

**City of Riverside**  
**Statement of Net Position**  
**June 30, 2014**  
**(amounts expressed in thousands)**

|   | <b>Governmental</b> | <b>Business-type</b> |                     |
|---|---------------------|----------------------|---------------------|
|   | <b>Activities</b>   | <b>Activities</b>    | <b>Total</b>        |
| <b>Assets</b>                                       |                     |                      |                     |
| Cash and investments                                | \$ 62,599           | \$ 322,169           | \$ 384,768          |
| Receivables, net                                    | 113,868             | 62,962               | 176,830             |
| Inventory   | 5,819               | 2,530                | 8,349               |
| Prepaid items                                       | 241                 | 25,520               | 25,761              |
| Deposits  | 300                 | 854                  | 1,154               |
| Derivative instruments                              | 49                  | -                    | 49                  |
| Internal balances                                   | 13,328              | (13,328)             | -                   |
| Restricted assets:                                  |                     |                      |                     |
| Cash and cash equivalents                           | -                   | 46,506               | 46,506              |
| Cash and investments at fiscal agent                | 43,118              | 234,179              | 277,297             |
| Other   | -                   | 1,067                | 1,067               |
| Advances to Successor Agency                        | 46,025              | 10,236               | 56,261              |
| Land and improvements held for resale               | 4,522               | -                    | 4,522               |
| Regulatory assets                                   | -                   | 25,921               | 25,921              |
| Net pension asset                                   | 101,184             | 21,622               | 122,806             |
| Land and other capital assets not being depreciated | 366,810             | 333,488              | 700,298             |
| Capital assets (net of accumulated depreciation)    | 992,250             | 1,253,614            | 2,245,864           |
| <b>Total assets</b>                                 | <b>1,750,113</b>    | <b>2,327,340</b>     | <b>4,077,453</b>    |
| <b>Deferred Outflows of Resources</b>               |                     |                      |                     |
| Deferred changes in derivative values               | 14,784              | 19,277               | 34,061              |
| Deferred charge on refunding                        | 5,096               | 21,167               | 26,263              |
| <b>Total deferred outflows of resources</b>         | <b>19,880</b>       | <b>40,444</b>        | <b>60,324</b>       |
| <b>Liabilities</b>                                  |                     |                      |                     |
| Accounts payable and other current liabilities      | 26,399              | 30,429               | 56,828              |
| Accrued interest payable                            | 3,519               | 12,010               | 15,529              |
| Unearned revenue                                    | 7,317               | 2,229                | 9,546               |
| Deposits  | 9,229               | 4,779                | 14,008              |
| Derivative instruments                              | 19,485              | 30,191               | 49,676              |
| Decommissioning liability                           | -                   | 75,299               | 75,299              |
| Noncurrent liabilities:                             |                     |                      |                     |
| Due within one year                                 | 76,147              | 86,427               | 162,574             |
| Due in more than one year                           | 426,926             | 1,072,615            | 1,499,541           |
| <b>Total liabilities</b>                            | <b>569,022</b>      | <b>1,313,979</b>     | <b>1,883,001</b>    |
| <b>Deferred Inflows of Resources</b>                |                     |                      |                     |
| Deferred changes in derivative values               | 49                  | -                    | 49                  |
| Deferred regulatory charges                         | -                   | 8,756                | 8,756               |
| <b>Total deferred inflows of resources</b>          | <b>49</b>           | <b>8,756</b>         | <b>8,805</b>        |
| <b>Net Position</b>                                 |                     |                      |                     |
| Net investment in capital assets                    | 1,106,384           | 616,844              | 1,723,228           |
| Restricted for:                                     |                     |                      |                     |
| Expendable:   |                     |                      |                     |
| Capital projects                                    | 16,943              | -                    | 16,943              |
| Debt service  | -                   | 51,240               | 51,240              |
| Economic development                                | 15,328              | -                    | 15,328              |
| Landfill capping                                    | -                   | 901                  | 901                 |
| Public works  | 17,439              | -                    | 17,439              |
| Housing   | 45,417              | -                    | 45,417              |
| Programs and regulatory requirements                | -                   | 16,365               | 16,365              |
| Nonexpendable                                       | 1,460               | -                    | 1,460               |
| Unrestricted  | (2,049)             | 359,699              | 357,650             |
| <b>Total net position</b>                           | <b>\$ 1,200,922</b> | <b>\$ 1,045,049</b>  | <b>\$ 2,245,971</b> |

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, 2014  
(amounts expressed in thousands)

| Functions/Programs             | Expenses   | Indirect Expenses Allocation | Program Revenues     |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |            |           |
|--------------------------------|------------|------------------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------|-----------|
|                                |            |                              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business type Activities | Total      |           |
| Governmental activities:       |            |                              |                      |                                    |                                  |   |                          |            |           |
| General government             | \$ 39,331  | \$ (12,357)                  | \$ 13,775            | \$ 4,114                           | \$ 3,893                         | \$ (5,192)  |                          | \$ (5,192) |           |
| Public safety                  | 149,555    | 6,279                        | 7,444                | 8,444                              | 1,778                            | (138,168)   |                          | (138,168)  |           |
| Highways and streets           | 36,564     | 3,369                        | 17,487               | 680                                | 39,370                           | 17,604  |                          | 17,604     |           |
| Culture and recreation         | 42,252     | 2,709                        | 7,406                | 1,103                              | 3,392                            | (33,060)  |                          | (33,060)   |           |
| Interest on long-term debt     | 17,741     | -                            | -                    | -                                  | -                                | (17,741)  |                          | (17,741)   |           |
| Total governmental activities  | 285,443    | -                            | 46,112               | 14,341                             | 48,433                           | (176,557)   |                          | (176,557)  |           |
| Business type activities:      |            |                              |                      |                                    |                                  |   |                          |            |           |
| Electric                       | 304,416    |                              | 344,037              | -                                  | 4,008                            |   | \$ 43,629                | 43,629     |           |
| Water                          | 60,030     |                              | 68,691               | -                                  | 3,534                            |   | 12,195                   | 12,195     |           |
| Sewer                          | 40,385     |                              | 46,162               | -                                  | 2,698                            |   | 8,475                    | 8,475      |           |
| Refuse                         | 20,831     |                              | 20,677               | -                                  | -                                |   | (154)                    | (154)      |           |
| Airport                        | 1,662      |                              | 1,100                | -                                  | 296                              |   | (266)                    | (266)      |           |
| Transportation                 | 4,067      |                              | 413                  | 2,524                              | 950                              |   | (180)                    | (180)      |           |
| Public parking                 | 4,610      |                              | 4,382                | -                                  | -                                |   | (228)                    | (228)      |           |
| Total business type activities | 436,001    |                              | 485,462              | 2,524                              | 11,486                           |   | 63,471                   | 63,471     |           |
| Total                          | \$ 721,444 |                              | \$ 531,574           | \$ 16,865                          | \$ 59,919                        |   | (176,557)                | 63,471     | (113,086) |

|                                      |  |              |              |              |
|--------------------------------------|--|--------------|--------------|--------------|
| General revenues:                    |  |              |              |              |
| Taxes:                               |  |              |              |              |
| Sales                                |  | 55,096       | -            | 55,096       |
| Property                             |  | 51,323       | -            | 51,323       |
| Utility users                        |  | 28,092       | -            | 28,092       |
| Franchise                            |  | 5,046        | -            | 5,046        |
| Transient occupancy tax              |  | 4,189        | -            | 4,189        |
| Intergovernmental, unrestricted      |  | 263          | -            | 263          |
| Investment income                    |  | 2,759        | 8,005        | 10,764       |
| Miscellaneous                        |  | 5,425        | 7,081        | 12,506       |
| Subtotal                             |  | 152,193      | 15,086       | 167,279      |
| Transfers, net                       |  | 43,100       | (43,100)     | -            |
| Total general revenues and transfers |  | 195,293      | (28,014)     | 167,279      |
| Change in net position               |  | 18,736       | 35,457       | 54,193       |
| Net position - beginning             |  | 1,182,186    | 1,009,592    | 2,191,778    |
| Net position - ending                |  | \$ 1,200,922 | \$ 1,045,049 | \$ 2,245,971 |

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

City of Riverside  
 Balance Sheet  
 Governmental Funds  
 June 30, 2014  
 (amounts expressed in thousands)

| Assets  | General Fund | Capital Outlay | Other Governmental Funds | Total Governmental Funds |
|---|--------------|----------------|--------------------------|--------------------------|
| Cash and investments  | \$ 31,017    | \$ -           | \$ 28,399                | \$ 59,416                |
| Cash and investments at fiscal agent                                | 4,564        | 25,675         | 12,879                   | 43,118                   |
| Receivables (net of allowance for uncollectibles)                   |              |                |                          |                          |
| Interest  | 1            | 84             | 134                      | 219                      |
| Property taxes  | 5,027        | -              | -                        | 5,027                    |
| Sales tax   | 13,106       | -              | -                        | 13,106                   |
| Utility billed  | 1,182        | -              | -                        | 1,182                    |
| Accounts  | 8,014        | 1,700          | 2                        | 9,716                    |
| Intergovernmental   | 4,445        | 44,174         | 2,582                    | 51,201                   |
| Notes   | -            | -              | 33,267                   | 33,267                   |
| Prepaid items   | 241          | -              | -                        | 241                      |
| Deposits  | 300          | -              | -                        | 300                      |
| Due from other funds  | 18,116       | -              | -                        | 18,116                   |
| Advances to other funds   | 23,226       | -              | -                        | 23,226                   |
| Advances to Successor Agency  | 652          | -              | 39,739                   | 40,391                   |
| Land & improvements held for resale                                 | -            | -              | 4,522                    | 4,522                    |
| Total assets  | \$ 109,891   | \$ 71,633      | \$ 121,524               | \$ 303,048               |
| <b>Liabilities</b>  |              |                |                          |                          |
| Accounts payable  | \$ 7,531     | \$ 4,961       | \$ 1,564                 | \$ 14,056                |
| Accrued payroll   | 8,635        | -              | 30                       | 8,665                    |
| Retainage payable   | 10           | 134            | 1,396                    | 1,540                    |
| Intergovernmental   | 159          | -              | -                        | 159                      |
| Unearned revenue  | 387          | 6,930          | -                        | 7,317                    |
| Deposits  | 9,226        | -              | 3                        | 9,229                    |
| Due to other funds  | -            | 17,381         | 602                      | 17,983                   |
| Advances from other funds   | 166          | -              | 11,717                   | 11,883                   |
| Total liabilities   | 26,114       | 29,406         | 15,312                   | 70,832                   |
| <b>Deferred Inflows of Resources</b>                                |              |                |                          |                          |
| Unavailable revenue   | 4,917        | 4,860          | 34,522                   | 44,299                   |
| Total deferred inflows of resources                                 | 4,917        | 4,860          | 34,522                   | 44,299                   |
| <b>Fund Balances</b>  |              |                |                          |                          |
| Nonspendable:   |              |                |                          |                          |
| Inventories, prepaids and noncurrent receivables                    | 541          | -              | -                        | 541                      |
| Advances  | 23,878       | -              | -                        | 23,878                   |
| Permanent fund principal  | -            | -              | 1,460                    | 1,460                    |
| Restricted for:   |              |                |                          |                          |
| Housing and redevelopment   | -            | -              | 26,223                   | 26,223                   |
| Debt service  | 1,819        | -              | 26,177                   | 27,996                   |
| Transportation and public works                                     | -            | 37,367         | 17,509                   | 54,876                   |
| Other purposes  | 385          | -              | 2,054                    | 2,439                    |
| General government  | 1,422        | -              | -                        | 1,422                    |
| Public safety   | 834          | -              | -                        | 834                      |
| Highways and streets  | 819          | -              | -                        | 819                      |
| Culture and recreation  | 1,004        | -              | -                        | 1,004                    |
| Continuing projects   | 10,426       | -              | -                        | 10,426                   |
| Unassigned  | 37,732       | -              | (1,733)                  | 35,999                   |
| Total fund balances   | 78,860       | 37,367         | 71,690                   | 187,917                  |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 109,891   | \$ 71,633      | \$ 121,524               | \$ 303,048               |

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 POSITION  
June 30, 2014  
(amounts expressed in thousands)**

Total fund balances - governmental funds \$187,917

Amounts reported for governmental activities in the Statement of Net Position 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. 1,352,707

The net pension asset is not an available resource and, therefore, is not reported in the funds. 99,800

Deferred refunding charges are not available resources and, therefore, are not reported in the funds. 5,096

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 44,299

Accrued interest payable for the current portion of interest due on various debt issues has not been reported in the governmental funds. (3,519)

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                         | \$ | (170,015) |           |
| Certificates of participation payable |    | (190,580) |           |
| Capital leases payable                |    | (13,168)  |           |
| Loan payable                          |    | (47,611)  |           |
| Bond premiums                         |    | (3,430)   |           |
| Net OPEB obligation                   |    | (13,767)  |           |
| Compensated absences                  |    | (21,437)  |           |
| Judgment payable                      |    | (6,667)   |           |
|                                       |    | (466,675) | (466,675) |

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   | \$ | (19,436) |         |
| Deferred amount related to the hedgeable portion of the derivative instrument |    | 14,735   |         |
|   |    | (4,701)  | (4,701) |

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.

(14,002)

Net position of governmental activities

\$1,200,922

**City of Riverside**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2014**  
**(amounts expressed in thousands)**

|   | <u>General Fund</u> | <u>Capital Outlay</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|---------------------|-----------------------|---|---|
| <b>Revenues</b>   |                     |                       |   |   |
| Taxes   | \$ 143,748          | \$ -                  | \$ -                                    | \$ 143,748                              |
| Licenses and permits                                      | 7,694               | -                     | 1,550                                   | 9,244                                   |
| Intergovernmental   | 12,915              | 28,719                | 17,714                                  | 59,348                                  |
| Charges for services                                      | 15,734              | -                     | -                                       | 15,734                                  |
| Fines and forfeitures                                     | 7,283               | -                     | -                                       | 7,283                                   |
| Special assessments                                       | 4,219               | 288                   | 1,765                                   | 6,272                                   |
| Rental and investment income                              | 1,857               | 307                   | 2,151                                   | 4,315                                   |
| Miscellaneous   | 3,402               | 1,780                 | 1,775                                   | 6,957                                   |
| Total revenues  | <u>196,852</u>      | <u>31,094</u>         | <u>24,955</u>                           | <u>252,901</u>                          |
| <b>Expenditures</b>                                       |                     |                       |   |   |
| Current:  |                     |                       |   |   |
| General government  | 10,351              | -                     | 3,207                                   | 13,558                                  |
| Public safety   | 149,450             | -                     | 2,271                                   | 151,721                                 |
| Highways and streets                                      | 16,944              | -                     | -                                       | 16,944                                  |
| Culture and recreation                                    | 34,165              | -                     | 110                                     | 34,275                                  |
| Capital outlay  | 8,589               | 48,333                | 15,443                                  | 72,365                                  |
| Debt service:   |                     |                       |   |   |
| Principal   | 40,202              | -                     | 5,298                                   | 45,500                                  |
| Interest  | 6,259               | -                     | 10,528                                  | 16,787                                  |
| Bond issuance costs                                       | 103                 | 738                   | 2                                       | 843                                     |
| Total expenditures  | <u>266,063</u>      | <u>49,071</u>         | <u>36,859</u>                           | <u>351,993</u>                          |
| Excess (deficiency) of revenues over (under) expenditures | <u>(69,211)</u>     | <u>(17,977)</u>       | <u>(11,904)</u>                         | <u>(99,092)</u>                         |
| <b>Other financing sources (uses)</b>                     |                     |                       |   |   |
| Transfers in  | 45,695              | -                     | 12,774                                  | 58,469                                  |
| Transfers out   | (13,184)            | (2,185)               | -                                       | (15,369)                                |
| Issuance of long term debt                                | 30,940              | 56,097                | -                                       | 87,037                                  |
| Capital lease financings                                  | 6,625               | -                     | -                                       | 6,625                                   |
| Sales of capital assets                                   | 904                 | -                     | 27                                      | 931                                     |
| Total other financing sources and uses                    | <u>70,980</u>       | <u>53,912</u>         | <u>12,801</u>                           | <u>137,693</u>                          |
| Net change in fund balances                               | 1,769               | 35,935                | 897                                     | 38,601                                  |
| Fund balances - beginning                                 | 77,091              | 1,432                 | 70,793                                  | 149,316                                 |
| Fund balances - ending                                    | <u>\$ 78,860</u>    | <u>\$ 37,367</u>      | <u>\$ 71,690</u>                        | <u>\$ 187,917</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, 2014**  
**(amounts expressed in thousands)**

Net change in fund balances-total governmental funds \$38,601

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 | \$ 66,315       |        |
| Depreciation expense    | <u>(41,706)</u> | 24,609 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to increase net position. 12,697

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. (3,412)

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. (4,851)

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 position. Also, governmental funds immediately report the effect of 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                       | \$ 45,500       |          |
| Payment of judgment                        | 3,333           |          |
| Other post-employment benefit liabilities  | (1,810)         |          |
| Compensated absences                       | (168)           |          |
| Interest                                   | 79              |          |
| Premiums on the issuance of long-term debt | (1,211)         |          |
| Issuance of long-term debt                 | <u>(92,451)</u> | (46,728) |

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. (2,180)

Change in net position of governmental activities \$ 18,736

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, 2014  
(amounts expressed in thousands)

|                              | Budgeted Amounts |            | Actual<br>Amounts | Variance with<br>Final Budget |  | Budgeted Amounts |           | Actual<br>Amounts | Variance with<br>Final Budget |
|------------------------------|------------------|------------|-------------------|-------------------------------|--|------------------|-----------|-------------------|-------------------------------|
|                              | Original         | Final      |                   |                               |  | Original         | Final     |                   |                               |
| <b>Revenues</b>              |                  |            |                   |                               |  |                  |           |                   |                               |
| Taxes                        | \$ 140,868       | \$ 140,868 | \$ 143,748        | \$ 2,880                      | Public safety:                           |                  |           |                   |                               |
| Licenses and permits         | 7,736            | 7,736      | 7,694             | (42)                          | Police                                   | 82,023           | 91,303    | 91,208            | 95                            |
| Intergovernmental            | 1,195            | 16,185     | 12,915            | (3,270)                       | Fire                                     | 44,809           | 48,384    | 48,019            | 365                           |
| Charges for services         | 13,087           | 15,739     | 15,734            | (5)                           | Animal regulation                        | 3,487            | 3,501     | 3,483             | 18                            |
| Fines and forfeitures        | 5,516            | 5,516      | 7,283             | 1,767                         | Building and zoning inspection           | 2,152            | 2,152     | 2,195             | (43)                          |
| Special assessments          | 4,401            | 4,401      | 4,219             | (182)                         | Street lighting                          | 4,503            | 4,511     | 4,545             | (34)                          |
| Rental and investment income | 1,318            | 1,318      | 1,857             | 539                           | Total public safety                      | 136,974          | 149,851   | 149,450           | 401                           |
| Miscellaneous                | 5,834            | 5,838      | 3,402             | (2,436)                       | Highways and streets                     | 18,369           | 20,213    | 16,944            | 3,269                         |
| Total revenues               | 179,955          | 197,601    | 196,852           | (749)                         | Culture and recreation                   |                  |           |                   |                               |
|                              |                  |            |                   |                               | Library                                  | 6,630            | 7,461     | 6,882             | 579                           |
|                              |                  |            |                   |                               | Museum & cultural affairs                | 7,990            | 9,775     | 9,698             | 77                            |
|                              |                  |            |                   |                               | Parks, recreation & community services   | 15,711           | 18,929    | 17,585            | 1,344                         |
|                              |                  |            |                   |                               | Total culture and recreation             | 30,331           | 36,165    | 34,165            | 2,000                         |
|                              |                  |            |                   |                               | Capital outlay                           | 156              | 13,039    | 8,589             | 4,450                         |
| <b>Expenditures</b>          |                  |            |                   |                               | Debt service:                            |                  |           |                   |                               |
| General government:          |                  |            |                   |                               | Principal                                | 9,319            | 40,259    | 40,202            | 57                            |
| Mayor                        | 888              | 935        | 855               | 80                            | Interest                                 | 6,527            | 6,424     | 6,259             | 165                           |
| Council                      | 1,278            | 1,278      | 1,215             | 63                            | Bond issuance costs                      | -                | 103       | 103               | -                             |
| Manager                      | 7,176            | 7,517      | 6,912             | 605                           | Total debt service                       | 15,846           | 46,786    | 46,564            | 222                           |
| Attorney                     | 3,917            | 4,375      | 4,226             | 149                           | Total expenditures                       | 212,312          | 281,476   | 266,063           | 15,413                        |
| Clerk                        | 1,342            | 1,485      | 1,369             | 116                           | Deficiency of revenue under expenditures | (32,357)         | (83,875)  | (69,211)          | 14,664                        |
| Community development        | 9,634            | 10,421     | 9,200             | 1,221                         | <b>Other financing sources (uses)</b>    |                  |           |                   |                               |
| Human resources              | 2,942            | 3,244      | 2,952             | 292                           | Transfers in                             | 42,493           | 45,695    | 45,695            | -                             |
| General services             | 8,492            | 9,713      | 7,694             | 2,019                         | Transfers out                            | (10,226)         | (15,251)  | (13,184)          | 2,067                         |
| Finance                      | 8,254            | 8,612      | 8,236             | 376                           | Issuance of long term debt               | -                | 30,940    | 30,940            | -                             |
| Innovation & technology      | 10,451           | 11,580     | 9,646             | 1,934                         | Capital lease proceeds                   | -                | 6,625     | 6,625             | -                             |
| Subtotal                     | 54,374           | 59,160     | 52,305            | 6,855                         | Sale of capital assets                   | 90               | 297       | 904               | 607                           |
| Allocated expenditures       | (43,738)         | (43,738)   | (41,954)          | (1,784)                       | Total other financing sources            | 32,357           | 68,306    | 70,980            | 2,674                         |
| Total general government     | 10,636           | 15,422     | 10,351            | 5,071                         | Net change in fund balances              | -                | (15,569)  | 1,769             | 17,338                        |
|                              |                  |            |                   | continued                     | Fund balance, beginning                  | 77,091           | 77,091    | 77,091            | -                             |
|                              |                  |            |                   |                               | Fund balance, ending                     | \$ 77,091        | \$ 61,522 | \$ 78,860         | \$ 17,338                     |

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

City of Riverside  
Statement of Net Position  
Proprietary Funds  
June 30, 2014  
(amounts expressed in thousands)

Business-type Activities - Enterprise Funds

| Assets   | Electric   | Water     | Sewer     | Other Enterprise Funds | Total Enterprise Funds | Governmental Activities-Internal Service Funds |
|--|------------|-----------|-----------|------------------------|------------------------|--|
| Current assets:  |            |           |           |                        |                        |  |
| Cash and investments   | \$ 210,929 | \$ 86,181 | \$ 18,794 | \$ 6,265               | \$ 322,169             | \$ 3,183                                       |
| Receivables (net allowances for uncollectibles)              |            |           |           |                        |                        |  |
| Interest   | 1,127      | 429       | 53        | 40                     | 1,649                  | 44   |
| Utility billed   | 17,634     | 4,475     | 2,675     | 1,041                  | 25,825                 | -  |
| Utility unbilled   | 14,731     | 3,347     | 1,722     | 723                    | 20,523                 | -  |
| Accounts   | 3,930      | 1,601     | 134       | 1,217                  | 6,882                  | 54   |
| Intergovernmental  | 385        | 241       | 706       | 85                     | 1,417                  | 52   |
| Other  | -          | 3,333     | -         | -                      | 3,333                  | -  |
| Inventory  | 1,202      | -         | 1,328     | -                      | 2,530                  | 5,819  |
| Prepaid items  | 22,345     | 17        | 15        | -                      | 22,377                 | -  |
| Deposits   | 854        | -         | -         | -                      | 854                    | -  |
| Due from other funds   | 914        | 392       | -         | -                      | 1,306                  | -  |
| Restricted assets:   |            |           |           |                        |                        |  |
| Cash and cash equivalents:                                   |            |           |           |                        |                        |  |
| Rate stabilization cash and cash equivalents                 | -          | -         | 9,360     | -                      | 9,360                  | -  |
| Other restricted cash and cash equivalents                   | 27,878     | 8,367     | -         | 901                    | 37,146                 | -  |
| Public benefit programs receivable                           | 939        | 128       | -         | -                      | 1,067                  | -  |
| Total current assets   | 302,868    | 108,511   | 34,787    | 10,272                 | 456,438                | 9,152  |
| Non-current assets:  |            |           |           |                        |                        |  |
| Restricted assets:   |            |           |           |                        |                        |  |
| Cash and investments at fiscal agent                         | 176,349    | 10,554    | 47,276    | -                      | 234,179                | -  |
| Regulatory assets  | 17,451     | 943       | 1,028     | 6,499                  | 25,921                 | -  |
| Prepaid items - non-current                                  | 3,143      | -         | -         | -                      | 3,143                  | -  |
| Other receivables  | -          | 3,333     | -         | -                      | 3,333                  | -  |
| Advances to other funds                                      | -          | -         | 7,283     | -                      | 7,283                  | 6,224  |
| Advances to Successor Agency                                 | 5,800      | -         | 4,436     | -                      | 10,236                 | 5,634  |
| Net pension asset  | 11,450     | 4,926     | 3,151     | 2,095                  | 21,622                 | 1,384  |
| Capital assets:  |            |           |           |                        |                        |  |
| Land   | 8,717      | 20,484    | 2,734     | 19,180                 | 51,115                 | 458  |
| Intangible assets, non-depreciable                           | 10,651     | 10,841    | -         | -                      | 21,492                 | -  |
| Intangible assets, depreciable                               | 325        | 385       | 120       | -                      | 830                    | -  |
| Accumulated depreciation - intangible assets, depreciable    | (123)      | (228)     | (7)       | -                      | (358)                  | -  |
| Buildings  | 23,093     | 18,340    | 191,696   | 35,881                 | 269,010                | 1,488  |
| Accumulated depreciation - buildings                         | (6,448)    | (5,058)   | (97,903)  | (5,684)                | (115,093)              | (300)  |
| Improvements other than buildings                            | 857,377    | 543,755   | 100,179   | 28,084                 | 1,529,395              | 726  |
| Accumulated depreciation - improvements other than buildings | (267,734)  | (163,605) | (17,233)  | (8,245)                | (456,817)              | (83)   |
| Machinery and equipment                                      | 31,626     | 13,306    | 11,215    | 19,993                 | 76,140                 | 10,809   |
| Accumulated depreciation - machinery and equipment           | (17,173)   | (11,203)  | (6,876)   | (14,241)               | (49,493)               | (8,227)  |
| Construction in progress                                     | 51,105     | 15,828    | 193,913   | 35                     | 260,881                | 1,482  |
| Total non-current assets                                     | 905,609    | 462,601   | 441,012   | 83,597                 | 1,892,819              | 19,595   |
| Total assets   | 1,208,477  | 571,112   | 475,799   | 93,869                 | 2,349,257              | 28,747   |
| <b>Deferred Outflows of Resources</b>                        |            |           |           |                        |                        |  |
| Deferred changes in derivative values                        | 16,336     | 2,941     | -         | -                      | 19,277                 | -  |
| Deferred charge on refunding                                 | 12,952     | 8,215     | -         | -                      | 21,167                 | -  |
| Total deferred outflows of resources                         | 29,288     | 11,156    | -         | -                      | 40,444                 | -  |

Continued

City of Riverside  
Statement of Net Position  
Proprietary Funds  
June 30, 2014  
(amounts expressed in thousands)

**Business-type Activities - Enterprise Funds**

| <b>Liabilities</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> |
|---|-----------------|--------------|--------------|-------------------------------|-------------------------------|---|
| Current liabilities:                                |                 |              |              |                               |                               |   |
| Accounts payable                                    | 11,401          | 3,224        | 1,303        | 1,032                         | 16,960                        | 1,808   |
| Accrued payroll                                     | 1,292           | 465          | 305          | 196                           | 2,258                         | 100   |
| Retainage payable                                   | 283             | 410          | -            | 20                            | 713                           | 71  |
| Unearned revenue                                    | -               | -            | -            | 2,229                         | 2,229                         | -   |
| Deposits  | 3,844           | 935          | -            | -                             | 4,779                         | -   |
| Due to other funds                                  | -               | -            | -            | 133                           | 133                           | 1,306   |
| Capital leases - current                            | 700             | -            | -            | -                             | 700                           | -   |
| Water stock acquisitions - current                  | -               | 150          | -            | -                             | 150                           | -   |
| Notes payable - current                             | -               | -            | 731          | 906                           | 1,637                         | -   |
| Landfill capping - current                          | -               | -            | -            | 200                           | 200                           | -   |
| Claims and judgments - current                      | -               | -            | -            | -                             | -                             | 11,122  |
| Compensated absences - current                      | 3,613           | 1,348        | 995          | 524                           | 6,480                         | 267   |
| Current liabilities payable from restricted assets: |                 |              |              |                               |                               |   |
| Revenue bonds                                       | 14,920          | 5,015        | 57,325       | -                             | 77,260                        | -   |
| Accrued interest                                    | 5,770           | 1,801        | 4,439        | -                             | 12,010                        | -   |
| Accounts payable                                    | 2,023           | 1,356        | 7,119        | -                             | 10,498                        | -   |
| Total current liabilities                           | 43,846          | 14,704       | 72,217       | 5,240                         | 136,007                       | 14,674  |
| Non-current liabilities:                            |                 |              |              |                               |                               |   |
| Revenue bonds                                       | 593,094         | 202,176      | 221,760      | -                             | 1,017,030                     | -   |
| Notes payable                                       | -               | 9,482        | 3,725        | 21,186                        | 34,393                        | -   |
| Capital leases                                      | 1,566           | -            | -            | -                             | 1,566                         | -   |
| Advances from other funds                           | 11,284          | 4,855        | 3,106        | 2,539                         | 21,784                        | 3,066   |
| Decommissioning liability                           | 75,299          | -            | -            | -                             | 75,299                        | -   |
| Derivative instruments                              | 22,108          | 8,083        | -            | -                             | 30,191                        | -   |
| Claims and judgments                                | -               | -            | -            | -                             | -                             | 24,045  |
| Water stock acquisitions                            | -               | 792          | -            | -                             | 792                           | -   |
| Landfill capping                                    | -               | -            | -            | 5,972                         | 5,972                         | -   |
| Compensated absences                                | 830             | 333          | 185          | 97                            | 1,445                         | 292   |
| Other postemployment benefits                       | 5,749           | 2,446        | 1,734        | 1,474                         | 11,403                        | 672   |
| Other payables                                      | 14              | -            | -            | -                             | 14                            | -   |
| Total non-current liabilities                       | 709,944         | 228,167      | 230,510      | 31,268                        | 1,199,889                     | 28,075  |
| Total liabilities                                   | 753,790         | 242,871      | 302,727      | 36,508                        | 1,335,896                     | 42,749  |
| <b>Deferred Inflows of Resources</b>                |                 |              |              |                               |                               |   |
| Deferred regulatory charges                         | -               | 6,667        | 2,089        | -                             | 8,756                         | -   |
| Total deferred inflows of resources                 | -               | 6,667        | 2,089        | -                             | 8,756                         | -   |
| <b>Net Position</b>                                 |                 |              |              |                               |                               |   |
| Net investment in capital assets                    | 196,771         | 245,731      | 121,431      | 52,911                        | 616,844                       | 6,353   |
| Restricted for debt service                         | 15,808          | 5,930        | 29,502       | -                             | 51,240                        | -   |
| Restricted for landfill capping                     | -               | -            | -            | 901                           | 901                           | -   |
| Restricted for programs and regulatory requirements | 12,882          | 2,499        | 984          | -                             | 16,365                        | -   |
| Unrestricted  | 258,514         | 78,570       | 19,066       | 3,549                         | 359,699                       | (20,355)  |
| Total net position                                  | \$ 483,975      | \$ 332,730   | \$ 170,983   | \$ 57,361                     | \$ 1,045,049                  | \$ (14,002)   |

The notes to the 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, 2014  
(amounts expressed in thousands)

|  | Business-type Activities - Enterprise Funds |            |            |                           |                           | Governmental<br>Activities-Internal<br>Service Funds |
|--|---|------------|------------|---------------------------|---------------------------|--|
|  | Electric                                    | Water      | Sewer      | Other Enterprise<br>Funds | Total Enterprise<br>Funds |  |
| Operating revenues:                                      |   |            |            |                           |                           |  |
| Charges for services                                     | \$ 344,037                                  | \$ 68,691  | \$ 46,162  | \$ 26,572                 | \$ 485,462                | \$ 21,772  |
| Operating expenses:                                      |   |            |            |                           |                           |  |
| Personnel services                                       | 37,572                                      | 12,847     | 9,916      | 8,169                     | 68,504                    | 4,164  |
| Contractual services                                     | 7,394                                       | 2,326      | 1,470      | 5,545                     | 16,735                    | 141  |
| Maintenance and operation                                | 190,510                                     | 9,236      | 7,486      | 7,238                     | 214,470                   | 2,176  |
| General  | 12,083                                      | 12,871     | 6,119      | 4,119                     | 35,192                    | 2,151  |
| Materials and supplies                                   | 756   | 761        | 3,440      | 1,373                     | 6,330                     | 222  |
| Claims/Insurance   | 1,342                                       | 591        | 499        | 300                       | 2,732                     | 14,628   |
| Depreciation and amortization                            | 27,260                                      | 12,799     | 6,861      | 4,013                     | 50,933                    | 572  |
| Total operating expenses                                 | 276,917                                     | 51,431     | 35,791     | 30,757                    | 394,896                   | 24,054   |
| Operating income (loss)                                  | 67,120                                      | 17,260     | 10,371     | (4,185)                   | 90,566                    | (2,282)  |
| Non-operating revenues (expenses):                       |   |            |            |                           |                           |  |
| Operating grants   | -   | -          | -          | 2,524                     | 2,524                     | -  |
| Interest income  | 6,041                                       | 1,049      | 827        | 88                        | 8,005                     | 229  |
| Other  | 3,444                                       | 698        | 1,691      | 1,204                     | 7,037                     | (4)  |
| Gain (loss) on retirement of capital assets              | 293   | (253)      | (11)       | 536                       | 565                       | (4)  |
| Capital improvement fees                                 | -   | -          | 2,684      | -                         | 2,684                     | -  |
| Interest expense and fiscal charges                      | (27,499)                                    | (8,599)    | (4,583)    | (945)                     | (41,626)                  | (119)  |
| Total non-operating revenues (expenses)                  | (17,721)                                    | (7,105)    | 608        | 3,407                     | (20,811)                  | 102  |
| Income (loss) before capital contributions and transfers | 49,399                                      | 10,155     | 10,979     | (778)                     | 69,755                    | (2,180)  |
| Cash capital contributions                               | 2,890                                       | 2,278      | -          | 1,246                     | 6,414                     | -  |
| Noncash capital contributions                            | 1,118                                       | 1,256      | 14         | -                         | 2,388                     | -  |
| Transfers in   | -   | 3,333      | -          | -                         | 3,333                     | -  |
| Transfers out  | (38,704)                                    | (6,991)    | -          | (738)                     | (46,433)                  | -  |
| Change in net position                                   | 14,703                                      | 10,031     | 10,993     | (270)                     | 35,457                    | (2,180)  |
| Total net position - beginning                           | 469,272                                     | 322,699    | 159,990    | 57,631                    | 1,009,592                 | (11,822)   |
| Total net position - ending                              | \$ 483,975                                  | \$ 332,730 | \$ 170,983 | \$ 57,361                 | \$ 1,045,049              | \$ (14,002)  |

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, 2014  
(amounts expressed in thousands)

|  | Electric          | Water             | Sewer            | Other<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|-------------------|-------------------|------------------|------------------------------|------------------------------|--|
| <b>Cash flows from operating activities:</b>   |                   |                   |                  |                              |                              |  |
| Cash received from customers and users   | \$ 348,296        | \$ 69,567         | \$ 45,787        | \$ 27,841                    | \$ 491,491                   | \$ 22,585  |
| Cash paid to employees for services  | (34,466)          | (12,591)          | (10,419)         | (7,911)                      | (65,387)                     | (3,863)  |
| Cash paid to other suppliers of goods or services  | (221,460)         | (22,331)          | (19,941)         | (19,701)                     | (283,433)                    | (14,781)   |
| Other receipts   | 3,444             | 698               | 3,779            | 1,201                        | 9,122                        | 1  |
| Net cash provided (used) by operating activities   | <u>95,814</u>     | <u>35,343</u>     | <u>19,206</u>    | <u>1,430</u>                 | <u>151,793</u>               | <u>3,942</u>   |
| <b>Cash flows from noncapital financing activities:</b>  |                   |                   |                  |                              |                              |  |
| Transfers in   | -                 | 3,333             | -                | -                            | 3,333                        | -  |
| Transfers out  | (38,704)          | (6,991)           | -                | (738)                        | (46,433)                     | -  |
| Receipts on interfund advances   | 793               | 364               | 254              | -                            | 1,411                        | 5,366  |
| Outflows on interfund advances   | (497)             | (214)             | (137)            | (1,401)                      | (2,249)                      | (6,675)  |
| Advances to other funds  | -                 | -                 | -                | -                            | -                            | -  |
| Net cash (used) provided by noncapital financing activities  | <u>(38,408)</u>   | <u>(3,508)</u>    | <u>117</u>       | <u>(2,139)</u>               | <u>(43,938)</u>              | <u>(1,309)</u>   |
| <b>Cash flows from capital and related financing activities:</b>   |                   |                   |                  |                              |                              |  |
| Purchase of capital assets   | (36,349)          | (22,648)          | (104,392)        | (1,787)                      | (165,176)                    | (3,716)  |
| Proceeds from the sale of capital assets   | 341               | 2                 | -                | 2,642                        | 2,985                        | -  |
| Proceeds from long-term obligations  | 2,315             | -                 | 50,000           | -                            | 52,315                       | -  |
| Principal paid on long-term obligations  | (21,827)          | (4,363)           | (7,841)          | (878)                        | (34,909)                     | -  |
| Interest paid on long-term obligations   | (29,400)          | (8,848)           | (10,913)         | (944)                        | (50,105)                     | (104)  |
| Capital improvement fees   | -                 | -                 | 2,684            | -                            | 2,684                        | -  |
| Grant Proceeds   | -                 | -                 | -                | 2,633                        | 2,633                        | -  |
| Capital contributions  | 2,890             | 2,278             | -                | 1,246                        | 6,414                        | -  |
| Bond issuance costs  | (454)             | (19)              | (103)            | -                            | (576)                        | -  |
| Net cash (used) for capital and related financing activities   | <u>(82,484)</u>   | <u>(33,598)</u>   | <u>(70,565)</u>  | <u>2,912</u>                 | <u>(183,735)</u>             | <u>(3,820)</u>   |
| <b>Cash flows from investing activities:</b>   |                   |                   |                  |                              |                              |  |
| Purchase of investments  | 5,301             | -                 | -                | -                            | 5,301                        | -  |
| Income from investments  | 5,748             | 1,004             | 861              | 73                           | 7,686                        | 161  |
| Net cash provided by investing activities  | <u>11,049</u>     | <u>1,004</u>      | <u>861</u>       | <u>73</u>                    | <u>12,987</u>                | <u>161</u>   |
| Net change in cash and cash equivalents  | (14,029)          | (759)             | (50,381)         | 2,276                        | (62,893)                     | (1,026)  |
| <b>Cash and cash equivalents, beginning (including \$137,262 for Electric, \$32,780 for Water, \$113,614 for Sewer and \$1,185 for Other Enterprise Funds in restricted accounts.)</b> |                   |                   |                  |                              |                              |  |
|  | <u>335,085</u>    | <u>105,861</u>    | <u>125,811</u>   | <u>4,890</u>                 | <u>571,647</u>               | <u>4,209</u>   |
| <b>Cash and cash equivalents, ending (including \$110,127 for Electric, \$18,921 for Water, \$56,636 for Sewer and \$901 for Other Enterprise Funds in restricted accounts.)</b>       |                   |                   |                  |                              |                              |  |
|  | <u>\$ 321,056</u> | <u>\$ 105,102</u> | <u>\$ 75,430</u> | <u>\$ 7,166</u>              | <u>\$ 508,754</u>            | <u>\$ 3,183</u>  |

Continued

City of Riverside  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2014  
(amounts expressed in thousands)

Continued

|   | <u>Electric</u>  | <u>Water</u>     | <u>Sewer</u>     | <u>Other<br/>Enterprise<br/>Funds</u> | <u>Total<br/>Enterprise<br/>Funds</u> | <u>Governmental<br/>Activities-<br/>Internal<br/>Service Funds</u> |
|---|------------------|------------------|------------------|---------------------------------------|---------------------------------------|--|
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities:        |                  |                  |                  |                                       |                                       |  |
| Operating Income (loss)   | \$ 67,120        | \$ 17,260        | \$ 10,371        | \$ (4,185)                            | \$ 90,566                             | \$ (2,282)   |
| Other receipts  | 3,444            | 698              | 1,690            | 1,201                                 | 7,033                                 | 1  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: |                  |                  |                  |                                       |                                       |  |
| Depreciation and amortization   | 27,260           | 12,799           | 6,861            | 4,013                                 | 50,933                                | 572  |
| Amortization of pension costs   | 504              | 217              | 139              | 93                                    | 953                                   | 61   |
| (Increase) Decrease in utility billed receivable  | (681)            | 4                | (219)            | -                                     | (896)                                 | -  |
| (Increase) Decrease in utility unbilled receivable  | 186              | 129              | (125)            | -                                     | 190                                   | -  |
| (Increase) Decrease in accounts receivable  | 4,869            | 565              | 16               | 1,275                                 | 6,725                                 | (3)  |
| (Increase) in intergovernmental receivable  | -                | -                | (47)             | (6)                                   | (53)                                  | -  |
| (Increase) Decrease in prepaid items  | (5,168)          | 2                | -                | -                                     | (5,166)                               | -  |
| Decrease in inventory   | -                | -                | 22               | -                                     | 22                                    | 872  |
| (Decrease) Increase in accounts payable   | (1,725)          | 3,025            | (941)            | (840)                                 | (481)                                 | 885  |
| Increase (Decrease) in accrued payroll  | -                | -                | 8                | 488                                   | 496                                   | 80   |
| Increase (Decrease) in retainage payable  | -                | -                | (966)            | -                                     | (966)                                 | -  |
| Increase (Decrease) in other payable  | 400              | 467              | 316              | (323)                                 | 860                                   | 159  |
| Increase in deferred regulatory charges   | -                | -                | 2,089            | -                                     | 2,089                                 | -  |
| Increase (Decrease) in deposits   | 473              | 177              | (8)              | -                                     | 642                                   | -  |
| (Decrease) in decommissioning liability   | (868)            | -                | -                | -                                     | (868)                                 | -  |
| (Decrease) in landfill capping  | -                | -                | -                | (286)                                 | (286)                                 | -  |
| Increase in claims and judgments  | -                | -                | -                | -                                     | -                                     | 3,597  |
| Net cash provided by operating activities   | <u>\$ 95,814</u> | <u>\$ 35,343</u> | <u>\$ 19,206</u> | <u>\$ 1,430</u>                       | <u>\$ 151,793</u>                     | <u>\$ 3,942</u>  |
| Schedule of noncash financing and investing activities:   |                  |                  |                  |                                       |                                       |  |
| Capital Contributions - capital assets  | \$ 1,118         | \$ 1,256         | \$ -             | \$ -                                  | \$ 2,374                              | \$ -   |
| Land purchase with note payable   | -                | 9,482            | -                | -                                     | 9,482                                 | -  |
| Proceeds of refunding debt  | 80,236           | -                | -                | -                                     | 80,236                                | -  |

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

**City of Riverside**  
**Statement of Net Position/(Deficit)**  
**Fiduciary Funds**  
**June 30, 2014**  
**(amounts expressed in thousands)**

|  | <b>Successor Agency<br/>Private-Purpose<br/>Trust Fund</b> | <b>Agency<br/>Fund</b> |
|--|--|------------------------|
| <b>Assets</b>                              |  |                        |
| Cash and investments                       | \$ 26,105  | \$ 5,666               |
| Cash and investments at fiscal agent       | 25,974   | 6,740                  |
| Receivables:                               |  |                        |
| Interest                                   | 97   | 26                     |
| Accounts                                   | 22   | -                      |
| Notes                                      | 22,235   | -                      |
| Direct financing lease receivable          | 20,510   | -                      |
| Deposits                                   | 2  | -                      |
| Property tax receivables                   | -  | 114                    |
| Land & improvements held for resale        | 15,799   | -                      |
| Capital assets:                            |  |                        |
| Land                                       | 185  | -                      |
| Equipment                                  | 6  | -                      |
| Accumulated depreciation - equipment       | (6)  | -                      |
| <b>Total assets</b>                        | <b>110,929</b>   | <b>12,546</b>          |
| <b>Liabilities</b>                         |  |                        |
| Accounts payable                           | 1,155  | -                      |
| Retainage payable                          | 229  | -                      |
| Accrued interest                           | 4,940  | -                      |
| Advances from City of Riverside            | 56,261   | -                      |
| Bonds payable                              | 248,040  | -                      |
| Notes payable                              | 5,607  | -                      |
| Held for bond holders                      | -  | 12,546                 |
| <b>Total liabilities</b>                   | <b>316,232</b>   | <b>12,546</b>          |
| <b>Deferred Inflows of Resources</b>       |  |                        |
| Deferred charge on refunding               | 301  | -                      |
| <b>Total deferred inflows of resources</b> | <b>301</b>   | <b>-</b>               |
| <b>Net Position/(Deficit)</b>              |  |                        |
| Held by Successor Agency                   | (205,604)  | -                      |
| <b>Total net position/(deficit)</b>        | <b>\$ (205,604)</b>  | <b>\$ -</b>            |

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

**City of Riverside**  
**Statement of Changes in Net Position/(Deficit)**  
**Fiduciary Fund - Private-Purpose Trust Fund**  
**For the fiscal year ended June 30, 2014**  
**(amounts expressed in thousands)**

|  | <b>Successor Agency<br/>Private-Purpose<br/>Trust Fund</b> |
|--|--|
| <b>Additions</b>                           |  |
| Property tax revenue                       | \$ 26,460  |
| Rental and investment income               | 2,624  |
| Miscellaneous                              | 1,240  |
| Total additions                            | <u>30,324</u>  |
| <b>Deductions</b>                          |  |
| Professional services and other deductions | 2,613  |
| Redevelopment projects                     | 8,129  |
| Interest expense                           | 13,680   |
| Total deductions                           | <u>24,422</u>  |
| <b>Change in Net Position/(Deficit)</b>    | 5,902  |
| Net position/(deficit) - beginning         | (211,506)  |
| Net position/(deficit) - ending            | <u>\$ (205,604)</u>  |

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