

# **ANNUAL DISCLOSURE REPORT**

**YEAR ENDING JUNE 30, 2016**

## **CITY OF RIVERSIDE, CA**

**2015 SERIES A SEWER REVENUE BONDS \$200,030,000 (TAX-EXEMPT)**

**DATED June 10, 2015**

**CUSIP NUMBERS:  
SERIES A 769047 HD6 through 769047 HY0**

Prepared by  
City of Riverside

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CITY OF RIVERSIDE, CA  
CONTINUING DISCLOSURE INFORMATION -  
2015 Sewer Revenue Bonds Series A (Tax-Exempt)

FISCAL YEAR ENDED JUNE 30, 2016

CONTINUING DISCLOSURE CERTIFICATE - SECTION 4 - Contents of Annual Report

(a)(1) Attached are the audited financial statements of the City of Riverside for the year ending June 30, 2016. Required continuing disclosure information for the City of Riverside Sewer System is contained in these audited financial statements.

(b)(1) The principal amount of the Bonds outstanding at June 30, 2016:

2015 SEWER REVENUE BONDS (SERIES A): Outstanding: \$200,030,000

Parity Debt

2009 SEWER REVENUE BONDS (SERIES A): Outstanding: \$ 8,055,000

2009 SEWER REVENUE BONDS (SERIES B): Outstanding: \$204,075,000

STATE HEADWORKS PROJECT Outstanding: \$ 1,383,086

STATE COGENERATION PROJECT Outstanding: \$ 1,596,647

(b)(2) The 2015 Sewer Revenue Bonds reserve requirement and account balance at June 30, 2016 is zero (\$0).

(b)(3) Revenues by Customer Category for the fiscal year ended June 30, 2016:

<u>Fiscal Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Industrial Accounts</u>	<u>Community Service Districts</u>	<u>Charges for Services</u>	<u>Total</u>
2004-05	\$13,701,937	\$4,399,449	\$1,142,722	\$2,366,212	\$356,299	\$21,966,619
2005-06	13,826,611	4,568,233	974,152	1,879,452	261,118	21,509,566
2006-07	13,926,981	4,839,272	999,136	3,787,399	504,034	24,056,822
2007-08	13,894,300	4,658,156	976,222	2,438,146	558,392	22,525,216
2008-09	13,834,657	4,479,982	1,032,877	3,494,251	463,826	23,305,593 <sup>(A)</sup>
2009-10	17,338,883	4,762,338	1,352,909	3,367,647	350,058	27,171,835 <sup>(A)</sup>
2010-11	21,762,173	5,946,204	1,549,518	2,846,065	459,992	32,563,952 <sup>(A)</sup>
2011-12	25,267,285	7,039,190	1,671,961	3,153,850	411,774	37,544,060 <sup>(A)</sup>

(b)(3) Continued from previous page:

<u>Fiscal Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Industrial Accounts</u>	<u>Community Service Districts</u>	<u>Charges for Services</u>	<u>Total</u>
2012-13	\$28,727,013	\$8,016,851	\$1,985,728	\$4,461,742	\$372,504	\$43,563,838 <sup>(A)</sup>
2013-14	31,185,033	8,826,527	2,064,876	3,459,466	414,071	45,949,973 <sup>(A)</sup>
2014-15	34,099,456	9,257,105	2,804,221	3,552,840	411,695	50,125,317 <sup>(A)</sup>
2015-16	37,361,734	8,894,533 <sup>(B)</sup>	2,510,964	3,335,237	347,590	52,540,058 <sup>(A)</sup>

<sup>(A)</sup> Differs from the amount shown under “Charges for Services” in the Proprietary Funds Statement of Revenues, Expenses and Changes in Net Position referenced in (b)(5) below due to the exclusion of the Public Benefit Program charge.

<sup>(B)</sup> Includes \$302,042 that was misclassified and accrued as Public Benefit Program charge at year end.

(b)(4) Total Connection Fee Revenues for fiscal year ended June 30, 2016:

<u>Fiscal Year</u>	<u>City Portion of Connection Fees</u>	<u>Community Service Districts Portion of Connection Fees</u>	<u>Total Connection Fee Revenues</u>
2004-05	\$3,494,000	\$0	\$3,494,010
2005-06	4,057,474	0	4,057,474
2006-07	2,063,468	2,949,880	5,013,348
2007-08	2,171,044	501,231	2,672,275
2008-09	(63,786) <sup>(C)</sup>	845,640	781,854
2009-10	716,549	41,053	757,602
2010-11	533,363	41,923	575,286
2011-12	1,056,991	41,053	1,098,044
2012-13	1,023,658	41,053	1,064,711
2013-14	2,643,253	41,053	2,684,306
2014-15	1,802,665	41,053	1,843,718
2015-16	618,455 <sup>(D)</sup>	41,053	659,508

<sup>(C)</sup> Reflects net amount of connection fees for 2008-09 taking into account refunds of previously collected connection fees attributable to expired building permits.

<sup>(D)</sup> Does not include \$269,503 in connection fees remitted to the Sewer Fund through operating transfers.

(b)(5) Historical Summary of Operations – The schedule in the City of Riverside’s audited financial statements entitled “Statement of Revenues, Expenses and Changes in Net Position- Proprietary Funds” includes the component unit of the Sewer System and provides the update for the “Historical Summary of Operations” schedule referenced in the Official Statement.

## CONTINUING DISCLOSURE CERTIFICATE - SECTION 5 - Reporting of Significant Events

There has been no occurrence of the following significant events with respect to the City of Riverside 2015 Sewer Revenue Bonds Series A (Tax-Exempt) except for the items previously disclosed and noted below:

(a) Issuer shall give notice of any of the following events with respect to the bonds not more than 10 (ten) business days after the event:

1. Principal and interest payment delinquencies.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of the credit or liquidity providers or their failure to perform.
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determinations of taxability or of Notice of Proposed Issue (IRS Form 5701-TEB).
6. Tender offers.
7. Defeasance of the Bonds.
8. Rating changes.

On July 22, 2016, Standard and Poor's increased its rating on the bonds from "A" to "A+".

9. Bankruptcy, insolvency, receivership or similar proceedings.

(b) Issuer shall give notice of any of the following events with respect to the bonds, if material:

1. Unless described in (a)5 above, notices or determinations by the Internal Revenue Service with respect to the tax status of the bonds or other material events affecting the tax status of the bonds.
2. The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
3. Appointment of a successor or additional trustee or the change of the name of a trustee.
4. Nonpayment related defaults.

5. Modifications to the rights of owners of the bonds.
6. Notices of redemption.
7. Release, substitution or sale of property securing repayment of the bonds.