NEW ISSUE—BOOK-ENTRY ONLY | **RATING: S&P: "AA"**
See the caption "RATING."

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Special Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in this Official Statement, interest with respect to the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Special Counsel, interest with respect to the Certificates is exempt from State of California personal income tax. See the caption "TAX MATTERS" with respect to tax consequences relating to the Certificates, including with respect to the alternative minimum tax imposed on certain large corporations for tax years beginning after December 31, 2022.

$21,190,000
RIVERSIDE PUBLIC FINANCING AUTHORITY
LOCAL MEASURE A SALES TAX REVENUE (INSTALLMENT SALE) REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2023 (2013 RIVERSIDE PAVEMENT REHABILITATION PROJECT)
Evidencing Proportionate and Undivided Interests of the Owners Thereof in Installment Sale Payments to be Made by the City of Riverside Pursuant to the 2013 Installment Sale Agreement

Dated: Date of Delivery | **Due: June 1, as shown on inside cover**

The Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project) (the "**Certificates**"), are being executed and delivered by U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), pursuant to the provisions of a Trust Agreement, dated as of July 1, 2023 (the "**Trust Agreement**"), by and among the Riverside Public Financing Authority (the "**Authority**"), the Trustee and the City of Riverside (the "**Local Agency**"). Capitalized terms used on this cover page and not otherwise defined have the meanings ascribed to them elsewhere in this Official Statement. See in particular Appendix A under the caption "DEFINITIONS."

The proceeds from the sale of the Certificates will be used: (i) to prepay all of the outstanding Riverside Public Financing Local Measure A Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2013 (Riverside Pavement Rehabilitation Project) (the "2**013 Certificates**"); and (ii) to pay costs incurred in connection with the execution, sale, and delivery of the Certificates. The Certificates are secured by payments made by the Local Agency to the Authority pursuant to the 2013 Installment Sale Agreement, dated as of July 1, 2013 (the "**Original Installment Sale Agreement**"), as amended and supplemented by the First Supplement to 2013 Installment Sale Agreement, dated as of July 1, 2023 (the "**First Supplement**" and, together with the Original Installment Sale Agreement, the "**2013 Installment Sale Agreement**"), each by and between the Authority and the Local Agency. See the captions "ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS," "THE REFUNDING PLAN," and "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

The Local Agency is required under the 2013 Installment Sale Agreement to make installment sale payments (the "**Installment Sale Payments**") to the Authority, which Installment Sale Payments are payable from a lien on all Measure A Receipts (as such term is defined herein). Measure A Receipts generally consist of certain amounts allocated by the Riverside County Transportation Commission and received by the Local Agency from a 0.5% retail transactions and use tax that is collected in the County of Riverside, California (the "**County**") for a thirty-year period ending on June 30, 2039, for deposit in the Pledged Tax Fund in accordance with the 2013 Installment Sale Agreement. Installment Sale Payments are payable in an amount that is sufficient to pay, when due, the annual principal and interest with respect to the Certificates. See the captions "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES," "MEASURE A REVENUES; MEASURE A RECEIPTS," and "RISK FACTORS." The Measure A Receipts are the sole source of payment of the Installment Sale Payments. Neither the general fund of the Local Agency nor any other moneys of the Local Agency are available to pay or secure the Installment Sale Payments or the Certificates. **The obligation of the Local Agency to pay the Installment Sale Payments is not subject to abatement.**

No debt service reserve fund or account has been established for the Certificates under the 2013 Installment Sale Agreement or the Trust Agreement.

The Certificates will be executed and delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Certificates. Individual purchases of Certificates may be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Certificates purchased. See Appendix F.

Payments of principal and interest with respect to the Certificates will be made by the Trustee to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to Beneficial Owners of the Certificates as described herein. Interest with respect to the Certificates is payable on December 1, 2023 and each June 1 and December 1 thereafter, until the maturity or the earlier prepayment thereof. Principal with respect to the Certificates will be paid on each June 1, commencing June 1, 2024, upon surrender of such Certificates at the principal corporate office of the Trustee upon maturity or the earlier prepayment thereof.

The Certificates are subject to mandatory prepayment prior to their stated principal payment dates as described herein.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE CERTIFICATES. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

THE OBLIGATION OF THE LOCAL AGENCY TO MAKE INSTALLMENT SALE PAYMENTS UNDER THE 2013 INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION OF THE LOCAL AGENCY PAYABLE SOLELY FROM MEASURE A RECEIPTS, DOES NOT CONSTITUTE A DEBT OF THE LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE AUTHORITY, THE STATE OF CALIFORNIA (THE "**STATE**") OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE LOCAL AGENCY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

MATURITY SCHEDULE – See Inside Front Cover Page

The Certificates are offered when, as, and if executed and delivered to and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Special Counsel to the Local Agency. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, is also acting as Disclosure Counsel to the Local Agency. Certain legal matters will be passed upon for the Authority and the Local Agency by the City Attorney of the City of Riverside, for the Underwriter by Kutak Rock LLP, Irvine, California, as Underwriter's Counsel and for the Trustee by its counsel. It is anticipated that the Certificates in book-entry form will be available for delivery through the facilities of DTC on or about July 27, 2023.

PIPER | SANDLER

Dated: July 13, 2023

$21,190,000
RIVERSIDE PUBLIC FINANCING AUTHORITY
LOCAL MEASURE A SALES TAX REVENUE (INSTALLMENT SALE)
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2023
(2013 RIVERSIDE PAVEMENT REHABILITATION PROJECT)
Evidencing Proportionate and Undivided Interests of the Owners Thereof
in Installment Sale Payments to be Made by
the City of Riverside
Pursuant to the 2013 Installment Sale Agreement

MATURITY SCHEDULE

(Base CUSIP† 76904C)

Maturity Date (June 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP†*
2024	$1,830,000	5.000%	3.050%	101.609	AR1
2025	1,755,000	5.000	2.990	103.577	AS9
2026	1,845,000	5.000	2.900	105.690	AT7
2027	1,935,000	5.000	2.790	107.999	AU4
2028	2,030,000	5.000	2.750	110.136	AV2
2029	2,135,000	5.000	2.750	112.067	AW0
2030	2,240,000	5.000	2.690	114.349	AX8
2031	2,355,000	5.000	2.720	116.004	AY6
2032	2,470,000	5.000	2.750	117.554	AZ3
2033	2,595,000	5.000	2.800	118.811	BA7

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Authority, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

LOCAL AGENCY

CITY OF RIVERSIDE, CALIFORNIA

CITY COUNCIL

Patricia Lock Dawson, Mayor

Erin Edwards, 1st Ward
Clarissa Cervantes, 2nd Ward
Ronaldo Fierro, 3rd Ward
Chuck Conder, 4th Ward

Gaby Plascencia, 5th Ward
Jim Perry, 6th Ward
Steve Hemenway, 7th Ward

CITY OFFICIALS

Michael Futrell, *City Manager*

Edward Enriquez
Chief Financial Officer/Treasurer

Gilbert Hernandez, P.E., T.E.
Public Works Director/City Engineer

Phaedra Norton
City Attorney

Donesia Gause
City Clerk

SPECIAL COUNSEL AND DISCLOSURE COUNSEL
Stradling Yocca Carlson & Rauth, a Professional Corporation
Newport Beach, California

MUNICIPAL ADVISOR
CSG Advisors Incorporated
San Francisco, California

TRUSTEE
U.S. Bank Trust Company, National Association
Los Angeles, California

VERIFICATION AGENT
Causey Demgen & Moore P.C.
Denver, Colorado

No dealer, broker, salesperson or other person has been authorized by the Local Agency, the Authority or Piper Sandler & Co. (the "**Underwriter**") to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Certificates, nor shall there be any sale of the Certificates, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

This Official Statement is not to be construed to be a contract with the purchasers of the Certificates. Statements contained in this Official Statement that involve estimates, forecasts, or matters of opinion, whether or not expressly described as such herein, are intended solely as such and are not to be construed as representations of fact.

The information set forth in this Official Statement has been obtained from the Local Agency, the Authority, and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation by the Local Agency or the Authority. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Local Agency or the Authority since the date of this Official Statement. The Local Agency maintains an Internet website and certain social media accounts. However, the information contained on or within such website and accounts is not incorporated in this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE CERTIFICATES HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. The achievement of certain results or other expectations contained in such forward-looking statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those that have been projected. No assurance is given that actual results will meet the forecasts set forth herein in any way, regardless of the optimism communicated in the information, and such statements speak only as of the date of this Official Statement. The Local Agency and the Authority disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Official Statement to reflect any changes in the expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE UNDERWRITER MAY OFFER AND SELL THE CERTIFICATES TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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Evidencing Proportionate and Undivided Interests of the Owners Thereof
in Installment Sale Payments to be Made by
the City of Riverside
Pursuant to the 2013 Installment Sale Agreement

INTRODUCTION

This Official Statement, which includes the front cover page, the inside front cover page, the table of contents and the appendices (the "**Official Statement**"), provides certain information concerning the execution and delivery of the Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project) (the "**Certificates**"), in an aggregate principal amount of $21,190,000. Descriptions and summaries of various documents set forth in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each such document for complete details of all of the terms and conditions therein. All statements in this Official Statement are qualified in their entirety by reference to the applicable documents.

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Certificates to potential investors is made only by means of the entire Official Statement. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in Appendix A under the caption "DEFINITIONS."

Description of the Certificates

The Certificates will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside front cover page of this Official Statement. The Certificates will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will act as securities depository for the Certificates.

The Certificates evidence proportionate and undivided interests of the registered owners thereof (the "**Owners**") in installment payments (the "**Installment Sale Payments**") to be made by the City of Riverside (the "**Local Agency**") to the Riverside Public Financing Authority (the "**Authority**"), as the purchase price for certain local roadway and street improvement projects within the geographic boundaries of the Local Agency (each, a "**2013 Project**" and, collectively, the "**2013 Projects**"), pursuant to the 2013 Installment Sale Agreement, dated as of July 1, 2013 (the "**Original Installment Sale Agreement**"), as amended and supplemented by the First Supplement to 2013 Installment Sale Agreement, dated as of July 1, 2023 (the "**First Supplement**" and, together with the Original Installment Sale Agreement, the "**2013 Installment Sale Agreement**"), each by and between the Authority and the Local Agency, to reflect the execution and delivery of the Certificates. The 2013 Projects were originally financed from proceeds of the 2013 Certificates (as such term is defined under the caption "—Use of Certificate Proceeds"). See the captions "THE CERTIFICATES," "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES" and "THE REFUNDING."

Authorization

The Certificates are being executed and delivered by U.S. Bank Trust Company, National Association, as trustee (the "**Trustee**"), pursuant to: (i) a Trust Agreement, dated as of July 1, 2023 (the "**Trust**

Agreement"), by and among the Authority, the Trustee and the Local Agency; and (ii) resolutions adopted by the Authority and the Local Agency on June 27, 2023, respectively (collectively, the "**Resolutions**"). See the captions "THE CERTIFICATES—Authorization and Registration of Certificates" and Appendix A.

Use of Certificate Proceeds

The proceeds from the sale of the Certificates will be used: (i) to prepay all of the outstanding Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Certificates of Participation, Series 2013 (Riverside Pavement Rehabilitation Project) (the "**2013 Certificates**"), the proceeds of which were applied to finance the design, acquisition, and construction of the 2013 Projects; and (ii) to pay costs incurred in connection with the execution, sale and delivery of the Certificates. See the captions "ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS" and "THE REFUNDING PLAN."

Payment of Principal and Interest

Interest with respect to the Certificates is payable semiannually on December 1, 2023 and each June 1 and December 1 thereafter (each, an "**Interest Payment Date**"), and is payable by check mailed by first class mail on the date that such interest is due to the Owner at such Owner's address as it appears on the registration books maintained by the Trustee; provided, however, that an Owner of $1,000,000 or more in aggregate principal amount evidenced by the Certificates may request in writing that the Trustee pay the interest evidenced by such Certificates by wire transfer, and the Trustee will comply with such request for all Interest Payment Dates following the fifteenth day after receipt of such request until such request is rescinded.

Principal with respect to the Certificates is payable on June 1 of each year, commencing June 1, 2024 (each, a "**Certificate Payment Date**"), upon surrender of such Certificate at the principal corporate trust office of the Trustee in Los Angeles, California, upon the maturity or earlier prepayment thereof. See the caption "THE CERTIFICATES."

Prepayment of Certificates

The Certificates are subject to mandatory prepayment under certain circumstances. See the caption "THE CERTIFICATES—Prepayment of Certificates."

Security and Sources of Payment for the Certificates

Installment Sale Payments. Pursuant to the 2013 Installment Sale Agreement, the Local Agency is required to pay to the Trustee, from a lien on the Measure A Receipts (as such term is defined herein), the Installment Sale Payments, which Installment Sale Payments are designed to be sufficient, in both time and amount, to pay, when due, the principal and interest evidenced and represented by the Certificates.

The term "**Measure A Receipts**" is defined in the 2013 Installment Sale Agreement to mean Measure A Revenues allocated by the Riverside County Transportation Commission ("**RCTC**") to the Local Agency pursuant to the Measure A Ordinance, to the extent that the 2013 Project (as described under the caption "—Description of the Certificates") constituted a Measure A Project.

The term "**Measure A Revenues**" is defined in the 2013 Installment Sale Agreement to mean revenues of RCTC derived from a retail transactions and use tax (Measure A funds) imposed in the County of Riverside (the "**County of Riverside**") pursuant to the Riverside County Transportation Sales Tax Act, Division 25 (Section 240000 *et seq*.) of the California Public Utilities Code, as now in effect and as it may from time to time hereafter be amended or supplemented (the "**County Transportation Commissions Act**"), and the Measure A Ordinance. Collection of the Measure A Revenues terminates on June 30, 2039.

The term “**Measure A Ordinance**” is defined in the 2013 Installment Sale Agreement to mean Ordinance No. 02-001, the Transportation Expenditure Plan and Retail Transaction and Use Tax Ordinance, adopted by RCTC on May 8, 2002, and approved by at least two-thirds of electors voting on such proposition in the November 5, 2002 election, as supplemented and amended.

The term “**Measure A Project**” is defined in the 2013 Installment Sale Agreement to mean a capital project for which Measure A Receipts were authorized to be expended, including Administration Fees (as such term is defined in Appendix A under the caption “DEFINITIONS”). All of the 2013 Projects constituted Measure A Projects.

Only the portion of the Measure A Revenues that are allocated by RCTC to the Local Agency may be applied to pay the Installment Sale Payments. See the caption “RISK FACTORS—Limitations on Use of Measure A Revenues.”

Pursuant to the Trust Agreement, the Authority has assigned to the Trustee all of the Authority’s rights and remedies under the 2013 Installment Sale Agreement, including, but not limited to, the Authority’s security interest in and lien upon the Measure A Receipts. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES,” “MEASURE A REVENUES; MEASURE A RECEIPTS,” and Appendix A.

No Reserve Fund. No debt service reserve fund or account has been established for the Certificates under the 2013 Installment Sale Agreement or the Trust Agreement.

Judicial Validation

In 2013, the Local Agency filed a complaint (the “**Validation Action**”) in the Superior Court of the State of California for the County of Riverside (the “**Riverside County Superior Court**”) pursuant to California Government Code Section 53510 *et seq*. and California Code of Civil Procedure Section 860 *et seq*. (collectively, the “**Validation Law**”) seeking to validate certain issues raised by the proposed execution and delivery of the 2013 Certificates and the 2013 Installment Sale Agreement, as well as other obligations which are payable from Measure A Receipts on a parity with the installment payments payable under the 2013 Installment Sale Agreement. On April 30, 2013, the Local Agency obtained a judgment in its favor that enjoins the institution of any action or proceeding raising any issue as to which such judgment is binding and conclusive. See the caption “THE CERTIFICATES—Judicial Validation.”

Special, Limited Obligation of the Local Agency

THE OBLIGATION OF THE LOCAL AGENCY TO MAKE INSTALLMENT SALE PAYMENTS UNDER THE 2013 INSTALLMENT SALE AGREEMENT IS A SPECIAL OBLIGATION OF THE LOCAL AGENCY PAYABLE SOLELY FROM MEASURE A RECEIPTS, DOES NOT CONSTITUTE A DEBT OF THE LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE AUTHORITY, THE STATE OF CALIFORNIA (THE “**STATE**”) OR ANY POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE LOCAL AGENCY, ANY OTHER LOCAL AGENCY, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

Continuing Disclosure

In connection with the execution and delivery of the Certificates, the Local Agency will covenant in a continuing disclosure certificate (the “**Continuing Disclosure Certificate**”) executed for the benefit of

Owners to provide certain financial information and operating data and notices of certain events. See the caption "CONTINUING DISCLOSURE" and Appendix D.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "intend," "expect," "propose," "estimate," "project," "budget," "anticipate" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements that are described in this Official Statement to be materially different from any future results, performance or achievements that are expressed or implied by such forward-looking statements. No updates or revisions to these forward-looking statements will be issued if or when the expectations, events, conditions, or circumstances on which such statements are based change. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such forward-looking statements. **READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON SUCH FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.**

THE REFUNDING PLAN

The Certificates are being executed and delivered in order to provide funds to defease and prepay in full the 2013 Certificates, which are described in the following table below. The 2013 Certificates were executed and delivered to finance the 2013 Projects.

Under an Escrow Agreement (2013 Certificates), dated as of July 1, 2023 (the "**Escrow Agreement**"), by and among the Local Agency, the Authority and U.S. Bank National Association, as escrow agent (the "**Escrow Agent**"), the Local Agency and the Authority will cause a portion of the proceeds of the 2023 Certificates to be delivered to the Escrow Agent, together with moneys held in certain funds related to the 2013 Certificates. Such amounts will be deposited by the Escrow Agent in the escrow fund established under the Escrow Agreement (the "**Escrow Fund**").

RIVERSIDE PUBLIC FINANCING AUTHORITY
LOCAL MEASURE A SALES TAX REVENUE (INSTALLMENT SALE)
CERTIFICATES OF PARTICIPATION, SERIES 2013
(RIVERSIDE PAVEMENT REHABILITATION PROJECT)

Principal Payment Date (June 1)	***CUSIP®† (76904C)***	***Principal Amount***	***Interest Rate***	***Prepayment Price***
2024	AJ9	$ 1,845,000	5.250%	100%
2025	AK6	1,945,000	5.250	100
2026	AL4	2,045,000	5.250	100
2027	AM2	2,155,000	4.500	100
2028	AN0	2,250,000	4.625	100
2029	AP5	2,355,000	4.750	100
2033	AQ3	10,630,000	5.000	100
TOTAL		$23,225,000		

The Escrow Agent will invest a portion of the amounts deposited in the Escrow Fund in federal securities as set forth in the Escrow Agreement. From the moneys on deposit in the Escrow Fund and the investment earnings thereon, the Escrow Agent will pay, on October 24, 2023 (the "**Prepayment Date**"), the principal of the outstanding 2013 Certificates maturing after the Prepayment Date, plus interest with respect thereto accrued through the Prepayment Date, without premium.

Sufficiency of the deposits in the Escrow Fund for such purposes will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the "**Verification Agent**"). Assuming the accuracy of such computations, as a result of the deposit and application of funds as provided in the Escrow Agreement, the 2013 Certificates will be defeased pursuant to the provisions of the trust agreement under which they were issued as of the date of execution and delivery of the 2023 Certificates.

Upon the execution and delivery of the 2023 Certificates, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to it by the Underwriter relating to the adequacy of the moneys deposited in the Escrow Fund to pay the principal of the outstanding 2013 Certificates maturing after the Prepayment Date, plus interest with respect thereto accrued through the Prepayment Date, without premium.

The amounts held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the 2013 Certificates. Neither the funds deposited in the Escrow Fund, nor any interest thereon, will be available for the payments of principal of or interest on the 2023 Certificates.

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ESTIMATED SOURCES AND USES OF CERTIFICATE PROCEEDS

The following table details the estimated sources and uses of Certificate proceeds.

Estimated Sources[(1)]	
Principal Amount Represented by Certificates	$21,190,000
Plus: Original Issue Premium	2,435,414
Less: Underwriter's Discount	(90,067)
Plus: Other Moneys[(2)]	6
Total Sources	$23,535,353
Estimated Uses[(1)]	
Transfer to Escrow Agent for Deposit in Escrow Fund	$23,371,229
Costs of Issuance[(3)]	164,124
Total Uses	$23,535,353

(1) Rounded to nearest dollar. Totals may not add due to rounding.
(2) Includes moneys held in funds and accounts established in connection with the 2013 Certificates.
(3) Moneys in the Cost of Issuance Fund are expected to be used to pay the fees and expenses of Special Counsel, the Trustee, the Municipal Advisor and the rating agency and printing and other miscellaneous costs.

THE CERTIFICATES

Authorization and Registration of Certificates

The Certificates are being executed and delivered by the Trustee pursuant to the Trust Agreement and the Resolutions. The Certificates will be dated the date of their initial delivery and will mature on the dates and in the principal amounts set forth on the inside front cover page of this Official Statement. The Certificates will be initially registered in the name of Cede & Co., as nominee for DTC, which will act as securities depository for the Certificates. See Appendices A and F.

Judicial Validation

Validation Action. In 2013, the Local Agency filed the Validation Action in the Riverside County Superior Court pursuant to the Validation Law seeking to validate certain issues raised by the proposed execution and delivery of the Certificates and the 2013 Installment Sale Agreement, as well as other obligations which are payable from Measure A Receipts on a parity with the installment payments payable under the 2013 Installment Sale Agreement. See the caption "—Matters Subject to Validation." The Local Agency filed the Validation Action on February 19, 2013. There was no answering party in the action and, on April 30, 2013, the Local Agency obtained a judgment in its favor that enjoins the institution of any action or proceeding raising any issue as to which such judgment is binding and conclusive. An appeal of such judgment could only be filed with the Riverside County Superior Court within 30 days after the entry of such judgment (i.e., by no later than May 30, 2013) and, because there was no answering party in the action, only issues related to the jurisdiction of the Riverside County Superior Court to enter a judgment in the action could be raised during such period. The appeal period for such action expired on May 30, 2013 with no party filing an appeal.

Matters Subject to Validation. In the Validation Action, the Local Agency obtained the judgment of the Riverside County Superior Court that the Local Agency has the authority under the State Constitution and State law: (i) to execute and deliver the Trust Agreement pursuant to which the 2013 Certificates were executed and delivered, the 2013 Installment Sale Agreement and the purchase agreement by and among the Authority, the Local Agency and the underwriter of the 2013 Certificates pursuant to which the 2013 Certificates were purchased, as well as any respective contracts or agreements relating to the issuance of parity obligations (i.e., obligations which are payable from Measure A Receipts on a parity with the installment payments payable under the 2013 Installment Sale Agreement, each of which will upon their execution and delivery by the Local Agency be valid, legal and binding obligations in accordance with their terms); (ii) to cause the execution and delivery of the 2013 Certificates; (iii) to apply the proceeds of the 2013 Certificates to the financing of the 2013 Projects; and (iv) to commit and apply the Measure A Receipts to the payment of the 2013 Certificates. The Certificates evidence proportionate undivided interests in the Installment Sale Payments, as reduced pursuant to the terms of the First Supplement.

Payment of Certificates

The Certificates will be executed and delivered in fully registered form without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Certificates. Individual purchases of Certificates may be made in book-entry form only, in the principal amount of $5,000 or integral multiples thereof for each maturity. Purchasers will not receive certificates representing their interest in the Certificates purchased. Payments of principal and interest with respect to the Certificates will be made by the Trustee to DTC, which will in turn remit such principal and interest to its participants for subsequent dispersal to Beneficial Owners of the Certificates as described in this Official Statement. Interest with respect to the Certificates is payable on December 1, 2023 and each Interest Payment Date thereafter until the maturity or the earlier prepayment thereof. Principal and any prepayment premiums with respect to each Certificate will be paid on each Certificate Payment Date upon surrender of such Certificate at the principal corporate office of the Trustee upon maturity or the earlier prepayment thereof. See Appendix F.

Prepayment of Certificates

The Certificates will be subject to mandatory prepayment prior to maturity, in whole or in part (by lot within any maturity), on any date, from amounts received upon the acceleration of Installment Sale Payments upon the occurrence of an event of default under the 2013 Installment Sale Agreement, at a prepayment price equal to the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment, without premium.

Purchase of Certificates in Lieu of Prepayment

In lieu of prepayment of any Certificates, amounts on deposit in the Revenue Fund may also be used and withdrawn by the Trustee at any time, upon the Request of the Authority, for the purchase of such Certificates at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Fund) as the Authority may in its discretion determine, but not in excess of the principal amount thereof plus accrued interest to the purchase date.

Selection of Certificates for Prepayment

Whenever provision is made in the Trust Agreement for the prepayment or purchase of less than all of the Certificates or any given portion thereof, the Trustee will, subject to the following sentence, select the Certificates to be prepaid or purchased, from all Certificates subject to prepayment or purchase or such given portion thereof equal to a multiple of $5,000 or any integral multiple thereof not previously called for prepayment or purchase. Upon receipt of moneys resulting in a mandatory prepayment of the Certificates, the Trustee will request the Cash Flow Consultant to prepare a Cash Flow Report identifying the principal amount and maturities of the Certificates to be prepaid. The Trustee will promptly notify the Authority in writing of any prepayment or purchase of Certificates and of the Certificates or portions thereof so selected for prepayment or purchase.

Notice of Prepayment; Effect of Notice

Notice of prepayment or purchase will be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the prepayment date, to: (i) the respective Owners of any Certificates designated for prepayment or purchase at their addresses appearing on the registration books of the Trustee; and (ii) if the Certificates are no longer held by DTC, to the Securities Depositories and the Municipal Securities Rulemaking Board through its Electronic Municipal Marketplace Access System ("**EMMA**"). Notice of prepayment will be given by telecopy, certified, registered or overnight mail to the Securities Depositories and EMMA. Each notice of prepayment or purchase will state the date of such notice, the date of initial execution and delivery of the Certificates, the prepayment date, the Prepayment Price, the place or places of prepayment or purchase (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the Certificates of each Certificate Payment Date or Dates, and, if less than all of the Certificates of any such Certificate Payment Date, the distinctive certificate numbers of the Certificates with such Certificate Payment Date, to be prepaid or purchased and, in the case of Certificates to be prepaid or purchased in part only, the respective portions of the principal amount thereof to be prepaid or purchased. Each such notice will also state that on said date there will become due and payable on each of said Certificates the Prepayment Price represented thereby or of said specified portion of the principal amount thereof in the case of a Certificate to be prepaid in part only, together with interest accrued with respect thereto to the prepayment date, and that from and after such prepayment date, interest thereon will cease to accrue, and will require that such Certificates be then surrendered at the address or addresses of the Trustee specified in the prepayment notice.

If any of the Certificates are prepaid pursuant to an advance refunding, notice of such advance refunding and prepayment will be given in the same manner as described above, and also within the same time period with respect to the actual prepayment date.

Notice of prepayment or purchase of Certificates will be given by the Trustee, at the expense of the Authority. Conditional notice of prepayment may be given at the direction of the Authority and will be given if funds sufficient to prepay the Certificates are not then on deposit with the Trustee. If at the time of mailing of notice, funds are not then on deposit with the Trustee, such notice will state that it is conditional upon the deposit of the funds not later than the opening of business on the date of prepayment of the Certificates, and such notice will be of no effect unless such moneys are so deposited.

Failure by the Trustee to give notice pursuant to the Trust Agreement to EMMA or the Securities Depositories will not affect the sufficiency of the proceedings for prepayment. Failure by the Trustee to mail notice of prepayment pursuant to the Trust Agreement to any one or more of the respective Owners of any Certificates designated for prepayment will not affect the sufficiency of the proceedings for prepayment with respect to the Owner or Owners to whom such notice was mailed.

Partial Prepayment or Purchase of Certificates

Upon surrender of any Certificate to be prepaid in part only, the Trustee will execute and deliver to the registered owner thereof, at the expense of the Authority, a new Certificate or Certificates of authorized denominations, and having the same Certificate Payment Date, equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered.

Effect of Prepayment

Notice of prepayment having been duly given as aforesaid, and moneys for payment of the Prepayment Price of, together with interest accrued to the prepayment date with respect to, the Certificates (or portions thereof) so called for prepayment being held by the Trustee, on the prepayment date designated in such notice, the Certificates (or portions thereof) so called for prepayment will become due and payable at the Prepayment Price specified in such notice and interest accrued with respect thereto to the prepayment date, interest with respect to the Certificates so called for prepayment will cease to accrue, said Certificates (or portions thereof) will cease to be entitled to any benefit or security under the Trust Agreement and the Owners of said Certificates will have no rights in respect thereof except to receive payment of said Prepayment Price and accrued interest.

All Certificates prepaid pursuant to the provisions of the Trust Agreement will be cancelled upon surrender thereof by the Trustee. All Certificates purchased pursuant to the provisions of the Trust Agreement will be registered in the name of the Authority and delivered to, or as directed in writing by, the Authority.

Debt Service

The table below presents the annual debt service with respect to the Certificates for the year ending on June 1 in the years shown below:

RIVERSIDE PUBLIC FINANCING AUTHORITY
LOCAL MEASURE A SALES TAX REVENUE (INSTALLMENT SALE)
REFUNDING CERTIFICATES OF PARTICIPATION, SERIES 2023
(2013 RIVERSIDE PAVEMENT REHABILITATION PROJECT)
DEBT SERVICE SCHEDULE

Period Ending June 1	***Principal***	***Interest***	***Total***
2024	$ 1,830,000.00	$ 894,688.89	$ 2,724,688.89
2025	1,755,000.00	968,000.00	2,723,000.00
2026	1,845,000.00	880,250.00	2,725,250.00
2027	1,935,000.00	788,000.00	2,723,000.00
2028	2,030,000.00	691,250.00	2,721,250.00
2029	2,135,000.00	589,750.00	2,724,750.00
2030	2,240,000.00	483,000.00	2,723,000.00
2031	2,355,000.00	371,000.00	2,726,000.00
2032	2,470,000.00	253,250.00	2,723,250.00
2033	2,595,000.00	129,750.00	2,724,750.00
	$21,190,000.00	$6,048,938.89	$27,238,938.89

Source: Underwriter.

SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

Installment Sale Payments

The Certificates evidence proportionate and undivided interests of the Owners thereof in the Installment Sale Payments to be made by the Local Agency pursuant to the 2013 Installment Sale Agreement. Pursuant to the 2013 Installment Sale Agreement, the Local Agency is required to pay to the Trustee, from a lien on Measure A Receipts, the 2013 Installment Sale Payments, which are designed to be sufficient in both time and amount, to pay, when due, the principal and interest evidenced and represented by the Certificates. See the caption "—Pledge of Measure A Receipts."

Pursuant to the Trust Agreement, the Authority has assigned to the Trustee, for the benefit of the Owners, its rights under the 2013 Installment Sale Agreement, including, but not limited to, the Authority's security interest in and lien upon Measure A Receipts. See Appendix A.

Pledge of Measure A Receipts

All Measure A Receipts and any other amounts held by the Trustee in any fund or account established under the Trust Agreement (other than amounts on deposit in the Rebate Fund established under the Trust

Agreement) have been irrevocably pledged to the payment of the principal, interest and prepayment premium, if any, evidenced and represented by the Certificates as provided in the Trust Agreement, and the Measure A Receipts will not be used for any other purpose while any of the Certificates remain outstanding; provided, however, that out of the Measure A Receipts there may be applied such sums for such purposes as are permitted under the Trust Agreement and the 2013 Installment Sale Agreement. Such pledge will constitute a first pledge of and charge and lien upon the Measure A Receipts on deposit in the funds and accounts established under the Trust Agreement (other than amounts on deposit in the Rebate Fund) for the payment of the interest and principal with respect to the Certificates in accordance with the terms of the Trust Agreement. Pursuant to the Trust Agreement, the Authority will assign to the Trustee all of the Authority's rights and remedies under the 2013 Installment Sale Agreement, including, but not limited to, the Authority's security interest in and lien upon the Measure A Receipts.

The Local Agency has covenanted and agreed in the 2013 Installment Sale Agreement to apply Measure A Receipts to the payment of annual Installment Sale Payments prior to any other expenditure of such funds, subject to the terms for release for expenditure as provided in the 2013 Installment Sale Agreement and only in an amount not exceeding the Measure A Receipts.

For more information regarding the portion of Measure A Revenues historically allocated by RCTC to the Local Agency, see the caption "MEASURE A REVENUES; MEASURE A RECEIPTS." See also the caption "RISK FACTORS."

Revenue Fund; Pledged Tax Fund

In order to carry out and effectuate the pledge, charge, and lien contained in the Trust Agreement, the Authority has covenanted that all Installment Sale Payments when and as received will be received by the Authority in trust for the benefit of the Owners and will be deposited when and as received by the Authority in the Revenue Fund created and maintained by the Trustee under the Trust Agreement. All Installment Sale Payments will be held in trust in the Revenue Fund. Measure A Revenues will be allocated to the Local Agency; such amounts will be applied by RCTC prior to the disbursement of Measure A Revenues to the Local Agency. See the caption "INTRODUCTION—Security and Sources of Payment for the Certificates—Installment Sale Payments."

The following funds and accounts will be established within the Revenue Fund: (i) the Interest Fund; (ii) the Principal Fund; (iii) the Administration Fund; and (iv) the Surplus Account.

In order to carry out and effectuate the obligation of the Local Agency contained in the 2013 Installment Sale Agreement to pay the Installment Sale Payments, including the Administration Fee, the Local Agency has agreed and covenanted in the 2013 Installment Sale Agreement to establish a Pledged Tax Fund (the "**Pledged Tax Fund**") and within the Pledged Tax Fund, a "**Measure A Receipts Account**," which fund and account therein the Local Agency has agreed and covenanted to maintain so long as any Installment Sale Payments remain unpaid, and all money on deposit therein will be applied and used only as provided in the 2013 Installment Sale Agreement. The Local Agency has agreed and covenanted that all Measure A Receipts received by it will be deposited when and as received in the Measure A Receipts Account.

All of the Revenues (which term is defined in the 2013 Installment Sale Agreement to mean all Measure A Receipts) and all money in the Pledged Tax Fund and in the funds or accounts so specified and provided for the 2013 Installment Sale Agreement have been irrevocably pledged to the punctual payment of the Installment Sale Payments, including the Administration Fee, and the Revenues will not be used for any other purpose while any of such Installment Sale Payments remain outstanding; subject to the provisions of the 2013 Installment Sale Agreement permitting application thereof for the purposes and on the terms and conditions set forth therein. Such pledge constitutes a lien on the Revenues for the payment of the Installment Sale Payments, including the Administration Fee, in accordance with the terms of the 2013 Installment Sale Agreement.

Pursuant to the 2013 Installment Sale Agreement, all Revenues on deposit in the Pledged Tax Fund will be set aside and deposited by the Local Agency in the various funds and accounts within the Revenue Fund at the following times in the following order of priority:

Interest Fund and Principal Fund Deposits. On or before the fifteenth day preceding each Interest Payment Date, the Local Agency will, from the Revenues in the Pledged Tax Fund, transfer to the Trustee for deposit in the Interest Fund within the Revenue Fund, a sum equal to the interest becoming due and payable on the next succeeding Interest Payment Date, except that no such deposit need be made if the Trustee then holds money in the Interest Fund equal to the amount of interest becoming due and payable with on the next succeeding Interest Payment Date; and on or before the fifteenth day preceding each Certificate Payment Date, the Local Agency will, from the Revenues in the Pledged Tax Fund, transfer to the Trustee for deposit in the Principal Fund within the Revenue Fund, a sum equal to the principal becoming due and payable on the next succeeding Installment Sale Payment Date, except that no such deposit need be made if the Trustee then holds money in the Principal Fund equal to the amount of principal becoming due and payable with respect to the Local Agency on the next succeeding Certificate Payment Date.

Administration Fund Deposit. On or before the fifteenth day of the month preceding each Certificate Payment Date, the Local Agency will, from the remaining Revenues on deposit in the Pledged Tax Fund, transfer to the Trustee for deposit in the Administration Fund within the Revenue Fund, a sum equal to the Administration Fee becoming due and payable under the Trust Agreement on the next Certificate Payment Date, and all money on deposit in the Administration Fund will be used to pay the Administration Fee due on such Certificate Payment Date, in accordance with the terms of the Trust Agreement.

The term "**Administration Fee**" is defined in the 2013 Installment Sale Agreement to mean an amount equal to the sum of the respective annual administration fees charged by the Trustee, the Rebate Analyst and any other similar fee payable in connection with administration of the Certificates, payable on the 15th day of the month preceding each Certificate Payment Date.

Notwithstanding the foregoing, provided that all transfers described above under the caption "—Administration Fund Deposit" have been made, on any Business Day moneys on deposit in the Pledged Tax Fund in excess of the sum of: (i) interest becoming due and payable under the 2013 Installment Sale Agreement on the next succeeding Interest Payment Date (less amounts then held by the Trustee in the Interest Fund); and (ii) the Pro Rata Share of Principal (less amounts then held by the Trustee in the Principal Fund) may be expended by the Local Agency at any time for any purpose permitted by law.

The term "**Pro Rata Share of Principal**" is defined in the 2013 Installment Sale Agreement to mean, during any month, an amount of principal becoming due and payable thereunder on the next succeeding Certificate Payment Date that would have accrued if such principal were deemed to accrue monthly in equal amounts from the preceding Certificate Payment Date.

Deposit of Other Available Revenues

Notwithstanding the pledge of Measure A Receipts as described above, the Local Agency may satisfy its obligation to deposit Installment Sale Payments with the Trustee by depositing Other Available Revenues with the Trustee and, if and when so deposited, such Other Available Revenues will be irrevocably pledged to the payment of Installment Sale Payments. Unless and until deposited with the Trustee, such Other Available Revenues are not pledged to the payment of Installment Sale Payments.

The term "**Other Available Revenues**" is defined in the 2013 Installment Sale Agreement to mean revenues, other than Measure A Receipts, legally available to the Local Agency to make Installment Sale Payments, if any.

Additional Contracts

So long as the Local Agency is not in default under the 2013 Installment Sale Agreement, the Local Agency may at any time execute any installment sale contracts, capital leases or similar obligations of the Local Agency (each, a "**Contract**"), authorized and executed by the Local Agency under and pursuant to applicable law, the interest and principal and prepayment premium, if any, payments under and pursuant to which are payable from Measure A Receipts on a parity with the payment of the Installment Sale Payments, without the consent of Owners of the Certificates; provided that the audited Revenues, plus the Measure A Receipts Coverage Amount, as evidenced by both a calculation prepared by the Local Agency and a special report prepared by an Independent Certified Public Accountant on such calculation on file with the Local Agency, produce a sum equal to at least 200% of the Maximum Annual Debt Service on all Contracts outstanding after the execution of such amendment or Contract.

Notwithstanding the foregoing provisions, there will be no limitations on the ability of the Local Agency to execute any Contract at any time to refund any outstanding Contract.

The term "**Measure A Receipts Coverage Amount**" is defined in the 2013 Installment Sale Agreement to mean an amount in any Fiscal Year equal to Measure A Revenues allocated to the Local Agency in excess of Measure A Receipts but not more than 50% of Measure A Receipts for such Fiscal Year.

To the extent that other Contracts are executed by the Local Agency, the funds available to pay the Installment Sale Payments may be decreased.

No Reserve Fund

No debt service reserve fund or account has been established for the Certificates under the 2013 Installment Sale Agreement or the Trust Agreement.

THE LOCAL AGENCY

The Local Agency is the county seat of Riverside County (the "**County**") and is located in the western portion of the County about 60 miles east of downtown Los Angeles and approximately 90 miles north of San Diego. Within 10 miles of the Local Agency are the cities of San Bernardino, Loma Linda, Corona, Norco, Fontana, Ontario, Rialto, Colton, Moreno Valley and Redlands, among others. These cities and the Local Agency are located in the County and the County of San Bernardino and comprise the Riverside-San Bernardino Primary Metropolitan Statistical Area (the "**PMSA**"). The PMSA represents an important economic area of the State and of Southern California. It lies to the west and south, respectively, of the strategic San Gorgonio and Cajon Passes, from which three transcontinental railroads and interstate highways converge to connect the Los Angeles area with the other areas of the nation. The Local Agency is situated in close proximity to the metropolitan centers of Los Angeles and Orange Counties.

As of January 1, 2023, the Local Agency had a population estimated at 313,676 and the County had a population estimated at 2,439,234.

The Local Agency was incorporated in 1883 and covers 81.5 square miles. The Local Agency is a charter city and has a council-manager form of government with a seven-member council being elected by ward for four-year overlapping terms. The mayor is elected at large for a four-year term and is the presiding officer of the council, but does not have a vote except in case of a tie. The position of City Manager is filled by appointment of the council to serve as administrator of the staff and to carry out the policies of the council.

Functions of the Local Agency's government are carried out by approximately 2,500 personnel. The Local Agency operates and maintains a sewer, water, refuse collection, storm drain and electrical system. Other Local Agency services include diversified recreation programs, police (including approximately 350 sworn officers), fire (including approximately 225 sworn firefighters), general aviation airport, parks, emergency medical aid, traffic safety maintenance and building safety regulation and inspection.

Among the Local Agency's cultural institutions and activities are a convention center, the Riverside Art Museum, the Riverside Metropolitan Museum, the Cheech Marin Center for Chicano Art, a number of libraries, the Municipal Auditorium, the Fox Performing Arts Center, the opera society and the symphony society. There are three major hospitals in the Local Agency: Parkview Community, Riverside Community and Kaiser Permanente.

Certain economic and demographic information regarding the Local Agency is included in Appendix B. See the caption "MEASURE A REVENUES; MEASURE A RECEIPTS" for a discussion of the portion of Measure A Revenues that has historically been allocated by RCTC to the Local Agency.

The Local Agency undertook the 2013 Projects as part of its ongoing effort to accelerate street system improvements within its jurisdiction. The 2013 Projects included the construction of improvements to streets and roadways within the city limits of the Local Agency, which improvements are eligible costs payable from Measure A Revenues, including engineering, inspection, contract administration and other incidental costs.

MEASURE A REVENUES; MEASURE A RECEIPTS

Pledge of Measure A Receipts

Pursuant to the 2013 Installment Sale Agreement, the Local Agency will pledge its Measure A Receipts for the payment of the Installment Sale Payments.

In an election on November 5, 2002, more than two-thirds of the voters in the County of Riverside approved the Measure A Ordinance, thereby imposing a 0.5% retail transactions and use tax on the gross receipts of retailers from the sale of tangible personal property sold in the County of Riverside and a use tax at the same rate upon the storage, use, or other consumption in the County of Riverside of such property purchased from any retailer for storage, use, or other consumption in the County of Riverside, subject to certain limited exceptions described below (the "**Measure A Sales Tax**"). The Measure A Sales Tax commenced on July 1, 2009, is administered by RCTC and will be collected for a thirty-year period ending on June 30, 2039.

The Measure A Sales Tax

The Measure A Sales Tax imposed in the County of Riverside for transportation purposes and administered by RCTC is in addition to the sales or use tax levied statewide by the State (currently 7.25%). In general, the State Sales Tax (as such term is defined below) applies to the gross receipts of retailers from the sale of tangible personal property. The State use tax is imposed on the storage, use, or other consumption in the State of property purchased from a retailer for such storage, use, or other consumption. Because the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally is to purchases made outside of the State for use within the State.

The Measure A Sales Tax is generally imposed upon the same transactions and items that are subject to the sales and use tax levied by the State (the "**State Sales Tax**"), with generally the same exceptions. Many categories of transactions are exempt from the State Sales Tax and the Measure A Sales Tax. The most important of these exemptions are sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas, electricity and water when delivered to consumers through mains, lines and pipes. In addition, Occasional Sales (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from both the State Sales Tax and the Measure A Sales Tax; however, the Occasional Sales exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the County that are shipped to a point outside the County pursuant to the contract of sale, by delivery to such point by the retailer or by delivery by the retailer to a carrier for shipment to a consignee, at such point, are exempt both from the State Sales Tax and the Measure A Sales Tax.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax and the Measure A Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial effect on Measure A Revenues. Neither the Authority nor the Local Agency is currently aware of any proposed legislative change that would have a material adverse effect on Measure A Revenues.

Riverside County Transportation Commission

The State Legislature created RCTC in 1976 as one of four transportation commissions that were designed to provide more local participation in and control of transportation matters in the southern California area. RCTC is charged with a number of responsibilities in serving the residents of the County of Riverside, the most prominent of which is administering the sales tax program created by the Measure A Sales Tax Act. RCTC's other responsibilities include: (i) serving as the congestion management agency for the County; and (ii) serving as the Service Authority for Freeway Emergencies, which operates the freeway service patrol for the County.

Senior Lien Measure A Obligations

The Measure A Ordinance provides that not more than $975,000,000 in aggregate principal amount of RCTC bonds or other evidence of indebtedness secured by Measure A Revenues may be outstanding at any one time. RCTC has previously issued bonds (collectively, the "**Senior Lien Bonds**") which were outstanding in the aggregate principal amount of $747,320,000 as of June 30, 2022. All Senior Lien Bonds are secured by a first lien pledge of Measure A Revenues. The Senior Lien Bonds were issued pursuant to an Indenture, dated as of June 1, 2008, as supplemented from time to time (collectively, the "**Measure A Revenues Indenture**"), by and between RCTC and the trustee named therein (the "**Measure A Revenues Trustee**").

Pursuant to the Measure A Revenues Indenture, RCTC may issue from time to time additional bonds or other obligations on a parity with the Senior Lien Bonds (collectively, "**Additional Senior Obligations**"). RCTC may also issue from time to time obligations payable out of Measure A Revenues on a basis subordinate to the payment of the principal, premium, interest and reserve fund requirements for the Senior Lien Bonds and Additional Senior Obligations (collectively, "**Subordinate Obligations**"). For example, RCTC has instituted a program pursuant to which it may issue commercial paper notes as Subordinate Obligations in an aggregate principal amount of up to $60,000,000, none of which was outstanding as of June 30, 2022. RCTC has also entered into a Transportation Infrastructure Finance and Innovation Act loan payable to the United States Department of Transportation which is also a Subordinate Obligation, of which $162,385,853 in aggregate principal amount and accrued interest was outstanding as of June 30, 2022.

RCTC may also obtain liquidity facilities or credit enhancement ("**Liquidity Facilities/Credit Enhancement**") for its Senior Lien Bonds and Additional Senior Obligations, although RCTC is not a party to any such Liquidity Facilities/Credit Enhancement at this time. RCTC has obtained such Liquidity Facilities/Credit Enhancement for its commercial paper notes, which constitute Subordinate Obligations, of which there were no amounts which had not been reimbursed to the counterparty bank as of June 30, 2022.

All payments with respect to the Senior Lien Bonds, Additional Senior Obligations, Subordinate Obligations and the Liquidity Facilities/Credit Enhancement will be made from Measure A Revenues *before* any remaining Measure A Revenues are transferred to RCTC for allocation by RCTC to the Local Agency. See the subcaption "—Flow of Funds under Measure A Revenues Indenture" below and the captions "—Collection and Allocation of Measure A Revenues" and "RISK FACTORS."

Information with respect to debt service coverage on RCTC Senior Lien Bonds and Subordinate Obligations, as well as a variety of other operating information with respect to RCTC, is included in certain disclosure documents prepared by RCTC. RCTC periodically prepares official statements and other disclosure documents in connection with its bonds and other obligations. RCTC has also entered into certain continuing disclosure agreements pursuant to which it is contractually obligated for the benefit of owners of certain of its outstanding obligations to file certain annual reports, including audited financial statements and notice of certain events, pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission ("**Rule 15c2-12**"). Such official statements, other disclosure documents, annual reports and notices are filed with EMMA. Such information is not incorporated herein by reference thereto, and the Local Agency and the Authority make no representation as to the accuracy or completeness of such information. RCTC HAS NOT ENTERED INTO ANY CONTRACTUAL COMMITMENT WITH THE LOCAL AGENCY, THE AUTHORITY, THE TRUSTEE OR THE OWNERS OF THE CERTIFICATES TO PROVIDE INFORMATION TO THE LOCAL AGENCY, THE AUTHORITY OR THE OWNERS OF THE CERTIFICATES.

RCTC HAS NOT REVIEWED THIS OFFICIAL STATEMENT AND HAS NOT MADE REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION THAT IS CONTAINED OR INCORPORATED HEREIN, INCLUDING INFORMATION WITH REGARD TO RCTC. RCTC IS NOT CONTRACTUALLY OBLIGATED, AND HAS NOT UNDERTAKEN, TO UPDATE SUCH INFORMATION FOR THE BENEFIT OF THE LOCAL AGENCY, THE AUTHORITY OR THE OWNERS OF THE CERTIFICATES UNDER RULE 15c2-12.

Flow of Funds under Measure A Revenues Indenture. Under the Measure A Revenues Indenture, Measure A Revenues are received directly by the Measure A Revenues Trustee (not RCTC) to be held in a fund maintained by the Measure A Revenues Trustee designated the "Revenue Fund" and thereafter deposited in the below-described order of priority as follows:

(1) Each month: (i) one-sixth of the aggregate half-yearly amount of interest becoming due and payable on fixed Senior Lien Bonds during the next ensuing six months; plus (ii) the aggregate amount of interest accrued on variable rate Senior Lien Bonds during such month, at a rate specified by RCTC, will be deposited in the Interest Fund established under the Measure A Revenues Indenture until the amount therein is equal to the amount of interest coming due on the next interest payment date;

(2) Each month, one-twelfth of the aggregate yearly, or one sixth of the aggregate half-yearly, amount of principal (including sinking fund payments) becoming due and payable on fixed Senior Lien Bonds during the next ensuing twelve or six months, as applicable, will be deposited in the Principal Fund established under the Measure A Revenues Indenture until the amount therein is equal to the amount of principal coming due on the next principal payment date, unless RCTC certifies to the Measure A Revenues Trustee that such principal will be refunded prior to its maturity; provided that if sufficient Measure A Revenues are not available to make the foregoing deposits, available Measure A Revenues will be credited pro rata to each issue of Senior Lien Bonds;

(3) Upon the occurrence of any deficiency in the Bond Reserve Fund established under the Measure A Revenues Indenture, Measure A Revenues will be deposited in the Bond Reserve Fund until such fund contains an amount equal to the Bond Reserve Requirement;

(4) After the deposits described in steps (1), (2) and (3) above have been made, remaining Measure A Revenues will be transferred to the Subordinate Obligations trustee to make the deposits required by the master indenture for Subordinate Obligations, and thereafter, remaining Measure A Revenues will be returned to the Measure A Revenues Trustee; and

(5) Each month, after the deposits and transfer described in steps (1), (2), (3) and (4) above have been made, amounts required to pay fees and expenses (such as liquidity or credit fees) for Senior Lien Bonds,

Additional Senior Obligations and Subordinate Obligations will be deposited in the Fees and Expenses Fund established under the Measure A Revenues Indenture.

After the deposits and transfer described in steps (1), (2), (3), (4) and (5) above have been made, and unless otherwise directed by RCTC, the Measure A Revenues Trustee will transfer remaining Measure A Revenues in the Revenue Fund to RCTC. It is solely from the funds transferred to RCTC as described in the preceding sentence that Measure A Revenues are allocated by RCTC to the Local Agency.

Collection and Allocation of Measure A Revenues

Collection of the Measure A Sales Tax began on July 1, 2009, and is administered by the State Board of Equalization (the "**Board of Equalization**"), which imposes a charge for administration. RCTC and the Board of Equalization have entered into an agreement for state administration of district transactions and use taxes to authorize payment of Measure A Revenues directly to the Measure A Revenues Trustee, as trustee under the Measure A Revenues Indenture. The Board of Equalization, after deducting amounts payable to itself, is required to remit the balance of amounts received from the Measure A Sales Tax directly to the Measure A Revenues Trustee. The Measure A Revenues Trustee is required to apply the Measure A Revenues to make deposits to the funds and accounts established under the Measure A Revenues Indenture to pay the Senior Lien Bonds and any Additional Senior Obligations and to transfer the remaining amounts to make payments with respect to any Subordinate Obligations and Liquidity Facilities/Credit Enhancement. After payments have been made with respect to the Senior Lien Bonds, the remaining unapplied Measure A Revenues, if any, are transferred to RCTC for use for any purpose contemplated by the Measure A Ordinance.

Pursuant to the Measure A Ordinance, RCTC, after making a deduction for administration, first allocates such remaining unapplied Measure A Revenues to be applied for transportation purposes to the Western County, Coachella Valley, and Palo Verde Valley areas within the County of Riverside in proportion to the Measure A Revenues generated within those areas. As of calendar year 2023, RCTC allocates such remaining unapplied Measure A Revenues as follows: (i) approximately 79.9% to the Western County area; (ii) approximately 19.7% to the Coachella Valley; and (iii) approximately 0.4% to the Palo Verde Valley area. Such percentages are expected to vary slightly from year to year.

The Local Agency is within the Western County area of the County of Riverside. Approximately 29% of the portion of the Measure A Revenues allocated by RCTC to the Western County area is applied to the local streets and roads program within such area. The funds made available in the Western County area for purposes of the local streets and roads program are distributed to the cities in the Western County area and the County by a formula based 75% on proportionate population and 25% on proportionate revenues generated by the Measure A Ordinance within each jurisdiction.

In order to be eligible for these funds, the Local Agency is required: (i) to file a Five-Year Capital Improvement Plan for the use of these funds, updated annually, with RCTC; (ii) to participate in a Transportation Uniform Mitigation Fee ("**TUMF**") Program developed and administered by the Western Riverside Council of Governments; (iii) to participate in the Multi-Species Habitat Conservation Plan ("**MSHCP**") developed and administered by the Western Riverside County Regional Conservation Authority; and (iv) to comply with a maintenance of effort requirement. See the caption "—Historical Measure A Revenues" for a table setting forth the portion of the Measure A Revenues that was historically allocated by RCTC to the Local Agency for the last five fiscal years of the Local Agency ended June 30 (each, a "**Fiscal Year**"). The portion of such Measure A Revenues allocated by RCTC to the Local Agency for deposit in the Pledged Tax Fund in accordance with the 2013 Installment Sale Agreement constitutes Measure A Receipts. Measure A Receipts are pledged to make the Installment Sale Payments.

The expenditure plan for Measure A Revenues may only be amended in accordance with Section 240302 of the California Public Utilities Code, which requires any amendment: (i) to be initiated by RCTC upon a finding of necessity: (ii) to be approved by the Board of Supervisors of the County of Riverside; and

(iii) to be approved by a majority of the cities constituting a majority of the incorporated population of the County of Riverside. Under the Measure A Ordinance, RCTC will consider revisions to the expenditure plan in 2029. There can be no assurance that amendments will not be implemented that could affect the Local Agency's receipt of Measure A Revenues.

Historical Measure A Revenues

Historical Measure A Revenues. The following table sets forth the portion of the Measure A Revenues that have been allocated by RCTC to the Local Agency for the last ten Fiscal Years.

CITY OF RIVERSIDE
MEASURE A REVENUE ALLOCATION

Fiscal Year	***Portion of Measure A Revenues Allocated***	***Percent Change from Prior Fiscal Year***
2012-13	5,970,562	N/A
2013-14	6,193,057	3.73%
2014-15	6,497,409	4.91
2015-16	6,754,042	3.95
2016-17	7,747,331	14.71
2017-18	7,732,065[1]	(0.20)
2018-19	8,241,029	6.58
2019-20	7,800,505	(5.35)
2020-21	9,559,375	22.55
2021-22	11,438,627	19.66

(1) Differs from amount shown in the table entitled "Measure A Fund Statement of Revenues, Expenditures and Changes in Fund Balances" under the subcaption "—Measure A Fund Financial Statements" below because such amount excludes $419,465 in Measure A Receipts that was dedicated to a transportation-related project in this Fiscal Year.
Source: City of Riverside.

The Local Agency is unable to predict whether annual Measure A Revenues will increase or decrease or what portion, if any, of such Measure A Revenues it will receive. For a summary of historical taxable retail sales within the Local Agency, see the table entitled "City of Riverside Taxable Sales" in Appendix B.

Measure A Fund Financial Statements. The following tables present the Balance Sheet and the Schedule of Revenues, Expenditures and Changes in Fund Balances relating to the Local Agency's Measure A Fund for the past five Fiscal Years.

CITY OF RIVERSIDE
MEASURE A FUND BALANCE SHEET[1]

	Fiscal Year 2017-18 Audited Results	*Fiscal Year 2018-19 Audited Results*	*Fiscal Year 2019-20 Audited Results*	*Fiscal Year 2020-21 Audited Results*	*Fiscal Year 2021-22 Audited Results*
Assets					
Cash and Investments	$ 15,560,783	$ 18,570,799	$ 22,035,561	$ 20,003,831	$ 25,979,222
Accounts Receivable	54,967	66,212	59,915	37,354	68,018
Deposits	2,997,250	1,420,988	1,517,446	2,627,392	2,844,399
Total Assets	$ 18,613,000	$ 20,057,999	$ 23,612,922	$ 22,668,577	$ 28,891,639
Liabilities					
Accounts Payable and Accrued Liabilities	$ 294,229	$ 18,693	$ 48,778	$ 74,548	$ 385,826
Total Liabilities	$ 294,229	$ 18,693	$ 48,778	$ 74,548	$ 385,826
Fund Balances					
Reserved for Prepaid Items	$ -	$ -	$ -	$ 11,017	$ -
Designated for Future Operations	16,169,179	16,169,179	16,169,179	16,169,179	16,169,179
Unreserved; Undesignated	2,149,591	3,870,127	7,394,966	6,413,833	12,336,635
Total Fund Balances	$ 18,318,770	$ 20,039,306	$ 23,564,145	$ 22,594,029	$ 28,505,814
Total Liabilities and Fund Balances	$ 18,613,000	$ 20,057,999	$ 23,612,922	$ 22,668,577	$ 28,891,639

(1) Rounded to the nearest dollar. Totals may not add due to rounding.
Source: City of Riverside.

CITY OF RIVERSIDE
MEASURE A FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES[1]

	Fiscal Year 2017-18 Audited Results	*Fiscal Year 2018-19 Audited Results*	*Fiscal Year 2019-20 Audited Results*	*Fiscal Year 2020-21 Audited Results*	*Fiscal Year 2021-22 Audited Results*
Revenues					
From Other Agencies	$ 8,151,530[2]	$ 8,241,029	$ 7,800,505	$ 9,559,375	$ 11,438,627
Sale of Land Buildings	-	148,706	-	24,455	96,091
Use of Money and Property	76,717	576,867	692,068	13,700	(626,167)
Total Revenues	$ 8,228,247	$ 8,966,602	$ 8,492,573	$ 9,597,530	$ 10,908,552
Expenditures					
Capital Outlay	$ 7,762,464	$ 7,246,066	$ 4,967,734	$ 10,567,646	$ 4,996,766
Total Expenditures	$ 7,762,464	$ 7,246,066	$ 4,967,734	$ 10,567,646	$ 4,996,766
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 465,783	$ 1,720,536	$ 3,524,839	$ (970,116)	$ 5,911,785
Fund Balances – Beginning of Year	$ 17,852,987	$ 18,318,770	$ 20,039,306	$ 23,564,145	$ 22,594,029
Fund Balances – End of Year	$ 18,318,770	$ 20,039,306	$ 23,564,145	$ 22,594,029	$ 28,505,814

(1) Rounded to the nearest dollar. Totals may not add due to rounding.
(2) Differs from amount shown in the table entitled "Measure A Revenue Allocation" under the subcaption "—Historical Measure A Revenues" above because such amount includes $419,465 in Measure A Receipts that was dedicated to a transportation-related project in this Fiscal Year.
Source: City of Riverside.

HISTORICAL DEBT SERVICE COVERAGE

The following table sets forth the historical debt service coverage with respect to the 2013 Certificates for the last five Fiscal Years for which full Fiscal Year information is available.

CITY OF RIVERSIDE
2013 CERTIFICATES DEBT SERVICE COVERAGE
BASED UPON MEASURE A REVENUES ALLOCATED TO THE CITY OF RIVERSIDE

Fiscal Year	*Measure A Receipts*	*2013 Installment Sale Payments*	*Debt Service Coverage*
2017-18	$ 8,151,530[1]	$2,996,087	2.72x
2018-19	8,241,029	2,995,487	2.75x
2019-20	7,800,505	2,998,237	2.60x
2020-21	9,559,375	2,997,237	3.19x
2021-22	11,438,627	2,997,487	3.82x

[2] Differs from amount shown in the table entitled "Measure A Revenue Allocation" under the caption "—Historical Measure A Revenues—Historical Measure A Revenues" above because such amount includes $419,465 in Measure A Receipts that was dedicated to a transportation-related project in this Fiscal Year.
Source: City of Riverside.

Applying the amount of Measure A Receipts received in Fiscal Year 2021-22 ($11,438,627), the latest full Fiscal Year for which such information is available, would result in 420% coverage of the maximum annual Installment Sale Payment amount payable by the City ($2,726,000) (reflecting the full defeasance of the 2013 Certificates as of the date of execution and delivery of the Certificates). For the current Fiscal Year, the City has received $7,324,240 in Measure A Receipts for the period from July 1, 2022 to April 30, 2023, the latest date through which such information is available. Assuming that no additional Measure A Receipts were received by the City before June 30, 2023, amounts collected through April 30, 2023 would result in 269% coverage of the maximum annual Installment Sale Payment amount payable by the City ($2,726,000) (reflecting the full defeasance of the 2013 Certificates as of the date of execution and delivery of the Certificates).

RISK FACTORS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the Certificates. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the Certificates. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone could delay or preclude payment of principal of or interest on the Certificates.

Installment Sale Payments Constitute Limited Obligations

The obligation of the Local Agency to make Installment Sale Payments under the 2013 Installment Sale Agreement is a special obligation of the Local Agency, payable solely from the Measure A Receipts, does not constitute a debt of the Local Agency, any other local agency, the Authority, the State or any political subdivision of the State within the meaning of any constitutional or statutory debt limitation or restriction and does not constitute an obligation for which the Local Agency, any other local agency, the State or any political subdivision of the State is obligated to levy or pledge any form of taxation or for which the Local Agency, any other local agency, the State or any political subdivision of the State has levied or pledged any form of taxation. The Authority has no taxing power.

Passive Revenue Source

The payment of principal and interest with respect to the Certificates is secured solely by a pledge of Installment Sale Payments, which in turn are secured by a pledge by the Local Agency of the Measure A

Receipts, and certain funds held under the Trust Agreement. The Local Agency does not have any control over the amount of Measure A Receipts to be received by the Local Agency because: (i) Measure A Revenues constitute revenues of RCTC derived from a retail transactions and use tax imposed in the County pursuant to the County Transportation Commissions Act and the Measure A Ordinance, the number of transactions and revenues generated under which tax the Local Agency has no ability to control; and (ii) the Local Agency does not have any control over the collection or distribution procedures related to any State taxes or local retail transactions and use taxes.

There can be no assurance that Measure A Receipts will be available in the amounts estimated in this Official Statement. A decrease in Measure A Revenues would adversely affect the amount and/or availability of Measure A Receipts. In addition, the Local Agency must continuously meet certain requirements set forth in the Measure A Ordinance in order to be eligible to receive Measure A Revenues from RCTC and apply Measure A Receipts to pay the Installment Sale Payments. Such requirements include the annual adoption by the Local Agency of a resolution approving the Local Agency's Five-Year Capital Improvement Plan, participation by the Local Agency in the TUMF and MSHCP Programs and compliance by the Local Agency with a maintenance of effort requirement. See the caption "MEASURE A REVENUES; MEASURE A RECEIPTS."

Increased Internet Use May Reduce Sales Tax Revenues

The increasing use of the Internet to conduct electronic commerce may affect the levels of Measure A Revenues. Internet sales of physical products by businesses that are located in the State, and Internet sales of physical products delivered to the State by businesses that are located outside of the State, are generally subject to sales taxes. However, the Local Agency believes that many of these transactions may avoid taxation either through error or deliberate non-reporting, which potentially reduces the amount of Measure A Revenues. As a result, the more that the Internet is used to conduct electronic commerce, along with the failure to collect sales taxes on such Internet purchases, the more that the Local Agency may experience reductions in Measure A Revenues. On September 23, 2011, Governor Jerry Brown signed into law a settlement with Amazon.com Inc., one of the largest internet retailers in the State. As a result, beginning in September 2012, Amazon.com began collecting taxes from its Internet sales in the State to remit to the Board of Equalization.

Allocation of Measure A Revenues to the Local Agency

The Board of Equalization administers collection of the Measure A Sales Tax. The Board of Equalization, after deducting the costs of administering the Measure A Sales Tax, has agreed to remit all Measure A Sales Tax revenues to the Measure A Revenues Trustee. The Measure A Revenues Trustee will thereafter disburse moneys designated for local agencies to RCTC, which allocates Measure A Revenues to the Local Agency as described herein. See the caption "MEASURE A REVENUES; MEASURE A RECEIPTS—Collection and Allocation of Measure A Revenues."

There can be no assurance that changes in the foregoing procedures or other actions undertaken or not undertaken by the Board of Equalization, the Measure A Revenues Trustee or RCTC will not adversely affect the Local Agency's receipt of the Measure A Revenues.

Allocation of Measure A Revenues is Subordinate to Payment of Senior Measure A Obligations

The Measure A Revenues Trustee is required to apply the Measure A Revenues to make deposits to the funds and accounts established under the Measure A Revenues Indenture to pay the Senior Lien Bonds and any Additional Senior Obligations and to transfer the remaining amounts to make payments with respect to any Subordinate Obligations and Liquidity Facilities/Credit Enhancement. All payments with respect to the Senior Lien Bonds, Additional Senior Obligations, Subordinate Obligations and Liquidity Facilities/Credit Enhancement will be made from Measure A Revenues before any remaining Measure A Revenues will be released by the Measure A Revenues Trustee and transferred to RCTC for allocation by RCTC for use for any purpose contemplated by the Measure A Ordinance, including, without limitation, the allocation of Measure A Revenues to the Local Agency. See the caption "MEASURE A REVENUES; MEASURE A RECEIPTS—Senior Lien Measure A Obligations."

There can be no assurance as to the availability of Measure A Revenues for allocation to the Local Agency after application of such funds for the Senior Lien Bonds, Additional Senior Obligations, Subordinate Obligations and Liquidity Facilities/Credit Enhancement. Measure A Revenues are dependent upon sales and use transactions in the County, the number and dollar amount of which the Authority and the Local Agency are unable to predict. See the caption "—Increases in Sales Tax Rate May Cause Declines in Measure A Revenues."

Limitations on Use of Measure A Revenues

Not all of the Measure A Revenues allocated by RCTC to the Local Agency may be applied to pay the Installment Sale Payments. Only the Measure A Receipts may be so applied. See the caption "INTRODUCTION—Security and Sources of Payment for the Certificates—Installment Sale Payments" for detailed definitions of such terms.

Additional Contracts

Subject to certain restrictions, the Local Agency is permitted to enter into other Contracts that constitute additional charges against the Measure A Receipts without the consent of Owners of the Certificates. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES—Additional Contracts." To the extent that other Contracts are executed by the Local Agency, the funds available to pay the Installment Sale Payments may be decreased. In addition, there is no limitation on the ability of the Local Agency to execute any Contract at any time to refund any outstanding Contract.

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS," certain acts or omissions of the Local Agency in violation of its covenants in the Trust Agreement and the 2013 Installment Sale Agreement could result in the interest represented by the Certificates being includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Certificates. Should such an event of taxability occur, the Certificates would not be subject to a special prepayment or an increase in interest rates and would remain outstanding.

Limitations on Remedies; Bankruptcy

The rights of the Owners of the Certificates are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the Owners of the Certificates, and enforcement of the Local Agency's obligations under the 2013 Installment Sale Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or later in effect, equity principles that may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State.

Bankruptcy proceedings under Chapter 9 of the United States Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the Local Agency and RCTC, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

Special Counsel has limited its opinion as to the validity and enforceability of the 2013 Installment Sale Agreement and the Trust Agreement to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor's rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation, or modification of the rights of the Owners.

Constitutional Limitations on Appropriations

State law imposes various taxing, revenue and appropriations limitations on public agencies such as the Local Agency. See the caption "CONSTITUTIONAL PROVISIONS AFFECTING LOCAL AGENCY REVENUES AND APPROPRIATIONS" for a discussion of these limitations.

State Legislature or Electorate May Change Items Subject to Measure A Sales Tax

With limited exceptions, the Measure A Sales Tax will be imposed upon the same transactions and items that are subject to the sales tax levied Statewide by the State. In the past, the State Legislature and the State electorate have made changes to the transactions and items that are subject to the State's general sales tax and, therefore, to the Measure A Sales Tax. In 1991, the State Legislature enacted legislation that expanded the transactions and items that are subject to the general statewide sales tax to include fuel for aviation and shipping, bottled water, rental equipment and newspapers and magazines. In 1992, the State electorate approved an initiative that eliminated candy, gum, bottled water and confectionery items as items that are subject to the State's general sales tax. In each case, the same changes were made to transactions or items that were then subject to the 1988 Sales Tax, a tax similar to the Measure A Sales Tax. On March 6, 1995, in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes. The State Legislature or the voters within the State, through the initiative process, could change or limit the transactions and items upon which the Statewide sales tax and the Measure A Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Measure A Revenues collected and the portion of such Measure A Revenues, and, correspondingly, the portion of Measure A Receipts, allocated by RCTC to the Local Agency. For a further description of the Measure A Sales Tax, see the caption "MEASURE A REVENUES; MEASURE A RECEIPTS."

Increases in Sales Tax Rate May Cause Declines in Measure A Revenues

The 0.5% Measure A Sales Tax imposed in the County of Riverside for transportation purposes and administered by RCTC is in addition to the sales or use tax levied Statewide by the State. On November 6, 2012, State voters approved Proposition 30, which, among other things, increased the statewide tax rate by one quarter of one percent (increasing the statewide rate from 7.25% to 7.50%) for four years, effective January 1, 2013, through December 31, 2016, and the total County sale tax to 8%. The current Statewide tax rate is 7.25%. Additional future increases, if any, in the State sales tax, the sales tax levied by the Local Agency's City Council or the sales tax levied in the County could have an adverse effect on consumer spending decisions and consumption, resulting in a reduction of Measure A Revenues.

No Liability of Authority to Owners

Subject to any provisions in the Trust Agreement to the contrary, the Authority has no obligation or liability to the Owners of the Certificates with respect to the payment when due of the Installment Sale Payments by the Local Agency or with respect to the performance by the Local Agency of other agreements and covenants required to be performed by the Local Agency under the 2013 Installment Sale Agreement or the Trust Agreement, or with respect to the performance by the Trustee of any of the Trustee's rights or obligations under the Trust Agreement.

Economic, Political, Social and Environmental Conditions

The collection of Measure A Sales Tax revenues depends on the level of taxable sales transactions within the County, which, in turn, depends on the level of general economic activity in the County and the State generally. Prospective investors are encouraged to evaluate current and prospective economic, political, social and environmental conditions as part of an informed investment decision. Changes in economic, political, social or environmental conditions on a local, State, federal or international level may adversely affect investment risk generally. Such conditional changes may include (but are not limited to) the reduction or elimination of previously available State or federal revenues, fluctuations in business production, consumer prices or financial markets, unemployment rates, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, acts of war or terrorism environmental damage and natural disasters. See the caption "—Natural Disasters."

Natural Disasters

The occurrence of any natural disaster in or near the boundaries of the Local Agency, including, without limitation, fire, earthquake, landslide, high winds, drought or flood, could have an adverse material impact on the economy within the Local Agency and the generation of sales and use taxes that constitute Measure A Revenues. Portions of the Local Agency may be at risk of damage or destruction from wildfires or subject to unpredictable seismic activity.

Earthquake. The Local Agency is located in a seismically active region of Southern California. Three major active earthquake faults are located within 20 miles of the Local Agency, including the San Andreas and San Joaquin faults. Earthquakes pose potential significant risks to infrastructure, and could potentially result in disruptions of the local economy.

Another potential hazard related to earthquakes is soil liquefaction, which occurs when solids take on properties of a liquid. In the event of a liquefaction event, transportation corridors throughout the Local Agency could be unavailable for short-term or long-term periods while repairs are undertaken.

Flood. According to the Local Agency's Urban Water Management Plan, portions of the land within the Local Agency's boundaries are located within the flood plains of the Santa Ana River and are therefore subject to flooding. Floods may lead to physical damage and/or loss of infrastructure, as well as water contamination.

Secondary Market

There can be no guarantee that there will be a secondary market for the Certificates or, if a secondary market exists, that the Certificates can be sold for any particular price. Occasionally, because of general market conditions, adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

COVID-19 Outbreak

The spread of the novel strains of coronavirus collectively called SARS-CoV-2, which cause the disease known as COVID-19 ("**COVID-19**"), and local, State and federal actions in response to COVID-19, impacted the Local Agency and the County and their operations and finances beginning in early 2020. In response to the increasing number of cases of COVID-19 infections and fatalities, health officials and experts recommended, and some governments mandated, a variety of responses ranging from travel bans and social distancing practices to complete shutdowns of certain services and facilities. The World Health Organization declared the COVID-19 outbreak to be a pandemic and, on March 4, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, 2020, then-President Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. In addition, many school districts across the State temporarily closed some or all school campuses (including schools within the Local Agency's boundaries) in response to local and State directives or guidance.

On March 19, 2020, the Governor of California issued Executive Order N-33-20, a mandatory Statewide shelter-in-place order applicable to all non-essential services. The County also declared a state of emergency in response to the COVID-19 outbreak. A phased re-opening of various sectors began in mid-2020 in accordance with a four-stage re-opening plan that ended with a full reopening of the economy on June 15, 2021.

On March 27, 2020, the President signed the $2.2 trillion Coronavirus Aid, Relief, and Economic Stabilization Act (the "**CARES Act**") which delivered, among other things, $150 billion in financial aid to states and local governments to provide emergency reimbursement to those most significantly impacted by COVID-19. On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (the "**ARP Act**"), a $1.9 trillion economic stimulus package that was designed to help the United States' economy recover from the adverse impacts of the COVID-19 pandemic.

The effects of the COVID-19 outbreak and governmental actions responsive to it have altered the behavior of businesses and people in a manner that has had significant negative impacts on global and local economies. In addition, financial markets have experienced significant volatility attributed to COVID-19 concerns, ensuing inflation and threats of a recession. Identified cases of COVID-19 and deaths attributable to the COVID-19 outbreak continue to occur throughout the United States, including the County.

The Local Agency continues to actively monitor public health indicators, tax collections, payment delinquencies, revenues and expenditures so that further impacts of the COVID-19 pandemic can be anticipated. The pandemic, or future pandemics, could impact the Local Agency and its residents in one or more of the following ways, among others: (i) fluctuations in financial markets and contraction in available liquidity; (ii) job losses and declines in business activity across important sectors of the economy, which could affect homeowners' employment and ability to purchases goods that are subject to sales taxes; (iii) declines in business and consumer confidence that negatively impact economic conditions or cause an economic recession; (iv) the failure of governmental measures to stabilize the financial sector and introduce fiscal stimulus to counteract the economic impact of the pandemic; (v) cancellations of public events; and (vi) disruption of the regional and local economy and potential declines in property values, which could affect homeowners' disposable income.

Cyber Security

Municipal agencies, like other business entities, face significant risks relating to the use and application of computer software and hardware. In recent years, there have been significant cyber security incidents affecting municipal agencies, including a ransomware attack targeting Los Angeles Unified School District, a freeze affecting computer systems of the City of Atlanta, an attack on the City of Baltimore's 911 system, an attack on the Colorado Department of Transportation's computers, an attack that resulted in the temporary closure of the Port of Los Angeles' largest terminal and an attack on a water treatment facility in Oldsmar, Florida.

The Local Agency's Information Technology Department provides advisory support for the Local Agency's electronic system cyber security. This includes audits and recommended improvements to facility hardware and software to keep up to date with the latest cyber security best practices. The Local Agency uses multiple layers of security systems to safeguard against cyber-attacks. These systems are deployed at the perimeter as well as at end points of the Local Agency's network. The Local Agency's multi-level cyber protection scheme includes firewalls, anti-virus software, anti-spam/malware software, intrusion protection, intrusion detection, log monitoring and other security measures. One of the systems is artificial-intelligence based, which analyzes the behavior of users/devices on the network and takes corrective action if any anomaly is detected. The Local Agency's network is scanned by third party consultants on a regular basis. The Local Agency's Information Technology Department also conducts security awareness training for employees and maintains cloud-based backup storage for its digital files.

To date, the Local Agency has not experienced a successful attack against its network and servers. However, there can be no assurance that a future attack or attempted attack would not result in disruption of the Local Agency's operations. The Local Agency expects that any such disruptions would be temporary in nature due to its backup/restore procedures and disaster recovery planning.

Climate Change

The State has historically been susceptible to wildfires and hydrologic variability. As greenhouse gas emissions continue to accumulate in the atmosphere, climate change is expected to intensify, increasing the frequency, severity and timing of extreme weather events such as coastal storm surges, drought, wildfires, floods and heat waves, and raising sea levels. The future fiscal impact of climate change on the Local Agency is difficult to predict, but it could be significant and it could have a material adverse effect on the Local Agency's finances by requiring greater expenditures to counteract the effects of climate change or by changing the business and activities of consumers.

The Local Agency's existing Economic Prosperity Plan and Climate Action Plan (the "**CAP**"), which was adopted in 2016, evaluated the impact of climate change through 2020 and established a roadmap by which the Local Agency could measure greenhouse gas emissions, assist residents in adapting to the effects of climate change and increase the Local Agency's resilience to the effects of climate change. The CAP also sought to ensure that the Local Agency's climate change response supported economic development in the Local Agency, including by encouraging investments in green technology.

The Local Agency is currently in the process of evaluating and updating the CAP as part of the upcoming General Plan update that will begin in late 2023 or early 2024. The Local Agency's Community and Economic Development Department is taking the lead on the CAP update, with support from the Local Agency's Office of Sustainability. The updated CAP is expected to implement actions to reduce greenhouse gas emissions and measure progress with respect thereto, with one goal expected to be achieving carbon neutrality by 2040. There can be no assurance as to when the updated CAP will be adopted, or as to the ultimate content thereof.

Taxpayer Protection and Government Accountability Act Initiative

On February 1, 2023, the California Secretary of State announced that a ballot initiative, designated as Initiative 1935 and self-titled by its sponsors as the "Taxpayer Protection and Government Accountability Act," had received the required number of signatures to appear on the November 5, 2024 ballot.

If approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election, Initiative 1935 would make numerous significant changes to Articles XIII, XIIIA, XIIIC and XIIID of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees. See the caption "CONSTITUTIONAL PROVISIONS AFFECTING LOCAL AGENCY REVENUES AND APPROPRIATIONS." The full text of Initiative 1935 may be viewed at the website of the California Attorney General.

Among other things:

- Initiative 1935 would amend Article XIIIC to state that every levy, charge or exaction of any kind imposed by local law is either a "tax" or an "exempt charge," and would amend the definition of "tax" added to Article XIIIC by Proposition 26 to state that "every levy, charge, or exaction of any kind imposed by a local law that is not an exempt charge" constitutes a tax. Initiative 1935 narrows the definition of "exempt charge" to mean a "reasonable charge for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the *actual costs* [as opposed to the reasonable costs] of providing the service or product to the payor." "Exempt charges" also encompass existing exceptions from the definition of "tax" added to Article XIIIC by Proposition 26. "Actual costs" is defined in Initiative 1935 to mean "the minimum amount necessary to reimburse the government for the cost of providing the service or product to the payor … where the amount charged is not used by the government for any purpose other than reimbursing that cost. In computing "actual cost" the maximum amount that may be imposed is the actual cost less all other sources of revenue including but not limited to taxes, other exempt charges, grants, and state or federal funds received to provide such service or product." Initiative 1935 would retain an exemption from the definition of "tax" for assessments, fees or charges which are subject to Article XIIID.

- Initiative 1935 would amend Article XIIIC to state that only the governing body of a local government, or an elector acting pursuant to the initiative power, has the authority to impose an exempt charge, and that exempt charges must be imposed by an ordinance specifying the type of exempt charge and the amount or rate of the exempt charge to be imposed, and passed by the governing body, other than for certain exempt charges imposed for a specific health care service. In addition, Initiative 1935 would amend Article XIIIC to prohibit the submission to or approval by the electors of a charter city of any amendment to a municipal charter which provides for the imposition, extension or increase of a tax or exempt charge.

- Initiative 1935 would amend Article XIIIC to require the title, summary and ballot label or questions for a measure providing for the imposition of a tax to include: (a) the type and amount or rate of the tax; (b) the duration of the tax; and (c) the proposed use of the revenue derived from the tax; and (d) if the proposed tax is a general tax, the phrase "for general government use." In addition, no advisory measure may appear on the same ballot that would indicate that the revenue from the general tax will, could or should be used for specific purposes.

- Initiative 1935 would amend Article XIIIC to require that any special tax, whether proposed by the governing body or by an elector, be approved by a two-thirds vote of the electorate.

- Initiative 1935 would amend Article XIIIC to state that the local government bears the burden of proving by *clear and convincing evidence* (as opposed to a preponderance of the evidence) that: (a) a levy, charge or exaction is an exempt charge and not a tax; and (b) the amount of the exempt charge is reasonable and that the amount charged does not exceed the actual cost of providing the service or product to the payor.

- Initiative 1935 would amend Article XIIIC to state that any tax or exempt charge adopted after January 1, 2022, but prior to the effective date of Initiative 1935, which was not adopted in compliance with the requirements thereof is void 12 months after the effective date of Initiative 1935, if adopted, unless the tax or exempt charge is reenacted in compliance with the provisions of Initiative 1935.

The Local Agency cannot predict whether Initiative 1935 will be approved by a majority of voters casting a ballot at the November 5, 2024 Statewide election. If Initiative 1935 is approved, the Local Agency cannot provide any assurances as to the effect of the implementation or judicial interpretations of Initiative 1935 on the finances of the State, the County or the Local Agency.

CONSTITUTIONAL PROVISIONS AFFECTING
LOCAL AGENCY REVENUES AND APPROPRIATIONS

Article XIIIB of the California Constitution – Limitations on Appropriations

On November 6, 1979, State voters approved Proposition 4, the so-called Gann Initiative, which added Article XIIIB to the State Constitution ("**Article XIIIB**"). In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Article XIIIB limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted annually for changes in the cost of living, population and cost of services rendered by the governmental entity. The "base year" for establishing such appropriation limit is State fiscal year 1978-79 and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if: (i) the financial responsibility for a service is transferred to another public entity or to a private entity; (ii) the financial source for the provision of services is transferred from taxes to other revenues; or (iii) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations of an entity of local government that are subject to Article XIIIB include generally any authorization to expend during the fiscal year the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. Appropriations that are subject to limitation pursuant to Article XIIIB do not include debt service on indebtedness existing or legally authorized as of January 1, 1979 or on bonded indebtedness thereafter approved according to law by a vote of the electors of the issuing entity voting in an election for such purpose, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects and appropriations by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to any entity of government from: (i) regulatory licenses, user charges, and user fees to the extent such proceeds exceed the cost of providing the service or regulation; (ii) the investment of tax revenues; and (iii) certain State subventions received by local governments. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amount permitted to be spent, the excess must be returned by revising tax rates or fee schedules over the subsequent two fiscal years.

Article XIIIB allows voters to approve a temporary waiver of a government's Article XIIIB limit. Such a waiver is often referred to as a "Gann limit waiver." The length of any such waiver is limited to four years. The Gann limit waiver does not provide any additional revenues to a local government or allow a local government to finance additional services.

Installment Sale Payments are subject to the Article XIIIB appropriations limitations. The Local Agency reports that it has never made appropriations that exceeded the limitation on appropriations under Article XIIIB. The impact of the appropriations limit on the financial needs of the Local Agency in the future is unknown.

Articles XIIIC and XIIID of the California Constitution – The Right to Vote on Taxes

On November 5, 1996, State voters approved Proposition 218, entitled the "Right to Vote on Taxes Act" ("**Proposition 218**"). Proposition 218 added Article XIIIC ("**Article XIIIC**") and Article XIIID ("**Article XIIID**") to the State Constitution, which Articles contain a number of provisions affecting the ability of local governments to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of certain provisions of Proposition 218 will ultimately be determined by the courts with respect to some of the matters discussed below. It is not possible at this time to predict with certainty the future impact of such interpretations. The provisions of Proposition 218, as so interpreted and applied, may affect the ability of the Local Agency to meet certain obligations.

Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes require a majority vote and taxes for specific purposes, even if deposited in a general fund, require a two-thirds vote. Article XIIIC further provides that any general purpose tax that is imposed, extended or increased without voter approval after December 31, 1994, may continue to be imposed only if approved by a majority vote in an election, which must be held within two years of November 5, 1996. The Local Agency reports that it has not imposed, extended or increased any such taxes that are currently in effect without voter approval.

Article XIIIC also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date that such taxes, assessments, fees and charges were imposed. Article XIIIC expands the initiative power to include reducing or repealing assessments, fees and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Article XIIIC to fees imposed after November 6, 1996, and absent other legal authority could result in the retroactive reduction in any existing taxes, assessments, fees, or charges. No assurance can be given that the voters within the jurisdiction of the Local Agency will not, in the future, approve initiatives that reduce, repeal or prohibit the future imposition or increase of, local taxes, assessments, fees or charges that currently comprise a substantial part of the Local Agency's general fund. The terms "local tax," "assessments," "fees" and "charges" are not defined in Article XIIIC, and it is unclear whether these terms are intended to have the same meanings for purposes of Article XIIIC as for Article XIIID described below. If not, the scope of the initiative power under Article XIIIC potentially could include any general fund local tax, assessment, or fee that is not received from or imposed by the federal or State government or derived from investment income. The Local Agency does not believe that it currently levies any property related "fees" or "charges" that it considers to be subject to challenge under Article XIIIC.

The voter approval requirements of Proposition 218 reduce the flexibility of a local government to raise revenues for its general fund, and no assurance can be given that the Local Agency will be able to impose, extend, or increase taxes in the future to meet increased expenditure needs.

Article XIIID also added several new provisions relating to how local governments may levy and maintain "assessments" for municipal services and programs. These provisions include, among other things: (i) a prohibition against assessments that exceed the reasonable cost of the proportional special benefit conferred on a parcel; (ii) a requirement that the assessment must confer a "special benefit," as defined in Article XIIID, over and above any general benefits conferred; and (iii) a majority protest procedure that involves the mailing of a notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party. The term "Assessment" in Article XIIID is defined to mean any levy or charge upon real property for a special benefit conferred upon the real property and applies to landscape and maintenance assessments for open space areas, street medians, street lights, and parks.

In addition, Article XIIID added several provisions affecting "fees" and "charges," defined for purposes of Article XIIID to mean "any levy other than an *ad valorem* tax, a special tax, or an assessment, imposed by [a local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges that: (i) generate revenues exceeding the funds required to provide the property related service; (ii) are used for any purpose other than those for which the fees and charges are imposed; (iii) are for a service not actually used by, or immediately available to, the owner of the property in question; or (iv) are used for general governmental services, including police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners. Depending on the interpretation of what constitutes a "property related fee" under Article XIIID, there could be future restrictions on the ability of the Local Agency to charge its respective enterprise funds for various services provided. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The Local Agency must then hold a hearing upon the proposed imposition or increase and, if written protests against the proposal are presented by a majority of the owners of the identified parcels, the Local Agency may not impose or increase the fee or charge.

The Local Agency does not believe that the provisions of Article XIIIC or Article XIIID will directly impact the Measure A Receipts available to the Local Agency to make its Installment Sale Payments required pursuant to the 2013 Installment Sale Agreement.

Future Initiatives

Article XIIIB, Article XIIIC and Article XIIID were each adopted as measures that qualified for the ballot pursuant to the State's Constitutional initiative process. From time to time other initiative measures could be adopted that affect the ability of the Local Agency to increase or apply revenues and to make or increase appropriations or the ability of RCTC to levy, collect or allocate the Measure A Sales Tax, all of which could adversely impact the amount of Measure A Revenues received by the Local Agency. See the caption "RISK FACTORS—Taxpayer Protection and Government Accountability Act Initiative."

THE AUTHORITY

The Authority was organized pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code and a Joint Exercise of Powers Agreement, dated as of December 15, 1987 (the "**Original JPA**"), by and between the Local Agency and the Redevelopment Agency of the City of Riverside (the "**RDA**"). The California Legislature adopted Assembly Bill ABx1 26 on June 28, 2011, pursuant to which the RDA was dissolved. The Local Agency currently acts as successor agency to the RDA (the "**Successor Agency**"). On August 16, 2012, the Local Agency, the Successor Agency and the Parking Authority of the City of Riverside entered into an Amended and Restated Joint Exercise of Powers Agreement (the "**JPA**"), which JPA amends and restates the Original JPA in full.

The Authority has no financial liability to the owners of the Certificates with respect to the payment of Installment Sale Payments by the Local Agency or with respect to the performance by the Local Agency of the other agreements and covenants it is required to perform.

The Authority may sell and deliver obligations other than the Certificates. Such obligations will be secured by instruments separate and apart from those securing the Certificates, and the holders of such other obligations of the Authority will have no claim on the security for the Certificates. Holders of the Certificates will have no claim on the security for such other obligations that may be issued by the Authority.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Special Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest with respect to the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Code, generally certain corporations with more than $1,000,000,000 of average annual adjusted financial statement income, interest with respect to the Certificates might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations.

In the further opinion of Special Counsel, interest with respect to the Certificates is exempt from State personal income tax.

The amount by which a Certificate Owner's original basis for determining loss on sale or exchange in the applicable Certificate (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Certificate Owner's basis in the applicable Certificate (and the amount of tax exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Certificate premium may result in a Certificate Owner realizing a taxable gain when a Certificate is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Certificate to the Owner. Purchasers of the Certificate should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

Special Counsel's opinion as to the exclusion from gross income of interest with respect to the Certificates is based upon certain representations of fact and certifications made by the Local Agency, the Authority and others and is subject to the condition that the Local Agency and the Authority comply with all requirements of the Code that must be satisfied subsequent to the execution and delivery of the Certificates to assure that interest on the Certificates will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest with respect to the Certificates to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Certificates. The Local Agency and the Authority have covenanted to comply with all such requirements.

The IRS has initiated an expanded program for the auditing of tax exempt obligations, including both random and targeted audits. It is possible that the Certificates will be selected for audit by the IRS. It is also possible that the market value of the Certificates might be affected as a result of such an audit of the Certificates (or by an audit of similar municipal obligations). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the execution and delivery of the Certificates to the extent that it adversely affects the exclusion from gross income of interest with respect to the Certificates or their market value.

SUBSEQUENT TO THE EXECUTION AND DELIVERY OF THE CERTIFICATES, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE CERTIFICATES, INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE CERTIFICATES. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE CERTIFICATES. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE EXECUTION AND DELIVERY OF THE CERTIFICATES STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE CERTIFICATES, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE CERTIFICATES.

Special Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Special Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Special Counsel's engagement with respect to the Certificates terminates upon their execution and delivery and Special Counsel disclaims any obligation to update the matters set forth in its opinion. The Trust Agreement and the Tax Certificate relating to the Certificates permit certain actions to be taken or to be omitted if a favorable opinion of Special Counsel is provided with respect thereto. Special Counsel expresses no opinion as to the effect on the exclusion from gross income of interest with respect to the Certificates for federal income tax purposes with respect to any

Certificates if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Special Counsel has rendered an opinion that interest with respect to the Certificates is excluded from gross income for federal income tax purposes provided that the Local Agency and the Authority continue to comply with certain requirements of the Code, the ownership of the Certificates and the accrual or receipt of interest with respect to the Certificates may otherwise affect the tax liability of certain persons. Special Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Certificates, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Certificates.

Should interest with respect to the Certificates become includable in gross income for federal income tax purposes, the Certificates are not subject to early prepayment or an increase in interest rates and will remain outstanding until maturity or until prepaid in accordance with the Trust Agreement.

A copy of the proposed form of opinion of Special Counsel is attached hereto as Appendix C.

RATING

S&P is expected to assign the Certificates the rating of "AA".

Future events could have an adverse impact on the rating of the Certificates, and there is no assurance that any credit rating which is given to the Certificates will be maintained for any period of time or that the rating may not be qualified, downgraded, lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. There is also no assurance that the criteria required to achieve a rating on the Certificates will not change during the period that the Certificates remain outstanding. Any downward revision or withdrawal of such rating may have an adverse effect on the market price of the Certificates. Such rating reflects only the current views and current rating criteria of S&P (which views and rating criteria could change at any time), and an explanation of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials that are furnished to it (which may include information and material from the Local Agency that is not included in this Official Statement) and on investigations, studies and assumptions of its own.

The Local Agency has covenanted in the Continuing Disclosure Agreement to file notices of any rating changes on the Certificates on EMMA. See the caption "CONTINUING DISCLOSURE" and Appendix D. Notwithstanding such covenant, information relating to rating changes on the Certificates may be publicly available from S&P prior to such information being provided to the Local Agency or the Authority and prior to the date by which the Local Agency is obligated to file a notice of rating change. Purchasers of the Certificates are directed to the rating agencies and their respective websites and official media outlets for the most current ratings with respect to the Certificates after the initial execution and delivery thereof.

CONTINUING DISCLOSURE

In connection with the execution and delivery of the Certificates, the Local Agency will enter into a Continuing Disclosure Certificate, dated the date of execution and delivery of the Certificates (the "**Continuing Disclosure Certificate**"). The Continuing Disclosure Certificate is executed for the benefit of the Owners and obligations the Local Agency to provide certain financial information and operating data by not later than April 1 following the end of the Local Agency's Fiscal Year (currently its Fiscal Year ends on June 30) (the "**Annual Report**"), commencing April 1, 2024 with the report for the Fiscal Year ending June 30, 2023, and to provide notice of the occurrence certain events. The Annual Report and the notices of enumerated events will be filed by the Local Agency with EMMA. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events is set forth in Appendix D. These covenants have been made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12.

The Local Agency and its related governmental entities – specifically those entities for whom Local Agency staff is responsible for undertaking compliance with continuing disclosure undertakings – have previously entered into numerous disclosure undertakings under Rule 15c2-12 in connection with the issuance of other obligations.

In the past, to assist the Local Agency and its related governmental entities in meeting their continuing disclosure obligations, the Local Agency retained certain corporate trust banks to act as dissemination agent. The Local Agency and its related governmental entities have not, on a handful of occasions during the past five years, fully complied, in all material respects, with their disclosure undertakings because on certain occasions in the last five years, the Local Agency did not timely file: (1) notice of rating changes to bond insurers and other credit and/or liquidity providers for Local Agency debt obligations; (2) the Local Agency's biennial budget for 2018-2020 in connection with the City of Riverside Variable Rate Refunding Certificates of Participation (Riverside Renaissance Projects) Series 2008; (3) a notice of successor trustee for a prior Local Agency debt obligation; and (4) certain Fiscal Year 2018-19 operating data in connection with an issuance of pension obligation bonds by the Local Agency. In addition, the Local Agency did not link certain Fiscal Year 2017-18 information with respect to bonds of its electric system to all applicable CUSIPs.

The Local Agency and its related governmental entities have made filings to correct all known instances of non-compliance during the last five years. The Local Agency believes that it has established internal processes, including a written continuing disclosure policy that will ensure that it and its related governmental entities will meet all material obligations under their respective continuing disclosure undertakings. The Local Agency also now handles its and its related governmental entities' continuing disclosure obligations internally and no longer uses third-party dissemination agents for that purpose. Additionally, the Local Agency has engaged a consultant to annually verify its continuing disclosure filings and identify any deficiencies, whether material or otherwise, so that any required corrective action can be taken.

MUNICIPAL ADVISOR

The Local Agency has retained CSG Advisors Incorporated, San Francisco, California, as municipal advisor (the "**Municipal Advisor**") in connection with the execution and delivery of the Certificates. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The Certificates will be purchased by Piper Sandler & Co. (the "**Underwriter**") pursuant to a Certificate Purchase Agreement, dated the date of this Official Statement (the "**Purchase Contract**"), by and among the Authority, the Local Agency and the Underwriter. Under the Purchase Contract, the Underwriter has agreed to purchase all, but not less than all, of the Certificates for an aggregate purchase price of \$23,535,347.49 (representing the principal amount of the Certificates, less an Underwriter's discount of \$90,067.01, plus an original issue premium of \$2,435,414.50). The Purchase Contract provides that the Underwriter will purchase all of the Certificates if any are purchased, the obligation to make such a purchase being subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel and certain other conditions.

The initial public offering prices stated on the inside cover page of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Certificates to certain dealers (including dealers depositing Certificates into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

The Underwriter has entered into a distribution agreement (the "**Distribution Agreement**") with Charles Schwab & Co., Inc. ("**CS&Co**.") for the retail distribution of certain securities offerings, including the Certificates, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase the Certificates from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Certificates that CS&Co. sells.

NO LITIGATION

The Authority

To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Authority seeking to restrain or enjoin the execution, delivery or sale of the Certificates, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Certificates, the validity or enforceability of the documents executed by the Authority in connection with the Certificates, the completeness or accuracy of this Official Statement, or the existence or powers of the Authority relating to the sale of the Certificates.

The Local Agency

To the knowledge of the Local Agency, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or threatened against the Local Agency seeking to restrain or enjoin the execution, delivery or sale of the Certificates, or in any way contesting or affecting any proceedings of the Local Agency taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Certificates, the validity or enforceability of the documents executed by the Local Agency in connection with the Certificates, the completeness or accuracy of this Official Statement, or the existence or powers of the Local Agency relating to the sale of the Certificates or the execution of the First Supplement.

CERTAIN LEGAL MATTERS

The validity and enforceability of the 2013 Installment Sale Agreement and the Trust Agreement and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Special Counsel to the Local Agency. A complete copy of the proposed form of Special Counsel opinion is set forth in Appendix C. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, is also acting as Disclosure Counsel to the Local Agency. Certain legal matters will be passed upon for the Local Agency and the Authority by the City Attorney of the City of Riverside, for the Underwriter by Kutak Rock LLP, Irvine, California, as Underwriter's Counsel and for the Trustee by its counsel. Compensation of the Municipal Advisor, Bond Counsel and Disclosure Counsel is contingent upon the execution and delivery of the Certificates.

MISCELLANEOUS

The purpose of this Official Statement is to supply information to prospective buyers of the Certificates. Quotations from and summaries and explanations of the Certificates and other documents contained herein do not purport to be complete, and reference is made to said documents for full and complete statements of their provisions.

This Official Statement and its distribution have been duly authorized and approved by the Local Agency.

CITY OF RIVERSIDE

By: /s/Michael Futrell
City Manager

APPENDIX A

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following is a summary of certain provisions of the 2013 Installment Purchase Agreement and the Trust Agreement that are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the applicable document for a full and complete statement of the provisions thereof.

2013 INSTALLMENT SALE AGREEMENT

DEFINITIONS

Definitions. Unless the context otherwise requires, the terms defined in the 2013 Installment Sale Agreement will for all purposes thereof and of any amendment thereof or supplement thereto and of any opinion or report or other document mentioned therein have the meanings defined therein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined therein:

"Accountant's Report" means a report signed by an Independent Certified Public Accountant.

"Accreted Value" means, with respect to any Capital Appreciation Certificates, as of the date of calculation, the initial amount thereof plus the interest accrued thereon to such date of calculation, compounded from the date of initial delivery at the approximate interest rate thereof on each June 1 and December 1, as determined in accordance with the table of accreted values for any Capital Appreciation Certificates prepared at the time of sale thereof, assuming in any year that such Accreted Value increases in equal daily amounts on the basis of a year of 360 days composed of 12 months of 30 days each.

"Acquisition Fund" means the fund by that name established pursuant to the Trust Agreement.

"Administration Fee" means an amount equal to the sum of the Trustee's fees, the Rebate Analyst Fee and any other similar fee payable in connection with the administration of the Certificate financing program, payable on the 15th day of the month preceding each Certificate Payment Date.

"Authority" means the Riverside Public Financing Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and that certain Joint Exercise of Powers Agreement, between the City and the Redevelopment Agency of the City of Riverside, dated December 15, 1987, as amended and restated by an Amended and Restated Joint Exercise of Powers Agreement, dated August 16, 2012, by and among the City of Riverside, the City of Riverside as the Successor Agency for the Redevelopment Agency of the City of Riverside, and the Parking Authority of the City of Riverside.

"Authorized Authority Representative" means any member or director of the Authority and any other person as may be designated and authorized to sign on behalf of the Authority pursuant to a resolution adopted thereby.

"Authorized City Representative" means the person or persons designated in the 2013 Installment Sale Agreement or any other person at the time designated to act on behalf of such City by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of such City by an Authorized City Representative.

"Business Day" means any day on which the Trustee is open for business at its corporate trust office in Los Angeles, California.

"Capital Appreciation Certificates" means any certificates of participation in 2013 Installment Sale Payments described as such when executed and delivered.

"Certificates" means the Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project), executed and delivered in accordance with the Trust Agreement.

"City" means the City of Riverside, California, a municipal corporation organized and existing under the Constitution of the State of California.

"Code" means the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated the date of initial execution and delivery of the Certificates, executed by the City, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

"Contracts" means all installment sale contracts, capital leases or similar obligations of the City authorized and executed by the City under and pursuant to applicable law, the interest and principal and prepayment premium, if any, payments under and pursuant to which are payable from Revenues on a parity with the payment of the 2013 Installment Sale Payments.

"Debt Service" means, for any Fiscal Year, the sum of that portion of the Installment Sale Payments required to be made at the times provided in the Contracts that would have accrued during such Fiscal Year if such Installment Sale Payments were deemed to accrue daily in equal amounts from, in each case, the next preceding Installment Sale Payment Date of interest or principal or the date of the pertinent Contract, as the case may be; provided, that: (a) if any of the Installment Sale Payments due under any of such Contracts are evidenced by Capital Appreciation Certificates, then the Accreted Value payment will be deemed a principal payment and interest that is compounded and paid as Accreted Value will be deemed due on the scheduled redemption or payment date of such Capital Appreciation Certificate; (b) if any of the Installment Sale Payments due under any such Contracts bear interest payable pursuant to a variable interest rate formula, the interest rate on such Contracts for periods when the actual interest rate cannot yet be determined, will be assumed to be equal to the greater of: (i) the actual rate on the date of calculation, or if such Contracts are not yet outstanding, the initial rate (if then established and binding); (ii) if the Contracts have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation; and (iii)(1) if interest on such Contracts is excludable from gross income under the applicable provisions of the Code, the most recently published "Bond Buyer 25 Bond Revenue Index" (or comparable index if no longer published); or (2) if interest is not so excludable, the interest rate on direct U.S. Treasury obligations with comparable maturities; (c) if any of the Contracts is secured by an irrevocable letter of credit issued by a bank having a combined capital and surplus of at least $75,000,000, the principal payments or deposits with respect to such Contracts nominally due in the last Fiscal Year in which such Contracts mature may, at the option of the City, be treated as if they were due as specified in any loan agreement or reimbursement agreement issued in connection with such letter of credit or pursuant to the repayment provisions of such letter of credit and interest on such Contracts after such Fiscal Year will be assumed to be payable pursuant to the terms of such loan agreement or reimbursement agreement or repayment provisions; and (d) if any of such Contracts is not secured by a letter of credit as described in clause (c) above and 20% or more of the original principal of the Installment Sale Payments due under such Contracts is not due until the final stated maturity of the Installment Sale Payments due under such Contracts, such principal may, at the option of the City, be treated as if it were due based upon a level amortization of such principal over the term of such Installment Sale Payments or 30 years, whichever is greater.

"Event of Default" means an event described as such under the caption "EVENTS OF DEFAULT AND REMEDIES."

"Federal Securities" means United States of America Treasury bills, notes, bonds or certificates of indebtedness, or obligations for which the full faith and credit of the United States of America are pledged for the payment of interest and principal and interest strips of the Resolution Funding Corporation for which separation of principal and interest is maintained in book-entry form.

"First Supplement" means the First Supplement to 2013 Installment Sale Agreement, dated as of July 1, 2023, by and between the City and the Authority, amending and supplementing the 2013 Installment Sale

Agreement, as originally executed and as it may from time to time be amended or supplemented in accordance therewith and with the terms of the Trust Agreement.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other annual accounting period later selected and designated by the governing body of the City as the Fiscal Year of the City.

"Independent Certified Public Accountant" means any firm of certified public accountants appointed by the City which is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

"2013 Installment Sale Agreement" means the installment sale agreement by and between the City and the Authority, dated as of July 1, 2013, as originally executed and as it may from time to time be amended or supplemented in accordance therewith and with the terms of the Trust Agreement, including by the First Supplement.

"Installment Sale Payments" means the installment sale, rental or other periodic payments scheduled to be paid by the City under and pursuant to the Contracts.

"2013 Installment Sale Payments" means the Installment Sale Payments scheduled to be paid by the City under and pursuant to the 2013 Installment Sale Agreement.

"Installment Sale Payment Date" means any date on which Installment Sale Payments are scheduled to be paid by the City under and pursuant to any Contract.

"2013 Installment Sale Payment Date" means any date on which 2013 Installment Sale Payments are scheduled to be paid by the City under and pursuant to the 2013 Installment Sale Agreement.

"Interest Payment Date" means a date on which interest evidenced and represented by the Certificates is due and payable, being December 1, 2023 and each June 1 and December 1 thereafter.

"Maximum Annual Debt Service" means the greatest total Debt Service payable in any Fiscal Year during the period commencing with the then current Fiscal Year and terminating with the Fiscal Year in which payments are due under the last Contract.

"Measure A Ordinance" means Ordinance No. 02-001, the Transportation Expenditure Plan and Retail Transaction and Use Tax Ordinance, adopted by the Riverside County Transportation Commission on May 8, 2002, and approved by at least two-thirds of electors voting on such proposition in the November 5, 2002 election, as supplemented and amended.

"Measure A Project" means a capital project for which Measure A Receipts may be expended.

"Measure A Receipts" means Measure A Revenues allocated by the Riverside County Transportation Commission to the City pursuant to the Measure A Ordinance, to the extent the Project constitutes a Measure A Project, for deposit in the Pledged Tax Fund in accordance with the 2013 Installment Sale Agreement.

"Measure A Receipts Account" means the account by that name established pursuant to the 2013 Installment Sale Agreement.

"Measure A Receipts Coverage Amount" means an amount in any Fiscal Year equal to Measure A Revenues allocated to the City in excess of Measure A Receipts but not more than 50% of Measure A Receipts for such Fiscal Year.

"Measure A Revenues" means revenues of the Riverside County Transportation Commission derived from a retail transactions and use tax (Measure A funds) imposed in the County of Riverside pursuant to the Riverside

County Transportation Sales Tax Act, Division 25 (Section 240000 *et seq*.) of the Public Utilities Code of the State of California, as now in effect and as it may from time to time hereafter be amended or supplemented, and the Measure A Ordinance. Collection of the Measure A Revenues terminates on June 30, 2039.

"Opinion of Counsel" means a written opinion of counsel of national reputation generally recognized to be well qualified in the field of law relating to municipal obligations such as the Certificates, retained by the City and satisfactory to the Trustee (who is under no liability by reason of such approval).

"Other Available Revenues" means revenues, other than Revenues as defined in the 2013 Installment Sale Agreement, legally available to the City to make Installment Sale Payments, if any.

"Pro Rata Share of Principal" means, during any month, an amount of principal becoming due and payable under the 2013 Installment Sale Agreement on the next succeeding Certificate Payment Date that would have accrued if such principal were deemed to accrue monthly in equal amounts from the preceding Certificate Payment Date.

"Project" means the design, engineering, permitting and construction by the Authority, for sale to the City, of certain street and roadway improvements and resurfacing, all as described more particularly in the 2013 Installment Sale Agreement.

"Purchase Price" means the total of all 2013 Installment Sale Payments owed by the City to the Authority under the conditions and terms of the 2013 Installment Sale Agreement for the refinancing of the costs of the design, acquisition and construction of the Project and the incidental costs and expenses related thereto paid by the Authority.

"Rebate Amount" means, for any given period, the amount determined by the Rebate Analyst as required to be rebated or paid as a yield reduction payment to the United States of America with respect to the Certificates.

"Rebate Analyst" means BLX Group.

"Rebate Analyst Fee" means the fee payable to the Rebate Analyst, payable annually on each Certificate Payment Date in the amount of $650 (if the City elects to have a 5-year calculation of the Rebate Amount performed) and $1,500 (if the City elects to have an annual calculation of the Rebate Amount performed).

"Rebate Fund" means the fund by that name established in the Trust Agreement.

"Revenues" means all Measure A Receipts.

"Tax Certificate" means the Tax Certificate dated the date of initial execution and delivery of the Certificates and executed and delivered by the City.

"Trust Agreement" means that certain Trust Agreement dated as of July 1, 2023, by and among the Trustee, the City and the Authority, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

"Trustee" means U.S. Bank Trust Company, National Association, with its corporate trust office in Los Angeles, California, acting in its capacity as trustee under and pursuant to the Trust Agreement, and its successors and assigns as provided in the Trust Agreement.

Terms defined in the Trust Agreement. Capitalized terms not otherwise defined herein have the meanings set forth in the Trust Agreement.

THE PROJECT

Sale and Purchase of Project. The parties have confirmed that the City currently has title to the Project. In consideration for the Authority's assistance in refinancing the Project, the City has agreed to sell, and has sold, to the Authority, and the Authority has agreed to purchase, and has purchased, from the City, the Project in the manner and in accordance with the provisions of the First Supplement.

Purchase and Sale of Project. In consideration for the 2013 Installment Sale Payments, the Authority has agreed to sell, and has sold, to the City, and the City has agreed to purchase, and has purchased, from the Authority, the Project at the purchase price specified in the First Supplement and otherwise in the manner and in accordance with the provisions of the First Supplement.

Title. All right, title and interest in each component of the Project will vest in the City immediately upon execution and delivery of the First Supplement. Such vesting will occur without further action by the Authority or the City and the Authority will, if requested by the City or if necessary to assure such automatic vesting, deliver any and all documents required to assure such vesting.

2013 INSTALLMENT SALE PAYMENTS; ADMINISTRATION FEE

Purchase Price and Administration Fee. The Purchase Price to be paid by the City to the Authority under the 2013 Installment Sale Agreement is the sum of the principal amount of the City's obligation thereunder plus the interest to accrue on the unpaid balance of such principal amount from the date hereof over the term thereof. The interest to accrue on the unpaid balance of such principal amount will be paid by the City as and will constitute interest paid on the principal amount of the City's Purchase Price obligation thereunder. Interest on the unpaid balance of the principal amount of the Purchase Price will accrue, from the date of the initial execution and delivery of the Certificates, on the principal component of each 2013 Installment Sale Payment at the rates set forth in the Official Statement calculated on the basis of a 360-day year comprised of twelve 30-day months. In addition, the City will pay the Administration Fee.

Payment of 2013 Installment Sale Payments and Administration Fee. The City will pay the Authority or the Trustee, as appropriate: (i) the Purchase Price, without offset or deduction of any kind, by paying the principal installments of the 2013 Installment Sale Payments, which principal installments will be due annually on each Certificate Payment Date; (ii) the interest installments of the 2013 Installment Sale Payments, which interest installments will be due semiannually on each Interest Payment Date; and (iii) the Administration Fee which will be due annually on each Certificate Payment Date. Each 2013 Installment Sale Payment and the Administration Fee will be payable on and will be required to be deposited with the Trustee on or before the fifteenth day of the calendar month immediately preceding its due date.

The obligation of the City to pay the Purchase Price by paying the 2013 Installment Sale Payments and the Administration Fee is, subject to the 2013 Installment Sale Agreement, absolute and unconditional, and until such time as the 2013 Installment Sale Payments have been paid in full (or provision for the payment thereof has been made pursuant to the 2013 Installment Sale Agreement), the City will not discontinue or suspend any 2013 Installment Sale Payments or Administration Fee required to be paid by it under the 2013 Installment Sale Agreement when due, whether or not the Project or any part thereof is complete, or its use is suspended, interfered with, reduced, curtailed or terminated in whole or in part, and such payments will not be subject to reduction whether by offset or otherwise and will not be conditional upon the performance or nonperformance by any party to any agreement for any cause whatsoever.

The City may satisfy its obligation to deposit 2013 Installment Sale Payments with the Trustee by depositing Other Available Revenues with the Trustee, which if and when so deposited, will be irrevocably pledged to the payment of 2013 Installment Sale Payments.

REPRESENTATIONS AND COVENANTS OF THE LOCAL AGENCY AND THE AUTHORITY

Authority; Compliance with 2013 Installment Sale Agreement and Trust Agreement. The City is a municipal corporation organized and existing under the Constitution of the State of California, with full legal right, power and authority to execute, deliver and perform its obligations under the 2013 Installment Sale Agreement, and compliance with the provision thereof will not materially conflict with or constitute a material breach of or default under any applicable provision of law, or any applicable regulation or agreement to which the City is a party or may be subject.

The City will punctually pay the 2013 Installment Sale Payments in strict conformity with the terms of the 2013 Installment Sale Agreement, and will faithfully observe and perform all of the agreements, conditions, covenants and terms contained therein required to be observed and performed by it, and will not terminate the 2013 Installment Sale Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term contained therein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected therewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including Acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lockouts, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

The Authority will faithfully observe and perform all of the agreements, conditions, covenants and terms contained in the Trust Agreement required to be observed and performed by it, and it has been expressly understood and agreed by and among the parties to the 2013 Installment Sale Agreement and the Trust Agreement that each of the agreements, conditions, covenants and terms contained in each such agreement is an essential and material term of the obligation of the City to repay the costs of the acquisition and construction of the Project and the costs and expenses incidental thereto paid by the Authority pursuant to, and in accordance with, and as authorized under law and the 2013 Installment Sale Agreement.

Against Encumbrances. The City will pay or cause to be paid when due all sums of money that may become due or purporting to be due for any labor, services, materials, supplies or equipment furnished, or alleged to have been furnished, to or for the City payable from the Revenues or which may impair the security for the 2013 Installment Sale Payments and will keep the Revenues free of any and all liens against any portion of the Revenues. In the event that any such lien attaches to or is filed against any portion of the Revenues, the City will cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the City desires to contest any such lien it may do so. If any such lien is reduced to final judgment and such judgment or any process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and such stay thereafter expires, the City will forthwith pay or cause to be paid and discharged such judgment. The City will, to the maximum extent permitted by law, indemnify and hold the Authority and the Trustee harmless from, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorneys' fees) as a result of any such lien or claim of lien against any portion of the Revenues.

The City may pledge, encumber or otherwise secure its obligations with the Revenues, provided, that except as permitted by the 2013 Installment Sale Agreement, in all instances any such pledge, lien or security is wholly subordinate and junior to the obligations of the City contained in the 2013 Installment Sale Agreement.

Maintenance of Revenues. The City will use its best efforts to comply with all provisions of law and any regulations issued thereunder relating to the Revenues, including, but not limited to, the Measure A Ordinance, Sections 2119 and 2151 through 2155 of the California Streets and Highways Code and Sections 65089.3 and 65089.4 of the California Government Code relating to conformance with the congestion management program relating to the City, and will take any and all reasonable actions required in order to maintain the City's ability to receive the Revenues and apply the same as provided in the 2013 Installment Sale Agreement; provided, that nothing therein requires the City to take any action or expend any City funds to comply with any such requirements deemed unreasonable in the sole discretion of the City, so long as failure to take such action or expend such funds will not cause the amount of estimated Revenues to be received by the City in the next Fiscal Year to be less than 150% of the Maximum Annual Debt Service as of the date of calculation.

Tax Covenants. The City will not directly or indirectly use or permit the use of the proceeds of the obligation provided in the 2013 Installment Sale Agreement or any other funds of the City or take or omit to take any action which would cause such obligation to be an "arbitrage bond" within the meaning of Section 148 of the Code, or a "federal-guaranteed obligation" under Section 149(b) of the Code, or a "private activity bond" as described in Section 141 of the Code. To that end, so long as any 2013 Installment Sale Payment are unpaid, the City will comply with all requirements of such sections of the Code to the extent applicable to the obligation provided in the 2013 Installment Sale Agreement and with the provisions of the Tax Certificate. Upon calculation by the Rebate Analyst of a Rebate Amount, the City will, from any source of available funds, immediately transfer an amount of money equal to the Rebate Amount to the Trustee for deposit in the Rebate Fund established pursuant to the Trust Agreement.

The Authority and the City will at all times do and perform all acts and things permitted by law which are necessary or desirable in order to assure that the interest evidenced and represented by the Certificates will not be included in the gross income of the owners of such certificates for federal income tax purposes under the Code and will take no action that would result in such interest being so included.

Accounting Records and Financial Statements. The City will keep appropriate accounting records in which complete and correct entries are made of all transactions relating to the Revenues and the Project, which records will be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions. The City will prepare and file with the Trustee annually within six months after the close of each Fiscal Year or, if not then available, as soon thereafter as possible, audited financial statements of the City for the preceding Fiscal Year.

Protection of Security and Rights of the Authority and the Trustee. The City will preserve and protect the security of the 2013 Installment Sale Agreement and the rights of the Authority and the Trustee to the 2013 Installment Sale Payments thereunder and will warrant and defend such rights against all claims and demands of all persons.

Further Assurances. The City will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the 2013 Installment Sale Agreement and for the better assuring and confirming unto the Authority of the rights and benefits provided to it therein.

Continuing Disclosure. The City has covenanted and agreed that it will enter into and comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the 2013 Installment Sale Agreement or the First Supplement, failure of the City to comply with the Continuing Disclosure Certificate will not be considered an Event of Default under the 2013 Installment Sale Agreement; however, the Trustee will at the written request of any Participating Underwriter (as defined in the Continuing Disclosure Certificate) or the Owner of at least 25% aggregate principal amount in Outstanding Certificates, or any Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with the foregoing obligations. For purposes of the foregoing, "Beneficial Owner" means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries).

EVENTS OF DEFAULT AND REMEDIES

Events of Default and Acceleration of Principal. If one or more of the following "Events of Default" happen, that is to say: (1) if default is made in the due and punctual payment of any 2013 Installment Sale Payment when and as the same becomes due and payable; (2) if default is made by the City in the performance of any of the agreements or covenants contained in the 2013 Installment Sale Agreement required to be performed by it, and such default has continued for a period of 30 days after the City has been given notice in writing of such default by the Authority or the Trustee; or (3) if the City files a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction approves a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction assumes custody or control of the City or of the whole or any substantial part of its property;

then and in each and every such case during the continuance of such Event of Default specified in clause (1) above, the Trustee will, and for any other such Event of Default the Trustee may, by notice in writing to the City, declare the entire principal amount of the unpaid 2013 Installment Sale Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same will become immediately due and payable, anything contained in the 2013 Installment Sale Agreement to the contrary notwithstanding. The foregoing is subject to the condition, however, that if at any time after the entire principal amount of the unpaid 2013 Installment Sale Payments and the accrued interest thereon have been so declared due and payable and before any judgment or decree for the payment of the money due has been obtained or entered the City deposits with the Trustee a sum sufficient to pay the unpaid principal amount of the 2013 Installment Sale Payments due and payable prior to such declaration and the accrued interest thereon, with interest on such overdue installments at the rate or rates applicable to such unpaid principal amounts of the 2013 Installment Sale Payments if paid in accordance with their terms, and the reasonable expenses of the Trustee, and any and all other defaults known to the Trustee (other than in the payment of the entire principal amount of the unpaid 2013 Installment Sale Payments and the accrued interest thereon due and payable solely by reason of such declaration) have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate has been made therefor, then and in every such case the Trustee, by written notice to the City, may rescind and annul such declaration and its consequences; but no such rescission and annulment will extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

Application of Revenues Upon Acceleration. All Revenues upon the date of the declaration of acceleration by the Trustee as provided in the 2013 Installment Sale Agreement and all Revenues thereafter received will be applied in the following order: First, to the payment of the costs and expenses of the Trustee and the Authority, if any, in carrying out the foregoing provisions, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses; Second, to the payment of the interest then due and payable on the entire principal amount of the unpaid 2013 Installment Sale Payments, and, if the amount available is not sufficient to pay in full all such interest then due and payable, then to the payment thereof ratably, according to the amounts due thereon without any discrimination or preference; and Third, to the payment of the unpaid principal amount of the 2013 Installment Sale Payments which has become due and payable, whether on the original due date or upon acceleration, with interest on the overdue principal and interest amounts of the unpaid 2013 Installment Sale Payments at the rate or rates of interest then applicable to such 2013 Installment Sale Payments if paid in accordance with their terms, and, if the amount available is not sufficient to pay in full all the amounts due with respect to the 2013 Installment Sale Payments on any date, together with such interest, then to the payment thereof ratably, according to the principal amount due on such date, without any discrimination or preference.

Other Remedies. The Trustee has the right: (a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the City or any councilmember, officer or employee thereof, and to compel the City or any such councilmember, officer or employee to perform and carry out its or his duties under law and the agreements and covenants required to be performed by it or him contained in the 2013 Installment Sale Agreement; (b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority or the Trustee; or (c) by suit in equity upon the happening of an Event of Default to require the City and its council members, officers and employees to account as the trustee of an express trust.

Non-Waiver. Nothing in the 2013 Installment Sale Agreement affects or impairs the obligation of the City, which is absolute and unconditional, to pay the 2013 Installment Sale Payments from the Revenues to the Trustee at the respective due dates or upon prepayment, or affects or impairs the right of the Trustee, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied therein.

A waiver of any default or breach of duty or contract by the Trustee will not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default or breach of duty or contract will impair any such right or remedy or be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Trustee by law or by the 2013 Installment Sale Agreement may be enforced and exercised from time to time and as often as deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Trustee, the Authority and the City and the Trustee will be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee in the 2013 Installment Sale Agreement is intended to be exclusive of any other remedy, and each such remedy will be cumulative and in addition to every other remedy given thereunder or now or later existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by law. The exercise of remedies under the 2013 Installment Sale Agreement will be subject to the provisions of the Trust Agreement.

DISCHARGE OF OBLIGATIONS

(a) If the City pays or causes to be paid all of the 2013 Installment Sale Payments at the times and in the manner provided in the 2013 Installment Sale Agreement, the right, title and interest of the Authority therein and the obligations of the City thereunder will thereupon cease, terminate, become void and be completely discharged and satisfied.

(b) Any unpaid principal installment of the 2013 Installment Sale Payments will on its payment date or date of prepayment be deemed to have been paid within the meaning of and with the effect expressed in clause (a) above if the City makes payment of such 2013 Installment Sale Payments and the prepayment premium, if applicable, in the manner provided in the 2013 Installment Sale Agreement.

(c) All or any portion of unpaid principal installments of the 2013 Installment Sale Payments will, prior to their payment dates or dates of prepayment, be deemed to have been paid within the meaning of and with the effect expressed in clause (a) above if: (i) notice is provided by the City to the Trustee as required by the Trust Agreement; (ii) there has been deposited with the Trustee either money in an amount which is sufficient, or Permitted Investments (as that term is defined in the Trust Agreement) of the type described in clause (1) thereof and which are not subject to redemption prior to maturity (including any such Permitted Investments issued or held in book entry form on the books of the Treasury of the United States of America) or tax-exempt obligations of a state or a political subdivision thereof which have been defeased under irrevocable escrow instructions by the deposit of such money or Permitted Investments and which are then rated in the highest rating category by the Rating Agency, the interest on and principal of which when paid will provide money which, together with money, if any, deposited with the Trustee, will be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due with respect to the principal installments of such 2013 Installment Sale Payments and the principal installments of such 2013 Installment Sale Payments or such portions thereof on and prior to their payment dates or their dates of prepayment, as the case may be, and the prepayment premiums, if any, applicable thereto; and (iii) an opinion of nationally recognized bond counsel is filed with the Trustee to the effect that the action taken pursuant to the foregoing provision will not cause the interest evidenced and represented by the Certificates to be includable in gross income under the Code for federal income tax purposes.

(d) After the payment of all 2013 Installment Sale Payments and prepayment premiums, if any, as provided in the 2013 Installment Sale Agreement, and payment of all fees and expenses of the Trustee, the Trustee, upon request of the City, will cause an accounting for such period or periods as may be requested by the City to be prepared and filed with the City and the Authority and will execute and deliver to the City and the Authority all such instruments as may be necessary or desirable to evidence such total discharge and satisfaction of the 2013 Installment Sale Agreement, and the Trustee will pay over and deliver to the City, as an overpayment of 2013 Installment Sale Payments, all such money or investments held by it pursuant thereto other than such money and such investments as are required for the payment or prepayment of the 2013 Installment Sale Payments, which money and investments will continue to be held uninvested by the Trustee in trust for the payment of the 2013 Installment Sale Payments and will be applied by the Trustee pursuant to the Trust Agreement.

MISCELLANEOUS

Liability of City Limited to Revenues. Notwithstanding anything contained in the 2013 Installment Sale Agreement, the City is not required to advance any moneys derived from any source of income other than the Revenues for the payment of the 2013 Installment Sale Payments or for the performance of any agreements or covenants required to be performed by it contained therein. The obligation of the City to make the 2013 Installment Sale Payments is a special obligation of the City payable solely from the Revenues as provided in the 2013 Installment Sale Agreement, and does not constitute a debt of the City or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Benefits of 2013 Installment Sale Agreement. Nothing contained in the 2013 Installment Sale Agreement, expressed or implied, is intended to give to any person other than the Authority, the City or the Trustee any right, remedy or claim under or pursuant thereto, and any agreement or covenant required therein to be performed by or on behalf of the Authority, the City or the Trustee will be for the sole and exclusive benefit of the other parties.

Successor Is Deemed Included in all References to Predecessor. Whenever either the Authority or the City or the Trustee is named or referred to in the 2013 Installment Sale Agreement, such reference will be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority or the City or the Trustee, and all agreements and covenants required thereby to be performed by or on behalf of the Authority or the City or the Trustee will bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Waiver of Personal Liability. No councilmember, officer or employee of the City will be individually or personally liable for the payment of the 2013 Installment Sale Payments, but nothing contained in the 2013 Installment Sale Agreement will relieve any councilmember, officer or employee of the City from the performance of any official duty provided by any applicable provisions of law or thereby.

Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required by the 2013 Installment Sale Agreement to be performed by or on the part of the Authority or the City is contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof will be null and void and will be deemed separable from the remaining agreements and covenants or portions thereof and will in no way affect the validity thereof. The Authority and the City have declared that they would have executed the 2013 Installment Sale Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase thereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases thereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Assignment. The 2013 Installment Sale Agreement and any rights thereunder will be assigned by the Authority to the Trustee as provided in the Trust Agreement; to which assignment the City has expressly acknowledged and consented. Any other assignment without the consent of the Trustee will be void.

Net Contract. The 2013 Installment Sale Agreement will be deemed and construed to be a net contract, and the City will pay absolutely net during the term thereof the 2013 Installment Sale Payments and all other payments required thereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

California Law. The 2013 Installment Sale Agreement will be construed and governed in accordance with the laws of the State of California.

Indemnification. The City will, to the full extent then permitted by law, indemnify, protect, hold harmless, save and keep harmless the Authority and its directors, officers and employees and the Trustee and its directors, officers and employees from and against any and all liability, obligations, losses, claims and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, reasonable counsel fees and expenses, penalties and interest arising out of or as the result of the acquisition, construction, installation and use of the Project and each portion thereof or any accident in connection with the operation, use, condition or possession of the Project or any portion thereof resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the City or the Authority; any claim for patent, trademark or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under the 2013 Installment Sale Agreement will continue in full force and effect notwithstanding the full payment of all obligations thereunder or the termination thereof for any reason. The City has agreed not to withhold or abate any portion of the payments required pursuant thereto by reason of any defects, malfunctions, breakdowns or infirmities of the Project. The City and the Authority have mutually agreed to promptly give notice to each other of any claim or liability hereby indemnified against following either's learning thereof.

Funds. Any fund required to be established and maintained in the 2013 Installment Sale Agreement by the City may be established and maintained in the accounting records of the City either as an account or a fund, and may, for the purpose of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to any such fund will at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the owners of such Certificates.

Effective Date. The 2013 Installment Sale Agreement will become effective upon its execution and delivery, and will terminate when the Purchase Price has been fully paid (or provision for the payment thereof has been made pursuant thereto).

TRUST AGREEMENT

DEFINITIONS; EQUAL SECURITY

Definitions. Unless the context otherwise requires, the terms defined in the Trust Agreement will for all purposes thereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document therein mentioned have the meanings therein specified.

"Act" means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto.

"Administration Fund" means the fund by that name established and maintained pursuant to the Trust Agreement.

"Agreement" means, collectively, the 2013 Installment Sale Agreement, dated as of July 1, 2013, as amended and supplemented by the First Supplement to 2013 Installment Sale Agreement, dated as of the date of the Trust Agreement, each by and between the Authority and the City, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions of the Trust Agreement and thereof.

"Authority" means the Riverside Public Financing Authority, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California and that certain Joint Exercise of Powers Agreement, between the City and the Redevelopment Agency of the City of Riverside, dated December 15, 1987, as amended and restated by an Amended and Restated Joint Exercise of Powers Agreement, dated August 16, 2012, by and among the City of Riverside, the City of Riverside, as the Successor Agency for the Redevelopment Agency of the City of Riverside, and the Parking Authority of the City of Riverside.

"Bond Year" has the meaning set forth in the Tax Certificate.

"Cash Flow Report" means a report prepared by the Cash Flow Consultant identifying Certificates to be prepaid as a result of any prepayment pursuant to the Trust Agreement. In the case of a mandatory prepayment pursuant to the Trust Agreement, such report will identify maturities of principal evidenced by the Certificates to be prepaid in a manner consistent with the Trust Agreement and the Agreement relating to the application of Revenues upon acceleration.

"Cash Flow Consultant" means Piper Sandler & Co. or any successor thereto appointed by the Authority.

"Certificates" means the Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project).

"Certificate Payment Date" means a date on which principal evidenced and represented by the Certificates is due and payable, being June 1 of each year commencing June 1, 2024.

"City" means the City of Riverside, California, a municipal corporation and charter city organized and existing under its charter and the Constitution of the State of California.

"Cost of Issuance Fund" means the fund by that name established and maintained pursuant to the Trust Agreement.

"Defeasance Obligations" means the following: (1) cash; (2) non-callable direct obligations of the United States of America ("Treasuries"); (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated; (4) pre-refunded municipal obligations rated AAA and Aaa by S&P and Moody's, respectively; or (5) securities eligible for AAA defeasance under then existing criteria of S&P or any combination thereof, which are used to effect defeasance of the Certificates.

"DTC" means The Depository Trust Company, New York, New York.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants duly licensed and entitled to practice and practicing as such under the laws of the State or a comparable successor, appointed and paid by the City, and who, or each of whom: (1) is in fact independent according to the Statement of Auditing Standards No. 1 and not under the domination of the City; (2) does not have a substantial financial interest, direct or indirect, in the operations of the City; and (3) is not connected with the City as a member, officer or employee of the City, but who may be regularly retained to audit the accounting records of and make reports thereon to the City.

"Installment Sale Payments" means the periodic payments scheduled to be paid by the City under and pursuant to the Agreement.

"Interest Fund" means the fund by that name established pursuant to the Trust Agreement.

"Interest Payment Date" means a date on which interest evidenced and represented by the Certificates is due and payable, being December 1, 2023 and each June 1 and December 1 thereafter.

"Office of the Trustee" means the corporate trust office of the Trustee in Los Angeles, California.

"Outstanding," when used as of any particular time with reference to Certificates, means (subject to the provisions of the Trust Agreement) all Certificates except: (1) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (2) Certificates paid or deemed to have been paid within the meaning of the Trust Agreement; and (3) Certificates in lieu of or in substitution for which other Certificates have been executed and delivered by the Trustee pursuant to the Trust Agreement.

"Owner" means any person who is the registered owner of any Outstanding Certificate.

"Permitted Investments" means any of the following to the extent permitted by the laws of the State and the City's Investment Policy: A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America; B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): 1. U.S. Export-Import Bank (Eximbank) Direct obligations or fully guaranteed certificates of beneficial ownership; 2. Farmers Home Administration (FmHA) Certificates of beneficial ownership; 3. Federal Financing Bank; 4. Federal Housing Administration Debentures (FHA); 5. General Services Administration Participation certificates; 6. Government National Mortgage Association (GNMA or "Ginnie Mae") guaranteed mortgage-backed bonds and guaranteed pass-through obligations (not acceptable for certain cash-flow sensitive issues); 7. U.S. Maritime Administration Guaranteed Title XI financing; and 8. U.S. Department of Housing and Urban Development (HUD) Project Notes, Local Authority Bonds, New Communities Debentures - U.S. government guaranteed debentures and U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds; C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself): 1. Federal Home Loan Bank System Senior debt obligations; 2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") Participation Certificates and Senior debt obligations; 3. Federal National Mortgage Association (FNMA or "Fannie Mae") Mortgage-backed securities and senior debt obligations; 4. Resolution Funding Corp. (REFCORP) obligations; 5. Farm Credit System Consolidated systemwide bonds and notes; D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G, AAA-m or AA-m; and if rated by Moody's rated Aaa, Aal or Aa2 including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services; E. Certificates of deposit (including those of the Trustee, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize pursuant to federal law which are issued by commercial banks, savings and loan associations or mutual savings bank whose short-term obligations are rated on the date of purchase A-1 or better by S&P, Moody's and Fitch; F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF which may include the Trustee and its affiliates; G. Investment Agreements, including GIC's, Forward Purchase Agreements and Repurchase Agreements with a maturity over 30 days; H. Commercial paper rated, at the time of purchase, Prime – 1 by Moody's and A-1 or better by S&P; I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies; J. Unsecured certificates of deposit, time deposits and bankers' acceptance (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated on the date of purchase A-1+ or better by S&P and P-1 by Moody's which may include the Trustee, its parent and its affiliates; K. The Local Agency Investment Fund (LAIF) administered by the State of California; and L. Repurchase Agreements

Repurchase Agreements for 30 days or less must follow the following criteria: Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date; 1. Repos must be between the municipal entity and a dealer bank or securities firm: a. Primary dealers on the Federal Reserve reporting dealer list which are rated A- or better by Standard & Poor's Corporation and A3 or better by Moody's Investor Services; or b. Banks rated A- or better by Standard & Poor's Corporation and A3 or better by Moody's Investor Services; 2. The written repo contract must include the following: a. Securities which are acceptable for transfer are: (1) Direct U.S. governments; or (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC); b. The term of the repo may be up to 30 days; c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities); d. Valuation of Collateral: (1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest; (2) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%; and (3) Legal opinion which must be delivered to the municipal entity: Repo meets guidelines under state law for legal investment of public funds.

"Prepayment Price" means, with respect to any Certificate (or portion thereof) the principal amount with respect to such Certificate (or portion), plus the applicable premium, if any, payable upon prepayment thereof pursuant to the provisions of such Certificate and the Trust Agreement.

"Principal Fund" means the account by that name established and maintained pursuant to the Trust Agreement.

"Purchase Price" means with respect to any Certificate (or portion thereof) the principal amount with respect to such Certificate (or portion), plus the applicable premium, if any, payable upon purchase thereof pursuant to the provisions of such Certificate and the Trust Agreement.

"Rating Agency" means S&P Global Ratings or, in the event that S&P Global Ratings no longer maintains a rating on the Certificates, any other nationally recognized bond rating agency then maintaining a rating on the Certificates, but, in each instance, only so long as S&P Global Ratings or such other nationally recognized rating agency then maintains a rating on the Certificates.

"Rebate Fund" means the fund by that name established and maintained pursuant to the Trust Agreement.

"Record Date" means the 15th day of the month next preceding each Interest Payment Date, whether or not such day is a business day.

"Representation Letter" means the letter of representations to be delivered to DTC in connection with the delivery of the Certificates.

"Request" means, with respect to the City, an instrument in writing signed on behalf of the City by an Authorized City Representative, and, with respect to the Authority, means an instrument in writing signed on behalf of the Authority by an Authorized Authority Representative or other person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee.

"Revenues" means all Installment Sale Payments and other payments paid by the City and received by the Authority pursuant to the Agreement and all interest or other income from any investment of any money in any fund or account (other than the Rebate Fund) pursuant to the Trust Agreement.

"Revenue Fund" means the fund by that name established and maintained pursuant to the Trust Agreement.

"Securities Depositories" means DTC and/or such other securities depositories as the Authority may designate to the Trustee in writing.

"Six-Month Period" means the period of time beginning on the date of initial execution of the Certificates and ending six consecutive months thereafter, and each six month period thereafter until the latest maturity date of the Certificates (and any obligations that refund the Certificates).

"State" means the State of California.

"Supplemental Trust Agreement" means any trust agreement then in full force and effect which has been duly executed and delivered by the Authority and the Trustee amendatory of or supplemental to the Trust Agreement; but only if and to the extent that such Supplemental Trust Agreement is specifically authorized thereunder.

"Surplus Account" means the account by that name established and maintained pursuant to the Trust Agreement.

"Tax Certificate" means the Tax Certificate dated the date of initial delivery of the Certificates and executed and delivered by the Authority and the City.

"Trust Agreement" means the Trust Agreement, dated as of July 1, 2023, by and among the Authority, the City and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions thereof.

"Trustee" means U.S. Bank Trust Company, National Association, with its corporate trust office in Los Angeles, California, acting in its capacity as trustee under and pursuant to the Trust Agreement, and its successors and assigns as provided in the Trust Agreement.

Terms Defined in the Agreement. Capitalized terms not otherwise defined in the Trust Agreement have the meanings set forth in the Agreement.

Equal Security. In consideration of the acceptance of the Certificates by the Owners, the Trust Agreement will be deemed to be and will constitute a contract among the Trustee, the City, and the Owners to secure the full and final payment of the interest and principal evidenced and represented by the Certificates, subject to the agreements, conditions, covenants and terms contained therein; and all agreements, conditions, covenants and terms contained therein required to be observed or performed by or on behalf of the Trustee will be for the equal and proportionate benefit, protection and security of all Owners without distinction, preference or priority as to benefit, protection or security of any Certificates over any other Certificates by reason of the number or date thereof or the time of execution or delivery thereof or otherwise for any cause whatsoever, except as expressly provided therein.

EXECUTION AND DELIVERY OF CERTIFICATES

Terms of the Certificates. The Certificates will evidence and represent interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event they will evidence and represent interest from such date, or unless such date of registration is prior to the first Interest Payment Date, in which event they will evidence and represent interest from their date of initial execution and delivery; provided, however, that if at the time of registration of any Certificate interest is then in default on the Outstanding Certificates, such Certificate will evidence and represent interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Certificates. Payment of interest evidenced and represented by the Certificates due on or before the maturity or prior prepayment thereof will be made to the person whose name appears in the Certificate registration records maintained by the Trustee pursuant to the Trust Agreement as the registered owner thereof as of the close of business on the Record Date preceding each Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on such Interest Payment Date (or the next Business Day if such Interest Payment Date is not a Business Day) to such registered owner at the address as it appears in such books or at such other address as may have been filed with the Trustee for that purpose.

Payment of the principal evidenced and represented by the Certificates will be made by check upon the surrender thereof at maturity or on prepayment prior to maturity at the Office of the Trustee. The Owner of $1,000,000 or more in aggregate principal amount evidenced by the Certificates may request in writing that the Trustee pay the interest evidenced by such Certificates by wire transfer and the Trustee will comply with such request for all Interest Payment Dates following the 15th day after receipt of such request until such request is rescinded.

Transfer and Payment of Certificates. Any Certificate may, in accordance with its terms, be transferred in the records maintained pursuant to the provisions of the Trust Agreement by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Certificates for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Trustee. Whenever any Certificates are surrendered for transfer, the Trustee will execute and deliver to the transferee a new Certificate or Certificates of the same series and maturity for a like aggregate principal amount. The Trustee will require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may deem and treat the registered owner of any Certificates as the absolute owner of such Certificates for the purpose of receiving payment thereof and for all other purposes, whether such Certificates are overdue or not, and neither the Authority nor the Trustee will be affected by any notice or knowledge to the contrary; and payment of the interest and principal and prepayment premium, if any, evidenced and represented by such Certificates will be made only to such registered owner, which payments will be valid and effectual to satisfy and discharge liability on such Certificates to the extent of the sum or sums so paid.

The Trustee is not required to execute, register the transfer of or exchange any Certificates during the fifteen days preceding each Interest Payment Date or the date of selection by the Trustee of Certificates for prepayment, or to register the transfer of or exchange any Certificates which have been selected for prepayment in whole or in part.

Exchange of Certificates. Certificates may be exchanged at the Office of the Trustee for a like aggregate principal amount of Certificates of the same series and payment date of other authorized denominations. The Trustee will require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege.

Certificate Registration Books. The Trustee will keep at its office sufficient books for the registration and transfer of the Certificates which will at all times be open to inspection by the City or any Owner on reasonable notice during regular business hours on any Business Day, and upon presentation for such purpose the Trustee will, under such reasonable regulations as it may prescribe, register or transfer the Certificates in such books as provided in the Trust Agreement.

Mutilated, Destroyed, Stolen or Lost Certificates. If any Certificate becomes mutilated, the Trustee at the expense of the Owner will thereupon execute and deliver a new Certificate of like tenor and number in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee will be canceled.

If any Certificate is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and the Authority and indemnity satisfactory to the Trustee and the Authority is given, the Trustee, at the expense of the Owner, will thereupon execute and deliver a new Certificate of like tenor and number in lieu of and in substitution for the Certificate so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Certificate executed and delivered under the Trust Agreement and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Certificate executed and delivered under the provisions of the Trust Agreement in lieu of any Certificate alleged to be lost, destroyed or stolen will be equally and proportionately entitled to the benefits of the Trust Agreement with all other Certificates of the same series secured thereby. Neither the Authority nor the Trustee are required to treat both the original Certificate and any duplicate Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered thereunder or for the purpose of determining any percentage of Certificates Outstanding thereunder, but both the original and duplicate Certificate will be treated as one and the same.

Temporary Certificates. The Certificates executed and delivered under the Trust Agreement may be initially executed and delivered in temporary form exchangeable for definitive Certificates when ready for delivery. The temporary Certificates may be printed, lithographed or typewritten, will be of such denominations as may be determined by the Trustee, will be in fully registered form and may contain such reference to any of the provisions of the Trust Agreement as may be appropriate. Every temporary Certificate will be executed and delivered by the Trustee upon the same conditions and terms and in substantially the same manner as definitive Certificates. If the Trustee executes and delivers temporary Certificates it will execute and furnish definitive Certificates without delay and thereupon the temporary Certificates may be surrendered, for cancellation, in exchange therefor at the Office of the Trustee, and the Trustee will deliver in exchange for such temporary Certificates an equal aggregate principal amount of definitive Certificates of authorized denominations. Until so exchanged, the temporary Certificates will be entitled to the same benefits under the Trust Agreement as definitive Certificates delivered thereunder.

Validity of Certificates. The validity of the Certificates will not be dependent on or affected in any way by the proceedings taken by the Authority or the Trustee for the refinancing of the Project or by any contracts made by the Authority or its agents in connection therewith, and will not be dependent upon the completion of the Project or upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the Certificates that the same are executed and delivered pursuant to the Trust Agreement will be conclusive evidence of their validity and of the regularity of their execution and delivery, and all Certificates will be incontestable from and after their execution and delivery. The Certificates will be deemed to be executed and delivered, within the meaning of the Trust Agreement, whenever the definitive Certificates (or any temporary Certificates exchangeable therefor) have been delivered to the purchaser thereof and the proceeds of sale thereof received.

Special Covenants as to Book-Entry Only System for Certificates.

(a) Except as otherwise provided in clauses (b) and (c) below, all of the Certificates initially executed and delivered will be registered in the name of Cede & Co., as nominee for DTC or such other nominee as DTC requests pursuant to the Representation Letter. Payment of the interest evidenced and represented by any Certificate registered in the name of Cede & Co. will be made on each Interest Payment Date for such Certificates to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Certificates initially will be executed and delivered in the form of a single fully registered certificate for each stated payment date of such Certificates, representing the aggregate principal amount evidenced and represented by the Certificates payable on such payment date. Upon initial execution and delivery, the ownership of all such Certificates will be registered in the registration records maintained by the Trustee pursuant to the Trust Agreement in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC requests pursuant to the Representation Letter. The Trustee, the City, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the Certificates registered in its name or the name of its nominee for the purposes of payment of the principal or prepayment price and interest evidenced and represented by such Certificates, selecting the Certificates or portions thereof to be prepaid, giving any notice permitted or required to be given to Owners under the Trust Agreement, registering the transfer of Certificates, obtaining any consent or other action to be taken by Owners of the Certificates and for all other purposes whatsoever; and neither the Trustee or the Authority or any paying agent will be affected by any notice to the contrary. Neither the Trustee, the City nor the Authority or any paying agent have any responsibility or obligation to any Participant (which means, for purposes of the Trust Agreement, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Certificates under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to: (i) the accuracy of any records maintained by DTC or any Participant; (ii) the payment by DTC or any Participant of any amount in respect of the principal, prepayment price or interest evidenced and represented by the Certificates; (iii) any notice which is permitted or required to be given to Owners of Certificates under the Trust Agreement; (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial prepayment of the Certificates; or (v) any consent given or other action taken by DTC as Owner of Certificates. The Trustee will pay all principal, premium, if any, and interest evidenced and represented by the Certificates only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments will be valid and effective to satisfy fully and discharge the obligations with respect to the principal, premium, if any, and interest evidenced and represented by the Certificates to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Certificates will be transferable to such new nominee in accordance with clause (f) below.

(c) In the event that the Authority determines that it is in the best interests of the City or the beneficial owners of the Certificates that they be able to obtain certificates, the Trustee will, upon the written instruction of the Authority, so notify DTC, whereupon DTC will notify the Participants of the availability through DTC of such certificates. In such event, the Certificates will be transferable in accordance with clause (f) below. DTC may determine to discontinue providing its services with respect to the Certificates at any time by giving written notice of such discontinuance to the Authority, the City and the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Certificates will be transferable in accordance with clause (f) below. Whenever DTC requests the Authority, the City and the Trustee to do so, the Trustee, the City and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Certificates then Outstanding. In such event, the Certificates will be transferable to such securities depository in accordance with clause (f) below, and thereafter, all references in the Trust Agreement to DTC or its nominee will be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of the Trust Agreement to the contrary, so long as all Certificates Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal, premium, if any, and interest evidenced and represented by such Certificate and all notices with respect to each such Certificate will be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee has been authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and has the same rights and immunities with respect to its actions thereunder as it has with respect to its actions under the Trust Agreement.

(f) In the event that any transfer or exchange of Certificates is authorized under clauses (b) or (c) above, such transfer or exchange will be accomplished upon receipt by the Trustee from the registered Owner thereof of the Certificates to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of the Trust Agreement. In the event that Certificates are delivered to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Certificates, another securities depository as Owner of all the Certificates, or the nominee of such successor securities depository, the provisions described above under the captions "—Transfer and Payment of Certificates" and "—Exchange of Certificates" will also apply to, among other things, the registration, exchange and transfer of the Certificates and the method of payment of principal, premium, if any, and interest evidenced and represented by the Certificates.

REVENUES

Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund. Subject to the Rebate Fund and tax covenant provisions of the Trust Agreement, all money in the Revenue Fund will be set aside by the Trustee in the following respective special funds and accounts within the Revenue Fund in the following order of priority: (1) Interest Fund; (2) Principal Fund; (3) Administration Fund; and (4) Surplus Account. All money in each of such funds and accounts will be held in trust by the Trustee and will be applied, used and withdrawn only for the purposes authorized in the Trust Agreement.

(1) Interest Fund. On or before the Business Day immediately preceding each Interest Payment Date, the Trustee will set aside from amounts deposited by the City in the Revenue Fund and deposit in the Interest Fund that amount of money which is equal to the amount of interest becoming due and payable with respect to the Agreement on the next succeeding Interest Payment Date. No such deposit need be made if the amount contained in the Interest Fund is at least equal to the aggregate amount of interest becoming due and payable in connection with the Agreement on such Interest Payment Date. All money in the Interest Fund will be used and withdrawn by the Trustee solely for the purpose of paying the interest evidenced and represented by the Certificates as it becomes due and payable (including accrued interest evidenced and represented by any Certificates purchased or prepaid prior to the payment dates thereof).

(2) Principal Fund. On or before the Business Day immediately preceding each Certificate Payment Date, the Trustee will set aside from amounts deposited by the City in the Revenue Fund and deposit in the Principal Fund an amount of money equal to the amount of principal becoming due and payable with respect to the Agreement on the next succeeding Certificate Payment Date. No such deposit need be made if the amount contained in the Principal Fund is at least equal to the aggregate amount of principal becoming due and payable in connection with the Agreement on such Certificate Payment Date. All money in the Principal Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal evidenced and represented by the Certificates as it becomes due and payable, whether on their respective Certificate Payment Dates or prepayment.

(3) Administration Fund. On or before the 15th day of the calendar month immediately preceding each Certificate Payment Date, the Trustee will set aside from amounts deposited in the Revenue Fund and deposit in the Administration Fund an amount equal to the Administration Fee. All money in the Administration Fund will be used and withdrawn by the Trustee solely for the purpose of paying the Administration Fee payable with respect to the Agreement, except that any cash amounts in the Administration Fund in excess of the amount required to be

on deposit therein will be withdrawn from the Administration Fund on each Interest Payment Date and deposited in the Interest Fund.

(4) Surplus Account. On the Business Day immediately following each Interest Payment Date, the Trustee will deposit in the Surplus Account all money remaining in the Revenue Fund after the deposits required by the Rebate Fund and tax provisions of the Trust Agreement and by clauses (1), (2), (3) and (4) above have been made. On June 30 of each year, beginning on June 30, 2024, the Trustee will disburse the money in the Surplus Account to the City to the extent the deposit of moneys, together with investment earnings thereon, if any, exceeded the deposits required by clauses (1), (2), (3) and (4) above.

Deposit and Investments of Money in Accounts and Funds. Subject to the Rebate Fund and tax provisions of the Trust Agreement, all money held by the Trustee in any of the accounts or funds established pursuant thereto will be invested and reinvested in Permitted Investments at the Request of the City received not less than two Business Days prior to the date of making such investment. The Trustee will notify the City no less than two Business Days prior to the date moneys held under the Trust Agreement will be available for investment, requesting that the City deliver to the Trustee a Request of the City specifying the Permitted Investments to be acquired by the Trustee with such moneys. All such Permitted Investments will be valued by the Trustee not less frequently than semi-annually on each Interest Payment Date at the lower of the cost or market value thereof. The Trustee may act as a principal or agent in making or disposing of any investment. The Trustee will not be liable for any loss from investments made by the Trustee in accordance with the provisions of the Trust Agreement.

The City has acknowledged that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the City the right to receive brokerage confirmations of security transactions as they occur, the City has specifically waived receipt of such confirmations to the extent permitted by law. The Trustee will furnish the City periodic cash transaction statements which include detail for all investment transactions made by the Trustee under the Trust Agreement.

COVENANTS

Compliance with Trust Agreement. The Trustee will not execute or deliver any Certificates in any manner other than in accordance with the provisions of the Trust Agreement; and the City will not suffer or permit any default to occur thereunder, but will faithfully observe and perform all the agreements, conditions, covenants and terms contained therein required to be observed and performed by them.

Amendment of Agreement. The City and the Authority will not amend or permit the amendment of the Agreement without: (a) (1) a determination that such amendment does not materially adversely affect the interest of the Owners; or (2) the written consents of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding; and (b) an Opinion of Counsel to the effect that such amendment will not cause interest payable with respect to the Agreement to be included in gross income for federal income tax purposes; provided that no such supplement, amendment, modification or termination will reduce the amount of Installment Sale Payments to be made to the Authority or the Trustee by the City pursuant to the Agreement, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by the Agreement on Revenues (except as expressly provided in the Agreement), in each case without the written consent of all of the Owners of the Certificates then Outstanding.

Against Encumbrances. The Authority will not make any pledge of or place any charge or lien upon the Revenues except as provided in the Trust Agreement, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except the Certificates.

Tax Covenants. Notwithstanding any other provision of the Trust Agreement, absent an Opinion of Counsel that the exclusion from gross income of the interest evidenced by the Certificates will not be adversely affected for federal income tax purposes, the Authority has covenanted to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and has specifically covenanted, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Authority will take no action and will refrain from taking any action or making any use of the proceeds of the Certificates or of any other moneys or property which would cause the Certificates to be "private activity bonds" within the meaning of Section 141 of the Code;

(b) Arbitrage. The Authority will make no use of the proceeds of the Certificates or of any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action which will cause the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Code;

(c) Federal Guaranty. The Authority will make no use of the proceeds of the Certificates and will not take or omit to take any action that would cause the Certificates to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The Authority will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code;

(e) Hedge Bonds. The Authority will make no use of the proceeds of the Certificates or any other amounts or property, regardless of the source, and will not take any action or refrain from taking any action that would cause the Certificates to be considered "hedge bonds" within the meaning of Section 149(g) of the Code unless the Authority takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of the Certificates; and

(f) Miscellaneous. The Authority will take no action and will refrain from taking any action inconsistent with its expectations stated in the Tax Certificate and will comply with the covenants and requirements stated therein and incorporated by reference in the Trust Agreement.

Accounting Records and Reports. The Trustee will keep proper books of record and account in accordance with industry standards in which complete and correct entries are made of all transactions made by the Trustee relating to the receipt, investment, disbursement, allocation and application of all funds received by the Trustee under the Trust Agreement. Such records will specify the account or fund to which each investment (or portion thereof) held by the Trustee is to be allocated and will set forth, in the case of each investment: (a) its purchase price; (b) identifying information, including par amount, coupon rate and payment dates; (c) the amount received at maturity or its sale price, as the case may be; (d) the amounts and dates of any payments made with respect thereto; and (e) such documentation as is required to be obtained as evidence to establish that all investments have been purchased in arms' length transactions with no amounts paid to reduce the yield on the investments. Such records will be open to inspection by the Authority and the City at any reasonable time during regular business hours on reasonable notice.

Observance of Laws and Regulations. The City will faithfully observe and perform all lawful and valid obligations or regulations now or later imposed on it by contract, or prescribed by any state or national law, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or later acquired by them, including their right to exist and carry on their respective businesses, to the end that such observance or performance is material to the transactions contemplated thereby.

Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the City will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by the Trust Agreement.

Recordation and Filing. The City will file, record, register, renew, refile and rerecord all such documents, including financing statements (or continuation statements in connection therewith), as may be required by law in order to maintain at all times a security interest in the Agreement under and pursuant to the Trust Agreement, all in such manner, at such times and in such places as may be required in order to fully perfect, preserve and protect the benefit, protection and security of the Owners, and the rights of the Trustee under the Trust Agreement, and the City will do whatever else may be necessary or be reasonably required in order to perfect and continue the pledge of and lien on the Agreement as provided in the Trust Agreement.

Rebate Fund.

(a) The Trustee will establish and maintain a fund separate from any other fund established and maintained under the Trust Agreement designated as the "Rebate Fund" and will establish a separate Rebate Account and Alternative Penalty Account therein. All money at any time deposited in the Rebate Account or the Alternative Penalty Account of the Rebate Fund will be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund with respect to the Certificates will be governed by the Trust Agrement and the Tax Certificate for such issue, unless the City obtains an Opinion of Counsel that the exclusion from gross income for federal income tax purposes of interest evidenced by the Certificates will not be adversely affected if such requirements are not satisfied.

(1) Rebate Account. The following requirements must be satisfied with respect to the Rebate Account:

(i) Annual Computation. Within 55 days of the end of each fifth Bond Year, the City will calculate or cause to be calculated the amount of rebatable arbitrage for the Certificates in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Rebate Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage described in the Tax Certificate for each issue (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the "1½% Penalty") has been made), for such purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Rebate Regulations (the "Rebatable Arbitrage"). The City will obtain expert advice as to the amount of the Rebatable Arbitrage to comply with the foregoing requirement.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year for which Rebatable Arbitrage must be calculated as required by the Tax Certificate, upon the written direction of an Authorized City Representative, an amount will be deposited to the Rebate Account by the Trustee from any funds so designated by the City if and to the extent required, so that the balance in the Rebate Account equals the amount of Rebatable Arbitrage so calculated by or on behalf of the City in accordance with clause (a)(1)(i) above with respect to the Certificates. In the event that immediately following any transfer required by the previous sentence, or the date on which the City determines that no transfer is required for such Bond Year, the amount then on deposit to the credit of the Rebate Account exceeds the amount required to be on deposit therein, upon written instructions from an Authorized City Representative, the Trustee will withdraw the excess from the Rebate Account and then credit the excess to the Revenue Fund.

(iii) Payment to the Treasury. The Trustee will pay, as directed in writing by an Authorized City Representative, to the United States Treasury, out of amounts in the Rebate Account: (X) not later than 60 days after the end of: (A) the fifth Bond Year for the Certificates; and (B) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year for the Certificates; and (Y) not later than 60 days after the payment or redemption of all of the Certificates, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code.

In the event that, prior to the time that any payment is required to be made from the Rebate Account, the amount in the Rebate Account is not sufficient to make such payment when such payment is due, the City will calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to the foregoing provision will be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and will be accompanied by Internal Revenue Service Form 8038-T prepared and signed by the City, or will be made in such other manner as provided under the Code. The Trustee may rely conclusively upon the City's determinations, calculations and certifications required by the foregoing provision. The Trustee has no responsibility to independently make any calculation or determination or to review the City's calculations under the Trust Agreement.

(2) Alternative Penalty Account.

(i) Six Month Computation. If the 1½% Penalty has been elected for the Certificates, within 85 days of each particular Six-Month Period, the City will determine or cause to be determined whether the 1½% Penalty is payable (and the amount of such penalty) as of the close of the applicable Six-Month Period. The City will obtain expert advice in making such determinations.

(ii) Six Month Transfer. Within 85 days of the close of each Six-Month Period, the Trustee, at the written direction of an Authorized City Representative, will deposit an amount in the Alternative Penalty Account from any source of funds held by the Trustee pursuant to the Trust Agreement and designated by the City in such written directions or provided to it by the City, if and to the extent required, so that the balance in Alternative Penalty Account equals the amount of 1½% Penalty due and payable to the United States Treasury determined as provided in clause (a)(2)(i). In the event that immediately following any transfer provided for in the previous sentence, or the date on which the City determines that no transfer is required for such Bond Year, the amount then on deposit in a subaccount of the Alternative Penalty Account exceeds the amount required to be on deposit therein to make the payments required by clause (a)(2)(iii), the Trustee, at the written direction of an Authorized City Representative, may withdraw the excess from the Alternative Penalty Account and credit the excess to the Revenue Fund.

(iii) Payment to the Treasury. The Trustee will pay, as directed in writing by an Authorized City Representative, to the United States Treasury, out of amounts in the Alternative Penalty Account, not later than 90 days after the close of each Six-Month Period, the 1½% Penalty, if applicable and payable, computed with respect to the Certificates in accordance with Section 148(f)(4) of the Code. In the event that, prior to the time that any payment is required to be made from the Alternative Penalty Account, the amount in such subaccount is not sufficient to make such payment when such payment is due, the City will calculate the amount of such deficiency and direct the Trustee, in writing, to deposit an amount equal to such deficiency into such subaccount of the Alternative Penalty Account from any funds held by the Trustee pursuant to the Trust Agreement and designated by the City in such written directions prior to the time such payment is due. Each payment required to be made pursuant to clause (a)(2) will be made to the Internal Revenue Service, Ogden, Utah 84201 on or before the date on which such payment is due, and will be accompanied by Internal Revenue Service Form 8038-T, prepared and signed by the City, or will be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the accounts of the Rebate Fund after redemption and payment of the Certificates and after making the payments described in clauses (a)(1)(iii) or (a)(2)(iii) (whichever is applicable), may be withdrawn by the Trustee at the written direction of the City and utilized in any manner by the City.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in the Trust Agreement to the contrary, the obligation to comply with the Rebate Fund requirements of the Trust Agreement will survive the defeasance and final payment of the Certificates.

THE TRUSTEE

The Trustee. U.S. Bank Trust Company, National Association will serve as the Trustee for the Certificates for the purpose of receiving all money which the Authority and the City are required to deposit with the Trustee under the Trust Agreement, for the purpose of allocating, applying and using such money as provided therein and for the purpose of paying the interest, principal and prepayment premiums, if any, evidenced and represented by the Certificates presented for payment in Los Angeles, California, with the rights and obligations provided therein. The Authority has agreed that it will at all times maintain a Trustee having a corporate trust office in San Francisco or Los Angeles, California.

The Authority may at any time, unless there exists any event of default as defined in the Trust Agreement, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor: (i) is a bank or trust company doing business and having a principal office in San Francisco or Los Angeles, California; (ii) has (or in the case of a bank or trust company which is part of a bank holding company system, the related bank holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least $75,000,000; and (iii) is subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of the Trust Agreement the combined capital and surplus of such bank or trust company will be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the Authority will promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee will become effective only upon the acceptance of appointment by the successor Trustee. If, within 30 days after notice of the removal or resignation of the Trustee no successor Trustee has been appointed and has accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required by the Trust Agreement.

The Trustee has been authorized to prepay the Certificates when duly presented for payment on their respective Certificate Payment Dates or on prior prepayment. The Trustee will cancel all Certificates upon payment thereof or upon the surrender thereof by the Authority and destroy such Certificates it has received in accordance with its retention policy then in effect. The Trustee will keep accurate records of all Certificates paid and discharged and canceled by it.

The Authority, solely from amounts held in the Cost of Issuance Fund or paid by the City specifically for such purpose, will from time to time, subject to any agreement between the Authority and the Trustee then in force, pay to the Trustee compensation for its services, reimburse the Trustee for all of its advances and expenditures including but not limited to advances to and fees and expenses of independent accountants and in-house and other counsel or other experts employed by it and reasonably required in the exercise and performance of its rights and obligations under the Trust Agreement, and, to the extent permitted by law, indemnify and hold the Trustee and its officers, directors, employees and agents harmless from and against any claim, loss, liability, damages, expenses (including legal fees and expenses) or advances not arising from the Trustee's own active or passive negligence, willful misconduct or breach of fiduciary duty, which the Trustee may incur in the exercise and performance of its rights and obligations thereunder. The foregoing obligations of the Authority to compensate, indemnify, reimburse and hold the Trustee harmless constitute additional indebtedness under the Trust Agreement, and such indebtedness will have priority over the Certificates in respect of all property and funds held or collected by the Trustee as such, except funds held in trust by the Trustee for the benefit of the Owners of particular Certificates, including, without limitation, funds held by the Trustee in trust to prepay all or a portion of Outstanding Certificates prior to their respective Certificate Payment Dates for which a notice of prepayment has been sent as provided in the Trust Agreement.

Liability of Trustee. The recitals of facts, agreements and covenants in the Trust Agreement and in the Certificates will be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the use of any proceeds of the Certificates, the correctness of the same or the collection of the Revenues and makes no any representation as to the sufficiency or validity of the Trust Agreement, of the Certificates or any security therefor or any offering material distributed in connection with the Certificates and will not incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it in the Trust Agreement, in the Certificates or in law or equity. The Trustee will not be liable in connection with the performance of its duties under the Trust Agreement except for its own negligence or willful misconduct.

The Trustee is not bound to recognize any person as the Owner of a Certificate unless and until such Certificate is submitted for inspection, if required, and such Certificate is registered in such person's name.

Whenever the Trustee deems it necessary or desirable that a factual or legal matter be established or proved prior to taking or suffering any action under the Trust Agreement, such matter (unless other evidence in respect thereof is specifically prescribed therein) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate conforming to the requirements therein or an opinion of counsel, which certificate or opinion will be full warrant to the Trustee for any action taken or suffered under the provisions thereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

In accepting the trust created by the Trust Agreement, the Trustee acts solely as Trustee for the Owners and not in its individual capacity and all persons, including without limitation the Owners, the Authority and the City, having any claim against the Trustee arising from the Trust Agreement not attributable to the Trustee's negligence or willful misconduct will look only to the funds and accounts held by the Trustee thereunder for payment except as otherwise provided therein. The duties and obligations of the Trustee will be determined solely by the express provisions of the Trust Agreement, the Trustee will not be liable except for the performance of such duties and obligations as are specifically set forth in the Trust Agreement, and no implied covenants or obligations (fiduciary or otherwise) will be read into the Trust Agreement against the Trustee. The Trustee is not liable with respect to any action taken or not taken under the Trust Agreement in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Certificates at the time Outstanding. The Trustee will, during the existence of any event of default (which has not been cured), exercise such of the rights and powers vested in it by the Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise of use under the circumstances in the conduct of its own affairs. The permissive right of the Trustee to do things enumerated in the Trust Agreement will not be construed as a duty and it will not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee extend to its officers, directors, employees and agents and such immunities and exceptions and its right to payment of its fees and expenses will survive its resignation or removal and the final payment and defeasance of the Certificates. Under no circumstances will the Trustee be liable in its individual capacity for the obligations evidenced by the Certificates. The Trustee, in its individual or any other capacity, may become the Owner of any Certificates or other obligations of any party to the Trust Agreement with the same rights which it would have if not the Trustee. At any and all reasonable times, the Trustee and its agents have the right to fully inspect the Project, including all books, papers and records of the City pertaining to the Project and the Certificates, and to take such memoranda therefrom and with regard thereto and make photocopies thereof as may be desired. The Trustee is not required to give any bond or surety in respect of the execution of said trusts and powers or otherwise in respect of the premises. Before taking or refraining from any action under the Trust Agreement at the request or direction of the Owners, the Trustee may require that an indemnity bond satisfactory to the Trustee be furnished to it and be in full force and effect.

None of the provisions contained in the Trust Agreement or in the Agreement require the Trustee to expend or risk its own funds or continue to do so or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it reasonably believes that repayment of such funds or adequate indemnity against such risk or liability is not assured to it. The Trustee may rely and will be protected in acting or failing to act upon any paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee is not required to take notice or be deemed to have notice of any Event of Default under the Trust Agreement except failure by the City to make any payment of principal or interest under the Agreement when due, unless the Trustee is specifically notified in writing at its corporate trust office of such default by the Owners of not less than 25% of the aggregate principal amount of Certificates then Outstanding. Notwithstanding any other provision of the Trust Agreement, the Trustee has the right, but is not required, to demand any showings, certificates, opinions, appraisals or other information, or official action or evidence thereof, required as a condition of such action deemed by the Trustee to be desirable for the purpose of establishing the rights of the Trustee with respect to the authentication of any Certificates, the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

The Trustee has no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Certificates.

The Trustee will not be considered in breach of or in default in its obligations under the Trust Agreement or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to any project refinanced with the proceeds of the Certificates, malicious mischief, condemnation, and unusually severe weather and/or occurrences beyond the control of the Trustee.

AMENDMENT OF THE TRUST AGREEMENT

Amendment of the Trust Agreement.

(a) The Trust Agreement and the rights and obligations of the Authority, the City, the Trustee and the Owners may be amended at any time by a Supplemental Trust Agreement which will become binding when the written consents of the Owners of a majority in aggregate principal amount evidenced and represented by the Certificates then Outstanding, exclusive of Certificates disqualified as provided in the Trust Agreement, are filed with the Trustee. No such amendment may: (1) extend the Certificate Payment Date of or reduce the interest rate on or amount of interest or principal or prepayment premium, if any, evidenced and represented by any Certificate without the express written consent of the Owner of such Certificate; (2) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided in the Trust Agreement superior to or on a parity with the pledge, charge and lien created thereby for the benefit of the Certificates; (3) reduce the percentage of Certificates required for the written consent to any such amendment or any amendment of an Agreement pursuant to the Trust Agreement; or (4) modify any rights or obligations of the Trustee, the Authority or the City without their prior written assent thereto, respectively.

(b) The Trust Agreement and the rights and obligations of the Authority, the City and the Owners may also be amended at any time by a Supplemental Trust Agreement which will become binding upon adoption without the consent of any Owners, but only to the extent permitted by law and after receipt of an approving Opinion of Counsel, for any purpose that will not materially adversely affect the interests of the Owners, including (without limitation) for any one or more of the following purposes: (1) to add to the agreements and covenants required in the Trust Agreement to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority or the City, or to surrender any right or power reserved therein to or conferred therein on the Authority or the City; (2) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained therein or in regard to questions arising thereunder which the Authority or the City may deem desirable or necessary and not inconsistent therewith; (3) to add to the agreements and covenants required therein, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939; or (4) for any other purpose that does not materially adversely affect the interests of the Owners.

Disqualified Certificates. Certificates owned or held by or for the account of the Authority or the City will not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Certificates provided in the Trust Agreement, and will not be entitled to consent to or take any other action provided therein.

Endorsement or Replacement of Certificates After Amendment. After the effective date of any action taken as provided in the Trust Agreement, the Authority may determine that the Certificates may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Owner of any Outstanding Certificates and presentation of such Owner’s Certificate for such purpose at the office of the Trustee a suitable notation as to such action will be made on such Certificate. If the Authority so determines, new Certificates so modified as, in the opinion of the Authority, are necessary to conform to such action will be prepared and executed, and in that case upon demand of the Owner of any Outstanding Certificate a new Certificate or Certificates will be exchanged at the office of the Trustee without cost to each Owner for its Certificate or Certificates then Outstanding upon surrender of such Outstanding Certificates.

Amendment by Mutual Consent. The provisions of the Trust Agreement do not prevent any Owner from accepting any amendment as to the particular Certificates held by such Owner, provided that due notation thereof is made on such Certificates.

Information to Rating Agency. The Authority will provide any Rating Agency rating the Certificates a copy of each amendment to the Trust Agreement or to the Agreement promptly following the execution or adoption of such amendment.

EVENTS OF DEFAULT AND REMEDIES OF OWNERS

Events of Default. If any default in the payment of Installment Sale Payments or any other "Event of Default" defined in the Agreement occurs and is continuing, or if any default is made made by the City in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Trust Agreement and such default has continued for a period of 30 days after written notice thereof has been given to the City by the Trustee or the Owners of not less than a majority in aggregate principal amount evidenced and represented by the Certificates at the time Outstanding, then such default will constitute an "Event of Default" under the Trust Agreement, and in each and every such case during the continuance of such Event of Default the Trustee or the Owners of not less than a majority in aggregate principal amount evidenced and represented by the Certificates at the time Outstanding will be entitled, upon notice in writing to the City, but subject to the provisions of the Trust Agreement, to exercise the remedies provided under the Agreement which are necessary or desirable to collect the City's Installment Sale Payments. No grace period is permitted for payment defaults.

The Owners of Certificates, for purposes of the Trust Agreement and the Agreement, to the extent of their interest, will be entitled to all rights and security of the Authority pursuant to the Agreement and the Trust Agreement. The City recognizes the rights of the Owners of the Certificates, acting directly or through the Trustee, to enforce the obligations and covenants contained in the Agreement and the Trust Agreement.

Application of Funds Upon Acceleration of Agreement. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Trust Agreement will be deposited into a segregated payment account of the Revenue Fund and be applied by the Trustee in the following order; provided that the Trustee obtains and follows the instructions contained in an Opinion of Counsel and rebate or set aside for rebate from the specified funds held under the Trust Agreement, any amount pursuant to such instructions required to be paid to the United States of America under the Code: First, to the payment of the costs and expenses of the Trustee, if any, in carrying out the provisions of the Trust Agreement, including reasonable compensation to its agents, accountants and counsel and including any indemnification expenses; and Second, to the payment of the principal and interest payable with respect to the Certificates, in connection with a mandatory prepayment of Certificates pursuant to the Trust Agreement and the delivery of a Cash Flow Report.

Other Remedies of the Trustee. The Trustee has the right: (a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights under the Trust Agreement against the City or any council member, board member, trustee, member, officer or employee thereof, and to compel the City or any such council member, board member, trustee, member, officer or employee thereof to observe or perform its or his or her duties under applicable law and the agreements, conditions, covenants and terms contained in the Trust Agreement, or in the Agreement, required to be observed or performed by it or him or her; (b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Trustee or the Owners; or (c) by suit in equity upon the happening of any default under the Trust Agreement to require the City and any council member, board member, trustee, member, officer and employee to account as the trustee of any express trust.

Non-Waiver. A waiver by the Trustee of any default under the Trust Agreement or breach of any obligation thereunder will not affect any subsequent default thereunder or any subsequent breach of an obligation thereunder or impair any rights or remedies on any such subsequent default thereunder or on any such subsequent breach of an obligation thereunder. No delay or omission by the Trustee to exercise any right or remedy accruing upon any default thereunder will impair any such right or remedy or be construed to be a waiver of any such default under the Trust Agreement or an acquiescence therein, and every right or remedy conferred upon the Trustee by applicable law or by the Trust Agreement may be enforced and exercised from time to time and as often as deemed expedient by the Trustee.

If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or the City, the Trustee and the City will be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Actions by Trustee as Attorney-in-Fact. Any action, proceeding or suit which any Owner has the right to bring to enforce any right or remedy under the Trust Agreement may be brought by the Trustee for the equal benefit and protection of all Owners, whether or not the Trustee is an Owner, and the Trustee has been appointed (and the successive Owners, by taking and holding the Certificates executed and delivered under the Trust Agreement, will be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Owners for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Owners as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

Remedies Not Exclusive. No remedy conferred upon or reserved to the Owners in the Trust Agreement is intended to be exclusive of any other remedy, and each such remedy will be cumulative and in addition to every other remedy given thereunder or now or later existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law. If any remedial action under the Trust Agreement is discontinued or abandoned, the Trustee and the Owners will be restored to their former positions.

Limitation on Owners' Right to Sue. No Owner of any Certificate executed and delivered under the Trust Agreement has the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon the Trust Agreement, unless: (a) such Owner has previously given to the Trustee written notice of the occurrence of an event of default as defined in the Trust Agreement; (b) the Owners of at least a majority in aggregate principal amount of all the Certificates then Outstanding have made written request upon the Trustee to exercise the powers granted by the Trust Agreement or to institute such suit, action or proceeding in its own name; (c) said Owners have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee has refused or omitted to comply with such request for a period of 60 days after such request and consent has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, consent, tender of indemnity and refusal or omission have been declared, in every case, to be conditions precedent to the exercise by any owner of Certificates of any remedy under the Trust Agreement; it being understood and intended that no one or more owners of Certificates have any right in any manner whatever by his or their action to enforce any right under the Trust Agreement, except in the manner therein provided, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement will be instituted, had and maintained in the manner therein provided and for the equal benefit of all Owners of the Outstanding Certificates.

Limited Liability of the City. Except as expressly provided in the Agreement, the City has no any obligation or liability to the Authority, the Trustee or the Owners, with respect to the Trust Agreement or the preparation, execution, delivery, transfer, exchange or cancellation of the Certificates or the receipt, deposit or disbursement of the principal and interest payable with respect to the Agreement by the Trustee, or with respect to the performance by the Trustee of any obligation contained in the Trust Agreement required to be performed by it.

Limited Liability of the Authority. Except as expressly provided in the Trust Agreement, the Authority has no obligation or liability to the Trustee or the Owners with respect to the payment when due of the Installment Sale Payments by the City, or with respect to the observance or performance by the City of the other agreements, conditions, covenants and terms contained in the Agreement, or with respect to the performance by the Trustee of any obligation contained in the Trust Agreement required to be performed by it. Notwithstanding anything to the contrary contained in the Certificates, the Trust Agreement or any other document related thereto, the Authority has no liability under the Trust Agreement or by reason hereof or in connection with any of the transactions contemplated thereby except to the extent payable from moneys received from or with respect to the Agreement and available thereof in accordance with the Trust Agreement.

DEFEASANCE

Discharge of Certificates.

(a) If the City pays or causes to be paid or there is otherwise paid to the Owners of all Outstanding Certificates the interest, principal and prepayment premiums, if any, evidenced and represented thereby at the times and in the manner stipulated in the Trust Agreement and therein, then the Owners of such Certificates will cease to be entitled to the pledge of and charge and lien upon the Revenues as provided in the Trust Agreement, and all agreements, covenants and other obligations of the Authority and the City to the Owners of such Certificates thereunder will thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee will execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction and the Trustee will pay over or deliver to the Authority all money or securities held by it pursuant to the Trust Agreement which are not required for the payment of the interest and principal and prepayment premiums, if any, evidenced and represented by such Certificates.

(b) Any Outstanding Certificates will prior to the maturity date or prepayment date thereof be deemed to have been paid within the meaning of and with the effect expressed in clause (a) above if: (1) in case any of such Certificates are to be prepaid on any date prior to their respective Certificate Payment Dates, the Authority has given to the Trustee in form satisfactory to it irrevocable instructions to provide prepayment notice in accordance with the Trust Agreement; (2) there has been deposited with the Trustee either: (A) money in an amount which is sufficient; or (B) Defeasance Obligations, in each case the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, will be sufficient, in the opinion of an Independent Certified Public Accountant, to pay when due the interest to become due with respect to such Certificates on and prior to the Certificate Payment Date or prepayment date thereof, as the case may be, and the principal and prepayment premiums, if any, evidenced and represented by such Certificates; and (3) in the event that such Certificates are not by their terms subject to prepayment within the next succeeding 60 days, the Authority has given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable a notice to the Owners of such Certificates that the deposit required by clause (2) above has been made with the Trustee and that such Certificates are deemed to have been paid in accordance with the Trust Agreement and stating the Certificate Payment Date or prepayment date upon which money is to be available for the payment of the principal and prepayment premiums, if any, with respect to such Certificates. In addition, the Authority will cause to be delivered: (i) a report of an Independent Certified Public Accountant verifying the sufficiency of the escrow established to pay the Certificates in full on the maturity or prepayment date ("Verification"); (ii) an Escrow Deposit Agreement; (iii) an opinion of nationally recognized bond counsel to the effect that the Certificates are no longer "Outstanding" under the Trust Agreement; and (iv) a certificate of discharge of the Trustee with respect to the Certificates; each Verification and defeasance opinion will be acceptable in form and substance, and addressed, to the Authority and the Trustee.

Certificates will be deemed "Outstanding" under the Trust Agreement unless and until they are in fact paid and retired or the above criteria are met.

Unclaimed Money. Anything contained in the Trust Agreement to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Certificates which remains unclaimed for two years after the date when such Certificates have become due and payable, either at their stated Certificate Payment Dates or by call for prepayment prior to such dates, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Certificates have become due and payable, will be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee will thereupon be released and discharged with respect thereto and the Owners will not look to the Trustee for the payment of such Certificates. Any moneys held by the Trustee in trust for the payment and discharge of any Certificates will not bear interest or be otherwise invested from and after such Certificate Payment Date or prepayment date.

MISCELLANEOUS

Liability of Authority Limited to Revenues. The Certificates are limited obligations of the Authority and are payable, as to interest, principal and any premiums upon the prepayment of any thereof, solely from the

Revenues as provided in the Trust Agreement, and the Authority is not obligated to pay them except from the Revenues. All of the Certificates are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest, principal and prepayment premiums, if any, with respect to the Certificates as provided herein. The Certificates are not a debt of the Authority, the City, the State of California or any of its political subdivisions, and neither the Authority, the City, said State nor any of its political subdivisions is liable thereon, nor in any event will the Certificates be payable out of any funds or properties other than those of the Authority as provided in the Trust Agreement. The Certificates do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

Benefits of the Trust Agreement Limited to Parties. Nothing contained in the Trust Agreement, expressed or implied, is intended to give to any person other than the City, the Authority, the Trustee and the Owners any right, remedy or claim under or by reason thereof. Any agreement or covenant required therein to be performed by or on behalf of the City or the Authority is for the sole and exclusive benefit of the Trustee, the Authority and the Owners.

Successor Is Deemed Included In All References To Predecessor. Whenever either the City, the Authority, the Trustee or any officer thereof is named or referred to in the Trust Agreement, such reference will be deemed to include the successor to the powers, duties and functions that are presently vested in the City, the Authority, the Trustee or such officer, and all agreements, conditions, covenants and terms contained in the Trust Agreement required to be observed or performed by or on behalf of the City, the Authority, the Trustee or any officer thereof will bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required in the Trust Agreement to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which such person purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such person the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Certificates and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Certificates at the office of the Trustee.

Any declaration, request or other instrument or writing of the Owner of any Certificate will bind all future Owners of such Certificate with respect to anything done or suffered to be done by the City, the Authority or the Trustee in good faith and in accordance therewith.

Waiver of Personal Liability; No Liability of Authority Members. No member, officer or employee of the Authority or the City will be individually or personally liable for the payment of the interest, principal or prepayment premiums, if any, with respect to the Certificates by reason of their execution and delivery, but nothing contained in the Trust Agreement relieves any such member, officer or employee from the performance of any official duty provided by any applicable provisions of law, the Agreement or by the Trust Agreement.

Acquisition of Certificates by Authority. All Certificates acquired by the Authority, whether by purchase or gift or otherwise, will be surrendered to the Trustee for cancellation.

Destruction of Canceled Certificates. Whenever provision is made in the Trust Agreement for the cancellation of any Certificates, the Trustee will destroy such Certificates in accordance with its retention policy then in effect.

Content of Certificates; Post-Issuance Legal Opinions. Every Certificate of the Authority or the City with respect to compliance with any agreement, condition, covenant or term contained in the Trust Agreement must include: (a) a statement that the person or persons executing such certificate have read such agreement, condition, covenant or term and the definitions in the Trust Agreement relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not the City or the

Authority has complied with such agreement, condition, covenant or term; and (d) a statement as to whether, in the opinion of the signers, the City or the Authority has complied with such agreement, condition, covenant or term.

Any Certificate of the Authority or the City may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person or persons executing such certificate know that the Opinion of Counsel with respect to the matters upon which his or their certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters and information with respect to which is in the possession of the City or the Authority, upon a representation by an officer or officers of the City or the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which such officer's opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Publication for Successive Weeks. Any publication required to be made under the Trust Agreement for successive weeks in a financial newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same financial newspaper for any subsequent publication, but may be made on different Business Days or in different financial newspapers, as the case may be.

Accounts and Funds; Business Days. Any account or fund required in the Trust Agreement to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds will at all times be maintained in accordance with the Tax Certificate and sound accounting practice and with due regard for the protection of the security of the Certificates and the rights of the Owners. Any action required to occur under the Trust Agreement on a day which is not a Business Day will be required to occur on the next succeeding Business Day.

Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required by the Trust Agreement to be performed by or on the part of the City, the Authority or the Trustee are contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof will be null and void and deemed separable from the remaining agreements and covenants or portions thereof and will in no way affect the validity of the Trust Agreement or of the Certificates, and the Owners will retain all of the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The City, the Authority and the Trustee have declared that they would have executed and delivered the Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase thereof and would have authorized the execution and delivery of the Certificates pursuant thereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases thereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

APPENDIX B

GENERAL INFORMATION REGARDING THE LOCAL AGENCY

*Set forth below is certain demographic information regarding the City of Riverside (the "**City**"), the County of Riverside (the "**County**") and the State of California (the "**State**"). This information is provided for informational purposes and as general background only. The information set forth herein has been obtained from third party sources that are believed to be reliable, but such information is not guaranteed by the City as to accuracy or completeness. Neither the delivery of this Official Statement nor any sale of the securities offered hereby shall under any circumstances create any implication that there has been no change in any information contained in this Appendix since the date of the Official Statement. The Certificates are payable solely from the Installment Sale Payments, which are secured by the Measure A Receipts, as described in the Official Statement and will not be secured by any pledge of ad valorem taxes or City General Fund revenues. The information and data within this Appendix is the latest data available; however, the current state of the economy at City, County, State and national levels may not be reflected in the data discussed below because more up-to-date publicly available information is not available to the City. In particular, certain information herein reflects periods prior to the outbreak of COVID-19 and may not reflect current conditions.*

General

The City is the county seat of the County and is located in the western portion of the County about 60 miles east of downtown Los Angeles and approximately 90 miles north of San Diego. Within 10 miles of the City are the cities of San Bernardino, Loma Linda, Corona, Norco, Fontana, Ontario, Rialto, Colton, Moreno Valley and Redlands, among others. These cities and the City are located in the County and the County of San Bernardino and comprise the Riverside-San Bernardino Primary Metropolitan Statistical Area (the "**PMSA**"). The PMSA represents an important economic area of the State and of Southern California. It lies to the west and south, respectively, of the strategic San Gorgonio and Cajon Passes, from which three transcontinental railroads and interstate highways converge to connect the Los Angeles area with the other areas of the nation. The City is situated in close proximity to the metropolitan centers of Los Angeles and Orange Counties.

The County and the County of San Bernardino cover 27,400 square miles, a land area larger than the State of Virginia. As of 2023, the County had a population estimated 2,439,234 and San Bernardino County had a population estimated at 2,182,056. With a population of over 4.6 million, the PMSA ranks as one of the largest Metropolitan Statistical Areas ("**MSAs**") in the United States. The County alone is larger in area than the State of New Jersey. The PMSA, though small geographically in relation to the bi-county area, contains most of the two counties' population.

Municipal Government

The City was incorporated in 1883 and covers 81.5 square miles. The City is a charter city and has a council-manager form of government with a seven-member council being elected by ward for four-year overlapping terms. The mayor is elected at large for a four-year term and is the presiding officer of the council, but does not have a vote except in case of a tie. The position of City Manager is filled by appointment of the council to serve as administrator of the staff and to carry out the policies of the council.

Functions of the City government are carried out by approximately 2,500 personnel. The City operates and maintains a sewer, water and electrical system. Other City services include diversified recreation programs, police, fire, airport, parks, a museum and libraries.

Services and Facilities

Public Safety and Welfare. The City provides law enforcement and fire protection services. The Police Department currently employs approximately 350 sworn officers and the Fire Department employs approximately 225 sworn firefighters operating out of over a dozen fire stations. Other services provided by the City include emergency medical aid, traffic safety maintenance and building safety regulation and inspection.

Public Services. The City provides electric, water, sewer, refuse and transportation service to City residents through municipal enterprises. The City also owns and operates a general aviation airport.

Public Works. Additional services include parkway and median maintenance improvements, refuse management, sewer and storm drain maintenance, zoning and development administration, environmental review, code enforcement and street tree maintenance.

Leisure and Community Services. Among the City's cultural institutions and activities are a convention center, the Riverside Art Museum, the Riverside Metropolitan Museum, the Cheech Marin Center for Chicano Art, a number of libraries, the Municipal Auditorium, the Fox Performing Arts Center, the opera society and the symphony society. There are three major hospitals in the City: Parkview Community, Riverside Community and Kaiser Permanente.

Population

As of January 1, 2023, the population of the City was estimated to be 313,676. The following table presents historical population data for both the City and County.

POPULATION

Year	***City of Riverside***	***Riverside County***
1950	46,764	170,046
1960	84,332	306,191
1970	140,089	459,074
1980	165,087	663,923
1990	226,505	1,170,413
2000	255,166	1,545,387
2010	302,597	2,179,692
2011	307,207	2,212,874
2012	311,332	2,239,715
2013	316,162	2,266,549
2014	318,511	2,291,093
2015	321,655	2,317,924
2016	324,696	2,347,828
2017	323,190	2,382,640
2018	325,860	2,415,955
2019	328,101	2,440,124
2020	316,307	2,418,185
2021	309,598	2,418,727
2022	314,818	2,430,976
2023	313,676	2,439,234

Sources: 1950-2010 and 2020 U.S. Census; 2011-2023 California Department of Finance (Demographic Research Unit).

Education

The City is included within the boundaries of the Riverside Unified School District and the Alvord Unified School District, which also serves the County area southwest of the City. These two districts include 65 elementary and middle schools and high schools. There are also about 48 private or parochial schools for kindergarten through twelfth grade. Higher education is available at four institutions: Riverside Community College, University of California, Riverside, California Baptist University and La Sierra University at Riverside. Also located in the City are California School for the Deaf and Sherman Indian High School, a federally-run school for Native Americans.

Employment

The City is included in the PMSA. The unemployment rate in the PMSA was 4.5 percent in March 2023. This compares with an unadjusted unemployment rate of 4.8 percent for California and 3.6 percent for the nation during the same period. The unemployment rate was 4.6 percent in the County and 4.5 percent in San Bernardino County during the same period.

The following table shows the average annual estimated numbers of wage and salary workers by industry. The table does not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

RIVERSIDE-SAN BERNARDINO PRIMARY MSA
CIVILIAN LABOR FORCE EMPLOYMENT AND UNEMPLOYMENT (ANNUAL AVERAGES)
(For Calendar Years 2018 Through 2022)

	2018	*2019*	*2020*	*2021*	*2022*
Civilian Labor Force[(1)]	2,045,200	2,075,200	2,095,800	2,125,300	2,160,600
Employment	1,957,500	1,991,200	1,888,900	1,968,700	2,071,200
Unemployment	87,700	84,000	206,900	156,600	89,400
Unemployment Rate	4.3%	4.0%	9.9%	7.4%	4.1%
Wage and Salary Employment:[(2)]					
Agriculture	14,500	15,400	14,100	13,700	13,900
Mining and Logging	1,200	1,200	1,300	1,400	1,600
Construction	105,200	107,200	104,900	110,100	115,200
Manufacturing	100,400	101,300	96,000	96,100	99,600
Wholesale Trade	66,100	67,700	65,600	67,400	69,700
Retail Trade	181,200	180,700	168,800	177,000	180,600
Transportation, Warehousing and Utilities	132,100	146,600	172,500	198,800	214,200
Information	11,400	11,500	9,600	9,700	10,200
Finance and Insurance	25,300	24,800	24,600	24,400	24,600
Real Estate and Rental and Leasing	19,300	20,200	19,500	20,700	22,200
Professional and Business Services	151,400	157,900	154,800	169,400	179,100
Educational and Health Services	239,500	250,300	248,800	254,300	266,400
Leisure and Hospitality	170,600	175,900	141,300	160,200	179,600
Other Services	45,800	46,200	40,200	43,600	47,900
Federal Government	20,700	21,100	22,100	21,100	20,900
State Government	30,600	31,100	31,300	30,400	28,300
Local Government	205,900	209,000	194,600	190,500	200,300
Total All Industries	1,521,100	1,568,100	1,509,900	1,588,800	1,674,200

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
Source: State of California Employment Development Department.

The following tables show the largest employers in the City and in the County.

CITY OF RIVERSIDE – TEN LARGEST EMPLOYERS
As of June 30, 2022

Employer Name	*Number of Employees*	*% of Total City-wide Employment*
County of Riverside	24,290	20.1%
March Air Force Reserve	9,600	8.0
University of California	8,593	7.1
Kaiser Permanente	5,846	4.8
Riverside Unified School District	5,003	4.1
City of Riverside	2,336	1.9
Riverside Community Hospital	2,200	1.8
Riverside Community College District	2,100	1.7
Alvord Unified School District	1,898	1.6
California Baptist University	1,442	1.1
Total	63,308	52.3%

Source: City of Riverside (as presented in the City's Fiscal Year 2021-22 audited financial statements).

COUNTY OF RIVERSIDE – LARGEST EMPLOYERS
(LISTED ALPHABETICALLY)
As of March 2023

Employer Name	*Location*	*Industry*
Abbott Vascular Inc	Temecula	Hospital Equipment & Supplies-Mfrs
Agua Caliente Casino Resort Spa	Rancho Mirage	Casinos
Amazon Fulfillment Ctr	Moreno Valley	Mail Order Fulfillment Service
Citrus Club	La Quinta	Clubs
Coachella Valley USD	Thermal	School Districts
Collins Aerospace	Riverside	Aircraft Components-Manufacturers
Corona City Hall	Corona	City Hall
Corona Regional Medical Ctr	Corona	Hospitals
Department-Corrections-Rehab	Norco	State Govt-Correctional Institutions
Desert Regional Medical Ctr	Palm Springs	Hospitals
Eisenhower Health	Rancho Mirage	Hospitals
Fantasy Springs Resort Casino	Indio	Casinos
J Ginger Masonry	Riverside	Masonry Contractors
Kaiser Permanente Riverside MD	Riverside	Hospitals
Riverside Community Hospital	Riverside	Hospitals
Riverside County Public Health	Riverside	Government Offices-County
Riverside University Health	Moreno Valley	Hospitals
Southwest Healthcare System	Murrieta	Hospitals
Spa Resort Casino	Palm Springs	Casinos
Stagecoach Motor Inn	Banning	Hotels & Motels
Starcrest of California	Perris	Internet & Catalog Shopping
Starcrest Products	Perris	Internet & Catalog Shopping
Sun World Intl LLC	Coachella	Fruits & Vegetables-Wholesale

Source: California Employment Development Dept., America's Labor Market Information System (ALMIS) Employer Database, 2023 2nd Edition.

Taxable Retail Sales

The following table provides a summary of taxable retail sales in the City from 2018-2022.

TAXABLE SALES
City of Riverside
2018-2022
(Dollars in Thousands)

Year	*Permits*	*Taxable Transactions*
2018	10,021	$5,783,569
2019	10,257	5,811,062
2020	11,073	5,606,823
2021	10,232	7,073,303
2022	10,556	7,728,472

Source: Taxable Sales in California, California Department of Tax and Fee Administration for 2018-2022.

The following table provides a summary of taxable retail sales in the County from 2018-2022.

TAXABLE SALES
County of Riverside
2018-2022
(Dollars in Thousands)

Year	*Permits*	*Taxable Transactions*
2018	61,433	$38,919,498
2019	64,063	40,626,998
2020	69,284	42,313,474
2021	64,335	55,535,196
2022	66,738	61,908,344

Source: Taxable Sales in California, California Department of Tax and Fee Administration for 2018-2022.

Construction Activity

The following tables provide a summary of residential building permit valuations and nonresidential building permit valuations, and the total number of all building permit valuations in the City and the County during the past five years for which information is available.

CITY OF RIVERSIDE
BUILDING PERMIT ACTIVITY
For Calendar Years 2018 Through 2022
(Valuation in Thousands of Dollars)

	2018	*2019*	*2020*	*2021*	*2022*
Permit Valuation					
New Single-family	$ 42,412	$ 35,621	$ 76,746	$ 81,057	$ 148,281
New Multi-family	57,047	61,488	20,059	37,332	16,242
Res. Alterations/Additions	10,426	8,154	6,182	4,411	18,212
Total Residential	$ 109,885	$ 105,264	$ 102,988	$ 122,800	$ 182,736
New Commercial/Industrial	$ 96,668	$ 53,083	$ 4,612	$ 0	$ 62,533
New Other	13,055	4,323	17,103	6,537	24,510
Com. Alterations/Additions	63,581	74,407	50,537	3,585	58,343
Total Nonresidential	$ 173,304	$ 131,813	$ 72,251	$ 10,022	$ 145,387
New Dwelling Units					
Single Family	171	163	271	290	579
Multiple Family	504	328	214	367	153
TOTAL	675	491	485	707	732

Source: City of Riverside Community Development Department.

COUNTY OF RIVERSIDE
BUILDING PERMIT ACTIVITY
For Calendar Years 2018 Through 2022
(Valuation in Thousands of Dollars)

	2018	*2019*	*2020*	*2021*	*2022*
Permit Valuation					
New Single-family	$ 2,200,021	$ 1,834,822	$ 2,315,365	$ 2,013,159	$ 2,429,329
New Multi-family	232,707	282,465	93,149	149,081	339,474
Res. Alterations/Additions	125,353	158,118	110,789	100,402	152,309
Total Residential	$ 2,558,081	$ 2,275,405	$ 2,519,303	$ 2,262,642	$ 2,921,113
New Commercial/Industrial	$ 1,233,304	$ 805,908	$ 539,130	$ 792,812	$ 727,504
New Other	410,606	179,861	233,710	460,224	449,357
Com. Alterations/Additions	315,771	300,087	380,938	290,962	524,757
Total Nonresidential	$ 1,959,681	$ 1,285,856	$ 1,153,778	$ 1,543,998	$ 1,701,618
New Dwelling Units					
Single Family	7,540	6,563	8,443	7,360	8,863
Multiple Family	1,628	1,798	723	1,126	2,861
TOTAL	9,168	8,361	9,166	8,486	11,724

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

The City is served by a variety of land and air transportation facilities. Light rail commuter service is provided by Metrolink to Los Angeles and Orange Counties. Interstate bus service is available via Greyhound, and local bus service is provided by the Riverside Transit Agency. Most major trucking firms serve the City in addition to numerous local carriers. Overnight delivery can be scheduled to San Francisco, Los Angeles, San Diego and Sacramento.

Freight rail service to the City is provided by two major transcontinental railroads: the Santa Fe and Union Pacific. Amtrak-operated passenger train service is available at San Bernardino, approximately 15 miles north of the City.

Scheduled air transportation is available from the Ontario International Airport, approximately 18 miles to the west. The City-operated Riverside Municipal Airport is a general aviation facility.

The City is served by the Riverside Freeway (State Route 91), which provides access to Orange County; Interstate 215, which connects the City to San Diego, San Bernardino and points beyond; and the Pomona Freeway (U.S. Highway 60), an east-west route.

To support transportation improvements, in November 1988, County voters approved Measure A, a one-half cent sales tax increase. Measure A was to expire in 2009, but in 2002, County voters approved extending Measure A until 2039. Measure A is expected to generate $4.6 billion between 2009 and 2039. In 1990, voters of the adjacent San Bernardino County approved a similar program, and that sales tax was similarly increased by a vote of the electorate in November 2003.

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APPENDIX C

PROPOSED FORM OF SPECIAL COUNSEL OPINION

Upon execution and delivery of the Certificates, Stradling Yocca Carlson & Rauth, a Professional Corporation, Special Counsel to the Local Agency, proposes to render its final approving opinion with respect thereto in substantially the following form:

July 27, 2023

City of Riverside
Riverside, California

Re: *$21,190,000 Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project)*

Members of the Board of Directors:

We have acted as Special Counsel to the City of Riverside (the "City") in connection with the execution and delivery of $21,190,000 aggregate principal amount of the Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project) (the "Certificates"), dated the date hereof, evidencing and representing an interest of the registered owner thereof in the right to receive a portion of certain Installment Sale Payments (as that term is defined in the Trust Agreement hereinafter mentioned) under and pursuant to that certain 2013 Installment Sale Agreement, dated as of July 1, 2013, as amended and supplemented by the First Supplement to 2013 Installment Sale Agreement, dated as of July 1, 2023 (collectively, the "Agreement"), each by and between the City and the Riverside Public Financing Authority (the "Authority"), which right to receive such Installment Sale Payments has been assigned by the Authority to U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Certificates have been executed by the Trustee pursuant to the terms of the Trust Agreement, dated as of July 1, 2023 (the "Trust Agreement"), by and among the City, the Authority and the Trustee.

In connection with our representation we have examined a certified copy of the proceedings relating to the Certificates. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

Based upon the foregoing and after examination of such questions of law as we have deemed relevant in the circumstances, including a default judgment rendered on April 30, 2013 by the Superior Court for the State of California, County of Riverside, in the action entitled *City of Riverside v. All Persons Interested* (Case No. RIC 1301991), but subject to the limitations set forth herein, we are of the opinion that:

1. The proceedings show lawful authority for the execution and delivery by the City of the Agreement and the Trust Agreement under the laws of the State of California now in force, the Agreement and the Trust Agreement have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the Trustee and the Authority, as appropriate, are valid and binding obligations of the City enforceable against the City in accordance with their respective terms.

2. The Certificates, assuming due execution and delivery by the Trustee, are entitled to the benefits of the Trust Agreement.

3. The obligation of the City to make the Installment Sale Payments from Revenues (as defined in the Agreement) is an enforceable obligation of the City and does not constitute a debt of the City or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

4. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest with respect to the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest with respect to the Certificates might be taken into account in determining adjusted financial statement income for the purposes of computing the alternative minimum tax imposed on such corporations.

5. The portion of each Installment Sale Payment constituting interest is exempt from State of California personal income tax.

6. The amount by which a Certificate Owner's original basis for determining loss on sale or exchange in the applicable Certificate (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable bond premium reduces the Certificate Owner's basis in the applicable Certificate (and the amount of tax-exempt interest received with respect thereto), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Certificate Owner realizing a taxable gain when a Certificate is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Certificates to the Owner. Purchasers of the Certificates should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions that are expressed herein as to the exclusion from gross income of the portion of each Installment Sale Payment constituting interest with respect to the Certificates are based upon certain representations of fact and certifications made by the City, the Authority and others and are subject to the condition that the City and the Authority comply with all requirements of the Code that must be satisfied subsequent to the execution and delivery of the Certificates to assure that such portion of each Installment Sale Payment constituting interest with respect to the Certificates will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the portion of each Installment Sale Payment constituting interest with respect to the Certificates to be included in gross income for federal income tax purposes retroactive to the date of execution and delivery of the Certificates. The City and the Authority have covenanted to comply with all such requirements.

The opinions that are expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Certificates terminates on the date of their execution and delivery. The Trust Agreement, the Agreement and the Tax Certificate relating to the Certificates permit certain actions to be taken or to be omitted if a favorable opinion of Special Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of the portion of each Installment Sale Payment constituting interest with respect to the Certificates for federal income tax purposes with respect to any Certificate if any such action is taken or omitted based upon the opinion or advice of counsel other than ourselves. Other than expressly stated herein, we express no other opinion regarding tax consequences with respect to the Certificates.

The opinions that are expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

We call attention to the fact that the rights and obligations under the Trust Agreement, the Agreement and the Certificates are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Certificates and expressly disclaim any duty to advise the Owners of the Certificates with respect to matters contained in the Official Statement.

Respectfully submitted,

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APPENDIX D

FORM OF LOCAL AGENCY CONTINUING DISCLOSURE CERTIFICATE

Upon execution and delivery of the Certificates, the Local Agency proposes to enter into a Continuing Disclosure Certificate in substantially the following form:

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of Riverside (the "City") in connection with the issuance of the $21,190,000 Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project) (the "Certificates"). The Certificates are being executed and delivered pursuant to the Trust Agreement, dated as of July 1, 2023 (the "Trust Agreement"), by and among the City, the Riverside Public Financing Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The City covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Owners and Beneficial Owners of the Certificates and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the audited financial statements, if any, of the City, audited by such auditor as shall then be required or permitted by State law or the Trust Agreement. Audited Financial Statements shall be prepared in accordance with GAAP; provided, however, that the City may from time to time, if required by Federal or State legal requirements, modify the basis to be followed in preparing its financial statements. The notice of any such modification shall include a reference to the specific Federal or State law or regulation describing such accounting basis.

"Beneficial Owner" shall mean any person that: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Certificates (including persons holding Certificates through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Certificates for federal income tax purposes.

"Dissemination Agent" shall mean the City or any person or entity appointed by the City which such person or entity agrees to perform the duties and obligations of Dissemination Agent under this Disclosure Certificate. The initial Dissemination Agent shall be the City.

"Financial Obligation" shall mean a: (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Fiscal Year" shall mean the one-year period ending on June 30 of each year.

"GAAP" means generally accepted accounting principles as prescribed from time to time for governmental units by the Governmental Accounting Standards Board, the Financial Accounting Standards Board, or any successor to the duties and responsibilities of either of them.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Disclosure Certificate.

"Notice Event" means any of the following events with respect to the Certificates, whether relating to the City or otherwise:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

(v) substitution of credit or liquidity providers, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;

(vii) modifications to rights of Certificate holders, if material;

(viii) Certificate calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution, or sale of property securing repayment of the Certificates, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the City;

Note to clause (xii): For the purposes of the event identified in clause (xii) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City;

(xiii) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties; and

(xvi) incurrence of a Financial Obligation of the City, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.

"Official Statement" means the Official Statement dated July 13, 2023 of the City relating to the Certificates.

"Owner" shall mean a registered owner of the Certificates.

"Participating Underwriter" shall mean the original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than each April 1 following the end of each Fiscal Year of the City (which Fiscal Year presently ends on June 30), commencing April 1, 2024 with the report for Fiscal Year 2022-23, provide to the MSRB an Annual Report relating to the immediately preceding Fiscal Year that is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that any audited financial statements may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Fiscal Year of the City changes, the City shall give notice of such change in the same manner as for a Notice Event under Section 5.

If not provided as part of the Annual Report by the date provided in subsection (a) above, the City shall provide Audited Financial Statements, when and if available, to the MSRB.

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent, if other than the City. If by such date the Dissemination Agent, if other than the City, has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with subsection (a).

(c) If the City or the Dissemination Agent, if any, as the case may be, has not furnished any Annual Report to the MSRB by the date required in subsection (a), the City or the Dissemination Agent, as applicable, shall provide, a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The City (or, in the event that the City shall appoint a Dissemination Agent other than the City hereunder, the Dissemination Agent) shall file the Annual Report with the MSRB on or before the date required in subsection (a). In addition, if the City shall have appointed a Dissemination Agent other than the City hereunder, the Dissemination Agent shall file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

1. The audited financial statements of the City for the most recently completed Fiscal Year, prepared in accordance with GAAP. If such audited financial statements are not available at the time when the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Principal amount of the Certificates outstanding as of the end of the immediately preceding Fiscal Year.

3. Balance in the funds and accounts established under the Trust Agreement or the Agreement.

4. Updated information substantially similar to the information set forth in Official Statement table entitled "City of Riverside Measure A Revenue Allocation" under the caption "MEASURE A REVENUES; MEASURE A RECEIPTS—Historical Measure A Revenues—Historical Measure A Revenues."

5. Any material changes to the City's allocation of Measure A Receipts or with respect to its expectations with regard to the anticipated or projected Measure A Receipts.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, that have been submitted to the MSRB; provided that if any document included by reference is a final official statement, it must be available from the MSRB; and provided further, that the City shall clearly identify each such document so incorporated by reference.

SECTION 5. Reporting of Notice Events.

(a) If a Notice Event occurs, the City shall provide, in a timely manner not in excess of ten (10) Business Days after the occurrence of such Notice Event, notice of such Notice Event to: (i) the MSRB; and (ii) the Trustee.

(b) Any notice of a defeasance of Certificates shall state whether the Certificates have been escrowed to maturity or to an earlier prepayment date and the timing of such maturity or prepayment.

(c) The City will cause the Trustee to promptly advise the City whenever, in the course of performing its duties as Trustee under the Trust Agreement, the Trustee has actual notice of an occurrence which, if material, would require the City to provide notice of a Notice Event hereunder; provided, however, that the failure of the Trustee so to advise the City shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Disclosure Certificate or the Trust Agreement.

(d) Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Reports or notice of Notice Event hereunder, in addition to that which is required by this Disclosure Certificate. If the City chooses to do so, the City shall have no obligation under this Disclosure Certificate to update such additional information or include it in any future Annual Reports or notice of a Notice Event hereunder.

SECTION 6. Additional Disclosure Obligations. The City acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the City and that, under certain circumstances, compliance with this Disclosure Certificate without additional disclosures or other action may not fully discharge all duties and obligations of the City under such laws.

SECTION 7. Fiscal Year. The City's current Fiscal Year is from July 1 through June 30 and the City shall promptly notify: (i) the MSRB; and (ii) the Trustee of each change in its Fiscal Year. Annual Reports shall be provided at least annually notwithstanding any Fiscal Year longer than 12 calendar months.

SECTION 8. Customarily Prepared and Public Information. Upon request, the City shall provide to any person financial information and operating data regarding the City which is customarily prepared by the City and is publicly available.

SECTION 9. Termination of Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 10. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations wider this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 11. Transmission of Notices, Documents and Information. Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's Electronic Municipal Market Access (EMMA) system, the current Internet Web address of which is www.emma.msrb.org.

All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall he accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

SECTION 13. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

No Owner or Beneficial Owner of the Certificates may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

SECTION 14. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the City) shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City and shall not be deemed to be acting in any fiduciary capacity for the City, the Owners or Beneficial Owners of the Certificates, or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

SECTION 16. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, if any, the Participating Underwriter and Owners and Beneficial Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: July 27, 2023

CITY OF RIVERSIDE

By:____

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Obligations:	Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project)
Date of Issuance:	July 27, 2023

NOTICE IS HEREBY GIVEN that the City of Riverside, California (the "City") has not provided an Annual Report with respect to the above-named Obligations as required by the Continuing Disclosure Certificate, dated July 27, 2023, in connection with the Certificates. The City anticipates that the Annual Report will be filed by __________.

Dated: __________

CITY OF RIVERSIDE, CALIFORNIA

By:____

Title:____

APPENDIX E

CITY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS

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CITY OF RIVERSIDE

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

RIVERSIDE, CALIFORNIA

CITY OF RIVERSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2022

Prepared by the Finance Department
Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/Treasurer

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

This report was printed on recycled stock

CITY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

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YEAR ENDED JUNE 30, 2022

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CITY OF
RIVERSIDE

January 26, 2023

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Riverside (the City) for the fiscal year ended June 30, 2022.

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

The City's financial statements have been audited by Lance, Soll & Lunghard, LLP a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is presented as the first component of the financial section of this ACFR.

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

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

Profile of the City of Riverside

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

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

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

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

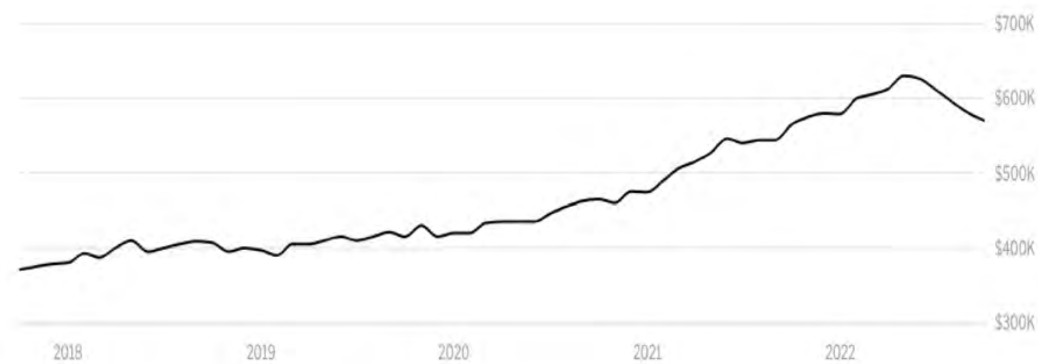
Biennially, during the period December through February, department heads prepare estimates of required appropriations for the following two-year budget cycle. These estimates are compiled into a proposed operating budget that includes a summary of proposed expenditures and financial resources and historical data for the preceding budget cycle. At least thirty-five days prior to the beginning of the fiscal year, City Manager provides the proposed budget, in writing, to the City Council for review. The operating budget is presented by the City Manager to the City Council for review. Following Council review, a public hearing is set to obtain citizen comments. The City Council generally conducts the public hearing and adopts the budget during one of its June meetings. The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department and fund over the course of the fiscal year. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations within a fund. All appropriations shall lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered, except for appropriations for capital projects which shall continue to their completion. For the general fund, this comparison is presented on page 24 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which begins on page 90.

Local economy: The City is located in Inland Southern California, which consists of Riverside and San Bernardino Counties (the "MSA"). The population of Inland Southern California, at approximately 4.6 million, is larger than 25 states. The City leads the Inland Southern California in most measures of economic power, including population, income, employment, bank deposits, assessed valuation, office space and college enrollment. The population of the City is 317,847 which places it as the 12^{th} largest in California.

The City of Riverside saw a reduction in the unemployment rate from 5.6% as of September 2021 to 3.2% as of September 2022. The City's unemployment rate remains lower than the State of California (3.7%), the County of Riverside (4%), and the United States (3.3%). The primary drivers for the increase in employment in the Riverside metro area nonfarm payrolls were from the trade, transportation, and utilities; leisure and hospitality; professional and business services; and education and health services industries, which saw increases from September 2021 to September 2022.

Consumer prices continue to increase at levels not seen in decades. The Riverside metro area saw an overall increase in the consumer price index of 8.4% as of September 2022 compared to a 8.2% overall increase in the United States city average. The Riverside metro area saw food prices soar 11.5% and energy prices rise 23.6% as of September 2022 compared with 11.2% and 19.8% for the United States city average, respectively.

In October 2022, Riverside home prices were up 0.9% compared to last year, selling for a median price of $570,000. However, homes are taking longer to sell and the volume of home sales has decreased. On average, homes in Riverside currently sell after 37 days on the market compared to 28 days last year, and only 203 homes were sold in October 2022, down from 309 last year, a decrease of 34.3%.



Based on Redfin calculations of home data from MLS and/or public records.

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

1. City Council Strategic Policy, which sets forth the priorities and policy direction of the City Council to advance Riverside's potential and to frame the work efforts over the next five years including Vision, Cross-Cutting Threads, Strategic Priorities, Indicators and Goals; and

2. Operational Workplan, which sets forth envisioned actions to be carried out by City staff to implement the City Council Strategic Policy, as well as related metrics to track the trendlines of progress toward achieving City Council priorities and includes the Actions and Performance Measures which will be evaluated and updated by the City Manager on an as-needed basis in conjunction with the City's budget cycle.

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

Cross-Cutting Threads: Major themes that should be reflected in all our outcomes include Community Trust, Equity, Fiscal Responsibility, Innovation, and Sustainability and Resiliency.

Strategic Priorities and Indicators

Arts, Culture and Recreation Indicators:
- Lifelong Learning
- Shared Uses and Partnerships
- Arts and Cultural Opportunities
- Access to Parks, Trails and Open Spaces
- Programs and Amenities

Community Well-Being Indicators:
- Housing Supply and Attainability
- Public Safety
- Public Health
- Placemaking
- Homelessness
- Household Resilience

Economic Opportunity Indicators:
- Workforce Development
- Business Development and Success
- Local Investment
- Regional Partnerships
- Economic Mobility

Environmental Stewardship Indicators:
- Water Quality, Supply, Efficiency and Reliability
- Climate Resiliency, Carbon Footprint and Air Quality
- Usage, Condition and Quality of Public Lands
- Local Food System Vitality
- Environmental Justice
- Renewable Resource Usage and Waste Reduction

High Performing Government Indicators:
- Community Centered Services
- Adaptive Organization
- Financial Health
- Equity in Delivery of City Services
- Civic Engagement
- City Team Engagement

Infrastructure, Mobility, and Connectivity Indicators:
- Access to Transportation Choices
- Infrastructure Quality and Reliability
- Outside Investment
- Smart City Ecosystem
- Greening Facilities, Fleet and Systems

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

Long-term financial planning: The City continues to recover from the COVID-19 pandemic. Sales tax has seen increases in fiscal years 2021 and 2022 following a decrease caused by the pandemic in fiscal year 2020. Service revenues have also seen increases as venues began to fully open throughout the City. However, the increase in revenues have been shadowed by high inflation and corresponding Federal Reserve interest rates hikes used as a tool to reduce the impact of rising prices.

The City proposed the fiscal year 2022-2024 Biennial Budget totals approximately $1.36 billion in fiscal year 2022/23 and $1.32 billion in fiscal year 2023/24, including the City's operating budget and planned capital projects. Two primary goals were established for the fiscal year 2022-2024 budget development cycle:

1. Leverage Priority Based Budgeting (PBB) to identify and reallocate funding to critical unfunded needs.

During budget development and departments' evaluation of their operational and financial needs, departments identified additional critical needs. Those needs were described through the lens of PBB, including relating the requests to existing programs and answering fundamental questions to assess the level of criticality of the need:

- How is this a critical unfunded need?
- What is the impact to operations should this budget request not be approved?
- How does this request benefit City stakeholders?

2. Implement a financing strategy of planned contributions and withdrawals to/from the Section 115 Trust to smooth the annual fiscal impact of the combined CalPERS unfunded accrued liability (UAL) and 2020 Pension Obligation Bond payments.

Staff analyzed the unfunded accrued liability (UAL) payment schedule per the CalPERS actuarial report and the pension obligation bond (POB) payment schedule and determined a feasible amount and optimal series of Section 115 Trust contributions and withdrawls to smooth the fiscal impact of the payment obligationss.

The proposed smoothing will result in level payments of $37,925,000 annually for a period of 12 years, from fiscal year 2024/25 through fiscal year 2035/36. The City Council approved a $10 million contribution to the Section 115 Trust from fiscal year 2020/21 excess reserves. Contributions totaling nearly $12 million are incorporated into the proposed fiscal year 2022-2024 Biennial Budget, with $11 million occurring in fiscal year 2023/24 made possible by the payoff of the 2004 Safety POB in fiscal year 2022/23. The combination of current reserves and the proposed contributions will build the Section 115 Trust Fund to a balance of approximately $40 million which is projected to be sufficient to smooth the volatile required liability payments over the course of 12 years. Contributions totaling $34.4 million over five years are included in the General Fund Five-Year Financial Plan. It is important to note that the required UAL contributions will vary based on actual CalPERS investment returns; Section 115 Trust contributions will help to smooth the fiscal impact of spikes in the required UAL payments in future years.

American Rescue Plan Act (ARPA): On March 11, 2021, President Biden passed the $1.9 trillion American Rescue Plan Act (ARPA) sending checks to families and offering small business support to drive up demand and counter the country's high unemployment. The ARPA established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund, which provide a combined $350 billion in assistance to eligible state, local, territorial, and Tribal governments to assist in the recovery from economic and health impacts of the COVID-19 pandemic by providing resources to address impacts resulting from the crisis. The City received one-time funding of approximately $73.5 million from ARPA with the first installment of $36.7 million received in June 2021 and $36.8 million received in June 2022. The City may use the funds to best support the needs of the community providing the use of the funds aligns with one of the following four statutory categories:

1. To respond to the COVID-19 public health emergency or its negative economic impacts;
2. To respond to workers performing essential work during COVID-19 public health emergency by providing premium pay to eligible workers of the recipient that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
3. For the provision of government services, to the extent of the reduction in the revenue of such recipients due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency; or
4. To make necessary investments in water, sewer, or broadband infrastructure.

On November 9, 2021, the City Council approved the ARPA funding Expenditure Category Plan for the first allocation in the amount of $36.7 million following the Interim Final Rule guidelines. The approval by Council for the ARPA funding Expenditure Category Plan for the second allocation of $36.7 million is in progress.

1. Public Health	$	1,086,250	2.95	%
2. Negative Economic Impacts		12,270,000	33.37	
3. Services to Disproportionately Impacted Communities		13,120,000	35.68	
4. Premium Pay		-	-	
5. Infrastructure		2,500,000	6.80	
6. Revenue Replacement		7,525,000	20.47	
7. Administration		266,344	0.72	
Total	$	36,767,594	100.00	%

The Final Rule was issued on January 6, 2022 and became effective on April 1, 2022. Some key changes include:

- The final rule offers a standard allowance for revenue loss of $10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation
- In some cases, enumerated eligible uses included in the interim final rule under responding to the public health emergency have been re-categorized in the organization of the final rule to enhance clarity
- In addition to programs and services, the final rule clarifies that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response
- The final rule provides an expanded set of households and communities that are presumed to be “impacted” and “disproportionately impacted” by the pandemic, thereby allowing recipients to provide responses to a broad set of households and entities without requiring additional analysis
- The final rule provides a broader set of uses available for these communities as part of COVID-19 public health and economic response in all impacted communities and making certain community development and neighborhood revitalization activities eligible for disproportionately impacted communities
- The final rule also allows for a broader set of uses to restore and support government employment, including hiring above a recipient’s pre-pandemic baseline, providing funds to employees that experienced pay cuts or furloughs, avoiding layoffs, and providing retention incentives.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Program) to the City for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2021. This was the sixteenth consecutive year that the City has received this prestigious award. The City received this award for publishing an easily readable and efficiently organized ACFR that satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. This award is valid for a period of one year only. We believe that our current ACFR continues to meet the Program’s requirements and we are submitting it to the GFOA again this year.

The Government Finance Officers Association (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2021. The City received the award for the fifth time for the June 30, 2021 report and has continued to prepare an award-winning report. This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The Award is valid for a period of one year only. We believe that our current PAFR continues to meet the Program's requirements and we are submitting it to the GFOA again this year.

The City received the GFOA’s Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2021. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

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

Respectfully submitted,

Edward Enriquez

Chief Financial Officer/City Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Riverside California

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Riverside for our Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

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

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

LEGISLATIVE OFFICIALS

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

CITY OFFICIALS

Michael D. Moore	Interim City Manager*
Rafael Guzman	Assistant City Manager
Kris Martinez	Assistant City Manager
Edward Enriquez	Interim Assistant City Manager

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

*Appointed by City Council

CITY OF
RIVERSIDE

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Riverside, California, (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Riverside, California, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, the schedule of pension plan contributions, and the schedule of changes in total OPEB liability and related ratios, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Lance, Soll & Lunghard, LLP

Brea, California
January 26, 2023

Management's Discussion and Analysis
(Unaudited)

As management of the City, we offer this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on page i of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars (0,000).

Overview of the Financial Statements

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

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, highways and streets, and culture and recreation. The business-type activities of the City include Electric, Water, Sewer, Airport, Refuse, Transportation, Public Parking, and Civic Entertainment Funds.

The government-wide financial statements include the activities of the City and three blended component units, which consist of the Riverside Housing Authority, Riverside Public Financing Authority, and the Riverside Municipal Improvements Corporation. Although legally separate, these entities function for all practical purposes as departments of the City and therefore have been blended as part of the primary government. The Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency) is also included as a fiduciary component unit since it would be misleading to exclude the Successor Agency due to the nature and significance of the relationship between the City and the Successor Agency. The activity of the Successor Agency is reported with the City's fiduciary funds, which is not included in the government-wide statements since the resources of those funds are *not* available to support the City's own programs.

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

The government-wide financial statements can be found on pages 18 - 19 of this report.

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

Governmental funds *Governmental funds* are used to account for the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources* as well as on balances of spendable resources available at the end of the fiscal year.

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

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Outlay Fund, and General Debt Service Fund which are major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and can be found on pages 86 - 94 in this report.

The City adopted an annual appropriated budget for its General Fund for the Year ended June 30, 2022. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 20 - 23 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements (*business-type activities*), only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water and Sewer operations, all of which are considered to be major funds of the City. The five remaining proprietary funds noted above are combined into a single, aggregated presentation. All internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of *combining statements* and can be found on pages 96 - 104 in this report.

The basic proprietary fund financial statements can be found on pages 25 - 29 of this report.

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

The fiduciary fund financial statements can be found on page 30 - 31 of this report.

Notes to Basic Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Basic Financial Statements begin on page 32 of this report.

Governmental Accounting Standards Board No. 87, Lease (GASB 87) For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to Notes 1, 5, 6, and 27.

Government-wide Financial Analysis

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

(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets:						
Current and other assets	$ 711,511	$ 503,107	$ 856,015	$ 724,367	$ 1,567,526	$ 1,227,474
Capital and leased assets, net	1,330,850	1,337,100	1,975,600	1,976,364	3,306,450	3,313,464
Total assets	**2,042,361**	**1,840,207**	**2,831,615**	**2,700,731**	**4,873,976**	**4,540,938**
Deferred Outflows of Resources	**67,430**	**100,355**	**41,648**	**70,694**	**109,078**	**171,049**
Liabilities:						
Current liabilities	146,784	112,061	71,696	57,503	218,480	169,564
Long-term liabilities	664,444	854,428	1,480,313	1,610,535	2,144,757	2,464,963
Total liabilities	**811,228**	**966,489**	**1,552,009**	**1,668,038**	**2,363,237**	**2,634,527**
Deferred Inflows of Resources	**204,023**	**5,745**	**176,142**	**4,549**	**380,165**	**10,294**
Net Position						
Net investment in capital assets	1,176,215	1,170,232	774,469	756,116	1,950,684	1,926,348
Restricted	199,456	164,809	85,666	78,885	285,122	243,694
Nonspendable	3,582	-	-	-	3,582	-
Unrestricted/(deficit)	(284,713)	(366,713)	284,977	263,837	264	(102,876)
Total net position	**$ 1,094,540**	**$ 968,328**	**$ 1,145,112**	**$ 1,098,838**	**$ 2,239,652**	**$ 2,067,166**

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $2,239,652 at June 30, 2022, an increase of $172,486 from June 30, 2021.

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

An additional portion of the City's net position 13% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, $(284,713) net deficit is held by the governmental activities and $284,977 is held by the business-type activities.

Unrestricted net position in the amount of $264, a net position increase of 100% from prior year, is the change in resources available to fund City programs to citizens and debt obligations to creditors. The positive increase in unrestricted net position is primarily the result of the reporting of the City's net pension asset, which was a liability in prior year, in accordance with an accounting standard issued by the Government Accounting Standards Board (GASB) that relates to pension activity; Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27."

Governmental activities increased the City's net position by $126,212 to $1,094,540 for the year ended June 30, 2022.

On the following page is a condensed summary of activities of the City's governmental and business-type operations for the period ended June 30, 2022 with the prior fiscal year presented for comparative purposes. Also included in the following analysis are revenue and expense graphs to aid in understanding the results of the current year's activities.

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(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	$ 41,072	$ 34,106	$ 598,474	$ 555,267	$ 639,546	$ 589,373
Operating grants and contributions	50,378	64,405	5,866	3,976	56,244	68,381
Capital grants and contributions	38,508	28,284	20,527	12,273	59,035	40,557
General revenues:						
Sales taxes	173,933	150,321	-	-	173,933	150,321
Property taxes	79,790	71,986	-	-	79,790	71,986
Other taxes and fees	47,183	41,905	-	-	47,183	41,905
Intergovernmental, unrestricted	661	499	-	-	661	499
Investment income	(7,613)	4,969	(13,324)	681	(20,937)	5,650
Miscellaneous	3,880	5,988	12,639	11,986	16,519	17,974
Total revenues	**427,792**	**402,463**	**624,182**	**584,183**	**1,051,974**	**986,646**
Expenses:						
General government	66,937	97,927	-	-	66,937	97,927
Public safety	169,742	219,136	-	-	169,742	219,136
Highways and streets	41,125	42,034	-	-	41,125	42,034
Cultural and recreation	38,885	37,693	-	-	38,885	37,693
Interest on long-term debt and fiscal charges	19,806	19,083	-	-	19,806	19,083
Electric	-	-	349,004	366,165	349,004	366,165
Water	-	-	69,303	71,738	69,303	71,738
Sewer	-	-	59,060	61,029	59,060	61,029
Airport	-	-	1,944	2,326	1,944	2,326
Refuse	-	-	28,449	28,428	28,449	28,428
Transportation	-	-	3,758	4,623	3,758	4,623
Public Parking	-	-	4,566	4,684	4,566	4,684
Civic Entertainment	-	-	21,804	11,885	21,804	11,885
Total expenses	**336,495**	**415,873**	**537,888**	**550,878**	**874,383**	**966,751**
Increase (decrease) in net position	91,297	(13,410)	86,294	33,305	177,591	19,895
Extraordinary items	-	-	(5,748)	-	(5,748)	-
Transfers, net	34,915	34,879	(34,915)	(34,278)	-	601
Changes in net position	**126,212**	**21,469**	**45,631**	**(973)**	171,843	**20,496**
Net Position:						
Beginning of year, as previously stated	968,328	866,575	1,098,838	1,099,811	2,067,166	1,966,386
Prior period adjustment	-	80,284	643	-	643	80,284
Beginning of year, as restated	968,328	946,859	1,099,481	1,099,811	2,067,809	2,046,670
End of year	**$ 1,094,540**	**$ 968,328**	**$ 1,145,112**	**$ 1,098,838**	**$ 2,239,652**	**$ 2,067,166**

Governmental Activities - Total change in net position for governmental activities increased by $104.7 million while prior fiscal year increased by $21.5 million. Key elements of this year's activity in relation to the prior year are as follows:

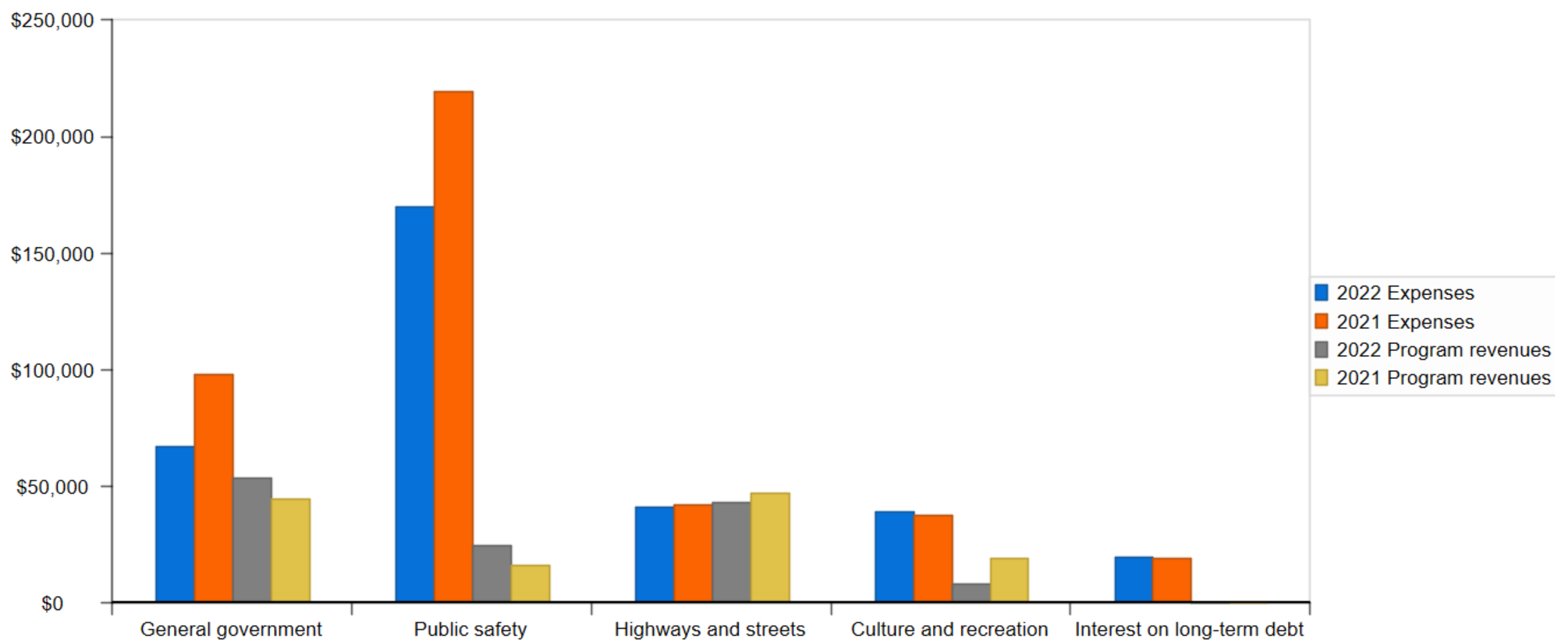
Revenues:

- While variances between years exist for the various revenue categories, the total net increase was approximately $25.3 million or 6%. Precipitated by an infusion of federal stimulus funding and inflationary factors and is largely attributable to the increase to sales taxes of $23.6 million which was primarily from increased sales price of fuel and service stations; autos and transportation; general consumer goods; building and construction; and restaurants and hotels. The increase of property taxes of $7,804 was mainly due to increased property values and sales. Program revenue groupings were updated in fiscal year 2022 and are the primary reason for the $14,027 decrease in operating grants and contributions and the $10,224 increase in capital grants and contributions.

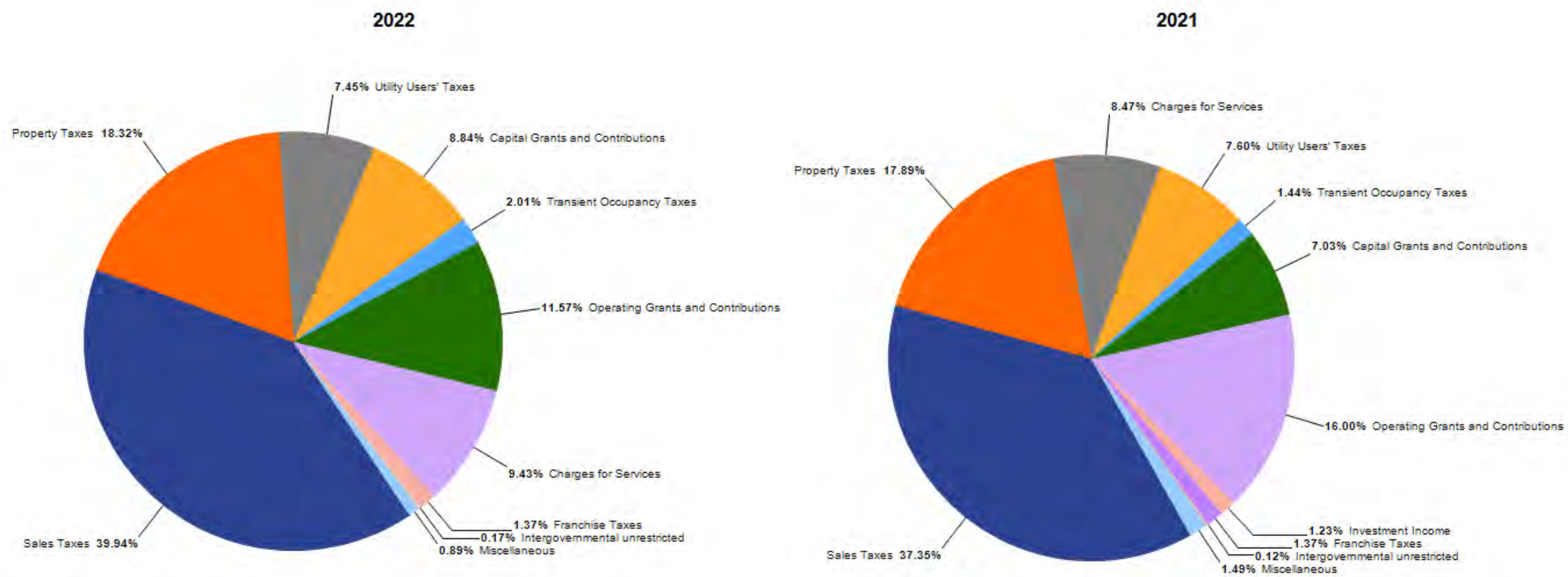
Expenses:

- While variances between years exist for the various expense functions, the total net decrease was approximately $79.4 million or 19%. This is primarily related to one time expenditures in fiscal year 2021 for the Parada II Litigation settlement of $24 million and various grant expenditures for the CARES grant, which were nonrecurring in fiscal year 2022, as well as a decrease to personnel related costs of $48 million resulting from the elimination of the prior year net pension liability and generation of a net pension asset in fiscal year 2022.

Program Revenues and Expenses - Governmental Activities - Fiscal Year Comparison 2022 vs. 2021



Revenues by Source - Governmental Activities - Fiscal Year Comparison 2022 vs. 2021



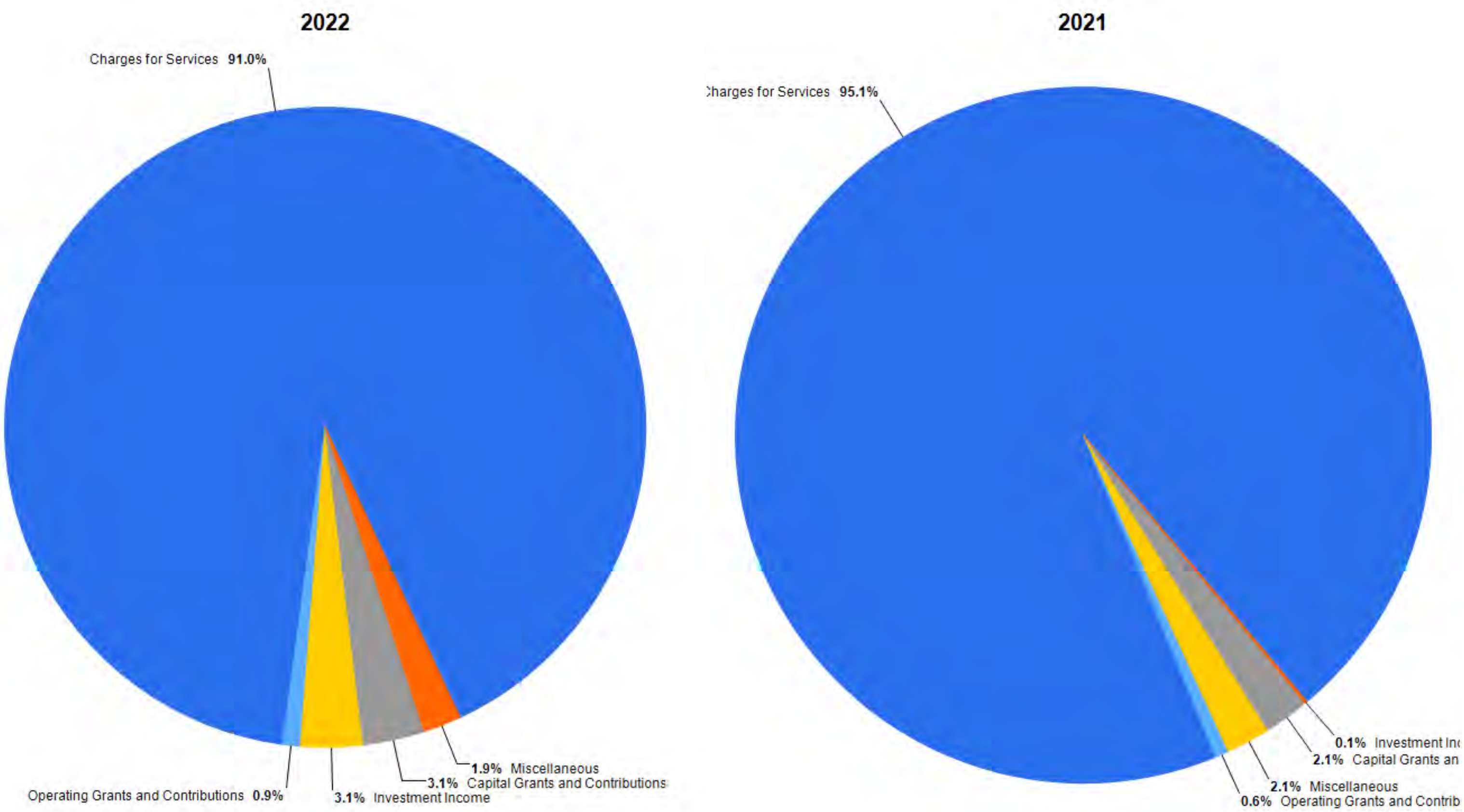
* Zero Data, Investment Income

Business-Type Activities - Total net position for business-type activities increased by $46.3 million while prior fiscal year decreased by $973. Key elements of this year's activity in relation to the prior year are as follows:

- Charges for services slightly increased from prior year resulting in an increase of $43.2 million or 8%. Electric Fund charges for services increased by $21.8 million primarily due to the rate plan increases and decreased uncollectibles. The Civic Entertainment Fund charges for services increased by $10.5 million due to the reopening of various entertainment venues caused by the COVID-19 pandemic.

- Overall expenses decreased by $13.0 million or 2.4%. The Electric Fund, Water Fund and Sewer Fund had decreased operating expenses of $16.3 million, $2.2 million and 1.3 million, respectively, primarily due to reduction in personnel related costs resulting from the elimination of the prior year net pension liability and generation of a net pension asset in fiscal year 2022.

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



Financial Analysis of the City's Funds

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

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

(in thousands)

	General Fund		Capital Outlay Fund		General Debt Service Fund		Non-Major Governmental Funds		Total Governmental Funds	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Assets	**$ 280,565**	**$ 201,980**	**$ 57,636**	**$ 54,804**	**$ 13,231**	**$ 13,165**	**$ 201,206**	**$ 169,940**	**$ 552,638**	**$ 439,889**
Liabilities	**$ 42,541**	**$ 38,774**	**$ 4,612**	**$ 3,674**	**$ 1,552**	**$ 1,873**	**$ 96,882**	**$ 67,553**	**$ 145,587**	**$ 111,874**
Deferred inflows of resources	**10,806**	**3,559**	**520**	**772**	**-**	**-**	**49,832**	**47,556**	**61,158**	**51,887**
Fund Balances										
Nonspendable	2,087	1,870	-	-	-	-	1,495	1,477	3,582	3,347
Restricted	30,715	10,697	52,504	50,358	11,679	11,292	54,212	53,354	149,110	125,701
Committed	82,801	62,400	-	-	-	-	-	-	82,801	62,400
Assigned	41,707	24,890	-	-	-	-	-	-	41,707	24,890
Unassigned	69,908	59,790	-	-	-	-	(1,215)	-	68,693	59,790
Total fund balances	**227,218**	**159,647**	**52,504**	**50,358**	**11,679**	**11,292**	**54,492**	**54,831**	**345,893**	**276,128**
Total liabilities, deferred inflows, and fund balances	**$ 280,565**	**$ 201,980**	**$ 57,636**	**$ 54,804**	**$ 13,231**	**$ 13,165**	**$ 201,206**	**$ 169,940**	**$ 552,638**	**$ 439,889**

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $345,893 an increase of $69,765 compared to the prior year. Additionally, 1% of the fund balance $3,582 is *nonspendable*, which comprises the portion of fund balance that cannot be spent due to form. $149,110 or 43% of fund balance is *restricted*, which represents the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors. Committed fund balance of $82,801 or 24% of the fund balance was set aside for economic contingencies. Committed for economic contingencies consists of 20% of the 2022-23 General Fund adopted expenditure budget of $306 million or $61,000, $5,000 for General Fund – Measure Z, $10,801 for future capital projects, and $6,000 for balancing measures. $41,707 or 12% of fund balance is constrained by the City's intent to utilize fund balance for specific purposes, which is reported within the fund balance classification *assigned*. The remainder of the fund balance $68,693 or 20% is *unassigned*, meaning it is available for spending at the City's discretion. The City's governmental funds reported combined total assets of $552,638 at June 30, 2022, an increase of $112,749 compared to the prior year. Liabilities and deferred inflows of resources amounted to $206,745, an increase of $42,984 from prior year.

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, total fund balance equaled $227,218, in comparison to $159,647 in the prior year. The increased in fund balance is primarily due to increased sales and use tax as well as the decrease in grant expenditures. The Capital Outlay Fund is used to account for the acquisition or construction of major capital facilities. The total fund balance was $52,504, compared to $50,358 in prior year. The increased was due to decreased capital projects. The General Debt Service Fund accounts for the accumulation of resources and payment of long-term debt principal and interest. The total fund balance was $11,679, compared to $11,292 in prior year. The Non-Major Governmental Funds fund balance was $54,492, compared to $54,831 in prior year.

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

Unrestricted net position of the Electric, Water and Sewer Funds at the end of the year amounted to $194,443, $17,675, and $74,034, respectively. The unrestricted net position for the Electric, Water and Sewer Funds in the prior year was $201,521, $6,220, and $63,285, respectively. The decrease in unrestricted net position of the Electric Fund $(7,078) was primarily attributable to a reduction of investment income due to a market value adjustment done at fiscal year end as prescribed by accounting standards. The increase in unrestricted net position of the Water Fund $11,455 was primarily attributable to positive operating results. The increase in unrestricted net position for the Sewer Fund $10,749 is primarily a result of increased charge for services and reduced personnel service costs.

General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues	**$ 285,299**	**$ 308,880**	**$ 329,317**	**$ 20,437**
Expenditures:				
Current:				
General government	19,669	30,867	8,197	22,670
Public safety	196,249	202,627	193,369	9,258
Highways and streets	21,854	22,763	17,935	4,828
Culture and recreation	35,270	35,043	30,882	4,161
Capital outlay	3,630	20,301	3,262	17,039
Debt service	-	-	771	(771)
Total expenditures	**276,672**	**311,601**	**254,416**	**57,185**
Excess/(deficiency) of revenues over/(under) expenditures	8,627	(2,721)	74,901	77,622
Other Financing Sources/(Uses):	**(7,393)**	**(18,425)**	**(7,330)**	**11,095**
Net change in fund balance	1,234	(21,146)	67,571	88,717
Fund Balance:				
Beginning of year, as previously stated	159,647	159,647	159,647	-
End of year	**$ 160,881**	**$ 138,501**	**$ 227,218**	**$ 88,717**

The primary reason for final budgeted revenues and expenditures increasing from the Original Budget is due to increased sales and use tax as well as increased Measure Z funding for encumbrance rollovers, carryover budgets and capital projects.

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

Actual expenditures were less than final budgeted amounts by approximately $57.2 million. This is primarily associated with unspent appropriations for projects that were not completed during the year (which are carried over to the next fiscal year) as well as the cost saving efforts by City Departments.

Capital Assets and Debt Administration

Capital Assets - The City's investment in capital assets for governmental and business-type activities as of June 30, 2022 amounted to $3,304,620 (net of accumulated depreciation). This investment includes land, intangibles, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City's net capital assets for the current fiscal year was $8,844; a decrease of $7,302 for governmental activities and a decrease of $1,542 for business-type activities primarily caused by depreciation expense exceeding capital asset additions.

Major capital improvements during the current fiscal year included ongoing projects: Consisting primarily of roads of $22.5 million; Storm drains of $8.6 million; and the Youth Innovation Center of $7.1 million for governmental activities. $26.4 million in Electric Utility capital improvements primarily related to transformer replacements, improvements to communications network, underground improvements, metering infrastructure, and major streetlight projects; $15.2 million in Water Utility projects primarily related to main replacements, system expansion, transmission pipelines, distribution facilities, and well projects; and The Cheech Marin Center of $11 million grant funded for business-type activities.

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

City of Riverside's Capital Assets
(net of depreciation)
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 376,787	$ 376,616	$ 100,111	$ 100,111	$ 476,898	$ 476,727
Construction in progress	52,051	30,820	128,123	126,187	180,174	157,007
Buildings	106,726	111,601	465,740	473,476	572,466	585,077
Improvements other than buildings	103,649	107,316	1,216,016	1,213,090	1,319,665	1,320,406
Machinery and equipment	32,060	33,113	32,994	32,712	65,054	65,825
Intangibles	-	-	31,838	30,788	31,838	30,788
Infrastructure	658,525	677,634	-	-	658,525	677,634
Total	**$ 1,329,798**	**$ 1,337,100**	**$ 1,974,822**	**$ 1,976,364**	**$ 3,304,620**	**$ 3,313,464**

Right to Use Assets - The City's investment in right to use assets for governmental and business-type activities as of June 30, 2022 amounted to $1,830 (net of accumulated amortization). This investment includes right to use land, buildings and machinery and equipment, which were added due to the implementation of GASB issued Statement No. 87, Leases.

Additional information on the City's right to usel assets can be found in Note 5 on page 47 of this report.

City of Riverside's Right to Use Assets
(net of amortization)
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land - right to use	$ -	$ -	$ 238	$ -	$ 238	$ -
Buildings - right to use	617	-	273	-	890	-
Machinery and equipment - right to use	435	-	267	-	702	-
Total	**$ 1,052**	**$ -**	**$ 778**	**$ -**	**$ 1,830**	**$ -**

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of $1,997,595 which includes bonded debt of $1,779,938.

City of Riverside's Long-Term Debt
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Lease revenue bonds	$ 68,855	$ 72,471	$ 6,625	$ 7,059	$ 75,480	$ 79,530
General obligation bonds	4,987	6,478	-	-	4,987	6,478
Pension obligation bonds	338,264	352,824	110,718	116,227	448,982	469,051
Certificates of participation	85,477	90,215	25,912	27,213	111,389	117,428
Revenue bonds	-	-	1,139,100	1,176,605	1,139,100	1,176,605
Loans payable	-	457	-	-	-	457
Notes payable	-	-	59,948	64,678	59,948	64,678
Contracts payable	-	-	933	1,067	933	1,067
Financed purchased	22,294	14,922	2,176	2,354	24,470	17,276
Compensated absences	29,994	30,901	11,855	12,005	41,849	42,906
Claims and judgments	78,790	76,603	-	-	78,790	76,603
Landfill capping	-	-	9,820	10,419	9,820	10,419
Lease liability	1,060	-	787	-	1,847	-
Total	**$ 629,721**	**$ 644,871**	**$ 1,367,874**	**$ 1,417,627**	**$ 1,997,595**	**$ 2,062,498**

The City's total debt decrease by $64,903 or 3.2% during the current fiscal year. The net decrease is primarily related to payments on long-term debt.

The City's Water Utility maintains "AA+" and "AA+" ratings, from S&P Global Ratings and Fitch, respectively, for their revenue bonds, while the Electric Utility maintains "AA-" ratings from both rating agencies for fixed rate bonds. The City's general obligation bond ratings from S&P Global Ratings and Fitch are "AA" and "AA," respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total adjusted assessed valuation. The legal debt limit was $907,813 at June 30, 2022, which applies only to general obligation debt. At June 30, 2022, the City had $4,987 of general obligation debt, resulting in available legal debt capacity of $902,826.

Additional information on the City's long-term debt can be found in Note 9 beginning on page 52 of this report.

Economic Factors and Next Year's Budget

- Unemployment in the City of Riverside is 3.2% compared to 5.6% for the prior year as of September, 2022. Unemployment decreased mainly due to the end of COVID-19 shutdowns.

- The largest impact to the City's long-term financial stability relates to pension costs from CalPERS.

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

- Retroactive retirement benefit enhancements for City employees between 2001 and 2006.
- Long-term investment returns not meeting expectations.
- Increased contributions resulting from the CalPERS anticipated discount rate, or assumed rate of return, over the past 15 years.
- CalPERS expects retirees to live longer.

As of June 30, 2022, CalPERS reported a preliminary negative 6.1% net return on investment in the 12-month period, which is above the fiscal year total fund policy benchmark of negative 7.0%. This return was far below the prior year positive return of 21.3%.

Volatile global financial markets, geopolitical instability, domestic interest rate hikes, and inflation all have had an impact on public market returns. CalPERS' investments in global public stocks returned negative 13.1%, while fixed income investments returned negative 14.5%. Public market investments make up roughly 79% of the CalPERS' total fund. CalPERS' private market investments fared much better, with private equity and real assets sectors returning 21.3% and 24.1%, respectively.

With CalPERS' discount rate of 6.8% and this year's preliminary return of negative 6.1%, the estimated overall funded status stands at 72%.

As of June 30, 2022, total fund annualized returns for the 5-year period stood at 6.7%, the 10-year period at 7.7%, the 20-year period at 6.9%, and the 30-year period at 7.7%.

CalPERS began to collect employer contributions toward the plan's unfunded liability as dollar amounts instead of prior method of a contribution rate combined with the normal cost rate effective July 1, 2018. Additionally, in the fiscal year 2019-20, The City issued a pension obligation bond to help reduce future pension contributions. The following lists the required unfunded liability contribution component per plan for fiscal year 2022-23:

- Miscellaneous Plan – Unfunded Liability Payment of $11,466
- Safety Plan – Unfunded Liability Payment of $12,416

On June 21, 2022, the City Council adopted the City's Fiscal Year 2022-24 Biennial Budget comprised of $1.4 billion in funding for citywide operations including $163 million for capital projects for fiscal year 2022-23 and $1.3 billion in funding for citywide operations including $115 million for capital projects for fiscal year 2023-24.

The General Fund Budget for fiscal year 2022-23 and 2023-24 of approximately $306 million and $311 million, respectively, was adopted. The fiscal year 2022-23 budget represents an increase from the prior year of approximately 6.6%.

Request for information

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

CITY OF RIVERSIDE
STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	$ 442,633	$ 443,553	$ 886,186
Receivables, net of allowance for uncollectible	114,146	87,877	202,023
Lease receivable	7,501	97,294	104,795
Inventory	8,197	3,684	11,881
Prepaid items	2,256	18,029	20,285
Deposits	-	1,640	1,640
Other assets	-	3,225	3,225
Internal balances	(1,442)	1,442	-
Restricted assets:			
Cash and cash equivalents	-	77,945	77,945
Cash and investments with fiscal agent	40,083	58,456	98,539
Benefit/Conservation Programs receivable	-	1,657	1,657
Regulatory assets	-	13,324	13,324
Derivative instruments	-	269	269
Land and improvements held for resale	3,010	-	3,010
Advances to Successor Agency Trust Fund	-	2,454	2,454
Net pension asset	95,127	45,166	140,293
Capital assets, not depreciated	428,838	249,729	678,567
Capital assets, net of depreciation	900,960	1,725,093	2,626,053
Right to use assets, net of amortization	1,052	778	1,830
Total assets	**2,042,361**	**2,831,615**	**4,873,976**
Deferred Outflows of Resources:			
Changes in derivative values	4,574	8,719	13,293
Deferred charge on refunding	2,094	13,720	15,814
Pension related items	54,258	15,793	70,051
OPEB related items	6,504	3,416	9,920
Total deferred outflows of resources	**67,430**	**41,648**	**109,078**
Liabilities:			
Current liabilities:			
Accounts payable and other current liabilities	46,558	35,269	81,827
Unearned revenue	86,911	8,709	95,620
Deposits	11,459	13,564	25,023
Accrued interest	1,856	14,154	16,010
Non-current liabilities:			
Due within one year:			
Long-term obligations	30,158	47,964	78,122
Compensated absences	16,600	8,402	25,002
Claims liability	15,304	-	15,304
Landfill capping	-	559	559
Decommissioning liability	-	8,813	8,813
Lease liability	443	223	666
Due in more than one year:			
Long-term obligations	489,719	1,297,448	1,787,167
Compensated absences	13,394	3,453	16,847
Claims and judgments	63,486	-	63,486
Landfill capping	-	9,261	9,261
Decommissioning liability	-	44,497	44,497
Regulatory liability	-	24,517	24,517
Derivative instruments	6,288	14,277	20,565
OPEB liability	28,435	20,335	48,770
Lease liability	617	564	1,181
Total liabilities	**811,228**	**1,552,009**	**2,363,237**
Deferred Inflows of Resources			
Change in derivative values	-	252	252
Deferred charges on refunding	-	616	616
Pension related items	191,492	75,950	267,442
OPEB related items	4,807	2,652	7,459
Lease related items	7,724	96,672	104,396
Total deferred inflows of resources	**204,023**	**176,142**	**380,165**
Net Position:			
Net investment in capital assets	1,176,215	774,469	1,950,684
Restricted:			
Housing	43,749	-	43,749
Debt service	22,971	31,824	54,795
Public works	36,384	-	36,384
Capital projects	60,373	-	60,373
Landfill capping	-	2,500	2,500
Programs and regulatory reguirements	-	51,342	51,342
Economic development	16,556	-	16,556
Unfunded accrued liability	19,423	-	19,423
Nonspendable	3,582	-	3,582
Unrestricted/(deficit)	(284,713)	284,977	264
Total net position	**$ 1,094,540**	**$ 1,145,112**	**$ 2,239,652**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

			Program Revenues			Net (Expenses) Revenues and Changes in Net Position — Primary Government		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Function/Programs								
Primary Government:								
Governmental Activities:								
General government	$ 66,937	$ (18,804)	$ 13,721	$ 39,006	$ 784	$ 5,378	$ -	$ 5,378
Public safety	169,742	12,496	14,491	10,386	-	(157,361)	-	(157,361)
Highways and streets	41,125	3,175	6,090	745	36,406	(1,059)	-	(1,059)
Culture and recreation	38,885	3,133	6,770	241	1,318	(33,689)	-	(33,689)
Interest on long-term debt and fiscal charges	19,806	-	-	-	-	(19,806)	-	(19,806)
Total governmental activities	**336,495**	**-**	**41,072**	**50,378**	**38,508**	**(206,537)**	**-**	**(206,537)**
Business-Type Activities:								
Electric	349,004	-	397,947	-	7,667	-	56,610	56,610
Water	69,303	-	80,535	-	5,693	-	16,925	16,925
Sewer	59,060	-	71,557	-	128	-	12,625	12,625
Airport	1,944	-	1,728	7	52	-	(157)	(157)
Refuse	28,449	-	29,768	-	-	-	1,319	1,319
Transportation	3,758	-	168	2,379	293	-	(918)	(918)
Public Parking	4,566	-	4,888	-	-	-	322	322
Civic Entertainment	21,804	-	11,883	3,480	6,694	-	253	253
Total business-type activities	**537,888**	**-**	**598,474**	**5,866**	**20,527**	**-**	**86,979**	**86,979**
Total primary government	**$ 874,383**	**$ -**	**$ 639,546**	**$ 56,244**	**$ 59,035**	**$ (206,537)**	**$ 86,979**	**$ (119,558)**

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Taxes:			
Sales taxes	173,933	-	173,933
Property taxes	79,790	-	79,790
Utility users' taxes	32,464	-	32,464
Franchise taxes	5,955	-	5,955
Transient occupancy taxes	8,764	-	8,764
Intergovernmental, unrestricted	661	-	661
Investment income	(7,613)	(13,324)	(20,937)
Miscellaneous	3,880	12,639	16,519
Transfers	34,915	(34,915)	-
Extraordinary items	-	(5,748)	(5,748)
Total general revenues, extraordinary items, and transfers	**332,749**	**(41,348)**	**291,401**
Change in net position	126,212	45,631	171,843
Net Position:			
Beginning of year, as previously stated	968,328	1,098,838	2,067,166
Prior period adjustments	-	643	643
Beginning of year, as restated	**$ 968,328**	**$ 1,099,481**	**$ 2,067,809**
End of year	**$ 1,094,540**	**$ 1,145,112**	**$ 2,239,652**

See Notes to Financial Statements

CITY OF RIVERSIDE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	General Fund	Capital Outlay Fund	General Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	$ 192,195	$ 52,355	$ 4,389	$ 136,492	$ 385,431
Cash and investments with fiscal agent	30,715	-	8,703	665	40,083
Receivables, net of allowance for uncollectible					
Interest	401	111	4	223	739
Property taxes	1,544	-	42	98	1,684
Sales taxes	30,395	-	-	-	30,395
Utility billed	3,350	-	-	-	3,350
Accounts	7,063	451	-	121	7,635
Intergovernmental	4,444	4,700	-	14,966	24,110
Notes	-	-	-	45,576	45,576
Lease receivable	7,501	-	-	-	7,501
Prepaid items	1,912	19	93	230	2,254
Due from other funds	870	-	-	-	870
Land and improvements held for resale	175	-	-	2,835	3,010
Total assets	**$ 280,565**	**$ 57,636**	**$ 13,231**	**$ 201,206**	**$ 552,638**
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	$ 9,494	$ 2,762	$ 110	$ 9,577	$ 21,943
Accrued payroll	21,433	-	-	39	21,472
Retainage payable	2	348	-	1,025	1,375
Intergovernmental	153	-	-	1	154
Unearned revenue	-	1,502	-	85,409	86,911
Deposits	11,459	-	-	-	11,459
Due to other funds	-	-	-	831	831
Advances from other funds	-	-	1,442	-	1,442
Total liabilities	**42,541**	**4,612**	**1,552**	**96,882**	**145,587**
Deferred Inflows of Resources:					
Unavailable revenue	3,082	520	-	49,832	53,434
Lease related items	7,724	-	-	-	7,724
Total deferred inflows of resources	**10,806**	**520**	**-**	**49,832**	**61,158**
Fund Balances:					
Nonspendable:					
Inventories, prepaids, and deposits	1,912	-	-	-	1,912
Land and improvements held for resale	175	-	-	-	175
Permanent fund principal	-	-	-	1,495	1,495
Restricted:					
Housing and redevelopment	-	-	-	12,292	12,292
Debt service	11,292	-	11,679	-	22,971
Transportation and public works	-	52,504	-	34,569	87,073
Other purposes	-	-	-	7,351	7,351
Unfunded accrued liability	19,423	-	-	-	19,423
Committed:					
Economic contingency	66,000	-	-	-	66,000
Other purposes	16,801	-	-	-	16,801
Assigned:					
General government	5,160	-	-	-	5,160
Public safety	12,319	-	-	-	12,319
Highways and streets	3,066	-	-	-	3,066
Culture and recreation	1,509	-	-	-	1,509
Continuing projects	19,653	-	-	-	19,653
Unassigned	69,908	-	-	(1,215)	68,693
Total fund balances	**227,218**	**52,504**	**11,679**	**54,492**	**345,893**
Total liabilities, deferred inflows of resources, and fund balances	**$ 280,565**	**$ 57,636**	**$ 13,231**	**$ 201,206**	**$ 552,638**

See Notes to Financial Statements

CITY OF RIVERSIDE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022
(amounts expressed in thousands)

Total fund balances - governmental funds		$ 345,893
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds		1,322,679
Right to use asset, net of accumulated amortization, used in governmental activities and are not current financial resources and, therefore, are not reported as assets in the governmental funds		1,029
Net pension asset		92,895
Deferred outflows on refunding charges are not available resources and, therefore, are not reported on the funds		2,094
Deferred outflows on pension related items		53,478
Deferred outflows on OPEB related items		6,293
Deferred inflows on pension related items		(187,739)
Deferred inflows on OPEB related items		(4,656)
Revenue not available to pay for current period expenditures are reported as unavailable revenue in the governmental funds		53,434
Accrued interest payable for the current portion of interest due on various debt issues has not been reported in the governmental funds		(1,856)
Long-term liabilities, as listed below, are not due and payable in the current period and, therefore, are not reported in the governmental funds		
General obligation bonds	(4,987)	
Pension obligation bonds	(333,690)	
Certificates of participation	(85,477)	
Lease revenue bonds	(68,855)	
Financed purchase	(22,294)	
Compensated absences	(29,537)	
OPEB liability	(27,228)	
Lease liability	(1,039)	(573,107)
The City uses derivative instruments to hedge its exposure to changing interest rates through the uses of interest swaps. The following related items have been reflected in the Statement of Net Position:		
Net fair value of interest rate swaps	(6,288)	
Deferred amount related to the hedgeable portion of derivative instrument	4,574	(1,714)
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.		(14,183)
Net position of governmental activities		**$ 1,094,540**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	General Fund	Capital Outlay Fund	General Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 298,986	$ -	$ 1,920	$ -	$ 300,906
Licenses and permits	11,304	-	-	3,546	14,850
Intergovernmental	4,463	13,830	-	69,707	88,000
Charges for services	15,311	-	-	1,627	16,938
Fines and forfeitures	2,096	-	-	-	2,096
Special assessments	316	538	1,234	5,100	7,188
Rental and investment income	(4,391)	(1,437)	(25)	(680)	(6,533)
Miscellaneous	1,232	742	-	1,729	3,703
Total revenues	**329,317**	**13,673**	**3,129**	**81,029**	**427,148**
Expenditures:					
Current:					
General government	8,197	-	-	16,132	24,329
Public safety	193,369	-	-	12,599	205,968
Highways and streets	17,935	-	-	870	18,805
Culture and recreation	30,882	-	-	2,183	33,065
Capital outlay	3,262	20,130	-	48,142	71,534
Debt service:					
Principal	675	-	27,389	62	28,126
Interest and fiscal charges	96	3	19,989	44	20,132
Total expenditures	**254,416**	**20,133**	**47,378**	**80,032**	**401,959**
Excess/(deficiency) of revenues over/(under) expenditures	74,901	(6,460)	(44,249)	997	25,189
Other Financing Sources/(Uses):					
Transfers in	58,586	11,651	44,636	2,018	116,891
Transfers out	(67,682)	(3,045)	(11,292)	(3,361)	(85,380)
Issuance of long-term debt	-	-	11,292	-	11,292
Proceeds from sale of capital assets	53	-	-	6	59
Proceeds from financing related to leases	1,713	-	-	1	1,714
Total other financing sources/(uses)	**(7,330)**	**8,606**	**44,636**	**(1,336)**	**44,576**
Net change in fund balances	67,571	2,146	387	(339)	69,765
Fund Balances:					
Beginning of year	159,647	50,358	11,292	54,831	276,128
End of year	**$ 227,218**	**$ 52,504**	**$ 11,679**	**$ 54,492**	**$ 345,893**

See Notes to Financial Statements

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, 2022
(amounts expressed in thousands)

Net change in fund balances - total governmental funds		$ 69,765
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation and amortization expense.		
Capital outlay	$ 45,413	
Depreciation expense	(51,219)	
Lease amortization expense	(682)	
Gain/(Loss) on sale of capital assets	(670)	(7,158)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Whereas, issuance of long-term debt is a current financial resource in the governmental funds, but the issuance increase long-term debt in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and deferral on loss of refunding when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities		
Issuance of long-term debt	(13,003)	
Principal repayments		
General obligation bonds	1,475	
Pension obligation bonds	14,370	
Certificates of participation	4,675	
Lease revenue bonds	3,248	
Loan payable	457	
Financed purchase	3,920	
Leases	672	
Amortization of bond premium/discount	356	16,170
The City uses derivative instruments to hedge its exposure to changing interest rates through the uses of interest swaps. The changes in the fair value of the interest swaps are only reflected on the Statement of Activities		296
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period		122
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		842
Governmental funds report all contributions in relation to the annual required contribution (ARC) for the City retirement plan as expenditures; however, in the Statement of Activities only the ARC is an expense		46,943
Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures; however, in the Statement of Activities only the ARC is an expense		(1,757)
Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity		1,547
Internal service funds are used by management to charge the costs of insurance, central purchasing and fleet management to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities		(558)
Change in net position of governmental activities		**$ 126,212**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES, IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues:				
Taxes	$ 252,040	$ 275,737	$ 298,986	$ 23,249
Licenses and permits	9,955	10,391	11,304	913
Intergovernmental	1,413	1,463	4,463	3,000
Charges for services	15,139	13,991	15,311	1,320
Fines and forfeitures	1,608	1,608	2,096	488
Special assessments	551	551	316	(235)
Rental and investment income	2,726	2,726	(4,391)	(7,117)
Miscellaneous	1,867	2,413	1,232	(1,181)
Total revenues	**285,299**	**308,880**	**329,317**	**20,437**
Expenditures:				
General government:				
Mayor	1,021	1,037	1,036	1
Council	1,709	1,707	1,632	75
Manager	7,737	10,630	5,536	5,094
Attorney	6,338	6,354	5,921	433
Clerk	2,258	2,266	1,950	316
Community development	16,825	24,954	13,913	11,041
Human resources	4,502	4,724	3,868	856
General services	6,818	6,977	6,210	767
Finance	11,681	10,423	8,880	1,543
Innovation and technology	14,395	15,419	12,884	2,535
Subtotal	73,284	84,491	61,830	22,661
Allocated expenditures - General Government	(53,615)	(53,624)	(53,633)	9
Total general government	19,669	30,867	8,197	22,670
Public safety:				
Police	124,772	128,093	119,573	8,520
Fire	64,488	67,018	67,196	(178)
Animal regulation	3,307	3,818	3,315	503
Building and zoning inspection	3,682	3,698	3,285	413
Total public safety	196,249	202,627	193,369	9,258
Highways and streets	21,854	22,763	17,935	4,828
Culture and recreation:				
Library	8,282	8,578	7,399	1,179
Museum and cultural affairs	2,211	2,438	1,812	626
Parks, recreation and community services	24,777	24,027	21,671	2,356
Total culture and recreation	35,270	35,043	30,882	4,161
Capital outlay	3,630	20,301	3,262	17,039
Debt service:				
Principal	-	-	675	(675)
Interest and fiscal charges	-	-	96	(96)
Total expenditures	**276,672**	**311,601**	**254,416**	**57,185**
Other Financing Sources/(Uses):				
Transfers in	48,709	59,818	58,586	(1,232)
Transfers out	(56,102)	(78,243)	(67,682)	10,561
Proceeds from sale of capital assets	-	-	53	53
Proceeds from financing related to leases	-	-	1,713	1,713
Total other financing sources/(uses)	**(7,393)**	**(18,425)**	**(7,330)**	**11,095**
Net change in fund balance	1,234	(21,146)	67,571	88,717
Fund Balance:				
Beginning of year, as previously stated	159,647	159,647	159,647	-
Ending of year	**$ 160,881**	**$ 138,501**	**$ 227,218**	**$ 88,717**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental
	Electric	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Assets:						
Current assets:						
Cash and investments	$ 274,172	$ 49,076	$ 108,145	$ 12,160	$ 443,553	$ 57,202
Receivables, net of allowance for uncollectible						
Interest	663	248	225	38	1,174	117
Utility billed	26,920	6,260	6,710	3,458	43,348	-
Utility unbilled	16,601	3,649	2,527	1,053	23,830	-
Accounts	6,542	1,476	1,502	2,816	12,336	125
Property taxes	-	-	-	20	20	-
Intergovernmental	30	1,619	825	4,695	7,169	415
Lease receivable	990	425	30	940	2,385	-
Inventory	485	-	3,120	79	3,684	8,197
Prepaid items	5,446	199	29	38	5,712	2
Deposits	1,334	-	-	306	1,640	-
Other current assets	-	300	-	-	300	-
Restricted assets:						
Cash and cash equivalents						
Rate stabilization cash and cash equivalents	-	-	1,000	-	1,000	-
Other restricted cash and cash equivalents	63,558	10,887	-	2,500	76,945	-
Benefit/Conservation Programs receivable	1,485	172	-	-	1,657	-
Total current assets	**398,226**	**74,311**	**124,113**	**28,103**	**624,753**	**66,058**
Noncurrent assets:						
Restricted assets:						
Cash and investments at fiscal agent	53,785	4,666	5	-	58,456	-
Lease receivable	7,099	82,983	27	4,800	94,909	-
Prepaid items noncurrent	12,317	-	-	-	12,317	-
Other noncurrent assets	-	2,925	-	-	2,925	-
Advances to other funds	-	-	1,442	-	1,442	-
Regulatory assets	1,665	880	1,191	9,588	13,324	-
Derivative instruments	-	-	-	269	269	-
Advances to Successor Agency Trust Fund	2,454	-	-	-	2,454	-
Net pension asset	26,219	8,809	6,021	4,117	45,166	2,232
Capital assets, net of accumulated depreciation	795,736	508,294	524,753	146,039	1,974,822	7,119
Right to use assets, net of amortization	491	16	16	255	778	23
Total noncurrent assets	**899,766**	**608,573**	**533,455**	**165,068**	**2,206,862**	**9,374**
Total assets	**1,297,992**	**682,884**	**657,568**	**193,171**	**2,831,615**	**75,432**
Deferred Outflows of Resources:						
Changes in derivative values	5,924	812	-	1,983	8,719	-
Deferred charge on refunding	8,046	5,028	-	646	13,720	-
Pension related items	9,168	3,080	2,105	1,440	15,793	780
OPEB related items	1,805	727	466	418	3,416	211
Total deferred outflows of resources	**24,943**	**9,647**	**2,571**	**4,487**	**41,648**	**991**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental
	Electric	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Liabilities:						
Current liabilities:						
Accounts payable	21,111	3,492	2,256	4,203	31,062	1,531
Accrued payroll	1,010	377	214	154	1,755	77
Retainage payable	601	541	118	497	1,757	6
Unearned revenue	1,412	1,145	-	6,152	8,709	-
Deposits	11,888	1,022	6	648	13,564	-
Accrued interest	5,465	2,009	6,631	49	14,154	-
Due to other funds	-	-	-	-	-	39
Benefit/Conservation Programs payable	624	71	-	-	695	-
Total current liabilities	**42,111**	**8,657**	**9,225**	**11,703**	**71,696**	**1,653**
Noncurrent liabilities:						
Due within one year:						
Long-term obligations	21,356	10,195	10,619	5,794	47,964	288
Compensated absences	4,774	1,905	1,222	501	8,402	351
Claims and judgments	-	-	-	-	-	15,304
Landfill capping	-	-	-	559	559	-
Decommissioning liability	8,813	-	-	-	8,813	-
Lease liability	134	5	5	79	223	5
Due in more than one year:						
Long-term obligations	615,834	239,544	362,832	79,238	1,297,448	4,286
Compensated absences	2,426	668	255	104	3,453	106
Claims and judgments	-	-	-	-	-	63,486
Landfill capping	-	-	-	9,261	9,261	-
Decommissioning liability	44,497	-	-	-	44,497	-
Regulatory liability	4,220	4,096	16,167	34	24,517	-
Derivative instruments	8,905	2,646	-	2,726	14,277	-
OPEB liability	10,460	4,286	2,984	2,605	20,335	1,207
Lease liability	363	11	11	179	564	16
Total noncurrent liabilities	**721,782**	**263,356**	**394,095**	**101,080**	**1,480,313**	**85,049**
Total liabilities	**763,893**	**272,013**	**403,320**	**112,783**	**1,552,009**	**86,702**
Deferred Inflows of Resources:						
Change in derivative values	-	-	-	252	252	-
Deferred charges on refunding	-	-	616	-	616	-
Pension related items	44,089	14,814	10,125	6,922	75,950	3,753
OPEB related items	1,426	562	347	317	2,652	151
Lease related items	7,964	82,838	57	5,813	96,672	-
Total deferred inflows of resources	**53,479**	**98,214**	**11,145**	**13,304**	**176,142**	**3,904**
Net position:						
Net investment in capital assets	246,698	293,641	163,884	70,246	774,469	7,123
Restricted net position:						
Debt service	18,967	7,557	5,300	-	31,824	-
Landfill capping	-	-	-	2,500	2,500	-
Regulatory requirements	19,598	-	2,456	-	22,054	-
Public Benefit Programs	25,857	-	-	-	25,857	-
Water Conservation Program	-	3,431	-	-	3,431	-
Unrestricted/(deficit)	194,443	17,675	74,034	(1,175)	284,977	(21,306)
Total net position	**$ 505,563**	**$ 322,304**	**$ 245,674**	**$ 71,571**	**$ 1,145,112**	**$ (14,183)**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental
	Electric	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Operating Revenues:						
Charges for services	$ 397,947	$ 80,535	$ 71,557	$ 48,435	$ 598,474	$ 28,410
Total operating revenues	**397,947**	**80,535**	**71,557**	**48,435**	**598,474**	**28,410**
Operating Expenses:						
Personnel services	32,356	10,856	8,928	6,305	58,445	3,706
Contractual services	6,466	2,527	1,017	15,559	25,569	1,576
Maintenance and operation	239,373	11,115	8,993	10,881	270,362	2,990
General	6,153	17,085	5,341	16,295	44,874	6,476
Materials and supplies	919	897	4,239	1,785	7,840	143
Claims/Insurance	1,848	1,162	1,121	650	4,781	14,887
Depreciation	36,718	16,179	14,931	5,382	73,210	741
Amortization	134	11	4	642	791	5
Total operating expenses	**323,967**	**59,832**	**44,574**	**57,499**	**485,872**	**30,524**
Operating income/(loss)	73,980	20,703	26,983	(9,064)	112,602	(2,114)
Nonoperating Revenues/(Expenses):						
Grant subsidies	-	-	-	5,866	5,866	-
Interest revenue	(10,330)	61	(2,782)	(273)	(13,324)	(1,376)
Interest expense and fiscal charges	(25,037)	(9,471)	(14,486)	(3,022)	(52,016)	(148)
Capital improvement fees	-	-	647	-	647	-
Other	6,589	3,957	150	74	10,770	173
Gain/(loss) on disposal of capital assets	505	709	8	-	1,222	105
Total nonoperating revenues/(expenses)	**(28,273)**	**(4,744)**	**(16,463)**	**2,645**	**(46,835)**	**(1,246)**
Income/(loss) before contributions and operating transfers	45,707	15,959	10,520	(6,419)	65,767	(3,360)
Capital contributions	7,667	5,693	128	7,039	20,527	92
Special item	-	-	-	(694)	(694)	-
Extraordinary item	(5,748)	-	-	-	(5,748)	-
Transfers in	-	-	-	13,273	13,273	2,714
Transfers out	(39,436)	(7,708)	(14)	(336)	(47,494)	(4)
Change in net position	8,190	13,944	10,634	12,863	45,631	(558)
Net Position:						
Beginning of year, as previously stated	497,373	308,360	234,397	58,708	1,098,838	(13,625)
Prior period adjustment	-	-	643	-	643	-
Beginning of year, as restated	497,373	308,360	235,040	58,708	1,099,481	(13,625)
End of year	**$ 505,563**	**$ 322,304**	**$ 245,674**	**$ 71,571**	**$ 1,145,112**	**$ (14,183)**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental
	Electric	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Cash Flows from Operating Activities:						
Cash received from customers and users	$ 394,707	$ 80,337	$ 70,033	$ 50,835	$ 595,912	$ -
Cash received from interfund services provided	-	-	-	-	-	28,302
Cash paid to suppliers for goods or services	(252,247)	(32,039)	(21,156)	(44,571)	(350,013)	(24,490)
Cash paid to employees for services	(47,823)	(15,499)	(11,516)	(7,916)	(82,754)	(4,789)
Net cash provided/(used) by operating activities	**94,637**	**32,799**	**37,361**	**(1,652)**	**163,145**	**(977)**
Cash Flows from Non-Capital Financing Activities:						
Transfers in	-	-	-	13,273	13,273	2,714
Transfers out	(39,436)	(7,708)	(14)	(1,030)	(48,188)	(4)
Payment made to other funds	-	-	-	(3,002)	(3,002)	39
Payment receipt from advances to other funds	471	-	322	-	793	-
Payments on pension obligation bonds	(3,310)	(1,075)	(671)	(452)	(5,508)	(227)
Grant subsidies	-	-	-	5,866	5,866	-
Other receipts/(payments) from non-operating revenue	6,463	1,496	150	146	8,255	172
Net cash provided/(used) by non-capital financing activities	**(35,812)**	**(7,287)**	**(213)**	**14,801**	**(28,511)**	**2,694**
Cash Flows from Capital and Related Financing Activities:						
Purchase of capital assets	(32,361)	(22,738)	(4,350)	(7,930)	(67,379)	(1,626)
Proceeds from sales of capital assets	535	713	8	-	1,256	105
Principal paid on long-term obligations	(16,581)	(6,867)	(9,295)	(1,727)	(34,470)	-
Interest paid on long-term obligations	(25,645)	(9,004)	(16,577)	(6,494)	(57,720)	(149)
Capital improvement fees	-	-	583	-	583	-
Contributions	5,445	3,590	128	7,733	16,896	92
Lease payments	(126)	(5)	(5)	(80)	(216)	(6)
Net cash provided/(used) by capital and related financing activities	**(68,733)**	**(34,311)**	**(29,508)**	**(8,498)**	**(141,050)**	**(1,584)**
Cash Flows from Investing Activities:						
Proceeds from investment securities	6,164	-	-	-	6,164	-
Interest from investments	(10,407)	(101)	(2,825)	(298)	(13,631)	(1,431)
Net cash provided/(used) by investing activities	**(4,243)**	**(101)**	**(2,825)**	**(298)**	**(7,467)**	**(1,431)**
Net increase/(decrease) in cash and cash equivalents	**(14,151)**	**(8,900)**	**4,815**	**4,353**	**(13,883)**	**(1,298)**
Cash and cash equivalents at beginning of year (excluding $59,949 in restricted investments for Electric)	351,881	73,529	104,335	10,307	540,052	58,500
Cash and cash equivalents at end of year (excluding $53,785 restricted investments for Electric)	**$ 337,730**	**$ 64,629**	**$ 109,150**	**$ 14,660**	**$ 526,169**	**$ 57,202**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					Governmental
	Electric	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Activities - Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:						
Operating income/(loss)	$ 73,980	$ 20,703	$ 26,982	$ (9,064)	$ 112,601	$ (2,114)
Adjustments to Reconcile Operating Income/(Loss) Net Cash Provided/(Used) by Operating Activities:						
Depreciation	36,718	16,179	14,931	5,382	73,210	741
Amortization	134	11	4	642	791	5
(Increase)/decrease in utility billed receivable	(3,908)	(242)	(678)	(1,196)	(6,024)	-
(Increase)/decrease in utility unbilled receivable	(931)	39	(57)	(64)	(1,013)	-
(Increase)/decrease in accounts receivable	(1,487)	(227)	(793)	(1,615)	(4,122)	11
(Increase)/decrease in property tax receivable	-	-	-	20	20	-
(Increase)/decrease in intergovernmental receivable	18	1,846	5	892	2,761	(122)
(Increase)/decrease in inventory	485	-	(168)	(38)	279	(779)
(Increase)/decrease in prepaid items	1,482	39	6	2	1,529	-
(Increase)/decrease in deposits	-	-	-	(6)	(6)	-
(Increase)/decrease in Benefit/Conservation Programs receivable	(283)	(20)	-	-	(303)	-
Increase/(decrease) in accounts payable	4,044	26	(152)	764	4,682	192
Increase/(decrease) in accrued payroll	407	180	94	67	748	31
Increase/(decrease) in retainage payable	134	240	(129)	474	719	(15)
Increase/(decrease) in unearned revenue	1,345	(1,202)	-	4,236	4,379	-
Increase/(decrease) in deposits payable	1,325	9	-	123	1,457	-
Increase/(decrease) in Benefit/Conservation Programs payable	385	43	-	-	428	-
Increase/(decrease) in compensated absences	18	(146)	26	(47)	(149)	(62)
Increase/(decrease) in claims and judgments	-	-	-	-	-	2,187
Increase/(decrease) in landfill capping liability	-	-	-	(599)	(599)	-
Increase/(decrease) in decommissioning liability	(3,334)	-	-	-	(3,334)	-
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(16,425)	(4,890)	(2,836)	(1,740)	(25,891)	(1,105)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	530	211	126	115	982	53
Total adjustments	**20,657**	**12,096**	**10,379**	**7,412**	**50,544**	**1,137**
Net cash provided/(used) by operating activities	**$ 94,637**	**$ 32,799**	**$ 37,361**	**$ (1,652)**	**$ 163,145**	**$ (977)**
Non-Cash Investing, Capital, and Financing Activities:						
Capital contributions - capital assets	$ 2,222	$ 2,103	$ -	$ -	$ 4,325	$ -
Payment on note payable offset by rent credit	-	1,890	-	-	1,890	-

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	Private-Purpose Trust Fund	
	Successor Agency Trust Fund	Custodial Fund
Assets:		
Cash and investments	$ 27,851	$ 537
Cash and investments with fiscal agent	4,033	13,251
Receivables, net of allowance for uncollectible		
Interest	56	-
Property taxes	-	46
Accounts	475	-
Intergovernmental	795	-
Notes	1,989	-
Direct financing lease receivable	7,570	-
Lease receivable	826	-
Deposits	2	-
Land and improvements held for resale	7,361	-
Capital assets:		
Capital assets, not depreciated	185	-
Total assets	**51,143**	**13,834**
Liabilities:		
Accounts payable	392	-
Accrued interest	2,419	-
Advances from City	2,454	-
Noncurrent liabilities:		
Due within one year:		
Long-term obligations	7,143	-
Due in more than one year:		
Long-term obligations	171,467	-
Total liabilities	**183,875**	**-**
Deferred Inflows of Resources:		
Deferred charges on refunding	693	-
Lease related items	820	-
Total deferred inflows of resources	**1,513**	**-**
Net Position:		
Restricted for other governments	(134,245)	13,834
Total net position	**$ (134,245)**	**$ 13,834**

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Private-Purpose Trust Fund: Successor Agency Trust Fund	Custodial Fund
Additions:		
Property taxes	$ 16,012	$ -
Special assessments	-	4,399
Rental and investment income	(87)	7
Miscellaneous	37	-
Issuance of long-term debt	-	4,805
Total additions	**15,962**	**9,211**
Deductions:		
Professional services and other deductions	2,133	143
Redevelopment projects	123	-
Principal	-	2,175
Interest and fiscal charges	6,173	2,103
Total deductions	**8,429**	**4,421**
Changes in Net Position	**7,533**	**4,790**
Net Position:		
Beginning of year, as previously stated	(141,778)	(29,921)
Prior period adjustment	-	38,965
Beginning of year, as restated	(141,778)	9,044
End of year	**$ (134,245)**	**$ 13,834**

See Notes to Financial Statements

1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Blended Component Units

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

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

Riverside Municipal Improvements Corporation (Municipal Improvements Corporation) was created in 1978 and operates under provisions of the Nonprofit Public Benefit Corporation Law of the State of California. The Municipal Improvements Corporation's primary purpose is to provide financing assistance by obtaining land, property and equipment on behalf of the City. The activity of the Municipal Improvements Corporation has been combined with that of the primary government because three members of the City Council serve as the Municipal Improvements Corporation's directors and because the Municipal Improvements Corporation exists to serve exclusively the primary government. The City is financially accountable and operationally responsible for all matters.

Fiduciary Component Unit

Successor Agency to the Redevelopment Agency of the City of Riverside (Successor Agency) is a separate legal entity, which was formed to hold the assets and liabilities of the former Redevelopment Agency pursuant to City Council actions taken on March 15, 2011 and January 10, 2012. The activity of the Successor Agency is overseen by an Oversight Board comprised of individuals appointed by various government agencies and the City of Riverside as Successor Agency of the former Redevelopment Agency. In 2018, the oversight was transferred to the Riverside Countywide Oversight Board, as a result of state legislation that consolidated all oversight boards to successor agencies. The Countywide Oversight Board was created to oversee the winddown activities of the various successor agencies in Riverside County. The nature and significance of the relationship between the City and the Successor Agency is such that it would be misleading to exclude the Successor Agency from the City's financial statements. The Successor Agency is presented herein in the City's fiduciary funds as a private-purpose trust fund.

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

The government-wide, proprietary and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied on the property. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. An allowance for doubtful accounts is maintained for the utility and other miscellaneous receivables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available if they are generally collected within 60 days after year end, except for revenue associated with neglected property abatement which is eleven (11) months and except for grant revenue, including reimbursement received from Transportation Uniform Mitigation Fees, which is six (6) months. Grant revenue is recognized if received within six (6) months of year end to enable the matching of revenue with applicable expenditures. Expenditures generally are recorded when a liability is incurred under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

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

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

The government reports the following major proprietary funds:

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

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

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

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

D. Cash and Investments

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

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

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

E. Restricted Cash and Investments

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

F. Allowance for Doubtful Accounts

Management determines the allowance for doubtful accounts by analyzing customer accounts for all balances over 60 days old. The allowance for doubtful accounts is then adjusted at fiscal year-end based on the amount equal to the annual uncollectible accounts. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received. For non-utility accounts receivables, delinquent notices after 60 days are sent to customers with outstanding balances. After 120 days, accounts still outstanding are referred to the City's collection agency. As of June 30, 2022, the City had an allowance for doubtful account balance of $9,669 for all accounts receivables.

G. Land and Improvements Held of Resale

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

H. Inventory

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

I. Prepaid Items

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

J. Capital Assets

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

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

Buildings and improvements	30-50 years
Improvements other than buildings	20-99 years
Intangibles, depreciable	3-15 years
Machinery and equipment	3-15 years
Infrastructure	20-100 years

K. Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Re measurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The City calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the City recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Leases between the Airport System and air carriers and other aeronautical users are subject to external laws and regulations. As permitted by GASBS No. 87, paragraph 43, the Airport System recognizes inflows of resources based on the payment provisions of the lease contract, and the accounting policies do not apply to regulated leases. Additional disclosures regarding regulated leases are in Note 9

L. Compensated Absences

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

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

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

M. Derivative Instruments

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

The City uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps. The City had debt that was layered with "synthetic fixed rate" swaps, which was refunded in 2008 and 2011. The balance of the deferral account for each swap is included as part of the deferred charge on refunding associated with the new bonds. The swaps were also employed as a hedge against the new debt. Hedge accounting was applied to that portion of the hedging relationship, which was determined to be effective. The negative fair value of the interest rate swaps related to the new hedging relationship has been recorded and deferred on the statement of net position. See Note 7 for further discussion related to the City's interest rate swaps.

Various transactions permitted in the Utility's Power Resources Risk Management Policies may be considered derivatives, including energy and/or gas transactions for swaps, options, forward arrangements and congestion revenue rights. The City has determined that all of its contracts including congestion revenue rights fall under the scope of "normal purchases and normal sales" and are exempt from GASB 53.

N. Long-Term Obligations

Long-Term Debt

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

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

Decommissioning

The City has a 1.79 percent undivided ownership interest in Units 2 and 3 of San Onofre Nuclear Generating Station (SONGS), located south of the City of San Clemente in northern San Diego County. Both Units 2 and 3 of SONGS were permanently retired on June 2013. Consequently, the units are no longer a source of supply for the Electric Utility, but remain associated with certain of its costs, including those associated with the units' shutdown and decommissioning (see Note 13 for nuclear decommissioning liability).

The other owners are SCE, with a 78.21 percent interest (including the 3.16 percent interest it acquired from the City of Anaheim in 2006), and San Diego Gas & Electric Company (SDG&E), with a 20.00 percent interest.

In 2005, the California Public Utilities Commission (CPUC) authorized a project to install four new steam generators in Units 2 and 3 at SONGS and remove and dispose of the predecessor generators. SCE completed the installation of these steam generators in 2010 and 2011 for Units 2 and 3, respectively. The Electric Utility's share of the cost to replace the steam generators was approximately $13.4 million. Replacement of the steam generators was expected to enable plant operations to continue through at least 2022, and perhaps beyond, subject to the approval of the NRC.

In January 2012, a water leak occured in one of the heat transfer tubes of Unit 3's steam generators, causing it to be shut down. At that time, Unit 2 was off-line for a planned outage when unexpected wear in areas of tube-to-support structure was found. Units 2 and 3 remained offline for extensive inspections, testing and analysis of their system generators. On June 7, 2013, SCE unilaterally announced its plan to retire Units 2 and 3 permanently.

As a result of SCE's decision to permanently retire SONGS Units 2 and 3, the decommissioning phase of the plant began in June 2013. The process of decommissionining the nuclear power plant is expected to take many years and is governed by NRC regulations. According to SCE's decommissioning cost estimate document as of March 2018 in 2017 dollars, total decommissioning costs for Units 2 and 3 were estimated at $4.7 billion, of which the Electric Utility's share was $84 million.

In August 2021, SCE provided the updated decommissioning cost estimate document in 2020 dollars. According to the update, total decommissioning costs for Units 2 and 3 are estimated at $5.2 billion, of which the Electric Utility's share is $93.8 million.

As of June 30, 2022, the Electric Utility has set aside $42,082 in cash investments with the trustee and $16,107 in an designated decommissioning reserve for the Electric Utility's estimated share of the decommissioning costs. Increases to the funds held for decommissioning liability are from investment earnings. The investment earnings are included in investment income in the Electric Utility's financial statements. An equivalent amount is reflected as decommissioning expense, which is considered part of production and purchased power. Decreases to the funds held for decommissioning liability are from actual funds drawn from the trust for decommissioning costs invoiced by SCE.

On February 23, 2016, the City Council adopted a resolution authorizing the commencement of SONGS decommissioning effective June 7, 2013. This resolution allows the Electric Utility to access the decommissioning trust funds to pay for its share of decommissioning costs. The Electric Utility began drawing decommissioning trust funds to pay for decommissioning costs in the fiscal year ended June 30, 2017. As of June 30, 2022, the Electric Utility has paid to date $40,539 in decommissioning obligations which have been reimbursed by the trust funds.

O. Claims and Judgments Payable

Claims and judgments payable are recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Such claims, including an estimate for claims incurred but not reported at year end, are recorded as liabilities in the self-insurance internal service fund. As of June 30, 2022, the City had an obligation related to claims and judgments which is reflected as a liability on the government-wide statements and is more fully described in Note 11.

P. Fund Equity

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

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

  Once adopted, the limitation imposed by resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. On September 6, 2016, the City Council approved the General Fund Reserve Policy setting a 10% minimum in the Emergency Reserve and 5% in the Contingency Reserve with an aspirational goal of 15% in the Emergency Reserve. The Emergency Reserve was established for the purpose of addressing any extremely unusual and infrequent occurrences, such as a major natural disaster or a major unforeseen settlement. Utilization of the Emergency Reserve requires declaration of an emergency by a two-thirds majority of the City Council, and specification of the maximum dollar amount to be used. The Contingency Reserve was established for the purpose of providing a “bridge” to facilitate a measured and thoughtful reduction in expenditures during times of economic downturn, rather than making immediate and drastic budget reductions without the time for proper evaluation. Utilization of the Contingency Reserve, including specification of the maximum dollar amount to be used, requires approval by a two-thirds majority of the City Council. The reserves committed at June 30, 2022 were calculated utilizing fiscal year 2022-2023 adopted General Fund expenditure budget of $305,670.

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

- Assigned fund balance reflects the City’s intended use of resources. Intent can be expressed by the City Council or by an official to which the City Council delegates the authority. On February 22, 2011, the City Council approved a policy whereby the authority to assign fund balance was delegated to the City’s Chief Financial Officer, which authorized the assignment of fund balance for specific programs or purposes in accordance with City Council directives. The City also uses budget and finance policy to authorize the assignment of fund balance, which is done through the adoption of the budget and subsequent budget amendments throughout the year.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

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

Q. Net Position

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

R. Interfund Transactions

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

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

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

S. Unearned Revenue

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

T. Unavailable Revenue

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

U. Deferred Outflows and Deferred Inflows of Resources

When applicable, the statement of net position and the balance sheet will report a separate section for deferred outflows of resources. Deferred outflows of resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore will not be recognized as an expense or expenditure until that time.

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

V. Regulatory Assets and Deferred Regulatory Charges

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

W. Property Tax Calendar

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

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

X. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures. Specifically, the City has made certain estimates and assumptions relating to the revenues due and expenditures incurred through fiscal year end, collectability of its receivables, the valuation of property held for resale, the useful lives of capital assets, and the ultimate outcome of claims and judgments. Actual results may differ from those estimates and assumptions.

Y. Pensions

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

Z. Other Post-Employment Benefit (OPEB)

OPEB refers to the benefits, other than pensions, that the City provides as part of an employee's retirement benefits. The OPEB liability is defined as the liability of employers contributing to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust.

AA. New Accounting Pronouncements

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective and have been implemented for fiscal year 2021-2022 audit:

GASB Statement No. 87, Leases - This Statement defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. It requires recognition of certain lease assets and liabilities, for leases that were previously classified as operating leases, and establishes a single model for lease accounting. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. - This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2023

GASB Statement No. 91, Conduit Debt Obligations - This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangement - A Public-Private and Public-Public Partnerships (PPP) is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA) in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements – This Statement defines Subscription-Based Information Technology Arrangements (SBITA) as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Fiscal year 2024

GASB Statement No. 99, Omnibus 2022 - This Statement- provide clarification on previously issued Statement including classification and reporting of derivative instruments within the scope of Statement No. 53 Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument, clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment

Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and terminology used in Statement 53 to refer to resource flows statements.

GASB Statement No. 100, Accounting Changes and Error Corrections. - This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. It prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections, and requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

Fiscal year 2025

GASB Statement No. 101, Compensated Absences - This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. It also requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Further, this Statement establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

New Accounting Pronouncements In June 2017, the GASB issued Statement No. 87, "Leases". This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019. The City has implemented GASB 87 in this annual report

2. Legal Compliance - Budgets

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

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

(amounts expressed in thousands)

Per City Council direction, City intends to shift from an incremental budget methodology to a priority-based budgeting methodology in FY 2022/23. Therefore, the City adopted a one-year budget for FY 2021/22 following a public hearing on June 22, 2021.

3. Cash and Investments

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

Investments	$	846,451
Investments with fiscal agent		101,800
		948,251
Cash on hand and deposits with financial institutions		160,091
Total	**$**	**1,108,342**

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

Cash and investments	$	886,186
Restricted cash and cash equivalents		77,945
Restricted cash and investments with fiscal agent		98,539
Total per statement of net position		**1,062,670**
Fiduciary fund cash and investments		28,388
Fiduciary fund cash and investments with fiscal agent		17,284
Total	**$**	**1,108,342**

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

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

Authorized Investments

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

	Max Maturity	Max % of Portfolio
Local Agency Investment Fund (State Pool)	N/A	N/A
Money Market Mutual Funds	N/A	20 %
Mutual Funds	N/A	20 %
Joint Powers Authority Pools	N/A	N/A
Medium-Term Corporate Notes	5 years	30 %
Municipal Bonds	5 years	30 %
Negotiable Certificates of Deposit	5 years	30 %
Mortgage Pass-Through and Asset-Backed Securities	5 years	20 %
Certificates of Deposit Placement Services	5 years	30 %
Collateralized Time Deposits	5 years	30 %
Federally Insured Time Deposits	5 years	30 %
Supranational Securities	5 years	30 %
Federal Agency Obligations	5 years	N/A
U.S. Treasury Obligations	5 years	N/A
Repurchase Agreements	1 year	N/A
Commercial Paper of "prime" quality	270 days	25 %
Bankers' Acceptance	180 days	10 %
Reverse Repurchase Agreements	92 days	20 %

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

Investments in Negotiable Certificates of Deposit exceeding federal deposit insurance limits shall be issued by institutions which have long-term debt obligations rated in a rating category of "A" (or the equivalent) or better and short-term debt obligations, if any, rated "A-1" (or the equivalent) or better by at least one nationally recognized statistical rating organization. No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit.

Investments in Commercial Paper may be invested in securities rated "A-1" (or the equivalent) or higher by at least one nationally recognized statistical rating organization. In addition, debt other than Commercial Paper, if any, issued by corporations in this category must be rated at least in a rating category of "A" (or the equivalent) or better by at least one nationally recognized statistical rating organization. No more than 5% of the portfolio may be invested in any single issuer. For purposes of this issuer limitation, holdings of Commercial Paper shall be combined with holdings of Medium-Term Corporate Notes. No more than 25% of the total portfolio may be invested in Commercial Paper. No more than 10% of the outstanding Commercial Paper of any single issuer may be purchased.

(amounts expressed in thousands)

The City's investment policy provides the following three exceptions to the above: (1) investments authorized by debt agreements, (2) investments in the City of Riverside - 115 Trust for Pension and (3) funds reserved in the San Onofre Nuclear Generating Station Decommissioning Account for which the five-year maturity limitation may be extended to the term of the operating license.

Investments Authorized by Debt Agreements

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

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

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

Investments in the City of Riverside - 115 Trust for Pension

The City has established the City of Riverside - 115 Trust for Pension (the Plan) to accumulate resources for future contributions to CalPERS. As of June 30, 2022, the City had $19,423 of restricted cash and investments reported in the General Fund in a Section 115 Trust restricted for future pension contributions. The City has retained US Bank as the trustee. US Bank has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser, with the full investment discretion over the managed assets in the account. The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan.

- Investment Time Horizon: Intermediate-Term 5 - 7 years
- Anticipated Cash Flows: Assets in the Plan will seek to mitigate the impact of future rate increases from CalPERS.
- Investment Objective: Moderately Conservative
- Risk Tolerance: Moderately Conservative
- Portfolio Type: Index Plus (passive)
- Strategic Asset Allocation:

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

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

* Permissible in diversified mutual funds and exchange-traded funds

Disclosures Relating to Fair Value Measurement and Application

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

(amounts expressed in thousands)

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

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

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

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

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

The City has the following recurring fair value measurements as of June 30, 2022:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Joint Powers Authority Pools	$ 131,756	$ 131,756	$ -	$ -
Mortgage Pass-Through Securities	33,108	-	33,108	-
Asset-Backed Securities	66,956	-	66,956	-
U.S. Treasury Obligations	191,127	-	191,127	-
Federal Agency Obligations	113,001	-	113,001	-
Medium-Term Corporate Notes	148,472	-	148,472	-
Supranational Securities	34,458	-	34,458	-
Negotiable Certificates of Deposits	3,973	-	3,973	-
Held by Fiscal Agent:				
Asset-Backed Securities	3,503	-	3,503	-
U.S. Treasury Obligations	18,274	-	18,274	-
Federal Agency Obligations	3,208	-	3,208	-
Medium-Term Corporate Notes	10,745	-	10,745	-
Supranational Securities	3,566	-	3,566	-
Total	**762,147**	**$ 131,756**	**$ 630,391**	**$ -**
Investments not subject to fair value hierarchy:				
Local Agency Investment Fund	101,362			
Mutual Funds	17,424			
Money Market Mutual Funds	56,557			
Investment Contracts	10,761			
Total Investments	**$ 948,251**			

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy requires that the interest rate risk exposure be managed by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

(amounts expressed in thousands)

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

		Remaining Maturity (in Months)			
	Total	12 Months or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
Money Market Mutual Funds	$ 23,482	$ 23,482	$ -	$ -	$ -
Joint Powers Authority Pools	131,756	131,756	-	-	-
Local Agency Investment Fund	100,118	100,118	-	-	-
Mortgage Pass-Through Securities	33,108	9,231	19,278	4,599	-
Asset-Backed Securities	66,956	-	35,914	31,042	-
U.S. Treasury Obligations	191,127	22,987	92,833	75,307	-
Federal Agency Obligations	113,001	17,616	70,818	24,567	-
Medium-Term Corporate Notes	148,472	6,807	66,728	74,937	-
Supranational Securities	34,458	-	11,966	22,492	-
Negotiable Certificates of Deposit	3,973	3,973	-	-	-
Held by Fiscal Agent					
Money Market Mutual Funds	33,075	33,075	-	-	-
Mutual Funds	17,424	17,424	-	-	-
Local Agency Investment Fund	1,244	1,244	-	-	-
Asset-Backed Securities	3,503	-	1,401	2,102	-
Investment Contracts	10,761	-	-	-	10,761
U.S. Treasury Obligations	18,274	5,994	4,938	7,342	-
Federal Agency Obligations	3,208	2,622	586	-	-
Medium-Term Corporate Notes	10,745	-	6,665	4,080	-
Supranational Securities	3,566	-	1,687	1,879	-
Total	**$ 948,251**	**$ 376,329**	**$ 312,814**	**$ 248,347**	**$ 10,761**

The City assumes that callable investments will not be called.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type:

		Ratings as of Year End *			
	Total	AAA	AA	A	Unrated
Money Market Mutual Funds	$ 23,482	$ 18,309	$ -	$ -	$ 5,173
Joint Powers Authority Pools	131,756	-	-	-	131,756
Local Agency Investment Fund	100,118	-	-	-	100,118
Mortgage Pass-Through Securities	33,108	33,108	-	-	-
Asset-Backed Securities	66,956	53,315	-	-	13,641
U.S. Treasury Obligations	191,127	191,127	-	-	-
Federal Agency Obligations	113,001	113,001	-	-	-
Medium-Term Corporate Notes	148,472	-	52,690	81,019	14,763
Supranational Securities	34,458	17,811	-	-	16,647
Negotiable Certificates of Deposit	3,973	-	-	3,973	-
Held by Fiscal Agent					
Money Market Mutual Funds	33,075	10,722	-	-	22,353
Mutual Funds	17,424	-	-	-	17,424
Local Agency Investment Fund	1,244	-	-	-	1,244
Asset-Backed Securities	3,503	2,869	-	-	634
Investment Contracts	10,761	-	-	-	10,761
U.S. Treasury Obligations	18,274	18,274	-	-	-
Federal Agency Obligations	3,208	3,208	-	-	-
Medium-Term Corporate Notes	10,745	-	2,754	6,656	1,335
Supranational Securities	3,566	1,879	-	-	1,687
Total	**$ 948,251**	**$ 463,623**	**$ 55,444**	**$ 91,648**	**$ 337,536**

*Fitch rating used with "-" and "+" removed for simplicity

Concentration on Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stated above. For fiscal year ended June 30, 2022, the City did not have any investments in any one issuer (other than U.S. Treasury securities, money market funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy requires that a third-party bank trust department hold all securities owned by the City. All trades are settled on a delivery vs. payment basis through the City's safekeeping agent. The City has no deposits with financial institutions; bank balances are swept daily into a money market account.

(amounts expressed in thousands)

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

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

Investment in State Investment Pool

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

4. Direct Financing Lease Receivable

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

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

Fiscal Year		
2023	$	2,759
2024		2,786
2025		2,823
Total due		**8,368**
Less: amount applicable to interest		(798)
Total direct financing lease receivable	**$**	**7,570**

(amounts expressed in thousands)

5. Capital Assets and Right to Use Assets

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2022:

Governmental Activities:	Beginning Balance	Additions/ Transfers In	Deletions/ Transfers Out	Reclassifications	Ending Balance
Capital assets, not depreciated:					
Land	$ 376,616	$ 413	$ (242)	$ -	$ 376,787
Construction in progress	30,820	34,132	(748)	(12,153)	52,051
Total capital assets, not depreciated	**407,436**	**34,545**	**(990)**	**(12,153)**	**428,838**
Capital assets, being depreciated:					
Buildings	190,232	-	-	-	190,232
Improvements other than buildings	263,749	-	-	7,634	271,383
Machinery and equipment	116,082	6,598	(2,607)	270	120,343
Intangibles, depreciable	219	-	-	-	219
Infrastructure	1,161,554	4,674	(284)	4,249	1,170,193
Total capital assets, being depreciated	**1,731,836**	**11,272**	**(2,891)**	**12,153**	1,752,370
Less: accumulated depreciation for:					
Buildings	(78,631)	(4,875)	-	-	(83,506)
Improvements other than buildings	(156,433)	(11,301)	-	-	(167,734)
Machinery and equipment	(82,969)	(7,752)	2,438	-	(88,283)
Intangibles, depreciable	(219)	-	-	-	(219)
Infrastructure	(483,920)	(28,032)	284	-	(511,668)
Total accumulated depreciation	**(802,172)**	**(51,960)**	**2,722**	**-**	**(851,410)**
Total capital assets being depreciated, net	**929,664**	**(40,688)**	**(169)**	**12,153**	**900,960**
Governmental Activities capital assets, net	**$ 1,337,100**	**$ (6,143)**	**$ (1,159)**	**$ -**	**$ 1,329,798**
Right to use assets, being amortized					
Buildings	-	1,159	-	-	1,159
Machinery and equipment	-	580	-	-	580
Total right to use assets	**-**	**1,739**	**-**	**-**	1,739
Less accumulated amortization					
Buildings	-	(542)	-	-	(542)
Machinery and equipment	-	(145)	-	-	(145)
Total right to use lease accumulated amortization	**-**	**(687)**	**-**	**-**	(687)
Total right to use lease assets, net	**-**	**1,052**	**-**	**-**	1,052
Capital assets and right to use assets, net	**$ 1,337,100**	**$ (5,091)**	**$ (1,159)**	**$ -**	**$ 1,330,850**

Business-Type Activities:	Beginning Balance	Additions/ Transfers In	Deletions/ Transfers Out	Reclassifications	Ending Balance
Capital assets, not depreciated:					
Land	$ 100,111	$ -	$ -	$ -	$ 100,111
Intangible assets	21,626	-	(131)	-	21,495
Construction in progress	126,187	58,404	(250)	(56,218)	128,123
Total capital assets, not depreciated	**247,924**	**58,404**	**(381)**	**(56,218)**	**249,729**
Capital assets, being depreciated:					
Buildings	671,789	99	-	6,681	678,569
Improvements other than buildings	1,966,396	11,099	(12,170)	41,692	2,007,017
Machinery and equipment	108,099	2,481	(941)	3,859	113,498
Intangibles, depreciable	26,277	-	-	3,986	30,263
Total capital assets, being depreciated	**2,772,561**	**13,679**	**(13,111)**	**56,218**	**2,829,347**
Less: accumulated depreciation for:					
Buildings	(198,313)	(14,517)	1	-	(212,829)
Improvements other than buildings	(753,306)	(49,832)	12,137	-	(791,001)
Machinery and equipment	(75,387)	(6,055)	938	-	(80,504)
Intangibles, depreciable	(17,115)	(2,806)	1	-	(19,920)
Total accumulated depreciation	**(1,044,121)**	**(73,210)**	**13,077**	**-**	**(1,104,254)**
Total capital assets being depreciated, net	**1,728,440**	**(59,531)**	**(34)**	**56,218**	**1,725,093**
Business-Type activities capital assets, net	**$ 1,976,364**	**$ (1,127)**	**$ (415)**	**$ -**	**$ 1,974,822**
Right to use assets, being amortized					
Land	-	312	-	-	312
Buildings	-	348	-	-	348
Machinery and equipment	-	345	-	-	345
Total right to use assets	**-**	**1,005**	**-**	**-**	**1,005**
Less accumulated amortization					
Land	-	(74)	-	-	(74)
Buildings	-	(75)	-	-	(75)
Machinery and equipment	-	(78)	-	-	(78)
Total right to use lease accumulated amortization	**-**	**(227)**	**-**	**-**	**(227)**
Total right to use lease assets, net	**-**	**778**	**-**	**-**	**778**
Capital assets and right to use assets, net	**$ 1,976,364**	**$ (349)**	**$ (415)**	**$ -**	**$ 1,975,600**

(amounts expressed in thousands)

Depreciation expense was charged to various functions as follows:

Governmental Activities:		
General government	$	3,953
Public safety		7,210
Highways and streets		28,686
Culture and recreation		11,370
Internal service funds		741
Total depreciation expense - Governmental Activities	**$**	**51,960**

Business-Type Activities:		
Electric	$	36,718
Water		16,179
Sewer		14,931
Airport		717
Refuse		837
Transportation		448
Public Parking		855
Civic Entertainment		2,525
Total depreciation expense - Business-Type Activities	**$**	**73,210**

Amortization expense was charged to various functions as follows:

Governmental Activities:		
General government	$	51
Public safety		328
Highways and streets		10
Culture and recreation		293
Internal service funds		5
Total amortization expense - Governmental Activities	**$**	**687**

Business-type Activities:		
Electric	$	134
Water		11
Sewer		4
Airport		1
Refuse		1
Transportation		2
Public Parking		74
Total amortization expense - Governmental Activities	**$**	**227**

6. Leases

Leases Receivable

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The City of Riverside entered into 111 leases as a Lessor for the use of various pieces of land, building and equipment. The terms range from 2 to 110 years beginning on the contract commencement date. An initial lease receivable was recorded in the amount of $108,894. As of June 30, 2022, the value of the lease receivable is $104,795. The lessee was required to make monthly payments in fiscal year 2021-2022 ranging from $0 to $87. The leases have interest rates ranging from 0.52% to 1.79%. The various buildings and equipment estimated useful lifes range from 3 to 50 years. The value of the deferred inflow of resources as of June 30, 2022 was $104,396, and the City recognized lease revenue of $4,497 during the fiscal year. The lessees have various extension options, ranging from 2 to 55 years.

	Governmental Activities		
Fiscal Year	**Principal**	**Interest**	**Total Payments**
2023	$ 1,312	$ 91	$ 1,403
2024	1,261	76	1,337
2025	841	63	904
2026	768	53	821
2027	722	44	766
2028-2032	2,016	103	2,119
2033-2037	258	37	295
2038-2042	163	22	185
2043-2047	160	7	167
Total	**$ 7,501**	**$ 496**	**$ 7,997**

(amounts expressed in thousands)

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	$ 2,385	$ 1,670	$ 4,055
2024	1,923	1,650	3,573
2025	1,687	1,624	3,311
2026	1,512	1,602	3,114
2027	1,492	1,581	3,073
2028-2032	4,546	7,662	12,208
2032-2037	3,547	7,329	10,876
2038-2042	3,052	7,037	10,089
2042-2047	3,223	6,766	9,989
2048-2052	3,826	6,454	10,280
2053-2057	4,495	6,077	10,572
2058-2062	4,948	5,655	10,603
2063-2067	5,639	5,183	10,822
2068-2072	3,391	4,763	8,154
2073-2077	3,007	4,488	7,495
2078-2082	3,272	4,207	7,479
2083-2087	3,578	3,900	7,478
2088-2092	3,911	3,567	7,478
2093-2097	4,279	3,198	7,477
2098-2102	4,681	2,796	7,477
2103-2107	5,118	2,358	7,476
2108-2112	5,596	1,880	7,476
2113-2117	6,121	1,354	7,475
2118-2122	6,694	780	7,474
2123-2127	5,031	198	5,229
2128-2132	340	2	342
Total	**$ 97,294**	**$ 93,781**	**$ 191,075**

Lease Liability

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The City of Riverside has entered into 163 leases as Lessee for the use of various pieces of land, building and equipment. The terms range from 4.5 to 14 years beginning on the contract commencement date. An initial lease liability was recorded in the amount of $2,744. As of June 30, 2022, the value of the lease liability is $1,847. The City of Riverside was required to make monthly payments in fiscal year 2021-2022 ranging from $0 to $24. The leases have an interest rate of 0.52%. The leases have various options to extend, ranging from 1 to 2 years. The value of the right-to-use asset as of June 30, 2022 of $2,744 with accumulated amortization of $914 and is included with Land, Building and Machinery and equipment on the Asset Class activities table found below.

	Amount of Lease Assets by Major Classes of Underlying Asset	
Asset Class	Lease Asset Value	Accumulated Amortization
Land	$ 312	$ (74)
Buildings	1,507	(617)
Machinery and equipment	925	(223)
	$ 2,744	$ (914)

	Governmental Activities		
Fiscal Year	Principal	Interest	Total Payments
2023	$ 443	$ 4	$ 447
2024	380	2	382
2025	177	1	178
2026	60	-	60
Total	**$ 1,060**	**$ 7**	**$ 1,067**

(amounts expressed in thousands)

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	$ 223	$ 3	$ 226
2024	226	2	228
2025	223	1	224
2026	115	-	115
Total	**$ 787**	**$ 6**	**$ 793**

7. Derivative Instruments

Interest Rate Swaps

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

The following is a summary of the derivative activity for the year ended June 30, 2022:

	Notional Amount	Fair Value as of 06/30/22	Change in Fair Value for Fiscal Year
Governmental Activities			
2008 Renaissance Certificates of Participation*	$ 59,133	$ (6,288)	$ 6,830
Business-Type Activities			
2008 Renaissance Certificates of Participation*	26,567	(2,726)	2,961
2008 Electric Refunding/Revenue Bonds Series A	32,450	(1,885)	2,847
2008 Electric Refunding/Revenue Bonds Series C	32,150	(3,495)	4,025
2011 Electric Refunding/Revenue Bonds Series A	35,550	(3,525)	4,191
2011 Water Refunding/Revenue Bonds Series A	24,050	(2,646)	3,037
2012 Convention Center Financing	27,809	269	2,158

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

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

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

The bonds and the related swap agreements for the 2008A Electric Revenue Bonds mature on October 1, 2029, 2008C Electric and 2011A Electric and 2011A Water Revenue/Refunding Bonds mature on October 1, 2035. The 2008 Certificates of Participation mature on March 1, 2037. The loan with BBVA Compass Bank will be paid in full on April 1, 2034.

As of June 30, 2022, rates were as follows:

	2008 Electric Refunding/ Revenue Bonds Series A	2008 Electric Refunding/ Revenue Bonds Series C	2011 Electric Refunding/ Revenue Bonds Series A
	Rates	Rates	Rates
Interest rate swap:			
Fixed payment to counterparty	3.11100 %	3.20400 %	3.20100 %
Variable payment from counterparty	(0.56374)%	(0.56412)%	(0.57863)%
Net interest rate swap payments	**2.54726 %**	**2.63988 %**	**2.62237 %**
Variable rate bond coupon payments	0.46162 %	0.46205 %	0.54311 %
Synthetic interest rate on bonds	**3.00888 %**	**3.10193 %**	**3.16548 %**

(amounts expressed in thousands)

	2011 Water Refunding/ Revenue Bonds Series A	2008 Renaissance COPs	2012 Convention Center Financing
	Rates	Rates	Rates
Interest rate swap:			
Fixed payment to counterparty	3.20000 %	3.36200 %	3.24000 %
Variable payment from counterparty	(0.55160)%	(0.52389)%	(2.05664)%
Net interest rate swap payments	**2.64840 %**	**2.83811 %**	**1.18336 %**
Variable rate bond coupon payments	0.53877 %	0.48346 %	2.05664 %
Synthetic interest rate on bonds	**3.18717 %**	**3.32157 %**	**3.24000 %**

Fair Value: As of June 30, 2022, in connection with all swap arrangements, the transactions had a combined net negative fair value of $20,296. Because the coupons on the City's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease. The fair value was developed by a pricing service using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Credit risk: The City is not exposed to substantial credit risk because each swap, with the exception of the Convention Center Financing swap have a negative fair value. The swap counterparties, Bank of America, N.A., Merrill Lynch Capital Services, Inc., PNC Financial Services Group, Inc. and J.P. Morgan Chase & Co. were rated A+, A-, A- and A- respectively by Standard & Poor's. To mitigate the potential for credit risk for these swaps, the swap agreements require the fair value of the swap to be collateralized by the counterparty with U.S. Government securities if the counterparties' rating decreases to negotiated trigger points. Collateral would be posted with a third-party custodian. At June 30, 2022, there is no requirement for collateral posting for any of the outstanding swaps.

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

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

Swap payments and associated debt: As of June 30, 2022, the debt service requirements of the variable-rate debt and net swap payments assuming current interest rates remain the same, for their term are summarized in the following table. As rates vary, variable-rate bond interest payments and net swap payments will vary.

	Variable-Rate Bonds			
Fiscal Year	**Principal**	**Interest**	**Interest Rate Swaps, Net**	**Total**
2023	$ 8,468	$ 1,677	$ 6,296	$ 16,441
2024	7,504	1,603	6,110	15,217
2025	7,677	1,530	5,927	15,134
2026	14,671	1,432	5,607	21,710
2027	15,351	1,321	5,228	21,900
2028-2032	95,712	4,678	19,343	119,733
2033-2037	92,212	1,113	5,599	98,924
Total	**$ 241,595**	**$ 13,354**	**$ 54,110**	**$ 309,059**

8. Letters of Credit

The City's 2008 Certificates of Participation, 2008 Electric Revenue Bonds (Series A and C), and 2011 Electric Revenue Bonds (Series A) require an additional layer of security between the City and the purchaser of the bonds. The City has entered into the following letters of credit ("LOC") in order to provide liquidity should all or a portion of the debt be optionally tendered to the remarketer without being successfully remarketed:

Debt Issue	LOC Provider	LOC Expiration Date	Annual Commitment Fee
2008 Certificates of Participation	Bank of America, N.A.	2023	0.470%
2008A Electric Revenue Bonds	Barclays Bank, PLC	2024	0.395%
2008C Electric Revenue Bonds	Barclays Bank, PLC	2024	0.395%
2011A Electric Revenue Bonds	Bank of America, N.A.	2023	0.295%

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

(amounts expressed in thousands)

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

On February 1, 2019, the City entered into a subordinate letter of credit agreement with U.S. Bank, National Association. The Subordinate Letter of Credit is a tool approved through the Electric and Water Utility Five-Year Rate Plan to manage rate increases by enabling the Electric Utility and Water Utility to reduce cash levels while maintaining compliance with the Riverside Public Utilities Cash Reserve Policy. Under the terms and conditions of the agreement, the City may borrow up to $35,000 for purposes of the capital or operating financial needs of the Electric System and $25,000 for purposes of the capital or operating financial needs of the Water System. There were no borrowings against the LOC as of June 30, 2022.

9. Long-Term Obligations

Changes in Long-Term Obligations:

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

Governmental Activities:	Beginning Balance	Additions	Reclass*	Reductions	Ending Balance	Due Within One Year
General obligation bonds	$ 6,478	$ -	$ -	$ (1,491)	$ 4,987	$ 1,560
Pension obligation bonds	352,824	-	-	(14,560)	338,264	16,889
Certificates of participation	90,215	-	-	(4,738)	85,477	4,830
Lease revenue bonds	72,471	-	-	(3,616)	68,855	3,384
Direct borrowings:						
Loans payable	457	-	-	(457)	-	-
Financed purchase	14,922	11,292	(694)	(3,226)	22,294	3,495
	$ 537,367	$ 11,292	$ (694)	$ (28,088)	$ 519,877	$ 30,158

* Unexpended lease proceeds were approved to be transferred from governmental activities to business-type activities for the purchase of vehicles

Business-Type Activities:	Beginning Balance	Additions	Reclass*	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 1,176,605	$ -	$ -	$ (37,505)	$1,139,100	$ 33,445
Pension obligation bonds	116,227	-	-	(5,509)	110,718	7,010
Certificates of participation	27,213	-	-	(1,301)	25,912	1,330
Lease revenue bonds	7,059	-	-	(434)	6,625	457
Direct borrowings:						
Notes payable	64,678	-	-	(4,730)	59,948	4,873
Contracts payable	1,067	-	-	(134)	933	150
Financed purchase	2,354	-	694	(872)	2,176	699
	$ 1,395,203	$ -	$ 694	$ (50,485)	$1,345,412	$ 47,964

Governmental Activities:

General Obligation Bonds - Governmental Activities:	Principal Outstanding
$20,000 Fire Facility Projects, Election of 2003 General Obligation Bond; 3.0% to 5.5%, due in annual installments from $410 to $1,740 through August 1, 2024.	$ 4,940
Add: unamortized bond premium	47
Total general obligation bonds	**$ 4,987**

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

Fiscal Year	Principal	Interest	Total
2023	$ 1,560	$ 229	$ 1,789
2024	1,640	141	1,781
2025	1,740	48	1,788
Premium	47	-	47
Total	**$ 4,987**	**$ 418**	**$ 5,405**

(amounts expressed in thousands)

Pension Obligation Bonds - Governmental Activities:	Principal Outstanding
In 2018, the 2017 Taxable Pension Obligation Bonds were distributed between Governmental Activities, Business-Type Activities and the Successor Agency to properly reflect their proportional share. Pension Obligation bonds are not collateralized by assets, nor do they constitute an obligation of the City of Riverside whereby the City is obligated to levy or pledge any form of taxation.	
In 2020, the 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.	
$89,540 California Statewide Community Development Authority (Public Safety) 2004 Taxable Pension Obligation Bond; 2.65% to 5.896%, due in annual installments from $1,125 to $10,715 through June 1, 2023.	$ 10,715
$31,960 2017 Taxable Pension Obligation Bonds Series A; 1.25% to 3.125%, due in annual installments from $2,910 to $3,580 through June 1, 2027; $15,299 relates to Governmental Activities.	8,097
$432,165 2020 Taxable Pension Obligation Bonds Series A; 1.646% to 3.857% due in annual installments from $2,920 to $28,310 through June 1, 2045. $324,582 relates to Governmental Activities	319,644
Subtotal	**338,456**
Less: unamortized bond discount	(192)
Total pension obligation bonds	**$ 338,264**

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

Fiscal Year	Principal	Interest	Total
2023	$ 16,889	$ 12,284	$ 29,173
2024	7,623	11,523	19,146
2025	9,840	11,353	21,193
2026	9,884	11,123	21,007
2027	10,966	10,868	21,834
2028-2032	62,782	49,523	112,305
2033-2037	103,829	35,018	138,847
2038-2042	94,720	14,511	109,231
2043-2047	21,923	1,383	23,306
Discount	(192)	-	(192)
Total	**$ 338,264**	**$ 157,586**	**$ 495,850**

Certificates of Participation – Governmental Activities:	Principal Outstanding
In 2019, the 2008 Riverside Renaissance Certificates of Participation were distributed between Governmental Activities and Business-Type Activities to properly reflect their proportional share.	
$19,945 2006 Galleria at Tyler Public Improvements Certificates of Participation are secured with collateral of the two level 912 space parking structure located near Tyler Street and Nordstrom store, the Tyler Mall North Plaza, the North Plaza parking, storm drains related to those improvements, and portions of two arterial streets; 4.0% to 5.0%, due in annual installments from $435 to $1,270 through September 1, 2036.	$ 5
$128,300 2008 Riverside Renaissance Certificates of Participation are secured with collateral of the Adulka Park, Fairmount Park and Golf Course, Arlington Heights Sports Park, Orange Terrace Park, Orange Terrace Community Center and Orange Terrace Library; issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.4%. For information on the swap agreement see Note 6. Due in annual installments from $2,900 to $7,200 through March 1, 2037; $71,159 relates to Governmental Activities.	59,788

(amounts expressed in thousands)

$35,235 2013 Pavement Rehab Certificates of Participation are secured by Measure A Sales Tax receipts; 4.0% to 5.0%, due in annual installments from $1,285 to $2,855 through June 1, 2033.	24,985
Subtotal	**84,778**
Plus: unamortized bond premium	699
Total certificates of participation	**$ 85,477**

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

Fiscal Year	Principal	Interest	Total
2023	$ 4,830	$ 3,223	$ 8,053
2024	5,054	3,031	8,085
2025	5,224	2,826	8,050
2026	5,463	2,612	8,075
2027	5,713	2,389	8,102
2028-2032	32,123	8,437	40,560
2033-2037	26,371	2,371	28,742
Premium	699	-	699
Total	**$ 85,477**	**$ 24,889**	**$ 110,366**

Lease Revenue Bonds - Governmental Activities:	**Principal Outstanding**
In 2019, the Series 2012A Lease Revenue Refunding Bonds were distributed between Governmental Activities, Business-Type Activities, and Successor Agency to properly reflect their proportional share.	
On August 15, 2012, the City issued the Series 2012A Lease Revenue Refunding Bonds in the amount of $41,240. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from $1,295 to $2,840 commencing November 1, 2013 and ending November 1, 2033. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated. $23,683 relates to Governmental Activities.	$ 19,038
$15,980 2019A Lease Revenue Refunding Bonds (Galleria at Tyler Public Improvements) are secured by lease payments on the two level 912 space parking structure located near Tyler Street and Nordstrom store, the Tyler Mall North Plaza, the North Plaza parking, storm drains related to those improvements, and portions of two arterial streets. The bonds were issued to refinance all but $5 of the outstanding 2006 Lease Revenue Certificates of Participation (Galleria at Tyler Public Improvements); 2.75% to 4.0%, due in annual installments from $605 to $1,180 through November 1, 2036. The refunding transaction resulted in a total net present value savings of $1,140. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated.	13,960

(amounts expressed in thousands)

$33,505 2019B Lease Revenue Refunding Bonds (Main Library Project); 3.0% to 5.0%, due in annual installments from $1,245 to $2,645 through November 1, 2036. The bonds are secured by an amendment to the Ground Lease entered into by the City upon issuance of the 2012A Lease Revenue Bonds. It adds the remainder of the City Hall Complex, the Corporation Yard Administration Building and annex, Bobby Bonds Park, and the Main Library site. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated.	28,810
Subtotal	**61,808**
Add: unamortized bond premium	7,047
Total lease revenue bonds	**$ 68,855**

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

Fiscal Year	Principal	Interest	Total
2023	$ 3,384	$ 2,700	$ 6,084
2024	3,539	2,542	6,081
2025	3,588	2,389	5,977
2026	3,733	2,242	5,975
2027	3,896	2,078	5,974
2028-2032	22,308	7,472	29,780
2033-2037	21,360	2,282	23,642
Premium	7,047	-	7,047
Total	**$ 68,855**	**$ 21,705**	**$ 90,560**

Business-Type Activities:

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

Revenue Bonds - Business-Type Activities:	Principal Outstanding
Electric	
All electric revenue bonds are covenanted per the Amended and Restated Resolution No. 17662 (Electric) Master Resolution that upon the occurrence and continuation of an event of default, the owners of 25% in aggregate amount of Bond Obligation may, by written notice to the City, declare the entire unpaid principal and accreted value of the bonds due and payable should the City fail to pay its debts as they become due or upon the entry of any decree or order of bankruptcy of the City.	
$141,840 2008 Electric Refunding/Revenue Bonds; Series A & C. The bonds were issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.1% and 3.2% for the Series A & C bonds, respectively. See Note 6 for information on the swap agreements. Bonds are due in annual installments from $700 to $7,835 through October 1, 2035. In 2019, the Electric Fund refunded $40,425 of the outstanding balance.	$ 66,615
$140,380 2010 Electric Revenue Bonds fixed rate bonds, 3% to 7.65%, due in annual installments from $95 to $33,725 through October 1, 2040.	128,600

(amounts expressed in thousands)

$56,450 2011 Electric Revenue Refunding Bonds; Series A. The bonds were issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.2%. For information on the swap agreements see Note 6. Bonds are due in annual installments from $725 to $5,175 through October 1, 2035. Upon event of default, the bank may declare the outstanding amount of the obligations payable to be due immediately. During fiscal year 2019-20, the bonds originally issued as private placement bonds were remarketed as public securities in order to obtain a lower rate. The structure is the same and the existing swap is the same.	35,550
$79,080 2013 Electric Revenue Refunding Bonds; Series A fixed rate bonds, 3% to 5.25%, due in annual installments from $795 to $12,685 through October 1, 2043.	36,355
$283,325 2019 Electric Refunding/Revenue Bonds; Series A, fixed rate bonds, 5.0%, due in annual installments from $3,545 to $24,005 through October 1, 2048. The bonds refunded the 2008 Electric Revenue Bonds Series D and partially refunded the 2008 Electric Revenue Bonds Series A and C. The refunding transactions resulted in a total net present value savings of $36,810.	257,010
Subtotal	**524,130**
Add: Unamortized bond premium	45,055
Subtotal - Electric	**569,185**

Water

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

$67,790 2009 Water Revenue Bonds; Series B fixed rate bonds, 5.1% to 6.3%, due in annual installments from $2,475 to $4,985 through October 1, 2039.	65,315
$59,000 2011 Water Refunding/Revenue Bonds; Series A. The bonds were issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.2%. For information on the swap agreements see Note 6. Bonds are due in annual installments from $600 to $3,950 through October 1, 2035.	24,050
$114,215 2019 Water Refunding/Revenue Bonds; Series A, fixed rate bonds, 5.0%, due in annual installments from $1,680 to $8,455 through October 1, 2048. The bonds refunded the 2008 Water Revenue Bonds Series B and partially refunded and partially unwound the swap on the 2011 Water Revenue Bonds Series A. The refunding transactions resulted in a total net present value savings of $10,759.	102,825
Subtotal	**192,190**
Add: Unamortized bond premium	17,472
Subtotal - Water	**209,662**

Sewer

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

$200,030 2015 Sewer Revenue Bonds; Series A fixed rate bonds, 4% to 5%, due in annual installments from $4,790 to $14,175 through August 1, 2040.	179,430
$153,670 2018 Sewer Revenue Bonds; Series A fixed rate bonds, 4% to 5%, due in annual installments from $2,905 to $11,775 through August 1, 2039. The bonds advanced refunded the 2009 Direct Pay Build America Bonds Series B. The refunding transaction resulted in a total net present value savings of $18,932.	143,425
Subtotal	**322,855**

(amounts expressed in thousands)

Add: unamortized bond premium	37,398
Subtotal - Sewer	**360,253**
Total revenue bonds	**$ 1,139,100**

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

	Electric		
Fiscal Year	**Principal**	**Interest**	**Total**
2023	$ 16,760	$ 24,174	$ 40,934
2024	17,515	23,362	40,877
2025	18,335	22,488	40,823
2026	19,305	21,580	40,885
2027	20,085	20,742	40,827
2028-2032	114,035	89,670	203,705
2033-2037	134,560	61,860	196,420
2038-2042	145,000	26,022	171,022
2043-2047	27,800	5,888	33,688
2048-2052	10,735	543	11,278
Premium	45,055	-	45,055
Total	**$ 569,185**	**$ 296,329**	**$ 865,514**

	Water		
Fiscal Year	**Principal**	**Interest**	**Total**
2023	$ 6,915	$ 8,491	$ 15,406
2024	7,215	8,167	15,382
2025	7,540	7,823	15,363
2026	7,875	7,463	15,338
2027	8,230	7,086	15,316
2028-2032	46,560	29,339	75,899
2033-2037	55,870	18,635	74,505
2038-2042	36,165	6,658	42,823
2043-2047	10,735	2,665	13,400
2048-2052	5,085	257	5,342
Premium	17,472	-	17,472
Total	**$ 209,662**	**$ 96,584**	**$ 306,246**

	Sewer		
Fiscal Year	**Principal**	**Interest**	**Total**
2023	$ 9,770	$ 15,669	$ 25,439
2024	11,460	15,139	26,599
2025	12,050	14,551	26,601
2026	12,670	13,933	26,603
2027	13,320	13,283	26,603
2028-2032	77,560	55,443	133,003
2033-2037	99,540	33,468	133,008
2038-2042	86,485	7,850	94,335
Premium	37,398	-	37,398
Total	**$ 360,253**	**$ 169,336**	**$ 529,589**

Pension Obligation Bonds - Business Type Activities:	**Principal Outstanding**
In 2018, the 2017 Taxable Pension Obligation Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency to properly reflect their proportional share. Pension Obligation Bonds are not collateralized by assets, nor do they constitute a debt of the City of Riverside whereby the City is obligated to levy or pledge any form of taxation.	
In 2020, the 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.	
$31,960 2017 Taxable Pension Obligation Bonds Series A; 1.25% to 3.125%, due in annual installments from $2,910 to $3,580 through June 1, 2027. $16,661 relates to Business Type Activities.	$ 8,818
$432,165 2020 Taxable Pension Obligation Bonds Series A; 1.646% to 3.857% due in annual installments from $2,920 to $28,310 through June 1, 2045. $107,583 relates to Business-Type Activities.	101,900
Total pension obligation bonds	**$ 110,718**

(amounts expressed in thousands)

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

Fiscal Year	Principal	Interest	Total
2023	$ 7,010	$ 3,488	$ 10,498
2024	8,457	3,342	11,799
2025	9,365	3,153	12,518
2026	9,636	2,932	12,568
2027	9,244	2,683	11,927
2028-2032	23,498	10,692	34,190
2033-2037	25,786	10,692	36,478
2038-2042	17,035	1,831	18,866
2043-2047	687	27	714
Total	**$ 110,718**	**$ 38,840**	**$ 149,558**

Certificates of Participation – Business Type Activities:	**Principal Outstanding**
In 2019, the 2008 Riverside Renaissance Certificates of Participation were distributed between Governmental Activities and Business-Type Activities to properly reflect their proportional shares.	
$128,300 2008 Riverside Renaissance Certificates of Participation are secured with collateral of the Andulka Park, Fairmount Park and Golf Course, Arlington Heights Sports Park, Orange Terrace Park, Orange Terrace Community Center, and Orange Terrace Library; issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.4%. For information on the swap agreement see Note 6. Due in annual installments from $2,900 to $7,200 through March 1, 2037; $30,841 relates to the Civic Entertainment Fund.	$ 25,912
Total certificates of participation	**$ 25,912**

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

Fiscal Year	Principal	Interest	Total
2023	$ 1,330	$ 860	$ 2,190
2024	1,391	815	2,206
2025	1,421	768	2,189
2026	1,482	719	2,201
2027	1,542	669	2,211
2028-2032	8,557	2,525	11,082
2033-2037	10,189	965	11,154
Total	**$ 25,912**	**$ 7,321**	**$ 33,233**

Lease Revenue Bonds – Business Type Activities:	**Principal Outstanding**
In 2019, the Series 2012A Lease Revenue Refunding Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency to properly reflect their proportional share.	
On August 15, 2012, the City issued the Series 2012A Lease Revenue Refunding Bonds in the amount of $41,240. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from $1,295 to $2,840 commencing November 1, 2013 and ending November 1, 2033. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated. $8,242 relates to Governmental Activities.	$ 6,625
Total lease revenue bonds	**$ 6,625**

(amounts expressed in thousands)

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

Fiscal Year	Principal	Interest	Total
2023	$ 457	$ 280	$ 737
2024	480	256	736
2025	466	236	702
2026	481	220	701
2027	502	199	701
2028-2032	2,902	594	3,496
2033-2037	1,337	54	1,391
Total	**$ 6,625**	**$ 1,839**	**$ 8,464**

The following are legally required debt service cash reserves. These amounts, at a minimum, are held by the City or fiscal agents at June 30, 2022:

Governmental Long-Term Obligations:	
Certificates of participation	$ 7,423
Total	**$ 7,423**
Enterprise Funds:	
Electric	10,801
Total	**$ 10,801**

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

Description of Pledge Revenue	Annual Amount of Pledge Revenue (net of expenses, where required)	Annual Debt Service Payments (all of debt secured by this revenue)	Coverage Ratio for FY 06/30/22
Electric revenues	$ 93,639 *	$ 46,028	2.03
Water revenues	37,986 *	17,068	2.23
Sewer revenues	39,782	26,541	1.50

*Excludes non-cash pension expense

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

Direct Borrowings: Notes Payable - Business-Type Activities:	Principal Outstanding
Notes payable consists of several agreements with Hillwood Enterprises, L.P. and related entities (collectively Hillwood) for their development of logistic centers located in the City of San Bernardino. As part of these agreements, the Water Fund leases land to Hillwood and also purchased land from Hillwood with a subsequent lease-back to the entity. In addition, the agreements require Hillwood to relocate wells located on the properties as well as terminate an existing lease. In consideration of the cost of the land purchase, well relocations and lease termination, the Water Fund will make payments to Hillwood in the form of a credit with Hillwood's rental payments to the Water Fund for the first 15 years of the leases.	$ 16,639
Public Parking Fund and Civic Entertainment Fund loan for Fox Entertainment Plaza project secured with collateral of the Fox Theater, Fox Entertainment Plaza, and Parking Garage No. 7. 3.85%, payable in net annual installments of $1,747, beginning June 16, 2011 through December 16, 2031. In the event of default, the City would continue to remain liable for the payment of Rental Payments and damages for breach of the Lease.	13,788

(amounts expressed in thousands)

In July 19, 2012, the City secured financing in the amount of $41,650 with BBVA Compass Bank for the renovation and expansion of the Riverside Convention Center (Civic Entertainment Fund) secured with collateral of the convention center facility. In March 2014, the financing arrangement with BBVA was increased to $44,650. The financing consists of an initial 21-month variable rate interest only period during construction that has a swap transaction layered over the remaining 20-year amortization resulting in a "synthetic fixed" rate of 3.24% for 20 of the 22 years. For information on the swap agreement see Note 6. At the end of the construction period, principal and interest are due on the first of each month, with equal payments each year of approximately $2,850. In the event of default, the outstanding amount of the site lease payment drawn by the City and not repaid will bear interest at a default rate that will be charged until the default is cured.	29,521
Total notes payable	**$ 59,948**

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

	Water		
Fiscal Year	**Principal**	**Interest**	**Total**
2023	$ 1,535	$ 436	$ 1,971
2024	1,624	392	2,016
2025	1,719	346	2,065
2026	1,818	296	2,114
2027	1,923	242	2,165
2028-2032	7,507	411	7,918
2033-2037	513	4	517
Total	**$ 16,639**	**$ 2,127**	**$ 18,766**

	Non-Major Enterprise Funds		
Fiscal Year	**Principal**	**Interest**	**Total**
2023	$ 3,338	$ 1,439	$ 4,777
2024	3,446	1,322	4,768
2025	3,568	1,200	4,768
2026	3,688	1,075	4,763
2027	3,811	945	4,756
2028-2032	20,209	2,623	22,832
2033-2037	5,249	149	5,398
Total	**$ 43,309**	**$ 8,753**	**$ 52,062**

Direct Borrowings: Contracts Payable	**Principal Outstanding**
Water stock acquisition rights payable on demand to various water companies	$ 933

Direct Borrowings: Financed Purchase

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

(amounts expressed in thousands)

The assets acquired through financing arrangements are as follows:

Asset	Governmental Activites	Business-Type Activities
Buildings and improvements	$ 1	$ -
Machinery and equipment	23,356	8,006
Subtotal	**23,357**	**8,006**
Less: Accumulated depreciation	(9,527)	(6,066)
Total	**$ 13,830**	**$ 1,940**

The future minimum obligations as of June 30, 2022 were as follows:

Fiscal Year	Governmental Activities	Business-Type Activities
2023	$ 3,931	$ 741
2024	3,838	375
2025	3,838	375
2026	2,742	375
2027	2,742	375
Thereafter	6,943	57
Total minimum installments	**24,034**	**2,298**
Less: Amount representing interest (rates ranging from 1.2% to 9%)	(1,740)	(122)
Total financed purchase	**$ 22,294**	**$ 2,176**

10. Compensated Absences

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

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

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 30,899	$ 16,205	$ (17,110)	$ 29,994	$ 16,600

Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 12,005	$ 8,366	$ (8,516)	$ 11,855	$ 8,402

11. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property insurance coverage has a limit of $1,000,000, with a deductible of $100. Earthquake and flood insurance coverage has a limit of $25,000, with a deductible of 5% (subject to $100 minimum for earthquake and $100 for flood). Workers' compensation insurance coverage has a limit of $25,000, with a self-insured retention of $3,000. The City has four General Liability policies: a primary and and three excess General Liability policies. The primary General Liability policy coverage has a limit of $4,000 and the Excess General Liability policies provide an additional $21,000 of coverage, with a self-insured retention of $3,000. Both the primary and excess General liability policies cover general and auto liability claims including but not limited to Law Enforcement Liability and Public Officials Errors and Ommissions. There has been one claim settled in the last three fiscal years that exceed insurance coverage. Internal service funds have been established to account for and finance the uninsured risks of loss.

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

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

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Claims and judgments	$ 76,603	$ 13,134	$ (10,947)	$ 78,790	$ 15,304

(amounts expressed in thousands)

Unpaid claims, June 30,2020	$ 53,828
Incurred claims (including IBNR's)	35,818
Claim payments and adjustments	(13,043)
Unpaid claims, June 30,2021	76,603
Incurred claims (including IBNR's)	13,134
Claim payments and adjustments	(10,947)
Unpaid claims, June 30,2022	$ 78,790

12. Landfill Capping

State and Federal laws and regulations require the City to place a final cover on all active landfills when closed and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. To comply with these laws and regulations, the City is funding the costs of closure and "final capping" of the Tequesquite landfill located in the City. This area, comprised of approximately 120 acres, operated as a "Class II Sanitary Landfill" until its closure in 1985. During its operation, the landfill did not accept hazardous waste and no clean up and abatement or cease and desist orders have been issued to the City. The capacity used at June 30, 2022 was 100%. The remaining post closure period is currently 20 years.

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

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

Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Landfill capping	$ 10,419	$ -	$ (599)	$ 9,820	$ 559

13. Nuclear Decommissioning Liability

As of June 30, 2022, decommissioning liability balance was $53,310 with a portion reflected as current liabilities payable from restricted assets. As a result of the updated SCE decommissioning cost estimate and the increase in the Electric Utility's estimated share, the decommissioning liability was increased by $5.7 million in fiscal year 2021/22. The offset of this liability increase has been recorded as an extraordinary item in fiscal year 2021/22. See Note 1 and 26 for additional information. Due to adequate funding of the liability, the Electric Utility no longer provides additional funding to the trustee. However, since the decommissioning cost estimate is subject to a number of uncertainties including the cost of disposal of nuclear waste, site remediation costs, as well as a number of other assumptions and estimates, the Electric Utility will continue to set aside funds in the designated decommissioning reserve of $2,000 per year, as approved by the Board of Public Utilities and City Council.

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

Business-Type Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Decommissioning liability	$ 50,896	$ 6,555	$ (4,141)	$ 53,310	$ 8,813

14. Commitments and Contingencies

Intermountain Power Agency

The Electric Utility has a power purchase contract with Intermountain Power Agency (IPA) for the delivery of electric power. The Electric Utility's share of IPA power is equal to 7.6 percent, or approximately 137.1 MW, of the net generation output of IPA's 1,800 MW central Utah coal-fueled generating station, known as Intermountain Power Project (IPP). The contract expires in 2027 and the debt fully matures in 2024.

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

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

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

(amounts expressed in thousands)

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

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

On May 7, 2019, the City Council authorized termination of the Renewal Power Sales Contract between the IPA and the Electric Utility effective November 1, 2019, and the Electric Utility's exit from the IPP Repower Project upon the expiration date of the current Power Sales Contract on June 15, 2027, due to numerous uncertainties surrounding the IPP Repower Project.

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

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

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

Terms of Take or Pay Commitments

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

The outstanding debts associated with the take-or-pay obligations have fixed interest rates, which range from 4.00 percent to 5.00 percent. The schedule below details the amount of principal and interest that is due and payable by the Electric Utility as part of the take-or-pay contract for each project in the fiscal year indicated.

	IPA[1]	SCPPA	Total
Debt Service Payment Year Ending June 30,	**Intermountain Power Project**	**Southern Transmission System**	**All Projects**
2023	$ 7,285	$ 7,083	$ 14,368
2024	3,472	7,125	10,597
2025	2,990	3,261	6,251
2026	2,990	3,257	6,247
2027	4,800	6,508	11,308
Total	**$ 21,537**	**$ 27,234**	**$ 48,771**

1 The Electric Utility's contract with IPA expires in 2027. The Electric Utility will not be responsible for the proportionate share of the 2022 Series A & B Revenue bonds after the contract expires.

In addition to debt service, the Electric Utility's entitlements require the payment of fuel costs, operating and maintenance, administrative and general and other miscellaneous costs associated with the generation and transmission facilities discussed above. These costs do not have a similar structured payment schedule as debt service and vary each year. The costs incurred for the years ended June 30, 2022 and 2021, are as follows:

(amounts expressed in thousands)

Fiscal Year	Intermountain Power Project*	Palo Verde Nuclear Generating Station*	Southern Transmission System	Mead-Phoenix Transmission	Mead-Adelanto Transmission	All Projects
2022	$ 19,522	$ 2,930	$ 4,400	$ 57	$ 415	$ 27,324
2021	20,648	2,951	5,126	44	424	29,193

* Excludes variable costs

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

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

Hoover Uprating Project

The Electric Utility's initial entitlement in the Hoover project through SCPPA terminated on September 30, 2017. On August 23, 2016, the City Council approved a 50-year Electric Service Contract (ESC) and an Amended and Restated Implementation Agreement (IA) with the Western Area Power Administration (Western), Bureau of Reclamation for 30 MW of hydroelectric power. The contract with Western is effective as of October 1, 2017. The ESC extended the Electric Utility's 30 MW entitlement in the Hoover project through 2067. The IA is a supplemental agreement to the ESC that establishes administrative, budgetary and project oversight by creating project committees and process for decision making plant operations.

Nuclear Insurance

The Price-Anderson Act (the Act) requires that all utilities with nuclear generating facilities purchase the maximum private primary nuclear liability insurance available ($450 million) and participate in the industry's secondary financial protection plan. The secondary financial protection program is the industry's retrospective assessment plan that uses deferred premium charges from every licensed reactor owner if claims and/or costs resulting from a nuclear incident at any licensed reactor in the United States were to exceed the primary nuclear insurance at that plant's site. Effective June 10, 2021, the Act limits liability from third-party claims to approximately $13.7 billion per incident. Under the industry wide retrospective assessment program provided for under the Act, assessments are limited to $137.6 million per reactor for each nuclear incident occurring at any nuclear reactor in the United States, with payments under the program limited to $20.5 million per reactor, per year, per event to be indexed for inflation every five years. Based on the Electric Utility's interest in Palo Verde, the Electric Utility would be responsible for a maximum assessment of $1.3 million, limited to payments of $0.2 million per incident, per year. If the public liability limit above is insufficient, federal regulations may impose further revenue-raising measures to pay claims, including a possible additional assessment on all licensed reactor operators.

Renewable Portfolio Standards (RPS)

On April 12, 2011, the California Renewable Energy Resources Act (SBX1-2) was signed into law by the Governor, which officially created the first set of tiered RPS targets of 20% by 2013, 25% by 2016 and 33% by 2020. SBX1-2 specified that publicly owned utilities must meet these defined targets via interim Compliance Period (CP) targets to achieve the end goal of 33% RPS by December 31, 2020 as follows: CP1 - an average of 20 percent of retail sales during the three year period from 2011-2013; CP2 – no less than 25 percent of retail sales by December 31, 2016; and CP3 – no less than 33 percent of retail sales by December 31, 2020. The Riverside Public Utilities Board and City Council approved the RPS Enforcement Program required by SBX1-2 on November 18, 2011 and December 13, 2011, respectively, and further approved the Electric Utility's RPS Procurement Plan (a.k.a. Procurement Policy) implementing the new RPS mandates on May 3, 2013 and May 14, 2013, respectively. The Electric Utility met the procurement requirements of SBX1-2 for CP1 (2011-2013) CP2 (2014-2016), and CP3 (2017-2020). The additional future mandates are expected to be met with resource procurement actions as outlined in the Electric Utility's RPS Procurement Plan. For calendar year 2021, renewable resources provided 43 percent of retail sales requirements.

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

(amounts expressed in thousands)

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

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

Long-term renewable PPAs and PSAs in operation:

Supplier	Type	Maximum Contract[1]	Contract Expiration	Estimated Annual Cost for 2022
Wintec	Wind	1.3 MW	02/19/2024	$ 150
WKN Wagner	Wind	6.0 MW	12/22/2032	1,344
Terraform Power - AP North Lake	Photovoltaic	20.0 MW	08/11/2040	4,905
Onward Energy - Columbia II	Photovoltaic	11.1 MW	12/22/2034	2,314
GlidePath Power Solutions - GPS Cabazon Wind LLC	Wind	39.0 MW	01/01/2025	4,299
Capital Dynamics - Kingbird Solar B, LLC	Photovoltaic	14.0 MW	12/31/2036	2,867
AES - Summer Solar	Photovoltaic	10.0 MW	12/31/2041	1,748
AES - Antelope Big Sky Ranch	Photovoltaic	10.0 MW	12/31/2041	1,748
AES - Antelope DSR 1 Solar	Photovoltaic	25.0 MW	12/19/2036	3,826
Captial Dynamics - Tequesquite Landfill Solar	Photovoltaic	7.3 MW	12/31/2040	1,423
American Renewable Power - Loyalton	Biomass	0.8 MW	04/19/2023	615
Roseburg Forest Products	Biomass	0.5 MW	02/16/2026	179
CalEnergy - Salton Sea Portfolio	Geothermal	86.0 MW	12/31/2039	55,622
Atlantica - Coso Geothermal	Geothermal	10.0 MW	12/31/2042	6,050
Total		241.0 MW		$ 87,090

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

Long-term renewable PPAs with expected delivery:

Supplier	Type	Maximum Contract[1]	Expected Delivery	Energy Delivery No Later Than	Contract Term In Years
Atlantica - Coso Geothermal	Geothermal	20.0 MW	01/01/2027	01/01/2027	15
Total		20.0 MW			

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

Cap-and-Trade Program

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

At times, the Electric Utility may have allocated allowances in excess of its compliance obligations that can be sold into the CARB quarterly auctions. In fiscal year ended June 30, 2022, the Electric Utility received $14,960 in proceeds related to the sale of the GHG allowances which are included on the Statements of Revenues, Expenses, and Changes in Net Position as other operating revenue. The Electric Utility has established a restricted Regulatory Requirement reserve to comply with regulatory restrictions and governing requirements related to the use of the GHG proceeds. The available funds are to be utilized for qualifying projects, consistent with the goals of AB 32 to benefit the retail ratepayers. The balance in the Regulatory Requirement reserve was $16,366 as of June 30, 2022.

The Electric Utility also purchases GHG allowances which can be used in future periods for GHG compliance regulations. The balance of purchased GHG allowances was $485 as of June 30, 2022 and is recorded as inventory in the Statement of Net Position.

Low Carbon Fuel Standard Program

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

Electricity is considered a fuel subject to the program when it is used as a transportation fuel in electric vehicles. However, because the CI of electricity is substantially lower than the annual CI targets under the program, electricity is a fuel that generates LCFS credits and participation in the Program is voluntary. The City opted into the LCFS program in March 2018 and began generating LCFS credits for the first quarter of 2018. These credits are associated with two sources – unmetered electricity used to charge residents' electric vehicles at their homes (residential base credits) and from electric forklifts charging at private businesses (forklift credits). CARB calculates the credits that the Electric Utility receives, and the Electric Utility submits reports quarterly to receive the credits.

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

In fiscal year ended June 30, 2022, the Electric Utility's proceeds from the sale of LCFS credits were $1,047. These proceeds are included on the Statements of Revenues, Expenses and Changes in Net Position as other operating revenue. The Electric Utility has established a restricted Regulatory Requirement reserve to comply with regulatory restrictions and governing requirements related to the use of the LCFS proceeds. The available funds are to be utilized for qualifying programs that support the Electric Utility's customers who are existing and future electric vehicle owners. Total expenses for qualifying programs as of June 30, 2022 was $210. The balance in the Regulatory Requirement reserve as of June 30, 2022 was $3,233.

15. Other Post-Employment Benefits (OPEB)

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

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

(amounts expressed in thousands)

Employees covered by benefit terms – At June 30, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	206
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	2,014
Total	**2,220**

Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability

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

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2021
Funding Policy:	Pay-as-you-go for implicit rate subsidy
Discount Rate:	2.16% per annum. This discount rate is the maximum of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index
Inflation Rate:	2.5% per annum
Salary Inflation:	2.75% per annum
Salary Increases:	The benefits are not payroll related but the City's cost for each individual's projected City contribution is allocated over their lifetime as a level-percentage of pay.
Mortality:	Based on the CalPERS 2017 Experience Study

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

The following presents the total net OPEB liability, calculating using the healthcare cost trend rate of 4.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current rate:

	1% Decrease 3%	**Current Healthcare Cost Trend Rate 4%**	**1% Increase 5%**
Total OPEB liability	$ 42,917	$ 48,770	$ 55,716

Sensitivity analysis of total OPEB liability for discount rates

The following presents the total OPEB liability, calculating using the discount rate of 2.16%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	1% Decrease (1.16%)	**Current Discount Rate (2.16%)**	**1% Increase (3.16%)**
Total OPEB liability	$ 52,938	$ 48,770	$ 44,908

Change in total OPEB liability

For fiscal year 2022, the City recognized total OPEB expense of $2,790. The following table shows the change in the total OPEB liability for the year ended June 30, 2022:

	2022
Beginning total OPEB liability	$ 52,276
Service cost	2,646
Interest	1,394
Differences between expected and actual experience	(2,267)
Changes of assumptions	(3,086)
Benefit of implied subsidy payments	(2,193)
Net changes	**(3,506)**
Ending total OPEB liability	**$ 48,770**

(amounts expressed in thousands)

Deferred outflows/inflows of resources

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 1,628	$ -
Differences between expected and actual experience	195	3,860
Changes of assumptions	8,097	3,599
Total	**$ 9,920**	**$ 7,459**

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

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ 377
2024	377
2025	377
2026	585
2027	624
Thereafter	(1,507)
Total	**$ 833**

16. City Employees Retirement Plan

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

(B) Funding Policy - The City has contributed at the actuarially determined rate provided by CalPERS' actuaries. Participants are required to contribute 8% for miscellaneous employees and 9% for safety employees of their annual covered salary. The City has a multiple tier retirement plan with benefits varying by plan. The City pays the employees' contributions to CalPERS for both miscellaneous and safety employees hired on or before specific dates as follows:

Safety (Police):

- 1st Tier (RPOA, RPOA Supervisory & RPAA Management) - The retirement formula is 3% at age 50 for employees hired on or before February 16, 2012 (RPOA, RPAA Management) or June 8, 2012 (RPOA Supervisory). Effective January 1, 2018, employees were required to pay 1.5% of their pensionable income, with the City contributing the other 7.5%. Only in the event that annual wages increase in excess of 2%, will the following apply: Effective January 1, 2019, employees were required to pay an additional portion of their pensionable income. This portion is a three-year increase of 1.5% (2019), 1.5% (2020) and 1.5% (2021). However, the 2021 increase did not take affect; therefore in 2022, employees are contributing 4.5% pensionable income.
- 2nd Tier (RPOA, RPOA Supervisory & RPAA Management) - The retirement formula is 3% at age 50 for RPOA and RPAA Management employees hired on or after February 17, 2012 and RPOA Supervisory employees hired on or after June 8, 2012 pay their share (9%) of contributions.
- 3rd Tier (RPOA, RPOA Supervisory & RPAA) – The retirement formula is 2.7% at age 57 for new members hired on or after January 1, 2013 and the employee must pay the normal cost to CalPERS which is currently at 12.75%. Classic members (CalPERS members prior to 12/31/12) hired on or after January 1, 2013 may be placed in a different tier.

Safety (Fire):

- 1st Tier - The retirement formula is 3% at age 50 for employees hired before June 11, 2011. Effective January 1, 2019, employees were required to pay a portion of their pensionable income. This portion is a three-year increase of 2.5% (2019), 2.5% (2020) and 3% (2021). However, the 2021 increase was only 2% with the remaining 1% increase in 2022; therefore, in 2022, employees are contributing 8% of their pensionable income.

- 2nd Tier - The retirement formula is 3% at age 55 and new employees hired on or after June 11, 2011 pay their share (9%) of contributions.
- 3rd Tier – The retirement formula is 2.7% at age 57 for new members hired on or after January 1, 2013. A new member, as defined by the Public Employees' Pension Reform Act (PEPRA), hired on or after January 1, 2013 pay 50% of the normal cost to CalPERS which is currently 12.75% of compensation.

Miscellaneous:

- 1st Tier –
  - The retirement formula is 2.7% at age 55 for employees hired on or before October 18, 2011. Effective January 1, 2018 for unrepresented employees (Sr. Management, Management, Professional, Para-professional, Supervisory, Confidential, and Executive units, excluding the Chief of Police and the Fire Chief), the employees were required to pay 2% of their pensionable income, with the City contributing the other 6%. Effective January 1, 2019, employees were required to pay an additional portion of their pensionable income. This portion is a three-year increase of 2% (2019), 2% (2020) and 2% (2021). As of 2021, employees were contributing the entire 8% of their pensionable income.
  - The retirement formula is 2.7% at age 55 for SEIU and SEIU Refuse employees hired before June 7, 2011. Currently, employees are required to pay 7% of their pensionable income with the City contributing the other 1%. Effective January 1, 2019, employees were required to pay an additional portion of their pensionable income. This portion is a two-year increase of 1% (2019) and 1% (2020). As of 2020, employees are contributing the entire 8% of their pensionable income.
  - The retirement formula is 2.7% at age 55 for IBEW and IBEW Supervisory employees hired on or before October 18, 2011. Effective November 1, 2017 employees were required to pay 2% of their total pensionable income with the City paying the remaining 6%. Effective each November 1st, employees will be required to pay an additional portion of their pensionable income. This portion is a three-year increase of 2% (2018), 2% (2019) and 2% (2020). As of November 2020, employees are contributing the entire 8% of their pensionable income.
- 2nd Tier - The retirement formula is 2.7% at age 55, and:
  - Miscellaneous employees, IBEW, and IBEW Supervisory hired on or after October 19, 2011 pay their share (8%) of contributions.
  - SEIU and SEIU Refuse employees hired on or after June 7, 2011 pay their share (8%) of contributions.
- 3rd Tier – The retirement formula is 2% at age 62 for new members hired on or after January 1, 2013 and the employee must pay the normal cost to CalPERS which is currently at 7.75%. Classic members (CalPERS members prior to 12/31/12) hired on or after January 1, 2013 may be placed in a different tier.

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

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

(D) Employees Covered - At June 30, 2021, the following employees were covered by the benefit terms of each Plan: Inactive employees or beneficiaries currently receiving benefits are 2,373 and 832 for the Miscellaneous and Safety Plans, respectively. Inactive employees entitled to but not yet receiving benefits are 1,422 and 186 for Miscellaneous and Safety Plans, respectively. Active employees were 1,508 and 579 for Miscellaneous and Safety Plans, respectively.

(amounts expressed in thousands)

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

(F) Net Pension Liability - The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The liability for the governmental activities is primarily liquidated from the General Fund.

A summary of principal assumptions and methods used to determine the net pension liability is shown below. Actuarial Assumptions – The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	**Safety**
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increase	Varies by Entry Age and Service	
Mortality Rate Table[1]	Derived using CALPERS' membership data for all funds	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	

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

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

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

Asset Class[1]	**Current Target Allocation**	**Real Return Years 1 - 10[2]**	**Real Return Years 11+[3]**
Public Equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92)%

1 In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

2 An expected inflation of 2.00% used for this period

(amounts expressed in thousands)

[3] An expected inflation of 2.92% used for this period

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

Changes in Assumptions – In 2021, there was no changes in assumptions.

(G) Changes in the Net Pension Liability

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

Miscellaneous	**Increase (Decrease)**		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
Balance at June 30, 2020	$ 1,492,113	$ 1,372,046	$ 120,067
Changes recognized for the measurement period:			
Service cost	26,168	-	26,168
Interest on total pension liability	105,017	-	105,017
Differences between expected and actual experience	873	-	873
Net Plan to Plan Resource Movement	-	(1)	1
Contributions - employer	-	26,274	(26,274)
Contributions - employees	-	10,358	(10,358)
Net investment income	-	305,548	(305,548)
Benefit payments, including refunds of employee contributions	(74,608)	(74,608)	-
Administrative expenses	-	(1,371)	1,371
Net changes	**57,450**	**266,200**	**(208,750)**
Balance at June 30,2021	**$ 1,549,563**	**$ 1,638,246**	**$ (88,683)**

Safety	**Increase (Decrease)**		
	Total Pension Liability	**Plan Fiduciary Net Position**	**Net Pension Liability/(Asset)**
Balance at June 30, 2020	$ 1,195,893	$ 1,086,394	$ 109,499
Changes recognized for the measurement period:			
Service cost	23,160	-	23,160
Interest on total pension liability	84,654	-	84,654
Differences between expected and actual experience	6,361	-	6,361
Net Plan to Plan Resource Movement	-	1	(1)
Contributions - employer	-	22,931	(22,931)
Contributions - employees	-	10,492	(10,492)
Net investment income	-	242,945	(242,945)
Benefit payments, including refunds of employee contributions	(59,739)	(59,739)	-
Administrative expenses	-	(1,085)	1,085
Net changes	**54,436**	**215,545**	**(161,109)**
Balance at June 30,2021	**$ 1,250,329**	**$ 1,301,939**	**$ (51,610)**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Miscellaneous	**Discount Rate -1% (6.15%)**	**Current Discount Rate (7.15%)**	**Discount Rate +1% (8.15%)**
Plan's net pension liability/(asset)	$ 118,863	$ (88,683)	$ (259,597)

Safety	**Discount Rate -1% (6.15%)**	**Current Discount Rate (7.15%)**	**Discount Rate +1% (8.15%)**
Plan's net pension liability/(asset)	$ 116,434	$ (51,610)	$ (189,837)

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

(amounts expressed in thousands)

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

For the year ended June 30, 2022, the City recognized pension expense of $(47,456) to Miscellaneous and $(26,481) to Safety for a total of $(73,937). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date, net	$ 27,330	$ -
Differences between expected and actual experience	3,680	-
Net differences between projected and actual earnings on plan investments	-	(149,129)
Total	**$ 31,010**	**$ (149,129)**

Safety	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date, net	$ 24,773	$ -
Changes of assumptions	-	(221)
Differences between expected and actual experience	14,268	-
Net differences between projected and actual earnings on plan investments	-	(118,092)
Total	**$ 39,041**	**$ (118,313)**

$52,103 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

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

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

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

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

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

Fiscal Year	Miscellaneous	Safety
2023	$ (34,425)	$ (22,577)
2024	(33,631)	(22,494)
2025	(35,597)	(26,164)
2026	(41,796)	(32,810)
Total	**(145,449)**	**(104,045)**

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

(amounts expressed in thousands)

17. Other Long-Term Obligations

Changes in Long-Term Obligations

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lease revenue bonds	$ 11,641	$ -	$ (2,291)	$ 9,350	$ 2,399
Tax allocation bonds	171,416	-	(6,074)	165,342	4,710
Direct borrowings:					
Notes payable	3,918	-	-	3,918	34
	$ 186,975	$ -	$ (8,365)	$ 178,610	$ 7,143

Lease Revenue Bonds - Successor Agency:	Principal Outstanding
$26,255 State of California Department of General Services Project, 2003 Lease Revenue Refunding Bonds, Series A are secured by lease payments made by the State of Califronia Department of General Services for the California Tower office building; 2% to 5% due in annual installments from $545 to $2,230 through October 1, 2024. The bonds are subject to acceleration under the Trust Agreement upon the occurrence of an event of default and with the consent of the Insurer. There is no remedy of acceleration of the total Base Rental over the term of the Lease.	$ 6,265
$4,810 State of California Department of General Services Project, 2003 Lease Revenue Refunding Bonds, Series B are secured by lease payments made by the State of California Department of General Services for the California Tower office building; $310 serial bonds 1.20% to 1.42% through October 1, 2004; $620 term bonds at 3.090% due October 1, 2008; $1,110 term bonds at 4.340% due October 1, 2014 and $2,770 term bonds at 5.480% due October 1, 2024. The bonds are subject to acceleration under the Trust Agreement upon the occurrence of an event of default and with the consent of the Insurer. There is no remedy of acceleration of the total Base Rental over the term of the Lease.	995
In 2019, the 2012A Lease Revenue Refunding bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency to properly reflect their proportional share. $41,240 Lease Revenue Refunding Bonds, Series 2012A. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from $1,295 to $2,840 commencing November 1, 2013 and ending November 1, 2033. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated. $2,415 relates to the Successor Agency.	1,941
Subtotal	**9,201**
Add: Unamortized bond premium	149
Total lease revenue bonds	**$ 9,350**

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

Fiscal Year	Principal	Interest	Total
2023	$ 2,399	$ 392	$ 2,791
2024	2,556	267	2,823
2025	2,716	135	2,851
2026	141	64	205
2027	147	58	205
2028-2032	850	174	1,024
2033-2037	392	16	408
Premium	149	-	149
Total	**$ 9,350**	**$ 1,106**	**$ 10,456**

(amounts expressed in thousands)

Tax Allocation Bonds - Successor Agency:		**Principal Outstanding**
On October 16, 2014, the Successor Agency to the Redevelopment Agency of the City of Riverside issued 2014 Subordinate Tax Allocation Refunding Bonds (Series A and B) in the amount of $62,980. The bonds were issued to refund certain obligations of the former Redevelopment Agency of the City of Riverside. Interest is due semi-annually on March 1 and September 1, commencing March 1, 2015. Principal is due in annual installments from $160 to $4,745 through September 1, 2034. The rate of interest varies from 0.6% to 5% per annum.	$	32,980
$114,815 2018 Tax Allocation Refunding Bonds (Series A and B). The bonds were issued to refund the 2007 Riverside Public Financing Authority Redevelopment Agency Tax Allocation Bonds (Series A, B, C and D). Principal is payable in annual installments from $140 to $9,180 through September 1, 2037. The rate of interest varies from 3.125% to 5% per annum. The refunding transaction resulted in a total net present value savings of $20,000.		114,815
Subtotal		**147,795**
Add: Unamortized bond premium		17,547
Total tax allocation bonds	**$**	**165,342**

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

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

Fiscal Year		Principal		Interest		Total
2023	$	4,710	$	6,823	$	11,533
2024		10,280		6,450		16,730
2025		10,690		5,928		16,618
2026		10,795		5,392		16,187
2027		11,135		4,844		15,979
2028-2032		48,915		16,512		65,427
2033-2037		44,435		5,835		50,270
2038-2042		6,835		137		6,972
Premium		17,547		-		17,547
Total	**$**	**165,342**	**$**	**51,921**	**$**	**217,263**

Notes Payable – Successor Agency:		**Principal Outstanding**
These notes payable have been issued to promote development and expansion within the City's redevelopment areas.		
Pepsi Cola Bottling Company of Los Angeles, 10.5%, payable in net annual installments of $341, subject to recording of completion. Interest accrues on the outstanding note balance upon issuance of the Certificate of Completion. Principal and interest on the note are payable solely from Project Property Tax Increment. Payments start upon the time sufficient increment is generated in one year to pay the annual principal and interest on the note. Upon 25 years from the first anniversary date of the certificate of completion, all unpaid principal together with any accrued interest will be forgiven.	$	2,987
Smith's Food & Drug Centers Inc., 6% payable in variable installments, subject to payment of annual Community Facilities District assessment. The note is secured under a developer agreement.		931
Total notes payable	**$**	**3,918**

(amounts expressed in thousands)

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

Fiscal Year	Principal	Interest	Total
2023	$ 34	$ 307	$ 341
2024	38	303	341
2025	42	300	342
2026	47	295	342
2027	51	291	342
2028-2032	349	1,360	1,709
2033-2037	576	1,134	1,710
2038-2042	948	761	1,709
2043-2047	1,833	807	2,640
Total	**$ 3,918**	**$ 5,558**	**$ 9,476**

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

As of June 30, 2022, the City has several series of Assessment District and Community Facility District Bonds outstanding in the amount of $41,595. Bonds were issued for improvements in certain districts and are long-term obligations of the property owners. The City Treasurer acts as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, if applicable. Since the debt does not constitute an obligation of the City, it is not reflected as a long-term obligation of the City and is not reflected in the government-wide financial statements.

18. Interfund Assets, Liabilities and Transfers

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

The following table shows amounts receivable/payable between funds within the City at June 30, 2022:

Receivable Funds	Payable Funds	Amount
General Fund	Non-Major Governmental Funds	$ 831
	Internal Service Funds	39
Total		**$ 870**

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

The following table shows amounts advanced from funds within the City to other funds within the City at June 30, 2022:

Receivable Funds	Payable Funds	Amount
Sewer	General Debt Service Fund	$ 1,442

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

Receivable Funds	Amount
Electric	$ 2,454

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

(amounts expressed in thousands)

The following table shows amounts transferred to/from funds within the City for the year ended June 30, 2022:

Transfers in Funds	Transfers Out Funds	Amount
General Fund	Capital Outlay Fund	$ 48
	General Debt Service Fund	11,292
	Non-Major Governmental Funds	102
	Electric Fund	39,436
	Water Fund	7,708
		58,586
Capital Outlay Fund	General Fund	11,325
	Non-Major Enterprise Funds	326
		11,651
General Debt Service Fund	General Fund	39,681
	Capital Outlay Fund	2,997
	Non-Major Governmental Funds	1,958
		44,636
Non-Major Governmental Funds	General Fund	**2,018**
Non-Major Enterprise Funds	General Fund	11,973
	Non-Major Governmental Funds	1,300
		13,273
Internal Service Fund	General Fund	2,685
	Non-Major Governmental Funds	1
	Sewer	14
	Non-Major Enterprise Funds	10
	Internal Service Funds	4
		2,714
	Total	**$ 132,878**

19. Deficit Net Position

Deficit net position exists in the non-major governmental fund, Housing & Community Development ($1,215). The deficit is primarily due to grant expenditures recognized in the current fiscal year while revenue cannot be recognized until completion of certain grant projects, which will occur beyond the revenue recognition period. Revenue will be recognized in subsequent fiscal year and the fund should no longer be in a deficit.

Deficit net position exists in the non-major enterprise fund, Transportation $(1,146). The deficit is primarily due to the net pension and OPEB liabilities.

Deficit net position exists in the Self-Insurance Internal Service Fund $(34,578). This City adopted a Self-Insurance Reserve Policy that addresses the on-going deficit in fund balance. In the past, the City began funding a portion of the deficit in the internal service fund via self-insurance rate increases phased in over several years. However, the increases continue to be offset by unusually large losses incurred during the year combined with an adjustment for the increase in the amount estimated for claims and judgments. Management believes that there are sufficient funds on hand to cover current payment obligations and plans to continue to control costs and increase rates, as needed.

Deficit net position exists in the Successor Agency Private-Purpose Trust Fund $(134,245). The deficit in the Successor Agency Trust Fund will be reduced over the years as the related debt is paid-off with funds received from the Redevelopment Property Tax Trust Fund (RPTTF), which is administered by the County Auditor-Controller.

20. Contruction Commitments

As of June 30, 2022, the Electric Utility had commitments (encumbrances) of approximately $19,409 with respect to ongoing capital projects, of which $8,380 is expected to be funded by bonds, $7,842 to be funded by unrestricted cash reserves, and $3,187 to be funded by restricted cash reserves.

21. Forward Purchase/Sale Agreements

In order to meet seasonal energy needs and summer peaking requirements, the Electric Utility contracts on a monthly and/or quarterly basis, for the purchase or sale of natural gas, electricity and/or capacity products on a one to four year forward horizon. As of June 30, 2022, the Electric Utility has net natural gas and electricity commitments for fiscal year 2023 and thereafter, of approximately $70,840, with a market value of $77,296.

22. Economic Contingency

A portion of fund balance has been committed within the General Fund and Measure Z fund for future economic contingencies. The amount that has been set aside for the General Fund is $61,000 which equals to approximately 20% of the 2022-2023 General Fund adopted expenditure budget. For the General Fund Measure Z Fund, $5,000 has been set aside.

23. Litigation

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

24. Tax Abatements

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

Incremental Sales Tax Revenue can be generated from sales, over the fiscal 2011-12 base period, reported to the State Board of Equalization at the business site and from third party vendor transactions occurring using the business site as the point of sale. Incremental Property Tax Revenue is generated from the increase in County assessed valuation over the 2012-13 base period values, for the parcels designated in the agreement. For parcels acquired after 2012-13 in the project area, the acquisition price will become its base year valuation. The initial 2012-13 base year assessed valuation is $114,293 and has been adjusted to $125,043 for the parcels acquired in 2014-15. The business is due 100% of the incremental Property tax revenue due to the City from the project area tax rate. It is calculated as 11% of the value determined from taking 1% of the difference of current net assessed valuation over the adjusted base valuation. The cumulative rebate payment as of June 30, 2022 is $1,331.

25. Subsequent Events

Parada II Litigation

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

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

Based on the Court's order in the liability phase of the trial, the City estimated that the amount of a refund would be $19 to $32 million per year, beginning January 1, 2019, until date of settlement or issuance of a final, non-appealable judgment by the trial court after anticipated appeals are resolved. This amount could vary depending upon whether or not the City decides to repeal and replace the challenged rates pending appeal.

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

(amounts expressed in thousands)

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

The election was held on November 2, 2021, and the Measure C was approved by voters, with 54.52 percent voting in favor.

On April 26, 2022 the RAIT lawsuit trial court determined that the November 2021 election was a "special election" rather than a "general election" and therefore did not comply with Proposition 218. The RAIT lawsuit trial court further ruled that it lacked power to enjoin the certification of election results or to otherwise invalidate the election. Both sides have since appealed that ruling.

On May 12, 2022, the City and the Paradas amended the May 17, 2021 Settlement Agreement, with the following additional terms: (a) City agreed to start making refunds to ratepayers by October 1, 2022; (b) if the City prevailed in the appeal of the trial court's decision in the RAIT lawsuit, no additional refund would be due to the ratepayers; (c) if the City did not prevail in the appeal of the trial court's decision in the RAIT lawsuit, an additional refund would be implemented in the amount of $705,882 per month, from November, 2021 up to when the City either (i) sets new electric rates; (ii) voters approve a valid ballot measure for the GFT or (iii) the City otherwise stops collecting the electric GFT. The Parada lawsuit was dismissed on May 13, 2022.

The City Council adopted a resolution certifying the results of the Measure C election on July 19, 2022. The plaintiffs from the RAIT lawsuit sought to intervene in the Parada lawsuit and set aside this dismissal. On August 3, 2022, the Parada trial court refused to set aside the dismissal. The City has now begun to implement the settlement agreement.

26. Special and Extraordinary Items

The Refuse Fund, a non-major enterprise fund, reported a special item of $694 related to a financed purchase liability transferred from governmental activities for the purchase of vehicles.

The Electric Fund reported an extraordinary item of $5,748 in the Statement of Revenues, Expenses and Changes in Net Position as of June 30, 2022. In fiscal year 21/22, SCE provided the 2020 Decommissioning Cost Estimate report, which projected a material increase in costs for the Electric Utility over the life of the SONGS decommissioning project. As a result, it was determined that the decommissioning liability be increased. For additional information related to SONGS, see Note 1 and 13.

27. Prior Period Adjustments

Effective July 1, 2021, the City adopted GASB's No. 87 - Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The standard requires that it is applied retroactively unless it is impractical to do so. Due to the sheer number of leases, the City considered it impractical to do so. As a result, there was no impact to the City's beginning net position upon adoption of the new accounting standard.

A prior period adjustment of $643 was made to the Sewer Enterprise Fund for previously expensed items which should have been included on the balance sheet as inventory.

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

Sewer Fund	
Net position at July 1, 2021, as previously stated	$ 234,398
Inventory adjustment	643
Net position at July 1, 2021 as restated	**$ 235,041**

A prior period adjustment of $38,965 was made to the Custodial Fund for the removal of the long-term debt based upon additional guidance and clarification received subsequent to the first year implementation of GASB Statement No. 84, Fiduciary Activities.

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

Custodial Fund	
Net position at July 1, 2021, as previously stated	$ (29,922)
Long-term debt adjustment	38,965
Net position at July 1, 2021 as restated	**$ 9,043**

CITY OF
RIVERSIDE

Required Supplementary Information

Consists of the following:

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

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

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service cost	$ 23,320	$ 22,228	$ 22,189	$ 24,766	$ 25,117	$ 25,017	$ 25,919	$ 26,168
Interest on total pension liability	84,965	87,436	90,913	92,725	92,595	96,836	101,080	105,017
Differences between expected and actual experience	-	(21,782)	-	79,037	(37,885)	6,927	6,220	873
Changes in assumptions	-	(23,548)	(8,417)	(26,068)	(19,805)	-	-	-
Benefit payments, including refunds of employee contributions	(50,770)	(53,853)	(57,702)	(60,108)	(63,483)	(67,073)	(71,266)	(74,608)
Net change in total pension liability	**57,515**	**10,481**	**46,983**	**110,352**	**(3,461)**	**61,707**	**61,953**	**57,450**
Total pension liability - beginning	**1,146,583**	**1,204,098**	**1,214,579**	**1,261,562**	**1,371,914**	**1,368,453**	**1,430,160**	**1,492,113**
Total pension liability - ending (a)	**$ 1,204,098**	**$ 1,214,579**	**$ 1,261,562**	**$ 1,371,914**	**$ 1,368,453**	**$ 1,430,160**	**$ 1,492,113**	**$ 1,549,563**
Plan Fiduciary Net Position								
Net Plan to Plan Resource Movement	-	-	-	-	-	-	-	(1)
Contributions - employer	$ 27,583	$ 25,996	$ 29,426	$ 30,477	$ 29,920	$ 34,627	$ 239,156	$ 26,274
Contributions - employees	2,294	4,380	5,187	6,115	9,749	10,286	10,957	10,358
Net investment income	145,843	21,671	4,958	104,771	86,307	71,046	56,837	305,548
Benefit payments, including refunds of employee contributions	(50,770)	(53,853)	(57,702)	(60,108)	(63,483)	(67,073)	(71,266)	(74,608)
Administrative and other income/(expenses)	-	(1,056)	(594)	(1,290)	(4,664)	(776)	(1,604)	(1,371)
Net change in fiduciary net position	**124,950**	**(2,862)**	**(18,725)**	**79,965**	**57,829**	**48,110**	**234,080**	**266,200**
Plan fiduciary net position - beginning	**848,699**	**973,649**	**970,787**	**952,062**	**1,032,027**	**1,089,856**	**1,137,966**	**1,372,046**
Plan fiduciary net position - ending (b)	**$ 973,649**	**$ 970,787**	**$ 952,062**	**$ 1,032,027**	**$ 1,089,856**	**$ 1,137,966**	**$ 1,372,046**	**$ 1,638,246**
Plan net pension liability/(assets) - ending (a) - (b)	**$ 230,449**	**$ 243,792**	**$ 309,500**	**$ 339,887**	**$ 278,597**	**$ 292,194**	**$ 120,067**	**$ (88,683)**
Plan fiduciary net position as a percentage of the total pension liability	**80.86 %**	**79.93 %**	**75.47 %**	**75.23 %**	**79.64 %**	**79.57 %**	**91.95 %**	**105.72 %**
Covered payroll	**$ 109,990**	**$ 110,891**	**$ 118,512**	**$ 117,637**	**$ 121,957**	**$ 128,881**	**$ 131,492**	**$ 131,216**
Plan net pension liability/(asset) as a percentage of covered payroll	**209.52 %**	**219.85 %**	**261.15 %**	**288.93 %**	**228.44 %**	**226.72 %**	**91.31 %**	**(67.59)%**

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

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There was no changes in benefits.

Changes of Assumptions:

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

In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service cost	$ 18,818	$ 18,187	$ 18,144	$ 21,373	$ 20,390	$ 21,454	$ 22,391	$ 23,160
Interest on total pension liability	62,249	64,815	67,513	70,337	73,104	76,922	80,940	84,654
Differences between expected and actual experience	-	(16,117)	-	59,768	(4,644)	10,897	11,896	6,361
Changes in assumptions	-	(6,835)	(4,373)	(18)	868	-	-	-
Benefit payments, including refunds of employee contributions	(38,981)	(42,076)	(44,609)	(47,009)	(50,477)	(52,564)	(56,537)	(59,739)
Net change in total pension liability	**42,086**	**17,974**	**36,675**	**104,451**	**39,241**	**56,709**	**58,690**	**54,436**
Total pension liability - beginning	**840,067**	**882,153**	**900,127**	**936,802**	**1,041,253**	**1,080,494**	**1,137,203**	**1,195,893**
Total pension liability - ending (a)	**$ 882,153**	**$ 900,127**	**$ 936,802**	**$ 1,041,253**	**$ 1,080,494**	**$ 1,137,203**	**$ 1,195,893**	**$ 1,250,329**
Plan Fiduciary Net Position								
Net Plan to Plan Resource Movement	-	-	-	-	-	-	-	1
Contributions - employer	$ 23,156	$ 23,384	$ 26,483	$ 26,775	$ 25,451	$ 29,254	$ 263,061	$ 22,931
Contributions - employees	365	924	1,837	2,449	6,402	7,679	9,454	10,492
Net investment income	107,032	15,632	3,478	76,844	62,933	51,750	41,765	242,945
Benefit payments, including refunds of employee contributions	(38,981)	(42,076)	(44,609)	(47,009)	(50,478)	(52,564)	(56,537)	(59,739)
Administrative and other income/(expenses)	-	(816)	(428)	(1,145)	(3,403)	(567)	(1,170)	(1,085)
Net change in fiduciary net position	**91,572**	**(2,952)**	**(13,239)**	**57,914**	**40,905**	**35,552**	**256,573**	**215,545**
Plan fiduciary net position - beginning	**620,069**	**711,641**	**708,689**	**695,450**	**753,364**	**794,269**	**829,821**	**1,086,394**
Plan fiduciary net position - ending (b)	**$ 711,641**	**$ 708,689**	**$ 695,450**	**$ 753,364**	**$ 794,269**	**$ 829,821**	**$ 1,086,394**	**$ 1,301,939**
Plan net pension liability/(assets) - ending (a) - (b)	**$ 170,512**	**$ 191,438**	**$ 241,352**	**$ 287,889**	**$ 286,225**	**$ 307,382**	**$ 109,499**	**$ (51,610)**
Plan fiduciary net position as a percentage of the total pension liability	**80.67 %**	**78.73 %**	**74.24 %**	**72.35 %**	**73.51 %**	**72.97 %**	**90.84 %**	**104.13 %**
Covered payroll	**$ 63,734**	**$ 63,612**	**$ 68,707**	**$ 66,226**	**$ 68,251**	**$ 73,237**	**$ 76,955**	**$ 78,813**
Plan net pension liability/(asset) as a percentage of covered payroll	**267.54 %**	**300.95 %**	**351.28 %**	**434.71 %**	**419.37 %**	**419.71 %**	**142.29 %**	**(65.48)%**

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

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There was no changes in benefits.

Changes of Assumptions:

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

In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Miscellaneous Plan									
Actuarially determined contribution	$ 20,505	$ 21,063	$ 24,885	$ 26,955	$ 29,948	$ 34,486	$ 38,889	$ 26,274	$ 27,330
Contribution in relation to the actuarially determined contribution	(27,584)	(25,997)	(29,426)	(30,477)	(29,948)	(34,486)	(239,220)	(26,274)	(27,330)
Contribution deficiency/(excess)	**$ (7,079)**	**$ (4,934)**	**$ (4,541)**	**$ (3,522)**	**$ -**	**$ -**	**$ (200,331)**	**$ -**	**$ -**
Covered payroll	$ 109,990	$ 110,891	$ 118,512	$ 117,637	$ 121,957	$ 128,881	$ 131,492	$ 131,216	$ 130,060
Contributions as a percentage of covered payroll	25.08 %	23.44 %	24.83 %	25.91 %	24.56 %	26.76 %	181.93 %	20.02 %	21.01 %
Safety Plan									
Actuarially determined contribution	$ 17,341	$ 18,452	$ 21,886	$ 23,076	$ 25,289	$ 29,047	$ 32,785	$ 22,925	$ 24,773
Contribution in relation to the actuarially determined contribution	(23,156)	(23,384)	(26,483)	(26,775)	(25,289)	(29,047)	(263,016)	(22,925)	(24,773)
Contribution deficiency/(excess)	**$ (5,815)**	**$ (4,932)**	**$ (4,597)**	**$ (3,699)**	**$ -**	**$ -**	**$ (230,231)**	**$ -**	**$ -**
Covered payroll	$ 63,734	$ 63,612	$ 68,707	$ 66,226	$ 68,251	$ 73,237	$ 76,955	$ 78,813	$ 77,338
Contributions as a percentage of covered payroll	36.33 %	36.76 %	38.54 %	40.43 %	37.05 %	39.66 %	341.78 %	29.09 %	32.03 %

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

Notes to Schedule:

Actuarial valuation date: June 30, 2019
Actuarial cost method: Entry Age Normal

Amortization of unfunded actuarial accrued liability:

	Source				
	(Gain)/Loss				
Driver	**Investment**	**Non-Investment**	**Assumption/ Method Change**	**Benefit Change**	**Golden Handshake**
Amortization period	30 Years	30 Years	20 Years	20 Years	5 Years
Escalation rate					
- Active plans	2.75%	2.75%	2.75%	2.75%	2.75%
- Inactive plans	0%	0%	0%	0%	0%
Ramp up	5	5	5	0	0
Ramp down	5	5	5	0	0

Asset valuation method: Fair value of assets
Discount rate: 7.0%
Overall payroll growth: 2.75%
Inflation: 2.5%
Retirement age: 2019 CalPERS experience study
Mortality: 2019 CalPERS Experience Study, with ongoing improvement using 90 percent of Scale MP-2016

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

Reporting period June 30,	**2018**	**2019**	**2020**	**2021**	**2022**
Measurement period June 30,	**2017**	**2018**	**2019**	**2020**	**2021**
Total OPEB liability					
Service cost	$ 2,554	$ 2,403	$ 2,435	$ 2,569	$ 2,646
Interest on the total OPEB liability	1,090	1,301	1,392	1,810	1,394
Differences between expected and actual experience	-	-	292	(2,300)	(2,267)
Changes in assumptions	(1,668)	(306)	9,550	2,225	(3,086)
Benefit payments	(1,732)	(1,846)	(2,003)	(2,032)	(2,193)
Net change in total OPEB liability	**244**	**1,552**	**11,666**	**2,272**	**(3,506)**
Total OPEB liability - beginning	**36,542**	**36,786**	**38,338**	**50,004**	**52,276**
Total OPEB liability - ending	**$ 36,786**	**$ 38,338**	**$ 50,004**	**$ 52,276**	**$ 48,770**
Covered payroll	$ 170,858	$ 170,858	$ 185,967	$ 191,546	$ 197,292
Total OPEB liability as a percentage of covered-employee payroll	21.53 %	22.44 %	26.89 %	27.29 %	24.72 %

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

Notes to Schedule:

Changes in assumptions: For the measurement period ending June 30, 2021, the discount rate was changed from 2.66 percent to 2.16 percent.

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

CITY OF
RIVERSIDE

Non-Major Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Capital Projects Funds

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

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

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

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

Permanent Fund

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

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

CITY OF RIVERSIDE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	Special Revenue Funds								
	Urban Areas Security Initiative	Grants and Restricted Programs	Gas Tax	Air Quality Improvements	Housing & Community Development	NPDES Strom Drain	Special Districts	Housing	Total
Assets:									
Cash and investments	$ -	$ 78,996	$ 29,695	$ 1,681	$ 4,948	$ 41	$ 676	$ 10,113	$ 126,150
Cash and investments with fiscal agent	-	-	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible									
Interest	-	103	62	3	13	-	1	21	203
Property taxes	-	-	-	-	-	-	98	-	98
Accounts	-	91	-	-	17	-	-	13	121
Intergovernmental	2,129	5,063	1,327	104	5,777	566	-	-	14,966
Notes	-	-	-	-	14,119	-	-	31,457	45,576
Prepaid items	-	101	-	-	129	-	-	-	230
Land and improvements held for resale	-	-	-	-	443	-	-	2,392	2,835
Total assets	**$ 2,129**	**$ 84,354**	**$ 31,084**	**$ 1,788**	**$ 25,446**	**$ 607**	**$ 775**	**$ 43,996**	**$ 190,179**
Liabilities, Deferred Inflows of Resources, and Fund Balances:									
Liabilities:									
Accounts payable	$ 1,298	$ 5,263	$ 385	$ -	$ 1,689	$ -	$ 33	$ 228	$ 8,896
Accrued payroll	-	6	-	-	9	6	-	18	39
Retainage payable	-	10	939	-	70	-	-	1	1,020
Intergovernmental	-	-	-	-	-	-	1	-	1
Unearned revenue	-	75,583	-	-	8,331	-	-	-	83,914
Due to other funds	831	-	-	-	-	-	-	-	831
Total liabilities	**2,129**	**80,862**	**1,324**	**-**	**10,099**	**6**	**34**	**247**	**94,701**
Deferred Inflows of Resources:									
Unavailable revenue	-	1,813	-	-	16,562	-	-	31,457	49,832
Total deferred inflows of resources	**-**	**1,813**	**-**	**-**	**16,562**	**-**	**-**	**31,457**	**49,832**
Fund Balances:									
Nonspendable:									
Permanent fund principal	-	-	-	-	-	-	-	-	-
Restricted:									
Housing and redevelopment	-	-	-	-	-	-	-	12,292	12,292
Transportation and public works	-	1,679	29,760	1,788	-	601	741	-	34,569
Other purposes	-	-	-	-	-	-	-	-	-
Unassigned:	-	-	-	-	(1,215)	-	-	-	(1,215)
Total fund balances	**-**	**1,679**	**29,760**	**1,788**	**(1,215)**	**601**	**741**	**12,292**	**45,646**
Total liabilities, deferred inflows of resources, and fund balances	**$ 2,129**	**$ 84,354**	**$ 31,084**	**$ 1,788**	**$ 25,446**	**$ 607**	**$ 775**	**$ 43,996**	**$ 190,179**

CITY OF RIVERSIDE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	Capital Projects Funds				Permanent Fund	
	Special Capital Improvement	Storm Drain	Transportation	Total	Library Special	Total Non-Major Governmental Funds
Assets:						
Cash and investments	$ 6,319	$ 2,528	$ -	$ 8,847	$ 1,495	$ 136,492
Cash and investments with fiscal agent	665	-	-	665	-	665
Receivables, net of allowance for uncollectible						
Interest	13	7	-	20	-	223
Property taxes	-	-	-	-	-	98
Accounts	-	-	-	-	-	121
Intergovernmental	-	-	-	-	-	14,966
Notes	-	-	-	-	-	45,576
Prepaid items	-	-	-	-	-	230
Land and improvements held for resale	-	-	-	-	-	2,835
Total assets	**$ 6,997**	**$ 2,535**	**$ -**	**$ 9,532**	**$ 1,495**	**$ 201,206**
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	$ 31	$ 650	$ -	$ 681	$ -	$ 9,577
Accrued payroll	-	-	-	-	-	39
Retainage payable	5	-	-	5	-	1,025
Intergovernmental	-	-	-	-	-	1
Unearned revenue	-	1,495	-	1,495	-	85,409
Due to other funds	-	-	-	-	-	831
Total liabilities	**36**	**2,145**	**-**	**2,181**	**-**	**96,882**
Deferred Inflows of Resources:						
Unavailable revenue	-	-	-	-	-	49,832
Total deferred inflows of resources	**-**	**-**	**-**	**-**	**-**	**49,832**
Fund Balances:						
Nonspendable:						
Permanent fund principal	-	-	-	-	1,495	1,495
Restricted:						
Housing and redevelopment	-	-	-	-	-	12,292
Transportation and public works	-	-	-	-	-	34,569
Other purposes	6,961	390	-	7,351	-	7,351
Unassigned:	-	-	-	-	-	(1,215)
Total fund balances	**6,961**	**390**	**-**	**7,351**	**1,495**	**54,492**
Total liabilities, deferred inflows of resources, and fund balances	**$ 6,997**	**$ 2,535**	**$ -**	**$ 9,532**	**$ 1,495**	**$ 201,206**

CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Special Revenue Funds								
	Urban Areas Security Initiative	Grants and Restricted Programs	Gas Tax	Air Quality Improvements	Housing & Community Development	NPDES Strom Drain	Special Districts	Housing	Total
Revenues:									
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	2,572	16,490	14,120	419	27,678	-	-	-	61,279
Charges for services	-	1,580	-	47	-	-	-	-	1,627
Special assessments	-	-	-	-	-	980	4,120	-	5,100
Rental and investment income	-	442	(753)	(40)	(34)	(1)	1	(6)	(391)
Miscellaneous	-	789	-	10	232	-	-	539	1,570
Total revenues	**2,572**	**19,301**	**13,367**	**436**	**27,876**	**979**	**4,121**	**533**	**69,185**
Expenditures:									
Current:									
General government	-	9,871	-	93	2,487	-	-	3,631	16,082
Public safety	2,572	5,391	-	-	-	-	4,636	-	12,599
Highways and streets	-	280	-	-	-	-	590	-	870
Culture and recreation	-	1,993	-	-	-	-	39	-	2,032
Capital outlay	-	222	8,479	-	29,660	982	-	-	39,343
Debt service:									
Principal	-	-	-	-	19	-	-	43	62
Interest and fiscal charges	-	-	-	-	14	-	-	30	44
Total expenditures	**2,572**	**17,757**	**8,479**	**93**	**32,180**	**982**	**5,265**	**3,704**	**71,032**
Excess/(deficiency) of revenues over/(under) expenditures	-	1,544	4,888	343	(4,304)	(3)	(1,144)	(3,171)	(1,847)
Other Financing Sources/(Uses):									
Transfers in	-	608	-	-	-	-	1,410	-	2,018
Transfers out	-	(1,610)	-	-	-	-	-	(1)	(1,611)
Proceeds from sale of capital assets	-	6	-	-	-	-	-	-	6
Proceeds from financing related to leases	-	-	-	-	-	1	-	-	1
Total other financing sources/(uses)	**-**	**(996)**	**-**	**-**	**-**	**1**	**1,410**	**(1)**	**414**
Net change in fund balances	-	548	4,888	343	(4,304)	(2)	266	(3,172)	(1,433)
Fund Balances:									
Beginning of year	-	1,131	24,872	1,445	3,089	603	475	15,464	47,079
End of year	**$ -**	**$ 1,679**	**$ 29,760**	**$ 1,788**	**$ (1,215)**	**$ 601**	**$ 741**	**$ 12,292**	**$ 45,646**

CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Capital Projects Funds				Permanent Fund	
	Special Capital Improvement	Storm Drain	Transportation	Total	Library Special	Total Non-Major Governmental Funds
Revenues:						
Licenses and permits	$ 3,393	$ 153	$ -	$ 3,546	$ -	$ 3,546
Intergovernmental	-	8,428	-	8,428	-	69,707
Charges for services	-	-	-	-	-	1,627
Special assessments	-	-	-	-	-	5,100
Rental and investment income	(164)	(137)	-	(301)	12	(680)
Miscellaneous	-	2	-	2	157	1,729
Total revenues	**3,229**	**8,446**	**-**	**11,675**	**169**	**81,029**
Expenditures:						
Current:						
General government	50	-	-	50	-	16,132
Public safety	-	-	-	-	-	12,599
Highways and streets	-	-	-	-	-	870
Culture and recreation	-	-	-	-	151	2,183
Capital outlay	194	8,605	-	8,799	-	48,142
Debt service:						
Principal	-	-	-	-	-	62
Interest and fiscal charges	-	-	-	-	-	44
Total expenditures	**244**	**8,605**	**-**	**8,849**	**151**	**80,032**
Excess/(deficiency) of revenues over/(under) expenditures	2,985	(159)	-	2,826	18	997
Other Financing Sources/(Uses):						
Transfers in	-	-	-	-	-	2,018
Transfers out	(1,750)	-	-	(1,750)	-	(3,361)
Proceeds from sale of capital assets	-	-	-	-	-	6
Proceeds from financing related to leases	-	-	-	-	-	1
Total other financing sources/(uses)	**(1,750)**	**-**	**-**	**(1,750)**	**-**	**(1,336)**
Net change in fund balances	1,235	(159)	-	1,076	18	(339)
Fund Balances:						
Beginning of year	5,726	549	-	6,275	1,477	54,831
End of year	**$ 6,961**	**$ 390**	**$ -**	**$ 7,351**	**$ 1,495**	**$ 54,492**

CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Urban Areas Security Initiative			Grants and Restricted Programs			Gas Tax		
	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues:									
Intergovernmental	$ 11,089	$ 2,572	$ (8,517)	$ 94,511	$ 16,490	$ (78,021)	$ 14,567	$ 14,120	$ (447)
Charges for services	-	-	-	1,598	1,580	(18)	-	-	-
Rental and investment income	-	-	-	-	442	442	150	(753)	(903)
Miscellaneous	-	-	-	897	789	(108)	-	-	-
Total revenues	**11,089**	**2,572**	**(8,517)**	**97,006**	**19,301**	**(77,705)**	**14,717**	**13,367**	**(1,350)**
Expenditures:									
Current:									
General government	-	-	-	46,680	9,871	36,809	-	-	-
Public safety	11,089	2,572	8,517	11,887	5,391	6,496	-	-	-
Highways and streets	-	-	-	1,410	280	1,130	-	-	-
Culture and recreation	-	-	-	26,115	1,993	24,122	-	-	-
Capital outlay	-	-	-	8,027	222	7,805	36,861	8,479	28,382
Total expenditures	**11,089**	**2,572**	**8,517**	**94,119**	**17,757**	**76,362**	**36,861**	**8,479**	**28,382**
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	2,887	1,544	(1,343)	(22,144)	4,888	27,032
Other Financing Sources/(Uses):									
Transfers in	-	-	-	1,036	608	(428)	-	-	-
Transfers out	-	-	-	(2,569)	(1,610)	959	-	-	-
Proceeds from sale of capital assets	-	-	-	-	6	6	-	-	-
Total other financing sources/(uses)	**-**	**-**	**-**	**(1,533)**	**(996)**	**537**	**-**	**-**	**-**
Net change in fund balance	-	-	-	1,354	548	(806)	(22,144)	4,888	27,032
Fund Balances:									
Beginning of year	-	-	-	1,131	1,131	-	24,872	24,872	-
End of year	**$ -**	**$ -**	**$ -**	**$ 2,485**	**$ 1,679**	**$ (806)**	**$ 2,728**	**$ 29,760**	**$ 27,032**

CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Air Quality Improvements			Housing & Community Development			NPDES Strom Drain		
	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues:									
Intergovernmental	$ 420	$ 419	$ (1)	$ 58,362	$ 27,678	$ (30,684)	$ -	$ -	$ -
Charges for services	130	47	(83)	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	1,716	980	(736)
Rental and investment income	-	(40)	(40)	54	(34)	(88)	-	(1)	(1)
Miscellaneous	-	10	10	1,268	232	(1,036)	-	-	-
Total revenues:	**550**	**436**	**(114)**	**59,684**	**27,876**	**(31,808)**	**1,716**	**979**	**(737)**
Expenditures:									
Current:									
General government	635	93	542	4,375	2,487	1,888	-	-	-
Capital outlay	242	-	242	71,777	29,660	42,117	1,925	982	943
Debt service:									
Principal	-	-	-	19	19	-	-	-	-
Interest and fiscal charges	-	-	-	14	14	-	-	-	-
Total expenditures	**877**	**93**	**784**	**76,185**	**32,180**	**44,005**	**1,925**	**982**	**943**
Excess/(deficiency) of revenues over/(under) expenditures	(327)	343	670	(16,501)	(4,304)	12,197	(209)	(3)	206
Other Financing Sources/(Uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Proceeds from financing related to leases	-	-	-	-	-	-	-	1	1
Total other financing sources/(uses)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1**	**1**
Net change in fund balances	(327)	343	670	(16,501)	(4,304)	12,197	(209)	(2)	207
Fund Balances:									
Beginning of year	1,445	1,445	-	3,089	3,089	-	603	603	-
End of year	**$ 1,118**	**$ 1,788**	**$ 670**	**$ (13,412)**	**$ (1,215)**	**$ 12,197**	**$ 394**	**$ 601**	**$ 207**

CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Special Districts			Housing		
	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues						
Special assessments	$ 4,079	$ 4,120	$ 41	$ -	$ -	$ -
Rental and investment income	-	1	1	-	(6)	(6)
Miscellaneous	-	-	-	-	539	539
Total revenues	**4,079**	**4,121**	**42**	**-**	**533**	**533**
Expenditures:						
Current:						
General government	-	-	-	4,887	3,631	1,256
Public safety	4,712	4,636	76	-	-	-
Highways and streets	764	590	174	-	-	-
Culture and recreation	314	39	275	-	-	-
Debt service:						
Principal	-	-	-	43	43	-
Interest and fiscal charges	-	-	-	30	30	-
Total expenditures	**5,790**	**5,265**	**525**	**4,960**	**3,704**	**1,256**
Excess/(deficiency) of revenues over/(under) expenditures	(1,711)	(1,144)	567	(4,960)	(3,171)	1,789
Other Financing Sources/(Uses):						
Transfers in	1,415	1,410	(5)	-	-	-
Transfers out	-	-	-	(1)	(1)	-
Total other financing sources/(uses)	**1,415**	**1,410**	**(5)**	**(1)**	**(1)**	**-**
Net change in fund balances	(296)	266	562	(4,961)	(3,172)	1,789
Fund Balances:						
Beginning of year	475	475	-	15,464	15,464	-
End of year	**$ 179**	**$ 741**	**$ 562**	**$ 10,503**	**$ 12,292**	**$ 1,789**

CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Capital Outlay Fund			Special Capital Improvement			Storm Drain		
	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues:									
Licenses and permits	$ -	$ -	$ -	$ 2,560	$ 3,393	$ 833	$ 195	$ 153	$ (42)
Intergovernmental	52,369	13,830	(38,539)	-	-	-	29,243	8,428	(20,815)
Special assessments	787	538	(249)	-	-	-	-	-	-
Rental and investment income	180	(1,437)	(1,617)	20	(164)	(184)	13	(137)	(150)
Miscellaneous	369	742	373	-	-	-	-	2	2
Total revenues	**53,705**	**13,673**	**(40,032)**	**2,580**	**3,229**	**649**	**29,451**	**8,446**	**(21,005)**
Expenditures:									
Current:									
General government	-	-	-	50	50	-	-	-	-
Capital outlay	105,622	20,130	85,492	1,365	194	1,171	29,892	8,605	21,287
Debt service:									
Interest and fiscal charges	2	4	(2)	-	-	-	-	-	-
Total expenditures	**105,624**	**20,134**	**85,490**	**1,415**	**244**	**1,171**	**29,892**	**8,605**	**21,287**
Excess/(deficiency) of revenues over/(under) expenditures	(51,919)	(6,461)	45,458	1,165	2,985	1,820	(441)	(159)	282
Other Financing Sources/(Uses):									
Transfers in	11,325	11,651	326	-	-	-	-	-	-
Transfers out	(3,045)	(3,045)	-	(1,750)	(1,750)	-	-	-	-
Total other financing sources/(uses)	**8,280**	**8,606**	**326**	**(1,750)**	**(1,750)**	**-**	**-**	**-**	**-**
Net change in fund balance	(43,639)	2,145	45,784	(585)	1,235	1,820	(441)	(159)	282
Fund Balances:									
Beginning of year	50,359	50,359	-	5,726	5,726	-	549	549	-
End of year	**$ 6,720**	**$ 52,504**	**$ 45,784**	**$ 5,141**	**$ 6,961**	**$ 1,820**	**$ 108**	**$ 390**	**$ 282**

CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Transportation		
	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues:			
Intergovernmental	$ 268	$ -	$ (268)
Total revenues	**268**	**-**	**(268)**
Expenditures:			
Capital outlay	268	-	268
Total expenditures	**268**	**-**	**268**
Other Financing Sources/(Uses):			
Transfers in	-	-	-
Fund Balances:			
Beginning of year	-	-	-
End of year	**$ -**	**$ -**	**$ -**

Non-Major Enterprise Funds

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

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

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

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

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

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

CITY OF RIVERSIDE
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Total Non-Major Enterprise Funds
Assets:						
Current assets:						
Cash and investments	$ 1,610	$ 3,097	$ 3,279	$ 1,994	$ 2,180	$ 12,160
Receivables, net of allowance for uncollectible						
Interest	7	13	7	5	6	38
Utility billed	-	3,458	-	-	-	3,458
Utility unbilled	-	1,053	-	-	-	1,053
Accounts	171	292	1	466	1,886	2,816
Property taxes	20	-	-	-	-	20
Intergovernmental	1	-	1,533	26	3,135	4,695
Lease receivable	371	-	-	569	-	940
Inventory	-	-	-	-	79	79
Prepaid items	-	3	-	-	35	38
Deposits	-	-	-	-	306	306
Restricted assets:						
Cash and cash equivalents	-	2,500	-	-	-	2,500
Total current assets	**2,180**	**10,416**	**4,820**	**3,060**	**7,627**	**28,103**
Noncurrent assets:						
Lease receivable	2,460	-	-	2,340	-	4,800
Regulatory assets	-	9,588	-	-	-	9,588
Derivative instruments	-	-	-	-	269	269
Net pension asset	302	2,089	1,192	534	-	4,117
Capital assets, net of accumulated depreciation	21,018	3,604	2,207	28,226	90,984	146,039
Right to use assets, net of amortization	6	3	6	240	-	255
Total noncurrent assets	**23,786**	**15,284**	**3,405**	**31,340**	**91,253**	**165,068**
Total assets	**25,966**	**25,700**	**8,225**	**34,400**	**98,880**	**193,171**
Deferred Outflows of Resources:						
Changes in derivative values	-	-	-	-	1,983	1,983
Deferred charge on refunding	-	-	-	-	646	646
Pension related items	105	731	417	187	-	1,440
OPEB related items	26	218	145	29	-	418
Total deferred outflows of resources	**131**	**949**	**562**	**216**	**2,629**	**4,487**

(Continued)

CITY OF RIVERSIDE
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Total Non-Major Enterprise Funds
Liabilities:						
Current liabilities:						
Accounts payable	69	2,458	7	663	1,006	4,203
Accrued payroll	12	85	35	22	-	154
Retainage payable	19	-	-	-	478	497
Unearned revenue	45	-	4,619	-	1,488	6,152
Deposits	-	-	-	-	648	648
Accrued interest	-	-	-	49	-	49
Total current liabilities	**145**	**2,543**	**4,661**	**734**	**3,620**	**11,703**
Noncurrent liabilities:						
Due within one year:						
Long-term obligations	52	394	148	1,180	4,020	5,794
Compensated absences	65	294	117	25	-	501
Landfill capping	-	559	-	-	-	559
Lease liability	1	1	2	75	-	79
Due in more than one year:						
Long-term obligations	684	4,630	2,144	13,858	57,922	79,238
Compensated absences	13	61	25	5	-	104
Landfill capping	-	9,261	-	-	-	9,261
Regulatory liability	-	-	-	-	34	34
Derivative instruments	-	-	-	-	2,726	2,726
OPEB liability	161	1,414	728	302	-	2,605
Lease liability	4	3	5	167	-	179
Total noncurrent liabilities	**980**	**16,617**	**3,169**	**15,612**	**64,702**	**101,080**
Total liabilities	**1,125**	**19,160**	**7,830**	**16,346**	**68,322**	**112,783**
Deferred Inflows of Resources:						
Change in derivative values	-	-	-	-	252	252
Pension related items	507	3,514	2,004	897	-	6,922
OPEB related items	19	167	99	32	-	317
Lease related items	2,866	-	-	2,947	-	5,813
Total deferred inflows of resources	**3,392**	**3,681**	**2,103**	**3,876**	**252**	**13,304**
Net Position:						
Net investment in capital assets	21,018	3,011	2,207	14,322	29,688	70,246
Landfill capping	-	2,500	-	-	-	2,500
Unrestricted/(deficit)	562	(1,703)	(3,353)	72	3,247	(1,175)
Total net position	**$ 21,580**	**$ 3,808**	**$ (1,146)**	**$ 14,394**	**$ 32,935**	**$ 71,571**

CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Total Non-Major Enterprise Funds
Operating Revenues:						
Charges for services	$ 1,728	$ 29,768	$ 168	$ 4,888	$ 11,883	$ 48,435
Total operating revenues	**1,728**	**29,768**	**168**	**4,888**	**11,883**	**48,435**
Operating Expenses:						
Personnel services	529	3,897	1,816	63	-	6,305
Contractual services	175	6,842	51	1,845	6,646	15,559
Maintenance and operation	193	9,604	433	581	70	10,881
General	252	4,740	696	414	10,193	16,295
Materials and supplies	12	1,623	145	5	-	1,785
Claims/Insurance	41	182	93	95	239	650
Depreciation	717	837	448	855	2,525	5,382
Amortization	1	565	2	74	-	642
Total operating expenses	**1,920**	**28,290**	**3,684**	**3,932**	**19,673**	**57,499**
Operating income/(loss)	(192)	1,478	(3,516)	956	(7,790)	(9,064)
Nonoperating Revenues/(Expenses):						
Grant subsidies	7	-	2,379	-	3,480	5,866
Interest revenue	4	(160)	(68)	(2)	(47)	(273)
Interest expense and fiscal charges	(24)	(159)	(74)	(634)	(2,131)	(3,022)
Other	23	1	-	(77)	127	74
Total nonoperating revenues/(expenses):	**10**	**(318)**	**2,237**	**(713)**	**1,429**	**2,645**
Income/(loss) before contributions and transfers	(182)	1,160	(1,279)	243	(6,361)	(6,419)
Capital contributions	52	-	293	-	6,694	7,039
Special item	-	(694)	-	-	-	(694)
Transfers in	-	694	-	1,300	11,279	13,273
Transfers out	(1)	(331)	(3)	(1)	-	(336)
Change in net position	(131)	829	(989)	1,542	11,612	12,863
Net Position						
Beginning of year, as previously stated	21,711	2,979	(157)	12,852	21,323	58,708
End of year	**$ 21,580**	**$ 3,808**	**$ (1,146)**	**$ 14,394**	**$ 32,935**	**$ 71,571**

CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Total Non-Major Enterprise Funds
Cash Flows from Operating Activities:						
Cash received from customers and users	$ 1,818	$ 28,568	$ 3,293	$ 5,083	$ 12,073	$ 50,835
Cash paid to suppliers for goods or services	(716)	(22,859)	(1,516)	(2,715)	(16,765)	(44,571)
Cash paid to employees for services	(668)	(4,730)	(2,232)	(286)	-	(7,916)
Net cash provided/(used) by operating activities	**434**	**979**	**(455)**	**2,082**	**(4,692)**	**(1,652)**
Cash Flows from Non-Capital Financing Activities:						
Transfers in	-	694	-	1,300	11,279	13,273
Transfers out	(1)	(1,025)	(3)	(1)	-	(1,030)
Payment made to other funds	-	-	-	-	(3,002)	(3,002)
Payment on pension obligation bonds	(43)	(231)	(117)	(61)	-	(452)
Other receipts/(payments) from non-operating revenue	58	1	-	(40)	127	146
Grant subsidies	7	-	2,379	-	3,480	5,866
Net cash provided/(used) by non-capital financing activities	**21**	**(561)**	**2,259**	**1,198**	**11,884**	**14,801**
Cash Flows from Capital and Related Financing Activities:						
Purchase of capital assets	(229)	(53)	(73)	(881)	(6,694)	(7,930)
Principal paid on long-term obligations	-	(101)	-	(410)	(1,216)	(1,727)
Interest paid on long-term obligations	(24)	(159)	(74)	(1,287)	(4,950)	(6,494)
Contributions	52	694	293	-	6,694	7,733
Lease payments	(1)	(1)	(2)	(76)	-	(80)
Net cash provided/(used) by capital and related financing activities	**(202)**	**380**	**144**	**(2,654)**	**(6,166)**	**(8,498)**
Cash Flows from Investing Activities:						
Interest from investments	(2)	(165)	(74)	(4)	(53)	(298)
Net cash provided/(used) by investing activities	**(2)**	**(165)**	**(74)**	**(4)**	**(53)**	**(298)**
Net increase/(decrease) in cash and cash equivalents	**251**	**633**	**1,874**	**622**	**973**	**4,353**
Cash and cash equivalents at beginning of year	**1,359**	**4,964**	**1,405**	**1,372**	**1,207**	**10,307**
Cash and cash equivalents at end of year	**$ 1,610**	**$ 5,597**	**$ 3,279**	**$ 1,994**	**$ 2,180**	**$ 14,660**

CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Business-Type Activities - Enterprise Funds					
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	Total Non-Major Enterprise Funds
Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:						
Operating income/(loss)	$ (192)	$ 1,478	$ (3,516)	$ 956	$ (7,790)	$ (9,064)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:						
Depreciation	717	837	448	855	2,525	5,382
Amortization	1	565	2	74	-	642
(Increase)/decrease in utility billed receivable	-	(1,196)	-	-	-	(1,196)
(Increase)/decrease in utility unbilled receivable	-	(64)	-	-	-	(64)
(Increase)/decrease in accounts receivable	3	59	2	199	(1,878)	(1,615)
(Increase)/decrease in property tax receivable	20	-	-	-	-	20
(Increase)/decrease in intergovernmental receivable	50	-	19	(5)	828	892
(Increase)/decrease in inventory	-	-	-	-	(38)	(38)
(Increase)/decrease in prepaid items	-	8	-	-	(6)	2
(Increase)/decrease in deposits	-	-	-	-	(6)	(6)
Increase/(decrease) in accounts payable	(39)	722	(99)	225	(45)	764
Increase/(decrease) in accrued payroll	5	37	12	13	-	67
Increase/(decrease) in retainage payable	(4)	-	-	-	478	474
Increase/(decrease) in unearned revenue	17	-	3,102	-	1,117	4,236
Increase/(decrease) in deposits payable	-	-	-	-	123	123
Increase/(decrease) in compensated absences	4	(16)	(18)	(17)	-	(47)
Increase/(decrease) in landfill capping liability	-	(599)	-	-	-	(599)
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(155)	(912)	(442)	(231)	-	(1,740)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	7	60	35	13	-	115
Total adjustments	**626**	**(499)**	**3,061**	**1,126**	**3,098**	**7,412**
Net cash provided/(used) by operating activities	**$ 434**	**$ 979**	**$ (455)**	**$ 2,082**	**$ (4,692)**	**$ (1,652)**

Internal Service Funds

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

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

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

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

CITY OF RIVERSIDE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds			
	Self Insurance Trust	Central Stores	Central Garage	Total Internal Service Funds
Assets:				
Current assets:				
Cash and investments	$ 45,191	$ -	$ 12,011	$ 57,202
Receivables, net of allowance for uncollectible				
Interest	92	-	25	117
Accounts	29	-	96	125
Intergovernmental	185	-	230	415
Inventory	-	7,707	490	8,197
Prepaid items	-	-	2	2
Total current assets	**45,497**	**7,707**	**12,854**	**66,058**
Noncurrent assets:				
Net pension asset	452	301	1,479	2,232
Capital assets, net of accumulated depreciation	-	92	7,027	7,119
Right to use assets, net of amortization	17	-	6	23
Total noncurrent assets	**469**	**393**	**8,512**	**9,374**
Total assets	**45,966**	**8,100**	**21,366**	**75,432**
Deferred Outflows of Resources:				
Pension related items	158	105	517	780
OPEB related items	51	32	128	211
Total deferred outflows of resources	**209**	**137**	**645**	**991**
Liabilities:				
Current liabilities:				
Accounts payable	292	779	460	1,531
Accrued payroll	12	15	50	77
Retainage payable	-	-	6	6
Due to other funds	-	39	-	39
Total current liabilities	**304**	**833**	**516**	**1,653**
Noncurrent liabilities:				
Due within one year:				
Long-term obligations	38	40	210	288
Compensated absences	37	106	208	351
Claims and judgments	15,304	-	-	15,304
Lease liability	4	-	1	5
Due in more than one year:				
Long-term obligations	572	577	3,137	4,286
Compensated absences	12	32	62	106
Claims and judgments	63,486	-	-	63,486
OPEB liability	188	191	828	1,207
Lease liability	12	-	4	16
Total noncurrent liabilities	**79,653**	**946**	**4,450**	**85,049**
Total liabilities	**79,957**	**1,779**	**4,966**	**86,702**
Deferred Inflows of Resources:				
Pension related items	760	506	2,487	3,753
OPEB related items	36	28	87	151
Total deferred inflows of resources	**796**	**534**	**2,574**	**3,904**
Net Position:				
Net investment in capital assets	3	92	7,028	7,123
Unrestricted/(deficit)	(34,581)	5,832	7,443	(21,306)
Total net position	**$ (34,578)**	**$ 5,924**	**$ 14,471**	**$ (14,183)**

CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds			
	Self Insurance Trust	**Central Stores**	**Central Garage**	**Total Internal Service Funds**
Operating Revenues:				
Charges for services	$ 18,151	$ 1,285	$ 8,974	$ 28,410
Total operating revenues	**18,151**	**1,285**	**8,974**	**28,410**
Operating Expenses:				
Personnel services	732	737	2,237	3,706
Contractual services	1,394	5	177	1,576
Maintenance and operation	4	30	2,956	2,990
General	5,205	237	1,034	6,476
Materials and supplies	1	14	128	143
Claims/Insurance	14,792	-	95	14,887
Depreciation	-	11	730	741
Amortization	4	-	1	5
Total operating expenses	**22,132**	**1,034**	**7,358**	**30,524**
Operating income (loss)	(3,981)	251	1,616	(2,114)
Nonoperating Revenues/(Expenses):				
Interest revenue	(1,031)	-	(345)	(1,376)
Interest expense and fiscal charges	(19)	(20)	(109)	(148)
Other	134	-	39	173
Gain/(loss) on disposal of capital assets	-	2	103	105
Total nonoperating revenues/(expenses)	**(916)**	**(18)**	**(312)**	**(1,246)**
Income/(loss) before contributions and operating transfers	(4,897)	233	1,304	(3,360)
Capital contributions	-	-	92	92
Transfers in	2,714	-	-	2,714
Transfers out	-	(1)	(3)	(4)
Change in net position	(2,183)	232	1,393	(558)
Beginning of year	(32,395)	5,692	13,078	(13,625)
End of year	**$ (34,578)**	**$ 5,924**	**$ 14,471**	**$ (14,183)**

CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Governmental Activities - Internal Service Funds			
	Self Insurance Trust	Central Stores	Central Garage	Total Internal Service Funds
Cash Flows from Operating Activities:				
Cash received from interfund services provided	$ 18,124	$ 1,285	$ 8,893	$ 28,302
Cash paid to suppliers for goods and services	(19,217)	(591)	(4,682)	(24,490)
Cash paid to employees for services	(1,017)	(808)	(2,964)	(4,789)
Net cash provided/(used) by operating activities	**(2,110)**	**(114)**	**1,247**	**(977)**
Cash Flows from Non-Capital Financing Activities:				
Transfers in	2,714	-	-	2,714
Transfers out	-	(1)	(3)	(4)
Payments from other funds	-	39	-	39
Payments on pension obligation bonds	(30)	(32)	(165)	(227)
Other receipts/(payments) from non-operating revenue	133	-	39	172
Net cash provided/(used) by non-capital financing activities	**2,817**	**6**	**(129)**	**2,694**
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	-	(3)	(1,623)	(1,626)
Proceeds from sales of capital assets	-	2	103	105
Interest paid on long-term obligations	(20)	(20)	(109)	(149)
Contributions	-	-	92	92
Lease payments	(4)	-	(2)	(6)
Net cash provided/(used) by capital and related financing activities	**(24)**	**(21)**	**(1,539)**	**(1,584)**
Cash Flows from Investing Activities:				
Interest from investments	(1,083)	-	(348)	(1,431)
Net cash provided/(used) by capital and related financing activities	**(1,083)**	**-**	**(348)**	**(1,431)**
Net increase/(decrease) in cash and cash equivalents	**(400)**	**(129)**	**(769)**	**(1,298)**
Cash and cash equivalents at beginning of year	45,591	129	12,780	58,500
Cash and cash equivalents at end of year	**$ 45,191**	**$ -**	**$ 12,011**	**$ 57,202**
Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:				
Operating income/(loss)	$ (3,981)	$ 251	$ 1,616	$ (2,114)
Adjustments to Reconcile Operating Income/(Loss) Net Cash Provided/(Used) by Operating Activities:				
Depreciation	-	11	730	741
Amortization	4	-	1	5
(Increase)/decrease in accounts receivable	-	-	11	11
(Increase)/decrease in intergovernmental receivable	(30)	-	(92)	(122)
(Increase)/decrease in inventory	-	(671)	(108)	(779)
Increase/(decrease) in accounts payable	(2)	366	(172)	192
Increase/(decrease) in accrued payroll	2	9	20	31
Increase/(decrease) in retainage payable	-	-	(15)	(15)
Increase/(decrease) in compensated absences	(71)	33	(24)	(62)
Increase/(decrease) in claims and judgments	2,187	-	-	2,187
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(232)	(124)	(749)	(1,105)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	13	11	29	53
Total adjustments	**1,871**	**(365)**	**(369)**	**1,137**
Net cash provided/(used) by operating activities	**$ (2,110)**	**$ (114)**	**$ 1,247**	**$ (977)**

CITY OF
RIVERSIDE

Combining General Fund and Capital Outlay Fund Schedules with Measure Z Fund Activity

CITY OF RIVERSIDE
BALANCE SHEET
COMBINING GENERAL FUND SCHEDULE
JUNE 30, 2022
(amounts expressed in thousands)

	General Fund	Measure Z Fund	Total General Fund
Assets:			
Cash and investments	$ 127,536	$ 64,659	$ 192,195
Cash and investments with fiscal agent	19,423	11,292	30,715
Receivables, net of allowance for uncollectible			
Interest	273	128	401
Property taxes	1,544	-	1,544
Sales taxes	15,476	14,919	30,395
Utility billed	3,350	-	3,350
Accounts	7,062	1	7,063
Intergovernmental	4,444	-	4,444
Lease receivable	7,501	-	7,501
Prepaid items	1,726	186	1,912
Due from other funds	870	-	870
Land and improvements held for resale	175	-	175
Total assets	**$ 189,380**	**$ 91,185**	**$ 280,565**
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	$ 8,114	$ 1,380	$ 9,494
Accrued payroll	21,075	358	21,433
Retainage payable	-	2	2
Intergovernmental	153	-	153
Deposits	11,459	-	11,459
Total liabilities	**40,801**	**1,740**	**42,541**
Deferred Inflows of Resources:			
Unavailable revenue	3,082	-	3,082
Lease related items	7,724	-	7,724
Total deferred inflows of resources	**10,806**	**-**	**10,806**
Fund Balances:			
Nonspendable:			
Inventories, prepaids, and deposits	1,726	186	1,912
Land and improvements held for resale	175	-	175
Restricted:			
Debt service	-	11,292	11,292
Unfunded accrued liability	19,423	-	19,423
Committed:			
Economic contingency	61,000	5,000	66,000
Other purposes	16,801	-	16,801
Assigned:			
General government	3,329	1,831	5,160
Public safety	773	11,546	12,319
Highways and streets	1,049	2,017	3,066
Culture and recreation	1,344	165	1,509
Continuing projects	3,333	16,320	19,653
Unassigned	28,820	41,088	69,908
Total fund balances	**137,773**	**89,445**	**227,218**
Total liabilities, deferred inflows of resources, and fund balances	**$ 189,380**	**$ 91,185**	**$ 280,565**

CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINING GENERAL FUND SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	General Fund	Measure Z Fund	Total General Fund
Revenues:			
Taxes	$ 215,829	$ 83,157	$ 298,986
Licenses and permits	11,304	-	11,304
Intergovernmental	4,463	-	4,463
Charges for services	15,311	-	15,311
Fines and forfeitures	2,096	-	2,096
Special assessments	316	-	316
Rental and investment income	(4,942)	551	(4,391)
Miscellaneous	1,231	1	1,232
Total revenues	**245,608**	**83,709**	**329,317**
Expenditures:			
Current:			
General government	6,274	1,923	8,197
Public safety	170,341	23,028	193,369
Highways and streets	16,952	983	17,935
Culture and recreation	29,896	986	30,882
Capital outlay	1,950	1,312	3,262
Debt service:			
Principal	675	-	675
Interest and fiscal charges	96	-	96
Total expenditures	**226,184**	**28,232**	**254,416**
Excess/(deficiency) of revenues over/(under) expenditures	19,424	55,477	74,901
Other Financing Sources/(Uses):			
Transfers in	47,294	11,292	58,586
Transfers out	(49,252)	(18,430)	(67,682)
Transfers in/(out) to General Fund *	18,266	(18,266)	-
Proceeds from sale of capital assets	53	-	53
Proceeds from financing related to leases	1,713	-	1,713
Total other financing sources/(uses)	**18,074**	**(25,404)**	**(7,330)**
Net change in fund balance	37,498	30,073	67,571
Fund Balances:			
Beginning of year	100,275	59,372	159,647
End of year	**$ 137,773**	**$ 89,445**	**$ 227,218**

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

CITY OF RIVERSIDE
BALANCE SHEET
COMBINING CAPITAL OUTLAY FUND SCHEDULE
JUNE 30, 2022
(amounts expressed in thousands)

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
Assets:			
Cash and investments	$ 34,576	$ 17,779	$ 52,355
Receivables, net of allowance for uncollectible			
Interest	72	39	111
Accounts	451	-	451
Intergovernmental	4,700	-	4,700
Prepaid items	19	-	19
Total assets	**$ 39,818**	**$ 17,818**	**$ 57,636**
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	$ 1,314	$ 1,448	$ 2,762
Retainage payable	29	319	348
Unearned revenue	1,502	-	1,502
Total liabilities	**2,845**	**1,767**	**4,612**
Deferred Inflows of Resources:			
Unavailable revenue	520	-	520
Total deferred inflows of resources	**520**	**-**	**520**
Fund Balances:			
Restricted:			
Transportation and public works	36,453	16,051	52,504
Total fund balances	**36,453**	**16,051**	**52,504**
Total liabilities, deferred inflows of resources, and fund balances	**$ 39,818**	**$ 17,818**	**$ 57,636**

CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINING CAPITAL OUTLAY FUND SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022
(amounts expressed in thousands)

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
Revenues:			
Intergovernmental	$ 13,830	$ -	$ 13,830
Special assessments	538	-	538
Rental and investment income	(873)	(564)	(1,437)
Miscellaneous	742	-	742
Total revenues	**14,237**	**(564)**	**13,673**
Expenditures:			
Capital outlay	5,248	14,881	20,129
Debt service:			
Interest and fiscal charges	4	-	4
Total expenditures	**5,252**	**14,881**	**20,133**
Excess/(deficiency) of revenues over/(under) expenditures	8,985	(15,445)	(6,460)
Other Financing Sources/(Uses):			
Transfers in	826	10,825	11,651
Transfers out	(3,045)	-	(3,045)
Total other financing sources/(uses)	**(2,219)**	**10,825**	**8,606**
Net change in fund balances	6,766	(4,620)	2,146
Fund Balances:			
Beginning of year	29,687	20,671	50,358
End of year	**$ 36,453**	**$ 16,051**	**$ 52,504**

Statistical Section
(Unaudited)

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

<u>**Contents**</u> **Page**

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

CITY OF RIVERSIDE
TABLE 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEAR
(accrual basis of accounting) **(in thousands)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	$ 1,083,485	$ 1,106,384	$ 1,126,220	$ 1,123,910	$ 1,102,409	$ 1,093,896	$ 1,102,837	$ 1,081,991	$ 1,170,232	$ 1,176,215
Restricted	80,712	96,587	105,847	106,488	104,853	112,183	126,551	153,806	164,809	203,038
Unrestricted	17,989	(2,049)	(406,388)	(389,278)	(362,146)	(364,500)	(356,340)	(369,222)	(366,713)	(284,713)
Total governmental activities net position	**$ 1,182,186**	**$ 1,200,922**	**$ 825,679**	**$ 841,120**	**$ 845,116**	**$ 841,579**	**$ 873,048**	**$ 866,575**	**$ 968,328**	**$ 1,094,540**
Business-Type Activities										
Net investment in capital assets	$ 609,691	$ 616,844	$ 626,166	$ 654,870	$ 702,844	$ 800,227	$ 867,206	$ 751,865	$ 756,116	$ 774,469
Restricted	69,068	68,507	75,660	85,526	93,570	80,717	67,057	75,170	78,885	85,666
Unrestricted	330,833	359,698	209,469	235,144	245,116	199,143	155,468	272,776	263,837	284,977
Total business-type activities net position	**$ 1,009,592**	**$ 1,045,049**	**$ 911,295**	**$ 975,540**	**$ 1,041,530**	**$ 1,080,087**	**$ 1,089,731**	**$ 1,099,811**	**$ 1,098,838**	**$ 1,145,112**
Primary Government										
Net investment in capital assets	$ 1,693,176	$ 1,723,228	$ 1,752,386	$ 1,778,780	$ 1,805,253	$ 1,894,123	$ 1,970,043	$ 1,833,856	$ 1,926,348	$ 1,950,684
Restricted	149,780	165,094	181,507	192,014	198,423	192,900	193,608	228,976	243,694	288,704
Unrestricted	348,822	357,649	(196,919)	(154,134)	(117,030)	(165,357)	(200,872)	(96,446)	(102,876)	264
Total primary government net position	**$ 2,191,778**	**$ 2,245,971**	**$ 1,736,974**	**$ 1,816,660**	**$ 1,886,646**	**$ 1,921,666**	**$ 1,962,779**	**$ 1,966,386**	**$ 2,067,166**	**$ 2,239,652**

CITY OF RIVERSIDE
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

(in thousands) Page 1 of 2

	Fiscal Year									
	2013[1]	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General government	$ 54,808	$ 39,331	$ 26,587	$ 24,483	$ 44,510	$ 45,360	$ 51,139	$ 63,651	$ 97,927	$ 66,937
Public safety	147,652	149,555	154,123	161,284	160,665	216,772	201,942	222,061	219,136	169,742
Highways and streets	35,072	36,564	36,563	38,836	38,585	42,544	43,770	46,983	42,034	41,125
Cultural and recreation	40,077	42,252	45,594	47,762	49,406	38,362	31,200	37,400	37,693	38,885
Interest on long-term debt and fiscal charges	16,627	17,741	17,025	16,387	16,028	12,414	10,045	13,181	19,083	19,806
Total governmental activities	**294,236**	**285,443**	**279,892**	**288,752**	**309,194**	**355,452**	**338,096**	**383,276**	**415,873**	**336,495**
Business-Type Activities:										
Electric	292,175	304,416	309,874	307,925	317,335	333,061	347,804	350,667	366,165	349,004
Water	58,768	60,030	62,792	57,769	62,189	68,281	70,912	73,742	71,738	69,303
Sewer	43,945	40,385	35,593	39,978	38,305	54,136	70,137	62,961	61,029	59,060
Airport	2,029	1,662	1,809	1,799	1,998	2,179	1,972	2,304	2,326	1,944
Refuse	20,581	20,831	20,007	21,652	21,953	22,082	24,205	26,549	28,428	28,449
Transportation	3,745	4,067	4,385	4,113	4,221	4,782	4,493	4,607	4,623	3,758
Public Parking	5,051	4,610	5,604	5,141	5,448	6,186	5,151	4,628	4,684	4,566
Civic Entertainment	-	-	-	-	-	19,995	24,151	21,584	11,885	21,804
Total business-type activities	**426,294**	**436,001**	**440,064**	**438,377**	**451,449**	**510,702**	**548,825**	**547,042**	**550,878**	**537,888**
Total primary government expenses	**$ 720,530**	**$ 721,444**	**$ 719,956**	**$ 727,129**	**$ 760,643**	**$ 866,154**	**$ 886,921**	**$ 930,318**	**$ 966,751**	**$ 874,383**
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	$ 13,338	$ 13,775	$ 17,600	$ 24,944	$ 27,441	$ 24,605	$ 29,281	$ 25,698	$ 11,485	$ 13,721
Public safety	7,793	7,444	7,256	3,243	1,167	1,880	2,443	2,138	7,649	14,491
Highways and streets	15,825	17,487	13,868	5,709	5,930	5,554	6,036	5,174	11,278	6,090
Cultural and recreation	5,237	7,406	16,319	12,458	22,802	6,078	7,465	5,050	3,694	6,770
Operating grants and contributions	21,485	14,341	12,869	16,321	19,374	22,548	23,966	21,779	64,405	50,378
Capital grants and contributions	32,202	48,433	43,904	31,216	7,617	18,039	27,450	19,945	28,284	38,508
Total governmental activities	**95,880**	**108,886**	**111,816**	**93,891**	**84,331**	**78,704**	**96,641**	**79,784**	**126,795**	**129,958**
Business-Type Activities:										
Charges for services:										
Electric	347,933	344,037	347,621	354,530	366,066	364,516	363,570	368,969	376,101	397,947
Water	68,489	68,691	66,051	57,250	62,627	66,828	65,177	70,167	80,252	80,535
Sewer	43,772	46,162	50,336	52,664	59,735	65,081	64,282	64,114	66,323	71,557
Airport	1,396	1,100	1,260	1,549	1,578	1,562	1,618	1,743	1,709	1,728
Refuse	20,829	20,677	21,360	21,806	22,567	23,085	23,004	25,109	26,468	29,768
Transportation	344	413	385	377	359	441	444	309	65	168
Public Parking	4,777	4,382	4,609	4,918	5,009	6,258	4,604	4,301	2,968	4,888
Civic Entertainment	-	-	-	-	-	16,393	16,977	12,233	1,381	11,883
Operating grants and contributions	2,718	2,524	3,869	2,322	3,751	3,374	3,093	3,473	3,976	5,866
Capital grants and contributions	11,734	11,486	8,027	18,868	24,151	26,957	10,607	13,979	12,273	20,527
Total business-type activities	**501,992**	**499,472**	**503,518**	**514,284**	**545,843**	**574,495**	**553,376**	**564,397**	**571,516**	**624,867**
Total primary government program revenues	**$ 597,872**	**$ 608,358**	**$ 615,334**	**$ 608,175**	**$ 630,174**	**$ 653,199**	**$ 650,017**	**$ 644,181**	**$ 698,311**	**$ 754,825**

(in thousands) Page 2 of 2

CITY OF RIVERSIDE
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2013[1]	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Net Revenues/(Expenses)										
Governmental Activities	$ (198,356)	$ (176,557)	$ (168,076)	$ (194,861)	$ (224,863)	$ (276,748)	$ (241,455)	$ (303,492)	$ (289,078)	$ (206,537)
Business-Type Activities	75,698	63,471	63,454	75,907	94,394	63,793	4,551	17,355	20,638	86,979
Total primary government net revenues/(expenses)	**$ (122,658)**	**$ (113,086)**	**$ (104,622)**	**$ (118,954)**	**$ (130,469)**	**$ (212,955)**	**$ (236,904)**	**$ (286,137)**	**$ (268,440)**	**$ (119,558)**
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Sales taxes	$ 50,222	$ 55,096	$ 59,437	$ 60,976	$ 75,883	$ 120,338	$ 130,645	$ 128,653	$ 150,321	$ 173,933
Property taxes	52,904	51,323	54,864	55,545	59,526	63,515	69,478	72,609	71,986	79,790
Utility users' taxes	28,206	28,092	28,076	27,828	27,958	27,498	28,009	29,044	30,577	32,464
Franchise taxes	4,959	5,046	5,543	5,730	4,814	4,972	5,256	5,443	5,527	5,955
Transient occupancy taxes	3,703	4,189	5,280	6,093	6,622	6,793	7,163	5,959	5,801	8,764
Intergovernmental, unrestricted	337	263	3,153	477	145	172	156	656	499	661
Investment Income	2,786	2,759	3,233	729	6,145	5,187	7,500	10,185	4,969	(7,613)
Miscellaneous	9,208	5,425	12,395	11,708	2,050	4,278	-	9,146	5,988	3,880
Transfers	42,262	43,100	42,681	41,216	45,716	41,459	37,115	35,324	34,879	34,915
Total governmental activities	**194,587**	**195,293**	**214,662**	**210,302**	**228,859**	**274,212**	**285,322**	**297,019**	**310,547**	**332,749**
Business-Type Activities:										
Investment income	4,744	8,005	5,319	6,888	2,650	3,939	19,488	19,838	681	(13,324)
Miscellaneous	5,767	7,081	7,652	22,666	14,662	12,901	10,322	8,211	11,986	12,639
Extraordinary items	(41,259)	-	-	-	-	-	-	-	-	(5,748)
Transfers	(42,262)	(43,100)	(42,681)	(41,216)	(45,716)	(41,459)	(37,115)	(35,324)	(34,278)	(34,915)
Total business-type activities	**(73,010)**	**(28,014)**	**(29,710)**	**(11,662)**	**(28,404)**	**(24,619)**	**(7,305)**	**(7,275)**	**(21,611)**	**(41,348)**
Total primary government	**121,577**	**167,279**	**184,952**	**198,640**	**200,455**	**249,593**	**278,017**	**289,744**	**288,936**	**291,401**
Change in Net Position										
Governmental Activities	$ (3,769)	$ 18,736	$ 46,586	$ 15,441	$ 3,996	$ (2,536)	$ 43,867	$ (6,473)	$ 21,469	$ 126,212
Business-Type Activities	2,688	35,457	33,744	64,245	65,990	39,174	(2,754)	10,080	(973)	45,631
Total primary government	**$ (1,081)**	**$ 54,193**	**$ 80,330**	**$ 79,686**	**$ 69,986**	**$ 36,638**	**$ 41,113**	**$ 3,607**	**$ 20,496**	**$ 171,843**

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

CITY OF RIVERSIDE
TABLE 3
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting) **(in thousands)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	$ 26,421	$ 24,419	$ 23,642	$ 23,094	$ 26,168	$ 1,947	$ 949	$ 1,446	$ 1,870	$ 2,087
Restricted	2,196	2,204	2,985	3,067	2,651	2,991	3,411	10,699	10,697	30,715
Committed	-	-	-	-	-	53,800	65,916	59,280	62,400	82,801
Assigned	10,711	14,505	13,965	9,922	14,968	23,242	26,984	21,260	24,890	41,707
Unassigned	37,763	37,732	39,059	29,495	39,283	7,644	23,907	41,184	59,790	69,908
Total general fund	**$ 77,091**	**$ 78,860**	**$ 79,651**	**$ 65,578**	**$ 83,070**	**$ 89,624**	**$ 121,167**	**$ 133,869**	**$ 159,647**	**$ 227,218**
All Other Governmental Funds										
Nonspendable	$ 1,441	$ 1,460	$ 1,625	$ 1,619	$ 1,601	$ 4,855	$ 1,560	$ 1,510	$ 1,477	$ 1,495
Restricted for:										
Housing and redevelopment	26,410	26,223	25,523	24,746	24,098	18,827	16,668	16,611	18,553	12,292
Debt service	25,884	26,177	26,203	26,221	6,455	11,509	6,825	11,210	11,292	11,679
Transportation and public works	16,487	54,876	36,347	36,876	34,178	43,499	91,379	84,413	78,884	87,073
Other purposes	2,003	321	2,326	3,628	4,145	3,451	5,505	5,984	6,275	7,351
Unassigned	-	-	-	-	(24)	-	-	(27)	-	(1,215)
Total all other governmental funds	**$ 72,225**	**$ 109,057**	**$ 92,024**	**$ 93,090**	**$ 70,453**	**$ 82,141**	**$ 121,937**	**$ 119,701**	**$ 116,481**	**$ 118,675**

Notes:

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

CITY OF RIVERSIDE
TABLE 4
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting) **(in thousands)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	$ 139,994	$ 143,748	$ 153,200	$ 156,172	$ 174,803	$ 223,116	$ 240,416	$ 241,708	$ 267,714	$ 300,906
Licenses and permits	10,173	9,244	11,168	11,611	14,455	12,442	14,317	13,023	12,778	14,850
Intergovernmental	50,734	59,348	49,892	51,896	31,440	42,454	44,950	42,296	87,226	88,000
Charges for services	12,062	15,734	24,737	26,443	31,384	17,438	16,927	15,968	14,578	16,938
Fines and forfeitures	6,234	7,283	3,957	1,941	1,976	3,717	2,078	1,887	2,100	2,096
Special assessments	6,669	6,272	6,757	7,039	7,578	7,113	7,973	6,950	7,674	7,188
Rental and investment income	3,878	4,315	5,112	4,370	4,718	3,446	6,548	8,441	4,437	(6,533)
Miscellaneous	14,933	6,957	6,939	12,578	7,252	8,716	5,370	7,845	5,962	3,703
Total revenues	**$ 244,677**	**$ 252,901**	**$ 261,762**	**$ 272,050**	**$ 273,606**	**$ 318,442**	**$ 338,579**	**$ 338,118**	**$ 402,469**	**$ 427,148**
Expenditures:										
General government	$ 15,713	$ 13,558	$ 17,799	$ 19,900	$ 20,650	$ 21,135	$ 18,880	$ 107,779	$ 30,887	$ 24,329
Public safety	150,290	151,721	157,660	164,800	163,712	190,916	198,363	434,208	200,733	205,968
Highways and streets	16,294	16,944	16,594	17,416	17,504	19,207	20,927	22,254	16,897	18,805
Culture and recreation	45,356	34,275	37,527	39,583	40,643	29,382	30,528	28,825	28,391	33,065
Capital outlay	73,581	72,365	60,060	53,208	31,000	33,504	41,585	55,178	69,248	71,534
Debt service:										
Principal	45,006	45,500	49,101	51,987	72,700	21,904	37,867	23,761	24,475	28,126
Interest and fiscal charges	15,116	16,787	17,048	16,451	16,115	12,746	10,493	10,773	20,372	20,134
Bond issuance cost	581	843	172	180	29	24	854	1,185	-	-
Payment for advance refunding	3,521	-	-	-	-	-	-	-	-	
Total expenditures	**$ 365,458**	**$ 351,993**	**$ 355,961**	**$ 363,525**	**$ 362,353**	**$ 328,818**	**$ 359,497**	**$ 683,963**	**$ 391,003**	**$ 401,961**
Excess/(deficiency) of revenue over/(under) expenditures	$ (120,781)	$ (99,092)	$ (94,199)	$ (91,475)	$ (88,747)	$ (10,376)	$ (20,918)	$ (345,845)	$ 11,466	$ 25,187
Other Financing Sources/(Uses):										
Transfers in	$ 56,572	$ 58,469	$ 61,510	$ 61,384	$ 94,521	$ 102,774	$ 94,771	$ 95,932	$ 112,907	$ 116,891
Transfers out	(14,178)	(15,369)	(18,829)	(20,168)	(48,805)	(66,021)	(58,688)	(60,608)	(102,028)	(85,380)
Issuance of long-term debt	99,753	87,037	30,940	31,145	31,578	14,500	49,485	320,131	-	11,292
Proceeds from sale of capital assets	82	931	(114)	261	4,199	461	149	856	213	59
Proceeds from financing related to leases	-	-	-	-	-	-	-	-	-	1,714
Capital lease financing	7,203	6,625	4,450	5,846	2,109	-	-	-		-
Bond premium/(discounts)	(43,591)	-	-	-	-	-	6,540	-	-	-
Total other financing sources/(uses)	**105,841**	**137,693**	**77,957**	**78,468**	**83,602**	**51,714**	**92,257**	**356,311**	**11,092**	**44,576**
Net changes in fund balances	$ (14,940)	$ 38,601	$ (16,242)	$ (13,007)	$ (5,145)	$ 41,338	$ 71,339	$ 10,466	$ 22,558	$ 69,763
Debt services as a percentage of non-capital expenditures	21.039 %	21.803 %	22.360 %	21.714 %	26.625 %	11.999 %	15.143 %	5.428 % **(1)**	13.383 %	13.535 %

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

CITY OF RIVERSIDE
TABLE 5
BUSINESS-TYPE ACTIVITIES - ELECTRICITY REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting) **(in thousands)**

Fiscal Year	Residential Sales	Commercial Sales [1]	Industrial Sales [1]	Wholesale Sales	Other Sales	Transmission Revenue	Other Operating Revenue	Total Revenues
2013	$ 118,173	$ 66,632	$ 110,680	$ 638	$ 5,712	$ 32,688	$ 13,410	$ 347,933
2014	111,880	67,063	111,260	115	5,600	32,630	15,489	344,037
2015	114,112	68,572	112,283	60	5,654	30,587	16,353	347,621
2016	116,997	69,759	113,756	3	4,737	32,924	16,354	354,530
2017	117,662	71,456	115,432	9	4,782	35,497	21,779	366,617
2018	115,630	73,971	112,264	2	4,792	37,484	8,860	353,003
2019	116,303	72,511	111,445	344	4,824	35,730	22,413	363,570
2020	121,162	71,570	113,132	-	4,849	34,817	23,438	368,968
2021	133,460	71,510	112,572	27	4,864	32,316	21,351	376,100
2022	134,403	75,899	122,684	89	4,891	32,245	27,736	397,947

[1] Changes in fiscal years 2018, 2019, 2020 and 2021 reflect reclassification of certain Industrial and Commercial accounts related to contract accounts. Prior to fiscal year 2018, accounts were reflected under Industrial Sales.

CITY OF RIVERSIDE
TABLE 6
GOVERNMENTAL ACTIVITIES - TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(accural basis of accounting) **(in thousands)**

Fiscal Year	Sales Tax[1]	Property Tax[2]	Utility Users' Tax	Franchise Tax	Transient Occupancy Tax	Total Taxes
2013	$ 50,222	$ 52,904	$ 28,206	$ 4,959	$ 3,703	$ 139,994
2014	55,096	51,323	28,092	5,046	4,189	143,746
2015	59,437	54,864	28,076	5,543	5,280	153,200
2016	60,976	55,545	27,828	5,730	6,093	156,172
2017	75,883	59,526	27,958	4,814	6,622	174,803
2018	120,338	63,515	27,498	4,972	6,793	223,116
2019	130,645	69,343	28,009	5,256	7,163	240,416
2020	128,653	72,609	29,044	5,443	5,959	241,708
2021	150,321	71,986	30,577	5,527	5,801	264,212
2022	173,933	79,790	32,464	5,955	8,764	300,906

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

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

CITY OF RIVERSIDE
TABLE 7
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS

(in thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Apparel stores	$ 175,320	$ 178,349	$ 188,670	$ 203,001	$ 214,852	$ 210,158	$ 212,036	$ 210,439	$ 147,176	$ 249,034
General merchandise	450,988	463,355	475,147	477,903	478,538	465,490	470,386	465,234	426,500	617,257
Food stores	181,719	193,368	209,022	217,902	168,854	169,922	184,278	185,859	202,647	208,060
Eating and drinking places	422,153	447,841	483,901	533,317	582,262	609,705	639,995	677,763	587,403	788,765
Building materials	376,011	454,468	514,993	567,790	636,415	666,907	738,178	761,881	813,584	1,010,364
Auto dealers and supplies	1,118,907	1,280,633	1,461,217	1,548,385	1,608,231	1,588,854	1,621,311	1,672,475	1,728,498	2,084,828
Service stations	430,322	418,110	413,128	370,257	338,762	360,830	432,991	434,162	327,119	527,973
Other retail stores	535,945	550,157	595,305	633,089	692,375	677,850	666,659	636,043	609,428	764,854
All other outlets	1,008,206	1,154,492	1,312,607	1,461,982	1,474,160	1,481,019	1,700,733	1,701,236	1,995,760	2,099,827
Total	$ 4,699,571	$ 5,140,773	$ 5,653,990	$ 6,013,626	$ 6,194,449	$ 6,230,735	$ 6,666,567	$ 6,745,092	$ 6,838,115	$ 8,350,962

Notes:

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

Source: State of California Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, and HdL Companies.

CITY OF RIVERSIDE
TABLE 8
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS **(in thousands)**

Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Rate[1]
2013	$ 22,313,665	$ 1,244,448	$ (7,142,401)	$ 16,415,712	0.348
2014	23,045,134	1,201,634	(7,394,982)	16,851,786	0.125
2015	24,482,621	1,329,391	(7,945,000)	17,867,012	0.124
2016	25,710,122	1,225,375	(8,432,984)	18,502,513	0.124
2017	26,927,989	1,311,356	(9,029,817)	19,209,528	0.124
2018	28,373,517	1,354,934	(9,791,810)	19,936,641	0.124
2019	30,196,815	1,420,597	(10,818,883)	20,798,529	0.124
2020[2]	31,856,912	1,466,408	(10,946,897)	22,376,423	0.124
2021	33,717,485	1,482,535	(11,915,468)	23,284,552	0.123
2022	35,353,418	1,736,131	(12,881,213)	24,208,336	0.123

Notes:

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

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

[2] Total Taxable Assessed Value for FY2020 was recorded as an estimate and has been restated to the actual amount per information from the Riverside County Auditor-Controller.

Source: Riverside County Auditor-Controller

CITY OF RIVERSIDE
TABLE 9
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER $100 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Basic Levy[1]	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Unified School Districts Debt Service[2]	0.325	0.390	0.377	0.487	0.495	0.517	0.521	0.535	0.529	0.535
City of Riverside Debt Service	0.006	0.007	0.006	0.006	0.006	0.006	0.006	0.005	0.005	0.005
Metropolitan Water District Original Area	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
Riverside City Community College Debt Service	0.017	0.018	0.018	0.017	0.016	0.016	0.015	0.015	0.015	0.015
Total direct & overlapping[3] tax rates	**1.352**	**1.419**	**1.405**	**1.514**	**1.521**	**1.543**	**1.546**	**1.559**	**1.553**	**1.559**
City's share of 1% levy per prop 13[4]	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113
General obligation debt rate	0.006	0.007	0.006	0.006	0.006	0.006	0.006	0.005	0.005	0.005
Total direct rate[5]	0.348	0.125	0.124	0.124	0.124	0.124	0.124	0.124	0.123	0.123

Notes:

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

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

[2] Includes: Alvord Unified School District, Corona Norco Unified School District, Jurupa Unified School District, Moreno Valley Unified School District, and Riverside Unified School District.

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

[4] City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's levy has been subtracted where known.

[5] Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical information and excludes revenues derived from aircraft. Beginning in 2013/14, the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognize enforceable obligations assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: Riverside County Assessor 2012/13 - 2021/22 Tax Rate Table.

CITY OF RIVERSIDE
TABLE 10
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

(in thousands)

Property Owner	2022 Taxable Assessed Valuation	2022 Rank	2022 Percentage of Total Taxable Assessed Value	2013 Taxable Assessed Valuation	2013 Rank	2013 Percentage of Total Taxable Assessed Value
Tyler Mall LP	$ 230,416	1	0.65 %	$ 190,480	1	0.85 %
Nordstrom Inc	196,794	2	0.56 %	-		
CPT Riverside Plaza LLC	167,317	3	0.47 %	-		
Rohr Inc	155,703	4	0.44 %	112,325	3	0.50 %
La Sierra University	142,538	5	0.40 %	104,729	4	0.47 %
TA Lance Drive LLC	133,054	6	0.38 %	-		
490 Columbia	128,033	7	0.36 %	-		
Corona Pointe Resort LLC	127,164	8	0.36 %	-		
Riverside Healthcare System	111,349	9	0.32 %	117,031	2	0.52 %
Smiths Food and Drug Centers Inc	106,267	10	0.30 %	-		
Cole ID Riverside California	-			91,500	5	0.41 %
State Street Bank and Trust Co of CA	-			89,839	6	0.40 %
JSP Corona Pointe LLC	-			76,159	7	0.34 %
Vestar Riverside Plaza LLC	-			69,554	8	0.31 %
BRE Properties Inc	-			69,277	9	0.31 %
Canyon Springs Marketplace Corporation	-			69,000	10	0.31 %
Totals	$ 1,498,635		4.25 %	$ 989,894		4.41 %

Notes:

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

Source: Riverside County Assessor 2021/2022 and 2012/13 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

CITY OF RIVERSIDE
TABLE 11
PROPERTY TAXES LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS **(in thousands)**

Fiscal Year Ended June 30	Taxes Levied for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	$ 43,333	$ 42,447	97.96%	$ 886	$ 43,333	100.00%
2014	45,138	44,684	98.99%	454	45,138	100.00%
2015	48,846	48,427	99.14%	419	48,846	100.00%
2016	50,023	49,585	99.12%	-	50,023	100.00%
2017	53,655	53,252	99.25%	-	53,655	100.00%
2018	57,567	57,173	99.32%	-	57,567	100.00%
2019	63,003	62,557	99.29%	-	63,003	100.00%
2020	66,295	65,729	99.15%	-	66,295	100.00%
2021	68,363	67,968	99.42%	-	68,363	100.00%
2022	71,892	71,573	99.56%	-	71,573	99.56%

Notes:

The table reflects amounts related to the City. In addition, it includes amounts related to the Redevelopment Agency through dissolution (01/31/12). The amounts collected by the Redevelopment Agency include monies that were passed-though to other agencies. Current tax levies are the original charge as provided by the County of Riverside. Current tax collections do not include supplemental taxes, aircraft taxes or other property taxes.

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

Source: Riverside County Auditor-Controller and City Finance Department

CITY OF RIVERSIDE
TABLE 12
ELECTRICITY SOLD BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS

(in millions of kilowatt-hours)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Type of Customer:										
Residential	726	700	711	726	730	727	722	722	783	759
Commercial[1]	419	421	428	438	448	476	460	442	430	443
Industrial[1]	1,003	997	995	982	996	970	947	931	890	923
Wholesale sales[2]	14	4	2	-	1	-	-	1	-	2
Other	31	30	31	23	23	22	21	18	18	19
Total	**2,193**	**2,152**	**2,167**	**2,169**	**2,198**	**2,195**	**2,150**	**2,114**	**2,121**	**2,146**
Total direct rate										
Monthly base rate *	18.06	18.06	18.06	18.06	18.06	18.06	19.41	20.63	21.84	23.20

* Includes a Reliability Charge

1 Changes in fiscal years 2018, 2019, 2020 and 2021 reflect reclassification of certain Industrial and Commercial accounts related to contract accounts. Prior to fiscal year 2018, accounts were reflected in the Industrial customer class.

2 For fiscal years 2016, 2018, 2019, and 2021 wholesale MWH was less than 1 MWH.

Source: Riverside Public Utilities, Finance Services

CITY OF RIVERSIDE
TABLE 13
ELECTRICITY RATES
LAST TEN FISCAL YEARS

(average rate in dollars per kilowatt-hour)

Fiscal Year Ended June 30	Residential	Commercial[1]	Industrial[1]	Other
2013	0.16274	0.15913	0.11030	0.18375
2014	0.15995	0.15936	0.11156	0.18513
2015	0.16050	0.16022	0.11282	0.18291
2016	0.16119 *	0.15915 *	0.11577 *	0.20908 *
2017	0.16116 *	0.15958 *	0.11586 *	0.21287 *
2018	0.15910 *	0.15547 *	0.11570 *	0.21288 *
2019	0.16111 *	0.15768 *	0.11761 *	0.23448 *
2020	0.16774 *	0.16202 *	0.12149 *	0.26480 *
2021	0.17032 *	0.16636 *	0.12643 *	0.26659 *
2022	0.17707 *	0.17126 *	0.13295 *	0.26454 *

1 Changes in fiscal years 2018, 2019, 2020 and 2021 reflect reclassification of certain Industrial and Commercial accounts related to contract accounts. Prior to fiscal year 2018, accounts were reflected in the industrial customer class.

* Rate calculations were taken from the Sales Stats not the financial statements.

Does not include Public Benefits charge.

Source: Riverside Public Utilities, Finance Services

CITY OF RIVERSIDE
TABLE 14
TOP 10 ELECTRICITY CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2022			2013		
Electricity Customer	**Electricity Charges**	**Rank**	**Percent of Total Electric Revenues**	**Electricity Charges**	**Rank**	**Percent of Total Electric Revenues**
Local University	$ 12,258,825	1	3.63 %	$ 10,828,940	1	3.60 %
Local Government	8,259,542	2	2.44 %	7,920,390	2	2.63 %
Local Government	7,243,247	3	2.14 %	-		0.00 %
Local School District	4,813,893	4	1.42 %	4,199,138	4	1.39 %
Corporation	4,190,792	5	1.24 %	-		0.00 %
Corporation	3,844,085	6	1.14 %	3,337,147	6	1.11 %
Corporation	3,365,138	7	1.00 %	-		0.00 %
Hospital	3,201,349	8	0.95 %	2,457,850	7	0.82 %
Corporation	3,103,067	9	0.92 %	-		0.00 %
Local University	3,016,527	10	0.89 %	-		0.00 %
Local Government	-		0.00	7,447,872	3	2.47
Corporation	-		0.00 %	3,386,525	5	1.12 %
Corporation	-		0.00 %	2,428,008	8	0.81 %
Local School District	-		0.00	2,091,371	9	0.69
Corporation	-		0.00 %	2,087,427	10	0.69 %
Total	**$ 53,296,464**		**15.77 %**	**$ 46,184,669**		**15.33 %**
Retail sales per financial statements *	$ 337,876,146			$ 301,196,912		

Source: Riverside Public Utilities, Finance Services
* Financial Report - Riverside Public Utilities

CITY OF RIVERSIDE
TABLE 15
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS **(in thousands)**

	Governmental Activities					
Fiscal Year	**General Obligation Bonds**	**Lease Revenue Bonds**	**Pension Obligation Bonds[2]**	**Certificates of Participation**	**Financed Purchase**	**Notes/Loans Payable**
2013	$ 15,314	$ 43,762	$ 122,005	$ 158,697	$ 8,424	$ 28,652
2014	14,460	42,344	115,775	191,446	13,168	47,611
2015	13,546	40,891	108,725	187,212	14,966	45,574
2016	12,567	39,398	101,000	181,429	12,006	43,482
2017	11,513	37,854	92,592	156,516	17,193	41,325
2018	10,388	36,246	60,883	150,800	25,647	1,746
2019	9,179	80,416	50,486	99,178	21,422	1,329
2020	7,874	75,964	364,633	94,802	18,207	899
2021	6,478	72,471	352,824	90,215	14,922	457
2022	4,987	68,855	338,264	85,477	22,294	-

	Business-Type Activities								
Fiscal Year	**Revenue Bonds**	**Notes/Loans Payable**	**Financed Purchase**	**Pension Obligation Bonds[2]**	**Certificates of Participation[3]**	**Lease Revenue Bonds[4]**	**Total Primary Government**	**Percentage of Personal Income[1]**	**Debt Per Capita[1]**
2013	$ 1,031,839	$ 70,798	$ 2,558	$ -	$ -	$ -	$ 1,482,049	21.41%	4.75
2014	1,094,290	36,030	2,266	-	-	-	1,557,390	22.54%	4.96
2015	1,239,634	37,225	1,720	-	-	-	1,689,493	24.64%	5.38
2016	1,208,851	37,793	4,694	-	-	-	1,641,220	23.60%	5.05
2017	1,180,345	35,255	6,209	-	-	-	1,578,802	22.11%	4.83
2018	1,139,864	78,583	6,821	18,324	-	-	1,529,302	20.81%	4.69
2019	1,241,743	73,673	5,192	14,775	29,692	7,867	1,634,952	21.30%	4.98
2020	1,212,914	69,519	3,633	119,625	28,483	7,473	2,004,026	24.73%	6.11
2021	1,176,605	64,678	2,354	116,227	27,213	7,059	1,931,503	22.73%	5.96
2022	1,139,100	59,948	2,176	110,718	25,912	6,625	1,864,356	20.97%	5.87

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

[2] In 2018, the 2005 and 2017 Taxable Pension Obligation Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency.

[3] In 2019, the 2008 Certificates of Participation were distributed between Governmental Activities and Business-Type Activities.

[4] In 2019, the 2012 Lease Revenue Refunding Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency.

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

CITY OF RIVERSIDE
TABLE 16
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

(in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Pension Bonds	Certificates of Participation	Total Obligated Debt Outstanding	Less: Amounts Available in Debt Service Fund	Net Obligated Debt Outstanding	Percent of Assessed Value[1]	Per Capita[2]
2013	$ 15,314	$ 122,005	$ 158,697	$ 296,016	$ (27,676)	$ 268,340	1.63 %	860
2014	14,460	115,775	191,446	321,681	(27,996)	293,685	1.74 %	935
2015	13,546	108,725	187,212	309,483	(9,295)	300,188	1.68 %	955
2016	12,567	101,000	181,429	294,996	(27,997)	266,999	1.44 %	822
2017	11,513	92,592	156,516	260,621	(8,339)	252,282	1.31 %	772
2018	10,388	60,883	150,800	222,071	(13,546)	208,525	1.05 %	640
2019	9,179	50,486	99,178	158,843	(9,051)	149,792	0.72 %	457
2020	7,874	364,633	94,802	467,309	(11,210)	456,099	2.04 %	1,390
2021	6,478	352,824	90,215	449,517	(11,292)	438,225	1.88 %	1,351
2022	4,987	338,264	85,477	428,728	(11,679)	417,049	1.72 %	1,312

Notes:

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

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

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

Source: City of Riverside Notes to Financial Statements, Statistical Table 8, Statistical Table 15, and Reserve Cash Reconciliation maintained by City Finance Department.

CITY OF RIVERSIDE
TABLE 17
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022

2021-22 Assessed Valuation:	$	35,176,762,701
Less Dissolved Redevelopment Agency Incremental Valuation:		10,968,426,072
Adjusted Assessed Valuation:	$	24,208,336,629

	Total Debt	% Applicable	City's Share of Debt[1]
Overlapping debt repaid with property taxes[2]			
Metropolitan Water District	$ 20,175,000	1.045 %	$ 210,829
Riverside County Flood Control, Zone 4	7,880,000	1.833	144,440
Riverside City Community College District	300,457,165	27.860	83,707,366
Alvord Unified School District	197,211,602	72.108	142,205,342
Riverside Unified School District	321,490,000	84.218	270,752,448
Corona-Norco Unified School District	498,729,283	0.001	4,987
Jurupa Unified School District	151,897,972	0.002	3,038
Moreno Valley Unified School District	215,367,791	10.231	22,034,279
Alvord Unified School District Community Facilities District No.2006-1	6,235,000	80.759	5,035,324
Riverside Unified School District Community Facilities Districts	63,130,000	88.076-100	63,025,665
City of Riverside Community Facilities Districts	25,280,000	100.000	25,280,000
City of Riverside 1915 Act Bonds	16,315,000	100.000	16,315,000
Total overlapping debt repaid with property taxes			**$ 628,718,718**

(Continued)

Other overlapping debt[2]				
Riverside County General Fund Obligations	$	720,218,351	10.712 %	$ 77,149,790
Riverside County Pension Obligations		820,060,000	10.712	87,844,827
Corona-Norco Unified School District General Fund Obligations		21,677,172	0.001	217
Jurupa Unified School District Certificates of Participation		50,480,800	0.002	1,010
Moreno Valley Unified School District Certificates of Participation		5,985,000	10.231	612,325
Riverside Unified School District General Fund Obligations		12,284,000	84.218	10,345,339
Western Municipal Water District General Fund Obligations		5,461,361	32.509	1,775,434
Total other overlapping debt				177,728,942
Overlapping tax increment debt				179,597,480
Total overlapping debt				986,045,140
City direct debt				519,877,000 **(3)**
Combined total direct and overlapping debt				$ 1,505,922,140

(1) Debt balances are as of June 30, 2022.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, non-bonded capital lease obligations.

(3) Excludes debt related to Business-Type Activities.

Ratios to 2021-22 Assessed Valuation:	
Total debt repaid with property taxes…………………………….....	1.79 %
City direct debt $519,877,000 ....……...…………..………...….	1.48 %
Combined total direct and overlapping debt……………..............	4.28 %

Ratios to dissolved redevelopment incremental valuation $(10,968,426,072):	
Total overlapping tax increment debt……………………………..	1.64 %

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

Source: California Municipal Statistics, Inc., Riverside County Auditor-Controller, City Finance Department, and Statistical Table 8.

CITY OF RIVERSIDE
TABLE 18
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

(in thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed valuation	$ 16,415,712	$ 16,851,786	$ 17,867,012	$ 18,502,513	$ 19,209,528	$ 19,936,641	$ 20,798,529	$ 22,376,423	$ 23,284,552	$ 24,208,336
Conversion percentage	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %
Adjusted assessed valuation	4,103,928	4,212,947	4,466,753	4,625,628	4,802,382	4,984,160	5,199,632	5,594,106	5,821,138	6,052,084
Debt limit percentage	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %
Debt limit	615,589	631,942	670,013	693,844	720,357	747,624	779,945	839,116	873,171	907,813
Total net debt applicable to limit	15,314	14,460	13,546	12,567	11,513	10,388	9,179	7,874	6,478	4,987
Legal debt margin	$ 600,275	$ 617,482	$ 656,467	$ 681,277	$ 708,844	$ 737,236	$ 770,766	$ 831,242	$ 866,693	$ 902,826
Total net debt applicable to the limit as a percentage of debt limit	**2.5 %**	**2.3 %**	**2.0 %**	**1.8 %**	**1.6 %**	**1.4 %**	**1.2 %**	**0.9 %**	**0.7 %**	**0.5 %**

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

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

CITY OF RIVERSIDE
TABLE 19
PLEDGED-REVENUE COVERAGE
BUSINESS-TYPE ACTIVITY DEBT
LAST TEN FISCAL YEARS

(in thousands)

Electric Revenue Bonds

Fiscal Year	Pledged Revenue[1]	Less: Operating Expenses[1]	Net Available Revenue	Debt Service Principle	Debt Service Interest	Coverage
2013	$ 348,187	$ 226,997	$ 121,190	$ 18,486	$ 25,941	2.73
2014	347,541	241,136	106,405	21,632	27,575	2.16
2015	348,244	250,578 *	97,666	15,485	26,532	2.32
2016	371,029	249,607 *	121,422	16,460	25,780	2.87
2017	368,956	251,998 *	116,958	14,032	25,553	2.95
2018	368,116	257,785 *	110,331	15,675	25,045	2.71
2019	374,510	279,394 *	95,116	16,449	26,017	2.24
2020	378,391	277,064 *	101,327	11,641	26,992	2.62
2021	373,663	284,293 *	89,370	17,364	27,559	1.99
2022	391,860	298,221 *	93,639	19,339	26,689	2.03

Water Revenue Bonds

Fiscal Year	Pledged Revenue[1]	Less: Operating Expenses[1]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2013	$ 72,700	$ 35,940	$ 36,760	$ 5,395	$ 8,700	2.61
2014	71,317	37,698	33,619	4,574	8,536	2.56
2015	66,010	36,725 *	29,285	5,258	8,342	2.15
2016	60,047	35,608 *	24,439	5,533	8,063	1.80
2017	65,689	37,956 *	27,733	5,486	8,124	2.04
2018	71,054	40,737 *	30,317	6,098	8,049	2.14
2019	69,965	44,547 *	25,418	6,362	8,780	1.68
2020	74,343	45,825 *	28,518	6,139	9,671	1.80
2021	83,510	45,896 *	37,614	7,007	9,685	2.25
2022	85,163	47,177 *	37,986	7,715	9,353	2.23

Sewer Revenue Bonds

Fiscal Year	Pledged Revenue[1]	Less: Operating Expenses[1]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2013	52,944	29,999	22,945	7,465	10,891	1.25
2014	52,098	28,930	23,168	7,753	10,781	1.25
2015	51,288	27,598	23,690	8,056	10,958	1.25
2016	68,412	31,864	36,548	8,405	20,786	1.25
2017	78,337	29,921	48,416	9,010	19,621	1.69
2018	68,735	31,513	37,222	9,184	19,136	1.31
2019	71,787	34,084	37,703	14,766	14,455	1.29
2020	70,365	33,704	36,661	8,634	18,434	1.35
2021	66,421	31,431	34,990	9,599	17,032	1.31
2022	69,422	29,640	39,782	9,966	16,575	1.50

Notes:

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

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

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

* Excludes non-cash pension expense.

CITY OF RIVERSIDE
TABLE 20
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Calendar Year	Population[1]	Personal Income[2] (in thousands)	Per Capita Personal Income[2]	Unemployment Rate[3]
2012	311,955	6,923,217	22,193	9.7
2013	314,034	6,909,376	22,002	8.4
2014	314,221	6,857,559	21,824	7.9
2015	324,696	6,953,323	21,415	6.4
2016	326,792	7,139,080	21,846	5.8
2017	325,860	7,349,024	22,553	5.1
2018	328,101	7,674,374	23,390	3.8
2019	328,155	8,102,150	24,690	3.6
2020	324,302	8,496,064	26,198	9.0
2021	317,847	8,891,501	27,974	6.7

Sources:

[1] California State Department of Finance.

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

[3] State of California Employment Development Department.

CITY OF RIVERSIDE
TABLE 21
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

	2022			2013		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
County of Riverside	24,290	1	20.1%	11,187	1	7.6%
University of California, Riverside	8,593	2	7.1%	5,497	3	3.7%
March Air Force Reserve	9,600	3	8.0%			
Kaiser Permanente	5,846	4	4.8%	4,500	4	3.1%
Riverside Unified School District	5,003	5	4.1%	5,580	2	3.8%
City of Riverside	2,336	6	1.9%	2,687	5	1.8%
Riverside Community Hospital	2,200	7	1.8%	1,880	7	1.3%
Riverside Community College District	2,100	8	1.7%	2,087	6	1.4%
Alvord Unified School District	1,898	9	1.6%	1,445	9	1.0%
California Baptist University	1,442	10	1.2%			
Riverside County Office of Eduation				1,765	8	1.2%
Parkview Community Hospital				1,350	10	0.9%
Total	63,308		52.3%	37,978		25.8%

Source: City of Riverside, Economic Development Department

CITY OF RIVERSIDE
TABLE 22
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2013	2014[1]	2015	2016	2017	2018	2019	2020	2021	2022
General government	413.90	356.25	361.25	394.24	417.55	430.05	453.80	458.30	460.30	462.05
Public safety (sworn and non-sworn personnel)										
Police	596.75	551.75	553.75	554.75	512.00	543.00	557.00	571.00	585.00	604.00
Fire	255.46	255.00	255.00	251.00	239.00	242.00	245.00	248.00	251.00	250.00
Highways and streets	362.11	333.48	308.00	308.00	272.00	273.00	271.00	271.00	270.00	271.00
Sanitation	57.00	59.00	57.00	59.00	59.00	59.00	59.00	59.00	62.00	62.00
Culture and recreation	351.48	269.98	274.45	286.75	276.23	276.98	276.07	284.07	283.60	287.86
Airport	9.50	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Water	181.15	182.15	181.15	181.15	174.15	158.65	158.65	158.65	164.50	164.50
Electric	459.50	462.50	464.50	466.50	471.75	489.25	475.25	475.25	466.25	468.50
Total	2,686.85	2,476.11	2,461.10	2,507.39	2,428.68	2,478.93	2,502.77	2,532.27	2,549.65	2,576.91

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

Source: City of Riverside, Finance Department, FY 2021/22 Budget Master Personnel Detail

CITY OF RIVERSIDE
TABLE 23
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Arrests	8,362	9,321	10,310	9,242	8,358	8,423	8,295	7,738	8,089	7,667
Fire:										
Number of calls answered	29,988	30,668	32,943	35,905	36,150	38,501	37,739	37,999	31,918	38,801
Inspections	10,151	12,476	8,770	6,636	6,482	6,519	5,584	7,987	7,175	9,244
Public Works:										
Street resurfacing (miles)	16.50	35.38	38.75	39.01	27.09	17.37	16.50	18.80	7.30	17.35
Parks and Recreation:										
Number of recreation classes	41,364	45,707	43,007	53,907	53,308	54,025	54,069	34,366	525[1]	856[1]
Number of facility rentals	43,358	46,432	44,363	47,772	48,097	46,904	66,846	45,741	324[1]	374[1]
Water:										
Number of accounts	64,591	64,829	65,102	65,094	65,428	65,640	65,803	66,031	66,198	66,372
Annual consumption (ccf)	28,186,178	28,887,304	26,007,490	22,529,463	25,340,729	27,514,374	25,827,721	25,526,021	28,625,382	26,845,583
Electric:										
Number of accounts	107,525	108,358	108,388	108,776	109,274	109,619	110,480	111,161	111,711	112,328
Annual consumption (millions of kwh)	2,193	2,152	2,167	2,170	2,197	2,195	2,150	2,115	2,122	2,145
Sewer:										
New connections	17,607	17,274	17,553	17,669	17,654	17,551	17,540	17,593	17,602	17,588
Average daily sewage treatment (millions of gallons)	29.57	28.49	27.15	26.35	27.19	26.16	26.86	25.22	25.30	26.01

[1] Reduction is due to the affects of the COVID-19 pandemic.

Source: City of Riverside, various departments

CITY OF RIVERSIDE
TABLE 24
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function:										
Public Safety:										
Police:										
Stations	3	3	3	3	3	3	3	3	4	4
Substations	4	4	4	4	5	4	5	4	1	1
Helicopters	4	3	3	3	3	2	2	2	2	2
Airplane	0	0	0	0	0	1	1	1	1	1
Fire:										
Stations	14	14	14	14	14	14	14	14	14	14
Active apparatus	28	28	31	33	32	33	55	32	32	32
Reserve apparatus	11	11	8	9	9	9	13	9	10	10
Training facilities	1	1	1	1	1	1	1	1	1	1
Highways and streets:										
Streets (miles)	868.89	871.19	872.16	872.22	872.01	872.24	872.10	872.35	891.28	891.17
Streetlights	29,949	29,968	299,986	30,427	30,467	30,479	30,445	30,489	30,489	30,489
Signalized intersections	365	367	386	381	382	384	392	397	408	408
Culture and Recreation:										
Parks acreage	2,891.0	2,911.8	2,926.8	2,983.0	2,983.0	2,988.0	2,988.0	2,988.0	2,988.0	2,988.0
Community centers	11	11	11	11	11	11	11	11	12	12
Playgrounds	43	44	44	46	46	46	46	46	46	43
Swimming pools	7	7	7	7	7	7	7	7	7	7
Softball and baseball diamonds	44	44	44	44	44	44	44	44	44	44
Library branches	8	8	8	8	8	8	8	8	8	8
Museum exhibit-fixed	3	3	4	5	5	- [1]	1 [1]	0 [1]	- [1]	1
Museum exhibit-special	4	4	5	6	6	1 [1]	4 [1]	3 [1]	1 [1]	5
Water:										
Fire hydrants	7,726	7,754	7,758	7,908	7,952	8,173	8,192	9,304	8,012	8,019
Sewer:										
Sanitary sewers (miles)	829	829	820	829	827	820	820	820	820	853
Electric:										
Miles of overhead distribution system	513.0	513.0	513.0	513.0	513.0	514.0	514.0	513.0	513.0	513.0
Miles of underground system	810.0	814.0	815.0	817.0	826.0	831.0	834.0	838.0	838.0	838.0

[1] The decrease in total numbers of Museum's exhibits is due to the closure of the Riverside Metropolitan Museum for expansion and renovation.

Source: City of Riverside, various departments

CITY OF RIVERSIDE

City of Arts & Innovation

3900 Main Street
Riverside, CA 92522

ExploreRiverside.com

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Certificates, payment of principal, prepayment premium, if any, and interest with respect to the Certificates to The Depository Trust Company ("DTC"), New York, NY, its Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Certificates and other related transactions by and between DTC, its Participants and the Beneficial Owners is based solely on the understanding of the Authority of such procedures and record keeping from information provided by DTC. Accordingly, no representations can be made concerning these matters and neither DTC, its Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or its Participants, as the case may be. The Local Agency, the Authority, the Trustee and the Underwriters understand that the current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and that the current "Procedures" of DTC to be followed in dealing with Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTTC is owned by users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as prepayments, tenders, defaults, and proposed amendments to the Trust Agreement. For example, Beneficial Owners of the Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Prepayment notices shall be sent to DTC, if less than all of the Certificates within a maturity are being prepaid. DTC's practice is to determine by lot the amount of the interest of each Direct Participant in each issue to be prepaid.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest with respect to the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Local Agency, the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Local Agency or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal of, premium, if any, and interest with respect to the Certificates by Cede & Co (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Local Agency, the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the Local Agency, the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Certificates are required to be printed and delivered.

The Local Agency and the Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Certificates will be printed and delivered.

The foregoing information concerning DTC and DTC's book-entry system has been provided by DTC, and neither the Authority nor the Trustee takes any responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS OR THE SELECTION OF CERTIFICATES FOR PREPAYMENT.

None of the Local Agency, the Authority or the Trustee can give any assurances that DTC, DTC Participants, Indirect Participants or others will distribute payments of principal of, premium, if any, and interest with respect to the Certificates paid to DTC or its nominee, as the registered Owner, or any prepayment or other notice, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in a manner described in this Official Statement.

In the event that the book-entry system is discontinued as described above, the requirements of the Trust Agreement will apply.

The Local Agency, the Authority and the Trustee cannot and do not give any assurances that DTC, the Participants or others will distribute payments of principal, interest or premium, if any, evidenced by the Certificates paid to DTC or its nominee as the registered owner, or will distribute any prepayment notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. None of the Local Agency, the Authority or the Trustee are responsible or liable for the failure of DTC or any Participant to make any payment or give any notice to a Beneficial Owner with respect to the Certificates or an error or delay relating thereto.

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RIVERSIDE PUBLIC FINANCING AUTHORITY • Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation, Series 2023 (2013 Riverside Pavement Rehabilitation Project)

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