium-Term Corporate Notes	5 Years	30%
Municipal Bonds	5 Years	30%
Negotiable Certificates of Deposit	5 Years	30%

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2020

(amounts expressed in thousands)

Mortgage Pass-Through and Asset-Backed Securities	5 Years	20%
Certificates of Deposit Placement Services	5 Years	30%
Collateralized Time Deposits	5 Years	30%
Federally Insured Time Deposits	5 Years	30%
Supranational Securities	5 Years	30%
Federal Agency Securities	5 Years	N/A
U.S. Treasury Notes/Bonds	5 Years	N/A
Repurchase Agreements	1 Year	N/A
Commercial Paper of "prime" quality	270 Days	25%
Bankers' Acceptances	180 Days	10%
Reverse Repurchase Agreements	92 Days	20%

Investments in Corporate Medium-Term Notes may be invested in securities rated "A" or better by at least one nationally recognized statistical rating agencies. No more than 5% of the market value of the portfolio may be invested in any single issuer.

Investments in Negotiable Certificates of Deposit exceeding federal deposit insurance limits shall be issued by institutions which have long-term debt obligations rated "A" (or the equivalent) or better and short-term debt obligations, if any, rated "A1" (or the equivalent) or better by at least one nationally recognized statistical rating agencies. No more than 5% of one market value of the portfolio may be invested in any single issuer of negotiable or non-negotiable certificates of deposit.

Investments in Commercial Paper may be invested in securities rated "A1" (or the equivalent) or higher by at least one nationally recognized statistical rating agency. In addition, debt other than Commercial Paper, if any, issued by corporations in this category must be rated at least "A" (or the equivalent) or better by at least one nationally recognized statistical rating agency. No more than 5% of the market value of the portfolio may be invested in any single issuer. For purposes of this issuer limitation, holdings of Commercial Paper shall be combined with holdings of Medium-Term Corporate Notes. No more than 25% of the total market value of the portfolio may be invested in Commercial Paper. No more than 10% of the outstanding Commercial Paper of any single issuer may be purchased.

The City's investment policy provides the following three exceptions to the above: (1) investments authorized by debt agreements, (2) investments in the City of Riverside - 115 Trust for Pension and (3) funds reserved in the San

Onofre Nuclear Generating Station Decommissioning Account for which the five-year maturity limitation may be extended to the term of the operating license.

Investments Authorized by Debt Agreements

Provisions of debt agreements, rather than the general provisions of the California Government Code or the City's investment policy, govern investments of debt proceeds held by bond fiscal agents. Permitted investments are specified in related trust agreements and include the following:

- Securities of the U.S. Government and its sponsored agencies
- Bankers' Acceptances rated in the single highest classification
- Commercial Paper rated AA or higher at the time of purchase
- Investments in money market funds rated in the single highest classification, except for certain debt proceeds which have no minimum rating requirement
- Municipal obligations rated Aaa/AAA or general obligations of states with ratings of at least A2/A or higher by both Moody's and S&P
- Investment Agreements

No maximum percentage of the related debt issue or maximum investment in one issuer is specified.

Investments in the City of Riverside - 115 Trust for Pension

The City has established the City of Riverside - 115 Trust for Pension (the Plan) to accumulate resources for future contributions to CalPERS. As of June 30, 2020, the City had \$9,384 of restricted cash and investments reported in the General Fund in a Section 115 Trust restricted for future pension contributions. The City has retained US Bank as the trustee. US Bank has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser, with the full investment discretion over the managed assets in the account. The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan.

- Investment Time Horizon: Intermediate-Term 5 - 7 years
- Anticipated Cash Flows: Assets in the Plan will seek to mitigate the impact of future rate increases from CalPERS.

City of Riverside
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(amounts expressed in thousands)

- Investment Objective: Moderately Conservative
- Risk Tolerance: Moderately Conservative
- Portfolio Type: Index Plus (passive)
- Strategic Asset Allocation:

	Strategic Asset Allocation Ranges	Policy
Cash	0% - 20%	5%
Fixed Income	50% - 80%	65%
Equity	20% - 40%	30%

- Investment Limitations: The following investment transactions are prohibited:
 - Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
 - Venture Capital
 - Short sales*
 - Purchases of Letter Stock, Private Placements, or direct payments
 - Leveraged Transactions*
 - Commodities Transactions Puts, calls, straddles, or other option strategies*
 - Purchases of real estate, with the exception of REITs
 - Derivatives, with exception of Exchange Traded Funds (ETFs)*
- *Permissible in diversified mutual funds and exchange-traded funds

Disclosures Relating to Fair Value Measurement and Application

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of assets. Level 1 are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The levels of valuation inputs are as follows:

- Level 1 – Quoted prices for identical assets or liabilities in an active market
- Level 2 – Observable inputs other than quoted market prices; and
- Level 3 – Unobservable inputs

The City has the following recurring fair value measurements as of June 30, 2020:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Joint Powers Authority Pool	\$ 181,234	\$ 181,234	\$ -	\$ -
Mortgage Pass-Through Securities	32,943	-	32,943	-
Asset-Backed Securities	5,129	-	5,129	-
U.S. Treasury Obligations	206,995	-	206,995	-
Federal Agency Obligations	85,859	-	85,859	-
Medium-Term Corporate Notes	68,443	-	68,443	-
Supranational Securities	4,330	-	4,330	-
Negotiable Certificates of Deposits	4,013	-	4,013	-
Held by Fiscal Agent:				
Commercial Paper	665	-	665	-
U.S. Treasury Obligations	27,726	-	27,726	-
Federal Agency Obligations	374	-	374	-
Medium-Term Corporate Notes	3,053	-	3,053	-
Total	620,764	\$ 181,234	\$ 439,530	\$ -
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	160,186			
Mutual Funds	8,987			
Money Market Funds	117,216			
Investment Contracts	10,761			
Total Investments	\$ 917,914			

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. The City's investment policy requires that the interest rate risk exposure be managed by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

City of Riverside
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(amounts expressed in thousands)

	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More than 60 Months
Money Market Funds	\$ 5,663	\$ 5,663	\$ -	\$ -	\$ -
Joint Powers Authority Pool	181,234	181,234	-	-	-
Local Agency Investment Fund	150,521	150,521	-	-	-
Mortgage Pass-Through Securities	32,943	-	22,452	10,491	-
Asset-Backed Securities	5,129	-	-	5,129	-
U.S. Treasury Obligations	206,995	38,346	96,261	72,388	-
Federal Agency Obligations	85,859	8,107	33,580	44,172	-
Medium-Term Corporate Notes	68,443	5,365	40,196	22,882	-
Supranational Securities	4,330	-	-	4,330	-
Negotiable Certificates of Deposit	4,013	1,995	2,018	-	-
Held by Fiscal Agent					
Money Market Funds	111,553	111,553	-	-	-
Mutual Funds	8,987	8,987	-	-	-
Local Agency Investment Fund	9,665	9,665	-	-	-
Investment Contracts	10,761	-	-	-	10,761
Commercial Paper	665	665	-	-	-
U.S. Treasury Obligations	27,726	9,104	18,622	-	-
Federal Agency Obligations	374	374	-	-	-
Medium-Term Corporate Notes	3,053	3,053	-	-	-
Total	\$ 917,914	\$ 534,632	\$ 213,129	\$ 159,392	\$ 10,761

The City assumes that callable investments will not be called.

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 actual rating as of year-end for each investment type:

	Total	Ratings as of Year End			
		AAA	AA	A	Unrated
Money Market Funds	\$ 5,663	\$ 505	\$ -	\$ -	\$ 5,158
Joint Powers Authority Pool	181,234	181,234	-	-	-
Local Agency Investment Fund	150,521	-	-	-	150,521
Mortgage Pass-Through Securities	32,943	-	-	-	32,943
Asset-Backed Securities	5,129	-	-	-	5,129
US Treasury Obligations	206,995	-	206,995	-	-
Federal Agency Obligations	85,859	-	78,938	-	6,921
Medium-Term Corporate Notes	68,443	-	30,970	37,473	-
Supranational Securities	4,330	4,330	-	-	-
Negotiable Certificates of Deposits	4,013	-	-	-	4,013
Held by Fiscal Agent:					
Money Market Funds	111,553	28,736	-	-	82,817
Mutual funds	8,987	-	-	-	8,987
Local Agency Investment Fund	9,665	-	-	-	9,665
Investment Contracts	10,761	-	-	-	10,761
Commercial Paper	665	-	-	-	665
U.S. Treasury Obligations	27,726	-	27,726	-	-
Federal Agency Obligations	374	374	-	-	-
Medium-Term Corporate Notes	3,053	-	3,053	-	-
Total	\$ 917,914	\$ 215,179	\$ 347,682	\$ 37,473	\$ 317,580

Concentration on Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stated above. For fiscal year ended June 30, 2020, the City did not have any investments in any one issuer (other than U.S. Treasury securities, money market funds, and external investment pools) that represent 5% or more of total City investments.

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 City's investment policy requires that a third-party bank trust department hold all securities owned by the City. All trades are settled on a delivery vs. payment basis through the City's safekeeping agent. The City has no deposits with financial institutions; bank balances are swept daily into a money market account.

The pledge to secure deposits is administered by the California Commissioner of Business Oversight. Collateral is required for demand deposits at 110% of all deposits not covered by federal depository insurance (FDIC) if obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. All such collateral is considered to be held by the pledging financial institutions' trust departments or agents in the name of the City. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them.

Written custodial agreements are required to provide, among other things, that the collateral securities are held separate from the assets of the custodial institution.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts 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 available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

4. Direct Financing Lease Receivable

The former Redevelopment Agency had a direct financing lease arrangement with the State of California (the State) for a twelve-story office building, which was transferred to the Successor Agency. The lease term is for thirty years and the State takes ownership of the facility at the conclusion of that term. The lease calls for semi-annual payments not less than the debt service owed on the related lease revenue bonds issued by the former Redevelopment Agency for the purchase and renovation of the building.

The future minimum lease payments to be received are as follows:

<u>Fiscal Year</u>	
2021	\$ 2,692
2022	2,724
2023	2,759
2024	2,786
2025	<u>2,823</u>
Total Due	13,784
Less: Amount applicable to interest	<u>(2,104)</u>
Total direct financing lease receivable	<u><u>\$ 11,680</u></u>

5. Capital Assets

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2020.

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not depreciated:					
Land	\$ 336,997	\$ 1,781	\$ (274)	\$ -	\$ 338,504
Construction in progress	49,288	28,388	(3,613)	(5,665)	68,398
Total capital assets not depreciated	<u>386,285</u>	<u>30,169</u>	<u>(3,887)</u>	<u>(5,665)</u>	<u>406,902</u>
Capital assets being depreciated:					
Buildings	146,594	13	-	-	146,607
Improvements other than buildings	261,709	47	-	932	262,688
Machinery and equipment	107,827	4,043	(31)	3,190	115,029
Intangibles, depreciable	219	-	-	-	219
Infrastructure	1,060,737	13,769	-	1,543	1,076,049
Total capital assets being depreciated	<u>1,577,086</u>	<u>17,872</u>	<u>(31)</u>	<u>5,665</u>	<u>1,600,592</u>
Less accumulated depreciation for:					
Buildings	(70,548)	(4,006)	-	-	(74,554)
Improvements other than buildings	(133,421)	(11,574)	-	-	(144,995)
Machinery and equipment	(73,172)	(7,051)	19	-	(80,204)
Intangibles, depreciable	(176)	(40)	-	-	(216)
Infrastructure	(431,404)	(26,083)	-	-	(457,487)
Total accumulated depreciation	<u>(708,721)</u>	<u>(48,754)</u>	<u>19</u>	<u>-</u>	<u>(757,456)</u>
Total capital assets being depreciated, net	868,365	(30,882)	(12)	5,665	843,136
Governmental activities capital assets, net	<u>\$ 1,254,650</u>	<u>\$ (713)</u>	<u>\$ (3,899)</u>	<u>\$ -</u>	<u>\$ 1,250,038</u>
Business-type activities:					
Capital assets, not depreciated:					
Land	\$ 98,601	\$ 2	\$ -	\$ 1,382	\$ 99,985
Intangibles, non-depreciable	21,492	82	-	-	21,574
Construction in progress	114,904	58,206	-	(68,120)	104,990
Total capital assets not depreciated	<u>234,997</u>	<u>58,290</u>	<u>-</u>	<u>(66,738)</u>	<u>226,549</u>
Capital assets being depreciated:					
Buildings	663,235	-	-	3,415	666,650
Improvements other than buildings	1,863,362	5,342	(5,517)	60,348	1,923,535
Machinery and equipment	99,019	2,578	-	2,737	104,334
Intangibles, depreciable	26,039	-	-	238	26,277
Total capital assets being depreciated	<u>2,651,655</u>	<u>7,920</u>	<u>(5,517)</u>	<u>66,738</u>	<u>2,720,796</u>
Less accumulated depreciation for:					
Buildings	(169,654)	(14,299)	-	-	(183,953)
Improvements other than buildings	(663,622)	(47,370)	5,471	-	(705,521)
Machinery and equipment	(66,657)	(5,586)	-	-	(72,243)
Intangibles, depreciable	(10,745)	(3,195)	-	-	(13,940)
Total accumulated depreciation	<u>(910,678)</u>	<u>(70,450)</u>	<u>5,471</u>	<u>-</u>	<u>(975,657)</u>
Total capital assets being depreciated, net	1,740,977	(62,530)	(46)	66,738	1,745,139
Business-type activities capital assets, net	<u>\$ 1,975,974</u>	<u>\$ (4,240)</u>	<u>\$ (46)</u>	<u>\$ -</u>	<u>\$ 1,971,688</u>

City of Riverside
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For the year ended June 30, 2020

(amounts expressed in thousands)

Depreciation expense was charged to various functions as follows:

Governmental activities:	
General government	\$ 3,050
Public safety	7,317
Highway and streets, including general infrastructure	26,700
Culture and recreation	10,823
Internal service funds	864
Total depreciation expense - governmental activities	<u>\$ 48,754</u>
Business-type activities:	
Electric	\$ 35,151
Water	16,010
Sewer	14,032
Airport	709
Refuse	793
Transportation	480
Public Parking	796
Civic Entertainment	2,479
Total depreciation expense - business-type activities	<u>\$ 70,450</u>

6. Derivative Instruments

Interest Rate Swaps

The City has six cash flow hedging derivative instruments, which are pay-fixed swaps. These swaps were employed as a hedge against debt that was refunded in 2008 and 2011 and against debt issued in 2012. The balance of the deferral account for each swap is included as part of the deferred charge on refunding associated with the new bonds. The swaps were also employed as a hedge against the new debt. Hedge accounting was applied to that portion of the hedging relationship, which was determined to be effective. Hedge accounting was also applied to the swap associated with the debt issued in 2012, which was also determined to be effective.

The following is a summary of the derivative activity for the year ended June 30, 2020:

	Notional Amount	Fair Value as of 06/30/20	Change in Fair Value for Fiscal Year
Governmental activities			
2008 Renaissance Certificates of Participation*	\$ 65,717	\$ (17,890)	\$ (4,893)
Business-type activities			
2008 Renaissance Certificates of Participation*	28,483	(7,755)	(2,121)
2008 Electric Refunding/Revenue Bonds Series A	32,450	(6,498)	(1,796)
2008 Electric Refunding/Revenue Bonds Series C	32,150	(10,288)	(3,318)
2011 Electric Refunding/Revenue Bonds Series A	39,275	(10,665)	(3,300)
2011 Water Refunding/Revenue Bonds Series A	24,050	(7,774)	(2,518)
2012 Convention Center Financing	31,544	(3,239)	(2,002)

* The 2008 Riverside Renaissance Certificates of Participation were distributed between Governmental Activities and Business-Type Activities to properly reflect their proportional share.

Objective: In order to lower borrowing costs as compared to fixed-rate bonds, the City entered into interest rate swap agreements in connection with its \$141,840 2008 Electric Revenue Bonds (Series A and C), \$56,450 2011A Electric Revenue Bonds, \$59,000 2011A Water Revenue Bonds and \$128,300 2008 Certificates of Participation ("COP"). Also, in 2012, the City entered into an additional interest rate swap agreement in connection with the \$41,650 Convention Center financing with BBVA Compass Bank.

Terms: Per the existing swap agreements, the City pays a counterparty a fixed payment and receives a variable payment computed as 62.68% of the London Interbank Offering Rate ("LIBOR") one month index plus 12 basis points for the Electric and Water swaps. For the COP swap, the City pays a fixed payment and receives a variable payment computed as 63.00% of the LIBOR one-month index plus 7 basis points. The Convention Center financing consists of an initial 21-month variable rate interest only period during construction, which swaps to a fixed rate for the remaining 20-year amortization whereby the City will pay a fixed payment and will receive a variable payment computed at 65.01% of the LIBOR one month index plus 150 basis points. The notional value of the swaps and the principal amounts of the associated debt decline at a smaller rate until the debt is completely retired in fiscal year 2037.

The bonds and the related swap agreements for the 2008A Electric Revenue Bonds mature on October 1, 2029, 2008C Electric and 2011A Electric and 2011A Water Revenue/Refunding Bonds mature on October 1, 2035. The

City of Riverside
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(amounts expressed in thousands)

2008 Certificates of Participation mature on March 1, 2037. The loan with BBVA Compass Bank will be paid in full on April 1, 2034.

As of June 30, 2020, rates were as follows:

	2008 Electric Refunding/ Revenue Bonds Series A	2008 Electric Refunding/ Revenue Bonds Series C	2011 Electric Refunding/ Revenue Bonds Series A
	Rates	Rates	Rates
Interest rate swap:			
Fixed payment to counterparty	3.11100%	3.20400%	3.20100%
Variable payment from counterparty	-0.61286%	-0.61351%	-0.65471%
Net interest rate swap payments	2.49814%	2.59049%	2.54629%
Variable rate bond coupon payments	0.51559%	0.51420%	0.64268%
Synthetic interest rate on bonds	3.01373%	3.10469%	3.18897%
	2011 Water Refunding/ Revenue Bonds Series A	2008 Renaissance COPs	2012 Convention Center Financing
	Rates	Rates	Rates
Interest rate swap:			
Fixed payment to counterparty	3.20000%	3.36200%	3.24000%
Variable payment from counterparty	-0.61414%	-0.57442%	-2.19195%
Net interest rate swap payments	2.58586%	2.78758%	1.04805%
Variable rate bond coupon payments	0.59405%	0.53985%	2.19195%
Synthetic interest rate on bonds	3.17991%	3.32743%	3.24000%

Fair Value: As of June 30, 2020, in connection with all swap arrangements, the transactions had a combined net negative fair value of \$64,109. Because the coupons on the City's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease. The fair value was developed by a pricing service using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Credit risk: The City is not exposed to credit risk on the swaps because those swaps have a negative fair value. The swap counterparties, Bank of America, N.A., Merrill Lynch Capital Services, Inc., BBVA Compass Bank and

J.P. Morgan Chase & Co. were rated A+, AA, BBB+ and A+ respectively by Standard & Poor's. To mitigate the potential for credit risk for these swaps, the swap agreements require the fair value of the swap to be collateralized by the counterparty with U.S. Government securities if the counterparties' rating decreases to negotiated trigger points. Collateral would be posted with a third-party custodian. At June 30, 2020, there is no requirement for collateral posting for any of the outstanding swaps.

Basis risk: The City is exposed to basis risk on its pay-fixed interest rate swap and rate cap hedging derivative instruments because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the city pays on its hedged variable-rate debt. If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized.

Termination risk: The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an "additional termination event." That is, a swap may be terminated by the City if either counterparty's credit quality falls below "BBB-" as issued by Standard and Poor's. The City or the counterparty may terminate a swap if the other party fails to perform under the terms of the contract. If a swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination, a swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap's fair value.

Swap payments and associated debt: As of June 30, 2020, the debt service requirements of the variable-rate debt and net swap payments assuming current interest rates remain the same, for their term are summarized in the following table. As rates vary, variable-rate bond interest payments and net swap payments will vary.

City of Riverside
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(amounts expressed in thousands)

<u>Variable-Rate Bonds</u>				
Fiscal Year	Principal	Interest	Interest Rate Swaps, Net	Total
2021	\$ 8,012	\$ 2,090	\$ 6,907	\$ 17,009
2022	8,248	1,933	6,321	16,502
2023	8,460	1,848	6,118	16,426
2024	7,495	1,769	5,938	15,202
2025	7,668	1,690	5,762	15,120
2026-2030	83,549	6,632	23,336	113,517
2031-2035	105,738	2,724	10,876	119,338
2036-2040	28,525	120	604	29,249
Total	<u>\$ 257,695</u>	<u>\$ 18,806</u>	<u>\$ 65,862</u>	<u>\$ 342,363</u>

7. Letters of Credit

The City's 2008 Certificates of Participation and 2008 Electric Revenue Bonds (Series A and C) require an additional layer of security between the City and the purchaser of the bonds. The City has entered into the following letters of credit ("LOC") in order to provide liquidity should all or a portion of the debt be optionally tendered to the remarketer without being successfully remarketed:

<u>Debt Issue</u>	<u>LOC Provider</u>	<u>LOC Expiration Date</u>	<u>Annual Commitment Fee</u>
2008 Certificates of Participation	Bank of America, N.A.	2021	0.400%
2008A Electric Revenue Bonds	Barclays Bank, PLC	2021	0.325%
2008C Electric Revenue Bonds	Barclays Bank, PLC	2021	0.325%
2011A Electric Revenue Bonds	Bank of America N.A.	2023	0.295%

To the extent that remarketing proceeds are insufficient or not available, tendered amounts will be paid from drawings made under an irrevocable direct-pay letter of credit.

Liquidity advances drawn against the LOC that are not repaid will be converted to an installment loan with principal to be paid quarterly not to exceed a 5-year period. The City would be required to pay annual interest equal to the highest of 8.0%, the Prime Rate plus 2.50%, the Federal Funds Rate plus 2.50% and 150% of the yield on the 30-year U.S. Treasury Bond. No amounts have ever been drawn against the three letters of credit due to a failed remarketing. The various indentures allow the City to convert the mode of the debt in the case of a failed remarketing.

On February 1, 2019, the City entered into a subordinate letter of credit agreement with U.S. Bank, National Association. The Subordinate Letter of Credit is a tool approved through the Electric and Water Utility Five-Year Rate Plan to manage rate increases by enabling the Electric Utility and Water Utility to reduce cash levels while maintaining compliance with the Riverside Public Utilities Cash Reserve Policy. Under the terms and conditions of the agreement, the City may borrow up to \$35,000 for purposes of the capital or operating financial needs of the Electric System and \$25,000 for purposes of the capital or operating financial needs of the Water System. There were no borrowings against the LOC as of June 30, 2020.

8. Long-Term Obligations

Changes in Long-Term Obligations: Below is a summary of changes in long-term obligations during the fiscal year:

	Beginning Balance	Additions	Reclass *	Reductions	Ending Balance	Due Within One Year
Governmental activities:						
General obligation bonds	\$ 9,179	\$ -	\$ -	\$ (1,305)	\$ 7,874	\$ 1,380
Pension obligation bonds	50,486	324,582	266	(10,701)	364,633	11,847
Certificates of participation	99,178	-	-	(4,376)	94,802	4,525
Lease revenue bonds	80,416	-	-	(4,452)	75,964	3,135
Direct borrowings:						
Loan payable	1,329	-	-	(430)	899	443
Capital leases	21,422	-	-	(3,215)	18,207	3,285
	<u>\$ 262,010</u>	<u>\$ 324,582</u>	<u>\$ 266</u>	<u>\$ (24,479)</u>	<u>\$ 562,379</u>	<u>\$ 24,615</u>
Business-type activities:						
Revenue bonds	\$ 1,200,718	\$ -	\$ 41,025	\$ (28,829)	\$ 1,212,914	\$ 30,535
Pension obligation bonds	14,775	107,582	288	(3,020)	119,625	3,399
Certificates of participation	29,692	-	-	(1,209)	28,483	1,270
Lease revenue bonds	7,867	-	-	(394)	7,473	414
Direct borrowings:						
Private placement revenue bonds	41,025	-	(41,025)	-	-	-
Notes payable	73,673	484	-	(4,638)	69,519	4,848
Contracts payable	937	82	-	-	1,019	150
Capital leases	5,192	-	-	(1,559)	3,633	1,279
	<u>\$ 1,373,879</u>	<u>\$ 108,148</u>	<u>\$ 288</u>	<u>\$ (39,649)</u>	<u>\$ 1,442,666</u>	<u>\$ 41,895</u>

* The 2005 and 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.

City of Riverside
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(amounts expressed in thousands)

Governmental activities:

General Obligation Bonds – Governmental Activities:	<u>Principal Outstanding</u>
\$20,000 Fire Facility Projects, Election of 2003 General Obligation Bond; 3.0% to 5.5%, due in annual installments from \$410 to \$1,740 through August 1, 2024.	\$ 7,795
Add: Unamortized bond premium	<u>79</u>
Total General Obligation Bonds	<u>\$7,874</u>

\$89,540 California Statewide Community Development Authority (Public Safety) 2004 Taxable Pension Obligation Bond; 2.65% to 5.896%, due in annual installments from \$1,125 to \$10,715 through June 1, 2023. \$29,260

\$30,000 2005 Taxable Pension Obligation Bonds Series A; 3.85% to 4.78%, due in annual installments \$630 to \$3,860 through June 1, 2020. The bonds were paid off during fiscal year 2019-20. -

\$31,960 2017 Taxable Pension Obligation Bonds Series A; 1.25% to 3.125%, due in annual installments from \$2,910 to \$3,580 through June 1, 2027; \$13,704 relates to Governmental Activities. 11,058

Remaining general obligation bond debt service payments will be made from unrestricted revenues of the General fund. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 1,380	\$ 373	\$ 1,753
2022	1,475	306	1,781
2023	1,560	229	1,789
2024	1,640	141	1,781
2025	1,740	48	1,788
Premium	79	-	79
Total	<u>\$ 7,874</u>	<u>\$ 1,097</u>	<u>\$ 8,971</u>

\$462,165 2020 Taxable Pension Obligation Bonds Series A; 1.646% to 3.857% due in annual installments from \$3,295 to \$28,085 through June 1, 2045. \$324,582 relates to Governmental Activities 324,582

Subtotal 364,900
Less: Unamortized bond discount (267)
Total Pension Obligation Bonds \$364,633

Pension Obligation Bonds – Governmental Activities: Principal
Outstanding

In 2018, the 2005 and 2017 Taxable Pension Obligation Bonds were distributed between Governmental Activities, Business-Type Activities and the Successor Agency to properly reflect their proportional share. Pension Obligation bonds are not collateralized by assets, nor do they constitute an obligation of the City of Riverside whereby the City is obligated to levy or pledge any form of taxation.

In 2020, the 2005 and 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.

Remaining pension obligation bond debt service payments will be made from unrestricted revenues of the General Fund. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 11,847	\$ 13,211	\$ 25,058
2022	14,597	12,954	27,551
2023	16,890	12,284	29,174
2024	7,623	11,523	19,146
2025	9,840	11,352	21,192
2026-2030	55,287	52,803	108,090
2031-2035	87,039	42,132	129,171
2036-2040	107,137	22,632	129,769
2041-2045	54,640	4,860	59,500
Discount	<u>(267)</u>	-	<u>(267)</u>
Total	<u>\$ 364,633</u>	<u>\$ 183,751</u>	<u>\$ 548,384</u>

City of Riverside
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(amounts expressed in thousands)

Certificates of Participation – Governmental Activities:

In 2019, the 2008 Riverside Renaissance Certificates of Participation were distributed between Governmental Activities and Business-Type Activities to properly reflect their proportional share.

\$19,945 2006 Galleria at Tyler Public Improvements Certificates of Participation are secured with collateral of the two level 912 space parking structure located near Tyler Street and Nordstrom store, the Tyler Mall North Plaza, the North Plaza parking, storm drains related to those improvements, and portions of two arterial streets; 4.0% to 5.0%, due in annual installments from \$435 to \$1,270 through September 1, 2036.

\$128,300 2008 Riverside Renaissance Certificates of Participation are secured with collateral of the Adulka Park, Fairmount Park and Golf Course, Arlington Heights Sports Park, Orange Terrace Park, Orange Terrace Community Center and Orange Terrace Library; issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.4%. For information on the swap agreement see Note 6. Due in annual installments from \$2,900 to \$7,200 through March 1, 2037; \$71,159 relates to Governmental Activities.

\$35,235 2013 Pavement Rehab Certificates of Participation are secured by Measure A Sales Tax receipts; 4.0% to 5.0%, due in annual installments from \$1,285 to \$2,855 through June 1, 2033.

Subtotal
 Plus: Unamortized bond premium
 Total Certificates of Participation

Principal
Outstanding

\$5

65,717

28,255

93,977

825

\$94,802

Remaining Certificates of Participation debt service payments will be made from unrestricted revenues of the Debt Service Fund. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 4,525	\$ 3,587	\$ 8,112
2022	4,675	3,408	8,083
2023	4,830	3,223	8,053
2024	5,054	3,031	8,085
2025	5,224	2,826	8,050
2026-2030	29,618	10,815	40,433
2031-2035	30,141	4,575	34,716
2036-2040	9,910	419	10,329
Premium	825	-	825
Total	<u>\$ 94,802</u>	<u>\$ 31,884</u>	<u>\$ 126,686</u>

Lease Revenue Bonds – Governmental Activities:

In 2019, the Series 2012A Lease Revenue Refunding Bonds were distributed between Governmental Activities, Business-Type Activities, and Successor Agency to properly reflect their proportional share.

On August 15, 2012, the City issued the Series 2012A Lease Revenue Refunding Bonds in the amount of \$41,240. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from \$1,295 to \$2,840 commencing November 1, 2013 and ending November 1, 2033. \$23,683 relates to Governmental Activities. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated.

Principal
Outstanding

\$21,476

\$15,980 2019A Lease Revenue Refunding Bonds (Galleria at Tyler Public Improvements) are secured by lease payments on the two level 912 space parking structure located near Tyler Street and Nordstrom store,

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the Tyler Mall North Plaza, the North Plaza parking, storm drains related to those improvements, and portions of two arterial streets. The bonds were issued to refinance all but \$5 of the outstanding 2006 Lease Revenue Certificates of Participation (Galleria at Tyler Public Improvements); 2.75% to 4.0%, due in annual installments from \$605 to \$1,180 through November 1, 2036. The refunding transaction resulted in a total net present value savings of \$1,140. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated.

\$33,505 2019B Lease Revenue Refunding Bonds (Main Library Project); 3.0% to 5.0%, due in annual installments from \$1,245 to \$2,645 through November 1, 2036. The bonds are secured by an amendment to the Ground Lease entered into by the City upon issuance of the 2012A Lease Revenue Bonds. It adds the remainder of the City Hall Complex, the Corporation Yard Administration Building and annex, Bobby Bonds Park, and the future Main Library site. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated.

Subtotal
 Add: Net unamortized bond premium/discount
 Total Lease Revenue Bonds

15,375

31,340

68,191
7,773
\$75,964

Remaining lease revenue bond debt service payments will be made from unrestricted revenues of the debt service fund. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 3,135	\$ 2,969	\$ 6,104
2022	3,248	2,844	6,092
2023	3,384	2,700	6,084
2024	3,539	2,542	6,081
2025	3,588	2,389	5,977
2026-2030	20,424	9,418	29,842
2031-2035	23,393	4,302	27,695
2036-2040	7,480	355	7,835
Premium	7,773	-	7,773
Total	<u>\$ 75,964</u>	<u>\$ 27,519</u>	<u>\$ 103,483</u>

Direct Borrowings: Loans Payable – Governmental Activities:

Principal
Outstanding

2012 financing arrangement in the amount of \$4,000 for the construction of Ryan Bonaminio Park at the Tequesquite Arroyo, secured by lease payments for Fire Station #'s 2, 3, 8, 9, 11, and 12. The debt will be paid with resources from the General Fund in semi-annual debt service payments of approximately \$468 per year over a 10-year period, which includes interest at an annualized rate of 3.05%. In the event of default, the Corporation may terminate the Lease and require the City to continue to make lease payments in the same manner as previously.

\$899

Remaining loans payable debt service payments will be made from unrestricted revenues of the General Fund. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 443	\$ 24	\$ 467
2022	456	11	467
Total	<u>\$ 899</u>	<u>\$ 35</u>	<u>\$ 934</u>

City of Riverside
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For the year ended June 30, 2020

(amounts expressed in thousands)

Business-type activities:

The following debt has been issued for the purpose of generating capital resources for use in acquiring or constructing municipal facilities or infrastructure projects.

placement bonds were remarketed as public securities in order to obtain a lower rate. The structure is the same and the existing swap is the same.

39,275

Revenue Bonds – Business-Type Activities:

Principal
Outstanding

\$79,080 2013 Electric Revenue Refunding Bonds; Series A fixed rate bonds, 3% to 5.25%, due in annual installments from \$795 to \$12,685 through October 1, 2043.

38,155

Electric

All electric revenue bonds are covenanted per the Amended and Restated Resolution No. 17662 (Electric) Master Resolution that upon the occurrence and continuation of an event of default, the owners of 25% in aggregate amount of Bond Obligation may, by written notice to the City, declare the entire unpaid principal and accreted value of the bonds due and payable should the City fail to pay its debts as they become due or upon the entry of any decree or order of bankruptcy of the City.

\$283,325 2019 Electric Refunding/Revenue Bonds; Series A, fixed rate bonds, 5.0%, due in annual installments from \$3,545 to \$24,005 through October 1, 2048. The bonds refunded the 2008 Electric Revenue Bonds Series D and partially refunded the 2008 Electric Revenue Bonds Series A and C. The refunding transactions resulted in a total net present value savings of \$36,810.

278,185

Subtotal

555,520

Add: Unamortized bond premium

50,264

Subtotal

605,784

\$141,840 2008 Electric Refunding/Revenue Bonds; Series A & C. The bonds were issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.1% and 3.2% for the Series A & C bonds, respectively. See Note 6 for information on the swap agreements. Bonds are due in annual installments from \$700 to \$7,835 through October 1, 2035. In 2019, the Electric Fund refunded \$40,425 of the outstanding balance.

\$66,615

Water

All water revenue bonds are covenanted per the Amended and Restated Resolution No. 17664 (Water) Master Resolution that upon the occurrence and continuation of an event of default, the owners of 25% in aggregate amount of Bond Obligation may, by written notice to the City, declare the entire unpaid principal and accreted value of the bonds due and payable should the City fail to pay its debts as they become due or upon the entry of any decree or order of bankruptcy of the City.

\$140,380 2010 Electric Revenue Bonds fixed rate bonds, 3% to 7.65%, due in annual installments from \$95 to \$33,725 through October 1, 2040.

133,290

\$31,895 2009 Water Refunding/Revenue Bonds; Series A fixed rate bonds, 3.0% to 5.0%, due in annual installments from \$2,360 to \$4,335 through October 1, 2020. The bonds refunded the 1998 series and partially refunded the 2001 series.

2,360

\$67,790 2009 Water Revenue Bonds; Series B fixed rate bonds, 5.1% to 6.3%, due in annual installments from \$2,475 to \$4,985 through October 1, 2039.

67,790

\$56,450 2011 Electric Revenue Refunding Bonds; Series A. The bonds were issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.2%. For information on the swap agreements see Note 6. Bonds are due in annual installments from \$725 to \$5,175 through October 1, 2035. Upon event of default, the bank may declare the outstanding amount of the obligations payable to be due immediately. During fiscal year 2019-20, the bonds originally issued as private

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\$59,000 2011 Water Refunding/Revenue Bonds; Series A. The bonds were issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.2%. For information on the swap agreements see Note 6. Bonds are due in annual installments from \$600 to \$3,950 through October 1, 2035.

24,050

\$114,215 2019 Water Refunding/Revenue Bonds; Series A, fixed rate bonds, 5.0%, due in annual installments from \$1,680 to \$8,455 through October 1, 2048. The bonds refunded the 2008 Water Revenue Bonds Series B and partially refunded and partially unwound the swap on the 2011 Water Revenue Bonds Series A. The refunding transactions resulted in a total net present value savings of \$10,759.

110,965

Subtotal 205,165
Add: Unamortized bond premium 19,715
Subtotal 224,880

Sewer

All sewer revenue bonds are covenanted per Resolution No. 21860 Sewer Master Resolution that upon the occurrence and continuation of an event of default, the owners of 25% in aggregate amount of Bond Obligation may, by written notice to the City, declare the entire unpaid principal and accreted value of the bonds due and payable should the City fail to pay its debts as they become due or upon the entry of any decree or order of bankruptcy of the City.

\$200,030 2015 Sewer Revenue Bonds; Series A fixed rate bonds, 4% to 5%, due in annual installments from \$4,790 to \$14,175 through August 1, 2040.

190,230

\$153,670 2018 Sewer Revenue Bonds; Series A fixed rate bonds, 4% to 5%, due in annual installments from \$2,905 to \$11,775 through August 1, 2039. The bonds advanced refunded the 2009 Direct Pay Build America Bonds Series B. The refunding transaction resulted in a total net present value savings of \$18,932.

150,765

Subtotal 340,995
Add: Unamortized bond premium 41,255
Subtotal 382,250

Total Revenue Bonds \$1,212,914

Remaining revenue bond debt service payments will be made from revenues of the Electric, Water and Sewer Enterprise funds. Annual debt service requirements to maturity are as follows:

Fiscal Year	Electric		
	Principal	Interest	Total
2021	\$ 15,355	\$ 25,701	\$ 41,056
2022	16,035	24,954	40,989
2023	16,760	24,174	40,934
2024	17,515	23,362	40,877
2025	18,335	22,488	40,823
2026-2030	104,940	99,127	204,067
2031-2035	127,375	73,573	200,948
2036-2040	154,670	41,840	196,510
2041-2045	64,065	9,655	73,720
2046-2050	20,470	2,110	22,580
Premium	50,264	-	50,264
Total	<u>\$ 605,784</u>	<u>\$ 346,984</u>	<u>\$ 952,768</u>

Fiscal Year	Water		
	Principal	Interest	Total
2021	\$ 6,335	\$ 9,095	\$ 15,430
2022	6,640	8,793	15,433
2023	6,915	8,491	15,406
2024	7,215	8,167	15,382
2025	7,540	7,823	15,363
2026-2030	43,265	33,370	76,635
2031-2035	51,575	23,103	74,678
2036-2040	56,250	10,942	67,192
2041-2045	9,735	3,688	13,423
2046-2050	9,695	999	10,694
Premium	19,715	-	19,715
Total	<u>\$ 224,880</u>	<u>\$ 114,471</u>	<u>\$ 339,351</u>

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(amounts expressed in thousands)

Fiscal Year	Sewer		Total
	Principal	Interest	
2021	\$ 8,845	\$ 16,599	\$ 25,444
2022	9,295	16,146	25,441
2023	9,770	15,669	25,439
2024	11,460	15,139	26,599
2025	12,050	14,551	26,601
2026-2030	70,185	62,825	133,010
2031-2035	90,115	42,888	133,003
2036-2040	115,100	17,909	133,009
2041-2045	14,175	354	14,529
Premium	41,255	-	41,255
Total	\$ 382,250	\$ 202,080	\$ 584,330

Principal
Outstanding

Pension Obligation Bonds – Business Type Activities:

In 2018, the 2005 and 2017 Taxable Pension Obligation Bonds were distributed between Governmental Activities, Business-Type Activities, and Successor Agency to properly reflect their proportional share. Pension Obligation Bonds are not collateralized by assets, nor do they constitute a debt of the City of Riverside whereby the City is obligated to levy or pledge any form of taxation.

In 2020, the 2005 and 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.

\$30,000 2005 Taxable Pension Obligation Bonds Series A; 3.85% to 4.78%, due in annual installments \$630 to \$3,860 through June 1, 2020. \$3,400 relates to Business Type Activities. The bonds were paid off during fiscal year 2019-20

\$ -

\$31,960 2017 Taxable Pension Obligation Bonds Series A; 1.25% to 3.125%, due in annual installments from \$2,910 to \$3,580 through June 1, 2027. \$14,924 relates to Business Type Activities.

12,042

\$432,165 2020 Taxable Pension Obligation Bonds Series A; 1.646% to 3.857% due in annual installments from \$3,370 to \$28,310 through June 1, 2045. \$107,583 relates to Business-Type Activities.

107,583

Total Pension Obligation Bonds

\$119,625

Remaining pension obligation bond debt service payments will be made from unrestricted revenues of the Business-type activities funds. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 3,399	\$ 3,567	\$ 6,966
2022	5,508	3,596	9,104
2023	7,010	3,488	10,498
2024	8,457	3,342	11,799
2025	9,365	3,153	12,518
2026-2030	33,704	12,423	46,127
2031-2035	24,146	8,328	32,474
2036-2040	22,656	3,495	26,151
2041-2045	5,380	316	5,696
Total	\$ 119,625	\$ 41,708	\$ 161,333

Principal
Outstanding

Certificates of Participation – Business Type Activities:

In 2019, the 2008 Riverside Renaissance Certificates of Participation were distributed between Governmental Activities and Business-Type Activities to properly reflect their proportional shares.

\$128,300 2008 Riverside Renaissance Certificates of Participation; issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.4%. For information on the swap agreement see Note 6. Due in annual installments from \$2,900 to \$7,200 through March 1, 2037; \$30,841 relates to the Civic Entertainment Fund.

\$28,483

Total Certificates of Participation

\$28,483

City of Riverside
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Remaining certificates of participation debt service payments will be made from unrestricted revenues of the Civic Entertainment Fund. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 1,270	\$ 947	\$ 2,217
2022	1,300	904	2,204
2023	1,330	860	2,190
2024	1,391	815	2,206
2025	1,421	768	2,189
2026-2030	7,952	3,075	11,027
2031-2035	9,525	1,623	11,148
2036-2040	4,294	181	4,475
Total	<u>\$ 28,483</u>	<u>\$ 9,173</u>	<u>\$ 37,656</u>

Lease Revenue Bonds – Business Type Activities:

Principal
Outstanding

In 2019, the Series 2012A Lease Revenue Refunding Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency to properly reflect their proportional share.

On August 15, 2012, the City issued the Series 2012A Lease Revenue Refunding Bonds in the amount of \$41,240. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from \$1,295 to \$2,840 commencing November 1, 2013 and ending November 1, 2033. \$8,242 relates to Governmental Activities.

\$7,473

Total Lease Revenue Bonds

\$7,473

Remaining lease revenue bond debt service payments will be made from unrestricted revenues of the Parking Fund. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 414	\$ 323	\$ 737
2022	434	302	736
2023	457	280	737
2024	480	256	736
2025	466	236	702
2026-2030	2,647	855	3,502
2031-2035	2,575	211	2,786
Total	<u>\$ 7,473</u>	<u>\$ 2,463</u>	<u>\$ 9,936</u>

The following are legally required debt service cash reserves. These amounts, at a minimum, are held by the City or fiscal agents at June 30, 2020:

Governmental long-term obligations:

Certificates of participation	\$ 7,426
Total	<u>\$ 7,426</u>

Enterprise funds:

Electric	\$ 10,804
Total	<u>\$ 10,804</u>

The City has a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. The debt service coverage ratios also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment.

Description of Pledged Revenue	Annual Amount of Pledged Revenue (net of expenses, where required)	Annual Debt Service Payments (all of debt secured by this revenue)	Coverage Ratio for FY 06/30/20
Electric revenues	\$ 101,327 *	\$ 38,633	2.62
Water revenues	28,518 *	15,810	1.80
Sewer revenues	36,661	27,068	1.35

* Excludes non-cash pension expense

City of Riverside
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(amounts expressed in thousands)

There are also a number of limitations and restrictions contained in Assessment Bond indentures. The City believes they are in compliance with all significant limitations and restrictions.

Direct Borrowings: Notes Payable – Business Type Activities:

Principal Outstanding

Notes payable consists of several agreements with Hillwood Enterprises, L.P. (Hillwood) for its development of logistic centers located in the City of San Bernardino. As part of these agreements, the Water Fund purchased land from Hillwood and subsequently leased it back to the entity. In addition, the agreements require Hillwood to relocate wells located on the properties as well as terminate an existing lease. In consideration of the cost of the land purchase, well relocations and lease termination, the Water Fund will make payments to Hillwood in a form of a credit with Hillwood's rental payments to the Water Fund for the first 15 years of the leases.

\$19,524

Sewer Fund loan from State of California for Cogeneration project, 2.336%, payable in net annual installments of \$339, beginning January 29, 2003 through January 29, 2021.

333

Public Parking Fund and Civic Entertainment Fund loan for Fox Entertainment Plaza project secured with collateral of the Fox Theater, Fox Entertainment Plaza, and Parking Garage No. 7. 3.85%, payable in net annual installments of \$1,747, beginning June 16, 2011 through December 16, 2031. In the event of default, the City would continue to remain liable for the payment of Rental Payments and damages for breach of the Lease.

16,107

In July 19, 2012, the City secured financing in the amount of \$41,650 with BBVA Compass Bank for the renovation and expansion of the Riverside Convention Center (Civic Entertainment Fund) secured with collateral of the convention center facility. In March 2014, the financing arrangement with BBVA was increased to \$44,650. The financing consists of an initial 21-month variable rate interest only period during construction that has a swap transaction layered over the remaining 20-year amortization resulting in a "synthetic fixed" rate of 3.24% for 20 of the 22 years. For information on the swap agreement see Note 6. At the end of the construction period, principal and interest are due on the first of each month, with equal payments each year of approximately \$2,850. In the event of default, the outstanding amount of the site lease payment drawn by the City and not repaid will bear interest at a default rate that will be charged until the default is cured.

33,555

Total Notes Payable

\$69,519

Remaining notes payable debt service payments will be made from unrestricted revenues of the Sewer Fund, Water Fund, Public Parking Fund and Civic Entertainment Fund. Annual debt service requirements to maturity are as follows:

Fiscal Year	Water Fund		
	Principal	Interest	Total
2021	\$ 1,391	\$ 479	\$ 1,870
2022	1,470	443	1,913
2023	1,552	405	1,957
2024	1,638	365	2,003
2025	1,729	321	2,050
2025-2029	9,896	847	10,743
2030-2034	1,848	46	1,894
Total	<u>\$ 19,524</u>	<u>\$ 2,906</u>	<u>\$ 22,430</u>

Fiscal Year	Sewer Fund		
	Principal	Interest	Total
2021	\$ 333	\$ 7	\$ 340
Total	<u>\$ 333</u>	<u>\$ 7</u>	<u>\$ 340</u>

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Fiscal Year	Non-major Enterprise Funds		
	Principal	Interest	Total
2021	\$ 3,124	\$ 1,662	\$ 4,786
2022	3,229	1,552	4,781
2023	3,338	1,439	4,777
2024	3,446	1,322	4,768
2025	3,568	1,200	4,768
2026-2030	19,722	4,034	23,756
2031-2035	13,235	758	13,993
Total	<u>\$ 49,662</u>	<u>\$ 11,967</u>	<u>\$ 61,629</u>

Direct Borrowings: Contracts Payable Principal Outstanding

Water stock acquisition rights payable on demand to various water companies \$1,019

Direct Borrowings: Capital Leases

The City leases various equipment through capital leasing arrangements in the governmental and proprietary fund types. These activities are recorded for both governmental and business-type activities in the government-wide financial statements. The assets and related obligations under leases in governmental funds are not recorded in the fund statements. For proprietary funds, the assets and their related liabilities are reported directly in the fund. Amortization applicable to proprietary assets acquired through capital lease arrangements is included with depreciation for financial statement presentation.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Business-type Activities
Buildings and improvements	\$ -	\$ 728
Machinery and equipment	26,959	8,341
Subtotal	26,959	9,069
Less: Accumulated depreciation	(7,709)	(5,045)
Total	<u>\$ 19,250</u>	<u>\$ 4,024</u>

The future minimum lease obligations as of June 30, 2020 were as follows:

Fiscal Year	Governmental Activities	Business-type Activities
2021	\$ 3,671	\$ 1,348
2022	3,640	819
2023	2,808	626
2024	2,715	259
2025	2,715	259
Thereafter	4,048	520
Total minimum lease payments	19,597	3,831
Less: Amount representing interest (rates ranging from 1.2% to 9%)	(1,390)	(198)
Total capital lease payable	<u>\$ 18,207</u>	<u>\$ 3,633</u>

9. Compensated Absences

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probably that virtually all of these balances will be liquidated by either paid time-off or payments upon termination or retirement.

Below is a summary of changes in Compensated absences during the fiscal year:

Compensated absences:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities	\$ 27,072	\$ 17,802	\$ (15,646)	\$ 29,228	\$ 16,894
Business-type activities	9,042	8,254	(7,191)	10,105	8,040
	<u>\$ 36,114</u>	<u>\$ 26,056</u>	<u>\$ (22,837)</u>	<u>\$ 39,333</u>	<u>\$ 24,934</u>

10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property insurance coverage has a limit of \$800,000, with a deductible of \$100. Earthquake and flood insurance coverage has a limit of \$25,000, with a deductible of 5% (subject to \$100 minimum for earthquake and \$100 for flood). Workers' compensation insurance coverage has a limit of \$25,000, with a self-insured retention of \$3,000. The City has two General Liability policies: a primary and an excess General Liability policy. The primary General Liability policy coverage has a limit of \$20,000 and the Excess

City of Riverside
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General Liability policy provides an additional \$10,000 of coverage, with a self-insured retention of \$3,000. Both the primary and excess General liability policies cover general and auto liability claims including but not limited to Law Enforcement Liability and Public Officials E & O. There were no claims settled in the last three fiscal years that exceed insurance coverage. Internal service funds have been established to account for and finance the uninsured risks of loss.

All funds of the City participate in the Risk Management program and make payments to the Internal Service Funds based on actuarial estimates of the amounts needed to fund prior and current year claims and incidents that have been incurred but not reported. Interfund premiums are accounted for as quasi-external transactions and are therefore recorded as revenues of the Internal Service Funds in the fund financial statements.

Changes in the self-insurance fund's claims liability amounts are:

Governmental activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Claims liability	\$ 48,459	\$ 12,324	\$ (6,955)	\$ 53,828	\$ 9,283
Unpaid claims, June 30, 2018				\$ 46,232	
Incurred claims (including IBNR's)				10,569	
Claim payments and adjustments				(8,342)	
Unpaid claims, June 30, 2019				48,459	
Incurred claims (including IBNR's)				12,324	
Claim payments and adjustments				(6,955)	
Unpaid claims, June 30, 2020				\$ 53,828	

11. Landfill Capping

State and Federal laws and regulations require the City to place a final cover on all active landfills when closed and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. To comply with these laws and regulations, the City is funding the costs of closure and "final capping" of the Tequesquite landfill located in the City. This area, comprised of approximately 120 acres, operated as a "Class II Sanitary Landfill" until its closure in 1985. During its operation, the landfill did not accept hazardous waste and no clean up and abatement or cease and desist orders have been issued to the City. The capacity used at June 30, 2020 was 100%. The remaining post closure period is currently 20 years.

The estimated costs as determined and updated by the Public Works Department are associated with flood control upgrades, remediation of possible ground water contamination and control of methane gas. All potential costs have been recognized in the financial statements. However, there is the potential for these estimates to change due to inflation, deflation, technology, or change in laws or regulations. The City is recovering such costs in rates charged to its customers. The portion of costs to be recovered through future rates is classified as a regulatory asset and will be amortized over future periods.

Below is a summary of changes in landfill capping liability during the fiscal year:

Business-type activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Landfill capping	\$ 11,136	\$ -	\$ (360)	\$ 10,776	\$ 559

12. Nuclear Decommissioning Liability

As of June 30, 2020, decommissioning liability balance was \$55,708 with a portion reflected as current liabilities payable from restricted assets. Due to adequate funding of the liability, the Electric Utility no longer provides additional funding to the trustee. However, since the decommissioning cost estimate is subject to a number of uncertainties including the cost of disposal of nuclear waste, site remediation costs, as well as a number of other assumptions and estimates, the Electric Utility will continue to set aside funds in the unrestricted designated decommissioning reserve of \$2,000 per year, as approved by the Board of Public Utilities and City Council.

Below is a summary of changes in decommissioning liability during the fiscal year:

Business-type activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Decommissioning liability	\$ 58,199	\$ 1,350	\$ (3,841)	\$ 55,708	\$ 6,179

13. Commitments and Contingencies

Intermountain Power Agency

The Electric Utility has entered into a power purchase contract with Intermountain Power Agency (IPA) for the delivery of electric power. The Electric Utility's share of IPA power is equal to 7.6 percent, or approximately

137.1 MW, of the net generation output of IPA's 1,800 MW coal-fueled generating station, known as Intermountain Power Project (IPP), located in central Utah. The contract expires in 2027 and the debt fully matures in 2024.

The contract constitutes an obligation of the Electric Utility to make payments solely from operating revenues. The power purchase contract requires the Electric Utility to pay certain minimum charges that are based on debt service requirements and other fixed costs. Such payments are considered a cost of production.

On September 29, 2006, Senate Bill 1368 (SB 1368) was enacted into law. The bill requires electric service providers to limit financial investments in power plants to those that adhere to greenhouse gas performance standards as determined by the Public Utilities Commission. Pursuant to this legislation, the Electric Utility is prohibited from renewing its participation in IPP if it remains a coal fueled generating resource.

In order to facilitate the continued participation in the IPP, the IPA Board issued the Second Amendatory Power Sales Contract, which amended the IPP Contract allowing the plant to replace the coal units with combined cycle natural gas units by July 1, 2025. On June 16, 2015, the City Council approved the Intermountain Power Project renewal agreements, including the Second Amendatory Power Sales Contract and the Renewal Power Sales Contract, and authorized participation in the IPP Repower Project for up to 5 percent in generation capacity or 60MW. The Second Amendatory Power Sales Contract became effective March 16, 2016.

On January 5, 2017, the Electric Utility executed the Renewal Power Sales Contract and the Electric Utility accepted an offer of 4.167 percent entitlement or 50 MW generation capacity in the IPP Repower Project based on the 1,200 MW designed capacity, which is within the maximum participation level approved by the City Council. The Electric Utility's corresponding Southern Transmission System allocation is 5.278 percent or approximately 127 MW. Further, under the Renewal Power Sales Contract, the Electric Utility has the right to exit from the Repower Project by no later than November 1, 2019, if it is determined that the Repower Project is not cost beneficial to its customers.

On September 11, 2018, the City Council approved "Alternative Repowering" of the IPP Repower Project, which reduced the design capacity of the future plant from 1,200 MW to 840 MW.

On May 7, 2019, the City Council authorized termination of the Renewal Power Sales Contract between the IPA and the Electric Utility effective

November 1, 2019, and the Electric Utility's exit from the IPP Repower Project upon the expiration date of the current Power Sales Contract on June 15, 2027, due to numerous uncertainties surrounding the IPP Repower Project.

The Electric Utility is a member of the Southern California Public Power Authority (SCPPA), a joint powers agency. SCPPA provides for the financing and construction of electric generating and transmission projects for participation by some or all of its members. To the extent the Electric Utility participates in take-or-pay projects developed by SCPPA, it has entered into Power Purchase or Transmission Service Agreements, entitling the Electric Utility to the power output or transmission service, as applicable, and the Electric Utility will be obligated for its proportionate share of the project costs whether or not such generation output of transmission service is available.

The projects and the Electric Utility's proportionate share of SCPPA's obligations, including final maturities and contract expirations are as follows:

<u>Project</u>	<u>Percent Share</u>	<u>Entitlement</u>	<u>Final Maturity</u>	<u>Contract Expiration</u>
Palo Verde Nuclear Generating Station	5.40%	12.3 MW	2017	2030
Southern Transmission System	10.20%	244.0 MW	2027	2027
Mead-Phoenix Transmission	4.00%	18.0 MW	2020	2030
Mead-Adelanto Transmission	13.50%	118.0 MW	2020	2030

Terms of Take or Pay Commitments

As part of the take-or-pay commitments with IPA and SCPPA, the Electric Utility has agreed to pay its share of current and long-term obligations. Management intends to pay these obligations from operating revenues received during the year that payment is due. A long-term obligation has not been recorded on the accompanying financial statements for these commitments. Take-or-pay commitments terminate upon the later of contract expiration or final maturity of outstanding bonds for each project.

The outstanding debts associated with the take-or-pay obligations have fixed interest rates, which range from 2.029 percent to 5.00 percent. The schedule below details the amount of principal and interest that is due and payable by the Electric Utility as part of the take-or-pay contract for each project in the fiscal year indicated.

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Debt Service Payment (in thousands) Year Ending June 30,	IPA	SCPPA			TOTAL
	Intermountain Power Project	Southern Transmission System	Mead- Phoenix Transmission	Mead- Adelanto Transmission	All Projects
2021	\$ 13,489	\$ 6,978	\$ 189	\$ 2,135	\$22,791
2022	10,881	9,554	-	-	20,435
2023	8,062	7,229	-	-	15,291
2024	840	7,284	-	-	8,124
2025	-	3,329	-	-	3,329
2026-2030	-	9,986	-	-	9,986
Total	\$ 33,272	\$ 44,360	\$ 189	\$ 2,135	\$79,956

In addition to debt service, the Electric Utility's entitlements require the payment of fuel costs, operating and maintenance, administrative and general and other miscellaneous costs associated with the generation and transmission facilities discussed above. These costs do not have a similar structured payment schedule as debt service and vary each year. The costs incurred for the year ended June 30, 2020 and 2019, are as follows (in thousands):

Fiscal Year	Intermountain Power Project *	Palo Verde Nuclear Generating Station *	Southern Transmission System	Mead-Phoenix Transmission	Mead-Adelanta Transmission	All Projects
2020	\$ 20,156	\$ 2,870	\$ 5,533	\$ 50	\$ 541	\$ 29,150
2019	19,375	2,967	4,622	46	500	27,510

* Excludes variable costs

These costs are included in production and purchased power or transmission expense on the Statements of Revenues, Expenses and Changes in Net Position.

The Electric Utility has become a Participating Transmission Owner with the California Independent System Operator (CAISO) and has turned over the operational control of its transmission entitlements including the Southern Transmission System, Mead-Phoenix and Mead-Adelanto Transmission Projects. In return, users of the California's high voltage transmission grid are charged for, and the Electric Utility receives reimbursement for, transmission revenue requirements, including the costs associated with these three transmission projects.

Hoover Upgrading Project

The Electric Utility's entitlement in the Hoover project through SCPPA terminated on September 30, 2017. On August 23, 2016, the City Council

approved a 50-year Electric Service Contract (ESC) and an Amended and Restated Implementation Agreement (IA) with the Western Area Power Administration (Western), Bureau of Reclamation for 30 MW of hydroelectric power. The contract with Western is effective as of October 1, 2017. The ESC extends the Electric Utility's 30 MW entitlement in the Hoover project an additional 50 years. The IA is a supplemental agreement to the ESC that establishes administrative, budgetary and project oversight by creating project committees and process for decision making plant operations.

Nuclear Insurance

The Price-Anderson Act (the Act) requires that all utilities with nuclear generating facilities purchase the maximum private primary nuclear liability insurance available (\$450 million) and participate in the industry's secondary financial protection plan. The secondary financial protection program is the industry's retrospective assessment plan that uses deferred premium charges from every licensed reactor owner if claims and/or costs resulting from a nuclear incident at any licensed reactor in the United States were to exceed the primary nuclear insurance at that plant's site. Effective June 30, 2020, the Act limits liability from third-party claims to approximately \$13.8 billion per incident. Under the industry wide retrospective assessment program provided for under the Act, assessments are limited to \$137.6 million per reactor for each nuclear incident occurring at any nuclear reactor in the United States, with payments under the program limited to \$20.5 million per reactor, per year, per event to be indexed for inflation every five years. Based on the Electric Utility's interest in Palo Verde, the Electric Utility would be responsible for a maximum assessment of \$1.3 million, limited to payments of \$0.2 million per incident, per year. If the public liability limit above is insufficient, federal regulations may impose further revenue-raising measures to pay claims, including a possible additional assessment on all licensed reactor operators.

Renewable Portfolio Standards (RPS)

On April 12, 2011, the California Renewable Energy Resources Act (SBX1-2) was signed into law by the Governor, which officially created the first set of tiered RPS targets of 20% by 2013, 25% by 2016 and 33% by 2020. SBX1-2 specified that publicly owned utilities must meet these defined targets via interim Compliance Period (CP) targets to achieve the end goal of 33% RPS by December 31, 2020 as follows: CP1 - average of 20 percent of retail sales during 2011-2013; CP2 - no less than 25 percent of retail sales by December 31, 2016; and CP3 - no less than 33 percent of retail sales by December 31, 2020. The Riverside Public Utilities Board and City Council approved the RPS enforcement program required by SBX1-2 on

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November 18, 2011 and December 13, 2011, respectively, and further approved the Electric Utility's RPS Procurement Plan (a.k.a. Procurement Policy) implementing the new RPS mandates on May 3, 2013 and May 14, 2013, respectively. The Electric Utility met the requirements of SBX1-2 for CP1 (2011-2013) and CP2 (2014-2016). The additional future mandates are expected to be met with resource procurement actions as outlined in the Electric Utility's RPS Procurement Plan. For calendar year 2019, renewable resources provided 38 percent of retail sales requirements.

On October 7, 2015, the Governor signed into law Senate Bill 350 (SB 350) increasing the RPS mandate from 33 percent by 2020 to 50 percent by December 31, 2030. In addition, SB 350 required that an update RPS Procurement Policy must be approved and adopted before January 1, 2019 and be incorporated into the Electric Utility's Integrated Resource Plan. An Updated 2018 Renewable Energy Procurement Policy was adopted by the Board and City Council on September 10, 2018 and October 9, 2018, respectively. The Electric Utility expects to be able to substantially meet the increased RPS mandates imposed by SB 350 with the actions described in the updated procurement policy and the portfolio of renewable resources outlined below.

On September 10, 2018, the 100 Percent Clean Energy Act of 2018 (Senate Bill 100) was signed into law by the California Governor. This bill further increases the RPS goals of SBX1-2 and SB 350 while maintaining the 33 percent RPS target by December 31, 2020, but modifying the RPS percentages to be 44 percent by December 31, 2024, 52 percent by December 31, 2027, 60 percent by December 31, 2030, with an end goal of 100 percent of total retail sales of electricity in California generated from eligible renewable energy resources and zero-carbon resources by December 31, 2045. It is expected that the California Energy Commission will have further guidance and enforcement procedures for publicly owned utilities to meet these increased requirements. The Electric Utility will continue to monitor the outcome and impacts of any upcoming workshops and regulations in meeting the new requirements.

In an effort to increase the share of renewables in the Electric Utility's power portfolio, the Electric Utility entered into power purchase agreements (PPA) and power sales agreements (PSA) with various entities described below in general on a "take-and-pay" basis. The contracts in the following tables were executed as part of compliance with RPS mandates.

Long-term renewable PPAs and PSAs in operation (dollars in thousands):

Supplier	Type	Maximum Contract ¹	Contract Expiration	Estimated Annual Cost for 2020
Wintec Energy, Ltd.	Wind	1.3 MW	9/19/2024	\$ 150
WKN Wagner	Wind	6.0 MW	12/22/2032	1,315
SunEdison - AP North Lake	Photovoltaic	20.0 MW	8/11/2040	4,762
Dominion - Columbia II	Photovoltaic	11.1 MW	12/22/2034	2,314
GlidePath Power Solutions - GPS Cabazon Wind LLC	Wind	39.0 MW	1/1/2025	4,299
Capital Dynamics - Kingbird Solar B, LLC	Photovoltaic	14.0 MW	12/31/2036	2,867
FTP Solar				
sPower - Summer Solar	Photovoltaic	10.0 MW	12/31/2041	1,748
sPower - Antelope Big Sky Ranch	Photovoltaic	10.0 MW	12/31/2041	1,748
sPower - Antelope DSR 1 Solar	Photovoltaic	25.0 MW	12/19/2036	3,826
Capital Dynamics - Tequesquite Landfill Solar	Photovoltaic	7.3 MW	12/31/2040	1,381
American Renewable Power-Loyalton	Biomass	0.8 MW	4/19/2023	615
CalEnergy - Salton Sea Portfolio	Geothermal	86.0 MW	12/31/2039	53,988
	Total	<u>230.5 MW</u>		<u>\$ 79,013</u>

¹ All contracts are contingent on energy delivery from specific related generating facilities. The Electric Utility has no commitment to pay any amounts except for energy delivered on a monthly basis from these facilities except for any economic curtailments directed by the Electric Utility.

Long-term renewable PPAs with expected delivery:

Supplier	Type	Maximum Contract ¹	Expected Delivery	Energy Delivery No Later Than	Contract Term In Years
Avangrid Renewable - Camino Solar plus Storage	Hybrid (Solar & Battery)	44.0 MW ²	5/1/2022	10/31/2022	15
	Total	<u>44.0 MW</u>			

¹ All contracts are contingent on energy delivered from specific related generating facilities. The Electric Utility has no commitment to pay any amounts except for energy delivered on a monthly basis from these facilities except for any economic curtailments directed by the Electric Utility.

² Represents solar capacity only; battery capacity is 11 MW and 4-hour duration.

Cap-and-Trade Program

Assembly Bill (AB) 32, enacted in 2006, mandated that the California Air Resources Board (CARB) develop regulations for the reduction of greenhouse gas (GHG) emissions to the 1990 levels by the year 2020. Subsequently, Senate Bill (SB 32), enacted in 2016, extended the requirements of AB 32 and codified that it was the State's goal to reduce GHG emissions to 40% below 1990 levels by the year 2020. SB 398 was then enacted in 2017 clarifying that it was the State legislature's intent to continue the Cap and Trade Program and regulations until 2030. In January 2013, emission compliance obligations developed by CARB began under the Cap-and-Trade Program (Program). This Program requires electric utilities to have GHG allowances on an annual basis to offset GHG emissions associated with generating electricity. To ease the transition and mitigate the rate impacts to retail customers, CARB will allocate certain amounts of GHG allowances at no cost to electrical distribution

utilities. The Electric Utility's free allocation of GHG allowances is expected to be sufficient to meet the Electric Utility's direct GHG compliance obligations.

At times, the Electric Utility may have allocated allowances in excess of its compliance obligations that can be sold into the CARB quarterly auctions. In fiscal years ended June 30, 2020 and 2019, the Electric Utility received \$6,433 and \$7,303, respectively, in proceeds related to the sale of the GHG allowances which are included on the Statements of Revenues, Expenses and Changes in Net Position as other operating revenue. The Electric Utility has established a restricted Regulatory Requirement reserve to comply with regulatory restrictions and governing requirements related to the use of the GHG proceeds. The available funds are to be utilized for qualifying projects, consistent with the goals of AB 32 to benefit the retail ratepayers. The balance in the Regulatory Requirement reserve was \$16,815 and \$18,004 as of June 30, 2020 and 2019, respectively.

The Electric Utility also purchases GHG allowances which can be used in future periods for GHG compliance regulations. The balance of purchased GHG allowances was \$971 and \$971 as of June 30, 2020 and 2019, respectively, and is recorded as inventory in the Statements of Net Position.

Low Carbon Fuel Standard Program

Assembly Bill (AB) 32, enacted in 2006, mandated that the California Air Resources Board (CARB) develop regulations for the reduction of greenhouse gas (GHG) emissions to the 1990 levels by the year 2020. Subsequently, Senate Bill (SB 32), enacted in 2016, extended the requirements of AB 32 and codified that it was the State's goal to reduce GHG emissions to 40% below 1990 levels by the year 2020. Like the Capand-Trade Program, the Low Carbon Fuel Standard (LCFS) Program is a key component of the market mechanisms authorized by these bills to achieve the State's GHG emissions reduction goals. The LCFS regulation was initially approved by CARB in 2009. The program then underwent some litigation in the State of California and the regulation was re-adopted in 2015 with modifications and went into effect in 2016. LCFS seeks to reduce the carbon intensity (CI) of fuels used for transportation by establishing an annual CI target. Fuels that have a CI greater than the target have a compliance obligation and are required to turn in LCFS credits; fuels with a CI lower than the target may generate credits.

Electricity is considered a fuel subject to the program when it is used as a transportation fuel in electric vehicles. However, because the CI of electricity is substantially lower than the annual CI targets under the program, electricity is a fuel that generates LCFS credits and participation in the Program is

voluntary. The City opted into the LCFS program in March 2018 and began generating LCFS credits for the first quarter of 2018. These credits are associated with two sources – unmetered electricity used to charge residents' electric vehicles at their homes (residential base credits) and from electric forklifts charging at private businesses (forklift credits). CARB calculates the credits that the Electric Utility receives and the Electric Utility submits reports quarterly to receive the credits.

The LCFS regulation was amended in 2018 and required that electric utilities that have opted into the LCFS Program participate in and manage a statewide point-of-sale rebate program for new electric vehicles. This program is called the California Clean Fuel Reward Program (CFR) and the City joined the program in May 2020. To fund the program, electric utilities are required to contribute proceeds received from the sales of residential base credits beginning with the credits the Electric Utility received in Q4 2019 (generated from electricity used for transportation in Q2 2019). Residential base credits the Electric Utility received prior to that time are not subject to the contribution requirements. Additionally, a small "start-up" contribution from proceeds is required to be submitted by January 31, 2021. After the initial deposit of funds in November 2020, deposits to the CFR program are required by March 31 annually.

In fiscal year ended June 30, 2020, the Electric Utility's sale of LCFS credits received in 2018 and 2019 generated \$1,623 in proceeds. These proceeds are included on the Statements of Revenues, Expenses and Changes in Net Position as other operating revenue. The Electric Utility has established a restricted Regulatory Requirement reserve to comply with regulatory restrictions and governing requirements related to the use of the LCFS proceeds. The available funds are to be utilized for qualifying projects that support the Electric Utility's customers who are existing and future electric vehicle owners. The balance in the Regulatory Requirement reserve was \$1,623 as of June 30, 2020.

14. Other Post-Employment Benefits (OPEB)

Plan description - The City's defined benefit OPEB plan, Retiree Health Plan, provides continuation of medical (including prescription drugs) and dental coverage benefits to retirees and surviving spouses in the form of an implied rate subsidy. The Retiree Health Benefits plan is a single employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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Benefits provided - Eligibility for continuation of coverage requires retirement from the City and CalPERS with at least 5 years of City service. The retiree is responsible for 100% of the premium cost for coverage, which is based on the blended experience of both the active and retired employees. The City is not required by law or contractual agreement to provide funding other than the pay-as-you-go amount necessary to provide current benefit to eligible retirees and beneficiaries. Retiree and spousal coverage terminate when the retirees become covered under another employer health plan, or when the retiree reaches Medicare eligibility age, which is currently age 65. However, retiree benefit continues to the surviving spouse if the retiree elects the CalPERS survivor annuity.

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

Inactive plan members or beneficiaries currently receiving benefits	274
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>2,138</u>
Total	<u>2,412</u>

Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability

The total OPEB liability was determined by actuarial valuation as of June 30, 2019 using the following actuarial assumptions:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2019
Funding Policy:	Pay-as-you-go for implicit rate subsidy
Discount Rate:	3.51% per annum. This discount rate is the maximum of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.
Inflation Rate:	3.0% per annum
Salary Inflation:	3.0% per annum
Salary Increases	The benefits are not payroll related but the City's cost for each individual's projected City contribution is allocated over their lifetime as a level-percentage of pay. For cost method purposes the merit increases from the most recent CalPERS pension plan valuation will be used
Mortality	Based on the CalPERS 2017 Experience Study

Sensitivity analysis of total OPEB liability for healthcare cost trend rates.

The following presents the total net OPEB liability, calculating using the healthcare cost trend rate of 6.50% decreasing to 4.50%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (5.50% decreasing to 3.50%) or 1-percentage-point higher (7.50% decreasing to 5.50%) than the current rate:

	1% Decrease (5.50% decreasing to 3.50%)	Current Healthcare Cost Trend Rate (6.50% decreasing to 4.50%)	1% Increase (7.50% decreasing to 5.50%)
Total Net OPEB liability	\$ 44,234	\$ 50,004	\$ 56,877

Sensitivity analysis of total net OPEB liability for discount rates

The following presents the total OPEB liability, calculating using the discount rate of 3.51%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.51%) or 1-percentage-point higher (4.51%) than the current rate:

	1% Decrease (2.51%)	Current Discount Rate (3.51%)	1% Increase (4.51%)
Total Net OPEB liability	\$ 55,276	\$ 50,004	\$ 45,323

Change in total OPEB liability

For fiscal year 2020, the City recognized total OPEB expense of \$2,670. The following table shows the change in the total OPEB liability for the year ended June 30, 2020:

	2019
Beginning total OPEB liability	\$ 38,338
Service cost	2,435
Interest	1,392
Differences between expected and actual experience	292
Changes of assumptions	9,550
Benefit of implied subsidy payments	<u>(2,003)</u>
Net changes	11,666
Ending total OPEB liability	<u>\$ 50,004</u>

Deferred outflows/inflows of resources

At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ 260	\$ -
Changes of assumptions	8,488	1,274
Total	\$ 8,748	\$ 1,274

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

Year Ending June 30,	Deferred outflows/(inflows) of resources
2020	\$ 847
2021	847
2022	847
2023	847
2024	847
Thereafter	3,239
	\$ 7,474

15. City Employees Retirement Plan

(A) Plan Description. The City of Riverside contributes to the California Public Employees Retirement System (CalPERS), an agent multiple employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A copy of CalPERS' annual financial report may be obtained online at www.calpersca.gov.

(B) Funding Policy. The City has contributed at the actuarially determined rate provided by CalPERS' actuaries. Participants are required to contribute 8% for miscellaneous employees and 9% for safety employees of their annual covered salary. The City has a multiple tier retirement plan with benefits

varying by plan. The City pays the employees' contributions to CalPERS for both miscellaneous and safety employees hired on or before specific dates as follows:

Safety (Police):

- 1st Tier (RPOA, RPOA Supervisory & RPAA Management) - The retirement formula is 3% at age 50 for employees hired on or before February 16, 2012 (RPOA, RPAA Management) or June 8, 2012 (RPOA Supervisory). Effective January 1, 2018, employees were required to pay 1.5% of their pensionable income, with the City contributing the other 7.5%. Only in the event that annual wages increase in excess of 2%, will the following apply: Effective January 1, 2019, employees were required to pay an additional portion of their pensionable income. This portion is a three-year increase of 1.5% (2019), 1.5% (2020) and 1.5% (2021). By 2021, employees will be contributing 6% of their pensionable income, with the City contributing the other 3%.
- 2nd Tier (RPOA, RPOA Supervisory & RPAA Management) - The retirement formula is 3% at age 50 for RPOA and RPAA Management employees hired on or after February 17, 2012 and RPOA Supervisory employees hired on or after June 8, 2012 pay their share (9%) of contributions.
- 3rd Tier (RPOA, RPOA Supervisory & RPAA) – The retirement formula is 2.7% at age 57 for new members hired on or after January 1, 2013 and the employee must pay the normal cost to CalPERS which is currently at 11.50%. Classic members (CalPERS members prior to 12/31/12) hired on or after January 1, 2013 may be placed in a different tier.

Safety (Fire):

- 1st Tier - The retirement formula is 3% at age 50 for employees hired before June 11, 2011. Effective January 1, 2019, employees were required to pay a portion of their pensionable income. This portion is a three-year increase of 2.5% (2019), 2.5% (2020) and 3% (2021). By 2021, employees will be contributing 8% of their pensionable income.
- 2nd Tier - The retirement formula is 3% at age 55 and new employees hired on or after June 11, 2011 pay their share (9%) of contributions.
- 3rd Tier – The retirement formula is 2.7% at age 57 for new members hired on or after January 1, 2013. A new member, as defined by the Public Employees' Pension Reform Act (PEPRA),

hired on or after January 1, 2013 pay 50% of the normal cost to CalPERS which is currently 11.50% of compensation.

Miscellaneous:

- 1st Tier –
 - The retirement formula is 2.7% at age 55 for employees hired on or before October 18, 2011. Effective January 1, 2018 for unrepresented employees (Sr. Management, Management, Professional, Para-professional, Supervisory, Confidential, and Executive units, excluding the Chief of Police and the Fire Chief), the employees were required to pay 2% of their pensionable income, with the City contributing the other 6%. Effective January 1, 2019, employees were required to pay an additional portion of their pensionable income. This portion is a three-year increase of 2% (2019), 2% (2020) and 2% (2021). By 2021, employees will be contributing the entire 8% of their pensionable income.
 - The retirement formula is 2.7% at age 55 for SEIU and SEIU Refuse employees hired before June 7, 2011. Currently, employees are required to pay 7% of their pensionable income with the City contributing the other 1%. Effective January 1, 2019, employees were required to pay an additional portion of their pensionable income. This portion is a two-year increase of 1% (2019) and 1% (2020). By 2020, employees will be contributing the entire 8% of their pensionable income.
 - The retirement formula is 2.7% at age 55 for IBEW and IBEW Supervisory employees hired on or before October 18, 2011. Effective November 1, 2017 employees were required to pay 2% of their total pensionable income with the City paying the remaining 6%. Effective each November 1st, employees will be required to pay an additional portion of their pensionable income. This portion is a three-year increase of 2% (2018), 2% (2019) and 2% (2020). By November 2020, employees will be contributing the entire 8% of their pensionable income.
- 2nd Tier - The retirement formula is 2.7% at age 55, and:

- Miscellaneous employees, IBEW, and IBEW Supervisory hired on or after October 19, 2011 pay their share (8%) of contributions.
- SEIU and SEIU Refuse employees hired on or after June 7, 2011 pay their share (8%) of contributions.

- 3rd Tier – The retirement formula is 2% at age 62 for new members hired on or after January 1, 2013 and the employee must pay the normal cost to CalPERS which is currently at 7%. Classic members (CalPERS members prior to 12/31/12) hired on or after January 1, 2013 may be placed in a different tier.

The contribution requirements of plan members and the City are established and may be amended by CalPERS.

(C) Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit Level III, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

(D) Employees Covered - At June 30, 2019, the following employees were covered by the benefit terms of each Plan: Inactive employees or beneficiaries currently receiving benefits are 2,252 and 791 for the Miscellaneous and Safety Plans, respectively. Inactive employees entitled to but not yet receiving benefits are 1,411 and 177 for Miscellaneous and Safety Plans, respectively. Active employees were 1,606 and 574 for Miscellaneous and Safety Plans, respectively.

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

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The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

(F) Net Pension Liability - The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The liability for the governmental activities is primarily liquidated from the General Fund.

A summary of principal assumptions and methods used to determine the net pension liability is shown below. Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increase	Varies by Entry Age and Service	
Mortality Rate Table ¹	Derived using CalPERS' membership data for all funds	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-Retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated

over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

<u>Asset Class</u> ¹	<u>Current Target</u> <u>Allocation</u>	<u>Real Return</u> <u>Years 1 - 10</u> ²	<u>Real Return</u> <u>Years 11+</u> ³
Global Equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%

1. In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
2. An expected inflation of 2.00% used for this period
3. An expected inflation of 2.92% used for this period

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Assumptions – In 2019, there was no changes in assumptions.

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(G) Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

<i>Miscellaneous</i>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$ 1,368,453	\$ 1,089,856	\$ 278,597
Changes in the year:			
Service Cost	25,017	-	25,017
Interest on Total Pension Liability	96,836	-	96,836
Differences between Expected and Actual Experience	6,927	-	6,927
Contribution - employer	-	34,627	(34,627)
Contribution - employee	-	10,286	(10,286)
Net Investment Income	-	71,046	(71,046)
Benefit Payments, including Refunds of Employee Contributions	(67,073)	(67,073)	-
Administrative Expenses	-	(778)	778
Other Misc. Income/(Expense)	-	2	(2)
Net Changes	61,707	48,110	13,597
Balance at June 30, 2019	\$ 1,430,160	\$ 1,137,966	\$ 292,194

<i>Safety</i>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	\$ 1,080,494	\$ 794,267	\$ 286,227
Changes in the year:			
Service Cost	21,454	-	21,454
Interest on Total Pension Liability	76,922	-	76,922
Differences between Expected and Actual Experience	10,897	-	10,897
Contribution - employer	-	29,254	(29,254)
Contribution - employee	-	7,679	(7,679)
Net Investment Income	-	51,750	(51,750)
Benefit Payments, including Refunds of Employee Contributions	(52,564)	(52,564)	-
Administrative Expenses	-	(567)	567
Other Misc. Income/(Expense)	-	2	(2)
Net Changes	56,709	35,554	21,155
Balance at June 30, 2019	\$ 1,137,203	\$ 829,821	\$ 307,382

liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<i>Miscellaneous</i>	Discount Rate	Current Discount Rate	Discount Rate
		-1% (6.15%)	(7.15%)
Plan's Net Pension Liability/(Asset)	\$ 485,892	\$ 292,194	\$ 132,874

<i>Safety</i>	Discount Rate	Current Discount Rate	Discount Rate
		-1% (6.15%)	(7.15%)
Plan's Net Pension Liability/(Asset)	\$ 462,398	\$ 307,382	\$ 180,101

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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

For the year ended June 30, 2020, the City recognized pension expense of \$106,715. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>Miscellaneous</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date, net	\$ 239,220	\$ -
Changes of assumptions	13,172	(14,925)
Differences between expected and actual experience	4,828	(12,147)
Net differences between projected and actual earnings on plan investments	-	(4,985)
Total	\$ 257,220	\$ (32,057)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2020

(amounts expressed in thousands)

Safety	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date, net	\$ 263,016	\$ -
Changes of assumptions	19,017	(2,433)
Differences between expected and actual experience	8,757	(492)
Net differences between projected and actual earnings on plan investments	-	(3,525)
Total	<u>\$ 290,790</u>	<u>\$ (6,450)</u>

\$502,236 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

Amortization of Deferred Outflows and Deferred Inflows of Resources - Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

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

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

Net Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSLS) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The remaining amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year	Miscellaneous	Safety
2020	\$ (2,042)	\$ 18,133
2021	(12,265)	465
2022	(931)	1,321
2023	1,181	1,405

Subsequent Events - There were no subsequent events that would materially affect the results presented in this disclosure.

16. Other Long-Term Obligations

Changes in Long-Term Obligations: Below is a summary of changes in long-term obligations during the fiscal year for the former Redevelopment Agency, which is accounted for in the Successor Agency Trust (a fiduciary fund):

	Beginning Balance	Additions	Reclass	Reductions	Ending Balance	Due Within One Year
Lease revenue bonds	\$ 15,802	\$ -	\$ -	\$ (2,012)	\$ 13,790	\$ 2,101
Tax allocation bonds	182,727	-	-	(5,471)	177,256	4,685
Pension obligation bonds	554	-	(554)	-	-	-
Direct borrowings:						
Notes payable	3,918	-	-	-	3,918	28
	<u>\$ 203,001</u>	<u>\$ -</u>	<u>\$ (554)</u>	<u>\$ (7,483)</u>	<u>\$ 194,964</u>	<u>\$ 6,814</u>

Lease Revenue Bonds – Successor Agency:

**Principal
Outstanding**

\$26,255 State of California Department of General Services Project, 2003 Lease Revenue Refunding Bonds, Series A are secured by lease payments made by the State of California Department of General Services for the California Tower office building; 2% to 5% due in annual installments from \$545 to \$2,230 through Oct. 1, 2024. The bonds are subject to acceleration under the Trust Agreement upon the occurrence of an event of default and with the consent of the Insurer. There is no remedy of acceleration of the total Base Rental over the term of the Lease.

\$9,785

\$4,810 State of California Dept. of General Services Project, 2003 Lease Revenue Refunding Bonds, Series B are secured by lease payments made by the State of California Department of General Services for the California Tower office building; \$310 serial bonds 1.20% to 1.42% through Oct. 1, 2004; \$620 term bonds at 3.090% due Oct. 1, 2008; \$1,110 term bonds at 4.340% due Oct. 1, 2014 and \$2,770 term bonds at 5.480% due Oct. 1, 2024. The bonds are subject to acceleration under the Trust Agreement upon the occurrence of an event of default and with the consent

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2020

(amounts expressed in thousands)

of the Insurer. There is no remedy of acceleration of the total Base Rental over the term of the Lease.

1,570

In 2019, the 2012A Lease Revenue Refunding bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency to properly reflect their proportional share.

\$41,240 Lease Revenue Refunding Bonds, Series 2012A. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from \$1,295 to \$2,840 commencing November 1, 2013 and ending November 1, 2033.

Subtotal
Add: Unamortized bond premium
Total Lease Revenue Bonds

2,190
13,545
245
\$13,790

Remaining debt service will be paid by the Successor Agency Trust from future property tax revenues. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 2,101	\$ 620	\$ 2,721
2022	2,242	510	2,752
2023	2,399	392	2,791
2024	2,556	267	2,823
2025	2,716	135	2,851
2026-2030	775	251	1,026
2031-2035	756	62	818
Premium	245	-	245
Total	<u>\$ 13,790</u>	<u>\$ 2,237</u>	<u>\$ 16,027</u>

Tax Allocation Bonds – Successor Agency:

On October 16, 2014, the Successor Agency to the Redevelopment Agency of the City of Riverside issued 2014 Subordinate Tax Allocation Refunding Bonds (Series A and B) in the amount of \$62,980. The bonds were issued to refund certain obligations of the former Redevelopment Agency of the City of Riverside. Interest is due semi-annually on March 1 and September 1, commencing March 1, 2015. Principal is due in annual installments from \$160 to \$4,745 through September 1, 2034. The rate of interest varies from 0.6% to 5% per annum.

\$42,585

\$114,815 2018 Tax Allocation Refunding Bonds Series A and B. The bonds were issued to refund the 2007 Riverside Public Financing Authority Redevelopment Agency Tax Allocation Bonds; Series A, B, C and D. Principal is payable in annual installments from \$140 to \$9,180 through September 1, 2037. The rate of interest varies from 3.125% to 5% per annum. The refunding transaction resulted in a total net present value savings of \$20,000.

114,815

Subtotal
Add: Unamortized bond premium
Total Tax Allocation Bonds

157,400
19,856
\$177,256

The Successor Agency Tax Allocation Bonds are secured by tax revenues deposited in the Redevelopment Property Tax Trust Fund for the Agency established and held by the County of Riverside Auditor-Controller pursuant to Section 34813(a)(2) of the Dissolution Act. Upon event of default, the principal due on the Bonds is subject to acceleration.

Remaining debt service will be paid by the Successor Agency Trust from future property tax revenues. Annual debt service requirements to maturity are as follows:

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2020

(amounts expressed in thousands)

Fiscal Year	Principal	Interest	Total
2021	\$ 4,685	\$ 7,298	\$ 11,983
2022	4,920	7,061	11,981
2023	4,710	6,823	11,533
2024	10,280	6,450	16,730
2025	10,690	5,928	16,618
2026-2030	53,375	21,622	74,997
2031-2035	44,385	9,725	54,110
2036-2040	24,355	1,372	25,727
Premium	19,856	-	19,856
Total	<u>\$ 177,256</u>	<u>\$ 66,279</u>	<u>\$ 243,535</u>

Pension Obligation Bonds – Successor Agency:

In 2020, the 2005 and 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were redistributed between Governmental Activities and Business-Type Activities.

Total Pension Obligation Bonds

\$ -

Notes Payable – Successor Agency:

These notes payable have been issued to promote development and expansion within the City's redevelopment areas.

Pepsi Cola Bottling Company of Los Angeles, 10.5%, payable in net annual installments of \$341, subject to recording of completion. Interest accrues on the outstanding note balance upon issuance of the Certificate of Completion. Principal and interest on the note are payable solely from Project Property Tax Increment. Payments start upon the time sufficient increment is generated in one year to pay the annual principal and interest on the note. Upon 25 years from the first anniversary date of the certificate of completion, all unpaid principal together with any accrued interest will be forgiven.

\$2,987

Principal
Outstanding

Principal
Outstanding

Smith's Food & Drug Centers Inc., 6% payable in variable installments, subject to payment of annual Community Facilities District assessment. The note is secured under a developer agreement.

931

Total Notes Payable

\$ 3,918

Remaining debt service will be paid by the Successor Agency Trust from future property tax revenues. Annual debt service requirements to maturity are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 28	\$ 314	\$ 342
2022	31	311	342
2023	34	307	341
2024	38	304	342
2025	42	300	342
2026-2030	1,218	1,423	2,641
2031-2035	471	1,238	1,709
2036-2040	777	933	1,710
2041-2045	1,279	430	1,709
Total	<u>\$ 3,918</u>	<u>\$ 5,560</u>	<u>\$ 9,478</u>

Assessment Districts and Community Facilities Districts Bonds
(Not obligations of the City):

As of June 30, 2020, the City has several series of Assessment District and Community Facility District Bonds outstanding in the amount of \$40,990. Bonds were issued for improvements in certain districts and are long-term obligations of the property owners. The City Treasurer acts as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, if applicable. Since the debt does not constitute an obligation of the City, it is not reflected as a long-term obligation of the City and is not reflected in the accompanying basic financial statements.

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2020

(amounts expressed in thousands)

17. Interfund Assets, Liabilities and Transfers

Due From/To Other Funds: These balances resulted from expenditures being incurred prior to receipt of the related revenue source.

The following table shows amounts receivable/payable between funds within the City at June 30, 2020:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	<u>\$ 610</u>

Advances To/From Other Funds: These balances consist of advances used to fund capital projects in advance of related financing/assessments and for other long-term borrowing purposes.

The following table shows amounts advanced from funds within the City to other funds within the City at June 30, 2020:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>Amount</u>
Sewer Fund	General Debt Service Fund	\$ 2,079
Central Garage Fund *	Nonmajor Governmental Funds	670
Total		<u>\$ 2,749</u>

* Internal service fund

In addition, the following advances to the former Redevelopment Agency are accounted for in the Private-Purpose Trust Fund of the Successor Agency:

<u>Receivable Fund</u>	<u>Amount</u>
Electric Fund	<u>\$ 3,383</u>

Transfers In/Out: Transfers are primarily used to (1) move revenues to the fund that statute or budget requires to expend them, and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

The following table shows amounts transferred to/from funds within the City for the year ended June 30, 2020:

<u>Transfers In Funds</u>	<u>Transfers Out Funds</u>	<u>Amount</u>
General Fund	Capital Outlay Fund	\$ 426
	General Debt Service Fund	19
	Nonmajor Governmental Funds	15
	Electric Fund	39,558
	Water Fund	6,518
		<u>46,536</u>
Capital Outlay Fund	General Fund	12,030
	Nonmajor Governmental Funds	12
		<u>12,042</u>
Debt Service Fund	General Fund	32,170
	Capital Outlay Fund	2,999
		<u>35,169</u>
Nonmajor Governmental Funds	General Fund	2,185
Nonmajor Enterprise Funds	General Fund	10,752
	Total	<u>\$ 106,684</u>

18. Deficit Net Position

Deficit net position exists in the non-major fund, Transportation (\$27). The deficit will be reduced in the next fiscal year when the City seeks reimbursement for the completed project(s).

Deficit net position exists in the Self-Insurance Internal Service Fund (\$24,840). This City adopted a Self-Insurance Reserve Policy that addresses the on-going deficit in fund balance. In the past, the City began funding a portion of the deficit in the internal service fund via self-insurance rate increases phased in over several years. However, the increases continue to be offset by unusually large losses incurred during the year combined with an adjustment for the increase in the amount estimated for claims and judgments. Management believes that there are sufficient funds on hand to cover current payment obligations and plans to continue to control costs and increase rates, as needed.

Deficit net position exists in the Successor Agency Private-Purpose Trust Fund (\$147,270). The deficit in the Successor Agency Trust Fund will be reduced over the years as the related debt is paid-off with funds received from the Redevelopment Property Tax Trust Fund (RPTTF), which is administered by the County Auditor-Controller.

19. Construction Commitments

As of June 30, 2020, the Electric Utility had commitments (encumbrances) of approximately \$27,966 with respect to unfinished capital projects, of which \$18,513 is expected to be funded by bonds, \$5,929 to be funded by unrestricted cash reserves, and \$3,524 to be funded by restricted cash reserves.

20. Forward Purchase/Sale Agreements

In order to meet summer peaking requirements, the Electric Utility may contract on a monthly or quarterly basis, for the purchase or sale of natural gas, electricity and/or capacity products on a short-term horizon. As of June 30, 2020, the Electric Utility has net commitments for fiscal year 2021 and thereafter, of approximately \$8,683, with a market value of \$6,787.

21. Economic Contingency

A portion of fund balance has been committed within the General Fund and Measure Z fund for future economic contingencies. The amount that has been set aside for the General Fund is equal to approximately 20% of the 2020-2021 General Fund adopted expenditure budget. For the General Fund Measure Z Fund, \$5,000 has been set aside.

22. Litigation

The City is a defendant in various lawsuits arising in the normal course of business. Present lawsuits and other claims against the City are incidental to the ordinary course of operations and are largely covered by the City's self-insurance program. In the opinion of management and the City Attorney, such claims and litigation will not have a materially adverse effect upon the financial position or results of operation of the City.

22. Tax Abatements

In November 2012, the City entered into a tax sharing agreement with a local business to incentivize an expansion of their facility. Assistance is provided in the form of a rebate of sales and property taxes over fifteen years in an amount not to exceed \$4,500. The agreement expires on the earlier of: 1) total cumulative tax rebate of \$4,500; or 2) fifteen years in fiscal 2027-28.

Incremental Sales Tax Revenue can be generated from sales, over the fiscal 2011-12 base period, reported to the State Board of Equalization at the

business site and from third party vendor transactions occurring using the business site as the point of sale. Incremental Property Tax Revenue is generated from the increase in County assessed valuation over the 2012-13 base period values, for the parcels designated in the agreement. For parcels acquired after 2012-13 in the project area, the acquisition price will become its base year valuation. The initial 2012-13 base year assessed valuation is \$114,293 and has been adjusted to \$125,043 for the parcels acquired in 2014-15. The business is due 100% of the incremental Property tax revenue due to the City from the project area tax rate. It is calculated as 11% of the value determined from taking 1% of the difference of current net assessed valuation over the adjusted base valuation. The cumulative rebate payment as of 6/30/2020 is \$822.

23. Subsequent Events

COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China, and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, have declared a state of emergency. Potential impacts to our future tax revenues include disruptions or restrictions on our current employees' ability to work. Any of the foregoing could negatively impact our revenues and we currently cannot anticipate all of the ways in which this health epidemic, COVID-19, could adversely impact our government agency. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic on our government agency, the ultimate impact of the COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change.

On March 27, 2020, in response to the economic fallout of the Coronavirus pandemic in the United States, Congress passed the Coronavirus Aid, Relief, and Economic Security Act, also known as the CARES Act, which provided \$2.2 trillion in economic stimulus funding through a variety of channels. The State of California received a \$500 million allocation to provide cities which did not receive a direct federal allocation through the CARES Act. The City entered into an agreement with the State of California in July 2020 to receive their allocation of the CARES Act funding. The total amount of CARES Act funding to be received by the City is \$27,992.

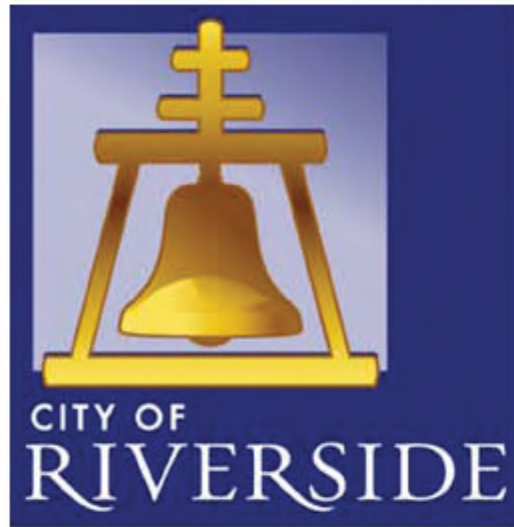
On August 4, 2020, the City of Riverside's City Council approved a comprehensive CARES Act funding plan with the goal to expend the \$27,992 by December 30, 2020 in accordance with the terms of the funding agreement. This funding will support numerous City-wide initiatives, including local business support, rental assistance, homelessness and other City programs.

Parada II Litigation

On September 12, 2018, a petition for writ of mandate entitled *Parada v. City of Riverside* ("Parada II") was filed against the City seeking to invalidate, rescind and void under Proposition 26, the Electric System's rates approved by City Council on May 22, 2018, which took effect on January 1, 2019, challenging the portion of the electric rates that are attributable to the General Fund. The petition did not seek any monetary relief from the General Fund. The trial court divided the case into two stages for hearings: a liability phase and a damages phase. On April 17, 2020, the Court in the liability phase of Parada II litigation entered a tentative ruling finding the City's electric rates attributable to the General Fund transfer violate Article XIII C of the California Constitution. The formal hearing on the matter took place on June 5, 2020, but the Court asked for further briefing on the issue of whether or not the plaintiffs failed to exhaust their administrative remedies. On October 9, 2020, the Court confirmed its tentative ruling and entered an order denying the City's request for interlocutory remand. The court has set a hearing for February 24, 2021, to set a briefing schedule for determining appropriate remedies /damages in the case. The City expects the second phase of the trial relating to plaintiffs available remedies to occur in the second quarter of 2021. However, due to the impact of the Coronavirus on the Courts, the exact timing of the completion of the trial is uncertain at this time.

The ruling by the Court in Parada II will likely have a material adverse impact on the City's General Fund. The General Fund receives approximately \$40 million annually (up to the maximum amount of 11.5% of Electric Fund revenues) from the Electric Fund. Based on the Court's order in the liability phase of the trial, approximately \$19-32 million of the General Fund transfer is potentially attributable to rate payer revenue that was not approved by the voters. However, that amount will be determined during the damages phase of the trial. Additionally, the City may be required to refund rate payers for the portions of the rates that were determined to violate Article XIII C of the California Constitution from the date the writ of mandate was filed. However, the trial court has not issued any ruling as to what the amount of any damages would be. Based on the Court's order in the liability phase of the trial, the City estimates that the amount of a refund would be \$19 to \$32 million per year, beginning January 1, 2019, until date of settlement or issuance of a final,

non-appealable judgment by the trial court after anticipated appeals are resolved. This amount could vary depending upon whether or not the City decides to repeal and replace the challenged rates pending appeal. Currently, petitioners have sought monetary relief solely from the Electric System. However, the City can make no assurance that the City's General Fund may not be held liable for all or a portion of any refund or other remedy the Court ultimately orders. The City believes that all or a portion of any refund, if owed, could be paid from rate payer revenues in the Electric Fund and that any judgment would likely be allowed by the Court to be paid over a multi-year period. If the electric rates attributable to the General Fund transfer are determined to be invalid or are otherwise repealed and replaced by the City, the City could seek voter approval for the General Fund transfer like it did for the Water Fund. The City has a variety of revenue sources and expense reductions available to it to address any future budget deficits caused by the potential loss of the General Fund transfer, including but not limited to the use of Measure Z revenues.



Required Supplementary Information

Consists of the following:

- Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period
- Schedule of Plan Contributions
- Other Post-Employment Benefits (OPEB) Schedule of Changes in Total OPEB Liability and Related Ratio

CITY OF RIVERSIDE

**MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service Cost	\$ 23,320	\$ 22,228	\$ 22,189	\$ 24,766	\$ 25,117	\$ 25,017
Interest	84,965	87,436	90,913	92,725	92,595	96,836
Difference Between Expected and Actual Experience	-	(21,782)	-	79,037	(37,885)	6,927
Changes in Assumptions	-	(23,548)	(8,417)	(26,068)	(19,805)	-
Benefit Payments, Including Refunds of employee Contributions	(50,770)	(53,853)	(57,702)	(60,108)	(63,483)	(67,073)
Net Change in Total Pension Liability	57,515	10,481	46,983	110,352	(3,461)	61,707
Total Pension Liability - Beginning	1,146,583	1,204,098	1,214,579	1,261,562	1,371,914	1,368,453
Total Pension Liability - Ending (a)	\$ 1,204,098	\$ 1,214,579	\$ 1,261,562	\$ 1,371,914	\$ 1,368,453	\$ 1,430,160
PLAN FIDUCIARY NET POSITION						
Contribution - Employer	\$ 27,583	\$ 25,996	\$ 29,426	\$ 30,477	\$ 29,920	\$ 34,627
Contribution - Employee	2,294	4,380	5,187	6,115	9,749	10,286
Net Investment Income	145,843	21,671	4,958	104,771	86,307	71,046
Benefit Payments, Including Refunds of Employee Contributions	(50,770)	(53,853)	(57,702)	(60,108)	(63,483)	(67,073)
Administrative and Other Expenses	-	(1,056)	(594)	(1,290)	(4,664)	(776)
Net Change in Fiduciary Net Position	124,950	(2,862)	(18,725)	79,965	57,829	48,110
Plan Fiduciary Net Position - Beginning	848,699	973,649	970,787	952,062	1,032,027	1,089,856
Plan Fiduciary Net Position - Ending (b)	\$ 973,649	\$ 970,787	\$ 952,062	\$ 1,032,027	\$ 1,089,856	\$ 1,137,966
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 230,449	\$ 243,792	\$ 309,500	\$ 339,887	\$ 278,597	\$ 292,194
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.86%	79.93%	75.47%	75.23%	79.64%	79.57%
Covered Payroll	\$ 109,990	\$ 110,891	\$ 118,512	\$ 117,637	\$ 121,957	\$ 128,881
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	209.52%	219.85%	261.15%	288.93%	228.44%	226.72%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions:

In fiscal year 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

There were no changes in the discount rate.

In fiscal year 2018-19, there were none.

CITY OF RIVERSIDE

**SAFETY PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY						
Service Cost	\$ 18,818	\$ 18,187	\$ 18,144	\$ 21,373	\$ 20,390	\$ 21,454
Interest	62,249	64,815	67,513	70,337	73,104	76,922
Difference Between Expected and Actual Experience	-	(16,117)	-	59,768	(4,644)	10,897
Changes in Assumptions	-	(6,835)	(4,373)	(18)	868	-
Benefit Payments, Including Refunds of employee Contributions	(38,981)	(42,076)	(44,609)	(47,009)	(50,477)	(52,564)
Net Change in Total Pension Liability	42,086	17,974	36,675	104,451	39,241	56,709
Total Pension Liability - Beginning	840,067	882,153	900,127	936,802	1,041,253	1,080,494
Total Pension Liability - Ending (a)	\$ 882,153	\$ 900,127	\$ 936,802	\$ 1,041,253	\$ 1,080,494	\$ 1,137,203
PLAN FIDUCIARY NET POSITION						
Contribution - Employer	\$ 23,156	\$ 23,384	\$ 26,483	\$ 26,775	\$ 25,451	\$ 29,253
Contribution - Employee	365	924	1,837	2,449	6,402	7,679
Net Investment Income	107,032	15,632	3,478	76,844	62,933	51,750
Benefit Payments, Including Refunds of Employee Contributions	(38,981)	(42,076)	(44,609)	(47,009)	(50,478)	(52,564)
Administrative and Other Expenses	-	(816)	(428)	(1,145)	(3,403)	(567)
Net Change in Fiduciary Net Position	91,572	(2,952)	(13,239)	57,914	40,905	35,551
Plan Fiduciary Net Position - Beginning	620,069	711,641	708,689	695,450	753,364	794,269
Plan Fiduciary Net Position - Ending (b)	\$ 711,641	\$ 708,689	\$ 695,450	\$ 753,364	\$ 794,269	\$ 829,820
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 170,512	\$ 191,438	\$ 241,352	\$ 287,889	\$ 286,225	\$ 307,383
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.67%	78.73%	74.24%	72.35%	73.51%	72.97%
Covered Payroll	\$ 63,734	\$ 63,612	\$ 68,707	\$ 66,226	\$ 68,251	\$ 73,237
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	267.54%	300.95%	351.28%	434.71%	419.37%	419.71%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There were no changes in benefits.

Changes of Assumptions:

In fiscal year 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

There were no changes in the discount rate.

In fiscal year 2018-19, there were none.

CITY OF RIVERSIDE

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020
Miscellaneous Plan							
Actuarially Determined Contribution	\$ 20,505	\$ 21,063	\$ 24,885	\$ 26,955	\$ 29,948	\$ 34,486	\$ 239,220
Contribution in Relation to the Actuarially Determined Contribution	(27,584)	(25,997)	(29,426)	(30,477)	(29,948)	(34,486)	(38,889)
Contribution Deficiency (Excess)	\$ (7,079)	\$ (4,934)	\$ (4,541)	\$ (3,522)	\$ -	\$ -	\$ 200,331
Covered Payroll	\$ 109,990	\$ 110,891	\$ 118,512	\$ 117,637	\$ 121,957	\$ 128,881	\$ 131,492
Contributions as a Percentage of Covered Payroll	25.08%	23.44%	24.83%	25.91%	24.56%	26.76%	29.58%
Safety Plan							
Actuarially Determined Contribution	\$ 17,341	\$ 18,452	\$ 21,886	\$ 23,076	\$ 25,289	\$ 29,047	\$ 263,016
Contribution in Relation to the Actuarially Determined Contribution	(23,156)	(23,384)	(26,483)	(26,775)	(25,289)	(29,047)	(32,785)
Contribution Deficiency (Excess)	\$ (5,815)	\$ (4,932)	\$ (4,597)	\$ (3,699)	\$ -	\$ -	\$ 230,231
Covered Payroll	\$ 63,734	\$ 63,612	\$ 68,707	\$ 66,226	\$ 68,251	\$ 73,237	\$ 76,955
Contributions as a Percentage of Covered Payroll	36.33%	36.76%	38.54%	40.43%	37.05%	39.66%	42.60%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation.

Note to Schedule:

Actuarial Valuation Date: June 30, 2017

Actuarial Cost Method: Entry Age Normal

Amortization of Unfunded Actuarial Accrued Liability:

Driver	(Gain) / Loss		Source		
	Investment	Non-Investment	Assumption/ Method Change	Benefit Change	Golden Handshake
Amortization Period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.875%	2.875%	2.875%	2.875%	2.875%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Asset Valuation Method: Market Value of Assets

Discount Rate: 7.25%

Overall Payroll Growth: 2.875%

Inflation: 2.625%

Retirement Age: 2017 CalPERS Experience Study

Mortality: 2017 CalPERS Experience Study, with ongoing improvement using 90 percent of Scale MP-2016

CITY OF RIVERSIDE

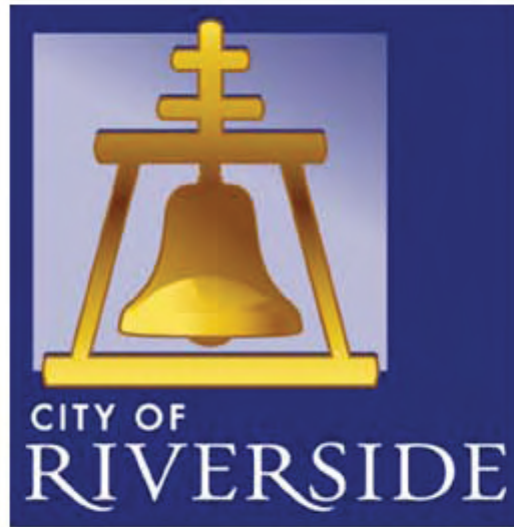
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)**

Reporting period June 30, Measurement period June 30,	2018 2017	2019 2018	2020 2019
Total OPEB Liability			
Service cost	\$ 2,554	\$ 2,403	\$ 2,435
Interest on the total OPEB liability	1,090	1,301	1,392
Differences between expected and actual experience	-	-	292
Changes in assumptions	(1,668)	(306)	9,550
Changes in benefit terms	-	-	-
Benefit payments	(1,732)	(1,846)	(2,003)
Net change in total OPEB liability	244	1,552	11,666
Total OPEB liability - beginning	36,542	36,786	38,338
Total OPEB liability - ending (a)	\$ 36,786	\$ 38,338	\$ 50,004
Covered-employee payroll	\$ 170,858	\$ 170,858	\$ 185,967
Total OPEB liability as a percentage of covered-employee payroll	21.53%	22.44%	26.89%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

Changes in assumptions: For the measurement period ending June 30, 2019, the discount rate was changed from 3.50 percent to 3.51 percent, and the inflation rate was changed from 2.75 percent to 3.00 percent.



Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Urban Areas Security Initiative (UASI) Fund - To account for UASI grants received from the U.S. Department of Homeland Security.

Grants and Restricted Programs Fund - To account for federal, state, and local grants along with other restricted program revenue.

Gas Tax Fund - To account for the construction and maintenance of the road network system of the City. Financing is provided by the City's share of state gasoline taxes which state law requires to be used to maintain streets.

Air Quality Improvements Fund - To account for qualified air pollution reduction programs funded by the South Coast Air Quality Management District.

Housing & Community Development Fund - To account for federal grants received from the Department of Housing and Urban Development (HUD). The grants are used for the development of a viable urban community by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons with low and moderate incomes.

National Pollution Discharge Elimination System (NPDES) Storm Drain Fund - To account for storm drain maintenance and inspection required for California storm water permits. Activities are funded by a special assessment district of Riverside County, California.

Special Districts Fund - To account for Loving Homes, Village at Canyon Crest, Sycamore Highlands, Riverwalk, Riverwalk Parks Projects, and Street Lighting districts.

Housing Fund - To account for the housing activities for persons with low or moderate income.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Special Capital Improvement Fund - To account for the acquisition, construction and installation of capital improvements and a Community Facilities District within the City.

Storm Drain Fund - To account for the acquisition, construction and installation of storm drains in the City.

Transportation Fund - To account for the construction and installation of street and highway improvements in accordance with Articles 3 and 8 of the Transportation Development Act of 1971 of the State of California.

Permanent Fund

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Library Special Fund - To account for the monies held in trust for the benefit of the Riverside City Public Library System.

CITY OF RIVERSIDE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2020
 (amounts expressed in thousands)

Special Revenue Funds

	Urban Areas Security Initiative	Grants and Restricted Programs	Gas Tax	Air Quality Improvements	Housing & Community Development	NPDES Strom Drain	Special Districts	Housing	Total
Assets:									
Cash and investments	\$ -	\$ 325	\$ 23,373	\$ 943	\$ 9,709	\$ 204	\$ 391	\$ 11,251	\$ 46,196
Cash and investments with fiscal agent	-	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)									
Interest	-	-	63	3	21	-	-	32	119
Property taxes	-	-	-	-	-	-	80	-	80
Accounts	-	23	-	-	3	-	-	-	26
Intergovernmental	583	2,001	552	104	2,217	-	-	-	5,457
Notes	-	-	-	-	14,836	-	-	27,592	42,428
Prepaid items	-	-	-	-	30	-	-	-	30
Land and improvements held for resale	-	-	-	-	443	-	-	2,405	2,848
Total Assets	\$ 583	\$ 2,349	\$ 23,988	\$ 1,050	\$ 27,259	\$ 204	\$ 471	\$ 41,280	\$ 97,184
Liabilities, Deferred Inflows of Resources, and Fund Balances:									
Liabilities:									
Accounts payable	\$ -	\$ 1,068	\$ 700	\$ -	\$ 1,752	\$ 1	\$ 25	\$ 159	\$ 3,705
Accrued payroll	-	-	-	-	6	2	-	10	18
Retainage payable	-	8	534	-	1	-	-	-	543
Intergovernmental	-	-	-	-	-	-	1	-	1
Unearned revenue	-	328	-	-	7,099	-	-	-	7,427
Due to other funds	583	-	-	-	-	-	-	-	583
Advances from other funds	-	-	-	-	-	-	-	-	-
Total Liabilities	583	1,404	1,234	-	8,858	3	26	169	12,277
Deferred Inflows of resources:									
Unavailable revenue	-	-	-	-	15,279	-	-	27,592	42,871
Total Deferred Inflows of Resources	-	-	-	-	15,279	-	-	27,592	42,871
Fund Balances:									
Nonspendable:									
Prepaid and deposits	-	-	-	-	30	-	-	-	30
Permanent fund principal	-	-	-	-	-	-	-	-	-
Restricted for:									
Housing and redevelopment	-	-	-	-	3,092	-	-	13,519	16,611
Transportation and public works	-	945	22,754	1,050	-	201	445	-	25,395
Other purposes	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total Fund Balances	-	945	22,754	1,050	3,122	201	445	13,519	42,036
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 583	\$ 2,349	\$ 23,988	\$ 1,050	\$ 27,259	\$ 204	\$ 471	\$ 41,280	\$ 97,184

CITY OF RIVERSIDE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020
(amounts expressed in thousands)

	Capital Projects Funds				Permanent Fund	
	Special Capital	Storm Drain	Transportation	Total	Library Special	Total Nonmajor
	Improvement				Permanent Fund	
Assets:						
Cash and investments	\$ 5,465	\$ 695	\$ -	\$ 6,160	\$ 1,480	\$ 53,836
Cash and investments with fiscal agent	665	-	-	665	-	665
Receivables (net of allowance for uncollectibles)						
Interest	20	2	-	22	-	141
Property taxes	-	-	-	-	-	80
Accounts	-	-	-	-	-	26
Intergovernmental	-	-	27	27	-	5,484
Notes	-	-	-	-	-	42,428
Prepaid items	-	-	-	-	-	30
Land and improvements held for resale	-	-	-	-	-	2,848
Total Assets	\$ 6,150	\$ 697	\$ 27	\$ 6,874	\$ 1,480	\$ 105,538
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 70	\$ 101	\$ -	\$ 171	\$ -	\$ 3,876
Accrued payroll	-	-	-	-	-	18
Retainage payable	5	17	-	22	-	565
Intergovernmental	-	-	-	-	-	1
Unearned revenue	-	-	-	-	-	7,427
Due to other funds	-	-	27	27	-	610
Advances from other funds	670	-	-	670	-	670
Total Liabilities	745	118	27	890	-	13,167
Deferred Inflows of resources:						
Unavailable revenue	-	-	27	27	-	42,898
Total Deferred Inflows of Resources	-	-	27	27	-	42,898
Fund Balances:						
Nonspendable:						
Prepaid and deposits	-	-	-	-	-	30
Permanent fund principal	-	-	-	-	1,480	1,480
Restricted for:						
Housing and redevelopment	-	-	-	-	-	16,611
Transportation and public works	-	-	-	-	-	25,395
Other purposes	5,405	579	-	5,984	-	5,984
Unassigned	-	-	(27)	(27)	-	(27)
Total Fund Balances	5,405	579	(27)	5,957	1,480	49,473
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,150	\$ 697	\$ 27	\$ 6,874	\$ 1,480	\$ 105,538

CITY OF RIVERSIDE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)

	Special Revenue Funds								
	Urban Areas Security Initiative	Grants and Restricted Programs	Gas Tax	Air Quality Improvements	Housing & Community Development	NPDES Strom Drain	Special Districts	Housing	Total
Revenues:									
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	754	5,964	13,213	423	8,188	-	-	-	28,542
Charges for services	-	701	-	-	-	-	-	-	701
Special assessments	-	-	-	-	-	644	4,037	-	4,681
Rental and investment income	-	-	709	42	123	1	27	320	1,222
Miscellaneous	-	519	102	152	283	-	-	3,429	4,485
Total Revenues	754	7,184	14,024	617	8,594	645	4,064	3,749	39,631
Expenditures:									
Current:									
General government	-	1,812	-	821	932	-	-	3,194	6,759
Public safety	754	4,813	-	-	-	-	4,641	-	10,208
Highways and streets	-	161	-	-	-	-	557	-	718
Culture and recreation	-	535	-	-	-	-	17	-	552
Capital outlay	-	-	9,797	-	8,280	1,045	-	-	19,122
Debt service:									
Principal	-	-	-	-	7	-	-	17	24
Interest	-	-	-	-	1	-	-	2	3
Total Expenditures	754	7,321	9,797	821	9,220	1,045	5,215	3,213	37,386
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(137)	4,227	(204)	(626)	(400)	(1,151)	536	2,245
Other Financing Sources (Uses):									
Transfers in	-	1,072	-	-	-	-	1,113	-	2,185
Transfers out	-	(15)	-	-	-	-	-	-	(15)
Total Other Financing Sources (Uses)	-	1,057	-	-	-	-	1,113	-	2,170
Net Change in Fund Balances	-	920	4,227	(204)	(626)	(400)	(38)	536	4,415
Fund Balances, Beginning of Year	-	25	18,527	1,254	3,748	601	483	12,983	37,621
Fund Balances, End of Year	\$ -	\$ 945	\$ 22,754	\$ 1,050	\$ 3,122	\$ 201	\$ 445	\$ 13,519	\$ 42,036

CITY OF RIVERSIDE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)

	Capital Projects Funds				Permanent Fund	Total Nonmajor Governmental Funds
	Special Capital Improvement	Storm Drain	Transportation	Total	Library Special Permanent Fund	
Revenues:						
Licenses and permits	\$ 2,735	\$ 147	\$ -	\$ 2,882	\$ -	\$ 2,882
Intergovernmental	-	-	-	-	-	28,542
Charges for services	-	-	-	-	-	701
Special assessments	-	-	-	-	-	4,681
Rental and investment income	227	32	-	259	25	1,506
Miscellaneous	-	-	-	-	148	4,633
Total Revenues	2,962	179	-	3,141	173	42,945
Expenditures:						
Current:						
General government	1,173	-	-	1,173	-	7,932
Public safety	-	-	-	-	-	10,208
Highways and streets	-	-	-	-	-	718
Culture and recreation	-	-	-	-	190	742
Capital outlay	650	810	27	1,487	-	20,609
Debt service:						
Principal	-	-	-	-	-	24
Interest	29	-	-	29	-	32
Total Expenditures	1,852	810	27	2,689	190	40,265
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,110	(631)	(27)	452	(17)	2,680
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	2,185
Transfers out	-	-	(12)	(12)	-	(27)
Total Other Financing Sources (Uses)	-	-	(12)	(12)	-	2,158
Net Change in Fund Balances	1,110	(631)	(39)	440	(17)	4,838
Fund Balances, Beginning of Year	4,295	1,210	12	5,517	1,497	44,635
Fund Balances, End of Year	\$ 5,405	\$ 579	\$ (27)	\$ 5,957	\$ 1,480	\$ 49,473

CITY OF RIVERSIDE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Urban Areas Security Initiative			Grants and Restricted Programs			Gas Tax		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:									
Intergovernmental	\$ 6,977	\$ 754	\$ (6,223)	\$ 26,094	\$ 5,964	\$ (20,130)	\$ 13,867	\$ 13,213	\$ (654)
Charges for services	-	-	-	623	701	78	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Rental and investment income	-	-	-	-	-	-	150	709	559
Miscellaneous	-	-	-	628	519	(109)	-	102	102
Total revenues	6,977	754	(6,223)	27,345	7,184	(20,161)	14,017	14,024	7
Expenditures:									
Current:									
General government	-	-	-	11,487	1,812	9,675	-	-	-
Public safety	6,977	754	6,223	10,205	4,813	5,392	-	-	-
Highways and streets	-	-	-	241	161	80	-	-	-
Culture and recreation	-	-	-	6,572	535	6,037	-	-	-
Capital outlay	-	-	-	-	-	-	28,839	9,797	19,042
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total Expenditures	6,977	754	6,223	28,505	7,321	21,184	28,839	9,797	19,042
Other Financing Sources (Uses)									
Transfers in	-	-	-	246	1,072	826	-	-	-
Transfers out	-	-	-	-	(15)	(15)	-	-	-
Total Other Financing Sources (Uses)	-	-	-	246	1,057	811	-	-	-
Net Change in Fund Balance	-	-	-	(914)	920	1,834	(14,822)	4,227	19,049
Budgetary Fund Balance, Beginning of Year	-	-	-	25	25	-	18,527	18,527	-
Budgetary Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ (889)	\$ 945	\$ 1,834	\$ 3,705	\$ 22,754	\$ 19,049

CITY OF RIVERSIDE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Air Quality Improvements			Housing & Community Development			NPDES Strom Drain		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:									
Intergovernmental	\$ 420	\$ 423	\$ 3	\$ 23,754	\$ 8,188	\$ (15,566)	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	2,079	644	(1,435)
Rental and investment income	-	42	42	96	123	27	-	1	1
Miscellaneous	205	152	(53)	438	283	(155)	-	-	-
Total revenues	625	617	(8)	24,288	8,594	(15,694)	2,079	645	(1,434)
Expenditures:									
Current:									
General government	1,549	821	728	1,603	932	671	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	37,077	8,280	28,797	1,509	1,045	464
Debt service:									
Principal	-	-	-	7	7	-	-	-	-
Interest	-	-	-	1	1	-	-	-	-
Total Expenditures	1,549	821	728	38,688	9,220	29,468	1,509	1,045	464
Other Financing Sources (Uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-
Net Change in Fund Balance	(924)	(204)	720	(14,400)	(626)	13,774	570	(400)	(970)
Budgetary Fund Balance, Beginning of Year	1,254	1,254	-	3,748	3,748	-	601	601	-
Budgetary Fund Balance, End of Year	\$ 330	\$ 1,050	\$ 720	\$ (10,652)	\$ 3,122	\$ 13,774	\$ 1,171	\$ 201	\$ (970)

CITY OF RIVERSIDE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Special Districts			Housing		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Special assessments	4,067	4,037	(30)	-	-	-
Rental and investment income	-	27	27	-	320	320
Miscellaneous	-	-	-	-	3,429	3,429
Total revenues	4,067	4,064	(3)	-	3,749	3,749
Expenditures:						
Current:						
General government	-	-	-	6,509	3,194	3,315
Public safety	4,560	4,641	(81)	-	-	-
Highways and streets	1,179	557	622	-	-	-
Culture and recreation	244	17	227	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	17	17	-
Interest	-	-	-	2	2	-
Total Expenditures	5,983	5,215	768	6,528	3,213	3,315
Other Financing Sources (Uses)						
Transfers in	1,110	1,113	3	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,110	1,113	3	-	-	-
Net Change in Fund Balance	(806)	(38)	768	(6,528)	536	7,064
Budgetary Fund Balance, Beginning of Year	483	483	-	12,983	12,983	-
Budgetary Fund Balance, End of Year	\$ (323)	\$ 445	\$ 768	\$ 6,455	\$ 13,519	\$ 7,064

CITY OF RIVERSIDE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Capital Outlay Fund			Special Capital Improvement			Storm Drain		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:									
Licenses and permits	\$ -	\$ -	\$ -	\$ 2,484	\$ 2,735	\$ 251	\$ 180	\$ 147	\$ (33)
Intergovernmental	33,655	10,792	(22,863)	25	-	(25)	12,096	-	(12,096)
Special assessments	300	563	263	-	-	-	-	-	-
Rental and investment income	180	1,604	1,424	-	227	227	13	32	19
Miscellaneous	1,833	1,118	(715)	-	-	-	-	-	-
Total revenues	35,968	14,077	(21,891)	2,509	2,962	453	12,289	179	(12,110)
Expenditures:									
Current:									
General government	400	339	61	1,112	1,173	(61)	-	-	-
Highways and streets	65	-	65	-	-	-	-	-	-
Cultural and recreation	20	5	15	-	-	-	-	-	-
Capital outlay	107,267	33,808	73,459	1,571	650	921	13,204	810	12,394
Debt service:									
Principal	-	-	-	1,353	-	1,353	-	-	-
Interest	-	1	(1)	28	29	(1)	-	-	-
Total Expenditures	107,752	34,153	73,599	4,064	1,852	2,212	13,204	810	12,394
Other Financing Sources (Uses)									
Transfers in	11,822	12,042	220	539	-	(539)	-	-	-
Transfers out	(3,425)	(3,425)	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	8,397	8,617	220	539	-	(539)	-	-	-
Net Change in Fund Balance	(63,387)	(11,459)	51,928	(1,016)	1,110	2,126	(915)	(631)	284
Budgetary Fund Balance, Beginning of Year	70,477	70,477	-	4,295	4,295	-	1,210	1,210	-
Budgetary Fund Balance, End of Year	\$ 7,090	\$ 59,018	\$ 51,928	\$ 3,279	\$ 5,405	\$ 2,126	\$ 295	\$ 579	\$ 284

CITY OF RIVERSIDE

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL
 CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Transportation		
	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental	360	-	(360)
Special assessments	-	-	-
Rental and investment income	-	-	-
Miscellaneous	-	-	-
Total revenues	360	-	(360)
Expenditures:			
Current:			
General government	-	-	-
Highways and streets	-	-	-
Cultural and recreation	-	-	-
Capital outlay	360	27	333
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	360	27	333
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	(12)	(12)
Total Other Financing Sources (Uses)	-	(12)	(12)
Net Change in Fund Balance	-	(39)	(39)
Budgetary Fund Balance, Beginning of Year	12	12	-
Budgetary Fund Balance, End of Year	\$ 12	\$ (27)	\$ (39)

Nonmajor Enterprise Funds

Enterprise Funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises. The City's intent is to demonstrate that the cost of services provided to the general public on a continuing basis is financed or recovered through user charges; or the City has decided that the periodic determination of net income is appropriate for accountability purposes.

Airport Fund - To account for the operations of the City's airport.

Refuse Fund - To account for the operations of the City's solid waste and sanitation program which provides for the collection and disposal of solid waste on a user charge basis to residents and businesses.

Transportation - To account for the operations of the City's Senior Citizens' and Handicapped Transportation System in accordance with Article 4 of the Transportation Development Act of 1971 (SB325) of the State of California. Federal Transit Administration Funds are also accounted for in this fund.

Public Parking - To account for the operations and construction of the City's public parking facilities.

Civic Entertainment Fund - To account for the operations of the Riverside Fox Theater, Riverside Municipal Auditorium, The Box and Showcase, and the Riverside Convention Center.

CITY OF RIVERSIDE

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 JUNE 30, 2020
 (amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Totals
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	
Assets:						
Current assets:						
Cash and investments	\$ 1,433	\$ 4,694	\$ 1,857	\$ 2,586	\$ 347	\$ 10,917
Receivables (net of allowance for uncollectibles)						
Utility billed	-	1,405	-	-	-	1,405
Utility unbilled	-	899	-	-	-	899
Accounts	134	269	3	42	65	513
Interest	4	20	6	8	-	38
Intergovernmental	57	-	903	24	-	984
Inventory	-	-	-	-	84	84
Prepaid items	-	2	-	-	69	71
Deposits	-	-	-	-	300	300
Restricted:						
Cash and cash equivalents	-	2,500	-	-	1,125	3,625
Total Current Assets	1,628	9,789	2,769	2,660	1,990	18,836
Noncurrent assets:						
Regulatory assets	-	10,716	-	-	75	10,791
Capital assets - net of accumulated depreciation	21,704	4,783	3,045	28,996	84,936	143,464
Total Noncurrent Assets	21,704	15,499	3,045	28,996	85,011	154,255
Total Assets	23,332	25,288	5,814	31,656	87,001	173,091
Deferred Outflows of Resources:						
Changes in derivative values	-	-	-	-	9,652	9,652
Deferred charge on refunding	-	-	-	-	786	786
Pension related items	846	5,424	2,770	1,335	-	10,375
OPEB related items	23	193	124	30	-	370
Total Deferred Outflows of Resources	869	5,617	2,894	1,365	10,438	21,183

(Continued)

CITY OF RIVERSIDE

COMBINING STATEMENT OF NET POSITION
 NON-MAJOR PROPRIETARY FUNDS
 JUNE 30, 2020
 (amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Totals
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	
Liabilities:						
Current liabilities:						
Accounts payable	74	1,829	50	201	616	2,770
Accrued payroll	7	53	26	8	-	94
Unearned revenue	-	-	1,703	-	262	1,965
Deposits	-	-	-	-	504	504
Accrued interest	-	-	-	56	6	62
Total Current Liabilities	81	1,882	1,779	265	1,388	5,395
Noncurrent liabilities:						
Due within one year						
Long-term obligations	29	148	74	1,054	4,316	5,621
Compensated absences	48	299	130	34	-	511
Landfill capping	-	559	-	-	-	559
Due in more than one year						
Long-term obligations	779	4,661	2,409	16,157	65,848	89,854
Compensated absences	8	52	23	6	-	89
Landfill capping	-	10,217	-	-	-	10,217
Derivatives instruments	-	-	-	-	10,994	10,994
Net pension liability	887	6,260	2,885	1,329	-	11,361
OPEB liability	164	1,441	739	312	-	2,656
Total Noncurrent Liabilities	1,915	23,637	6,260	18,892	81,158	131,862
Total Liabilities	1,996	25,519	8,039	19,157	82,546	137,257
Deferred Inflows of Resources:						
Pension related items	88	701	284	122	-	1,195
OPEB related items	3	34	19	7	-	63
Total Deferred Inflows of Resources	91	735	303	129	-	1,258
Net Position:						
Net investment in capital assets	21,704	4,783	3,045	13,019	15,559	58,110
Restricted for landfill capping	-	2,500	-	-	-	2,500
Unrestricted	410	(2,632)	(2,679)	716	(666)	(4,851)
Total Net Position	\$ 22,114	\$ 4,651	\$ 366	\$ 13,735	\$ 14,893	\$ 55,759

CITY OF RIVERSIDE

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Totals
Operating Revenues:						
Charges for services	\$ 1,743	\$ 25,109	\$ 309	\$ 4,301	\$ 12,233	\$ 43,695
Total Operating Revenues	1,743	25,109	309	4,301	12,233	43,695
Operating Expenses:						
Personnel services	737	5,605	2,792	130	-	9,264
Contractual services	372	5,604	52	1,711	6,082	13,821
Maintenance and operation	204	7,382	484	562	1	8,633
General	213	5,025	528	609	10,168	16,543
Materials and supplies	26	1,378	177	3	-	1,584
Claims/Insurance	36	161	76	123	223	619
Depreciation and amortization	709	1,357	480	796	2,479	5,821
Total Operating Expenses	2,297	26,512	4,589	3,934	18,953	56,285
Operating Income (Loss)	(554)	(1,403)	(4,280)	367	(6,720)	(12,590)
Nonoperating Revenues (Expenses):						
Operating grants	-	-	3,473	-	-	3,473
Interest revenue	47	241	69	86	17	460
Interest expense and fiscal charges	(7)	(37)	(18)	(694)	(2,631)	(3,387)
Other non-operating revenues	45	175	-	899	-	1,119
Gain (loss) on disposal of capital assets	-	-	2	249	-	251
Total Nonoperating Revenues (Expenses)	85	379	3,526	540	(2,614)	1,916
Income (Loss) Before Contributions and Transfers	(469)	(1,024)	(754)	907	(9,334)	(10,674)
Cash capital contributions	56	-	903	-	-	959
Transfers in	-	-	-	-	10,752	10,752
Changes in Net Position	(413)	(1,024)	149	907	1,418	1,037
Net Position:						
Beginning of Year	22,527	5,675	217	12,828	13,475	54,722
End of Year	\$ 22,114	\$ 4,651	\$ 366	\$ 13,735	\$ 14,893	\$ 55,759

CITY OF RIVERSIDE

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Totals
Cash Flows from Operating Activities:						
Cash received from customers and users	\$ 1,701	\$ 25,593	\$ 174	\$ 4,323	\$ 12,905	\$ 44,696
Cash paid to suppliers for goods and services	(835)	(19,643)	(1,299)	(2,954)	(17,001)	(41,732)
Cash paid to employees for services	(678)	(5,280)	(2,610)	(54)	(80)	(8,702)
Net Cash Provided (Used) by Operating Activities	188	670	(3,735)	1,315	(4,176)	(5,738)
Cash Flows from Non-Capital Financing Activities:						
Intergovernmental	18	-	3,473	-	-	3,491
Proceed from pension obligation bonds issued	672	4,225	2,206	1,073	-	8,176
Payment to employees pension plan from bonds issued	(670)	(4,210)	(2,197)	(1,069)	-	(8,146)
Payment on pension obligation bonds	(36)	(152)	(73)	(41)	-	(302)
Payment on pension bond issuance costs	(2)	(16)	(8)	(4)	-	(30)
Miscellaneous non-operating revenue	45	175	-	899	-	1,119
Net Cash Provided (Used) by Non-Capital Financing Activities	27	22	3,401	858	10,752	15,060
Cash Flows from Capital and Related Financing Activities:						
Acquisition and construction of capital assets	(82)	(886)	(573)	-	-	(1,541)
Principal paid on capital debt	-	-	-	(972)	(4,174)	(5,146)
Interest paid on capital debt	-	-	-	(689)	(2,328)	(3,017)
Contributions	-	-	375	-	-	375
Proceeds from sales of capital assets	-	-	2	249	-	251
Net Cash Provided (Used) by Capital and Related Financing Activities	(82)	(886)	(196)	(1,412)	(6,502)	(9,078)
Cash Flows from Investing Activities:						
Interest received	49	249	71	86	20	475
Net Cash Provided (Used) by Investing Activities	49	249	71	86	20	475
Net Increase (Decrease) in Cash and Cash Equivalents	182	55	(459)	847	94	719
Cash and Cash Equivalents at Beginning of Year	1,251	7,139	2,316	1,739	1,378	13,823
Cash and Cash Equivalents at End of Year	\$ 1,433	\$ 7,194	\$ 1,857	\$ 2,586	\$ 1,472	\$ 14,542

CITY OF RIVERSIDE

COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	<u>Business-Type Activities - Enterprise Funds</u>					
	<u>Airport</u>	<u>Refuse</u>	<u>Transportation</u>	<u>Public Parking</u>	<u>Civic Entertainment</u>	<u>Totals</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ (554)	\$ (1,403)	\$ (4,280)	\$ 367	\$ (6,720)	\$ (12,590)
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:						
Depreciation	709	793	480	796	2,479	5,257
(Increase) decrease in utility billed receivable	-	(175)	-	-	-	(175)
(Increase) decrease in utility unbilled receivable	-	104	-	-	-	104
(Increase) decrease in accounts receivable	(42)	(8)	18	14	481	463
(Increase) decrease in prepaid items	-	(2)	-	-	(25)	(27)
(Increase) decrease in inventory	-	-	-	-	(8)	(8)
(Increase) decrease in intergovernmental receivable	-	-	-	8	-	8
(Increase) decrease in regulatory assets	-	564	-	-	(80)	484
Increase (decrease) in accounts payable	20	832	14	54	(494)	426
Increase (decrease) in accrued payroll	5	33	17	5	-	60
Increase (decrease) in retainage payable	(5)	-	-	-	-	(5)
Increase (decrease) in landfill capping liabilities	-	(360)	-	-	-	(360)
Increase (decrease) in deposits payable	-	-	-	-	(71)	(71)
Increase (decrease) in unearned revenue	-	(1)	(152)	-	262	109
Increase (decrease) in compensated absences	14	19	16	8	-	57
Increase (decrease) in net pension liability	58	266	193	104	-	621
Increase (decrease) in OPEB liability	30	257	166	40	-	493
Increase (decrease) in deferred pension related items	(24)	(51)	(79)	(50)	-	(204)
Increase (decrease) in deferred OPEB related items	(23)	(198)	(128)	(31)	-	(380)
Total Adjustments	742	2,073	545	948	2,544	6,852
Net Cash Provided (Used) by Operating Activities	\$ 188	\$ 670	\$ (3,735)	\$ 1,315	\$ (4,176)	\$ (5,738)
Non-Cash Investing, Capital, and Financing Activities:						
Gain/(Loss) on disposition of capital assets	\$ -	\$ -	\$ 2	\$ 249	\$ -	\$ 251

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one City department to other City departments on a cost-reimbursement basis.

Self-Insurance Trust - To account for the operations of the City's self-insured workers' compensation, unemployment and liability programs.

Central Stores Fund - To account for the operations of the City's centralized supplies inventory, including receiving and delivery services provided to City departments.

Central Garage Fund - To account for the maintenance and repair of all city-owned vehicles and motorized equipment, except for Police vehicles.

CITY OF RIVERSIDE

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2020
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds			
	Self Insurance Trust	Central Stores	Central Garage	Totals
Assets:				
Current assets:				
Cash and investments	\$ 30,827	\$ 334	\$ 10,907	\$ 42,068
Receivables (net of allowance for uncollectibles)				
Accounts	29	-	15	44
Interest	82	-	27	109
Intergovernmental	112	-	1	113
Inventory	-	6,541	451	6,992
Prepaid items	15	-	2	17
Total Current Assets	31,065	6,875	11,403	49,343
Noncurrent assets:				
Advances to other funds	-	-	670	670
Capital assets - net of accumulated depreciation	3	59	6,219	6,281
Total Noncurrent Assets	3	59	6,889	6,951
Total Assets	31,068	6,934	18,292	56,294
Deferred Outflows of Resources:				
Pension related items	826	759	4,228	5,813
OPEB related items	42	29	111	182
Total Deferred Outflows of Resources	868	788	4,339	5,995
Liabilities:				
Current liabilities:				
Accounts payable	787	545	187	1,519
Accrued payroll	9	8	32	49
Total Current Liabilities	796	553	219	1,568
Noncurrent liabilities:				
Due within one year				
Long-term obligations	18	21	101	140
Compensated absences	72	72	247	391
Claims liability	9,283	-	-	9,283
Due in more than one year				
Long-term obligations	640	650	3,513	4,803
Compensated absences	15	15	52	82
Claims liability	44,545	-	-	44,545
Net pension liability	1,122	895	5,079	7,096
OPEB liability	192	198	837	1,227
Total Noncurrent Liabilities	55,887	1,851	9,829	67,567
Total Liabilities	56,683	2,404	10,048	69,135
Deferred Inflows of Resources:				
Pension related items	88	103	593	784
OPEB related items	5	5	21	31
Total Deferred Inflows of Resources	93	108	614	815
Net Position:				
Net investment in capital assets	3	59	6,219	6,281
Unrestricted	(24,843)	5,151	5,750	(13,942)
Total Net Position	\$ (24,840)	\$ 5,210	\$ 11,969	\$ (7,661)

CITY OF RIVERSIDE

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)**

	<u>Self Insurance Trust</u>	<u>Central Stores</u>	<u>Central Garage</u>	<u>Totals</u>
Operating Revenues:				
Sales and service charges	\$ 16,794	\$ 1,628	\$ 9,563	\$ 27,985
Total Operating Revenues	16,794	1,628	9,563	27,985
Operating Expenses:				
Personnel services	1,223	725	3,819	5,767
Contractual services	1,309	5	141	1,455
Maintenance and operation	4	34	2,754	2,792
General	3,362	94	944	4,400
Material and supplies	12	12	161	185
Claims/Insurance	12,174	9	113	12,296
Depreciation and amortization	41	7	816	864
Total Operating Expenses	18,125	886	8,748	27,759
Operating Income (Loss)	(1,331)	742	815	226
Nonoperating Revenues (Expenses):				
Interest revenue	921	-	333	1,254
Interest expense and fiscal charges	(3)	(6)	(26)	(35)
Other nonoperating revenues	9	-	28	37
Gain (loss) on disposal of capital assets	-	-	29	29
Total Nonoperating Revenues (Expenses)	927	(6)	364	1,285
Income (Loss) Before Contributions and Transfers	(404)	736	1,179	1,511
Cash capital contribution	-	-	71	71
Changes in Net Position	(404)	736	1,250	1,582
Net Position:				
Beginning of Year	(24,436)	4,474	10,719	(9,243)
End of Year	\$ (24,840)	\$ 5,210	\$ 11,969	\$ (7,661)

CITY OF RIVERSIDE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Self Insurance Trust</u>	<u>Central Stores</u>	<u>Central Garage</u>	<u>Totals</u>
Cash Flows from Operating Activities:				
Cash received from interfund service provided	\$ 16,737	\$ 1,628	\$ 9,553	\$ 27,918
Cash paid to suppliers for goods and services	(11,453)	(139)	(4,292)	(15,884)
Cash paid to employees for services	(1,125)	(670)	(3,600)	(5,395)
Net Cash Provided (Used) by Operating Activities	4,159	819	1,661	6,639
Cash Flows from Non-Capital Financing Activities:				
Payment made to other funds	-	(464)	-	(464)
Payment received from other funds	-	-	703	703
Intergovernmental	-	-	71	71
Proceed from pension obligation bonds issued	599	588	3,264	4,451
Payment to employees pension plan from bonds issued	(596)	(586)	(3,252)	(4,434)
Payment on pension bond issuance costs	(3)	(2)	(12)	(17)
Payment on pension obligation bonds	(14)	(21)	(123)	(158)
Miscellaneous non-operating	9	-	28	37
Net Cash Provided (Used) by Non-Capital Financing Activities	(5)	(485)	679	189
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	-	-	(211)	(211)
Proceeds from sales of capital assets	-	-	41	41
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(170)	(170)
Cash Flows from Investing Activities:				
Interest received	924	-	333	1,257
Net Cash Provided (Used) by Investing Activities	924	-	333	1,257
Net Increase (Decrease) in Cash and Cash Equivalents	5,078	334	2,503	7,915
Cash and Cash Equivalents at Beginning of Year	25,749	-	8,404	34,153
Cash and Cash Equivalents at End of Year	\$ 30,827	\$ 334	\$ 10,907	\$ 42,068

CITY OF RIVERSIDE

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020
(amounts expressed in thousands)

	<u>Governmental Activities - Internal Service Funds</u>			
	<u>Self Insurance Trust</u>	<u>Central Stores</u>	<u>Central Garage</u>	<u>Totals</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (1,331)	\$ 742	\$ 815	\$ 226
Adjustments to Reconcile Operating Income (Loss)				
Net Cash Provided (Used) by Operating Activities:				
Depreciation	41	7	816	864
(Increase) decrease in accounts receivable	-	-	(9)	(9)
(Increase) decrease in intergovernmental receivable	(56)	-	-	(56)
(Increase) decrease in prepaid items	(15)	-	(2)	(17)
(Increase) decrease in inventory	-	(128)	(53)	(181)
Increase (decrease) in accounts payable	53	144	(115)	82
Increase (decrease) in retainage payable	-	-	(11)	(11)
Increase (decrease) in accrued liabilities	6	5	19	30
Increase (decrease) in claims liability	5,368	-	-	5,368
Increase (decrease) in compensated absences	29	11	1	41
Increase (decrease) in net pension liability	115	34	171	320
Increase (decrease) in OPEB liability	57	38	148	243
Increase (decrease) in deferred pension related items	(64)	(4)	(5)	(73)
Increase (decrease) in deferred OPEB related items	(44)	(30)	(114)	(188)
Total Adjustments	5,490	77	846	6,413
Net Cash Provided (Used) by Operating Activities	\$ 4,159	\$ 819	\$ 1,661	\$ 6,639

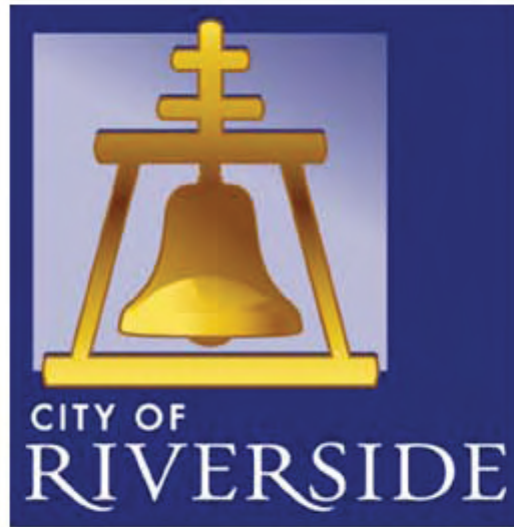
Agency Fund

The City's Agency Fund is used to account for special assessments that service no-commitment debt.

CITY OF RIVERSIDE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Assets:				
Cash and investments	\$ 3,500	\$ 4,345	\$ 4,064	\$ 3,781
Cash and investments with fiscal agents	4,588	7,445	5,627	6,406
Receivables:				
Interest	11	78	81	8
Taxes	87	54	87	54
Total Assets	<u>\$ 8,186</u>	<u>\$ 11,922</u>	<u>\$ 9,859</u>	<u>\$ 10,249</u>
Liabilities:				
Accounts payable	\$ -	\$ 9	\$ -	\$ 9
Held for bond holders	8,186	11,922	9,868	10,240
Total Liabilities	<u>\$ 8,186</u>	<u>\$ 11,931</u>	<u>\$ 9,868</u>	<u>\$ 10,249</u>



**COMBINING GENERAL FUND AND CAPITAL OUTLAY SCHEDULES WITH
MEASURE Z FUND ACTIVITY**

CITY OF RIVERSIDE

**BALANCE SHEET
COMBINING GENERAL FUND SCHEDULE
JUNE 30, 2020
(amounts expressed in thousands)**

	General Fund	Measure Z Fund	Total General Fund
Assets:			
Cash and investments	\$ 87,814	\$ 36,206	\$ 124,020
Cash and investments with fiscal agent	9,384	-	9,384
Receivables (net of allowance for uncollectibles)			
Interest	163	98	261
Taxes	2,509	-	2,509
Sales tax	11,504	11,721	23,225
Utility billed	1,775	-	1,775
Accounts	6,001	1	6,002
Intergovernmental	3,699	-	3,699
Prepaid items	1,186	85	1,271
Due from other funds	610	-	610
Land and improvements held for resale	175	-	175
Total Assets	\$ 124,820	\$ 48,111	\$ 172,931
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 5,165	\$ 1,101	\$ 6,266
Accrued payroll	19,048	166	19,214
Retainage payable	18	2	20
Intergovernmental	143	-	143
Unearned revenue	32	-	32
Deposits	9,838	-	9,838
Total Liabilities	34,244	1,269	35,513
Deferred Inflows of resources:			
Unavailable revenue	3,549	-	3,549
Total Deferred Inflows of Resources	3,549	-	3,549
Fund Balances:			
Nonspendable:			
Inventories, prepaids and deposits	1,186	85	1,271
Land and improvements held for resale	175	-	175
Restricted for:			
Other purposes	1,315	-	1,315
Unfunded accrued liability	9,384	-	9,384
Committed to:			
Economic contingency	54,280	5,000	59,280
Assigned to:			
General government	2,066	809	2,875
Public safety	405	655	1,060
Highways and streets	330	-	330
Culture and recreation	929	-	929
Continuing projects	1,316	14,750	16,066
Unassigned	15,641	25,543	41,184
Total Fund Balances	87,027	46,842	133,869
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 124,820	\$ 48,111	\$ 172,931

CITY OF RIVERSIDE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 COMBINING GENERAL FUND SCHEDULE
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	General Fund	Measure Z Fund	Total General Fund
Revenues:			
Taxes	\$ 177,524	\$ 62,380	\$ 239,904
Licenses and permits	10,141	-	10,141
Intergovernmental	2,962	-	2,962
Charges for services	15,267	-	15,267
Fines and forfeitures	1,887	-	1,887
Special assessments	563	-	563
Rental and investment income	3,914	696	4,610
Miscellaneous	2,094	-	2,094
Total Revenues	214,352	63,076	277,428
Expenditures:			
Current:			
General government	7,505	3,234	10,739
Public safety	178,103	15,666	193,769
Highways and streets	19,518	2,018	21,536
Culture and recreation	27,896	182	28,078
Capital outlay	761	-	761
Debt service:			
Interest	98	-	98
Total Expenditures	233,881	21,100	254,981
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,529)	41,976	22,447
Other Financing Sources (Uses):			
Transfers in	46,110	426	46,536
Transfers out	(37,394)	(19,743)	(57,137)
Transfers between General Fund and Measure Z *	18,316	(18,316)	-
Proceeds from sale of capital assets	856	-	856
Total Other Financing Sources (Uses)	27,888	(37,633)	(9,745)
Net Change in Fund Balances	8,359	4,343	12,702
Fund Balances, Beginning of Year	78,668	42,499	121,167
Fund Balances, End of Year	\$ 87,027	\$ 46,842	\$ 133,869

* Transfers eliminated between funds that are combined on the basic financial statements have been reinstated on this schedule for transparency purposes.

CITY OF RIVERSIDE

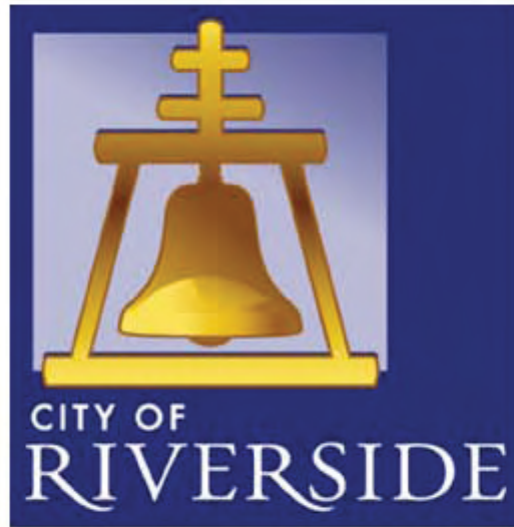
**BALANCE SHEET
COMBINING CAPITAL OUTLAY FUND SCHEDULE
JUNE 30, 2020
(amounts expressed in thousands)**

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
Assets:			
Cash and investments	\$ 28,938	\$ 21,218	\$ 50,156
Cash and investments with fiscal agent	-	9,003	9,003
Receivables (net of allowance for uncollectibles)			
Interest	85	24	109
Accounts	1,385	-	1,385
Intergovernmental	4,233	-	4,233
Total Assets	\$ 34,641	\$ 30,245	\$ 64,886
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 1,285	\$ 2,465	\$ 3,750
Retainage payable	37	1,522	1,559
Unearned revenue	348	-	348
Total Liabilities	1,670	3,987	5,657
Deferred Inflows of Resources:			
Unavailable revenue	211	-	211
Total Deferred Inflows of Resources	211	-	211
Fund Balances:			
Restricted for:			
Transportation and public works	32,760	26,258	59,018
Total Fund Balances	32,760	26,258	59,018
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 34,641	\$ 30,245	\$ 64,886

CITY OF RIVERSIDE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 COMBINING CAPITAL OUTLAY FUND SCHEDULE
 YEAR ENDED JUNE 30, 2020
 (amounts expressed in thousands)

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
Revenues:			
Intergovernmental	\$ 10,792	\$ -	\$ 10,792
Special assessments	563	-	563
Rental and investment income	1,016	588	1,604
Miscellaneous	1,118	-	1,118
Total Revenues	13,489	588	14,077
Expenditures:			
Current:			
General government	339	-	339
Culture and recreation	5	-	5
Capital outlay	6,289	27,519	33,808
Debt service:			
Interest	1	-	1
Total Expenditures	6,634	27,519	34,153
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,855	(26,931)	(20,076)
Other Financing Sources (Uses):			
Transfers in	650	11,392	12,042
Transfers out	(2,999)	(426)	(3,425)
Total Other Financing Sources (Uses)	(2,349)	10,966	8,617
Net Change in Fund Balances	4,506	(15,965)	(11,459)
Fund Balances, Beginning of Year	28,254	42,223	70,477
Fund Balances, End of Year	\$ 32,760	\$ 26,258	\$ 59,018



Statistical Section
(Unaudited)

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	109
Revenue Capacity These schedules contain information about property and sales taxes.	115
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	125
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	131
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	134

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1
City of Riverside
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

(in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 1,019,892	\$ 1,076,485	\$ 1,083,485	\$ 1,106,384	\$ 1,126,220	\$ 1,123,910	\$ 1,102,409	\$ 1,093,896	\$ 1,102,837	\$ 1,081,991
Restricted	80,820	86,325	80,712	96,587	105,847	106,488	104,853	112,183	126,551	153,806
Unrestricted	(90,159)	23,145	17,989	(2,049)	(406,388)	(389,278)	(362,146)	(364,500)	(356,340)	(369,222)
Total governmental activities net position	<u>\$ 1,010,553</u>	<u>\$ 1,185,955</u>	<u>\$ 1,182,186</u>	<u>\$ 1,200,922</u>	<u>\$ 825,679</u>	<u>\$ 841,120</u>	<u>\$ 845,116</u>	<u>\$ 841,579</u>	<u>\$ 873,048</u>	<u>\$ 866,575</u>
Business-type activities										
Net investment in capital assets	\$ 654,974	\$ 666,919	\$ 609,691	\$ 616,844	\$ 626,166	\$ 654,870	\$ 702,844	\$ 800,227	\$ 867,206	\$ 751,865
Restricted	56,397	54,923	69,068	68,507	75,660	85,526	93,570	80,717	67,057	75,170
Unrestricted	256,038	285,062	330,833	359,698	209,469	235,144	245,116	199,143	155,468	272,776
Total business-type activities net position	<u>\$ 967,409</u>	<u>\$ 1,006,904</u>	<u>\$ 1,009,592</u>	<u>\$ 1,045,049</u>	<u>\$ 911,295</u>	<u>\$ 975,540</u>	<u>\$ 1,041,530</u>	<u>\$ 1,080,087</u>	<u>\$ 1,089,731</u>	<u>\$ 1,099,811</u>
Primary government										
Net investment in capital assets	\$ 1,674,866	\$ 1,743,404	\$ 1,693,176	\$ 1,723,228	\$ 1,752,386	\$ 1,778,780	\$ 1,805,253	\$ 1,894,123	\$ 1,970,043	\$ 1,833,856
Restricted	137,217	141,248	149,780	165,094	181,507	192,014	198,423	192,900	193,608	228,976
Unrestricted	165,879	308,207	348,822	357,649	(196,919)	(154,134)	(117,030)	(165,357)	(200,872)	(96,446)
Total primary government net position	<u>\$ 1,977,962</u>	<u>\$ 2,192,859</u>	<u>\$ 2,191,778</u>	<u>\$ 2,245,971</u>	<u>\$ 1,736,974</u>	<u>\$ 1,816,660</u>	<u>\$ 1,886,646</u>	<u>\$ 1,921,666</u>	<u>\$ 1,962,779</u>	<u>\$ 1,966,386</u>

¹ The increase in total governmental activities net position (and related unrestricted net position) is primarily due to the dissolution of the Redevelopment Agency.

Table 2
City of Riverside
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

(in thousands) Page 1 of 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 72,606	\$ 48,731	\$ 54,808	\$ 39,331	\$ 26,587	\$ 24,483	\$ 44,510	\$ 45,360	\$ 51,139	\$ 63,651
Public safety	139,364	148,605	147,652	149,555	154,123	161,284	160,665	216,772	201,942	222,061
Highways and streets	32,131	35,342	35,072	36,564	36,563	38,836	38,585	42,544	43,770	46,983
Culture and recreation	50,017	54,594	40,077	42,252	45,594	47,762	49,406	38,362	31,200	37,400
Interest on long-term debt	33,638	25,087	16,627	17,741	17,025	16,387	16,028	12,414	10,045	13,181
Total governmental activities expenses	327,756	312,359	294,236	285,443	279,892	288,752	309,194	355,452	338,096	383,276
Business-type activities:										
Electric	275,922	288,799	292,175	304,416	309,874	307,925	317,335	333,061	347,804	350,667
Water	56,390	56,715	58,768	60,030	62,792	57,769	62,189	68,281	70,912	73,742
Sewer	42,276	43,702	43,945	40,385	35,593	39,978	38,305	54,136	70,137	62,961
Civic Entertainment	-	-	-	-	-	-	-	19,995	24,151	21,584
Airport	2,320	2,646	2,029	1,662	1,809	1,799	1,998	2,179	1,972	2,304
Refuse	20,046	19,979	20,581	20,831	20,007	21,652	21,953	22,082	24,205	26,549
Transportation	3,493	3,667	3,745	4,067	4,385	4,113	4,221	4,782	4,493	4,607
Public parking	4,401	4,984	5,051	4,610	5,604	5,141	5,448	6,186	5,151	4,628
Total business-type activities expenses	404,848	420,492	426,294	436,001	440,064	438,377	451,449	510,702	548,825	547,042
Total primary government expenses	\$ 732,604	\$ 732,851	\$ 720,530	\$ 721,444	\$ 719,956	\$ 727,129	\$ 760,643	\$ 866,154	\$ 886,921	\$ 930,318
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 14,241	\$ 14,662	\$ 13,338	\$ 13,775	\$ 17,600	\$ 24,944	\$ 27,441	\$ 24,605	\$ 29,281	\$ 25,698
Public safety	8,075	7,837	7,793	7,444	7,256	3,243	1,167	1,880	2,443	2,138
Highways and streets	16,985	16,532	15,825	17,487	13,868	5,709	5,930	5,554	6,036	5,174
Culture and recreation	3,180	4,622	5,237	7,406	16,319	12,458	22,802	6,078	7,465	5,050
Operating grants and contributions	21,127	31,581	21,485	14,341	12,869	16,321	19,374	22,548	23,966	21,779
Capital grants and contributions	38,138	54,476	32,202	48,433	43,904	31,216	7,617	18,039	27,450	19,945
Total governmental activities program revenues	101,746	129,710	95,880	108,886	111,816	93,891	84,331	78,704	96,641	79,784
Business-type activities:										
Charges for services:										
Electric	313,703	333,029	347,933	344,037	347,621	354,530	366,066	364,516	363,570	368,969
Water	62,084	65,206	68,489	68,691	66,051	57,250	62,627	66,828	65,177	70,167
Sewer	32,769	37,747	43,772	46,162	50,336	52,664	59,735	65,081	64,282	64,114
Civic Entertainment	-	-	-	-	-	-	-	16,393	16,977	12,233
Airport	1,342	1,524	1,396	1,100	1,260	1,549	1,578	1,562	1,618	1,743
Refuse	19,134	19,588	20,829	20,677	21,360	21,806	22,567	23,085	23,004	25,109
Transportation	344	352	344	413	385	377	359	441	444	309
Public parking	5,205	4,803	4,777	4,382	4,609	4,918	5,009	6,258	4,604	4,301
Operating grants and contributions	2,159	2,738	2,718	2,524	3,869	2,322	3,751	3,374	3,093	3,473
Capital grants and contributions	7,337	21,164	11,734	11,486	8,027	18,868	24,151	26,957	10,607	13,979
Total business-type activities program revenues	444,077	486,151	501,992	499,472	503,518	514,284	545,843	574,495	553,376	564,397
Total primary government program revenues	\$ 545,823	\$ 615,861	\$ 597,872	\$ 608,358	\$ 615,334	\$ 608,175	\$ 630,174	\$ 653,199	\$ 650,017	\$ 644,181

(continued)

Table 2
City of Riverside
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

(in thousands) Page 2 of 2

	Fiscal Year									
	2011	2012 ¹	2013 ²	2014	2015	2016	2017	2018	2019	2020
Net Revenues (Expense)										
Governmental activities	\$ (226,010)	\$ (182,649)	\$ (198,356)	\$ (176,557)	\$ (168,076)	\$ (194,861)	\$ (224,863)	\$ (276,748)	\$ (241,455)	\$ (303,492)
Business-type activities	39,229	65,659	75,698	63,471	63,454	75,907	94,394	63,793	4,551	17,355
Total primary government net expense	<u>\$ (186,781)</u>	<u>\$ (116,990)</u>	<u>\$ (122,658)</u>	<u>\$ (113,086)</u>	<u>\$ (104,622)</u>	<u>\$ (118,954)</u>	<u>\$ (130,469)</u>	<u>\$ (212,955)</u>	<u>\$ (236,904)</u>	<u>\$ (286,137)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales	\$ 44,157	\$ 47,701	\$ 50,222	\$ 55,096	\$ 59,437	\$ 60,976	\$ 75,883	\$ 120,338	\$ 130,645	\$ 128,653
Property	100,802	74,179	52,904	51,323	54,864	55,545	59,526	63,515	69,478	72,609
Utility users	26,691	27,320	28,206	28,092	28,076	27,828	27,958	27,498	28,009	29,044
Franchise	4,937	4,883	4,959	5,046	5,543	5,730	4,814	4,972	5,256	5,443
Transient occupancy	2,731	2,995	3,703	4,189	5,280	6,093	6,622	6,793	7,163	5,959
Intergovernmental, unrestricted	1,285	351	337	263	3,153	477	145	172	156	656
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	7,439	4,440	2,786	2,759	3,233	729	6,145	5,187	7,500	10,185
Miscellaneous	9,544	9,273	9,208	5,425	12,395	11,708	2,050	4,278	-	9,146
Transfers	34,378	40,679	42,262	43,100	42,681	41,216	45,716	41,459	37,115	35,324
Extraordinary items	-	149,617	-	-	-	-	-	-	-	-
Total governmental activities	<u>231,964</u>	<u>361,438</u>	<u>194,587</u>	<u>195,293</u>	<u>214,662</u>	<u>210,302</u>	<u>228,859</u>	<u>274,212</u>	<u>285,322</u>	<u>297,019</u>
Business-type activities:										
Investment income	17,548	11,405	4,744	8,005	5,319	6,888	2,650	3,939	19,488	19,838
Miscellaneous	4,808	3,110	5,767	7,081	7,652	22,666	14,662	12,901	10,322	8,211
Transfers	(34,378)	(40,679)	(42,262)	(43,100)	(42,681)	(41,216)	(45,716)	(41,459)	(37,115)	(35,324)
Extraordinary items	-	-	(41,259)	-	-	-	-	-	-	-
Total business-type activities	<u>(12,022)</u>	<u>(26,164)</u>	<u>(73,010)</u>	<u>(28,014)</u>	<u>(29,710)</u>	<u>(11,662)</u>	<u>(28,404)</u>	<u>(24,619)</u>	<u>(7,305)</u>	<u>(7,275)</u>
Total primary government	<u>219,942</u>	<u>335,274</u>	<u>121,577</u>	<u>167,279</u>	<u>184,952</u>	<u>198,640</u>	<u>200,455</u>	<u>249,593</u>	<u>278,017</u>	<u>289,744</u>
Change in Net Position										
Governmental activities	\$ 5,954	\$ 178,789	\$ (3,769)	\$ 18,736	\$ 46,586	\$ 15,441	\$ 3,996	\$ (2,536)	\$ 43,867	\$ (6,473)
Business-type activities	27,207	39,495	2,688	35,457	33,744	64,245	65,990	39,174	(2,754)	10,080
Total primary government	<u>\$ 33,161</u>	<u>\$ 218,284</u>	<u>\$ (1,081)</u>	<u>\$ 54,193</u>	<u>\$ 80,330</u>	<u>\$ 79,686</u>	<u>\$ 69,986</u>	<u>\$ 36,638</u>	<u>\$ 41,113</u>	<u>\$ 3,607</u>

¹ The increase in total governmental activities net position is primarily due to the dissolution of the Redevelopment Agency.

² The decrease in total business-type activities net position is primarily due to the power plant closure.

Table 3
City of Riverside
Fund Balances of Governmental Funds
Last Seven Fiscal Years
(modified accrual basis of accounting, in thousands)

	2014	2015	2016	2017	2018	2019	2020
General fund							
Nonspendable	\$ 24,419	\$ 23,642	\$ 23,094	\$ 26,168	\$ 1,947	\$ 949	\$ 1,446
Restricted	2,204	2,985	3,067	2,651	2,991	3,411	10,699
Committed	-	-	-	-	53,800	65,916	59,280
Assigned	14,505	13,965	9,922	14,968	23,242	26,984	21,260
Unassigned	37,732	39,059	29,495	39,283	7,644	23,907	41,184
Total general fund	\$ 78,860	\$ 79,651	\$ 65,578	\$ 83,070	\$ 89,624	\$ 121,167	\$ 133,869
All other governmental funds							
Nonspendable	\$ 1,460	\$ 1,625	\$ 1,619	\$ 1,601	\$ 4,855	\$ 1,560	\$ 1,510
Restricted for:							
Housing and redevelopment	26,223	25,523	24,746	24,098	18,827	16,668	16,611
Debt service	26,177	26,203	26,221	6,455	11,509	6,825	11,210
Transportation and public works	54,876	36,347	36,876	34,178	43,499	91,379	84,413
Other purposes	321	2,326	3,628	4,145	3,451	5,505	5,984
Unassigned	-	-	-	(24)	-	-	(27)
Total all other governmental funds	\$ 109,057	\$ 92,024	\$ 93,090	\$ 70,453	\$ 82,141	\$ 121,937	\$ 119,701

Note: Certain reclassifications have been made to prior year balances to conform with current year's presentation.

*The City of Riverside implemented GASB 54 in the fiscal year ended June 30, 2011.
The City has elected to show six years of data for this schedule.*

Table 4
City of Riverside
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis accounting)

(in thousands) Page 1 of 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Taxes	\$ 179,318	\$ 156,593	\$ 139,994	\$ 143,748	\$ 153,200	\$ 156,172	\$ 174,803	\$ 223,116	\$ 240,416	\$ 241,708
Licenses and permits	7,657	9,292	10,173	9,244	11,168	11,611	14,455	12,442	14,317	13,023
Intergovernmental	61,082	66,618	50,734	59,348	49,892	51,896	31,440	42,454	44,950	42,296
Charges for services	10,720	11,774	12,062	15,734	24,737	26,443	31,384	17,438	16,927	15,968
Fines and forfeitures	8,928	6,293	6,234	7,283	3,957	1,941	1,976	3,717	2,078	1,887
Special assessments	6,014	6,276	6,669	6,272	6,757	7,039	7,578	7,113	7,973	6,950
Use of money and property	10,173	8,095	3,878	4,315	5,112	4,370	4,718	3,446	6,548	8,441
Miscellaneous	16,605	10,611	14,933	6,957	6,939	12,578	7,252	8,716	5,370	7,845
Total revenues	\$ 300,497	\$ 275,552	\$ 244,677	\$ 252,901	\$ 261,762	\$ 272,050	\$ 273,606	\$ 318,442	\$ 338,579	\$ 338,118
Expenditures:										
General government	\$ 26,090	\$ 18,835	\$ 15,713	\$ 13,558	\$ 17,799	\$ 19,900	\$ 20,650	\$ 21,135	\$ 18,880	\$ 107,779
Public safety	140,994	150,878	150,290	151,721	157,660	164,800	163,712	190,916	198,363	434,208
Highways and streets	14,587	16,651	16,294	16,944	16,594	17,416	17,504	19,207	20,927	22,254
Culture and recreation	44,345	57,538	45,356	34,275	37,527	39,583	40,643	29,382	30,528	28,825
Capital outlay	105,689	75,482	73,581	72,365	60,060	53,208	31,000	33,504	41,585	55,178
Debt Service:										
Principal	89,264	83,378	45,006	45,500	49,101	51,987	72,700	21,904	37,867	23,761
Interest	32,611	24,133	15,116	16,787	17,048	16,451	16,115	12,746	10,493	10,773
Debt issuance costs	174	169	581	843	172	180	29	24	854	1,185
Payment for advance refunding	-	-	3,521	-	-	-	-	-	-	-
Total expenditures	\$ 453,754	\$ 427,064	\$ 365,458	\$ 351,993	\$ 355,961	\$ 363,525	\$ 362,353	\$ 328,818	\$ 359,497	\$ 683,963
Excess of revenues over (under) expenditures	\$ (153,257)	\$ (151,512)	\$ (120,781)	\$ (99,092)	\$ (94,199)	\$ (91,475)	\$ (88,747)	\$ (10,376)	\$ (20,918)	\$ (345,845)

(continued)

Table 4
City of Riverside
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis accounting)

(in thousands) Page 2 of 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Other financing sources (uses):										
Transfers in	\$ 214,631	\$ 196,859	\$ 56,572	\$ 58,469	\$ 61,510	\$ 61,384	\$ 94,521	\$ 102,774	\$ 94,771	\$ 95,932
Transfers out	(180,280)	(156,305)	(14,178)	(15,369)	(18,829)	(20,168)	(48,805)	(66,021)	(58,688)	(60,608)
Issuance of long term debt	104,875	34,940	99,753	87,037	30,940	31,145	31,578	14,500	49,485	320,131
Capital lease financings	2,000	-	7,203	6,625	4,450	5,846	2,109	-	-	-
Proceeds from the sale of capital assets	(1,629)	156	82	931	(114)	261	4,199	461	149	856
Other finance sources - bond premium/(discount)	-	-	-	-	-	-	-	-	6,540	-
Payments to refunded bond agent	-	-	(43,591)	-	-	-	-	-	-	-
Total other financing sources (uses)	139,597	75,650	105,841	137,693	77,957	78,468	83,602	51,714	92,257	356,311
Net change in fund balances	\$ (13,660)	\$ (75,862)	\$ (14,940)	\$ 38,601	\$ (16,242)	\$ (13,007)	\$ (5,145)	\$ 41,338	\$ 71,339	\$ 10,466
Debt service as a percentage of noncapital expenditures	32.757% (1)	32.507% (2)	21.039%	21.803%	22.360%	21.714%	26.625%	11.999%	15.143%	5.428% (3)

(1) Increase in debt service related to one-time early redemption of \$31.7 million of 2011 Redevelopment Tax Allocation Bonds and \$9.1 million of loan proceeds that were drawn-down during the year and re-paid within the year.

(2) Includes one-time early redemption of \$33.3 million of 2011 Redevelopment Tax Allocation Bonds.

(3) Includes one-time payment of \$318,944 to CalPERS to paydown the Unfunded Pension Liability for Miscellaneous and Safety personnel.

Table 5
City of Riverside
Business-Type Activities Electricity Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

(in thousands)

Fiscal Year	Residential Sales	Commercial Sales	Industrial Sales	Wholesale Sales	Other Sales	Transmission Revenue	Other Operating Revenue	Total Revenues
2011	\$ 107,792	\$ 64,039	\$ 102,067	\$ 124	\$ 5,529	\$ 22,091	\$ 12,061	\$ 313,703
2012	110,471	66,047	107,455	50	5,614	30,735	12,657	333,029
2013	118,173	66,632	110,680	638	5,712	32,688	13,410	347,933
2014	111,880	67,063	111,260	115	5,600	32,630	15,489	344,037
2015	114,112	68,572	112,283	60	5,654	30,587	16,353	347,621
2016	116,997	69,759	113,756	3	4,737	32,924	16,354	354,530
2017	117,662	71,456	115,432	9	4,782	35,497	21,228	366,066
2018	115,630	71,128	115,106	2	4,792	37,484	20,374	364,516
2019	116,303	69,878	114,078	344	4,824	35,730	22,413	363,570
2020	121,162	68,958	115,745	(10)	4,849	34,817	23,448	368,969

Table 6
City of Riverside
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

(in thousands)

Fiscal Year	Sales Tax¹	Property Tax²	Utility Users Tax	Franchise Tax	Transient Occupancy Tax	Total Taxes
2011	\$ 44,157	\$ 100,802	\$ 26,691	\$ 4,937	\$ 2,731	\$ 179,318
2012	47,701	74,179	27,320	4,883	2,995	157,078
2013	50,222	52,904	28,206	4,959	3,703	139,994
2014	55,096	51,323	28,092	5,046	4,189	143,746
2015	59,437	54,864	28,076	5,543	5,280	153,200
2016	60,976	55,545	27,828	5,730	6,093	156,172
2017	75,883	59,526	27,958	4,814	6,622	174,803
2018	120,338	63,515	27,498	4,972	6,793	223,116
2019	130,645	69,343	28,009	5,256	7,163	240,416
2020	128,653	72,609	29,044	5,443	5,959	241,708

¹ Increase in sales tax in fiscal year 2017 is due to Measure Z which was passed by the voters November 2016 and became effective April 1, 2017. Measure Z is a one percent transaction and use tax.

² Decrease in property taxes in fiscal years 2012 and 2013 relates to the dissolution of the Redevelopment Agency. Upon the dissolution of the Redevelopment Agency on February 1, 2012, property taxes received by the Successor Agency are reported in a private-purpose trust fund and therefore are excluded from the activities of the primary government.

Table 7
City of Riverside
Taxable Sales by Category
Last Ten Calendar Years

(in thousands of dollars)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Apparel Stores	\$ 161,802	\$ 168,352	\$ 175,320	\$ 178,349	\$ 188,670	\$ 203,001	\$ 214,852	\$ 210,158	\$ 212,036	\$ 210,439
General Merchandise	432,303	444,125	450,988	463,355	475,147	477,903	478,538	465,490	470,386	465,234
Food Stores	167,259	169,380	181,719	193,368	209,022	217,902	168,854	169,922	184,278	185,859
Eating and Drinking Places	371,419	395,423	422,153	447,841	483,901	533,317	582,262	609,705	639,995	677,763
Building Materials	292,605	349,398	376,011	454,468	514,993	567,790	636,415	666,907	738,178	761,881
Auto Dealers and Supplies	847,986	965,529	1,118,907	1,280,633	1,461,217	1,548,385	1,608,231	1,588,854	1,621,311	1,672,475
Service Stations	350,904	419,497	430,322	418,110	413,128	370,257	338,762	360,830	432,991	434,162
Other Retail Stores	501,071	517,583	535,945	550,157	595,305	633,089	692,375	677,850	666,659	636,043
All Other Outlets	977,260	1,072,513	1,008,206	1,154,492	1,312,607	1,461,982	1,474,160	1,481,019	1,700,733	1,701,236
Total	\$ 4,102,609	\$ 4,501,800	\$ 4,699,571	\$ 5,140,773	\$ 5,653,990	\$ 6,013,625	\$ 6,194,449	\$ 6,230,735	\$ 6,666,567	\$ 6,745,092

Source: State of California Board of Equalization and the HdI Companies.

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Table 8
City of Riverside
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30	City				Dissolved Redevelopment Agency ¹				Total Direct Rate ²
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	
2011	\$ 22,056,793	\$ 1,260,923	\$ (6,920,720)	\$ 16,396,996	\$ 5,396,219	\$ 544,906	\$ (268,323)	\$ 5,672,802	0.347
2012	22,031,328	1,264,151	(6,952,649)	16,342,830	5,395,632	572,153	(270,313)	5,697,472	0.348
2013	22,313,665	1,244,448	(7,142,401)	16,415,712	N/A	N/A	N/A	N/A	0.348
2014	23,045,134	1,201,634	(7,394,982)	16,851,786	N/A	N/A	N/A	N/A	0.125
2015	24,482,621	1,329,391	(7,945,000)	17,867,012	N/A	N/A	N/A	N/A	0.124
2016	25,710,122	1,225,375	(8,432,984)	18,502,513	N/A	N/A	N/A	N/A	0.124
2017	26,927,989	1,311,356	(9,029,817)	19,209,528	N/A	N/A	N/A	N/A	0.124
2018	28,373,517	1,354,934	(9,791,810)	19,936,641	N/A	N/A	N/A	N/A	0.124
2019	30,196,815	1,420,597	(10,818,883)	20,798,529	N/A	N/A	N/A	N/A	0.124
2020	31,856,912	1,466,408	(11,358,474)	21,964,846	N/A	N/A	N/A	N/A	0.124

Notes:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. Assessed valuations are based on 100 percent of estimated actual value.

¹ In accordance with the timeline set forth in Assembly Bill 1X 26 (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

² Total Direct Rate is the weighted average of all individual direct rates. Beginning in 2013/14, the Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas.

Source: Riverside County Auditor-Controller

Table 9
City of Riverside
Direct and Overlapping Property Tax Rates
(Rate per \$100 of Assessed Valuation)
Last Ten Fiscal Years

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/2017	2017/2018	2018/2019	2019/2020
Basic Levy ¹	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Unified School Districts Debt Service ²	0.301	0.332	0.325	0.390	0.377	0.487	0.495	0.517	0.521	0.535
City of Riverside Debt Service	0.006	0.006	0.006	0.007	0.006	0.006	0.006	0.006	0.006	0.005
Metropolitan Water District Original Area	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
Riverside City Community College Debt Service	0.015	0.017	0.017	0.018	0.018	0.017	0.016	0.016	0.015	0.015
Total Direct & Overlapping³ Tax Rates	1.325	1.358	1.352	1.418	1.405	1.514	1.521	1.543	1.545	1.559
City's Share of 1% Levy Per Prop 13⁴	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113
General Obligation Debt Rate	0.006	0.006	0.006	0.007	0.006	0.006	0.006	0.006	0.006	0.005
Redevelopment Rate^{5,7}	1.004	1.004	-	-	-	-	-	-	-	-
Total Direct Rate⁶	0.347	0.348	0.348	0.125	0.124	0.124	0.124	0.124	0.124	0.124

¹ In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Includes: Alvard Unified School District, Corona Norco Unified School District, Jurupa Unified School District, Moreno Valley Unified School District, and Riverside Unified School District.

³ Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

⁴ City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

⁵ RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁶ Total Direct Rate is the weighted average of all individual direct rates. Beginning in 2013/14, the Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas.

⁷ In accordance with the timeline set forth in Assembly Bill X1 26 (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Note: Amounts presented in this table have been restated for prior years to reflect the most current information available.

Source: Riverside County Assessor 2010/11 - 2019/20 Tax Rate Table.

Table 10
City of Riverside
Principal Property Taxpayers
Current Year and Nine Years Ago

(in thousands)

Property Owner	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Riverside Healthcare System	\$ 319,988	1	1.0%	\$ 105,573	3	0.5%
Tyler Mall	223,823	2	0.7%	185,497	1	0.8%
Rohr Inc	171,268	3	0.5%	76,435	7	0.3%
CPT Riverside Plaza LLC	162,354	4	0.5%	-		0.0%
La Sierra University	138,953	5	0.4%	122,345	2	0.6%
Corona Pointe Apartments	123,313	6	0.4%	-		0.0%
Smiths Food and Drug Centers Inc.	103,115	7	0.3%	-		0.0%
1001 Columbia Pt LLC	103,028	8	0.3%	-		0.0%
Walmart Stores Inc./Sams	83,862	9	0.3%	-		0.0%
Northrop Drive Apartments Investment	83,841	10	0.3%	-		0.0%
State Street Bank and Trust Co	-		0.0%	87,419	4	0.4%
MEF Realty	-		0.0%	78,406	6	0.4%
Press Enterprise Company	-		0.0%	74,222	9	0.3%
Canyon Springs Marketplace Corporation	-		0.0%	68,969	10	0.3%
Fountains South Bay, LLC	-		0.0%	81,594	5	0.4%
Mission Grove Plaza, LP	-		0.0%	75,147	8	0.3%
Totals	<u>\$ 1,513,544</u>		<u>4.8%</u>	<u>955,607</u>		<u>4.3%</u>

Notes:

The amounts shown above include assessed value data for both the City and the Successor Agency.

Source: Riverside County Assessor 2019/20 and 2010/11 Combined Tax Rolls

Table 11
City of Riverside
Property Tax Levies and Collections
Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30	Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections To Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	\$ 74,608	\$ 72,327	96.94%	\$ 2,281	\$ 74,608	100.00%
2012	41,020	40,340	98.34%	680	41,020	100.00%
2013	43,333	42,447	97.96%	886	43,333	100.00%
2014	45,138	44,684	98.99%	454	45,138	100.00%
2015	48,846	48,427	99.14%	419	48,846	100.00%
2016	50,023	49,585	99.12%	-	50,023	100.00%
2017	53,655	53,252	99.25%	-	53,655	100.00%
2018	57,567	57,173	99.32%	-	57,567	100.00%
2019	63,003	62,557	99.29%	-	63,003	100.00%
2020	66,295	65,729	99.15%	-	65,729	99.15%

Note:

The table reflects amounts related to the City. In addition, it includes amounts related to the Redevelopment Agency through dissolution (1/31/12). The amounts collected by the Redevelopment Agency include monies that were passed-through to other agencies. Current tax levies are the original charge as provided by the County of Riverside. Current tax collections do not include supplemental taxes, aircraft taxes or other property taxes.

The City adopted the Teeter plan available with the County of Riverside effective Fiscal year 2014. Under the Teeter plan the County of Riverside has responsibility for the collection of delinquent taxes and the City receives 100% of the levy.

Table 12
City of Riverside
Electricity Sold by Type of Customer
Last Ten Fiscal Years

(in millions of kilowatt-hours)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Type of Customer:										
Residential	666	688	726	700	711	726	730	727	722	723
Commercial	400	413	419	421	428	438	448	447	434	417
Industrial	912	969	1,003	997	995	983	996	999	973	956
Wholesale sales	7	2	14	4	2	-	1.00	-	-	1
Other	31	31	31	30	31	23	23	22	21	18
Total	2,016	2,103	2,193	2,152	2,167	2,170	2,198	2,195	2,150	2,115
Total direct rate										
Monthly Base Rate ¹	18.06	18.06	18.06	18.06	18.06	18.06	18.06	18.06	19.41	20.63

¹ Monthly Base Rate includes a Reliability Charge of \$5.00 (small residence 100 amp) implemented in January 2008. In January 2010, the Reliability Charge increased to \$10.00 (small residence 100 amp). In January 2019, the Minimum Customer Charge increased to \$8.86, a Network Access Charge of \$55 was included and the tier 1 rate increased to \$0.1047 per kWh.

Source: Riverside Public Utilities, Finance Services

Table 13
City of Riverside
Electricity Rates
Last Ten Fiscal Years
(Average Rate in Dollars per Kilowatt-Hour)

Fiscal Year Ended June 30	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Other</u>
2011	0.16173	0.16001	0.11194	0.18089
2012	0.16068	0.15991	0.11088	0.17938
2013	0.16274	0.15913	0.11030	0.18375
2014	0.15995	0.15936	0.11156	0.18513
2015	0.16050	0.16022	0.11282	0.18291
2016	0.16119	0.15915	0.11577	0.20908
2017	0.16116	0.15958	0.11586	0.21287
2018	0.15910	0.15902	0.11524	0.21288
2019	0.16111	0.16086	0.11724	0.23448
2020	0.16774	0.16546	0.12105	0.26480

Source: Riverside Public Utilities, Finance Services

Table 14
City of Riverside
Top 10 Electricity Customers
Current Year and Nine Years Ago

Electricity Customer	2020			2011		
	Electricity Charges	Rank	Percent of Total Electric Revenues	Electricity Charges	Rank	Percent of Total Electric Revenues
Local University	\$11,732,046	1	3.78%	\$9,446,847	1	3.38%
Local Government	7,631,024	2	2.46%	7,676,133	2	2.75%
Local Government	7,588,165	3	2.44%	6,597,628	3	2.36%
Local School District	4,053,899	4	1.30%	4,139,323	4	1.48%
Corporation	4,002,319	5	1.29%	3,634,707	5	1.30%
Corporation	3,732,748	6	1.20%	2,605,188	6	0.93%
Corporation	3,675,596	7	1.18%	1,966,308	9	0.70%
Corporation	3,059,060	8	0.98%	-		0.00%
Hospital	2,865,560	9	0.92%	2,181,356	7	0.78%
Hospital	2,757,453	10	0.89%	-		0.00%
Shopping Mall			-	2,051,562	8	0.73%
Local School District			-	1,925,538	10	0.69%
	<u>\$51,097,870</u>		<u>16.44%</u>	<u>\$42,224,590</u>		<u>15.10%</u>

Retail Sales Per Financial Statements \$310,714,132

\$ 279,427,397

N/A - not available

Source: Riverside Public Utilities, Finance Services

Table 15
City of Riverside
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(in thousands)

Governmental Activities								Business-Type Activities					
Fiscal Year	General Obligation Bonds	Redevelopment Bonds	Lease Revenue Bonds	Pension Obligation Bonds ²	Certificates of Participation	Capital Leases	Notes/Loans Payable	Revenue Bonds	Notes/Loans Payable	Capital Leases	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
2011	\$ 16,845	\$ 305,195	\$ -	\$ 132,095	\$ 207,246	\$ 6,670	\$ 8,849	\$ 1,071,554	\$ 76,747	\$ 1,720	\$ 1,826,921	27.58%	6.01
2012	16,107	-	-	127,480	202,703	5,220	4,000	1,063,853	73,821	1,332	1,494,516	21.94%	4.84
2013	15,314	-	43,762	122,005	158,697	8,424	28,652	1,031,839	70,798	2,558	1,482,049	21.41%	4.75
2014	14,460	-	42,344	115,775	191,446	13,168	47,611	1,094,290	36,030	2,266	1,557,390	22.54%	4.96
2015	13,546	-	40,891	108,725	187,212	14,966	45,574	1,239,634	37,225	1,720	1,689,493	24.64%	5.38
2016	12,567	-	39,398	101,000	181,429	12,006	43,482	1,208,851	37,793	4,694	1,641,220	23.60%	5.05
2017	11,513	-	37,854	92,592	156,516	17,193	41,325	1,180,345	35,255	-	1,578,802	22.11%	4.83
2018	10,388	-	36,246	60,883	150,800	25,647	1,746	1,139,864	78,583	18,324	1,510,978	20.56%	4.64
2019	9,179	-	80,416	50,486	99,178	21,422	1,329	1,241,743	73,673	14,775	1,597,393	20.81%	4.87
2020	7,874	-	75,964	364,633	94,802	18,207	899	1,212,914	69,519	3,633	2,004,026	24.73%	6.11

¹ These ratios are calculated using personal income and population data for the prior calendar year.

² The 2005 and 2017 Taxable Pension Obligation Bonds were divided between Governmental Activities, Business-Type Activities, and the Successor Agency.

³ The 2008 Certificates of Participation were divided between Governmental Activities and Business-Type Activities.

⁴ The 2012 Lease Revenue Refunding Bonds were divided between Governmental Activities, Business-Type Activities and the Successor Agency.

Source: City of Riverside Notes to Financial Statements and Statistical Table 20.

Table 16
City of Riverside
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

(in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Pension Bonds	Certificates of Participation	Tax Allocation Bonds	Total	Percent of Assessed Value ¹	Per Capita ²
2011	\$ 16,845	\$ 132,095	\$ 207,246	\$ 305,195	\$ 661,381	4.03%	2,175
2012	16,107	127,480	202,703	-	346,290	2.12%	1,122
2013	15,314	122,005	158,697	-	296,016	1.80%	949
2014	14,460	115,775	191,446	-	321,681	1.91%	1,024
2015	13,546	108,725	187,212	-	309,483	1.73%	985
2016	12,567	101,000	181,429	-	294,996	1.59%	909
2017	11,513	92,592	156,516	-	260,621	1.65%	798
2018	10,388	60,883	150,800	-	222,071	1.11%	681
2019	9,179	65,261	99,178	-	173,618	0.83%	529
2020	7,874	484,258	123,285	-	615,417	2.80%	1,875

Notes:

General bonded debt is debt payable with governmental fund and enterprise fund resources.

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

² These ratios are calculated using population data for the prior calendar year.

Source: City of Riverside Notes to Financial Statements and Reserve Cash Reconciliation maintained by City Finance Department.

Table 17
City of Riverside
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

2019-20 Assessed Valuation:	\$ 31,525,380,256
Less Dissolved Redevelopment Agency Incremental Valuation:	<u>9,560,534,192</u>
Adjusted Assessed Valuation:	<u><u>\$ 21,964,846,064</u></u>

	<u>Total Debt</u>	<u>% Applicable</u>	<u>City's Share of Debt¹</u>
Overlapping debt repaid with property taxes²			
Metropolitan Water District	\$ 37,300,000	1.027 %	\$ 383,071
Riverside County Flood Control and Water Conservation District Zone No. 4	12,530,000	1.954	244,836
Riverside City Community College District	284,166,015	28.199	80,131,975
Alvord Unified School District	198,004,558	71.852	142,270,235
Riverside Unified School District	361,015,000	85.155	307,422,323
Corona-Norco Unified School District	513,477,660	0.001	5,135
Jurupa Unified School District	159,112,972	0.001	1,591
Moreno Valley Unified School District	152,378,521	10.145	15,458,801
Alvord Unified School District Community District No.2006-1	6,795,000	82.333	5,594,527
Riverside Unified School District Community Facilities Districts	68,010,000	88.816-100.	67,904,311
City of Riverside Community Facilities Districts	21,740,000	100	21,740,000
City of Riverside 1915 Act Bonds	19,250,000	100	<u>19,250,000</u>
Total overlapping debt repaid with property taxes			<u>\$ 660,406,805</u>

(continued)

Table 17
City of Riverside
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Other overlapping debt²

Riverside County General Fund Obligations	\$ 759,807,924	10.726 %	\$ 81,496,998
Riverside County Pension Obligations	938,825,000	10.726	100,698,370
Corona-Norco Unified School District General Fund Obligations	25,802,026	0.001	258
Jurupa Unified School District Certificates of Participation	56,113,541	0.001	561
Moreno Valley Unified School District Certificates of Participation	13,030,000	10.145	1,321,894
Riverside Unified School District General Fund Obligations	14,336,455	85.155	12,208,208
Western Municipal Water District General Fund Obligations	7,817,855	32.492	2,540,177
Total other overlapping debt			<u>198,266,466</u>
Overlapping tax Increment debt			<u>194,791,282</u>
Total overlapping debt			1,053,464,553
City direct debt			<u>717,960,000</u> (3)
Combined total direct and overlapping debt			<u>\$ 1,771,424,553</u>

(1) Debt balances are as of June 30, 2020.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, non-bonded capital lease obligations. Qualified Zone Academy bonds are included based on principal due at maturity.

(3) Excludes Capital leases and Notes/Loans Payable from all debt and excludes Business Type Activities Revenue Bonds.

Ratios to 2019-20 Assessed Valuation:

Total debt repaid with property taxes.....	2.09%
City direct debt (\$717,964,000).....	2.28%
Combined total direct and overlapping debt.....	5.62%

Ratios to Dissolved Redevelopment Incremental Valuation (\$9,560,534,192):

Total overlapping tax Increment debt.....	2.04%
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Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc., Riverside County Auditor-Controller and City Finance Department.

Table 18
City of Riverside
Legal Debt Margin Information
Last Ten Fiscal Years

(in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed valuation	\$16,396,996	\$16,342,830	\$16,415,712	\$16,851,786	\$17,867,012	\$18,502,513	\$19,209,528	\$19,936,641	\$20,798,529	\$21,964,846
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	4,099,249	4,085,708	4,103,928	4,212,947	4,466,753	4,625,628	4,802,382	4,984,160	5,199,632	5,491,212
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	614,887	612,856	615,589	631,942	670,013	693,844	720,357	747,624	779,945	823,682
Total net debt applicable to limit:	16,845	16,107	15,314	14,460	13,546	12,567	11,513	10,388	9,179	7,874
Legal debt margin	\$ 598,042	\$ 596,749	\$ 600,275	\$ 617,482	\$ 656,467	\$ 681,277	\$ 708,844	\$ 737,236	\$ 770,766	\$ 815,808
Total net debt applicable to the limit as a percentage of debt limit	2.7%	2.6%	2.5%	2.3%	2.0%	1.8%	1.6%	1.4%	1.2%	1.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

Source: City of Riverside, Statistical Table 8, Statistical Table 15 and Notes to Financial Statements.

Table 19
City of Riverside
Pledged-Revenue Coverage
Business Type Activity Debt
Last Ten Fiscal Years

(in thousands)

Fiscal Year	Electric Revenue Bonds						Water Revenue Bonds					
	Pledged Revenue ¹	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage	Pledged Revenue ¹	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2011	\$ 319,177	\$ 212,878	\$ 106,299	\$ 23,029	\$ 25,087	2.21	\$ 84,328	\$ 35,220	\$ 49,108	\$ 4,799	\$ 9,263	3.49
2012	340,098	221,876	118,222	25,174	27,630	2.24	73,557	35,309	38,248	4,708	8,872	2.82
2013	348,187	226,997	121,190	18,486	25,941	2.73	72,700	35,940	36,760	5,395	8,700	2.61
2014	347,541	241,136	106,405	21,632	27,575	2.16	71,317	37,698	33,619	4,574	8,536	2.56
2015	348,244	250,578 *	97,666	15,485	26,532	2.32	66,010	36,725 *	29,285	5,258	8,342	2.15
2016	371,029	249,607 *	121,422	16,460	25,780	2.87	60,047	35,608 *	24,439	5,533	8,063	1.80
2017	368,956	251,998 *	116,958	14,032	25,553	2.95	65,689	37,956 *	27,733	5,486	8,124	2.04
2018	368,116	257,785 *	110,331	15,675	25,045	2.71	71,054	40,737 *	30,317	6,098	8,049	2.14
2019	374,510	279,394 *	95,116	16,449	26,017	2.24	69,965	44,547 *	25,418	6,362	8,780	1.68
2020	378,391	277,064 *	101,327	11,641	26,992	2.62	74,343	45,825	28,518	6,139	9,671	1.80

Fiscal Year	Sewer Revenue Bonds					
	Pledged Revenue ¹	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2011	37,772	27,575	10,197	692	125	12.48
2012	42,562	29,632	12,930	692	5,471	2.10
2013	52,944	29,999	22,945	7,465	10,891	1.25
2014	52,098	28,930	23,168	7,753	10,781	1.25
2015	51,288	27,598	23,690	8,056	10,958	1.25
2016	68,412	31,864	36,548	8,405	20,786	1.25
2017	78,337	29,921	48,416	9,010	19,621	1.69
2018	68,735	31,513	37,222	9,184	19,136	1.31
2019	71,787	34,084	37,703	14,766	14,455	1.29
2020	70,365	33,704	36,661	8,634	18,434	1.35

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

¹ Amounts have been calculated in accordance with the provisions set forth in the debt covenants. Total operating expenses exclusive of depreciation. Pledged revenue includes applicable cash set aside in a rate stabilization account in accordance with applicable bond covenants.

* Excludes non-cash pension expense

The City of Riverside does not have any pledged revenue related to Governmental Activities.

Table 20
City of Riverside
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population ¹	Personal Income ² (in thousands)	Per Capita Personal Income ²	Unemployment Rate ³
2010	304,051	6,623,143	21,783	14.8
2011	308,511	6,811,923	22,080	13.7
2012	311,955	6,923,217	22,193	9.7
2013	314,034	6,909,376	22,002	8.4
2014	314,221	6,857,559	21,824	7.9
2015	324,696	6,953,323	21,414	6.4
2016	326,792	7,139,080	21,845	5.8
2017	325,860	7,349,024	22,552	5.1
2018	328,101	7,674,374	23,390	3.8
2019	328,155	8,102,150	24,690	3.6

Sources:

¹ California State Department of Finance.

² Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries. Demographic Estimates for 2010 and later are per the US Census Bureau, most recent American Community Survey.

³ State of California Employment Development Department.

Table 21
City of Riverside
Principal Employers
Current Year and Nine Years Ago

Employer	2019 *			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
County of Riverside	22,000	1	17.5%	10,137	1	6.5%
University of California	8,735	2	6.9%	5,390	2	3.5%
March Air Force Reserve	7,000	3	5.6%			
Kaiser	4,346	4	3.5%	4,000	4	2.6%
Riverside Unified School District	4,313	5	3.4%	4,867	3	3.1%
City of Riverside	2,485	6	2.0%	2,647	5	1.7%
Riverside Community Hospital	2,200	7	1.8%	2,200	6	1.4%
Riverside Community College District	2,100	8	1.7%	1,864	7	1.2%
Alvord Unified School District	1,898	9	1.5%	1,689	9	1.1%
California Baptist University	1,442	10	1.1%			
Parkview Community Hospital				1,350	10	0.9%
Riverside County Office of Education				1,710	8	1.1%
Total	56,519		45.0%	35,854		23.1%

Source: City of Riverside, Economic Development Department

* Data is not currently available for the fiscal year ended June 30, 2020 due to the disruption caused by the Coronavirus (COVID-19) pandemic.

Table 22
City of Riverside
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	2011	2012	2013	2014¹	2015	2016	2017	2018	2019	2020
General government	431.40	440.40	413.90	356.25	361.25	394.24	417.55	430.05	453.80	458.30
Public safety (sworn and non-sworn personnel)										
Police ¹	589.93	599.93	596.75	551.75	553.75	554.75	512.00	543.00	557.00	571.00
Fire	255.46	255.46	255.46	255.00	255.00	251.00	239.00	242.00	245.00	248.00
Highways and streets	348.11	357.11	362.11	333.48	308.00	308.00	272.00	273.00	271.00	271.00
Sanitation	56.00	56.00	57.00	59.00	57.00	59.00	59.00	59.00	59.00	59.00
Culture and recreation	328.07	341.22	351.48	269.98	274.45	286.75	276.23	276.98	276.07	284.07
Airport	9.50	9.50	9.50	6.00	6.00	6.00	7.00	7.00	7.00	7.00
Water	180.15	181.15	181.15	182.15	181.15	181.15	174.15	158.65	158.65	158.65
Electric	448.50	452.50	459.50	462.50	464.50	466.50	471.75	489.25	475.25	475.25
Total	2,647.12	2,693.27	2,686.85	2,476.11	2,461.10	2,507.39	2,428.68	2,478.93	2,502.77	2,532.27

¹ In fiscal year 2013/14 the City Council deleted a number of long-term unfunded positions.

Source: City of Riverside, Finance Department

Table 23
City of Riverside
Operating Indicators by Function
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Arrests	8,118	7,736	8,362	9,321	10,310	9,242	8,358	8,423	8,295	7,738
Fire										
Number of calls answered	27,322	27,637	29,988	30,668	32,943	35,905	36,150	38,501	37,739	37,999
Inspections	6,505	10,074	10,151	12,476	8,770	6,636	6,482	6,519	5,584	7,987
Public works:										
Street resurfacing (miles)	21.25	18.43	16.50	35.38	38.75	39.01	27.09	17.37	16.50	18.80
Parks and recreation										
Number of recreation classes	37,303	43,318	41,364	45,707	43,007	53,907	53,308	54,025	54,069	34,366
Number of facility rentals	42,638	43,288	43,358	46,432	44,363	47,772	48,097	46,904	66,846	45,741
Water										
Number of accounts	64,349	64,367	64,591	64,829	65,102	65,094	65,428	65,640	65,803	66,031
Annual consumption (ccf)	25,902,439	27,062,142	28,186,178	28,887,304	26,007,490	22,529,463	25,340,729	27,514,374	25,827,721	25,526,021
Electric										
Number of accounts	106,855	107,321	107,525	108,358	108,388	108,776	109,274	109,619	110,480	111,161
Annual consumption (kwh)	2,016	2,103	2,193	2,152	2,167	2,170	2,197	2,195	2,150	2,115
Sewer:										
New connections	17,746	18,166	17,607	17,274	17,553	17,669	17,654	17,551	17,540	17,593
Average daily sewage treatment (millions of gallons)	30.06	29.84	29.57	28.49	27.15	26.35	27.19	26.16	26.86	25.22

¹ Amounts expressed in millions

N/A - not available

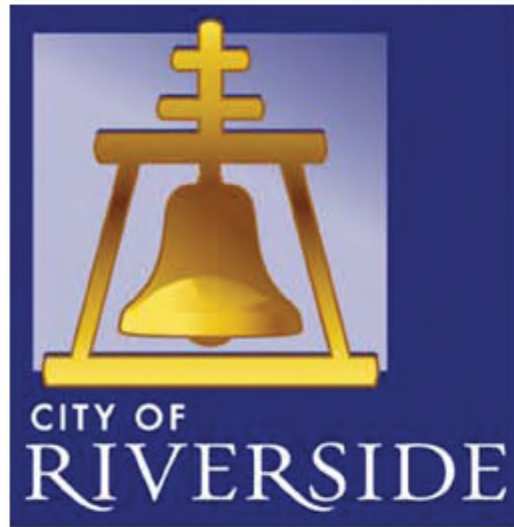
Source: City of Riverside, various departments

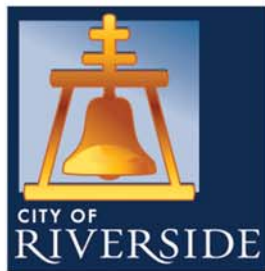
Table 24
City of Riverside
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Public Safety										
Police										
Stations	3	3	3	3	3	3	3	3	3	3
Substations	4	4	4	4	4	4	5	4	5	4
Helicopters	4	4	4	3	3	3	3	2	2	2
Airplane	0	0	0	0	0	0	0	1	1	1
Fire										
Stations	14	14	14	14	14	14	14	14	14	14
Active apparatus	26	27	28	28	31	33	32	33	55	32
Reserve apparatus	9	9	11	11	8	9	9	9	13	9
Training facilities	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (miles)	868.39	868.70	868.89	871.19	872.16	872.22	872.01	872.24	872.10	872.35
Streetlights	29,868	29,933	29,949	29,968	29,986	30,427	30,467	30,479	30,445	30,489
Signalized intersections	362	365	365	367	386	381	382	384	392	397
Culture and recreation										
Parks acreage	2,811.00	2,811.00	2,891.00	2,911.80	2,926.80	2,983.00	2,983.00	2,988.00	2,988.00	2,988.00
Community centers	11	11	11	11	11	11	11	11	11	11
Playgrounds	41	41	43	44	44	46	46	46	46	46
Swimming pools	7	7	7	7	7	7	7	7	7	7
Softball & baseball diamonds	44	44	44	44	44	44	44	44	44	44
Library branches	8	8	8	8	8	8	8	8	8	8
Museum exhibit-fixed	8	5	3	3	4	5	5	0 ¹	1 ¹	0 ¹
Museum exhibit-special	2	1	4	4	5	6	6	1 ¹	4 ¹	3 ¹
Water										
Fire hydrants	7,632	7,682	7,726	7,754	7,758	7,908	7,952	8,173	8,192	9,304
Sewer										
Sanitary sewers (miles)	823	829	829	829	820	829	827	820	820	820
Electric										
Miles of overhead distribution system	517.0	515.0	513.0	513.0	513.0	513.0	513.0	514.0	514.0	513.0
Miles of underground system	791.0	804.0	810.0	814.0	815.0	817.0	826.0	831.0	834.0	838.0

¹ The decrease in total numbers of Museum's exhibits is due to the closure of the Riverside Metropolitan Museum for expansion and renovation.

Source: City of Riverside, various departments





City of Arts & Innovation

**3900 Main Street
Riverside, CA 92522**

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