



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2021



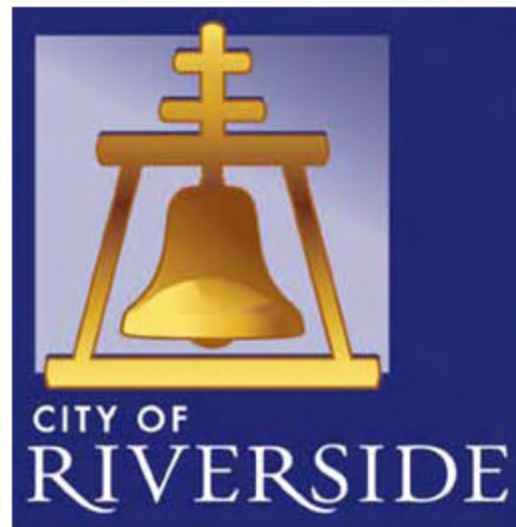
RIVERSIDE, CALIFORNIA

CITY OF RIVERSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2021

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
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**

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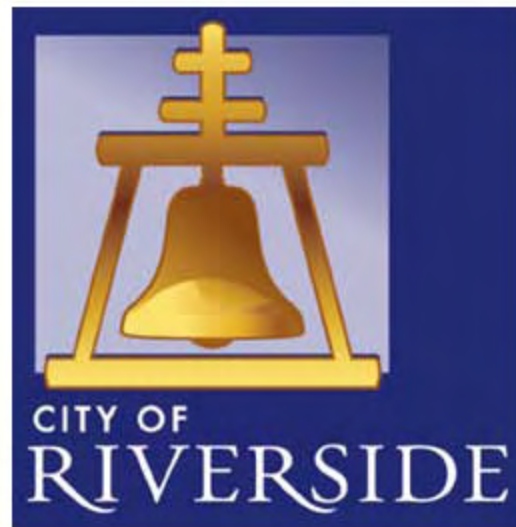
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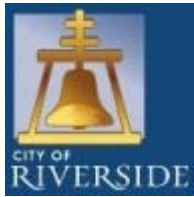
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November 9, 2021

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Riverside (the City) for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a 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, 2021. The independent auditor's report is presented as the first component of the financial section of this ACFR.

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.

Biennially, 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. At least thirty-five days prior to the beginning of the fiscal year, City Manager provides the proposed budget, in writing, to the City Council for review. The operating budget is presented by the City Manager to the City Council for review. Following Council review, a public hearing is set to obtain citizen comments. The City Council generally conducts the public hearing and 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. 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 87.

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 4.6 million, is larger than 25 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 324,302 which places it as the 12th largest in California.

The Inland Empire 2021 forecast of the 19 separate sectors would add 62,400 jobs or 4.15% to its local firms and agencies. Employment would rise from 1,501,900 to 1,564,300. This would leave the economy -3,200 jobs short of its 2019 level of 1,567,500, down -0.20%. These jobs would have to be made up in 2022. Also, note that several of the sectors will remain with annual average employment below their 2019 levels by the end of 2021 as the strong growth in a few sectors like logistics, construction and health care lifts the region.

Starting in November 2019, a new consumer price index for the Riverside-San Bernardino metro area was implemented allowing year to year calculations of inflation. That month, prices in the area were up 1.7% over November 2018. Los Angeles-Anaheim price increases were 3.2% that month. The two indices reached lows in the Covid recession at 0.5% for the inland area and 0.7% for the coastal counties. In March 2021, the anticipated inflation increases in the post-Covid economy began to materialize. This was expected as prices were severally depressed in the early stages of the pandemic and complete uncertainty of its impact on the economy. Inland Empire prices rose 3.1%. In the L.A.-Orange county area, they were up 2.2% at the end March 2021.

During first calendar quarter 2021, the Inland Empire’s residential prices continued to climb putting them above the levels reached before the Great Recession of 2008. Existing median home prices rose from \$375,446 in March 2020 to \$436,305 in 2021, up \$60,860 or a very strong 16.2%. Prices are now 11.9% above the \$389,924 high in 2006. New homes were \$489,039 in early 2021, up 6.5% or 29,439 from \$454,600 in first quarter 2020. That was \$46,839 or 10.7% above the 2006 record of \$437,200. These high prices are due to an absence of existing home sellers in the face of growing demand from families and investors. Similarly, in the new home market, those factors as well as increasing costs of construction contributed to the increase in home prices.

Goals and Vision: On October 20, 2020, Council approved the Envision 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.

Envision 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.

Cross-Cutting Threads: Community Trust, Equity, Fiscal Responsibility, Innovation, Sustainability and Resiliency

Strategic Priorities and Indicators:		
Arts, Culture and Recreation Indicators:	Community Well-Being Indicators:	Economic Opportunity Indicators:
• Lifelong Learning • Shared Uses and Partnerships • Arts and Cultural Opportunities • Access to Parks, Trails and Open Spaces • Programs and Amenities	• Housing Supply and Attainability • Public Safety • Public Health • Placemaking • Homelessness • Household Resilience	• Workforce Development • Business Development and Success • Local Investment • Regional Partnerships • Economic Mobility
Environmental Stewardship Indicators:	High Performing Government Indicators:	Infrastructure, Mobility, and Connectivity Indicators:
• 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	• Community Centered Services • Adaptive Organization • Financial Health • Equity in Delivery of City Services • Civic Engagement • City Team Engagement	• 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 impact of the COVID-19 pandemic still looms over the City and will continue to impact long term decision making. On March 4, 2020, Governor Newsom declared a state of emergency in California because of COVID-19. On March 13, 2020, the City of Riverside declared a local emergency and closed non-essential facilities to the public. Temporary stay-at-home orders followed from the State and City in mid-March 2020 and were again reinstated in December 2020 for approximately seven weeks. Fortunately, the impact of the pandemic to the City's budget has not been as dire as originally expected.

On June 16, 2020, the City Council approved the Fiscal Year 2020-21 (Emergency) Annual Budget. The adopted budget was the product of a truncated budget process prompted by the COVID-19 pandemic and the Stay-at-Home Order that limited the City's ability to receive the usual level of engagement in the budget process. Further, the impacts of the COVID-19 pandemic on City finances were largely unknown at the time of budget adoption due to the stay-at-home order and uncertainty at all levels of the economy. On June 22, 2021, the City Council adopted the City's Fiscal Year 2021-22 Annual Budget comprised of \$1.1 billion in funding for citywide operations and \$116 million for capital projects. The FY 2021-22 one-year budget is a bridge between the FY 2020-21 Emergency Budget developed during the pandemic and the upcoming FY 2022-24 Biennial Budget which will embrace the concepts of Priority Based Budgeting (PBB) to align City resources more closely with the strategic priorities outlined in the City's Strategic Plan 2025.

Coronavirus Aid, Relief, and Economic Security Act (CARES): On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act into law to provide emergency appropriations during the Coronavirus pandemic (COVID-19). The CARES Act represented the third package of assistance from the federal government, providing \$2.2 trillion in economic relief to individuals, families, businesses, and nonprofit organizations. Funding for governments was also included through the creation of the Coronavirus Relief Fund, which allocated \$150 billion to various State, local and Tribal governments. The Coronavirus Relief Fund (CRF) was distributed to State, local and Tribal governments based on relative population. Local governments with a population of 500,000 or more were eligible to receive a direct allocation from the CRF. Given the population threshold, the City was not eligible to receive a direct allocation.

Throughout the COVID-19 pandemic, the Big City Mayors (BCM) met with federal and state elected officials to advocate for much needed assistance. As part of this effort, the BCM engaged the State's legislative leaders and Governor to solicit support for the creation of a dedicated funding opportunity for the seven cities (Long Beach, Oakland, Bakersfield, Anaheim, Santa Ana, Riverside, and Stockton) of the coalition that did not receive a direct allocation from the CRF due to population size. This targeted advocacy effort resulted in the inclusion of a specific \$225 million set-aside for these seven cities as part of the State budget with the City of Riverside receiving an allocation of approximately \$28 million. The CARES Act spending plan was approved by City Council on August 4, 2020 and on July 13, 2021, a final CARES Act expenditure report was presented to City Council. The CARES Act grant provided much needed assistance to our community and below are some of our achievements:

Housing and Homelessness			
Programming benefiting the Housing/Homelessness category included affordable housing projects, shelter services, and Outreach services in response to COVID-19. Key performance areas included:			
6 Housing Units	51 Project Room Key Participants	Increased Outreach Services	Assistance for 112 Tenants
Rehabilitation of six units along 10 th Street to support permanent housing for formerly homeless individuals.	Local Program providing individuals with temporary housing and support services.	37 Encampments 17 Housed Individuals 60 cases managed	Rental Assistance Program through Fair Housing Council.

Community and Business Support

Programs benefiting the Community and Business Support category included a wide range of key areas including small business grants, distance learning, emotional and social support, support to families and children, food resiliency, and non-profit assistance. Community and Business Support highlights include:

Food Resiliency Programs	Virtual Park Programs	Distance Learning Resources	Socially Distant Family Events	Other Support
• 59,640 Food Boxes Distributed • 30 Pantries • 17 Community Distribution Sites • 2,103 Farmers Market Buck Match Transactions • 600 Senior Meals Delivered	• 2,500 Program Participants • 233 Virtual Classes and 5k Running/Walking Activities	• 596 iPads • 2,700 Hot Spots • 8 New Public Wi-Fi Access Points • Tutoring for 360 Students • 4,830 School Supply and Story Time kits	• Drive thru Holiday Events • Zoom visits with Santa	• 598 Small Business Grants • 5,524 Curbside Activity Boxes • Childcare Subsidy for 48 Families of Essential Workers • Diaper Distribution for 480 Families • 21 Computers Delivered to Senior Housing Complexes to Provide Social and Emotional Support. • 114 Micro-Grants for Childcare and Social Service Facilities • 150 Local Nonprofit Grant Subsidies 290 Families Received Baby Formula

Organizational Needs for COVID-19 Compliance

Expenditures associated with the Organizational Needs for COVID-19 Compliance were aligned with operational needs and organizational compliance to gubernatorial Executive Order N-33-20 and all State Department of Public Health orders. Key performance areas include:

Operational Equipment	Automation Tools	Facility Readiness	Social Distancing Signage
• 1,441 laptops • 100 Rugged Field Devices • 700 Monitors • 672 Docking Stations • 400 Headsets • 100 Webcams	Software and Systems replacing paper processes allowing telecommuting including 100 Adobe e-sign license and 200 cybersecurity patches	• Installation of 60 wall mount temp check units • 100 Handheld Temperature Units • 1,728 HVAC Filters • 9 Portable Handwashing Stations	• Window Wraps • Door Hangers • Floor Stickers • Directional Signs • Physical Distance Markers

American Rescue Plan Act (ARPA): On March 11, 2021, President Biden passed the \$1.9 trillion American Rescue Plan Act (ARPA) that is sending checks to families and offering small business support to drive up demand and counter the country's high unemployment. The ARPA established Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which provides a combined \$350 billion in assistance to eligible state, local, territorial, and Tribal governments to assist in the economic and health recovery by providing resources to address impacts resulting from the crisis. The City will receive one-time fund of approximately \$73.5 million from ARPA with the first installment of \$36.7 million received in June 2021 and the remainder will be received in June 2022. Based on the Interim Rule, funding can be utilized for the following:

1. Support public health expenditures: address broad range of public health needs across COVID-19 mitigation, medical expense, behavioral healthcare, and public health resources
2. Address negative economic impacts caused by the public health emergency: delivering assistance to workers and families, supporting small businesses, expediting tourism recovery efforts to include travel and hospitality sector, and rebuilding public sector capacity.
3. Replace public sector revenue loss.
4. Serving the hardest-hit communities and families: addressing health disparities and the social determinants of health, investment in housing and neighborhoods, addressing educational disparities, and promoting health childhood environments.
5. Provide premium pay for essential workers.
6. Invest in water, sewer, and broadband infrastructure.

The City's proposed expenditure plan for the first allocation of funding was presented to City Council on October 5, 2021 for review and input. The final expenditure plan for the first allocation is expected to be approved by City Council by the end of calendar year 2021. The second allocation will be brought for consideration to City Council at a future date. Ongoing evaluations of projects/programs will be conducted to ensure that funding is being expended in the most impactful way. In addition to ongoing assessments, current funding will be used to start programs in phases and will allow for programs to be structured for continued benefits moving forward.

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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the fifteenth consecutive year that the City has received this prestigious award. The City received this award for publishing an easily readable and efficiently organized ACFR 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 ACFR 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. The City is awaiting the award results for the PAFR for fiscal year ended June 30, 2020. 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, 2020. 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell
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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive 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
Clarissa Cervantes 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
Kris Martinez Interim Assistant City Manager

Donesia Gause City Clerk*
Phaedra Norton City Attorney*
Todd Corbin General Manager - Public Utilities
Larry V. Gonzalez Chief of Police
Carl Carey General Services Director
Erin Christmas Library Director
Randy McDaniel .. Interim Parks, Recreation & Community Svcs Director
Edward Enriquez Chief Financial Officer/Treasurer
Rene Goldman Human Resources Director
George Khalil Chief Innovation Officer
Gilbert Hernandez Interim Public Works Director
Michael Moore Fire Chief
Robyn Peterson Museum 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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the date of the financial statements.





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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Responsibilities

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 is the responsibility of management and, 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



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

consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 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.

A handwritten signature in cursive script that reads "Lance, Soll & Loughard, LLP".

Brea, California
November 9, 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, 2021. 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 Funds.

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 83-86 in this report.

The City adopted an annual appropriated budget for its General Fund for the Year ended June 30, 2021. 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.

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 expressed in thousands)

	Governmental Activities		Business type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 503,107	\$ 403,430	\$ 724,367	\$ 768,306	\$ 1,227,474	\$ 1,171,736
Capital assets, net	1,337,100	1,250,038	1,976,364	1,971,688	3,313,464	3,221,726
Total Assets	1,840,207	1,653,468	2,700,731	2,739,994	4,540,938	4,393,462
Deferred Outflows of Resources	100,355	434,386	70,694	192,756	171,049	627,142
Current liabilities	112,061	57,827	57,503	55,635	169,564	113,462
Long-term liabilities	854,428	1,140,370	1,610,535	1,743,630	2,464,963	2,884,000
Total Liabilities	966,489	1,198,197	1,668,038	1,799,265	2,634,527	2,997,462
Deferred Inflows of Resources	5,745	23,082	4,549	33,674	10,294	56,756
Net Position:						
Net investment in capital assets	1,170,232	1,081,991	756,116	751,865	1,926,348	1,833,856
Restricted	164,809	153,806	78,885	75,170	243,694	228,976
Unrestricted	(366,713)	(369,222)	263,837	272,776	(102,876)	(96,446)
Total Net Position	<u>\$ 968,328</u>	<u>\$ 866,575</u>	<u>\$ 1,098,838</u>	<u>\$ 1,099,811</u>	<u>\$ 2,067,166</u>	<u>\$ 1,966,386</u>

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,067,166 at June 30, 2021, an increase of \$100,780 from June 30, 2020.

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 12% 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, \$263,837 is held by the business-type activities and \$(366,713) net deficit is held by the governmental activities.

Unrestricted net position in the amount of \$(102,876), a net position decrease of (7)% 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."

(amounts expressed in thousands)

Governmental activities increased the City's net position by \$101,753 to \$968,328 for the year ended June 30, 2021.

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, 2021 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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(amounts expressed in thousands)

	Governmental Activities		Business type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charge for services	\$ 34,106	\$ 38,060	\$ 555,267	\$ 546,945	\$ 589,373	\$ 585,005
Operating Grants and Contributions	64,405	21,779	3,976	3,473	68,381	25,252
Capital Grants and Contributions	28,284	19,945	12,273	13,979	40,557	33,924
General Revenues:						
Sales taxes	150,321	128,653	-	-	150,321	128,653
Property taxes	71,986	72,609	-	-	71,986	72,609
Other taxes and fees	41,905	40,446	-	-	41,905	40,446
Investment income	4,969	10,185	681	19,838	5,650	30,023
Other	6,487	9,802	11,986	8,211	18,473	18,013
Total Revenues	402,463	341,479	584,183	592,446	986,646	933,925
Expenses:						
General government	97,927	63,651	-	-	97,927	63,651
Public safety	219,136	222,061	-	-	219,136	222,061
Highways and streets	42,034	46,983	-	-	42,034	46,983
Culture and recreation	37,693	37,400	-	-	37,693	37,400
Interest on long-term debt	19,083	13,181	-	-	19,083	13,181
Electric	-	-	366,165	350,667	366,165	350,667
Water	-	-	71,738	73,742	71,738	73,742
Sewer	-	-	61,029	62,961	61,029	62,961
Entertainment	-	-	11,885	2,304	11,885	2,304
Airport	-	-	2,326	26,549	2,326	26,549
Refuse	-	-	28,428	4,607	28,428	4,607
Transportation	-	-	4,623	4,628	4,623	4,628
Public parking	-	-	4,684	21,584	4,684	21,584
Total Expenses	415,873	383,276	550,878	547,042	966,751	930,318
Increase (Decrease) in Net Position	(13,410)	(41,797)	33,305	45,404	19,895	3,607
Transfers, net	34,879	35,324	(34,278)	(35,324)	601	-
Change in Net Position	21,469	(6,473)	(973)	10,080	20,496	3,607
Net position - Beginning of Year, as previously stated	866,575	873,048	1,099,811	1,089,731	1,966,386	1,962,779
Prior period adjustment	80,284	-	-	-	80,284	-
Net Position, Beginning of Year, as restated	946,859	873,048	1,099,811	1,089,731	2,046,670	1,962,779
Net Position, End of Year	\$ 968,328	\$ 866,575	\$ 1,098,838	\$ 1,099,811	\$ 2,067,166	\$ 1,966,386

Governmental activities. Total change in net position for governmental activities increased by \$21,469 while prior fiscal year decreased by \$(6,437). 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 increase was \$60,984 or 18%. This is largely attributable to increases in operating and capital grants and contributions of \$50,965, primarily from additional funds received from the CARES Act (\$28,117), COVID related grants (\$6,809), homeless related grants (\$6,636) and other miscellaneous grants (\$9,403). The increase to sales taxes of \$21,668 was primarily from increased sales of vehicles, consumer goods and increases in building and construction. The decrease in charges for services of \$(3,954) is primarily attributed to decreases in charges in fees and services due to the COVID 19 pandemic and various shutdowns.

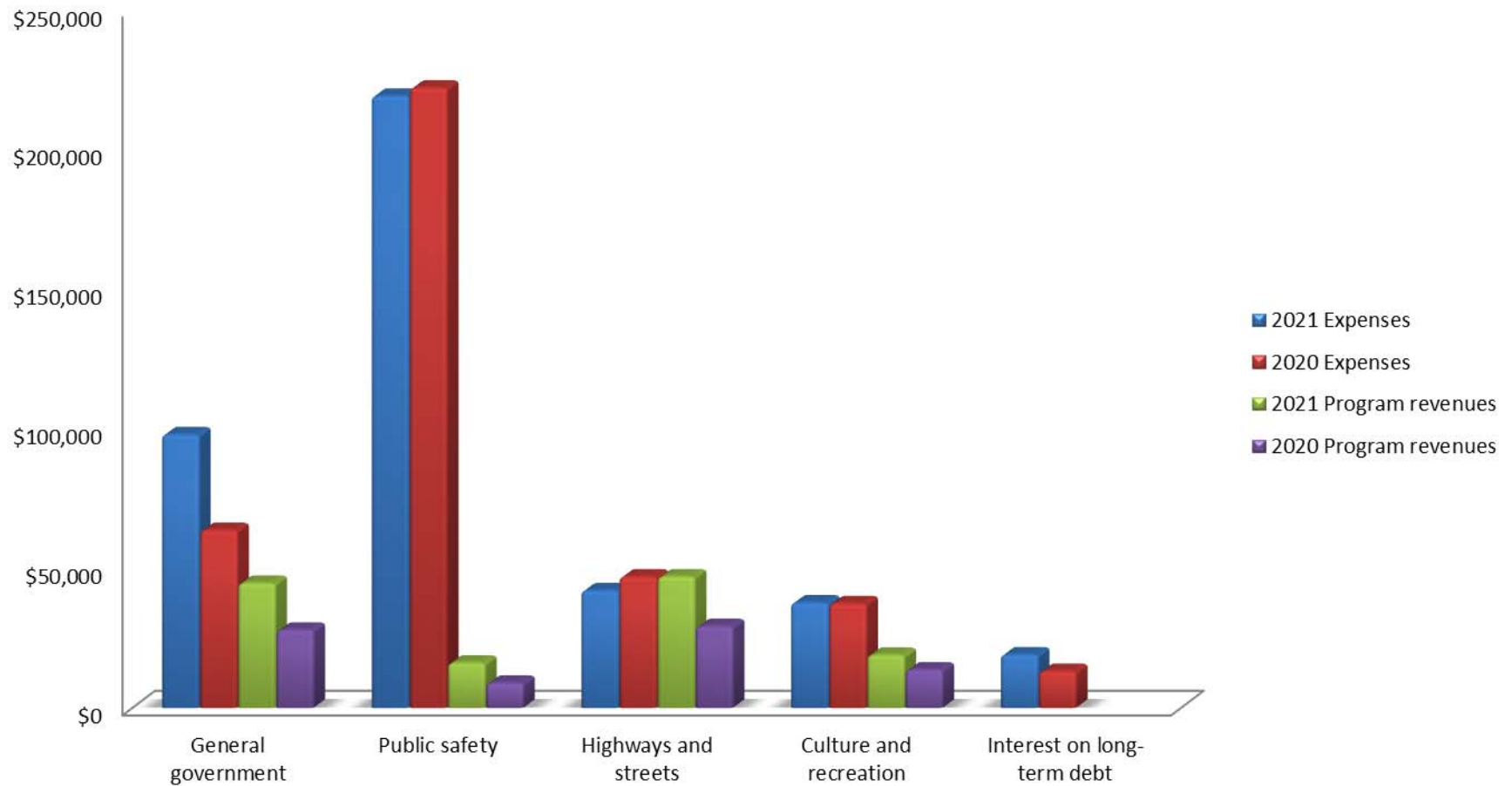
Expenses:

- While variances between years exist for the various expense functions, the total net increase was \$32,597 or 8%. This is primarily related to the Parada II Litigation (\$24,000). More information can be found on page 75 of this report. Also, an increase of \$5,902 of interest on long-term debt which is primarily attributable to the issuance of the 2020 Pension Obligation Bond in June of 2019.

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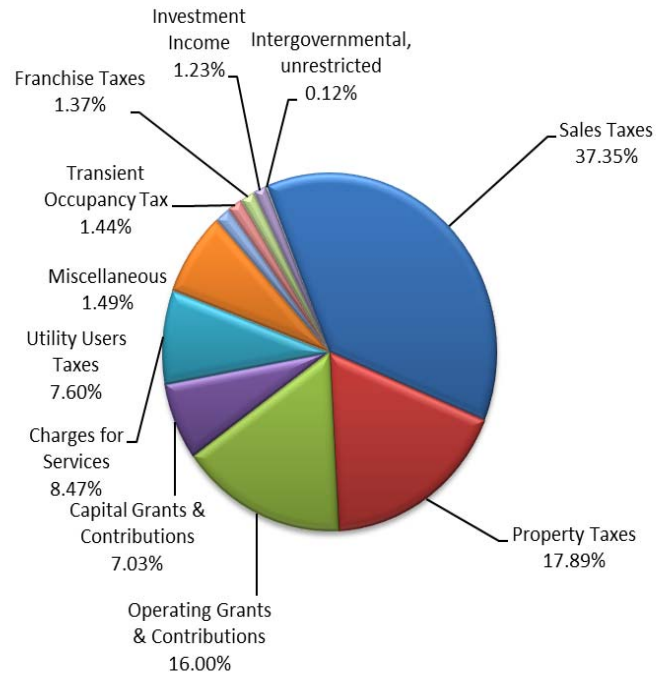
(amounts expressed in thousands)

Program Revenues and Expenses – Governmental Activities – Fiscal Year Comparison 2021 vs. 2020

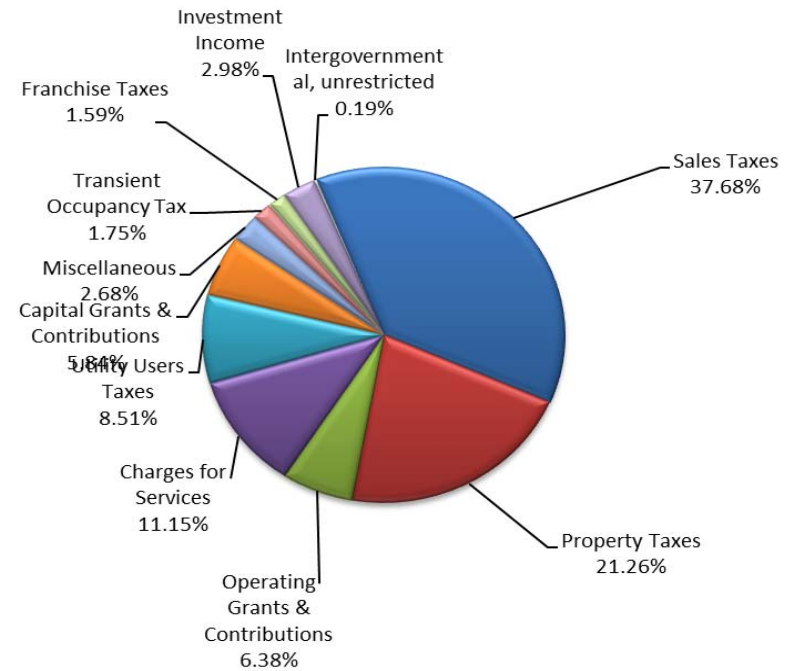


Revenues by Source – Governmental Activities – Fiscal Year Comparison 2021 vs. 2020

2021



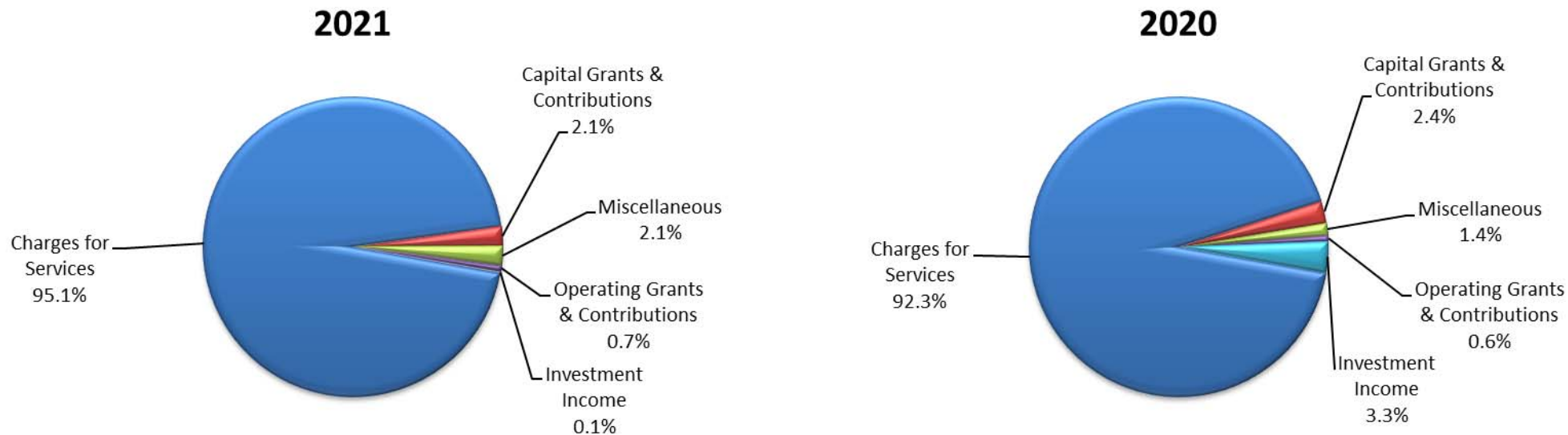
2020



Business-type activities. Total net position for business-type activities decreased by \$(973) while prior fiscal year increased by \$10,080. 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 \$8,322 or 1.5%. Water charges for services increased \$10,085 due to increases in consumption and water conveyance revenue and Electric Fund charges for services increased by \$7,132 primarily due to an increase in consumption of electricity. Conversely, the Civic Entertainment Fund charges for services decreased by \$10,852 due to the ongoing COVID-19 pandemic and closure of the various entertainment venues.
- Overall expenses increased by \$3,836 or 0.7%. The Electric Fund had increased operating expenses of \$15,866, primarily due to increase personnel services and maintenance and operation costs; while the Water and Sewer Funds showed a decrease in operating costs of \$(1,878) and \$(1,820), respectively primary due to a decrease in personnel 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.

	General Fund		Capital Outlay Fund		General Debt Service		Governmental Funds		Governmental Funds	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total assets	\$ 201,980	\$ 172,931	\$ 54,804	\$ 64,886	\$ 13,165	\$ 13,421	\$ 169,940	\$ 105,538	\$ 439,889	\$ 356,776
Total liabilities	\$ 38,774	\$ 35,513	\$ 3,674	\$ 5,657	\$ 1,873	\$ 2,211	\$ 67,553	\$ 13,167	\$ 111,874	\$ 56,548
Deferred inflows of resources										
Unavailable revenue	3,559	3,549	772	211	-	-	47,556	42,898	51,887	46,658
Fund balances										
Nonspendable	1,870	1,446	-	-	-	-	1,477	1,510	3,347	2,956
Restricted	10,697	10,699	50,358	59,018	11,292	11,210	53,354	47,990	125,701	128,917
Committed	62,400	59,280	-	-	-	-	-	-	62,400	59,280
Assigned	24,890	21,260	-	-	-	-	-	-	24,890	21,260
Unassigned	59,790	41,184	-	-	-	-	-	(27)	59,790	41,157
Total fund balance	159,647	133,869	50,358	59,018	11,292	11,210	54,831	49,473	276,128	253,570
Total liabilities, deferred inflows and fund balances	\$ 201,980	\$ 172,931	\$ 54,804	\$ 64,886	\$ 13,165	\$ 13,421	\$ 169,940	\$ 105,538	\$ 439,889	\$ 356,776

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$276,128 an increase of \$22,558 compared to the prior year. Additionally, 1% of the fund balance \$3,347 is *nonspendable*, which comprises the portion of fund balance that cannot be spent due to form. \$125,701 or 46% 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 \$62,400 or 23% of the fund balance was set aside for economic contingencies. Committed for economic contingencies consists of 20% of the 2021-22 General Fund adopted expenditure budget of \$287,000 or \$57,400 and \$5,000 for General Fund – Measure Z. \$24,890 or 9% 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 \$59,790 or 22% is *unassigned*, meaning it is available for spending at the City's discretion. The City's governmental funds reported combined total assets of \$439,889 at June 30,

2021, an increase of \$83,113 compared to the prior year. Liabilities and deferred inflows of resources amounted to \$163,761, an increase of \$60,555 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 \$159,647, in comparison to \$133,869 in the prior year. The increase in fund balance is primarily due to increased sales and use taxes as well as the cost saving efforts by City Departments. The Capital Outlay Fund is used to account for the acquisition or construction of major capital facilities. The total fund balance was \$50,358, compared to \$59,018 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 \$11,292, compared to \$11,210 in prior year. The Other Governmental Funds are made up of various non-major funds. The fund balance was \$54,831, compared to \$49,473 in prior year. The increase was mainly due to the increase in the Gas Tax Special Revenue Fund of \$2,118 and the Housing Special Revenue Fund of \$1,945 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 \$201,521, \$6,220, and \$63,285 respectively. The unrestricted net position for the Electric, Water and Sewer Funds in the prior year was \$221,466, \$(1,210), and \$57,371, respectively. The decrease in unrestricted net position of the Electric Fund (\$19,945) was primarily attributable increase in personnel services and maintenance and operations expenses. The increase in unrestricted net position of the Water Fund (\$7,430) was primarily attributable to increases in charges for services. The increase in unrestricted net position for the Sewer Fund (\$5,914) is primarily a result of increased charges for services and reduced personnel service costs.

(amounts expressed in thousands)

General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Total Revenues	<u>\$256,238</u>	<u>\$256,202</u>	<u>\$300,372</u>	<u>\$44,170</u>
Expenditures:				
General Government	11,241	22,126	4,612	17,514
Public Safety	205,919	196,447	190,115	6,332
Highways & Streets	19,152	18,253	16,203	2,050
Culture & Recreation	31,578	32,699	26,104	6,595
Capital Outlay	281	3,394	692	2,702
Total Expenditures	<u>268,171</u>	<u>272,919</u>	<u>237,726</u>	<u>35,193</u>
Excess (deficiency) of revenues over (under) expenditures	(11,933)	(16,717)	62,646	79,363
Other financing sources	<u>(2,458)</u>	<u>(22,400)</u>	<u>(36,868)</u>	<u>(14,468)</u>
Net change in fund balances	(14,391)	(39,117)	25,778	64,895
Fund balance - Beginning of Year	<u>133,869</u>	<u>133,869</u>	<u>133,869</u>	<u>0</u>
Fund balance - End of Year	<u>\$119,478</u>	<u>\$94,752</u>	<u>\$159,647</u>	<u>\$64,895</u>

The primary reason for final budgeted revenues and expenditures increasing from the Original Budget is due to the City passing an emergency budget due to the unknown effects of the COVID 19 pandemic.

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

Actual expenditures were less than final budgeted amounts by approximately \$35,193. This is primarily associated with unspent appropriations for projects 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, 2021 amounted to \$3,313,464 (net of accumulated depreciation). This investment includes land, intangibles, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total increase in the City's net capital assets for the current fiscal year was \$91,738; an increase of \$87,062 for governmental activities (\$80,284 is related to a prior period adjustment for land and infrastructure additions due to a change in calculation of street mileage from a system upgrade which maintains street mileage) and an increase of \$4,676 for business-type activities.

(amounts expressed in thousands)

Major capital improvements during the current fiscal year included ongoing projects: consisting primarily of roads of \$26,313; sewer mains and tertiary treatment plant of \$9,129; \$9,665 in Water Utility projects primarily related to main replacements, booster station replacement, well projects and pump station replacements and meters; and \$30,167 in Electric Utility capital improvements primarily related to substation equipment, meter purchases, trans poles and fixtures, and street lighting.

City of Riverside's Capital Assets (net of depreciation)						
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$376,616	\$338,504	\$100,111	\$99,985	\$476,727	\$438,489
Construction in progress	30,820	68,398	126,187	104,990	157,007	173,388
Buildings	111,601	72,053	473,476	482,697	585,077	554,750
Improvements other than Buildings	107,316	117,693	1,213,090	1,218,014	1,320,406	1,335,707
Machinery and equipment	33,113	34,825	32,712	32,091	65,825	66,916
Intangibles	-	3	30,788	33,911	30,788	33,914
Infrastructure	677,634	618,562	-	-	677,634	618,562
Total	<u>\$1,337,100</u>	<u>\$1,250,038</u>	<u>\$1,976,364</u>	<u>\$1,971,688</u>	<u>\$3,313,464</u>	<u>\$3,221,726</u>

Additional information on the City's capital assets can be found in note 5 on page 47 of this report.

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$2,062,498 which includes bonded debt of \$1,849,092.

City of Riverside's Long-Term Debt

The City's total debt decreased by \$(46,484) or (2.2)% during the current fiscal year. The net decrease is primarily related to payments on long term debt.

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$6,478	\$7,874	\$ -	\$ -	\$6,478	\$7,874
Pension Obligation Bonds	352,824	364,633	116,227	119,625	469,051	484,258
Certificates of Participation	90,215	94,802	27,213	28,483	117,428	123,285
Lease Revenue Bonds	72,471	75,964	7,059	7,473	79,530	83,437
Revenue Bonds	-	-	1,176,605	1,212,914	1,176,605	1,212,914
Loans Payable	457	899	-	-	457	899
Notes Payable	-	-	64,678	69,519	64,678	69,519
Contracts Payable	-	-	1,067	1,019	1,067	1,019
Capital Leases	14,922	18,207	2,354	3,633	17,276	21,840
Landfill Capping	-	-	10,419	10,776	10,419	10,776
Compensated Absences	30,901	29,228	12,005	10,105	42,906	39,333
Claims liability	76,603	53,828	-	-	76,603	53,828
Total	<u>\$644,871</u>	<u>\$645,435</u>	<u>\$1,417,627</u>	<u>\$1,463,547</u>	<u>\$2,062,498</u>	<u>\$2,108,982</u>

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 or A+" and "AA-" ratings for the variable rate bonds 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 \$873,171 at June 30, 2021, which applies only to general obligation debt. At June 30, 2021, the City had \$6,478 of general obligation debt, resulting in available legal debt capacity of \$866,693.

Additional information on the City's long-term debt can be found in note 8 beginning on page 50 of this report.

Economic Factors and Next Year's Budget and Rates

- ☐ Unemployment in the County of Riverside is 7.9% compared to 14.8% for the prior year as of June 30, 2021.
- ☐ Ongoing challenges with the City's structural deficit currently projected at \$10 million which is mitigated through the managed hiring process and maintaining position vacancies.
- ☐ The largest impact to the City's long-term financial stability relates to pension costs from CalPERS.

The cost increases are mainly due to investment losses by CalPERS during the Great Recession as well as demographic changes, 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.
- Increased contributions resulting from the CalPERS anticipated discount rate, or assume rate of return, over the past 15 years.
- CalPERS expects retirees to live longer.

As of June 30, 2021, CalPERS reported a preliminary 21.3% net return on investments in the 12-month period, which lagged behind the fiscal year total fund benchmark of 21.7%.

Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the double-digit return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The discount rate, or assumed rate of return, will drop to 6.8% from its current level of 7%.

The Funding Risk Mitigation Policy lowers the discount rate in years of good investment returns. This is the first time it has been triggered.

The 21.3% fiscal year return for the Public Employees' Retirement Fund (PERF) were driven by Private Equity and Public Equity, with net returns of 43.8% and 36.3%, respectively.

Based on these preliminary fiscal year returns, the funded status of the overall PERF is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood CalPERS can reach its target over the longer term.

This year's return brings total fund performance to 10.3% for the five-year time period, 8.5% for the 10-year time period, and 6.9% for the 20-year time period. Over the past 30 years, the PERF returned annualized return of 8.4%.

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 following lists the required unfunded liability contribution component per plan for FY 2021/22:

- Miscellaneous Plan – Unfunded Liability Payment of \$10,825
- Safety Plan – Unfunded Liability Payment of \$10,749

On June 22, 2021, the City Council adopted the City's Fiscal Year 2021-22 Annual Budget comprised of \$1.2 billion in funding for citywide operations and \$116 million for capital projects. The FY 2021-22 one-year budget is a bridge between the FY 2020-21 Emergency Budget developed during the pandemic and the upcoming FY 2022-24 Biennial Budget which will embrace the concepts of Priority Based Budgeting (PBB) to align City resources more closely with the strategic priorities outlined in the City's Strategic Plan 2025.

The General Fund Budget for fiscal year 2021-22 of approximately \$287 million was adopted. It represents an increase from the prior year of approximately 6.6%.

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, CA 92522.

City of Riverside
Statement of Net Position
June 30, 2021
(amounts expressed in thousands)

	Governmental	Business-type	
	Activities	Activities	Total
Assets:			
Cash and investments	\$ 348,129	\$ 440,176	\$ 788,305
Receivables (net of allowance for uncollectibles)	121,561	79,193	200,754
Inventory	7,420	3,318	10,738
Prepaid items	1,732	19,560	21,292
Deposits	-	1,633	1,633
Internal balances	1,237	(1,237)	-
Other assets	-	3,525	3,525
Restricted assets:			
Cash and cash equivalents	-	72,100	72,100
Cash and investments with fiscal agent	20,064	87,725	107,789
Receivables	-	1,354	1,354
Regulatory assets	-	14,095	14,095
Land and improvements held for resale	2,964	-	2,964
Advances to Successor Agency Trust Fund	-	2,925	2,925
Capital assets, not being depreciated	407,436	247,924	655,360
Capital assets, net of accumulated depreciation	929,664	1,728,440	2,658,104
Total Assets	1,840,207	2,700,731	4,540,938
Deferred Outflows of Resources:			
Changes in derivative values	10,949	26,290	37,239
Deferred charge on refunding	2,306	14,577	16,883
Pension related items	79,360	25,742	105,102
OPEB related items	7,740	4,085	11,825
Total Deferred Outflows of Resources	100,355	70,694	171,049
Liabilities:			
Accounts payable and other current liabilities	38,333	28,695	67,028
Unearned revenue	60,463	4,331	64,794
Deposits	11,287	12,108	23,395
Accrued interest	1,978	12,369	14,347
Noncurrent liabilities:			
Due within one year			
Long-term obligations	27,779	44,864	72,643
Compensated absences	15,472	6,997	22,469
Claims liability	15,044	-	15,044
Landfill capping	-	559	559
Decommissioning liability	-	7,254	7,254
Due in more than one year	-		
Long-term obligations	509,588	1,350,339	1,859,927
Compensated absences	15,429	5,008	20,437
Claims liability	61,559	-	61,559
Landfill capping	-	9,860	9,860
Decommissioning liability	-	43,642	43,642
Regulatory liability	-	23,382	23,382
Derivative instruments	13,118	33,227	46,345
Net pension liability	165,730	63,836	229,566
OPEB liability	30,709	21,567	52,276
Total Liabilities	966,489	1,668,038	2,634,527
Deferred Inflows of Resources:			
Regulatory charges	-	-	-
Deferred charge on refunding	-	648	648
Pension related items	3,785	2,789	6,574
OPEB related items	1,960	1,112	3,072
Total Deferred Inflows of Resources	5,745	4,549	10,294
Net Position:			
Net investment in capital assets	1,170,232	756,116	1,926,348
Restricted for:			
Housing	45,644	-	45,644
Debt service	11,292	31,650	42,942
Public works	30,260	-	30,260
Capital projects	57,405	-	57,405
Landfill capping	-	2,500	2,500
Programs and regulatory requirements	-	44,735	44,735
Economic development	18,731	-	18,731
Nonexpendable	1,477	-	1,477
Unrestricted	(366,713)	263,837	(102,876)
Total Net Position	\$ 968,328	\$ 1,098,838	\$ 2,067,166

The notes to basic financial statements are an integral part of this statement.

City of Riverside
Statement of Activities
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
			Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Government		Total
						Governmental Activities	Business-Type Activities	
Primary Government:								
Governmental Activities:								
General government	\$ 97,927	\$ (18,923)	\$ 11,485	\$ 32,231	\$ 975	\$ (34,313)	\$ -	\$ (34,313)
Public safety	219,136	12,717	7,649	8,482	-	(215,722)	-	(215,722)
Highways and streets	42,034	3,540	11,278	9,800	25,943	1,447	-	1,447
Culture and recreation	37,693	2,666	3,694	13,892	1,366	(21,407)	-	(21,407)
Interest on long-term debt	19,083	-	-	-	-	(19,083)	-	(19,083)
Total Governmental Activities	415,873	-	34,106	64,405	28,284	(289,078)	-	(289,078)
Business-Type Activities:								
Electric	366,165	-	376,101	-	5,059	-	14,995	14,995
Water	71,738	-	80,252	-	3,062	-	11,576	11,576
Sewer	61,029	-	66,323	-	204	-	5,498	5,498
Airport	2,326	-	1,709	67	39	-	(511)	(511)
Refuse	28,428	-	26,468	-	-	-	(1,960)	(1,960)
Transportation	4,623	-	65	3,909	154	-	(495)	(495)
Public Parking	4,684	-	2,968	-	-	-	(1,716)	(1,716)
Civic Entertainment	11,885	-	1,381	-	3,755	-	(6,749)	(6,749)
Total Business-Type Activities	550,878	-	555,267	3,976	12,273	-	20,638	20,638
Total Primary Government	\$ 966,751	-	\$ 589,373	\$ 68,381	\$ 40,557	\$ (289,078)	\$ 20,638	\$ (268,440)
General Revenues:								
Taxes:								
Sales tax						150,321	-	150,321
Property tax						71,986	-	71,986
Utility users tax						30,577	-	30,577
Franchise tax						5,527	-	5,527
Transient occupancy tax						5,801	-	5,801
Intergovernmental, unrestricted						499	-	499
Rental and investment income						4,969	681	5,650
Miscellaneous						5,988	11,986	17,974
Subtotal						275,668	12,667	288,335
Transfers, net						34,879	(34,278)	601
Total General Revenues and Transfers						310,547	(21,611)	288,936
Change in Net Position						21,469	(973)	20,496
Net position, Beginning of Year, as previously stated						866,575	1,099,811	1,966,386
Prior period adjustment						80,284	-	80,284
Net position, Beginning of Year, as restated						946,859	1,099,811	2,046,670
Net position, End of Year						\$ 968,328	\$ 1,098,838	\$ 2,067,166

The notes to basic financial statements are an integral part of this statement.

City of Riverside
Balance Sheet
Governmental Funds
June 30, 2021
(amounts expressed in thousands)

	General Fund	Capital Outlay Fund	General Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 138,975	\$ 47,109	\$ 4,398	\$ 99,147	\$ 289,629
Cash and investments with fiscal agent	10,697	-	8,702	665	20,064
Receivables (net of allowance for uncollectibles)					
Interest	258	84	4	119	465
Property taxes	2,369	-	42	100	2,511
Sales tax	30,103	-	-	-	30,103
Utility billed	2,517	-	-	-	2,517
Accounts	6,588	437	-	53	7,078
Intergovernmental	4,171	7,163	-	21,683	33,017
Notes	-	-	-	45,379	45,379
Prepaid items	1,695	11	19	5	1,730
Due from other funds	4,432	-	-	-	4,432
Land and improvements held for resale	175	-	-	2,789	2,964
Total Assets	\$ 201,980	\$ 54,804	\$ 13,165	\$ 169,940	\$ 439,889
Liabilities:					
Accounts payable	\$ 4,940	\$ 1,938	\$ 108	\$ 5,871	\$ 12,857
Accrued payroll	22,372	-	-	26	22,398
Retainage payable	2	416	-	1,107	1,525
Intergovernmental	148	-	-	1	149
Unearned revenue	25	1,320	-	59,118	60,463
Deposits	11,287	-	-	-	11,287
Due to other funds	-	-	-	1,430	1,430
Advances from other funds	-	-	1,765	-	1,765
Total Liabilities	38,774	3,674	1,873	67,553	111,874
Deferred Inflows of Resources:					
Unavailable revenue	3,559	772	-	47,556	51,887
Total Deferred Inflows of Resources	3,559	772	-	47,556	51,887
Fund Balances:					
Nonspendable:					
Inventories, prepaids and deposits	1,695	-	-	-	1,695
Land and improvements held for resale	175	-	-	-	175
Permanent fund principal	-	-	-	1,477	1,477
Restricted for:					
Housing and redevelopment	-	-	-	18,553	18,553
Debt service	-	-	11,292	-	11,292
Transportation and public works	-	50,358	-	28,526	78,884
Other purposes	-	-	-	6,275	6,275
Unfunded accrued liability	10,697	-	-	-	10,697
Committed for:					
Economic contingency	62,400	-	-	-	62,400
Assigned to:					
General government	3,364	-	-	-	3,364
Public safety	2,012	-	-	-	2,012
Highways and streets	1,395	-	-	-	1,395
Culture and recreation	724	-	-	-	724
Continuing projects	17,395	-	-	-	17,395
Unassigned	59,790	-	-	-	59,790
Total Fund Balances	159,647	50,358	11,292	54,831	276,128
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 201,980	\$ 54,804	\$ 13,165	\$ 169,940	\$ 439,889

The notes to basic financial statements are an integral part of this statement.

City of Riverside
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2021
(amounts expressed in thousands)

Total fund balances - governmental funds \$ 276,128

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets net of accumulated depreciation used in governmental activities are not current financial resources and, therefore, are not reported in the funds 1,330,864

Deferred refunding charges are not available resources and, therefore, are not reported in the funds 2,306

Deferred outflows on pensions related items 78,198

Deferred outflows on OPEB related items 7,494

Deferred inflows on pensions related items (3,659)

Deferred inflows on OPEB related items (1,892)

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds 51,887

Accrued interest payable for the current portion of interest due on various debt issues has not been reported in the governmental funds (1,978)

Long-term liabilities, as listed below, are not due and payable in the current period and, therefore, are not reported in the funds

General obligation bonds	\$ (6,478)	
Pension obligation bonds	(348,020)	
Certificates of participation	(90,215)	
Lease revenue bonds	(72,471)	
Loan payable	(457)	
Capital leases	(14,922)	
Compensated absences	(30,380)	
Net pension liability	(162,848)	
Net OPEB liability	(29,435)	
		(755,226)

The City uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps. The following related items have been reflected in the Statement of Net Position.

Net fair value of interest rate swaps	(13,118)	
Deferred amount related to the hedgeable portion of the derivative instrument	10,949	
		(2,169)

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.

(13,625)

Net Position of Governmental Activities

\$968,328

The notes to basic financial statements are an integral part of this statement.

City of Riverside
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	General Fund	Capital Outlay Fund	General Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 265,819	\$ -	\$ 1,895	\$ -	\$ 267,714
Licenses and permits	10,265	-	-	2,513	12,778
Intergovernmental	3,851	15,660	-	67,715	87,226
Charges for services	13,146	-	-	1,432	14,578
Fines and forfeitures	2,100	-	-	-	2,100
Special assessments	626	420	1,242	5,386	7,674
Rental and investment income	3,796	231	(6)	416	4,437
Miscellaneous	769	46	-	5,147	5,962
Total Revenues	300,372	16,357	3,131	82,609	402,469
Expenditures:					
Current:					
General government	4,612	14	355	25,906	30,887
Public safety	190,115	-	-	10,618	200,733
Highways and streets	16,203	-	-	694	16,897
Culture and recreation	26,104	13	-	2,274	28,391
Capital outlay	692	35,946	-	32,610	69,248
Debt service:					
Principal	-	-	24,439	36	24,475
Interest	-	1	20,327	44	20,372
Total Expenditures	237,726	35,974	45,121	72,182	391,003
Excess (Deficiency) of Revenues Over (Under) Expenditures	62,646	(19,617)	(41,990)	10,427	11,466
Other Financing Sources (Uses):					
Transfers in	53,263	14,441	42,114	3,089	112,907
Transfers out	(90,320)	(3,508)	(42)	(8,158)	(102,028)
Proceeds from the sale capital assets	189	24	-	-	213
Total Other Financing Sources (Uses)	(36,868)	10,957	42,072	(5,069)	11,092
Net Change in Fund Balances	25,778	(8,660)	82	5,358	22,558
Fund Balances, Beginning of Year	133,869	59,018	11,210	49,473	253,570
Fund Balances, End of Year	\$ 159,647	\$ 50,358	\$ 11,292	\$ 54,831	\$ 276,128

The notes to basic financial statements are an integral part of this statement.

City of Riverside
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

Net change in fund balances - total governmental funds	\$ 22,558
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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 cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset additions	\$ 55,911	
Depreciation expense	(48,474)	
Gain (loss) on sale of capital assets	<u>(613)</u>	6,824

Repayment of long-term debt principal is an expense 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 increases 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.

Principal repayments		
General obligation bonds	1,396	
Pension obligation bonds	11,670	
Certificates of participation	4,587	
Lease revenue bonds	3,493	
Loans payable	442	
Capital leases	<u>3,285</u>	24,873

The City uses derivative instruments to hedge its exposure to changing interest rates through the use of interest swaps. The change in the fair value of the interest swaps are only reflected on the statement of activities.	495
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Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	1,092
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as an expenditure in the governmental funds.	(1,625)
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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.	(31,383)
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Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB expenditures; however in the statement of activities only the ARC is an expense.	(630)
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Revenues reported as unavailable revenue in the governmental funds are recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.	5,229
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Internal service funds are used by management to charge the costs of insurance, centralized purchasing and fleet management to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	<u>(5,964)</u>
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Change in net position of governmental activities	<u><u>\$ 21,469</u></u>
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The notes to basic financial statements are an integral part of this statement.

City of Riverside

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund

For the fiscal year ended June 30, 2021

(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Taxes	\$ 224,443	224,443	\$ 265,819	\$ 41,376
Licenses and permits	8,679	8,679	10,265	1,586
Intergovernmental	1,395	1,540	3,851	2,311
Charges for services	15,390	15,453	13,146	(2,307)
Fines and forfeitures	1,659	1,659	2,100	441
Special assessments	513	513	626	113
Rental and investment income	2,615	2,615	3,796	1,181
Miscellaneous	1,544	1,300	769	(531)
Total Revenues	256,238	256,202	300,372	44,170
Expenditures:				
General government:				
Mayor	981	939	830	109
Council	1,822	1,745	1,513	232
Manager	7,820	8,729	5,982	2,747
Attorney	6,836	6,399	6,456	(57)
Clerk	3,403	2,566	2,042	524
Community development	16,248	21,579	12,131	9,448
Human resources	4,795	4,810	4,038	772
General services	6,930	6,986	5,925	1,061
Finance	2,993	8,872	7,628	1,244
Innovation & technology	12,873	12,961	11,535	1,426
Subtotal	64,701	75,586	58,080	17,506
Allocated expenditures	(53,460)	(53,460)	(53,468)	8
Total general government	11,241	22,126	4,612	17,514

continued

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public safety:				
Police	130,170	122,572	114,542	8,030
Fire	69,022	67,069	69,532	(2,463)
Animal regulation	3,173	3,209	2,703	506
Building and zoning inspection	3,554	3,597	3,338	259
Total public safety	205,919	196,447	190,115	6,332
Highways and streets	19,152	18,253	16,203	2,050
Culture and recreation				
Library	7,960	7,892	6,624	1,268
Museum & cultural affairs	2,128	2,251	1,830	421
Parks, recreation & community services	21,490	22,456	17,609	4,847
Community development	-	100	41	59
Total culture and recreation	31,578	32,699	26,104	6,595
Capital outlay	281	3,394	692	2,702
Total Expenditures	268,171	272,919	237,726	35,193
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,933)	(16,717)	62,646	79,363
Other Financing Sources (Uses):				
Transfers in	79,359	79,364	53,263	(26,101)
Transfers out	(74,062)	(94,009)	(90,320)	3,689
Proceeds from sale of capital assets	(7,755)	(7,755)	189	7,944
Total Other Financing Sources (Uses)	(2,458)	(22,400)	(36,868)	(14,468)
Net Change in Fund Balance	(14,391)	(39,117)	25,778	64,895
Fund Balance, Beginning of Year	133,869	133,869	133,869	-
Fund Balance, End of Year	\$ 119,478	\$ 94,752	\$ 159,647	\$ 64,895

The notes to the financial statements are an integral part of this statement.

City of Riverside
Statement of Net Position
Proprietary Funds
June 30, 2021
 (amounts expressed in thousands)

Business-Type Activities - Enterprise Funds						
	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities-Internal Service Funds
Assets:						
Current assets:						
Cash and investments	\$ 287,294	\$ 42,947	\$ 103,335	\$ 6,600	\$ 440,176	\$ 58,500
Receivables (net allowances for uncollectibles)						
Interest	586	85	182	16	869	62
Utility billed	23,012	6,018	6,033	2,261	37,324	-
Utility unbilled	15,670	3,688	2,470	989	22,817	-
Accounts	5,055	1,249	709	1,200	8,213	136
Property tax receivable	-	-	-	40	40	-
Intergovernmental	48	3,465	829	5,588	9,930	293
Other	-	-	-	-	-	-
Inventory	971	-	2,306	41	3,318	7,420
Prepaid items	6,275	238	35	41	6,589	2
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	56,919	10,474	-	3,707	71,100	-
Public benefit programs receivable	1,202	152	-	-	1,354	-
Total Current Assets	398,365	68,616	116,899	20,783	604,663	66,413
Non-current assets:						
Restricted assets:						
Cash and investments with fiscal agent	67,617	20,108	-	-	87,725	-
Regulatory assets	1,757	934	1,252	10,152	14,095	-
Prepaid items - Non-current	12,971	-	-	-	12,971	-
Advances to other funds	-	-	1,765	-	1,765	-
Advances to Successor Agency Trust Fund	2,925	-	-	-	2,925	-
Other non-current assets	-	3,225	-	-	3,225	-
Capital assets, net of accumulated depreciation	797,902	499,636	535,335	143,491	1,976,364	6,236
Total Non-Current Assets	883,172	523,903	538,352	153,643	2,099,070	6,236
Total Assets	1,281,537	592,519	655,251	174,426	2,703,733	72,649
Deferred Outflows of Resources:						
Changes in derivative values	16,228	3,442	-	6,620	26,290	-
Deferred charge on refunding	8,567	5,294	-	716	14,577	-
Pension related items	15,820	4,921	3,044	1,957	25,742	1,162
OPEB related items	2,167	871	552	495	4,085	246
Total Deferred Outflows of Resources	42,782	14,528	3,596	9,788	70,694	1,408

Continued

City of Riverside
Statement of Net Position
Proprietary Funds
June 30, 2021
 (amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
Liabilities:	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Current liabilities:						
Accounts payable	17,306	3,495	2,407	3,443	26,651	1,336
Accrued payroll	603	196	120	87	1,006	47
Retainage payable	467	301	247	23	1,038	21
Unearned revenue	67	2,347	-	1,917	4,331	-
Deposits	10,563	1,013	6	526	12,108	-
Accrued interest	4,085	1,408	6,824	52	12,369	-
Due to other funds	-	-	-	3,002	3,002	-
Total Current Liabilities	33,091	8,760	9,604	9,050	60,505	1,404
Noncurrent liabilities:						
Due within one year						
Long-term obligations	19,891	9,591	9,966	5,416	44,864	227
Compensated absences	3,793	1,599	1,107	498	6,997	364
Claims liability	-	-	-	-	-	15,044
Landfill capping	-	-	-	559	559	-
Decommissioning liability	7,254	-	-	-	7,254	-
Due in more than one year						
Long-term obligations	639,791	250,728	375,380	84,440	1,350,339	4,577
Compensated absences	3,389	1,120	344	155	5,008	157
Claims liability	-	-	-	-	-	61,559
Landfill capping	-	-	-	9,860	9,860	-
Decommissioning liability	43,642	-	-	-	43,642	-
Regulatory liability	3,461	3,689	16,231	1	23,382	-
Derivative instruments	19,968	5,683	-	7,576	33,227	-
Net pension liability	39,233	12,203	7,548	4,852	63,836	2,882
OPEB liability	11,126	4,550	3,142	2,749	21,567	1,274
Total Non-Current Liabilities	791,548	289,163	413,718	116,106	1,610,535	86,084
Total Liabilities	824,639	297,923	423,322	125,156	1,671,040	87,488
Deferred Inflows of Resources:						
Deferred charge on refunding	-	-	648	-	648	-
Pension related items	1,714	533	330	212	2,789	126
OPEB related items	593	231	150	138	1,112	68
Total Deferred Inflows of Resources	2,307	764	1,128	350	4,549	194
Net Position:						
Net investment in capital assets	237,968	291,541	163,210	63,397	756,116	6,236
Restricted for debt service	18,615	7,435	5,600	-	31,650	-
Restricted for landfill capping	-	-	-	2,500	2,500	-
Restricted for programs and regulatory requirements	39,269	3,164	2,302	-	44,735	-
Unrestricted	201,521	6,220	63,285	(7,189)	263,837	(19,861)
Total Net Position (Deficit)	\$ 497,373	\$ 308,360	\$ 234,397	\$ 58,708	\$ 1,098,838	\$ (13,625)

The notes to basic financial statements are an integral part of this statement.

City of Riverside
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Operating Revenues:						
Charges for services	\$ 376,101	\$ 80,252	\$ 66,323	\$ 32,591	\$ 555,267	\$ 23,666
Total Operating Revenues	376,101	80,252	66,323	32,591	555,267	23,666
Operating Expenses:						
Personnel services	58,751	14,004	11,791	8,786	93,332	4,798
Contractual services	9,252	2,899	950	9,016	22,117	2,048
Maintenance and operation	220,919	10,761	8,698	10,616	250,994	2,800
General	12,986	16,691	5,712	12,351	47,740	30,325
Materials and supplies	841	715	3,613	1,656	6,825	178
Claims/Insurance	1,861	591	667	593	3,712	13,212
Depreciation	35,654	16,346	14,480	5,310	71,790	832
Amortization	-	-	-	564	564	-
Total Operating Expenses	340,264	62,007	45,911	48,892	497,074	54,193
Operating Income (Loss)	35,837	18,245	20,412	(16,301)	58,193	(30,527)
Non-Operating Revenues (Expenses):						
Operating grants	-	-	-	3,976	3,976	-
Interest revenue	496	(1)	263	(77)	681	(16)
Interest expense and fiscal charges	(25,901)	(9,731)	(14,953)	(3,054)	(53,639)	(148)
Capital improvement fees	-	-	(165)	-	(165)	-
Other non-operating revenues	6,268	3,002	106	1,856	11,232	517
Gain (loss) on disposal of capital assets	628	120	(2)	8	754	73
Total Non-Operating Revenues (Expenses)	(18,509)	(6,610)	(14,751)	2,709	(37,161)	426
Income (Loss) Before Contributions and Transfers	17,328	11,635	5,661	(13,592)	21,032	(30,101)
Cash capital contributions	3,456	3,062	88	3,948	10,554	137
Non-cash capital contributions	1,603	-	116	-	1,719	-
Transfers in	-	-	-	12,673	12,673	24,000
Transfers out	(39,899)	(6,972)	-	(80)	(46,951)	-
Change in Net Position	(17,512)	7,725	5,865	2,949	(973)	(5,964)
Net Position:						
Net Position (Deficit), Beginning of Year	514,885	300,635	228,532	55,759	1,099,811	(7,661)
Net Position (Deficit), End of Year	\$ 497,373	\$ 308,360	\$ 234,397	\$ 58,708	\$ 1,098,838	\$ (13,625)

The notes to basic financial statements are an integral part of this statement.

City of Riverside
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
Cash Flows from Operating Activities:						
Cash received from customers and users	\$ 371,206	\$ 78,233	\$ 65,097	\$ 31,690	\$ 546,226	\$ -
Cash received from interfund services provided	-	-	-	-	-	47,394
Cash paid to other suppliers for goods or services	(226,585)	(24,787)	(19,818)	(33,978)	(305,168)	(49,138)
Cash paid to employees for services	(68,796)	(20,610)	(11,367)	(7,771)	(108,544)	(6,178)
Cash received from others	-	1,138	-	-	1,138	-
Net Cash Provided (Used) by Operating Activities	75,825	33,974	33,912	(10,059)	133,652	(7,922)
Cash Flows from Non-Capital Financing Activities:						
Transfers in	-	-	-	12,673	12,673	24,000
Transfers out	(39,899)	(6,972)	-	(80)	(46,951)	-
Operating grants	-	-	-	3,335	3,335	-
Receipts (payments) on interfund advances	458	-	314	3,002	3,774	670
Payments on pension obligation bonds	(2,015)	(672)	(847)	(566)	(4,100)	(287)
Other receipts (payments) from non-operating revenue	6,268	-	106	1,856	8,230	517
Net Cash Provided (Used) by Non-Capital Financing Activities	(35,188)	(7,644)	(427)	20,220	(23,039)	24,900
Cash Flows from Capital and Related Financing Activities:						
Purchase of capital assets	(41,455)	(16,398)	(11,460)	(5,612)	(74,925)	(787)
Proceeds from the sale of capital assets	628	132	-	320	1,080	73
Principal paid on long-term obligations	(15,890)	(6,557)	(11,106)	(5,330)	(38,883)	-
Interest paid on long-term obligations	(29,678)	(9,955)	(14,743)	(3,704)	(58,080)	-
Capital improvement fees	-	-	(165)	-	(165)	-
Contributions	3,456	3,062	88	(15)	6,591	137
Net Cash Provided (Used) by Capital and Related Financing Activities	(82,939)	(29,716)	(37,386)	(14,341)	(164,382)	(577)
Cash Flows from Investing Activities:						
Interest from investments	791	28	328	(55)	1,092	31
Net Cash Provided (Used) by Investing Activities	791	28	328	(55)	1,092	31
Net Increase (Decrease) in Cash and Cash Equivalents	(41,511)	(3,358)	(3,573)	(4,235)	(52,677)	16,432
Cash and Investments, Beginning of Year (including \$97,983 for Electric, \$28,826 for Water, \$8,270 for Sewer in restricted accounts)	453,341	76,887	107,908	14,542	652,678	42,068
Cash and Investments, End of Year (including \$67,617 for Electric and \$20,108 for Water in restricted accounts)	\$ 411,830	\$ 73,529	\$ 104,335	\$ 10,307	\$ 600,001	\$ 58,500

Continued

City of Riverside
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Continued					
	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:						
Operating income (loss)	\$ 35,837	\$ 18,245	\$ 20,412	\$ (16,301)	\$ 58,193	\$ (30,527)
Other receipts	-	1,138	-	-	1,138	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and amortization	35,654	16,346	14,480	5,874	72,354	832
Changes in assets, liabilities and deferred inflows/outflows of resources:						
Utility billed receivable	(5,118)	(1,777)	(2,212)	(856)	(9,963)	-
Utility unbilled receivable	(1,946)	(359)	(102)	(90)	(2,497)	-
Accounts receivable	5,104	(56)	570	(687)	4,931	(92)
Property tax receivable	-	-	-	(40)	(40)	-
Intergovernmental receivable	26	(2,249)	522	-	(1,701)	(180)
Inventory	-	-	(134)	31	(103)	(428)
Prepaid and deposit items	99	(13)	(20)	42	108	15
Benefit programs receivable	(219)	12	-	-	(207)	-
Regulatory asset	-	-	61	639	700	-
Accounts payable	(1,249)	911	(126)	673	209	(183)
Accrued payroll	4	(32)	(20)	(7)	(55)	(2)
Retainage payable	(33)	8	102	23	100	21
Unearned revenue	(6)	2,305	-	(48)	2,251	-
Deposits payable	1,298	100	-	22	1,420	-
Compensated absences	1,320	430	97	53	1,900	48
Claims liability	-	-	-	-	-	22,775
Landfill capping	-	-	-	(357)	(357)	-
Decommissioning liability	(4,812)	-	-	-	(4,812)	-
Regulatory liability	-	-	(65)	1	(64)	-
Net OPEB liability and related changes in deferred outflows and inflows of resources	183	73	15,950	43	16,249	20
Net pension liability and related changes in deferred outflows and inflows of resources	9,683	(1,108)	(15,603)	926	(6,102)	(221)
Net Cash Provided (Used) by Operating Activities	\$ 75,825	\$ 33,974	\$ 33,912	\$ (10,059)	\$ 133,652	\$ (7,922)
Schedule of noncash financing and investing activities:						
Gain/(loss) on retirement of capital assets	\$ -	\$ -	\$ (2)	\$ -	\$ (2)	\$ -
Capital contributions	1,603	-	116	-	1,719	-
Payment on note payable including interest offset by rent credit	-	1,864	-	-	1,864	-
Capital assets - transfer (from)/to governmental activities	-	-	-	(601)	(601)	-

The notes to basic financial statements are an integral part of this statement.

City of Riverside
Statement of Net Position
Fiduciary Funds
June 30, 2021
 (amounts expressed in thousands)

	Private-Purpose Trust Fund Successor Agency Trust Fund	Custodial Fund
Assets:		
Cash and investments	\$ 26,986	\$ 438
Cash and investments with fiscal agent	4,043	8,531
Receivables		
Interest	46	2
Property taxes	-	74
Accounts	67	-
Intergovernmental	795	-
Notes	2,199	-
Direct financing lease receivable	9,710	-
Deposits	2	-
Land and improvements held for resale	7,440	-
Capital assets, net of accumulated depreciation	185	-
Total Assets	51,473	9,045
Liabilities:		
Accounts payable	15	1
Accrued interest	2,528	-
Advances from other funds	2,925	-
Noncurrent liabilities		
Due within one year		
Long-term obligations	7,193	2,175
Due in more than one year		
Long-term obligations	179,782	36,790
Total Liabilities	192,443	38,966
Deferred Inflows of Resources:		
Deferred charge on refunding	808	-
Total Deferred Inflows of Resources	808	-
Net Position:		
Restricted for other governments	(141,778)	(29,921)
Total Net Position (Deficit)	\$ (141,778)	\$ (29,921)

The notes to basic financial statements are an integral part of this statement

City of Riverside
Statement of Changes in Net Position
Fiduciary Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Private-Purpose Trust Fund Successor Agency Trust Fund	Custodial Fund
Additions:		
Property tax revenue	\$ 13,483	\$ -
Special Assessments	-	4,309
Rental and investment income	236	14
Total Additions	13,719	4,323
Deductions:		
Professional services and other deductions	1,153	1,602
Redevelopment projects	535	-
Interest expense	6,539	1,892
Total Deductions	8,227	3,494
Change in Net Position	5,492	829
Net Position:		
Net Position (Deficit), Beginning of Year, as previously stated	(147,270)	-
Prior Period Adjustment		(30,750)
Net Position (Deficit), Beginning of Year, restated	(147,270)	(30,750)
Net Position (Deficit), End of Year	\$ (141,778)	\$ (29,921)

The notes to basic financial statements are an integral part of this statement

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 was 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. In 2018, the oversight was transferred to the Riverside Countywide Oversight Board, as a result of state legislation that consolidated all oversight boards to successor agencies. The Countywide Oversight Board was created to oversee the winddown activities of the various successor agencies in Riverside County. 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 fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied 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:

Special Revenue funds account for proceeds of specific revenue sources that are legally restricted or otherwise committed or assigned for specific purposes.

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

Fiduciary funds include private-purpose trust and custodial 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 custodial funds are 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, 2021, the City had an allowance for doubtful account balance of \$10,536.

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 with 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 funds 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 Units 2 & 3 at San Onofre Nuclear Generating Station (SONGS). 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 current SONGS 2017 Decommissioning Cost Estimate (DCE), the Electric Utility has fully funded its share of SONGS decommissioning costs. The SONGS 2020 DCE is expected to be submitted to the California Public Utilities Commission in 2021 for approval.

As of June 30, 2021, the Electric Utility has set aside \$48,647 in cash investments with the trustee and \$13,838 in a 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, 2021, the Electric Utility has paid to date \$36,398 in decommissioning obligations, which have been reimbursed by the trust funds.

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, 2021, 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, 2021 were calculated utilizing fiscal year 2021-2022 adopted General Fund expenditure budget of \$287,000.

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

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

Z. New Accounting Pronouncements

Effective July 1, 2020, the accompanying financial statements reflect the implementation of Government Accounting Standards Board Statement No. 84 (GASB 84) and Government Accounting Standards Board Statement No. 90.

GASB 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Governments with activities meeting the criteria present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. For fiscal year 2020/21, the City reported custodial fund and private purpose trust fund.

GASB 90 objectives are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should

measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The implementation of this statement had no impact on the City's financial statements for fiscal year 2020/21.

The City early adopted GASB Statement No. 98, the *Annual Comprehensive Financial Report*, which establishes the term *annual comprehensive financial report* and its acronym *ACFR*. The new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

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. At least thirty-five days prior to the beginning of the fiscal year, the City Manager provides the proposed budget, in writing, to the City Council for review. Following Council review, a public hearing is set to obtain citizen comments. The City Council generally conducts the public hearing and 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

City of Riverside
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For the year ended June 30, 2021

(amounts expressed in thousands)

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.

3. Cash and Investments

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

Investments	\$ 825,710
Investments at fiscal agent	119,495
	<u>945,205</u>
Cash on hand and deposits with financial institutions	62,987
	<u>\$ 1,008,192</u>

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

Cash and investments	\$ 788,305
Restricted cash and cash equivalents	72,100
Restricted cash and investments with fiscal agent	107,789
Total per statement of net position	<u>968,194</u>
Fiduciary fund cash and investments	27,424
Fiduciary fund cash and investments with fiscal agent	12,574
	<u>\$ 1,008,192</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%
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, 2021, the City had \$10,697 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.
- 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:
 - o Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
 - o Venture Capital
 - o Short sales*
 - o Purchases of Letter Stock, Private Placements, or direct payments
 - o Leveraged Transactions*
 - o Commodities Transactions Puts, calls, straddles, or other option strategies*
 - o Purchases of real estate, with the exception of REITs
 - o 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

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

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

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

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

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

The fair value of the City's investments is categorized within Level 2 of the fair value hierarchy using the institutional bond quotes with evaluations based on various market and industry inputs.

The City has the following recurring fair value measurements as of June 30, 2021:

	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	\$ 136,400	\$ 136,400	\$ -	\$ -
Mortgage Pass-Through Securities	33,527	-	33,527	-
Asset-Backed Securities	25,311	-	25,311	-
U.S. Treasury Obligations	181,064	-	181,064	-
Federal Agency Obligations	134,493	-	134,493	-
Medium-Term Corporate Notes	118,940	-	118,940	-
Supranational Securities	28,579	-	28,579	-
Negotiable Certificates of Deposits	9,463	-	9,463	-
Held by Fiscal Agent:				
Asset-Backed Securities	1,174	-	1,174	-
Commercial Paper	1,000	-	1,000	-
U.S. Treasury Obligations	28,616	-	28,616	-
Federal Agency Obligations	2,666	-	2,666	-
Medium-Term Corporate Notes	10,121	-	10,121	-
Supranational Securities	2,032	-	2,032	-
Total	\$ 713,386	\$ 136,400	\$ 576,986	\$ -
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	151,237			
Mutual Funds	10,567			
Money Market Funds	59,254			
Investment Contracts	10,761			
Total Investments	\$ 945,205			

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 36 Months	37 to 60 Months	More than 60 Months
Money Market Funds	\$ 7,933	\$ 7,933	\$ -	\$ -	\$ -
Joint Powers Authority Pool	136,400	136,400	-	-	-
Local Agency Investment Fund	150,000	150,000	-	-	-
Mortgage Pass-Through Securities	33,527	11,138	20,602	1,787	-
Asset-Backed Securities	25,311	-	7,173	18,138	-
US Treasury Obligations	181,064	27,615	115,765	37,684	-
Federal Agency Obligations	134,493	15,335	49,309	69,849	-
Medium-Term Corporate Notes	118,940	18,355	22,541	78,044	-
Supranational Securities	28,579	-	-	28,579	-
Neg Certificate of Deposit	9,463	9,463	-	-	-
Held by Fiscal Agent					
Money Market Funds	51,321	51,321	-	-	-
Mutual Funds	10,567	10,567	-	-	-
Local Agency Investment Fund	1,237	1,237	-	-	-
Asset-Backed Securities	1,174	-	-	1,174	-
Investment Contracts	10,761	-	-	-	10,761
Commercial Paper	1,000	1,000	-	-	-
US Treasury Obligations	28,616	12,145	9,334	7,137	-
Federal Agency Obligations	2,666	-	2,666	-	-
Medium-Term Corporate Notes	10,121	-	1,366	8,755	-
Supranational Securities	2,032	-	-	2,032	-
Total	\$ 945,205	\$ 452,509	\$ 228,756	\$ 253,179	\$ 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	Rating as of Year End *			
		AAA	AA	A	Unrated
Money Market Funds	\$ 7,933	\$ 2,766	\$ -	\$ -	\$ 5,167
Joint Powers Authority Pool	136,400	136,400	-	-	-
Local Agency Investment Fund	150,000	-	-	-	150,000
Mortgage Pass-Through Securities	33,527	33,527	-	-	-
Asset-Backed Securities	25,311	20,576	-	-	4,735
US Treasury Obligations	181,064	181,064	-	-	-
Federal Agency Obligations	134,493	129,123	-	-	5,370
Medium-Term Corporate Notes	118,940	-	35,575	66,059	17,306
Supranational Securities	28,579	19,269	-	-	9,310
Neg Certificate of Deposit	9,463	-	-	-	9,463
Held by Fiscal Agent					
Money Market Funds	51,321	10,956	-	-	40,365
Mutual Funds	10,567	-	-	-	10,567
Local Agency Investment Fund	1,237	-	-	-	1,237
Asset-Backed Securities	1,174	1,174	-	-	-
Investment Contracts	10,761	-	-	-	10,761
Commercial Paper	1,000	-	-	-	1,000
US Treasury Obligations	28,616	28,616	-	-	-
Federal Agency Obligations	2,666	2,666	-	-	-
Medium-Term Corporate Notes	10,121	-	2,879	6,547	695
Supranational Securities	2,032	2,032	-	-	-
Total	\$ 945,205	\$ 568,169	\$ 38,454	\$ 72,606	\$ 265,976

*Fitch rating used, with - and + removed for simplicity.

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, 2021, 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.

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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>	
2022	\$ 2,724
2023	2,759
2024	2,786
2025	2,823
Total Due	11,092
Less: Amount applicable to interest	(1,382)
Total direct financing lease receivable	<u>\$ 9,710</u>

5. Capital Assets

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2021.

	Beginning Balance	Additions/ Transfers In	Deletions/ Transfers Out	Reclassifications	Ending Balance
Governmental activities:					
Capital assets, not depreciated:					
Land	\$ 338,504	\$ 38,112 *	\$ -	\$ -	\$ 376,616
Construction in progress	68,398	41,057	(612)	(78,023)	30,820
Total capital assets not depreciated	406,902	79,169	(612)	(78,023)	407,436
Capital assets being depreciated:					
Buildings	146,607	15	-	43,610	190,232
Improvements other than buildings	262,688	45	-	1,016	263,749
Machinery and equipment	115,029	3,924	(4,591)	1,720	116,082
Intangibles, depreciable	219	-	-	-	219
Infrastructure	1,076,049	53,828 **	-	31,677	1,161,554
Total capital assets being depreciated	1,600,592	57,812	(4,591)	78,023	1,731,836
Less accumulated depreciation for:					
Buildings	(74,554)	(4,077)	-	-	(78,631)
Improvements other than buildings	(144,995)	(11,438)	-	-	(156,433)
Machinery and equipment	(80,204)	(7,355)	4,590	-	(82,969)
Intangibles, depreciable	(216)	(3)	-	-	(219)
Infrastructure	(457,487)	(26,433)	-	-	(483,920)
Total accumulated depreciation	(757,456)	(49,306)	4,590	-	(802,172)
Total capital assets being depreciated, net	843,136	8,506	(1)	78,023	929,664
Governmental activities capital assets, net	<u>\$ 1,250,038</u>	<u>\$ 87,675</u>	<u>\$ (613)</u>	<u>\$ -</u>	<u>\$ 1,337,100</u>

* 37,951 related to prior period adjustment

** 42,333 related to prior period adjustment

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	Beginning Balance	Additions/ Transfers In	Deletions/ Transfers Out	Reclassifications	Ending Balance
Business-type activities:					
Capital assets, not depreciated:					
Land	\$ 99,985	\$ 124	\$ -	\$ 2	\$ 100,111
Intangibles, non-depreciable	21,574	52	-	-	21,626
Construction in progress	104,990	74,058	-	(52,861)	126,187
Total capital assets not depreciated	226,549	74,234	-	(52,859)	247,924
Capital assets being depreciated:					
Buildings	666,650	29	-	5,110	671,789
Improvements other than buildings	1,923,535	1,595	(969)	42,235	1,966,396
Machinery and equipment	104,334	633	(2,382)	5,514	108,099
Intangibles, depreciable	26,277	-	-	-	26,277
Total capital assets being depreciated	2,720,796	2,257	(3,351)	52,859	2,772,561
Less accumulated depreciation for:					
Buildings	(183,953)	(14,360)	-	-	(198,313)
Improvements other than buildings	(705,521)	(48,740)	955	-	(753,306)
Machinery and equipment	(72,243)	(5,515)	2,371	-	(75,387)
Intangibles, depreciable	(13,940)	(3,175)	-	-	(17,115)
Total accumulated depreciation	(975,657)	(71,790)	3,326	-	(1,044,121)
Total capital assets being depreciated, net	1,745,139	(69,533)	(25)	52,859	1,728,440
Business-type activities capital assets, net	\$ 1,971,688	\$ 4,701	\$ (25)	\$ -	\$ 1,976,364

Depreciation expense was charged to various functions as follows:

Governmental activities:	
General government	\$ 3,698
Public safety	6,955
Highway and streets, including general infrastructure	27,108
Culture and recreation	10,713
Internal service funds	832
Total depreciation expense - governmental activities	<u>\$ 49,306</u>
Business-type activities:	
Electric	\$ 35,654
Water	16,346
Sewer	14,480
Airport	712
Refuse	859
Transportation	464
Public Parking	796
Civic Entertainment	2,479
Total depreciation expense - business-type activities	<u>\$ 71,790</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, 2021:

	Notional Amount	Fair Value as of 06/30/21	Change in Fair Value for Fiscal Year
Governmental activities			
2008 Renaissance Certificates of Participation*	\$ 62,787	\$ (13,118)	\$ 4,772
Business-type activities			
2008 Renaissance Certificates of Participation*	27,213	(5,686)	2,068
2008 Electric Refunding/Revenue Bonds Series A	32,450	(4,731)	1,767
2008 Electric Refunding/Revenue Bonds Series C	32,150	(7,520)	2,767
2011 Electric Refunding/Revenue Bonds Series A	37,450	(7,717)	2,949
2011 Water Refunding/Revenue Bonds Series A	24,050	(5,683)	2,091
2012 Convention Center Financing	29,707	(1,890)	1,349

* 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

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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 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, 2021, 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	-0.58168%	-0.58230%	-0.60582%
Net interest rate swap payments	2.52932%	2.62170%	2.59518%
Variable rate bond coupon payments	0.48121%	0.48066%	0.58006%
Synthetic interest rate on bonds	3.01053%	3.10236%	3.17524%
	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	-0.57363%	-0.54260%	-2.10871%
Net interest rate swap payments	2.62637%	2.81940%	1.13129%
Variable rate bond coupon payments	0.55643%	0.50358%	2.10871%
Synthetic interest rate on bonds	3.18280%	3.32298%	3.24000%

Fair Value: As of June 30, 2021, in connection with all swap arrangements, the transactions had a combined net negative fair value of \$46,345. 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+, A-, A 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, 2021, 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, 2021, 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

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following table. As rates vary, variable-rate bond interest payments and net swap payments will vary.

Fiscal Year	Variable-Rate Bonds			Total
	Principal	Interest	Interest Rate Swaps, Net	
2022	\$ 6,947	\$ 1,750	\$ 6,063	\$ 14,760
2023	7,130	1,609	5,498	14,237
2024	6,104	1,539	5,354	12,997
2025	6,247	1,470	5,214	12,931
2026	13,180	1,377	4,938	19,495
2027-2031	81,323	5,134	19,161	105,618
2032-2036	96,516	1,600	7,076	105,192
2037-2041	5,023	19	108	5,150
Total	<u>\$ 222,470</u>	<u>\$ 14,498</u>	<u>\$ 53,412</u>	<u>\$ 290,380</u>

7. Letters of Credit

The City's 2008 Certificates of Participation, 2011 Electric Revenue Bonds (Series A), 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:

Debt Issue	LOC Provider	LOC Expiration Date	Annual Commitment Fee
2008 Certificates of Participation	Bank of America, N.A.	2023	0.470%
2008A Electric Revenue Bonds	Barclays Bank, PLC	2024	0.395%
2008C Electric Revenue Bonds	Barclays Bank, PLC	2024	0.395%
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 four 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, 2021.

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	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 7,874	\$ -	\$ (1,396)	\$ 6,478	\$ 1,475
Pension obligation bonds	364,633	-	(11,809)	352,824	14,597
Certificates of participation	94,802	-	(4,587)	90,215	4,675
Lease revenue bonds	75,964	-	(3,493)	72,471	3,248
Direct borrowings:					
Loan payable	899	-	(442)	457	457
Capital leases	18,207	-	(3,285)	14,922	3,327
	<u>\$ 562,379</u>	<u>\$ -</u>	<u>\$ (25,012)</u>	<u>\$ 537,367</u>	<u>\$ 27,779</u>
Business-type activities:					
Revenue bonds	\$ 1,212,914	\$ -	\$ (36,309)	\$ 1,176,605	\$ 31,970
Pension obligation	119,625	-	(3,398)	116,227	5,508
Certificates of	28,483	-	(1,270)	27,213	1,300
Lease revenue bonds	7,473	-	(414)	7,059	434
Direct borrowings:					
Notes payable	69,519	-	(4,841)	64,678	4,729
Contracts payable	1,019	52	(4)	1,067	150
Capital leases	3,633	-	(1,279)	2,354	773
	<u>\$ 1,442,666</u>	<u>\$ 52</u>	<u>\$ (47,515)</u>	<u>\$ 1,395,203</u>	<u>\$ 44,864</u>

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Governmental activities:

	Principal Outstanding
General Obligation Bonds – Governmental Activities:	
\$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.	\$ 6,414
Add: Unamortized bond premium	64
Total General Obligation Bonds	<u>\$6,478</u>

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
2022	\$ 1,475	\$ 306	\$ 1,781
2023	1,560	229	1,789
2024	1,640	141	1,781
2025	1,739	48	1,787
Premium	64	-	64
Total	<u>\$ 6,478</u>	<u>\$ 724</u>	<u>\$ 7,202</u>

Pension Obligation Bonds – Governmental Activities: Principal
Outstanding

In 2018, the 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 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.

\$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. \$20,445

\$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; \$15,299 relates to Governmental Activities. 9,593

\$432,165 2020 Taxable Pension Obligation Bonds Series A; 1.646% to 3.857% due in annual installments from \$2,920 to \$28,310 through June 1, 2045. \$324,582 relates to Governmental Activities 323,015

Subtotal 353,053
Less: Unamortized bond discount (229)
Total Pension Obligation Bonds \$352,824

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
2022	\$ 14,597	\$ 12,954	\$ 27,551
2023	16,890	12,284	29,174
2024	7,623	11,523	19,146
2025	9,840	11,353	21,193
2026	9,884	11,123	21,007
2027-2031	57,923	51,277	109,200
2032-2036	97,390	38,775	136,165
2037-2041	103,412	18,500	121,912
2042-2046	35,494	2,752	38,246
Discount	(229)	-	(229)
Total	<u>\$ 352,824</u>	<u>\$ 170,541</u>	<u>\$ 523,365</u>

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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 Andulka 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

62,787

26,660

89,452

763

\$90,215

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
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	5,463	2,612	8,075
2027-2031	30,861	9,649	40,510
2032-2036	28,318	3,421	31,739
2037-2041	5,027	127	5,154
Premium	763	-	763
Total	<u>\$ 90,215</u>	<u>\$ 28,297</u>	<u>\$ 118,512</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. 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. \$23,683 relates to Governmental Activities.

Principal
Outstanding

\$20,287

\$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, the Tyler Mall North Plaza, the North Plaza parking,

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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.

14,675

\$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 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.

30,095

Subtotal

65,057

Add: Net unamortized bond premium/discount

7,414

Total Lease Revenue Bonds

\$72,471

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
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	3,733	2,242	5,975
2027-2031	21,346	8,468	29,814
2032-2036	22,394	3,275	25,669
2037-2041	3,825	90	3,915
Premium	7,414	-	7,414
Total	<u>\$ 72,471</u>	<u>\$ 24,550</u>	<u>\$ 97,021</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.

\$457

The remaining loans payable debt service payment will be made from unrestricted revenues of the General Fund. Annual debt service requirement to maturity is as follows:

Fiscal Year	Principal	Interest	Total
2022	\$ 457	\$ 10	\$ 467
Total	<u>\$ 457</u>	<u>\$ 10</u>	<u>\$ 467</u>

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2021

(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.

Revenue Bonds – Business-Type Activities:

Principal
Outstanding

<u>Electric</u>		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.	37,450
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.			
\$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	\$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.	37,275
		\$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.	<u>267,835</u>
		Subtotal	<u>540,165</u>
		Add: Unamortized bond premium	<u>47,657</u>
		Subtotal	<u>587,822</u>
		<u>Water</u>	
		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.	130,990	\$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		\$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	

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2021

(amounts expressed in thousands)

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.

106,990

Subtotal

198,830

Add: Unamortized bond premium

18,476

Subtotal

217,306

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.

184,965

\$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.

147,185

Subtotal

332,150

Add: Unamortized bond premium

39,327

Subtotal

371,477

Total Revenue Bonds

\$1,176,605

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
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	19,305	21,580	40,885
2027-2031	109,365	94,522	203,887
2032-2036	130,895	67,788	198,683
2037-2041	167,130	33,900	201,030
2042-2046	29,105	7,310	36,415
2047-2051	15,720	1,205	16,925
Premium	47,657	-	47,657
Total	<u>\$ 587,822</u>	<u>\$ 321,283</u>	<u>\$ 909,105</u>

Fiscal Year	Water		
	Principal	Interest	Total
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	7,875	7,463	15,338
2027-2031	44,900	31,365	76,265
2032-2036	53,675	20,917	74,592
2037-2041	46,400	8,598	54,998
2042-2046	10,225	3,189	13,414
2047-2051	7,445	571	8,016
Premium	18,476	-	18,476
Total	<u>\$ 217,306</u>	<u>\$ 105,377</u>	<u>\$ 322,683</u>

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2021

(amounts expressed in thousands)

Fiscal Year	Sewer		
	Principal	Interest	Total
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	12,670	13,933	26,603
2027-2031	73,780	59,226	133,006
2032-2036	94,740	38,266	133,006
2037-2041	108,385	12,551	120,936
Premium	39,327	-	39,327
Total	<u>\$ 371,477</u>	<u>\$ 185,481</u>	<u>\$ 556,958</u>

Principal
Outstanding

Pension Obligation Bonds – Business Type Activities:

In 2018, the 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 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.

\$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. \$16,661 relates to Business Type Activities.

\$10,447

\$432,165 2020 Taxable Pension Obligation Bonds Series A; 1.646% to 3.857% due in annual installments from \$2,920 to \$28,310 through June 1, 2045. \$107,583 relates to Business-Type Activities.

105,780

Total Pension Obligation Bonds

\$116,227

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	Pension Obligation Bonds		
	Principal	Interest	Total
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	9,636	2,932	12,568
2027-2031	27,727	11,504	39,231
2032-2036	25,925	7,397	33,322
2037-2041	20,483	2,621	23,104
2042-2046	2,116	108	2,224
Total	<u>\$ 116,227</u>	<u>\$ 38,141</u>	<u>\$ 154,368</u>

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 are secured with collateral of the Andulka 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; \$30,841 relates to the Civic Entertainment Fund.

\$27,213

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2021

(amounts expressed in thousands)

Total Certificates of Participation \$27,213

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
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	1,482	719	2,201
2027-2031	8,254	2,805	11,059
2032-2036	9,857	1,300	11,157
2037-2041	2,178	55	2,233
Total	<u>\$ 27,213</u>	<u>\$ 8,226</u>	<u>\$ 35,439</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 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. 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. \$8,242 relates to Business-Type Activities.

\$7,059

Total Lease Revenue Bonds \$7,059

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
2022	\$ 434	\$ 302	\$ 736
2023	457	280	737
2024	480	256	736
2025	466	236	702
2026	481	220	701
2027-2031	2,772	726	3,498
2032-2036	1,969	120	2,089
Total	<u>\$ 7,059</u>	<u>\$ 2,140</u>	<u>\$ 9,199</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, 2021:

Governmental long-term obligations:

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

Enterprise funds:

Electric	\$ 10,805
Total	<u>\$ 10,805</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.

City of Riverside
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For the year ended June 30, 2021

(amounts expressed in thousands)

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 06/30/21
Electric revenues	\$ 89,371 *	\$ 44,923	1.99
Water revenues	37,614 *	16,692	2.25
Sewer revenues	35,990	26,631	1.35

* Excludes non-cash pension expense

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

Note payable consists of several agreements with Hillwood Enterprises, L.P. and related entities (collectively Hillwood) for their development of logistic centers located in the City of San Bernardino. As a part of these agreements, the Water Utility leases land to Hillwood and also purchased land from Hillwood with a subsequent lease-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 Utility will make payments to Hillwood in the form of a credit with Hillwood's rental payments to the Water Utility for the first 15 years of the leases.

\$18,139

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.

14,970

On 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.

31,569

Total Notes Payable

\$64,478

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

Fiscal Year	Water Fund		Total
	Principal	Interest	
2022	\$ 1,500	\$ 383	\$ 1,883
2023	1,576	350	1,926
2024	1,655	314	1,969
2025	1,739	277	2,016
2026	1,827	237	2,064
2027-2031	8,656	528	9,184
2032-2036	1,186	19	1,205
Total	<u>\$ 18,139</u>	<u>\$ 2,108</u>	<u>\$ 20,247</u>

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2021

(amounts expressed in thousands)

Fiscal Year	Non-major Enterprise Funds		
	Principal	Interest	Total
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	3,688	1,075	4,763
2027-2031	20,389	3,341	23,730
2032-2036	8,881	377	9,258
Total	<u>\$ 46,539</u>	<u>\$ 10,306</u>	<u>\$ 56,845</u>

Principal
Outstanding

Direct Borrowings: Contracts Payable

Water stock acquisition rights payable on demand to various water companies

\$1,067

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
Machinery and equipment	26,926	8,007
Subtotal	26,926	8,007
Less: Accumulated depreciation	(10,132)	(5,290)
Total	<u>\$ 16,794</u>	<u>\$ 2,717</u>

The future minimum lease obligations as of June 30, 2021 were as follows:

Fiscal Year	Governmental Activities	Business-type Activities
2022	\$ 3,640	\$ 819
2023	2,808	626
2024	2,715	259
2025	2,715	259
2026	1,619	260
Thereafter	2,429	260
Total minimum lease payments	15,926	2,483
Less: Amount representing interest (rates ranging from 1.2% to 9%)	(1,004)	(129)
Total capital lease payable	<u>\$ 14,922</u>	<u>\$ 2,354</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 probable 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:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences:					
Governmental activities	\$ 29,228	\$ 16,305	\$ (14,632)	\$ 30,901	\$ 15,472
Business-type activities	10,105	7,832	(5,932)	12,005	6,997
	<u>\$ 39,333</u>	<u>\$ 24,137</u>	<u>\$ (20,564)</u>	<u>\$ 42,906</u>	<u>\$ 22,469</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 \$1,000,000 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 \$15,000 and the Excess 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

City of Riverside
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(amounts expressed in thousands)

policies cover general and auto liability claims including but not limited to Law Enforcement Liability and Public Officials errors and omissions. 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	<u>\$ 53,828</u>	<u>\$ 35,818</u>	<u>\$ (13,043)</u>	<u>\$ 76,603</u>	<u>\$ 15,044</u>
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	
Incurred claims (including IBNR's)				35,818	
Claim payments and adjustments				(13,043)	
Unpaid claims, June 30, 2021				<u>\$ 76,603</u>	

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, 2021 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	<u>\$ 10,776</u>	<u>\$ -</u>	<u>\$ (357)</u>	<u>\$ 10,419</u>	<u>\$ 559</u>

12. Nuclear Decommissioning Liability

As of June 30, 2021, decommissioning liability balance was \$50,896 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	<u>\$ 55,708</u>	<u>\$ 628</u>	<u>\$ (5,440)</u>	<u>\$ 50,896</u>	<u>\$ 7,254</u>

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 60 MW. 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 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 2.295 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.

	IPA	SCPPA	TOTAL
Debt Service Payment (in thousands) Year Ending June 30,	Intermountain Power Project	Southern Transmission System	All Projects
2022	\$ 8,228	\$ 9,369	\$ 17,597
2023	8,064	7,083	15,147
2024	840	7,125	7,965
2025	-	3,261	3,261
2026	-	3,257	3,257
2027-2031	-	6,507	6,507
Total	\$ 17,132	\$ 36,602	\$ 53,734

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 varies each year. The costs incurred for the years ended June 30, 2021 and 2020, are as follows (in thousands):

	Intermountain Power Project ¹	Palo Verde Nuclear Generating Station ¹	Southern Transmission System	Mead- Phoenix Transmission	Mead- Adelanto Transmission	All Projects
FISCAL YEAR						
2021	\$ 20,648	\$ 2,951	\$ 5,126	\$ 44	\$ 424	\$ 29,193
2020	\$ 20,156	\$ 2,870	\$ 5,533	\$ 50	\$ 541	\$ 29,150

¹ Excludes variable cost.

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 10, 2021, the Act limits liability from third-party claims to approximately \$13.5 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 - an average of 20 percent of retail

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sales during the 3-year period from 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 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 has met the procurement 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 2020, renewable resources provided 42 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 updated 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 mandates. 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 2021
Wintec Energy, Ltd.	Wind	1.3 MW	2/19/2024	\$ 150
WKN Wagner	Wind	6.0 MW	12/22/2032	1,318
Terraform Power - AP North Lake	Photovoltaic	20.0 MW	8/11/2040	4,833
Dominion - Columbia II	Photovoltaic	11.1 MW	12/22/2034	2,313
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	3,825
Capital Dynamics - Tequesquite Landfill Solar	Photovoltaic	7.3 MW	12/31/2040	1,402
American Renewable Power-Loyalton	Biomass	0.8 MW	4/19/2023	615
Roseburg Forest Products	Biomass	0.5 MW	2/16/2026	179
CalEnergy - Salton Sea Portfolio	Geothermal	86.0 MW	12/31/2039	54,798
Atlantica - Coso Geothermal	Geothermal	10.0 MW	12/31/2042	2,698
Total		241.0 MW		\$ 82,793

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.

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	Delayed	10/31/2022	15
Atlantica - Coso Geothermal	Geothermal	20.0 MW	1/1/2027	1/1/2027	15
Total		64.0 MW			

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 year ended June 30, 2021 the Electric Fund received \$8,251 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 \$14,555 as of June 30, 2021.

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 as of June 30, 2021 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 Cap-and-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, 2021, the Electric Utility's proceeds from the sale of LCFS credits of \$1,166. 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. Qualifying projects as of June 30, 2021 is approximately \$440. The balance in the Regulatory Requirement reserve as of June 30, 2021 was \$2,368.

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.

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, 2020, 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	2,138
Total	<u>2,412</u>

Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

Valuation Date:	June 30, 2019
Measurement Date:	June 30, 2020
Funding Policy:	Pay-as-you-go for implicit rate subsidy

Discount Rate:	3.51% as of July 1, 2019 and 2.66% as of June 30, 2020 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 6.25% 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 (5.25% decreasing to 3.50%) or 1-percentage-point higher (7.25% decreasing to 5.50%) than the current rate:

	1% Decrease (5.25% decreasing to 3.50%)	Current Healthcare Cost Trend Rate (6.50% decreasing to 4.50%)	1% Increase (7.25% decreasing to 5.50%)
Total Net OPEB liability	\$ 45,698	\$ 52,276	\$ 60,157

Sensitivity analysis of total net OPEB liability for discount rates

The following presents the total OPEB liability, calculating using the discount rate of 2.66%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) than the current rate:

	1% Decrease (1.66%)	Current Discount Rate (2.66%)	1% Increase (3.66%)
Total Net OPEB liability	\$ 57,443	\$ 52,276	\$ 47,617

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Change in total OPEB liability

For fiscal year 2021, the City recognized total OPEB expense of \$992. The following table shows the change in the total OPEB liability for the year ended June 30, 2021:

	2020
Beginning total OPEB liability	\$ 50,004
Service cost	2,569
Interest	1,810
Differences between expected and actual experience	(2,300)
Changes of assumptions	2,225
Benefit of implied subsidy payments	(2,032)
Net changes	2,272
Ending total OPEB liability	<u>\$ 52,276</u>

Deferred outflows/inflows of resources

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of	Deferred inflows of resources
Contributions subsequent to the measurement date	\$ 2,193	\$ -
Differences between expected and actual experience	227	2,046
Changes of assumptions	9,405	1,026
Total	<u>\$ 11,825</u>	<u>\$ 3,072</u>

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
2022	\$ 838
2023	838
2024	838
2025	838
2026	1,047
Thereafter	2,161
	<u>\$ 6,560</u>

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. The portion is a three-year increase of 1.5% (2019), 1.5% (2020) and 1.5% (2021);

However, the 2021 increase did not take affect; therefore, in 2021 employees were contributing 4.5% pensionable income.

- 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 12.75%. 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). However, the 2021 increase was only 2%; therefore, in 2021 employees were contributing 7% 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 12.75% of compensation.

Miscellaneous:

- 1st Tier –
 - o 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). As of 2021, employees are contributing the entire 8% of their pensionable income.

- o 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). As of 2020, employees are contributing the entire 8% of their pensionable income.
- o 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). As of November 2020, employees are contributing the entire 8% of their pensionable income.
- 2nd Tier - The retirement formula is 2.7% at age 55, and:
 - o Miscellaneous employees, IBEW, and IBEW Supervisory hired on or after October 19, 2011 pay their share (8%) of contributions.
 - o 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 7.75%. 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.

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(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, 2020, the following employees were covered by the benefit terms of each Plan: Inactive employees or beneficiaries currently receiving benefits are 2,301 and 811 for the Miscellaneous and Safety Plans, respectively. Inactive employees entitled to but not yet receiving benefits are 1,427 and 174 for Miscellaneous and Safety Plans, respectively. Active employees were 1,559 and 583 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. 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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
Inflation	2.5%	2.5%
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-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:

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(amounts expressed in thousands)

Asset Class ¹	Current Target Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ 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 2020, there was no changes in assumptions.

(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, 2019	\$ 1,430,160	\$ 1,137,966	\$ 292,194
Changes in the year:			
Service Cost	25,919	-	25,919
Interest on Total Pension Liability	101,080	-	101,080
Differences between Expected and Actual Experience	6,220	-	6,220
Contribution - employer	-	239,156	(239,156)
Contribution - employee	-	10,957	(10,957)
Net Investment Income	-	56,837	(56,837)
Benefit Payments, including Refunds of Employee Contributions	(71,266)	(71,266)	-
Administrative Expenses	-	(1,604)	1,604
Other Misc. Income/(Expense)	-	-	-
Net Changes	61,953	234,080	(172,127)
Balance at June 30, 2020	\$ 1,492,113	\$ 1,372,046	\$ 120,067

<i>Safety</i>	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2019	\$ 1,137,203	\$ 829,821	\$ 307,382
Changes in the year:			
Service Cost	22,391	-	22,391
Interest on Total Pension Liability	80,940	-	80,940
Differences between Expected and Actual Experience	11,896	-	11,896
Contribution - employer	-	263,061	(263,061)
Contribution - employee	-	9,454	(9,454)
Net Investment Income	-	41,765	(41,765)
Benefit Payments, including Refunds of Employee Contributions	(56,537)	(56,537)	-
Administrative Expenses	-	(1,170)	1,170
Other Misc. Income/(Expense)	-	-	-
Net Changes	58,690	256,573	(197,883)
Balance at June 30, 2020	\$ 1,195,893	\$ 1,086,394	\$ 109,499

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 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:

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<i>Miscellaneous</i>		Current	
	Discount Rate	Discount Rate	Discount Rate
	<u>-1% (6.15%)</u>	<u>(7.15%)</u>	<u>+1% (8.15%)</u>
Plan's Net Pension Liability/(Asset)	\$ 320,850	\$ 120,067	\$ (45,188)

<i>Safety</i>		Current	
	Discount Rate	Discount Rate	Discount Rate
	<u>-1% (6.15%)</u>	<u>(7.15%)</u>	<u>+1% (8.15%)</u>
Plan's Net Pension Liability/(Asset)	\$ 271,457	\$ 109,499	\$ (23,605)

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, 2021, the City recognized pension expense of \$90,164. At June 30, 2021, 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	\$ 26,274	\$ -
Changes of assumptions	-	(3,445)
Differences between expected and actual experience	7,064	(1,800)
Net differences between projected and actual earnings on plan investments	15,081	-
Total	<u>\$ 48,419</u>	<u>\$ (5,245)</u>
<i>Safety</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date, net	\$ 22,925	\$ -
Changes of assumptions	5,433	(1,327)
Differences between expected and actual experience	15,020	(2)
Net differences between projected and actual earnings on plan investments	13,305	-
Total	<u>\$ 56,683</u>	<u>\$ (1,329)</u>

\$49,199 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
2021	\$ (4,235)	\$ 8,341
2022	7,099	9,197
2023	7,892	9,281
2024	6,144	5,610
	<u>\$ 16,900</u>	<u>\$ 32,429</u>

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):

City of Riverside
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(amounts expressed in thousands)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease revenue bonds	\$ 13,790	\$ -	\$ (2,149)	\$ 11,641	\$ 2,242
Tax allocation bonds	177,256	-	(5,840)	171,416	4,923
Direct borrowings:					
Notes payable	3,918	-	-	3,918	28
	<u>\$ 194,964</u>	<u>\$ -</u>	<u>\$ (7,989)</u>	<u>\$ 186,975</u>	<u>\$ 7,193</u>

**Principal
Outstanding**

Lease Revenue Bonds – Successor Agency:

\$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.

\$8,085

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

1,290

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.

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. 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. \$2,415 relates to the Successor Agency.

2,069

Subtotal

11,444

Add: Unamortized bond premium

197

Total Lease Revenue Bonds

\$11,641

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
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	141	64	205
2027-2031	812	213	1,025
2032-2036	578	35	613
Premium	197	-	197
Total	<u>\$ 11,641</u>	<u>\$ 1,616</u>	<u>\$ 13,257</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

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2021

(amounts expressed in thousands)

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.

\$37,900

\$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

152,715

Add: Unamortized bond premium

18,701

Total Tax Allocation Bonds

\$171,416

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:

Fiscal Year	Principal	Interest	Total
2022	\$ 4,923	\$ 7,061	\$ 11,984
2023	4,710	6,823	11,533
2024	10,280	6,450	16,730
2025	10,690	5,928	16,618
2026	10,795	5,392	16,187
2027-2031	51,660	19,011	70,671
2032-2036	44,365	7,737	52,102
2037-2041	15,292	579	15,871
Premium	18,701	-	18,701
Total	<u>\$ 171,416</u>	<u>\$ 58,981</u>	<u>\$ 230,397</u>

Notes Payable – Successor Agency:

Principal
Outstanding

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

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
2022	\$ 28	\$ 314	\$ 342
2023	31	311	342
2024	34	307	341
2025	38	304	342
2026	42	300	342
2027-2031	1,217	1,423	2,640
2032-2036	471	1,238	1,709
2037-2041	777	932	1,709
2042-2046	1,280	430	1,710
Total	<u>\$ 3,918</u>	<u>\$ 5,559</u>	<u>\$ 9,477</u>

City of Riverside
Notes to Basic Financial Statements
For the year ended June 30, 2021

(amounts expressed in thousands)

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

As of June 30, 2021, the City has several series of Assessment District and Community Facility District Bonds outstanding in the amount of \$38,965. 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.

	Beginning Balance *	Additions	Reductions	Ending Balance	Due Within One Year
Community facilities districts	\$ 21,740	\$ -	\$ (595)	\$ 21,145	\$ 670
Assessment districts	19,250	-	(1,430)	17,820	1,505
	<u>\$ 40,990</u>	<u>\$ -</u>	<u>\$ (2,025)</u>	<u>\$ 38,965</u>	<u>\$ 2,175</u>

* As restated

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, 2021:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 1,430
	Nonmajor Enterprise Funds	3,002
		<u>\$ 4,432</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, 2021:

<u>Receivable Funds</u>	<u>Payable Funds</u>	<u>Amount</u>
Sewer Fund	General Debt Service Fund	<u>\$ 1,765</u>

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>\$ 2,925</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, 2021:

General Fund	Capital Outlay Fund	\$ 511
	General Debt Service Fund	42
	Nonmajor Governmental Funds	5,839
	Electric Fund	39,899
	Water Fund	6,972
		<u>53,263</u>
Capital Outlay Fund	General Fund	14,441
Debt Service Fund	General Fund	37,159
	Capital Outlay Fund	2,997
	Nonmajor Governmental Funds	1,958
		<u>42,114</u>
Nonmajor Governmental Funds	General Fund	2,648
	Nonmajor Governmental Funds	361
	Nonmajor Enterprise Funds	80
		<u>3,089</u>
Nonmajor Enterprise Funds	General Fund	12,072
	Governmental Activities *	601
		<u>12,673</u>
Internal Service Fund	General Fund	24,000
		<u>24,000</u>
	Total	<u>\$ 149,580</u>

* Transfer of capital asset from Governmental Activities to Civic Entertainment Fund

18. Deficit Net Position

Deficit net position exists in the non-major enterprise fund, Transportation (\$157). The deficit is primarily due to the net pension and net OPEB liabilities.

Deficit net position exists in the Self-Insurance Internal Service Fund (\$32,395). 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 (\$141,778). 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.

Deficit net position exists in the Custodial Fund (\$29,921). The deficit in the Custodial Fund will be reduced over the years as the related debt is paid-off from funds received from special tax and assessments paid by the residents within the special districts.

19. Construction Commitments

As of June 30, 2021, the Electric Utility had commitments (encumbrances) of approximately \$22,799 with respect to unfinished capital projects, of which \$13,694 is expected to be funded by unrestricted cash reserves, \$8,103 to be funded by bonds, and \$1,002 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, 2021, the Electric Utility has net commitments for fiscal year 2022 and thereafter, of approximately \$11,707, with a market value of \$16,749.

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 \$57,400, which equals to approximately 20% of the 2021-2022 General Fund adopted expenditure budget. For the General Fund Measure Z Fund, \$5,000 has been set aside. In addition, on January 19, 2021, City Council committed \$15,600 for potential future issues.

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.

23. 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 6/30/2021 is \$1,048.

24. Subsequent Events

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.

On May 17, 2021, the City and the Paradas entered into a conditional settlement agreement. This settlement is conditioned on: (1) the Riverside City Council's placement of a ballot measure on City ballots in November 2021 to approve the City's General Fund Transfer practices as a general tax ("Ballot Measure"); and (2) voter approval of the Ballot Measure. The Riverside City Council placed the Ballot Measure on the ballot for the November 2, 2021 election. The Parties have stayed the lawsuit until certification of the results of the Ballot Measure. If voters approve the Ballot Measure, the City will refund to customers of its electric utility an amount equal to \$24 million less the amount awarded to Plaintiffs' counsel in fees, paid over a five year period beginning no later than February 1, 2022. If voters do not approve the Ballot Measure, this litigation will then resume.

On or about September 16, 2021, a petition for writ of mandate entitled *Petitioner Riversiders Against Increased Taxes v. City of Riverside, et al.* was filed against the City challenging the Ballot Measure on the grounds that the Ballot Measure cannot be adopted at the November 2021 election because that election is a "special" election and under Proposition 218, a ballot measure to impose a general tax can only be submitted to voters at a general election. On November 9, 2021, the court has set a trial date for this lawsuit for January 7, 2022 and has ordered a stay of the certification of the Ballot Measure Election results pending the January 7th hearing but did not otherwise delay or cancel the election for the Ballot Measure.

The election was held on November 2, 2021, and the initial report from the County Registrar of Voters, as of November 3, 2021, is that Measure C was approved by voters. However, the election results have not yet been certified by the City as noted above, and the Parada lawsuit continues to be stayed pending certification of the results.

25. Prior Period Adjustments

A prior period adjustment of \$80,284 was made to Governmental Activities for land and infrastructure additions due to a change in calculation of street mileage from a system upgrade which maintains street mileage.

The restatement of beginning net position of Governmental Activities is summarized as follows:

Governmental Activities

Net position at July 1, 2020, as previously stated	\$ 866,575
Land additions	37,951
Infrastructure additions	42,333
Net position at July 1, 2020, as restated	<u>\$ 946,859</u>

A prior period adjustment of \$30,750 was made to the Custodial Fund for implementation of GASB 84 which establishes criteria for identifying fiduciary activities of all state and local governments.

The restatement of beginning net position of the Custodial Fund is summarized as follows:

Custodial Fund

Net position at July 1, 2020, as previously stated	\$ 10,240
Community facilities districts debt	(21,740)
Assessment districts debt	(19,250)
Net position at July 1, 2020, as restated	<u>\$ (30,750)</u>

Required Supplementary Information

Consists of the following:

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Pension Plan Contributions
- Schedule of Changes in Total OPEB Liability and Related Ratios

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	2020
TOTAL PENSION LIABILITY							
Service Cost	\$ 23,320	\$ 22,228	\$ 22,189	\$ 24,766	\$ 25,117	\$ 25,017	\$ 25,919
Interest	84,965	87,436	90,913	92,725	92,595	96,836	101,080
Difference Between Expected and Actual Experience	-	(21,782)	-	79,037	(37,885)	6,927	6,220
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)	(71,266)
Net Change in Total Pension Liability	57,515	10,481	46,983	110,352	(3,461)	61,707	61,953
Total Pension Liability - Beginning	1,146,583	1,204,098	1,214,579	1,261,562	1,371,914	1,368,453	1,430,160
Total Pension Liability - Ending (a)	\$ 1,204,098	\$ 1,214,579	\$ 1,261,562	\$ 1,371,914	\$ 1,368,453	\$ 1,430,160	\$ 1,492,113
PLAN FIDUCIARY NET POSITION							
Contribution - Employer	\$ 27,583	\$ 25,996	\$ 29,426	\$ 30,477	\$ 29,920	\$ 34,627	\$ 239,156
Contribution - Employee	2,294	4,380	5,187	6,115	9,749	10,286	10,957
Net Investment Income	145,843	21,671	4,958	104,771	86,307	71,046	56,837
Benefit Payments, Including Refunds of Employee Contributions	(50,770)	(53,853)	(57,702)	(60,108)	(63,483)	(67,073)	(71,266)
Administrative and Other Expenses	-	(1,056)	(594)	(1,290)	(4,664)	(776)	(1,604)
Net Change in Fiduciary Net Position	124,950	(2,862)	(18,725)	79,965	57,829	48,110	234,080
Plan Fiduciary Net Position - Beginning	848,699	973,649	970,787	952,062	1,032,027	1,089,856	1,137,966
Plan Fiduciary Net Position - Ending (b)	\$ 973,649	\$ 970,787	\$ 952,062	\$ 1,032,027	\$ 1,089,856	\$ 1,137,966	\$ 1,372,046
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 230,449	\$ 243,792	\$ 309,500	\$ 339,887	\$ 278,597	\$ 292,194	\$ 120,067
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.86%	79.93%	75.47%	75.23%	79.64%	79.57%	91.95%
Covered Payroll	\$ 109,990	\$ 110,891	\$ 118,512	\$ 117,637	\$ 121,957	\$ 128,881	\$ 131,492
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	209.52%	219.85%	261.15%	288.93%	228.44%	226.72%	91.31%

(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 and 2019-20, 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	2020
TOTAL PENSION LIABILITY							
Service Cost	\$ 18,818	\$ 18,187	\$ 18,144	\$ 21,373	\$ 20,390	\$ 21,454	\$ 22,391
Interest	62,249	64,815	67,513	70,337	73,104	76,922	80,940
Difference Between Expected and Actual Experience	-	(16,117)	-	59,768	(4,644)	10,897	11,896
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)	(56,537)
Net Change in Total Pension Liability	42,086	17,974	36,675	104,451	39,241	56,709	58,690
Total Pension Liability - Beginning	840,067	882,153	900,127	936,802	1,041,253	1,080,494	1,137,203
Total Pension Liability - Ending (a)	\$ 882,153	\$ 900,127	\$ 936,802	\$ 1,041,253	\$ 1,080,494	\$ 1,137,203	\$ 1,195,893
PLAN FIDUCIARY NET POSITION							
Contribution - Employer	\$ 23,156	\$ 23,384	\$ 26,483	\$ 26,775	\$ 25,451	\$ 29,254	\$ 263,061
Contribution - Employee	365	924	1,837	2,449	6,402	7,679	9,454
Net Investment Income	107,032	15,632	3,478	76,844	62,933	51,750	41,765
Benefit Payments, Including Refunds of Employee Contributions	(38,981)	(42,076)	(44,609)	(47,009)	(50,478)	(52,564)	(56,537)
Administrative and Other Expenses	-	(816)	(428)	(1,145)	(3,403)	(567)	(1,170)
Net Change in Fiduciary Net Position	91,572	(2,952)	(13,239)	57,914	40,905	35,552	256,573
Plan Fiduciary Net Position - Beginning	620,069	711,641	708,689	695,450	753,364	794,269	829,821
Plan Fiduciary Net Position - Ending (b)	\$ 711,641	\$ 708,689	\$ 695,450	\$ 753,364	\$ 794,269	\$ 829,821	\$ 1,086,394
Plan Net Pension Liability/(Assets) - Ending (a) - (b)	\$ 170,512	\$ 191,438	\$ 241,352	\$ 287,889	\$ 286,225	\$ 307,382	\$ 109,499
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.67%	78.73%	74.24%	72.35%	73.51%	72.97%	90.84%
Covered Payroll	\$ 63,734	\$ 63,612	\$ 68,707	\$ 66,226	\$ 68,251	\$ 73,237	\$ 76,955
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	267.54%	300.95%	351.28%	434.71%	419.37%	419.71%	142.29%

(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 and 2019-20, 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	2021
Miscellaneous Plan								
Actuarially Determined Contribution	\$ 20,505	\$ 21,063	\$ 24,885	\$ 26,955	\$ 29,948	\$ 34,486	\$ 38,889	\$ 26,274
Contribution in Relation to the Actuarially Determined Contribution	(27,584)	(25,997)	(29,426)	(30,477)	(29,948)	(34,486)	(239,220)	(26,274)
Contribution Deficiency (Excess)	<u>\$ (7,079)</u>	<u>\$ (4,934)</u>	<u>\$ (4,541)</u>	<u>\$ (3,522)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200,331)</u>	<u>\$ -</u>
Covered Payroll	\$ 109,990	\$ 110,891	\$ 118,512	\$ 117,637	\$ 121,957	\$ 128,881	\$ 131,492	\$ 131,216
Contributions as a Percentage of Covered Payroll	25.08%	23.44%	24.83%	25.91%	24.56%	26.76%	181.93%	20.02%
Safety Plan								
Actuarially Determined Contribution	\$ 17,341	\$ 18,452	\$ 21,886	\$ 23,076	\$ 25,289	\$ 29,047	\$ 32,785	\$ 22,925
Contribution in Relation to the Actuarially Determined Contribution	(23,156)	(23,384)	(26,483)	(26,775)	(25,289)	(29,047)	(263,016)	(22,925)
Contribution Deficiency (Excess)	<u>\$ (5,815)</u>	<u>\$ (4,932)</u>	<u>\$ (4,597)</u>	<u>\$ (3,699)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230,231)</u>	<u>\$ -</u>
Covered Payroll	\$ 63,734	\$ 63,612	\$ 68,707	\$ 66,226	\$ 68,251	\$ 73,237	\$ 76,955	\$ 78,813
Contributions as a Percentage of Covered Payroll	36.33%	36.76%	38.54%	40.43%	37.05%	39.66%	341.78%	29.09%

(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, 2018

Actuarial Cost Method: Entry Age Normal

Amortization of Unfunded Actuarial Accrued Liability:

Driver	Source				
	(Gain) / Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-Investment			
Amortization Period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.75%	2.75%	2.75%	2.75%	2.75%
- 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: 7.0%

Overall Payroll Growth: 2.75%

Inflation: 2.50%

Retirement Age: 2018 CalPERS Experience Study

Mortality: 2018 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	2021 2020
Total OPEB Liability				
Service cost	\$ 2,554	\$ 2,403	\$ 2,435	\$ 2,569
Interest on the total OPEB liability	1,090	1,301	1,392	1,810
Differences between expected and actual experience	-	-	292	(2,300)
Changes in assumptions	(1,668)	(306)	9,550	2,225
Changes in benefit terms	-	-	-	-
Benefit payments	(1,732)	(1,846)	(2,003)	(2,032)
Net change in total OPEB liability	244	1,552	11,666	2,272
Total OPEB liability - beginning	36,542	36,786	38,338	50,004
Total OPEB liability - ending (a)	\$ 36,786	\$ 38,338	\$ 50,004	\$ 52,276
 Covered-employee payroll	 \$ 170,858	 \$ 170,858	 \$ 185,967	 \$ 191,546
 Total OPEB liability as a percentage of covered-employee payroll	 21.53%	 22.44%	 26.89%	 27.29%

(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, 2020, the discount rate was changed from 3.51 percent to 2.66 percent.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

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, 2021
(amounts expressed in thousands)

Special Revenue Funds									
Assets:	Urban Areas Security Initiative	Grants and Restricted Programs	Gas Tax	Air Quality Improvements	Housing & Community Development	NPDES Storm Drain	Special Districts	Housing	Total
Cash and investments	\$ -	\$ 39,901	\$ 25,389	\$ 1,336	\$ 11,956	\$ 387	\$ 409	\$ 13,217	\$ 92,595
Receivable (net of allowance for uncollectibles)									
Interest	-	8	46	2	28	-	-	24	108
Property taxes	-	-	-	-	-	-	100	-	100
Accounts	-	32	-	-	8	-	-	13	53
Intergovernmental	821	3,489	775	107	5,174	219	-	-	10,585
Notes	-	-	-	-	15,199	-	-	30,180	45,379
Prepaid items	-	4	-	-	1	-	-	-	5
Land and improvements held for resale	-	-	-	-	443	-	-	2,346	2,789
Total Assets	\$ 821	\$ 43,434	\$ 26,210	\$ 1,445	\$ 32,809	\$ 606	\$ 509	\$ 45,780	\$ 151,614
Liabilities:									
Accounts payable	\$ -	\$ 2,994	\$ 463	\$ -	\$ 2,207	\$ -	\$ 33	\$ 125	\$ 5,822
Accrued payroll	-	6	-	-	6	3	-	11	26
Retainage payable	-	162	875	-	39	-	-	-	1,076
Intergovernmental	-	-	-	-	-	-	1	-	1
Unearned revenue	-	37,407	-	-	11,826	-	-	-	49,233
Due to other funds	821	-	-	-	-	-	-	-	821
Total Liabilities	821	40,569	1,338	-	14,078	3	34	136	56,979
Deferred Inflows of Resources:									
Unavailable revenue	-	1,734	-	-	15,642	-	-	30,180	47,556
Total Deferred Inflows of Resources	-	1,734	-	-	15,642	-	-	30,180	47,556
Fund Balances:									
Restricted for:									
Housing and redevelopment	-	-	-	-	3,089	-	-	15,464	18,553
Transportation and public works	-	1,131	24,872	1,445	-	603	475	-	28,526
Total Fund Balances	-	1,131	24,872	1,445	3,089	603	475	15,464	47,079
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 821	\$ 43,434	\$ 26,210	\$ 1,445	\$ 32,809	\$ 606	\$ 509	\$ 45,780	\$ 151,614

Continued

City of Riverside
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021
(amounts expressed in thousands)

	Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
	Special Capital Improvement	Storm Drain	Transportation	Total	Library Special	
Assets:						
Cash and investments	\$ 5,075	\$ -	\$ -	\$ 5,075	\$ 1,477	\$ 99,147
Cash and investments with fiscal agent	665	-	-	665	-	665
Receivable (net of allowance for uncollectibles)						
Interest	11	-	-	11	-	119
Property taxes	-	-	-	-	-	100
Accounts	-	-	-	-	-	53
Intergovernmental	-	10,815	283	11,098	-	21,683
Notes	-	-	-	-	-	45,379
Prepaid items	-	-	-	-	-	5
Land and improvements held for resale	-	-	-	-	-	2,789
Total Assets	\$ 5,751	\$ 10,815	\$ 283	\$ 16,849	\$ 1,477	\$ 169,940
Liabilities:						
Accounts payable	\$ 20	\$ 29	\$ -	\$ 49	\$ -	\$ 5,871
Accrued payroll	-	-	-	-	-	26
Retainage payable	5	26	-	31	-	1,107
Intergovernmental	-	-	-	-	-	1
Unearned revenue	-	9,857	28	9,885	-	59,118
Due to other funds	-	354	255	609	-	1,430
Total Liabilities	25	10,266	283	10,574	-	67,553
Deferred Inflows of Resources:						
Unavailable revenue	-	-	-	-	-	47,556
Total Deferred Inflows of Resources	-	-	-	-	-	47,556
Fund Balances:						
Nonspendable:						
Permanent fund principal	-	-	-	-	1,477	1,477
Restricted for:						
Housing and redevelopment	-	-	-	-	-	18,553
Transportation and public works	-	-	-	-	-	28,526
Other purposes	5,726	549	-	6,275	-	6,275
Total Fund Balances	5,726	549	-	6,275	1,477	54,831
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,751	\$ 10,815	\$ 283	\$ 16,849	\$ 1,477	\$ 169,940

City of Riverside
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Special Revenue Funds								
	Urban Area Security Initiative	Grants and Restricted Programs	Gas Tax	Air Quality Improvement	Housing & Community Development	NPDES Storm Drain	Special Districts	Housing	Total
Revenues:									
Intergovernmental	\$ 1,191	\$ 32,643	\$ 13,216	\$ 424	\$ 19,028	\$ -	\$ -	\$ -	\$ 66,502
Charges for services	-	1,411	-	21	-	-	-	-	1,432
Special assessments	-	-	-	-	-	1,309	4,077	-	5,386
Rental and investment income	-	66	2	29	200	3	7	132	439
Miscellaneous	-	752	-	-	376	-	-	3,891	5,019
Total Revenues	1,191	34,872	13,218	474	19,604	1,312	4,084	4,023	78,778
Expenditures:									
Current:									
General government	-	23,031	-	79	717	-	-	2,023	25,850
Public safety	1,191	4,795	-	-	-	-	4,632	-	10,618
Highways and streets	-	152	-	-	-	-	542	-	694
Culture and recreation	-	2,103	-	-	-	-	24	-	2,127
Capital outlay	-	503	11,100	-	18,534	910	-	-	31,047
Debt service:									
Principal	-	-	-	-	11	-	-	25	36
Interest	-	-	-	-	14	-	-	30	44
Total Expenditures	1,191	30,584	11,100	79	19,276	910	5,198	2,078	70,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	4,288	2,118	395	328	402	(1,114)	1,945	8,362
Other Financing Sources (Uses):									
Transfers in	-	1,945	-	-	-	-	1,144	-	3,089
Transfers out	-	(6,047)	-	-	(361)	-	-	-	(6,408)
Total Other Financing Sources (Uses)	-	(4,102)	-	-	(361)	-	1,144	-	(3,319)
Net Change in Fund Balances	-	186	2,118	395	(33)	402	30	1,945	5,043
Fund Balances, Beginning of Year	-	945	22,754	1,050	3,122	201	445	13,519	42,036
Fund Balances, End of Year	\$ -	\$ 1,131	\$ 24,872	\$ 1,445	\$ 3,089	\$ 603	\$ 475	\$ 15,464	\$ 47,079

Continued

City of Riverside
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Capital Projects				Permanent Fund	Total Nonmajor Governmental Funds
	Special Capital Improvement	Storm Drain	Transportation	Total	Library Special	
Revenues:						
Licenses and permits	\$ 2,388	\$ 125	\$ -	\$ 2,513	\$ -	\$ 2,513
Intergovernmental	-	958	255	1,213	-	67,715
Charges for services	-	-	-	-	-	1,432
Special assessments	-	-	-	-	-	5,386
Rental and investment income	(22)	(17)	-	(39)	16	416
Miscellaneous	-	-	-	-	128	5,147
Total Revenues	2,366	1,066	255	3,687	144	82,609
Expenditures:						
Current:						
General government	56	-	-	56	-	25,906
Public safety	-	-	-	-	-	10,618
Highways and streets	-	-	-	-	-	694
Culture and recreation	-	-	-	-	147	2,274
Capital outlay	239	1,096	228	1,563	-	32,610
Debt service:						
Principal	-	-	-	-	-	36
Interest	-	-	-	-	-	44
Total Expenditures	295	1,096	228	1,619	147	72,182
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,071	(30)	27	2,068	(3)	10,427
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	-	3,089
Transfers out	(1,750)	-	-	(1,750)	-	(8,158)
Total Other Financing Sources (Uses)	(1,750)	-	-	(1,750)	-	(5,069)
Net Change in Fund Balances	321	(30)	27	318	(3)	5,358
Fund Balances, Beginning of Year	5,405	579	(27)	5,957	1,480	49,473
Fund Balances, End of Year	\$ 5,726	\$ 549	\$ -	\$ 6,275	\$ 1,477	\$ 54,831

City of Riverside
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Special Revenue Funds											
	Urban Area Security Initiative			Grants and Restricted Programs			Gas Tax			Air Quality Improvement		
	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget
Revenues:												
Intergovernmental	\$ 9,102	\$ 1,191	\$ (7,911)	\$ 52,404	\$ 32,643	\$ (19,761)	\$ 13,801	\$ 13,216	\$ (585)	\$ 420	\$ 424	\$ 4
Charges for services	-	-	-	1,583	1,411	(172)	-	-	-	230	21	(209)
Rental and investment income	-	-	-	-	66	66	150	2	(148)	-	29	29
Miscellaneous	-	-	-	926	752	(174)	-	-	-	-	-	-
Total Revenues	9,102	1,191	(7,911)	54,913	34,872	(20,041)	13,951	13,218	(733)	650	474	(176)
Expenditures:												
Current:												
General government	-	-	-	33,851	23,031	10,820	-	-	-	1,000	79	921
Public safety	9,102	1,191	7,911	11,107	4,795	6,312	-	-	-	-	-	-
Highways and streets	-	-	-	483	152	331	-	-	-	-	-	-
Culture and recreation	-	-	-	8,576	2,103	6,473	-	-	-	-	-	-
Capital outlay	-	-	-	806	503	303	32,870	11,100	21,770	242	-	242
Total Expenditures	9,102	1,191	7,911	54,823	30,584	24,239	32,870	11,100	21,770	1,242	79	1,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	90	4,288	4,198	(18,919)	2,118	21,037	(592)	395	987
Other Financing Sources (Uses):												
Transfers in (out)	-	-	-	1,657	(4,102)	(5,759)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	1,657	(4,102)	(5,759)	-	-	-	-	-	-
Net Change in Fund Balances	-	-	-	1,747	186	(1,561)	(18,919)	2,118	21,037	(592)	395	987
Fund Balances, Beginning of Year	-	-	-	945	945	-	22,754	22,754	-	1,050	1,050	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ 2,692	\$ 1,131	\$ (1,561)	\$ 3,835	\$ 24,872	\$ 21,037	\$ 458	\$ 1,445	\$ 987

(continued)

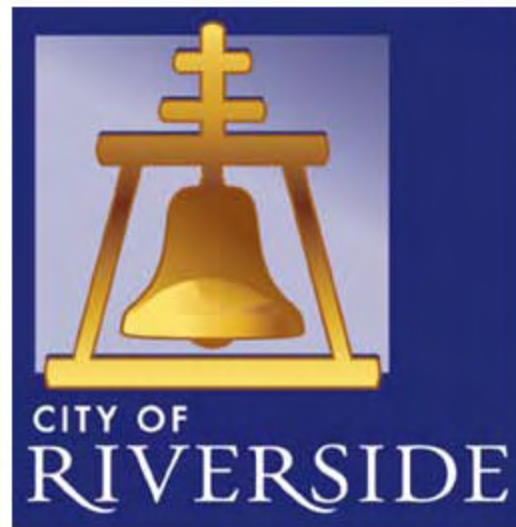
City of Riverside
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Special Revenue Funds											
	Housing & Community Development			NPDES Storm Drain			Special Districts			Housing		
	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget
Revenues:												
Intergovernmental	\$ 36,020	\$ 19,028	\$ (16,992)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	1,633	1,309	(324)	4,035	4,077	42	-	-	-
Rental and investment income	86	200	114	-	3	3	-	7	7	-	132	132
Miscellaneous	638	376	(262)	-	-	-	-	-	-	-	3,891	3,891
Total Revenues	36,744	19,604	(17,140)	1,633	1,312	(321)	4,035	4,084	49	-	4,023	4,023
Expenditures:												
Current:												
General government	1,001	717	284	-	-	-	-	-	-	4,617	2,023	2,594
Public safety	-	-	-	-	-	-	4,700	4,632	68	-	-	-
Highways and streets	-	-	-	-	-	-	737	542	195	-	-	-
Culture and recreation	-	-	-	-	-	-	282	24	258	-	-	-
Capital outlay	51,625	18,534	33,091	1,625	910	715	-	-	-	-	-	-
Debt service:												
Principal	11	11	-	-	-	-	-	-	-	25	25	-
Interest	14	14	-	-	-	-	-	-	-	30	30	-
Total Expenditures	52,651	19,276	33,375	1,625	910	715	5,719	5,198	521	4,672	2,078	2,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,907)	328	16,235	8	402	394	(1,684)	(1,114)	570	(4,672)	1,945	6,617
Other Financing Sources (Uses):												
Transfers in (out)	(361)	(361)	-	-	-	-	1,200	1,144	(56)	-	-	-
Total Other Financing Sources (Uses)	(361)	(361)	-	-	-	-	1,200	1,144	(56)	-	-	-
Net Change in Fund Balances	(16,268)	(33)	16,235	8	402	394	(484)	30	514	(4,672)	1,945	6,617
Fund Balances, Beginning of Year	3,122	3,122	-	201	201	-	445	445	-	13,519	13,519	-
Fund Balances, End of Year	\$ (13,146)	\$ 3,089	\$ 16,235	\$ 209	\$ 603	\$ 394	\$ (39)	\$ 475	\$ 514	\$ 8,847	\$ 15,464	\$ 6,617

(continued)

City of Riverside
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Capital Projects Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Capital Projects											
	Capital Outlay			Special Capital Improvement			Storm Drain			Transportation		
	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget	Final Budget	Actual	Variance to Final Budget
Revenues:												
Licenses and permits	\$ -	\$ -	\$ -	\$ 2,838	\$ 2,388	\$ (450)	\$ 235	\$ 125	\$ (110)	\$ -	\$ -	\$ -
Intergovernmental	55,192	15,660	(39,532)	-	-	-	12,846	958	(11,888)	360	255	(105)
Special assessments	770	420	(350)	-	-	-	-	-	-	-	-	-
Rental and investment income	180	231	51	20	(22)	(42)	13	(17)	(30)	-	-	-
Miscellaneous	369	46	(323)	-	-	-	-	-	-	-	-	-
Total Revenues	56,511	16,357	(40,154)	2,858	2,366	(492)	13,094	1,066	(12,028)	360	255	(105)
Expenditures:												
Current:												
General government	62	14	48	56	56	-	-	-	-	-	-	-
Highways and streets	65	-	65	-	-	-	-	-	-	-	-	-
Culture and recreation	15	13	2	-	-	-	-	-	-	-	-	-
Capital outlay	116,365	35,946	80,419	1,155	239	916	13,484	1,096	12,388	333	228	105
Debt service:												
Principal	-	-	-	669	-	669	-	-	-	-	-	-
Interest	-	1	(1)	-	-	-	-	-	-	-	-	-
Total Expenditures	116,507	35,974	80,533	1,880	295	1,585	13,484	1,096	12,388	333	228	105
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,996)	(19,617)	40,379	978	2,071	1,093	(390)	(30)	360	27	27	-
Other Financing Sources (Uses):												
Transfers in (out)	11,439	10,933	(506)	(1,750)	(1,750)	-	-	-	-	-	-	-
Proceeds from sale of capital assets	-	24	24	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	11,439	10,957	(482)	(1,750)	(1,750)	-	-	-	-	-	-	-
Net Change in Fund Balances	(48,557)	(8,660)	39,897	(772)	321	1,093	(390)	(30)	360	27	27	-
Fund Balances, Beginning of Year	59,018	59,018	-	5,405	5,405	-	579	579	-	(27)	(27)	-
Fund Balances, End of Year	\$ 10,461	\$ 50,358	\$ 39,897	\$ 4,633	\$ 5,726	\$ 1,093	\$ 189	\$ 549	\$ 360	\$ -	\$ -	\$ -



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, the Riverside Convention Center, and The Cheech.

City of Riverside
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021
 (amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
Assets:	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Total
Current assets:						
Cash and investments	\$ 1,359	\$ 2,464	\$ 1,405	\$ 1,372	\$ -	\$ 6,600
Receivables (net of allowance for uncollectibles)						
Interest	3	9	-	4	-	16
Utility billed	-	2,261	-	-	-	2,261
Utility unbilled	-	989	-	-	-	989
Accounts	173	350	3	665	9	1,200
Property tax receivable	40	-	-	-	-	40
Intergovernmental	50	-	1,553	22	3,963	5,588
Inventory	-	-	-	-	41	41
Prepaid items	-	12	-	-	29	41
Deposits	-	-	-	-	300	300
Restricted assets:						
Other restricted cash and cash equivalents	-	2,500	-	-	1,207	3,707
Total Current Assets	1,625	8,585	2,961	2,063	5,549	20,783
Non-current assets:						
Regulatory assets	-	10,152	-	-	-	10,152
Capital assets, net of accumulated depreciation	21,507	4,389	2,582	28,199	86,814	143,491
Total Non-Current Assets:	21,507	14,541	2,582	28,199	86,814	153,643
Total Assets	23,132	23,126	5,543	30,262	92,363	174,426
Deferred Outflows of Resources:						
Change in derivative values	-	-	-	-	6,620	6,620
Deferred charge on refunding	-	-	-	-	716	716
Pension related items	161	1,011	528	257	-	1,957
OPEB related items	30	259	168	38	-	495
Total Deferred Outflows of Resources	191	1,270	696	295	7,336	9,788

Continued

City of Riverside
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
					Civic	
Liabilities	Airport	Refuse	Transportation	Public Parking	Entertainment	Total
Current liabilities:						
Accounts payable	105	1,739	104	444	1,051	3,443
Accrued payroll	7	48	23	9	-	87
Retainage payable	23	-	-	-	-	23
Unearned revenue	28	-	1,517	-	372	1,917
Deposits	-	-	-	-	526	526
Accrued interest	-	-	-	52	-	52
Due to other funds	-	-	-	-	3,002	3,002
Total Current Liabilities	163	1,787	1,644	505	4,951	9,050
Noncurrent liabilities:						
Due within one year						
Long-term obligations	43	231	117	1,119	3,906	5,416
Compensated absences	57	283	122	36	-	498
Landfill capping	-	559	-	-	-	559
Due in more than one year						
Long-term obligations	737	4,430	2,292	15,039	61,942	84,440
Compensated absences	18	88	38	11	-	155
Landfill capping	-	9,860	-	-	-	9,860
Regulatory liability	-	-	-	-	1	1
Derivative instruments	-	-	-	-	7,576	7,576
Net pension liability	399	2,507	1,309	637	-	4,852
OPEB liability	170	1,489	772	318	-	2,749
Total Non-Current Liabilities	1,424	19,447	4,650	17,160	73,425	116,106
Total Liabilities	1,587	21,234	6,294	17,665	78,376	125,156
Deferred Inflows of Resources:						
Pension related items	17	110	57	28	-	212
OPEB related items	8	73	45	12	-	138
Total Deferred Inflows of Resources	25	183	102	40	-	350
Net Position						
Net investment in capital assets	21,507	4,389	2,582	13,237	21,682	63,397
Restricted for landfill capping	-	2,500	-	-	-	2,500
Unrestricted	204	(3,910)	(2,739)	(385)	(359)	(7,189)
Total Net Position	\$ 21,711	\$ 2,979	\$ (157)	\$ 12,852	\$ 21,323	\$ 58,708

City of Riverside
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Total
Operating Revenues:						
Charges for services	\$ 1,709	\$ 26,468	\$ 65	\$ 2,968	\$ 1,381	\$ 32,591
Total Operating Revenues	1,709	26,468	65	2,968	1,381	32,591
Operating Expenses:						
Personnel services	760	4,879	2,798	349	-	8,786
Contractual services	287	5,846	28	1,682	1,173	9,016
Maintenance and operation	224	9,437	433	477	45	10,616
General	270	5,003	678	566	5,834	12,351
Materials and supplies	17	1,551	83	5	-	1,656
Claims/Insurance	32	146	65	131	219	593
Depreciation	712	859	464	796	2,479	5,310
Amortization	-	564	-	-	-	564
Total Operating Expenses	2,302	28,285	4,549	4,006	9,750	48,892
Operating Income (Loss)	(593)	(1,817)	(4,484)	(1,038)	(8,369)	(16,301)
Non-Operating Revenues (Expenses):						
Operating grants	67	-	3,909	-	-	3,976
Interest revenue	(1)	(34)	(30)	(6)	(6)	(77)
Interest expense and fiscal charges	(24)	(143)	(74)	(678)	(2,135)	(3,054)
Other non-operating revenues	104	401	-	839	512	1,856
Gain (loss) on disposal of capital assets	5	1	2	-	-	8
Total Non-Operating Revenues	151	225	3,807	155	(1,629)	2,709
Income (Loss) Before Contributions and Transfers	(442)	(1,592)	(677)	(883)	(9,998)	(13,592)
Cash capital contributions	39	-	154	-	3,755	3,948
Transfers in	-	-	-	-	12,673	12,673
Transfers out	-	(80)	-	-	-	(80)
Change in Net Position	(403)	(1,672)	(523)	(883)	6,430	2,949
Net Position:						
Net Position, Beginning of Year	22,114	4,651	366	13,735	14,893	55,759
Net Position, End of Year	\$ 21,711	\$ 2,979	\$ (157)	\$ 12,852	\$ 21,323	\$ 58,708

City of Riverside
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

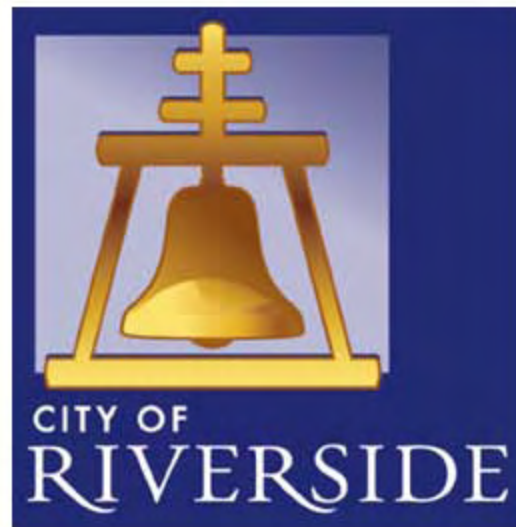
	<u>Airport</u>	<u>Refuse</u>	<u>Transportation</u>	<u>Public Parking</u>	<u>Civic Entertainment</u>	<u>Totals</u>
Cash Flows from Operating Activities:						
Cash received from customers and users	\$ 1,630	\$ 26,005	\$ 65	\$ 2,345	\$ 1,645	\$ 31,690
Cash paid to other suppliers of goods or services	(748)	(22,440)	(1,419)	(2,618)	(6,753)	(33,978)
Cash paid to employees for services	(611)	(4,774)	(2,340)	(46)	-	(7,771)
Net Cash Provided (Used) by Operating Activities	<u>271</u>	<u>(1,209)</u>	<u>(3,694)</u>	<u>(319)</u>	<u>(5,108)</u>	<u>(10,059)</u>
Cash Flows from Non-Capital Financing Activities:						
Transfers in	-	-	-	-	12,673	12,673
Transfers out	-	(80)	-	-	-	(80)
Operating grants	74	-	3,259	2	-	3,335
Receipts (payments) on interfund advances	-	-	-	-	3,002	3,002
Payments on pension obligation bonds	(52)	(291)	(148)	(75)	-	(566)
Other receipts (payments) from non-operating revenue	104	401	-	839	512	1,856
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>126</u>	<u>30</u>	<u>3,111</u>	<u>766</u>	<u>16,187</u>	<u>20,220</u>
Cash Flows from Capital and Related Financing Activities:						
Purchase of capital assets	(515)	(1,341)	(1)	-	(3,755)	(5,612)
Proceeds from the sale of capital assets	5	313	2	-	-	320
Principal paid on long-term obligations	-	-	-	(1,014)	(4,316)	(5,330)
Interest paid on long-term obligations	-	-	-	(645)	(3,059)	(3,704)
Contributions	39	-	154	-	(208)	(15)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(471)</u>	<u>(1,028)</u>	<u>155</u>	<u>(1,659)</u>	<u>(11,338)</u>	<u>(14,341)</u>
Cash Flows from Investing Activities:						
Sale and (purchase) of investments	-	-	-	-	-	-
Interest from investments	-	(23)	(24)	(2)	(6)	(55)
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(23)</u>	<u>(24)</u>	<u>(2)</u>	<u>(6)</u>	<u>(55)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(74)</u>	<u>(2,230)</u>	<u>(452)</u>	<u>(1,214)</u>	<u>(265)</u>	<u>(4,235)</u>
Cash and investments, Beginning of Year	1,433	7,194	1,857	2,586	1,472	14,542
Cash and Investments, End of Year	<u>\$ 1,359</u>	<u>\$ 4,964</u>	<u>\$ 1,405</u>	<u>\$ 1,372</u>	<u>\$ 1,207</u>	<u>\$ 10,307</u>

Continued

City of Riverside
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

Continued

	<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)	\$ (593)	\$ (1,817)	\$ (4,484)	\$ (1,038)	\$ (8,369)	\$ (16,301)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and amortization	712	1,423	464	796	2,479	5,874
Changes in assets, liabilities and deferred inflows/outflows of resources:						
Utility billed receivable	-	(856)	-	-	-	(856)
Utility unbilled receivable	-	(90)	-	-	-	(90)
Accounts receivable	(39)	(81)	-	(623)	56	(687)
Property tax receivable	(40)	-	-	-	-	(40)
Inventory	-	(12)	-	-	43	31
Prepaid and deposit items	-	2	-	-	40	42
Regulatory asset	-	564	-	-	75	639
Accounts payable	31	(90)	54	243	435	673
Accrued payroll	-	(5)	(3)	1	-	(7)
Retainage payable	23	-	-	-	-	23
Unearned revenue	28	-	(186)	-	110	(48)
Deposits payable	-	-	-	-	22	22
Compensated absences	19	20	7	7	-	53
Landfill capping	-	(357)	-	-	-	(357)
Regulatory liability	-	-	-	-	1	1
Net OPEB liability and related charges in deferred outflows and inflows of resources	4	21	15	3	-	43
Net pension liability and related charges in deferred outflows and inflows of resources	126	69	439	292	-	926
Net Cash Provided (Used) by Operating Activities	\$ 271	\$ (1,209)	\$ (3,694)	\$ (319)	\$ (5,108)	\$ (10,059)
Schedule of noncash financing and investing activities:						
Capital assets - transfer (from)/to governmental activities	-	-	-	-	(601)	(601)



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, 2021
(amounts expressed in thousands)

Assets:	Self-Insurance Trust	Central Stores	Central Garage	Total
Current assets:				
Cash and investments	\$ 45,591	\$ 129	\$ 12,780	\$ 58,500
Receivables (net of allowances for uncollectibles)				
Interest	40	-	22	62
Accounts	29	-	107	136
Intergovernmental	155	-	138	293
Inventory	-	7,037	383	7,420
Prepaid items	-	-	2	2
Total Current Assets	45,815	7,166	13,432	66,413
Non-Current Assets:				
Capital assets, net of accumulated depreciation:	-	101	6,135	6,236
Total Non-Current Assets:	-	101	6,135	6,236
Total Assets	45,815	7,267	19,567	72,649
Deferred Outflows of Resources:				
Pension related items	240	141	781	1,162
OPEB related items	60	39	147	246
Total Deferred Outflows of Resources	300	180	928	1,408
Liabilities:				
Current liabilities:				
Accounts payable	294	412	630	1,336
Accrued payroll	10	7	30	47
Retainage payable	-	-	21	21
Total Current Liabilities	304	419	681	1,404
Non-Current Liabilities:				
Due within one year				
Long-term obligations	30	32	165	227
Compensated absences	84	74	206	364
Claims liability	15,044	-	-	15,044
Due in more than one year				
Long-term obligations	611	618	3,348	4,577
Compensated absences	36	32	89	157
Claims liability	61,559	-	-	61,559
Net pension liability	596	349	1,937	2,882
OPEB liability	205	205	864	1,274
Total Non-Current Liabilities	78,165	1,310	6,609	86,084
Total Liabilities	78,469	1,729	7,290	87,488
Deferred Inflows of Resources:				
Pension related items	26	15	85	126
OPEB related items	15	11	42	68
Total Deferred Inflows of Resources	41	26	127	194
Net Position:				
Net investment in capital assets	-	101	6,135	6,236
Unrestricted	(32,395)	5,591	6,943	(19,861)
Total Net Position (Deficit)	\$ (32,395)	\$ 5,692	\$ 13,078	\$ (13,625)

City of Riverside
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds			
	Self-Insurance Trust	Central Stores	Central Garage	Totals
Operating Revenues:				
Charges for services	\$ 13,390	\$ 1,379	\$ 8,897	\$ 23,666
Total Operating Revenues	13,390	1,379	8,897	23,666
Operating Expenses:				
Personnel services	1,107	668	3,023	4,798
Contractual services	1,914	5	129	2,048
Maintenance and operation	3	44	2,753	2,800
General	29,166	113	1,046	30,325
Materials and supplies	-	28	150	178
Claims/Insurance	13,091	9	112	13,212
Depreciation and amortization	3	11	818	832
Total Operating Expenses	45,284	878	8,031	54,193
Operating Income (Loss)	(31,894)	501	866	(30,527)
Non-Operating Revenues (Expenses):				
Interest revenue	(59)	-	43	(16)
Interest expense and fiscal charges	(20)	(20)	(108)	(148)
Other non-operating revenues	418	1	98	517
Gain (loss) on disposal of capital assets	-	-	73	73
Total Non-Operating Revenues (Expenses)	339	(19)	106	426
Income (Loss) Before Contributions and Transfers	(31,555)	482	972	(30,101)
Cash capital contributions	-	-	137	137
Transfers in	24,000	-	-	24,000
Change in Net Position	(7,555)	482	1,109	(5,964)
Net Position:				
Net Position (Deficit), Beginning of Year	(24,840)	5,210	11,969	(7,661)
Net Position (Deficit), End of Year	\$ (32,395)	\$ 5,692	\$ 13,078	\$ (13,625)

City of Riverside
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Self-Insurance Trust	Central Stores	Central Garage	Total
Cash Flows from Operating Activities:				
Cash received from interfund services provided	\$ 37,347	\$ 1,379	\$ 8,668	\$ 47,394
Cash paid to other suppliers of goods or services	(44,652)	(828)	(3,658)	(49,138)
Cash paid to employees for services	(2,295)	(663)	(3,220)	(6,178)
Net Cash Provided (Used) by Operating Activities	(9,600)	(112)	1,790	(7,922)
Cash Flows from Non-Capital Financing Activities:				
Transfers in	24,000	-	-	24,000
Receipts (payments) on interfund advances	-	-	670	670
Payments on pension obligation bonds	(37)	(41)	(209)	(287)
Other receipts (payments) from non-operating revenue	418	1	98	517
Net Cash Provided (Used) by Non-Capital Financing Activities	24,381	(40)	559	24,900
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	-	(53)	(734)	(787)
Proceeds from the sale of capital assets	-	-	73	73
Contributions	-	-	137	137
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(53)	(524)	(577)
Cash Flows from Investing Activities:				
Interest from investments	(17)	-	48	31
Net Cash Provided (Used) by Investing Activities	(17)	-	48	31
Net Increase (Decrease) in Cash and Cash Equivalents	14,764	(205)	1,873	16,432
Cash and Investments, Beginning of Year	30,827	334	10,907	42,068
Cash and Investments, End of Year	\$ 45,591	\$ 129	\$ 12,780	\$ 58,500

Continued

City of Riverside
Combining Statement of Cash Flows
Internal Service Funds
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Continued			
	Self-Insurance Trust	Central Stores	Central Garage	Total
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (31,894)	\$ 501	\$ 866	\$ (30,527)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation and amortization	3	11	818	832
Changes in assets, liabilities and deferred inflows/outflows of resources:				
Accounts receivable	-	-	(92)	(92)
Intergovernmental receivable	(43)	-	(137)	(180)
Inventory	-	(496)	68	(428)
Prepaid and deposit items	15	-	-	15
Accounts payable	(493)	(133)	443	(183)
Accrued payroll	1	(1)	(2)	(2)
Retainage payable	-	-	21	21
Compensated absences	33	19	(4)	48
Claims liability	22,775	-	-	22,775
Net OPEB liability and related charges in deferred outflows and inflows of resources	5	3	12	20
Net pension liability and related charges in deferred outflows and inflows of resources	(2)	(16)	(203)	(221)
Net Cash Provided (Used) by Operating Activities	\$ (9,600)	\$ (112)	\$ 1,790	\$ (7,922)

There was no noncash financing and investing activities for fiscal year 2020-21

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

City of Riverside
Balance Sheet
Combining General Fund Schedule
June 30, 2021
(amounts expressed in thousands)

	General Fund	Measure Z Fund	Total General Fund
Assets:			
Cash and investments	\$ 93,155	\$ 45,820	\$ 138,975
Cash and investments with fiscal agent	10,697	-	10,697
Receivables (net of allowance for uncollectibles)			
Interest	184	74	258
Property taxes	2,369	-	2,369
Sales tax	15,666	14,437	30,103
Utility billed	2,517	-	2,517
Accounts	6,587	1	6,588
Intergovernmental	4,171	-	4,171
Prepaid items	1,587	108	1,695
Due from other funds	4,432	-	4,432
Land & improvements held for resale	175	-	175
Total Assets	\$ 141,540	\$ 60,440	\$ 201,980
Liabilities:			
Accounts payable	\$ 4,094	\$ 846	\$ 4,940
Accrued payroll	22,152	220	22,372
Retainage payable	-	2	2
Intergovernmental	148	-	148
Unearned revenue	25	-	25
Deposits	11,287	-	11,287
Total Liabilities	37,706	1,068	38,774
Deferred Inflows of Resources:			
Unavailable revenue	3,559	-	3,559
Total Deferred Inflows of Resources	3,559	-	3,559
Fund Balances:			
Nonspendable:			
Inventories, prepaids and deposits	1,587	108	1,695
Land and improvements held for resale	175	-	175
Restricted for:			
Unfunded accrued liability	10,697	-	10,697
Committed for:			
Economic contingency	57,400	5,000	62,400
Assigned to:			
General government	2,019	1,345	3,364
Public safety	693	1,319	2,012
Highways and streets	1,389	6	1,395
Culture and recreation	716	8	724
Continuing projects	2,480	14,915	17,395
Unassigned	23,119	36,671	59,790
Total Fund Balances	100,275	59,372	159,647
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 141,540	\$ 60,440	\$ 201,980

City of Riverside
Statement of Revenues, Expenditures and Changes in Fund Balances
Combining General Fund Schedule
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	General Fund	Measure Z Fund	Total General Fund
Revenues:			
Taxes	\$ 193,820	\$ 71,999	\$ 265,819
Licenses and permits	10,265	-	10,265
Intergovernmental	3,851	-	3,851
Charges for services	13,146	-	13,146
Fines and forfeitures	2,100	-	2,100
Special assessments	626	-	626
Rental and investment income	3,330	466	3,796
Miscellaneous	769	-	769
Total Revenues	227,907	72,465	300,372
Expenditures:			
Current:			
General government	2,556	2,056	4,612
Public safety	171,654	18,461	190,115
Highways and streets	15,208	995	16,203
Culture and recreation	25,660	444	26,104
Capital outlay	343	349	692
Total Expenditures	215,421	22,305	237,726
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,486	50,160	62,646
Other Financing Sources (Uses):			
Transfers in	52,757	506	53,263
Transfers out	(70,450)	(19,870)	(90,320)
Transfers in/(out) to General Fund *	18,266	(18,266)	-
Gain (loss) on disposal of capital assets	189	-	189
Total Other Financing Sources (Uses)	762	(37,630)	(36,868)
Net Change in Fund Balances	13,248	12,530	25,778
Fund Balances, Beginning of Year	87,027	46,842	133,869
Fund Balances, End of Year	\$ 100,275	\$ 59,372	\$ 159,647

* Per accounting standards, Transfers within the same fund are not reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances; however, they are reflected in this schedule for transparency purposes.

City of Riverside
Balance Sheet
Combining Capital Outlay Fund Schedule
June 30, 2021
(amounts expressed in thousands)

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
Assets:			
Cash and investments	\$ 24,653	\$ 22,456	\$ 47,109
Receivables (net of allowance for uncollectibles)			
Interest	52	32	84
Accounts	437	-	437
Intergovernmental	7,163	-	7,163
Total Assets	\$ 32,316	\$ 22,488	\$ 54,804
Liabilities:			
Accounts payable	\$ 508	\$ 1,430	\$ 1,938
Retainage payable	29	387	416
Unearned revenue	1,320	-	1,320
Total Liabilities	1,857	1,817	3,674
Deferred Inflows of Resources:			
Unavailable revenue	772	-	772
Total Deferred Inflows of Resources	772	-	772
Fund Balances:			
Restricted for:			
Transportation and public works	29,687	20,671	50,358
Total Fund Balances	29,687	20,671	50,358
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 32,316	\$ 22,488	\$ 54,804

City of Riverside
Statement of Revenues, Expenditures and Changes in Fund Balances
Combining Capital Outlay Fund Schedule
For the fiscal year ended June 30, 2021
(amounts expressed in thousands)

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
Revenues:			
Intergovernmental	\$ 15,660	\$ -	\$ 15,660
Special assessments	420	-	420
Rental and investment income	-	231	231
Miscellaneous	46	-	46
Total Revenues	16,126	231	16,357
Expenditures:			
Current:			
General government	14	-	14
Culture and recreation	13	-	13
Capital outlay	17,719	18,227	35,946
Debt service:	-		
Interest	1	-	1
Total Expenditures	17,747	18,227	35,974
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,621)	(17,996)	(19,617)
Other Financing Sources (Uses):			
Transfers in	1,526	12,915	14,441
Transfers out	(3,002)	(506)	(3,508)
Proceeds from the sale of capital assets	24	-	24
Total Other Financing Sources (Uses)	(1,452)	12,409	10,957
Net Change in Fund Balances	(3,073)	(5,587)	(8,660)
Fund Balances, Beginning of Year	32,760	26,258	59,018
Fund Balances, End of Year	\$ 29,687	\$ 20,671	\$ 50,358

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.	107
Revenue Capacity These schedules contain informat property and sales taxes.	113
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.	123
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.	129
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.	132

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 1,170,232
Restricted	86,325	80,712	96,587	105,847	106,488	104,853	112,183	126,551	153,806	174,666
Unrestricted	23,145	17,989	(2,049)	(406,388)	(389,278)	(362,146)	(364,500)	(356,340)	(369,222)	(366,713)
Total governmental activities net position	<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>	<u>\$ 978,185</u>
Business-type activities										
Net investment in capital assets	\$ 666,919	\$ 609,691	\$ 616,844	\$ 626,166	\$ 654,870	\$ 702,844	\$ 800,227	\$ 867,206	\$ 751,865	\$ 756,116
Restricted	54,923	69,068	68,507	75,660	85,526	93,570	80,717	67,057	75,170	78,885
Unrestricted	285,062	330,833	359,698	209,469	235,144	245,116	199,143	155,468	272,776	263,837
Total business-type activities net position	<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>	<u>\$ 1,098,838</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 1,926,348
Restricted	141,248	149,780	165,094	181,507	192,014	198,423	192,900	193,608	228,976	253,551
Unrestricted	308,207	348,822	357,649	(196,919)	(154,134)	(117,030)	(165,357)	(200,872)	(96,446)	(102,876)
Total primary government net position	<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>	<u>\$ 2,077,023</u>

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 48,731	\$ 54,808	\$ 39,331	\$ 26,587	\$ 24,483	\$ 44,510	\$ 45,360	\$ 51,139	\$ 63,651	\$ 97,927
Public safety	148,605	147,652	149,555	154,123	161,284	160,665	216,772	201,942	222,061	219,136
Highways and streets	35,342	35,072	36,564	36,563	38,836	38,585	42,544	43,770	46,983	42,034
Culture and recreation	54,594	40,077	42,252	45,594	47,762	49,406	38,362	31,200	37,400	37,693
Interest on long-term debt	25,087	16,627	17,741	17,025	16,387	16,028	12,414	10,045	13,181	19,083
Total governmental activities expenses	312,359	294,236	285,443	279,892	288,752	309,194	355,452	338,096	383,276	415,873
Business-type activities:										
Electric	288,799	292,175	304,416	309,874	307,925	317,335	333,061	347,804	350,667	366,165
Water	56,715	58,768	60,030	62,792	57,769	62,189	68,281	70,912	73,742	71,738
Sewer	43,702	43,945	40,385	35,593	39,978	38,305	54,136	70,137	62,961	61,029
Airport	2,646	2,029	1,662	1,809	1,799	1,998	2,179	1,972	2,304	2,326
Refuse	19,979	20,581	20,831	20,007	21,652	21,953	22,082	24,205	26,549	28,428
Transportation	3,667	3,745	4,067	4,385	4,113	4,221	4,782	4,493	4,607	4,623
Public parking	4,984	5,051	4,610	5,604	5,141	5,448	6,186	5,151	4,628	4,684
Civic Entertainment	-	-	-	-	-	-	19,995	24,151	21,584	11,885
Total business-type activities expenses	420,492	426,294	436,001	440,064	438,377	451,449	510,702	548,825	547,042	550,878
Total primary government expenses	\$ 732,851	\$ 720,530	\$ 721,444	\$ 719,956	\$ 727,129	\$ 760,643	\$ 866,154	\$ 886,921	\$ 930,318	\$ 966,751
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 14,662	\$ 13,338	\$ 13,775	\$ 17,600	\$ 24,944	\$ 27,441	\$ 24,605	\$ 29,281	\$ 25,698	\$ 11,485
Public safety	7,837	7,793	7,444	7,256	3,243	1,167	1,880	2,443	2,138	7,649
Highways and streets	16,532	15,825	17,487	13,868	5,709	5,930	5,554	6,036	5,174	11,278
Culture and recreation	4,622	5,237	7,406	16,319	12,458	22,802	6,078	7,465	5,050	3,694
Operating grants and contributions	31,581	21,485	14,341	12,869	16,321	19,374	22,548	23,966	21,779	64,405
Capital grants and contributions	54,476	32,202	48,433	43,904	31,216	7,617	18,039	27,450	19,945	28,284
Total governmental activities program revenues	129,710	95,880	108,886	111,816	93,891	84,331	78,704	96,641	79,784	126,795
Business-type activities:										
Charges for services:										
Electric	333,029	347,933	344,037	347,621	354,530	366,066	364,516	363,570	368,969	376,101
Water	65,206	68,489	68,691	66,051	57,250	62,627	66,828	65,177	70,167	80,252
Sewer	37,747	43,772	46,162	50,336	52,664	59,735	65,081	64,282	64,114	66,323
Airport	1,524	1,396	1,100	1,260	1,549	1,578	1,562	1,618	1,743	1,709
Refuse	19,588	20,829	20,677	21,360	21,806	22,567	23,085	23,004	25,109	26,468
Transportation	352	344	413	385	377	359	441	444	309	65
Public parking	4,803	4,777	4,382	4,609	4,918	5,009	6,258	4,604	4,301	2,968
Civic Entertainment	-	-	-	-	-	-	16,393	16,977	12,233	1,381
Operating grants and contributions	2,738	2,718	2,524	3,869	2,322	3,751	3,374	3,093	3,473	3,976
Capital grants and contributions	21,164	11,734	11,486	8,027	18,868	24,151	26,957	10,607	13,979	12,273
Total business-type activities program revenues	486,151	501,992	499,472	503,518	514,284	545,843	574,495	553,376	564,397	571,516
Total primary government program revenues	\$ 615,861	\$ 597,872	\$ 608,358	\$ 615,334	\$ 608,175	\$ 630,174	\$ 653,199	\$ 650,017	\$ 644,181	\$ 698,311

(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									
	2012 ¹	2013 ²	2014	2015	2016	2017	2018	2019	2020	2021
Net Revenues (Expense)										
Governmental activities	\$ (182,649)	\$ (198,356)	\$ (176,557)	\$ (168,076)	\$ (194,861)	\$ (224,863)	\$ (276,748)	\$ (241,455)	\$ (303,492)	\$ (289,078)
Business-type activities	65,659	75,698	63,471	63,454	75,907	94,394	63,793	4,551	17,355	20,638
Total primary government net expense	<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>	<u>\$ (268,440)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Sales taxes	\$ 47,701	\$ 50,222	\$ 55,096	\$ 59,437	\$ 60,976	\$ 75,883	\$ 120,338	\$ 130,645	\$ 128,653	\$ 150,321
Property taxes	74,179	52,904	51,323	54,864	55,545	59,526	63,515	69,478	72,609	71,986
Utility users taxes	27,320	28,206	28,092	28,076	27,828	27,958	27,498	28,009	29,044	30,577
Franchise taxes	4,883	4,959	5,046	5,543	5,730	4,814	4,972	5,256	5,443	5,527
Transient occupancy taxes	2,995	3,703	4,189	5,280	6,093	6,622	6,793	7,163	5,959	5,801
Intergovernmental, unrestricted	351	337	263	3,153	477	145	172	156	656	499
Investment earnings	4,440	2,786	2,759	3,233	729	6,145	5,187	7,500	10,185	4,969
Miscellaneous	9,273	9,208	5,425	12,395	11,708	2,050	4,278	-	9,146	5,988
Transfers	40,679	42,262	43,100	42,681	41,216	45,716	41,459	37,115	35,324	34,879
Extraordinary items	149,617	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>310,547</u>
Business-type activities:										
Investment income	11,405	4,744	8,005	5,319	6,888	2,650	3,939	19,488	19,838	681
Miscellaneous	3,110	5,767	7,081	7,652	22,666	14,662	12,901	10,322	8,211	11,986
Transfers	(40,679)	(42,262)	(43,100)	(42,681)	(41,216)	(45,716)	(41,459)	(37,115)	(35,324)	(34,278)
Extraordinary items	-	(41,259)	-	-	-	-	-	-	-	-
Total business-type activities	<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>	<u>(21,611)</u>
Total primary government	<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>	<u>\$ 288,936</u>
Change in Net Position										
Governmental activities	\$ 178,789	\$ (3,769)	\$ 18,736	\$ 46,586	\$ 15,441	\$ 3,996	\$ (2,536)	\$ 43,867	\$ (6,473)	\$ 21,469
Business-type activities	39,495	2,688	35,457	33,744	64,245	65,990	39,174	(2,754)	10,080	(973)
Total primary government	<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>	<u>\$ 20,496</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 Ten Fiscal Years
(modified accrual basis of accounting, in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ 25,720	\$ 26,421	\$ 24,419	\$ 23,642	\$ 23,094	\$ 26,168	\$ 1,947	\$ 949	\$ 1,446	\$ 1,870
Restricted	2,803	2,196	2,204	2,985	3,067	2,651	2,991	3,411	10,699	10,697
Committed	-	-	-	-	-	-	53,800	65,916	59,280	62,400
Assigned	6,380	10,711	14,505	13,965	9,922	14,968	23,242	26,984	21,260	24,890
Unassigned	39,347	37,763	37,732	39,059	29,495	39,283	7,644	23,907	41,184	59,790
Total general fund	\$ 74,250	\$ 77,091	\$ 78,860	\$ 79,651	\$ 65,578	\$ 83,070	\$ 89,624	\$ 121,167	\$ 133,869	\$ 159,647
All other governmental funds										
Nonspendable	\$ 1,539	\$ 1,441	\$ 1,460	\$ 1,625	\$ 1,619	\$ 1,601	\$ 4,855	\$ 1,560	\$ 1,510	\$ 1,477
Restricted for:	-	-	-	-	-	-	-	-	-	-
Housing and redevelopment	26,911	26,410	26,223	25,523	24,746	24,098	18,827	16,668	16,611	18,553
Debt service	29,080	25,884	26,177	26,203	26,221	6,455	11,509	6,825	11,210	11,292
Transportation and public works	31,075	16,487	54,876	36,347	36,876	34,178	43,499	91,379	84,413	78,884
Other purposes	1,401	2,003	321	2,326	3,628	4,145	3,451	5,505	5,984	6,275
Unassigned	-	-	-	-	-	(24)	-	-	(27)	-
Total all other governmental funds	\$ 90,006	\$ 72,225	\$ 109,057	\$ 92,024	\$ 93,090	\$ 70,453	\$ 82,141	\$ 121,937	\$ 119,701	\$ 116,481

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 156,593	\$ 139,994	\$ 143,748	\$ 153,200	\$ 156,172	\$ 174,803	\$ 223,116	\$ 240,416	\$ 241,708	\$ 267,714
Licenses and permits	9,292	10,173	9,244	11,168	11,611	14,455	12,442	14,317	13,023	12,778
Intergovernmental	66,618	50,734	59,348	49,892	51,896	31,440	42,454	44,950	42,296	87,226
Charges for services	11,774	12,062	15,734	24,737	26,443	31,384	17,438	16,927	15,968	14,578
Fines and forfeitures	6,293	6,234	7,283	3,957	1,941	1,976	3,717	2,078	1,887	2,100
Special assessments	6,276	6,669	6,272	6,757	7,039	7,578	7,113	7,973	6,950	7,674
Use of money and property	8,095	3,878	4,315	5,112	4,370	4,718	3,446	6,548	8,441	4,437
Miscellaneous	10,611	14,933	6,957	6,939	12,578	7,252	8,716	5,370	7,845	5,962
Total revenues	\$ 275,552	\$ 244,677	\$ 252,901	\$ 261,762	\$ 272,050	\$ 273,606	\$ 318,442	\$ 338,579	\$ 338,118	\$ 402,469
Expenditures:										
General government	\$ 18,835	\$ 15,713	\$ 13,558	\$ 17,799	\$ 19,900	\$ 20,650	\$ 21,135	\$ 18,880	\$ 107,779	\$ 30,887
Public safety	150,878	150,290	151,721	157,660	164,800	163,712	190,916	198,363	434,208	200,733
Highways and streets	16,651	16,294	16,944	16,594	17,416	17,504	19,207	20,927	22,254	16,897
Culture and recreation	57,538	45,356	34,275	37,527	39,583	40,643	29,382	30,528	28,825	28,391
Capital outlay	75,482	73,581	72,365	60,060	53,208	31,000	33,504	41,585	55,178	69,248
Debt Service:										
Principal	83,378	45,006	45,500	49,101	51,987	72,700	21,904	37,867	23,761	24,475
Interest	24,133	15,116	16,787	17,048	16,451	16,115	12,746	10,493	10,773	20,372
Debt issuance costs	169	581	843	172	180	29	24	854	1,185	-
Payment for advance refunding	-	3,521	-	-	-	-	-	-	-	-
Total expenditures	\$ 427,064	\$ 365,458	\$ 351,993	\$ 355,961	\$ 363,525	\$ 362,353	\$ 328,818	\$ 359,497	\$ 683,963	\$ 391,003
Excess of revenues over (under) expenditures	\$ (151,512)	\$ (120,781)	\$ (99,092)	\$ (94,199)	\$ (91,475)	\$ (88,747)	\$ (10,376)	\$ (20,918)	\$ (345,845)	\$ 11,466

(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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Other financing sources (uses):										
Transfers in	\$ 196,859	\$ 56,572	\$ 58,469	\$ 61,510	\$ 61,384	\$ 94,521	\$ 102,774	\$ 94,771	\$ 95,932	\$ 112,907
Transfers out	(156,305)	(14,178)	(15,369)	(18,829)	(20,168)	(48,805)	(66,021)	(58,688)	(60,608)	(102,028)
Issuance of long term debt	34,940	99,753	87,037	30,940	31,145	31,578	14,500	49,485	320,131	
Capital lease financings	-	7,203	6,625	4,450	5,846	2,109	-		-	
Proceeds from the sale of capital assets	156	82	931	(114)	261	4,199	461	149	856	213
Other finance sources - bond premium/(discount)	-	-	-	-	-	-	-	6,540	-	
Payments to refunded bond agent	-	(43,591)	-	-	-	-	-			
Total other financing sources (uses)	75,650	105,841	137,693	77,957	78,468	83,602	51,714	92,257	356,311	11,092
Net change in fund balances	\$ (75,862)	\$ (14,940)	\$ 38,601	\$ (16,242)	\$ (13,007)	\$ (5,145)	\$ 41,338	\$ 71,339	\$ 10,466	\$ 22,558
Debt service as a percentage of noncapital expenditures	32.507% (1)	21.039%	21.803%	22.360%	21.714%	26.625%	11.999%	15.143%	5.428% (2)	17.600%

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

(2) 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
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	23,438	368,959
2021	133,460	68,877	115,206	27	4,864	32,316	21,351	376,101

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
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
2021	150,321	71,986	30,577	5,527	5,801	264,212

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Apparel Stores	\$ 168,352	\$ 175,320	\$ 178,349	\$ 188,670	\$ 203,001	\$ 214,852	\$ 210,158	\$ 212,036	\$ 210,439	\$ 147,176
General Merchandise	444,125	450,988	463,355	475,147	477,903	478,538	465,490	470,386	465,234	426,500
Food Stores	169,380	181,719	193,368	209,022	217,902	168,854	169,922	184,278	185,859	202,647
Eating and Drinking Places	395,423	422,153	447,841	483,901	533,317	582,262	609,705	639,995	677,763	587,403
Building Materials	349,398	376,011	454,468	514,993	567,790	636,415	666,907	738,178	761,881	813,584
Auto Dealers and Supplies	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	1,728,498
Service Stations	419,497	430,322	418,110	413,128	370,257	338,762	360,830	432,991	434,162	327,119
Other Retail Stores	517,583	535,945	550,157	595,305	633,089	692,375	677,850	666,659	636,043	609,428
All Other Outlets	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	1,995,760
Total	\$ 4,501,800	\$ 4,699,571	\$ 5,140,773	\$ 5,653,990	\$ 6,013,626	\$ 6,194,449	\$ 6,230,735	\$ 6,666,567	\$ 6,745,092	\$ 6,838,115

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	
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	-	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 ³	31,856,912	1,466,408	(10,946,897)	22,376,423	N/A	N/A	N/A	N/A	0.124
2021	33,717,485	1,482,535	(11,915,468)	23,284,552	N/A	N/A	N/A	N/A	0.123

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.

³Total Taxable Assessed Value for FY 2020 was recorded as an estimate and has been restated to the actual amount per information from the Riverside County Auditor-Controller.

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

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
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	0.332	0.325	0.390	0.377	0.487	0.495	0.517	0.521	0.535	0.529
City of Riverside Debt Service	0.006	0.006	0.007	0.006	0.006	0.006	0.006	0.006	0.005	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	0.017	0.017	0.018	0.018	0.017	0.016	0.016	0.015	0.015	0.015
Total Direct & Overlapping³ Tax Rates	1.358	1.352	1.418	1.405	1.514	1.521	1.543	1.545	1.559	1.553
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	0.007	0.006	0.006	0.006	0.006	0.006	0.005	0.005
Redevelopment Rate^{5,7}	1.004	-	-	-	-	-	-	-	-	-
Total Direct Rate⁶	0.348	0.348	0.125	0.124	0.124	0.124	0.124	0.124	0.124	0.123

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: Alvord 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 2011/12 - 2020/21 Tax Rate Table.

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

(in thousands)

Property Owner	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Riverside Healthcare System	\$ 323,066	1	1.0%	\$ 107,935	3	0.5%
Tyler Mall	228,344	2	0.7%	186,759	1	0.8%
CPT Riverside Plaza LLC	165,601	3	0.5%			0.0%
Rohr Inc	155,881	4	0.5%	86,512	5	0.4%
La Sierra University	141,286	5	0.4%	126,273	2	0.6%
Corona Pointe Resort LLC	125,826	6	0.4%			0.0%
490 Columbia	123,750	7	0.4%			0.0%
Smiths Food and Drug Centers Inc.	105,177	8	0.3%			0.0%
1001 Columbia Pt LLC	105,088	9	0.3%			0.0%
Charter Communication Entertainment II	94,829	10	0.3%			0.0%
State Street Bank and Trust Co			0.0%	88,078	4	0.4%
JSP Corona Pointe LLC			0.0%	74,739	7	0.3%
Press Enterprise Company			0.0%	76,314	6	0.3%
Canyon Springs Marketplace Corporation			0.0%	67,991	9	0.3%
BRE Properties, Inc.			0.0%	69,300	8	0.3%
Riverside Plaza			0.0%	67,343	10	0.3%
Totals	<u>\$ 1,568,848</u>		<u>4.7%</u>	<u>\$ 951,244</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 2020/21 and 2011/12 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
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%	-	66,295	100.00%
2021	68,363	67,968	99.42%	-	67,968	99.42%

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.

Source: Riverside County Auditor-Controller and City Finance Department

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

(in millions of kilowatt-hours)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Type of Customer:										
Residential	688	726	700	711	726	730	727	722	723	784
Commercial	413	419	421	428	438	448	447	434	417	405
Industrial	969	1,003	997	995	983	996	999	973	956	916
Wholesale sales	2	14	4	2	0 ¹	1	0 ¹	0 ¹	1	0 ¹
Other	31	31	30	31	23	23	22	21	18	18
Total	2,103	2,193	2,152	2,167	2,170	2,198	2,195	2,150	2,115	2,123
Total direct rate										
Monthly Base Rate *	18.06	18.06	18.06	18.06	18.06	18.06	18.06	19.41	20.63	20.63

¹ For FY 15/16 and FY 17/18 wholesale MWH was less than 1 MWH.

* 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 \$0.55 was included and the tier 1 rate inc

In January 2020, the Minimum Customer Charge increased to \$9.66, a Network Access Charge of \$0.97 was included and the tier 1 rate inc

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>
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 *
2021	0.17032 *	0.17024 *	0.12582 *	0.26659 *

* Rate calculations were taken from the Sales Stats not the financial statements.
Does not include Public Benefits Charge

Source: Riverside Public Utilities, Finance Services

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

Electricity Customer	2021			2012		
	Electricity Charges	Rank	Percent of Total Electric Revenues	Electricity Charges	Rank	Percent of Total Electric Revenues
Local University	\$11,301,433	1	3.51%	\$10,005,990	1	3.46%
Local Government	8,281,850	2	2.57%	7,880,131	2	2.72%
Local Government	7,418,764	3	2.30%	7,343,622	3	2.54%
Corporation	4,205,156	4	1.30%			0.00%
Corporation	4,160,466	5	1.29%			0.00%
Local School District	4,122,735	6	1.28%	4,014,894	4	1.39%
Corporation	3,858,672	7	1.20%	3,951,734	5	1.36%
Corporation	3,429,752	8	1.06%	2,833,591	6	0.98%
Hospital	3,297,953	9	1.02%	2,410,157	7	0.83%
Local University	2,873,962	10	0.89%			0.00%
Local School District			-	2,051,858	8	0.71%
Corporation			-	1,963,047	9	0.68%
Shopping Mall			-	1,942,657	10	0.67%
	<u>\$52,950,743</u>		<u>16.42%</u>	<u>\$44,397,681</u>		<u>15.34%</u>
Retail Sales Per Financial Statements *	\$322,406,917			\$ 289,587,035		

Source: Riverside Public Utilities, Finance Services

* Financial Report - Riverside Public Utilities

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

(in thousands)

Fiscal Year	Governmental Activities								
	General Obligation Bonds	Lease Revenue Bonds	Pension Obligation Bonds ²	Certificates of Participation	Capital Leases	Notes/Loans Payable			
2012	16,107	-	127,480	202,703	5,220	4,000			
2013	15,314	43,762	122,005	158,697	8,424	28,652			
2014	14,460	42,344	115,775	191,446	13,168	47,611			
2015	13,546	40,891	108,725	187,212	14,966	45,574			
2016	12,567	39,398	101,000	181,429	12,006	43,482			
2017	11,513	37,854	92,592	156,516	17,193	41,325			
2018	10,388	36,246	60,883	150,800	25,647	1,746			
2019	9,179	80,416	50,486	99,178	21,422	1,329			
2020	7,874	75,964	364,633	94,802	18,207	899			
2021	6,478	72,471	352,824	90,215	14,922	457			

Fiscal Year	Business-Type Activities						Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
	Revenue Bonds	Notes/Loans Payable	Capital Leases	Pension Obligation Bonds ²	Certificates of Participation ³	Lease Revenue Bonds ⁴			
2012	1,063,853	73,821	1,332	-	-	-	1,494,516	21.94%	4.84
2013	1,031,839	70,798	2,558	-	-	-	1,482,049	21.41%	4.75
2014	1,094,290	36,030	2,266	-	-	-	1,557,390	22.54%	4.96
2015	1,239,634	37,225	1,720	-	-	-	1,689,493	24.64%	5.38
2016	1,208,851	37,793	4,694	-	-	-	1,641,220	23.60%	5.05
2017	1,180,345	35,255	6,209	-	-	-	1,578,802	22.11%	4.83
2018	1,139,864	78,583	6,821	18,324	-	-	1,529,302	20.81%	4.69
2019	1,241,743	73,673	5,192	14,775	29,692	7,867	1,634,952	21.30%	4.98
2020	1,212,914	69,519	3,633	119,625	28,483	7,473	2,004,026	24.73%	6.11
2021	1,176,605	64,678	2,354	116,227	27,213	7,059	1,931,503	22.73%	5.96

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	Total Obligated Debt Outstanding	Less: Amounts available in Debt Service Fund	Net Obligated Debt Outstanding	Percent of Assessed Value ¹	Per Capita²
2012	16,107	127,480	202,703	346,290	(31,072)	315,218	1.93%	1,022
2013	15,314	122,005	158,697	296,016	(27,676)	268,340	1.63%	860
2014	14,460	115,775	191,446	321,681	(27,996)	293,685	1.74%	935
2015	13,546	108,725	187,212	309,483	(9,295)	300,188	1.68%	955
2016	12,567	101,000	181,429	294,996	(27,997)	266,999	1.44%	822
2017	11,513	92,592	156,516	260,621	(8,339)	252,282	1.31%	772
2018	10,388	60,883	150,800	222,071	(13,546)	208,525	1.65%	640
2019	9,179	50,486	99,178	158,843	(9,051)	149,792	0.72%	457
2020	7,874	364,633	94,802	467,309	(11,210)	456,099	2.04%	1,390
2021	6,478	352,824	90,215	449,517	(11,292)	438,225	1.88%	1,351

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, Statistical Table 8, Statistical Table 15, and Reserve Cash Reconciliation maintained by City Finance Department.

Table 17
City of Riverside
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

Page 1 of 2

2020-21 Assessed Valuation:	\$ 33,295,582,720
Less Dissolved Redevelopment Agency Incremental Valuation:	<u>10,011,030,568</u>
Adjusted Assessed Valuation:	<u><u>\$ 23,284,552,152</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	\$ 26,830,000	1.028 %	\$ 275,812
Riverside County Flood Control and Water Conservation District Zone No. 4	10,260,000	1.903	195,248
Riverside City Community College District	351,058,024	27.880	97,874,977
Alvord Unified School District	205,386,226	72.017	14,912,998
Riverside Unified School District	341,910,000	84.586	289,207,993
Corona-Norco Unified School District	513,748,462	0.001	5,137
Jurupa Unified School District	178,602,972	0.001	1,786
Moreno Valley Unified School District	216,638,521	10.261	22,229,279
Alvord Unified School District Community District No.2006-1	6,520,000	73.302	4,779,290
Riverside Unified School District Community Facilities Districts	65,035,000	88.076-100	64,926,492
City of Riverside Community Facilities Districts	21,145,000	100	21,145,000
City of Riverside 1915 Act Bonds	17,820,000	100	<u>17,820,000</u>
Total overlapping debt repaid with property taxes			<u>\$ 533,374,012</u>

(continued)

Table 17
City of Riverside
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

Page 2 of 2

Other overlapping debt²

Riverside County General Fund Obligations	\$ 717,525,698	10.715 %	\$ 76,882,879
Riverside County Pension Obligations	881,575,000	10.715	94,460,761
Corona-Norco Unified School District General Fund Obligations	23,728,566	0.001	237
Jurupa Unified School District Certificates of Participation	53,254,440	0.001	533
Moreno Valley Unified School District Certificates of Participation	7,030,000	10.261	721,348
Riverside Unified School District General Fund Obligations	13,232,291	84.586	11,192,666
Western Municipal Water District General Fund Obligations	6,815,211	32.367	22,205,879
Total other overlapping debt			205,464,303
Overlapping tax Increment debt			187,771,228
Total overlapping debt			926,609,543
City direct debt			537,367,000 (3)
Combined total direct and overlapping debt			\$ 1,463,976,543

(1) Debt balances are as of June 30, 2021.

(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 debt related to Business Type Activities.

Ratios to 2020-21 Assessed Valuation:

Total debt repaid with property taxes.....	1.60%
City direct debt (\$717,964,000).....	1.61%
Combined total direct and overlapping debt.....	4.40%

Ratios to Dissolved Redevelopment Incremental Valuation (\$10,011,030,568):

Total overlapping tax Increment debt.....	1.88%
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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, City Finance Department and Statistical Table 8.

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

	(in thousands)									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed valuation	\$ 16,342,830	\$ 16,415,712	\$ 16,851,786	\$ 17,867,012	\$ 18,502,513	\$ 19,209,528	\$ 19,936,641	\$ 20,798,529	\$ 22,376,423	\$ 23,284,552
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	4,085,708	4,103,928	4,212,947	4,466,753	4,625,628	4,802,382	4,984,160	5,199,632	5,594,106	5,821,138
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	612,856	615,589	631,942	670,013	693,844	720,357	747,624	779,945	839,116	873,171
Total net debt applicable to limit:	16,107	15,314	14,460	13,546	12,567	11,513	10,388	9,179	7,874	6,478
Legal debt margin	596,749	600,275	617,482	656,467	681,277	708,844	737,236	770,766	831,242	866,693
Total net debt applicable to the limit as a percentage of debt limit	2.6%	2.5%	2.3%	2.0%	1.8%	1.6%	1.4%	1.2%	0.9%	0.7%

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)

Electric Revenue Bonds							Water Revenue Bonds					
Fiscal Year	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	
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
2021	373,663	284,293	89,370	17,364	27,559	1.99	83,510	45,896	37,614	7,007	9,685	2.25

Sewer Revenue Bonds						
Fiscal Year	Pledged Revenue ¹	Less: Operating Expenses ¹	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2012	42,562	29,632	12,930	692	5,471	12.48
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
2021	66,421	31,431	34,990	9,599	17,032	1.31

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
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
2020	324,302	8,496,064	26,198	9.0

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 *			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
County of Riverside	22,000	1	17.5%	11,187	1	7.8%
University of California	8,735	2	6.9%	5,554	2	3.9%
March Air Force Reserve	7,000	3	5.6%			
Kaiser	4,346	4	3.5%	4,500	4	3.1%
Riverside Unified School District	4,313	5	3.4%	5,580	3	3.9%
City of Riverside	2,485	6	2.0%	2,693	5	1.9%
Riverside Community Hospital	2,200	7	1.8%	1,880	6	1.3%
Riverside Community College District	2,100	8	1.7%	2,087	7	1.4%
Alvord Unified School District	1,898	9	1.5%	1,654	9	1.1%
California Baptist University	1,442	10	1.1%			
Parkview Community Hospital				1,350	10	0.9%
Riverside County Office of Education				1,627	8	1.1%
Total	56,519		45.0%	38,112		26.4%

Source: City of Riverside, Economic Development Department

* Data is not currently available for the fiscal year ended June 30, 2021 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

	2012	2013	2014 ¹	2015	2016	2017	2018	2019	2020	2021
Function										
General government	440.40	413.90	356.25	361.25	394.24	417.55	430.05	453.80	458.30	460.30
Public safety (sworn and non-sworn personnel)										
Police	599.93	596.75	551.75	553.75	554.75	512.00	543.00	557.00	571.00	585.00
Fire	255.46	255.46	255.00	255.00	251.00	239.00	242.00	245.00	248.00	251.00
Highways and streets	357.11	362.11	333.48	308.00	308.00	272.00	273.00	271.00	271.00	270.00
Sanitation	56.00	57.00	59.00	57.00	59.00	59.00	59.00	59.00	59.00	62.00
Culture and recreation	341.22	351.48	269.98	274.45	286.75	276.23	276.98	276.07	284.07	283.60
Airport	9.50	9.50	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00
Water	181.15	181.15	182.15	181.15	181.15	174.15	158.65	158.65	158.65	164.50
Electric	452.50	459.50	462.50	464.50	466.50	471.75	489.25	475.25	475.25	466.25
Total	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	2,549.65

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

Source: City of Riverside, Finance Department, FY 2020/21 Budget Master Personnel Detail

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Arrests	7,736	8,362	9,321	10,310	9,242	8,358	8,423	8,295	7,738	8,089
Fire										
Number of calls answered	27,637	29,988	30,668	32,943	35,905	36,150	38,501	37,739	37,999	31,918
Inspections	10,074	10,151	12,476	8,770	6,636	6,482	6,519	5,584	7,987	7,175
Public works:										
Street resurfacing (miles)	18.43	16.50	35.38	38.75	39.01	27.09	17.37	16.50	18.80	7.30
Parks and recreation										
Number of recreation classes	43,318	41,364	45,707	43,007	53,907	53,308	54,025	54,069	34,366	525 ¹
Number of facility rentals	43,288	43,358	46,432	44,363	47,772	48,097	46,904	66,846	45,741	324 ¹
Water										
Number of accounts	64,367	64,591	64,829	65,102	65,094	65,428	65,640	65,803	66,031	66,198
Annual consumption (ccf)	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	28,625,382
Electric										
Number of accounts	107,321	107,525	108,358	108,388	108,776	109,274	109,619	110,480	111,161	111,711
Annual consumption (millions of kwh)	2,103	2,193	2,152	2,167	2,170	2,197	2,195	2,150	2,115	2,122
Sewer:										
New connections	18,166	17,607	17,274	17,553	17,669	17,654	17,551	17,540	17,593	17,602
Average daily sewage treatment (millions of gallons)	29.84	29.57	28.49	27.15	26.35	27.19	26.16	26.86	25.22	25.30

¹ Reduction is due to the effects of the COVID 19 pandemic.

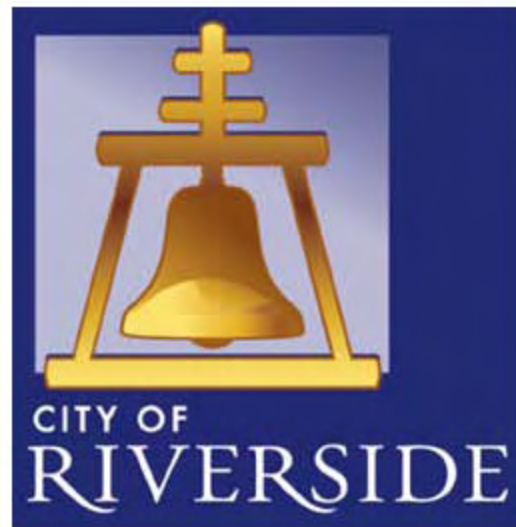
Source: City of Riverside, various departments

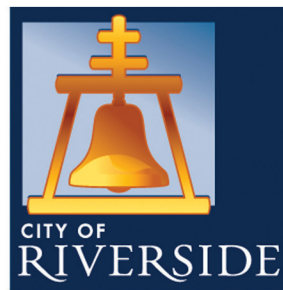
Table 24
City of Riverside
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Public Safety										
Police										
Stations	3	3	3	3	3	3	3	3	3	4
Substations	4	4	4	4	4	5	4	5	4	1
Helicopters	4	4	3	3	3	3	2	2	2	2
Airplane	0	0	0	0	0	0	1	1	1	1
Fire										
Stations	14	14	14	14	14	14	14	14	14	14
Active apparatus	27	28	28	31	33	32	33	55	32	32
Reserve apparatus	9	11	11	8	9	9	9	13	9	10
Training facilities	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (miles)	868.70	868.89	871.19	872.16	872.22	872.01	872.24	872.10	872.35	891.28
Streetlights	29,933	29,949	29,968	29,986	30,427	30,467	30,479	30,445	30,489	30,489
Signalized intersections	365	365	367	386	381	382	384	392	397	408
Culture and recreation										
Parks acreage	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	2,988.00
Community centers	11	11	11	11	11	11	11	11	11	12
Playgrounds	41	43	44	44	46	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	5	3	3	4	5	5	0 ¹	1 ¹	0 ¹	0
Museum exhibit-special	1	4	4	5	6	6	1 ¹	4 ¹	3 ¹	1
Water										
Fire hydrants	7,682	7,726	7,754	7,758	7,908	7,952	8,173	8,192	9,304	8,012
Sewer										
Sanitary sewers (miles)	829	829	829	820	829	827	820	820	820	820
Electric										
Miles of overhead distribution system	515.0	513.0	513.0	513.0	513.0	513.0	514.0	514.0	513.0	513.0
Miles of underground system	804.0	810.0	814.0	815.0	817.0	826.0	831.0	834.0	838.0	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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