

**City of Riverside**  
**Statement of Net Assets**  
**June 30, 2011**  
**(amounts expressed in thousands)**

	<b>Governmental</b>	<b>Business-type</b>	
<b>Assets</b>	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
Cash and investments	\$ 162,084	\$ 248,586	\$ 410,670
Receivables, net	111,536	52,043	163,579
Inventory	7,435	1,184	8,619
Nuclear material inventory	-	1,905	1,905
Prepaid items	412	12,662	13,074
Deposits	400	-	400
Deferred charges - other	122,414	42,022	164,436
Deferred charges - derivative instruments	9,496	10,016	19,512
Internal balances	(3,257)	3,257	-
Land and improvements held for resale	94,097	-	94,097
Restricted assets:			
Cash and cash equivalents	-	36,295	36,295
Cash and investments at fiscal agent	91,988	521,631	613,619
Other	-	813	813
Capital leases receivable	23,425	-	23,425
Land and other capital assets not being depreciated	314,254	158,682	472,936
Capital assets (net of accumulated depreciation)	<u>900,062</u>	<u>1,179,590</u>	<u>2,079,652</u>
Total assets	<u>1,834,346</u>	<u>2,268,686</u>	<u>4,103,032</u>
<b>Liabilities</b>			
Accounts payable and other current liabilities	40,923	22,666	63,589
Accrued interest payable	9,635	12,793	22,428
Deferred revenue	2,029	1,656	3,685
Deposits	23,908	3,711	27,619
Current liabilities payable from restricted assets	-	5,726	5,726
Deferred charges - derivative instruments	-	482	482
Derivative instruments	14,822	22,664	37,486
Decommissioning liability	-	67,969	67,969
Noncurrent liabilities:			
Due within one year	67,198	29,157	96,355
Due in more than one year	<u>665,278</u>	<u>1,134,453</u>	<u>1,799,731</u>
Total liabilities	<u>823,793</u>	<u>1,301,277</u>	<u>2,125,070</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	1,019,892	654,974	1,674,866
Restricted for:			
Expendable:			
Capital projects	18,609	-	18,609
Debt service	-	48,063	48,063
Economic development	9,658	-	9,658
Landfill capping	-	2,247	2,247
Public works	12,923	-	12,923
Housing	38,005	-	38,005
Programs	-	6,087	6,087
Nonexpendable	1,625	-	1,625
Unrestricted	<u>(90,159)</u>	<u>256,038</u>	<u>165,879</u>
Total net assets	<u>\$ 1,010,553</u>	<u>\$ 967,409</u>	<u>\$ 1,977,962</u>

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

City of Riverside  
Statement of Activities  
For the fiscal year ended June 30, 2011  
(amounts expressed in thousands)

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business type Activities	Total
Governmental activities:								
General government	\$ 102,877	\$ (41,395)	\$ 14,241	\$ 8,422	\$ 44	\$ (38,775)		\$ (38,775)
Public safety	123,061	22,294	8,075	8,209	-	(129,071)		(129,071)
Highways and streets	24,082	11,007	16,985	745	38,027	20,668		20,668
Culture and recreation	44,098	8,094	3,180	3,751	67	(45,194)		(45,194)
Interest on long-term debt	33,638	-	-	-	-	(33,638)		(33,638)
Total governmental activities	<u>327,756</u>	<u>-</u>	<u>42,481</u>	<u>21,127</u>	<u>38,138</u>	<u>(226,010)</u>		<u>(226,010)</u>
Business type activities:								
Electric	275,922		313,703	-	4,056		\$ 41,837	41,837
Water	56,390		62,084	-	1,982		7,676	7,676
Sewer	42,276		32,769	-	575		(8,932)	(8,932)
Refuse	20,046		19,134	-	-		(912)	(912)
Airport	2,320		1,342	-	-		(978)	(978)
Transportation	3,493		344	2,159	714		(276)	(276)
Public parking	4,401		5,205	-	10		814	814
Total business type activities	<u>404,848</u>		<u>434,581</u>	<u>2,159</u>	<u>7,337</u>		<u>39,229</u>	<u>39,229</u>
Total	<u>\$ 732,604</u>		<u>\$ 477,062</u>	<u>\$ 23,286</u>	<u>\$ 45,475</u>	<u>(226,010)</u>	<u>39,229</u>	<u>(186,781)</u>
General revenues:								
Taxes:								
Sales								
Property						44,157	-	44,157
Utility users						100,802	-	100,802
Franchise						26,691	-	26,691
Other						4,937	-	4,937
						2,731	-	2,731
Intergovernmental, unrestricted								
Investment income						1,285	-	1,285
Miscellaneous						7,439	17,548	24,987
Subtotal						<u>9,544</u>	<u>4,808</u>	<u>14,352</u>
Transfers, net								
Total general revenues and transfers						<u>197,586</u>	<u>22,356</u>	<u>219,942</u>
Change in net assets						<u>34,378</u>	<u>(34,378)</u>	<u>-</u>
Net assets - beginning						<u>231,964</u>	<u>(12,022)</u>	<u>219,942</u>
Net assets - ending						<u>5,954</u>	<u>27,207</u>	<u>33,161</u>
						<u>1,004,599</u>	<u>940,202</u>	<u>1,944,801</u>
						<u>\$ 1,010,553</u>	<u>\$ 967,409</u>	<u>\$ 1,977,962</u>

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

City of Riverside  
Balance Sheet  
Governmental Funds  
June 30, 2011  
(amounts expressed in thousands)

<b>Assets</b>	<b>General Fund</b>	<b>Redevelopment Debt Service</b>	<b>Certificates of Participation Debt Service</b>	<b>Capital Outlay</b>	<b>Redevelopment Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
Cash and investments	\$ 42,944	\$ 15,416	\$ 470	\$ -	\$ 65,494	\$ 33,524	\$ 157,848
Cash and investments at fiscal agent	5,349	7,406	25,269	5,719	45,654	2,591	91,988
Receivables (net of allowance for uncollectibles)							
Interest	416	113	-	93	216	289	1,127
Property taxes	6,203	-	305	-	-	-	6,508
Sales tax	9,641	-	-	-	-	-	9,641
Utility billed	736	-	-	-	-	-	736
Accounts	9,187	171	-	11,673	200	291	21,522
Intergovernmental	3,032	-	-	31,313	1	3,760	38,106
Notes	35	-	-	-	10,921	22,734	33,690
Capital lease receivable	-	23,425	-	-	-	-	23,425
Prepaid items	411	-	-	-	1	-	412
Deposits	-	-	-	177	223	-	400
Due from other funds	31,980	-	-	-	-	-	31,980
Advances to other funds	26,200	-	7,410	-	-	20,571	54,181
Land & improvements held for resale	76,334	-	-	-	4,233	13,530	94,097
Total assets:	<u>\$ 212,468</u>	<u>\$ 46,531</u>	<u>\$ 33,454</u>	<u>\$ 48,975</u>	<u>\$ 126,943</u>	<u>\$ 97,290</u>	<u>\$ 565,661</u>
<b>Liabilities and fund balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 5,319	\$ -	\$ 34	\$ 3,995	\$ 12,260	\$ 1,349	\$ 22,957
Accrued payroll	15,013	-	-	-	73	25	15,111
Retainage payable	362	-	-	-	224	1,105	1,691
Intergovernmental	169	-	-	-	-	-	169
Deferred revenue	6,455	23,425	-	1,349	3,332	24,480	59,041
Deposits	23,872	-	-	-	-	36	23,908
Due to other funds	-	-	-	30,124	-	1,851	31,975
Advances from other funds	435	-	-	-	59,160	4,116	63,711
Total liabilities:	<u>51,625</u>	<u>23,425</u>	<u>34</u>	<u>35,468</u>	<u>75,049</u>	<u>32,962</u>	<u>218,563</u>
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Inventories, prepaids and noncurrent receivables	446	-	-	-	1	-	447
Advances to other funds	26,200	-	-	-	-	-	26,200
Permanent fund principal	-	-	-	-	-	1,625	1,625
<b>Restricted for:</b>							
Housing and redevelopment	76,334	-	-	-	51,893	44,678	172,905
Debt service	5,349	23,106	33,420	-	-	-	61,875
Transportation and public works	-	-	-	13,507	-	12,952	26,459
Other purposes	566	-	-	-	-	5,073	5,639
<b>Assigned to:</b>							
General government	1,839	-	-	-	-	-	1,839
Public safety	1,957	-	-	-	-	-	1,957
Highways and streets	436	-	-	-	-	-	436
Culture and recreation	459	-	-	-	-	-	459
Continuing projects	10,898	-	-	-	-	-	10,898
Unassigned	36,359	-	-	-	-	-	36,359
Total fund balances	<u>160,843</u>	<u>23,106</u>	<u>33,420</u>	<u>13,507</u>	<u>51,894</u>	<u>64,328</u>	<u>347,098</u>
Total liabilities and fund balances	<u>\$ 212,468</u>	<u>\$ 46,531</u>	<u>\$ 33,454</u>	<u>\$ 48,975</u>	<u>\$ 126,943</u>	<u>\$ 97,290</u>	<u>\$ 565,661</u>

The notes to the 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 ASSETS**  
**June 30, 2011**  
**(amounts expressed in thousands)**

Total fund balances - governmental funds		\$347,098
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets net of accumulated depreciation used in governmental activities that are not current financial resources and, therefore, are not reported in the funds		1,211,224
Issuance costs from issuing debt are expenditures at the fund level but are deferred and subject to capitalization and amortization in the Statement of Net Assets.		13,307
Pension contributions were expenditures at the fund level but are deferred as a net pension asset and subject to capitalization and amortization in the Statement of Net Assets.		112,038
Revenues that do not meet the "availability" criteria for revenue recognition and therefore, are deferred in the funds.		57,012
Accrued interest payable for the current portion of interest due on various debt issues has not been reported in the governmental funds.		(9,635)
Long-term liabilities, as listed below, are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	\$ (447,620)	
Certificates of participation payable	(211,345)	
Notes payable	(7,749)	
Capital leases payable	(6,670)	
Commercial loan	(1,100)	
Bond premiums	(6,888)	
Net OPEB obligation	(7,458)	
Compensated absences	(20,689)	
		(709,519)
The City uses derivative instruments to hedge its exposure to changing interest rate: through the use of interest rate swaps. The following related items have been reflected in the Statement of Net Assets.		
Fair value of interest rate swap	\$ (14,822)	
Deferred amount related to the hedgeable portion of the derivative instrumen	9,496	
		(5,326)
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 Assets.		(5,646)
Net assets of governmental activities		<u>\$1,010,553</u>

City of Riverside  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the fiscal year ended June 30, 2011  
(amounts expressed in thousands)

	General Fund	Redevelopment Debt Service	Certificates of Participation Debt Service	Capital Outlay	Redevelopment Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 123,505	\$ 44,650	\$ -	\$ -	\$ -	\$ 11,163	\$ 179,318
Licenses and permits	6,717	-	-	-	-	940	7,657
Intergovernmental	11,104	200	-	30,720	89	18,969	61,082
Charges for services	10,687	-	-	-	-	33	10,720
Fines and forfeitures	5,244	-	-	-	-	3,684	8,928
Special assessments	3,954	-	1,096	315	-	649	6,014
Rental and investment income	2,964	2,213	1,529	450	2,445	572	10,173
Miscellaneous	6,731	372	-	1,911	3,406	4,185	16,605
Total revenues	<u>170,906</u>	<u>47,435</u>	<u>2,625</u>	<u>33,396</u>	<u>5,940</u>	<u>40,195</u>	<u>300,497</u>
<b>Expenditures</b>							
Current:							
General government	9,347	426	24	-	8,983	7,310	26,090
Public safety	138,620	-	-	-	-	2,374	140,994
Highways and streets	14,587	-	-	-	-	-	14,587
Culture and recreation	25,360	-	-	-	18,848	137	44,345
Capital outlay	1,617	-	-	40,780	35,711	27,581	105,689
Debt service:							
Principal	36,844	39,145	4,175	-	-	9,100	89,264
Interest	7,207	14,551	9,863	-	990	-	32,611
Bond issuance costs	174	-	-	-	-	-	174
Total expenditures	<u>233,756</u>	<u>54,122</u>	<u>14,062</u>	<u>40,780</u>	<u>64,532</u>	<u>46,502</u>	<u>453,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(62,850)</u>	<u>(6,687)</u>	<u>(11,437)</u>	<u>(7,384)</u>	<u>(58,592)</u>	<u>(6,307)</u>	<u>(153,257)</u>
<b>Other financing sources (uses):</b>							
Transfers in	121,348	35,369	11,977	-	29,554	16,383	214,631
Transfers out	(9,539)	(28,491)	-	-	(117,905)	(24,345)	(180,280)
Issuance of long term debt	30,775	-	-	-	65,000	9,100	104,875
Capital lease proceeds	2,000	-	-	-	-	-	2,000
Sales of capital assets	(81)	2,000	-	-	(3,657)	109	(1,629)
Total other financing sources and uses	<u>144,503</u>	<u>8,878</u>	<u>11,977</u>	<u>-</u>	<u>(27,008)</u>	<u>1,247</u>	<u>139,597</u>
Net change in fund balances	81,653	2,191	540	(7,384)	(85,600)	(5,060)	(13,660)
Fund balances - beginning	79,190	20,915	32,880	20,891	137,494	69,388	360,758
Fund balances - ending	<u>\$ 160,843</u>	<u>\$ 23,106</u>	<u>\$ 33,420</u>	<u>\$ 13,507</u>	<u>\$ 51,894</u>	<u>\$ 64,328</u>	<u>\$ 347,098</u>

The notes to the 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 year ended June 30, 2011**  
**(amounts expressed in thousands)**

Net change in fund balances-total governmental funds (\$13,660)

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. This is the amount by which capital outlays exceeded depreciation in the current period, as listed below:

Capital Asset additions	\$ 81,698	
Depreciation Expense	<u>(36,475)</u>	45,223

Revenues in the statement of activities that do not meet the "availability" criteria for revenue recognition and therefore are not reported as revenue in the funds. 1,547

The amortization of the net pension asset reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds. (2,679)

The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds immediately report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is listed below:

Principal repayments	89,264	
Other post-employment benefit liabilities	(1,929)	
Compensated absences	(1,033)	
Interest	(525)	
Premiums on the issuance of LTD	(41)	
Proceeds from LTD	(104,875)	
Capital lease proceeds	<u>(2,000)</u>	(21,139)

Internal service funds are used by management to charge the costs of insurance, centralized purchasing and fleet management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (3,338)

Change in net assets of governmental activities \$ 5,954

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

City of Riverside  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the year ended June 30, 2011  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget		Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final				Original	Final		
<b>Revenues</b>									
Taxes	\$ 117,754	\$ 117,754	\$ 123,505	\$ 5,751	Public safety:				
Licenses and permits	7,329	7,329	6,717	(612)	Police	80,820	93,061	85,616	7,445
Intergovernmental	2,255	21,755	11,104	(10,651)	Fire	40,409	44,439	42,497	1,942
Charges for services	9,889	9,926	10,687	761	Animal regulation	3,917	4,041	3,933	108
Fines and forfeitures	5,070	5,070	5,244	174	Building and zoning inspection	2,147	2,155	2,085	70
Special assessments	4,090	4,212	3,954	(258)	Street lighting	4,433	4,433	4,489	(56)
Rental and investment income	1,580	1,580	2,964	1,384	Total public safety	131,726	148,129	138,620	9,509
Miscellaneous	7,007	7,007	6,731	(276)	Highways and streets	14,528	17,940	14,587	3,353
Total revenues	154,974	174,633	170,906	(3,727)	Culture and recreation	24,506	30,629	25,360	5,269
<b>Expenditures</b>					Capital Outlay	-	1,617	1,617	-
General government:					Debt service:				
Mayor	1,017	1,017	966	51	Principal	6,349	36,949	36,844	105
Council	1,183	1,183	1,173	10	Interest	7,445	7,445	7,207	238
Manager	13,931	13,931	12,107	1,824	Bond issuance costs	-	103	174	(71)
Attorney	4,108	4,108	4,226	(118)	Total debt service	13,794	44,497	44,225	272
Clerk	1,300	1,300	1,093	207	Total expenditures	187,512	245,770	233,756	12,014
Community Development	4,479	4,479	3,571	908	Deficiency of revenue under expenditures	(32,538)	(71,137)	(62,850)	8,287
Human Resources	3,007	3,007	2,741	266	<b>Other financing sources (uses)</b>				
General Services	8,434	8,434	6,539	1,895	Transfers in	39,695	117,274	121,348	4,074
Information System	14,280	14,280	11,670	2,610	Transfers out	(7,222)	(9,539)	(9,539)	-
Development	7,162	7,162	6,656	506	Issuance of long term debt	-	30,775	30,775	-
Subtotal	58,901	58,901	50,742	8,159	Capital Lease Proceeds	-	2,000	2,000	-
Allocated expenditures	(55,943)	(55,943)	(41,395)	(14,548)	Sale of capital assets	65	65	(81)	(146)
Total general government	2,958	2,958	9,347	(6,389)	Total other financing sources	32,538	140,575	144,503	3,928
				continued	Net change in fund balances	-	69,438	81,653	12,215
					Fund balance, beginning	79,190	79,190	79,190	-
					Fund balance, ending	\$ 79,190	\$ 148,628	\$ 160,843	\$ 12,215

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

City of Riverside  
Statement of Net Assets  
Proprietary Funds  
June 30, 3011  
(amounts expressed in thousands)

Assets	Business-type Activities - Enterprise Funds					Governmental Activities-Internal Service Funds
	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	
Current assets:						
Cash and investments	\$ 168,905	\$ 56,804	\$ 17,720	\$ 5,157	\$ 248,586	\$ 4,236
Receivables (net allowances for uncollectibles)						
Interest	1,381	435	60	71	1,947	57
Utility billed	13,694	3,125	1,228	619	18,666	-
Utility unbilled	12,986	3,306	1,213	580	18,085	-
Accounts	8,783	2,496	247	369	11,895	92
Intergovernmental	61	458	233	698	1,450	57
Nuclear materials inventory	1,905	-	-	-	1,905	-
Inventory	-	-	1,184	-	1,184	7,435
Prepaid items	12,660	2	-	-	12,662	-
Due from other funds	4,195	-	-	-	4,195	-
Restricted assets:						
Cash and cash equivalents	26,119	7,929	-	2,247	36,295	-
Cash and investments at fiscal agent	270,273	61,287	174,524	15,547	521,631	-
Public benefit programs receivable	697	116	-	-	813	-
Total current assets	521,659	135,958	196,409	25,288	879,314	11,877
Non-current assets:						
Advances to other funds	5,558	-	18,439	-	23,997	11,975
Deferred charges - other	19,864	7,437	4,670	10,051	42,022	1,541
Deferred charges - derivative instruments	10,016	-	-	-	10,016	-
Capital assets:						
Land	7,645	10,861	2,698	13,701	34,905	-
Intangible assets	9,821	6,307	-	-	16,128	-
Buildings	20,712	15,673	189,342	16,015	241,742	1,488
Accumulated depreciation - buildings	(5,090)	(4,008)	(83,813)	(4,252)	(97,163)	(211)
Improvements other than buildings	925,524	472,678	75,897	23,994	1,498,093	-
Accumulated depreciation - improvements other than buildings	(335,124)	(138,163)	(13,352)	(5,557)	(492,196)	-
Machinery and equipment	25,910	13,331	9,224	17,735	66,200	9,605
Accumulated depreciation - machinery and equipment	(12,129)	(8,983)	(5,373)	(10,601)	(37,086)	(8,005)
Construction in progress	44,665	24,568	26,853	11,563	107,649	215
Total non-current assets	717,372	399,701	224,585	72,649	1,414,307	16,608
Total assets	1,239,031	535,659	420,994	97,937	2,293,621	28,485

Continued



City of Riverside  
Statement of Net Assets  
Proprietary Funds  
June 30, 3011  
(amounts expressed in thousands)

Business-type Activities - Enterprise Funds

Liabilities	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities-Internal Service Funds
Current liabilities:						
Accounts payable	10,902	3,210	3,515	1,516	19,143	926
Accrued payroll	5,129	1,749	1,174	846	8,898	533
Retainage payable	150	106	96	-	352	-
Unearned revenue	-	-	-	1,656	1,656	-
Deposits	3,033	678	-	-	3,711	-
Due to other funds	-	-	-	5	5	4,195
Capital leases - current	388	-	-	7	395	-
Water stock acquisitions - current	-	150	-	-	150	-
Landfill capping - current	-	-	-	200	200	-
Notes payable - current	-	-	-	807	807	-
Claims and judgements - current	-	-	-	-	-	9,900
Current liabilities payable from restricted assets:						
Revenue bonds	20,940	4,545	-	-	25,485	-
Notes payable	1,428	-	692	-	2,120	-
Accrued interest	6,382	1,891	4,520	-	12,793	-
Other payables	2,936	1,228	823	739	5,726	350
Total current liabilities	51,288	13,557	10,820	5,776	81,441	15,904
Non-current liabilities:						
Revenue bonds	594,613	208,315	243,141	-	1,046,069	-
Notes payable	44,141	-	5,878	23,801	73,820	-
Capital leases	1,303	-	-	22	1,325	-
Advances from other funds	12,381	5,327	3,408	3,814	24,930	1,512
Decommissioning liability	67,969	-	-	-	67,969	-
Deferred charges - derivative instruments	-	482	-	-	482	-
Derivative instruments	17,216	5,448	-	-	22,664	-
Claims and judgements	-	-	-	-	-	16,715
Water stock acquisitions	-	797	-	-	797	-
Landfill capping	-	-	-	6,715	6,715	-
Total non-current liabilities	737,623	220,369	252,427	34,352	1,244,771	18,227
Total liabilities	788,911	233,926	263,247	40,128	1,326,212	34,131
<b>Net Assets</b>						
Invested in capital assets, net of related debt	225,055	241,552	134,859	53,508	654,974	3,092
Restricted for debt service	22,237	5,684	20,142	-	48,063	-
Restricted for landfill capping	-	-	-	2,247	2,247	-
Restricted for programs	3,771	2,316	-	-	6,087	-
Unrestricted	199,057	52,181	2,746	2,054	256,038	(8,738)
Total net assets	\$ 450,120	\$ 301,733	\$ 157,747	\$ 57,809	\$ 967,409	\$ (5,646)

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

City of Riverside  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the fiscal year ended June 30, 2011  
(amounts expressed in thousands)

<b>Business-type Activities - Enterprise Funds</b>						
	<b>Electric</b>	<b>Water</b>	<b>Sewer</b>	<b>Other Enterprise Funds</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities-Internal Service Funds</b>
Operating revenues:						
Charges for services	\$ 313,703	\$ 62,084	\$ 32,769	\$ 26,025	\$ 434,581	\$ 15,792
Operating expenses:						
Personnel services	35,386	11,670	9,133	8,072	64,261	3,705
Contractual services	7,361	2,281	900	5,044	15,586	220
Maintenance and operation	167,925	8,845	8,534	6,666	191,970	2,120
General	14,382	11,865	5,518	4,312	36,077	1,780
Materials and supplies	792	803	3,008	1,340	5,943	210
Claims/Insurance	1,166	628	482	266	2,542	10,736
Depreciation and amortization	27,690	11,386	6,379	3,841	49,296	783
Total operating expenses	<u>254,702</u>	<u>47,478</u>	<u>33,954</u>	<u>29,541</u>	<u>365,675</u>	<u>19,554</u>
Operating income (loss)	<u>59,001</u>	<u>14,606</u>	<u>(1,185)</u>	<u>(3,516)</u>	<u>68,906</u>	<u>(3,762)</u>
Non-operating revenues (expenses):						
Operating grants	-	-	-	2,159	2,159	-
Interest income	10,368	2,635	4,443	102	17,548	497
Other	2,117	910	(623)	1,055	3,459	91
Gain (loss) on retirement of capital assets	400	1,251	(306)	4	1,349	(16)
Capital improvement fees	-	-	575	-	575	-
Interest expense and fiscal charges	(21,220)	(8,912)	(8,322)	(719)	(39,173)	(148)
Total non-operating revenues (expenses)	<u>(8,335)</u>	<u>(4,116)</u>	<u>(4,233)</u>	<u>2,601</u>	<u>(14,083)</u>	<u>424</u>
Income before capital contributions and transfers	50,666	10,490	(5,418)	(915)	54,823	(3,338)
Cash capital contributions	2,925	1,356	-	714	4,995	-
Noncash capital contributions	1,131	626	-	10	1,767	-
Transfers in	5,531	17,114	-	-	22,645	-
Transfers out	(50,184)	(5,847)	-	(992)	(57,023)	-
Change in net assets	10,069	23,739	(5,418)	(1,183)	27,207	(3,338)
Total net assets - beginning	440,051	277,994	163,165	58,992	940,202	(2,308)
Total net assets - ending	<u>\$ 450,120</u>	<u>\$ 301,733</u>	<u>\$ 157,747</u>	<u>\$ 57,809</u>	<u>\$ 967,409</u>	<u>\$ (5,646)</u>

The notes to the 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, 2011  
(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	\$ 308,733	\$ 60,023	\$ 33,703	\$ 26,202	\$ 428,661	\$ 20,537
Cash paid to employees for services	(33,976)	(11,187)	(8,719)	(7,778)	(61,660)	(3,553)
Cash paid to other suppliers of goods or services	(189,073)	(22,914)	(17,894)	(17,164)	(247,045)	(18,452)
Other receipts	2,117	910	(623)	1,055	3,459	91
Net cash provided (used) by operating activities	87,801	26,832	6,467	2,315	123,415	(1,377)
Cash flows from noncapital financing activities:						
Transfers out	(50,184)	(5,847)	-	(992)	(57,023)	-
Operating grants	-	-	-	1,543	1,543	-
Advances from interfund receivables	-	-	2,421	-	2,421	-
Payments on interfund receivables	(324)	(139)	(89)	(7,269)	(7,821)	(689)
Advances to other funds	(3,545)	-	(306)	-	(3,851)	1,627
Net cash provided (used) by noncapital financing activities	(54,053)	(5,986)	2,026	(6,718)	(64,731)	938
Cash flows from capital and related financing activities:						
Proceeds from the sale of revenue bonds, including premium	140,857	-	-	-	140,857	-
Issuance costs	(1,124)	(402)	-	-	(1,526)	-
Purchase of capital assets	(50,331)	(29,754)	(28,592)	(4,979)	(113,656)	(1,044)
Purchase of nuclear fuel	(1,554)	-	-	-	(1,554)	-
Proceeds (loss) from the sale of capital assets	495	18,379	15	4	18,893	(16)
Proceeds from the long-term obligations	-	-	-	24,608	24,608	-
Principal paid on long-term obligations	(23,086)	(4,660)	(679)	(50)	(28,475)	-
Interest paid on long-term obligations	(24,985)	(9,268)	(10,891)	(712)	(45,856)	(148)
Capital improvement fees	-	-	575	-	575	-
Capital contributions	2,925	3,706	-	714	7,345	-
Net cash provided (used) for capital and related financing activities	43,197	(21,999)	(39,572)	19,585	1,211	(1,208)
Cash flows from investing activities:						
Purchase of investments	273	6,998	-	-	7,271	-
Income from investments	9,900	2,385	4,428	78	16,791	494
Net cash provided by investing activities	10,173	9,383	4,428	78	24,062	494
Net change in cash and cash equivalents	87,118	8,230	(26,651)	15,260	83,957	(1,153)
Cash and cash equivalents, beginning (including \$110,095 for Electric, \$87,736 for Water, \$211,184 for Sewer and \$2,466 for Other Enterprise Funds in restricted accounts.)						
	280,387	117,106	218,895	7,691	624,079	5,389
Cash and cash equivalents, ending (including \$198,600 for Electric, \$68,532 for Water, \$174,524 for Sewer and \$17,794 for Other Enterprise Funds in restricted accounts.)						
	\$ 367,505	\$ 125,336	\$ 192,244	\$ 22,951	\$ 708,036	\$ 4,236

continued

City of Riverside  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2011  
(amounts expressed in thousands)

	Electric	Water	Sewer	Other Enterprise Funds	Total Enterprise Funds	continued Governmental Activities- Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income (loss)	\$ 59,001	\$ 14,606	\$ (1,185)	\$ (3,516)	\$ 68,906	\$ (3,762)
Other receipts	2,117	910	(623)	1,055	3,459	91
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization	27,690	11,386	6,379	3,841	49,296	783
Amortization of pension costs	291	125	80	54	550	35
Amortization (burn) of nuclear fuel	1,449	-	-	-	1,449	-
(Increase) decrease in utility billed receivables	639	(192)	(321)	(28)	98	-
(Increase) decrease in utility unbilled receivables	(66)	(231)	(245)	67	(475)	-
(Increase) decrease in accounts receivable	(4,630)	(1,272)	1,432	146	(4,324)	(47)
(Increase) decrease in intergovernmental receivables	(36)	(430)	68	(8)	(406)	(18)
(Increase) decrease in prepaid items	(1,912)	3	1	20	(1,888)	-
(Increase) in nuclear materials inventory	(80)	-	-	-	(80)	-
(Increase) in inventory	-	-	(33)	-	(33)	(1,420)
Increase (decrease) in accounts payable	(2,785)	1,507	509	832	63	123
Increase (decrease) in accrued payroll	348	16	98	41	503	28
Increase (decrease) in retainage payable	67	(48)	71	(1)	89	-
Increase in other payable	1,153	388	236	199	1,976	89
(Decrease) in intergovernmental payables	(7)	-	-	-	(7)	-
Increase in deposits	145	64	-	-	209	-
(Decrease) in due to other funds	-	-	-	(222)	(222)	1,647
Increase in claims and judgments	-	-	-	-	-	1,074
Increase in decommissioning liability	4,417	-	-	-	4,417	-
(Decrease) in landfill capping	-	-	-	(165)	(165)	-
Net cash provided by operating activities	<u>\$ 87,801</u>	<u>\$ 26,832</u>	<u>\$ 6,467</u>	<u>\$ 2,315</u>	<u>\$ 123,415</u>	<u>\$ (1,377)</u>
Schedule of noncash financing and investing activities:						
The Electric Fund issued bonds to refund debt issued in 2008. The \$56,450 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$56,450 of outstanding bond principal.						
The Water Fund issued bonds to refund debt issued in 2008. The \$59,000 proceeds were deposited immediately into an irrevocable trust for the defeasance of \$59,000 of outstanding bond principal.						
Contribution in aid	<u>\$ 1,131</u>	<u>\$ 626</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 1,767</u>	<u>\$ -</u>

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

**City of Riverside**  
**Statement of Fiduciary Assets and Liabilities**  
**Fiduciary Fund - Agency Fund**  
**June 30, 2011**  
 (amounts expressed in thousands)

	<u>Agency Fund</u>
<b>Assets:</b>	
Cash and investments	\$ 8,655
Cash and investments at fiscal agent	8,962
Interest receivable	58
Property tax receivables	<u>262</u>
Total assets	<u><u>\$ 17,937</u></u>
<b>Liabilities:</b>	
Accounts payable	\$ 28
Held for bond holders	<u>17,909</u>
Total liabilities	<u><u>\$ 17,937</u></u>

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