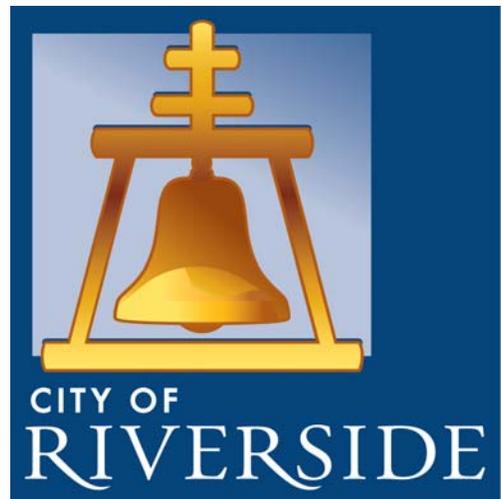


BUDGET SUMMARY



BUDGET SUMMARY

Overview of the Annual Budget

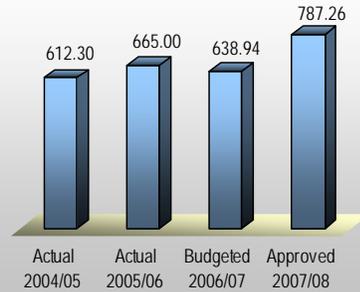
The City's total combined Annual Budget for fiscal year 2007/08 amounts to \$1,099,131,996. This equates to an increase of 53.45% over the previous year's Annual Budget excluding interfund transfers and managed savings. The size of the increase is primarily attributable to several large capital projects included in the Budget. The increase in the current operations, or operating, budget – the Citywide total Annual Budget excluding debt service, capital projects, charges to and from others, interfund transfers, and managed savings – is 12.81%.

Included in the \$1.1 billion total Annual Budget amount are the City's Internal Service Funds and transfers to the General Fund from the Electric and Water Funds. These expenditures and transfers are found in the budget twice, because the revenue to the Internal Service Funds is a budgeted expenditure in the City's other funds and the interfund transfers are revenue to the General Fund that is then spent by the General Fund departments. When these two items are excluded from the total, the adjusted total Annual Budget amounts to \$1,043,880,261.

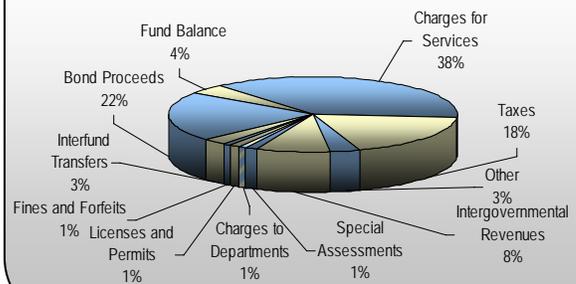
In this Section, the fund structure of the City's funds is described, significant changes between the current year's Annual Budget and the prior fiscal year are discussed, and other relevant information required to understand the Sections that follow is provided. Subsequently, each of the City's Major Funds, defined as any fund constituting more than 5.00% of the City's Annual Budget, is summarized and described. The City's major funds are:

- The General Fund
- The Electric Fund
- The Water Fund
- The Sewer Fund

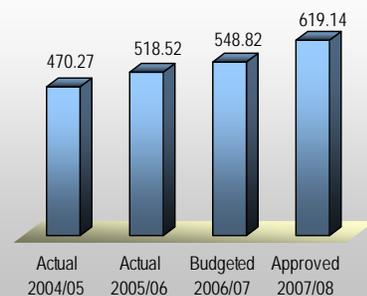
HISTORICAL REVENUE (MILLIONS)



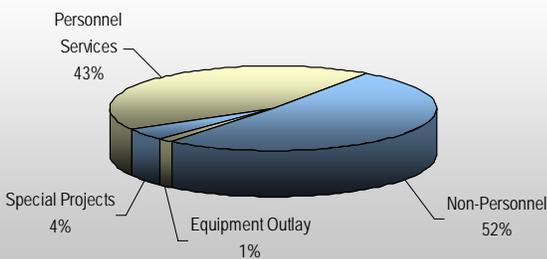
ESTIMATED RESOURCES



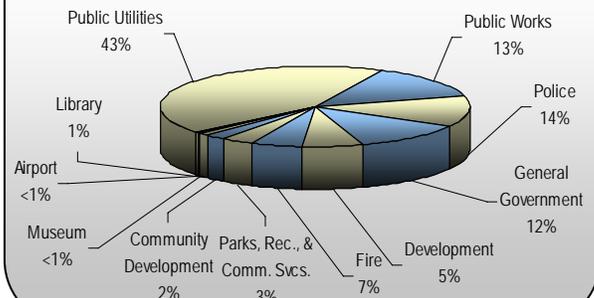
HISTORICAL EXPENDITURES (MILLIONS)



EXPENDITURES BY CATEGORY



BUDGET REQUIREMENTS



BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Charges for Services	349,501,854	366,197,688	366,875,655	411,426,584	12.14%
Taxes	140,882,749	170,090,309	177,818,100	202,390,400	13.82%
Intergovernmental Revenues	28,427,887	28,676,690	28,315,513	91,941,618	224.70%
Special Assessments	15,651,959	14,076,011	14,377,800	14,543,711	1.15%
Charges to Departments	11,288,292	9,738,652	8,307,629	11,008,237	32.51%
Licenses and Permits	9,286,961	10,072,225	10,222,480	10,829,770	5.94%
Fines and Forfeits	3,036,854	3,227,486	3,495,000	8,674,564	148.20%
Other	54,220,692	62,923,731	29,532,252	36,450,057	23.42%
Total Revenues	612,297,248	665,002,792	638,944,429	787,264,941	23.21%
Interfund Transfers				31,626,200	
Bond Proceeds				235,000,000	
Fund Balance				45,240,855	
Total Resources				1,099,131,996	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Personnel Services	193,925,712	203,851,445	236,733,676	265,831,945	12.29%
Non-Personnel	244,201,627	273,303,158	282,449,268	316,256,813	11.97%
Equipment Outlay	8,377,372	12,044,666	9,844,250	9,211,840	-6.42%
Special Projects	23,769,041	29,322,250	19,794,266	27,834,908	40.62%
Current Operations Budget	470,273,752	518,521,519	548,821,460	619,135,506	12.81%
Debt Service	78,285,589	85,412,248	87,738,883	111,160,110	26.69%
Operating Grants	4,449,525	5,656,367	-	-	---
Capital Outlay & Grants	192,342,235	190,655,320	83,399,133	378,753,711	354.15%
Charges From Others	55,202,503	63,933,994	81,796,243	101,509,230	24.10%
Charges To Others	(81,922,360)	(84,132,364)	(98,145,254)	(130,888,329)	33.36%
Total Budget	718,631,244	780,047,084	703,610,465	1,079,670,228	53.45%
Interfund Transfers				31,626,200	
Managed Savings				(12,164,432)	
Total Budget Requirements				1,099,131,996	

EXPENDITURE HISTORY BY ORGANIZATIONAL UNIT

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Riverside Public Utilities	205,353,687	230,738,629	243,287,798	268,704,762	10.45%
Police Department	73,286,520	71,727,679	78,494,041	83,804,807	6.77%
Public Works Department	48,193,502	50,542,298	59,372,309	77,452,587	30.45%
General Government	55,434,478	69,396,771	64,613,511	71,834,130	11.18%
Fire Department	33,273,904	33,906,966	35,588,330	40,466,389	13.71%
Development Department	21,972,438	23,769,088	24,132,362	32,966,937	36.61%
Parks, Recreation, & Community Services Dept.	18,692,390	20,247,163	20,748,555	20,334,768	-1.99%
Community Development Department	5,840,070	9,351,687	11,656,682	12,957,083	11.16%
Riverside Public Library	6,254,111	6,766,795	8,234,622	8,009,810	-2.73%
Riverside Metropolitan Museum	1,223,876	1,413,611	1,799,305	1,735,684	-3.54%
Riverside Airport	748,776	660,832	893,945	868,549	-2.84%
Current Operations Budget	470,273,752	518,521,519	548,821,460	619,135,506	12.81%

BUDGET SUMMARY

Overview of the Annual Budget (Continued)

Additionally, due to their material nature to the City's operations, the Refuse Fund and the Airport Fund are also reported as Major Funds, though they comprise less than 5.00% of the City's Annual Budget. Similarly, the Capital Outlay Fund, though more than 5.00% of the City's Annual Budget, is excluded because it is a capital project fund.

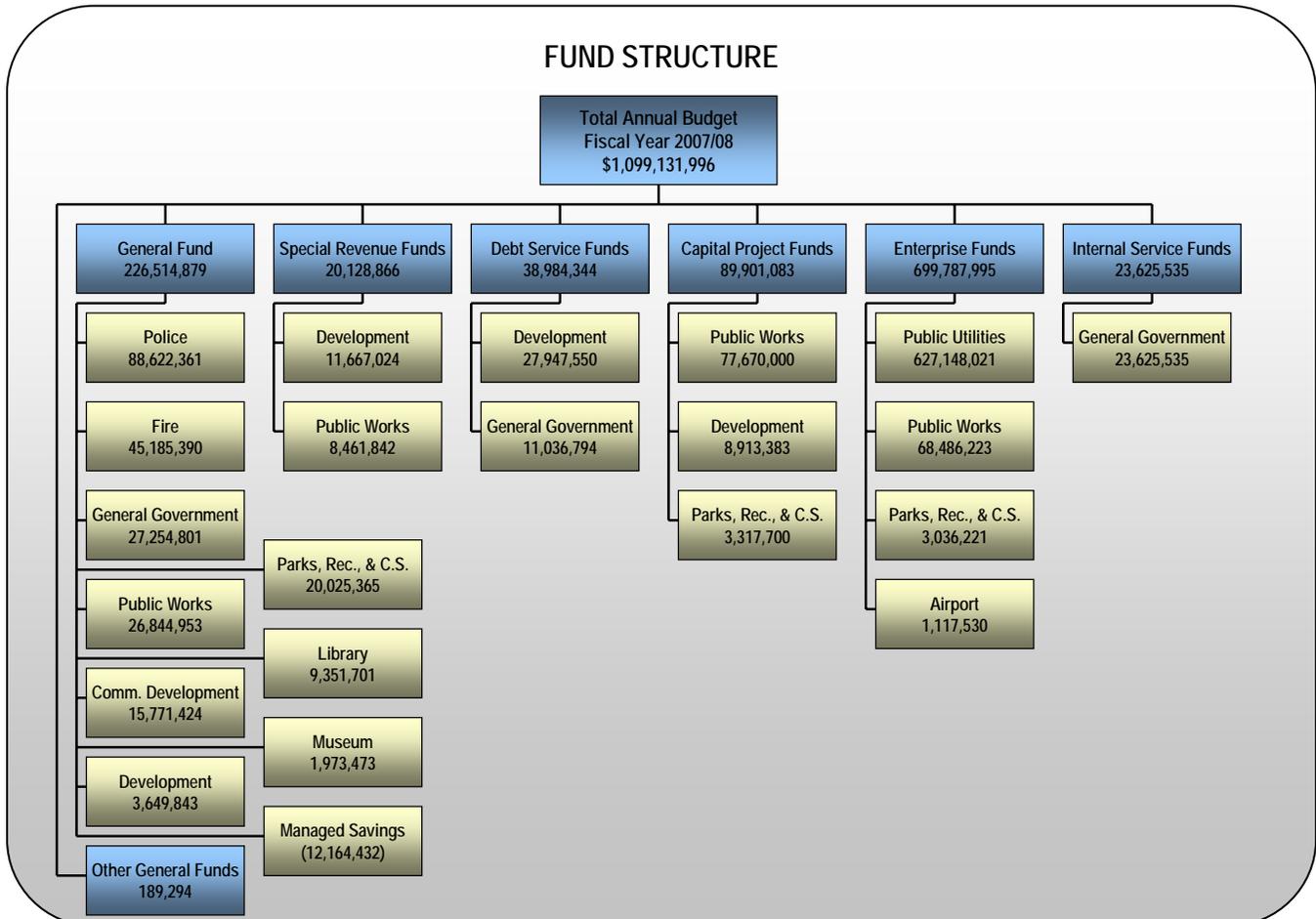
The term "General Government" is used to refer to a combination of all City Departments that are not public service Departments. These Departments include the Office of the Mayor, City Council, Office of the City Attorney, Office of the City Clerk, Office of the City Manager, and the Human Resources, General Services, and Information Technology Departments.

Grant revenue and expenditures are not typically budgeted. Historical actual expenditures shown for fiscal years 2004/05 and 2005/06 include grants and other supplemental appropriations.

Fund Structure

The City organizes its resources into six main fund categories: General Funds, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, and Internal Service Funds. Within each category are multiple funds that each relate to a Department. Funds are categorized primarily for accounting purposes; therefore the Annual Budget typically discusses funds as they relate to Departments rather than categories. Below is a diagram illustrating the relationship between the six fund categories and the City's various Departments. Each Department may have more than one fund within each category.

As can be seen from the following descriptions of fund categories, in many cases individual City Departments span multiple funds within a single category, or in some cases multiple categories. The reasons for this separation of activities are primarily of an accounting nature and can be reviewed in more detail in the City's CAFR.



BUDGET SUMMARY

General Fund

The General Fund is the City's primary operating fund where core City services such as police, fire, parks, recreation, and street maintenance are budgeted. The General Fund is described in more detail later in this Section.

Other Funds (General Funds)

The Landscape Maintenance Districts Fund is also a General Fund. This fund has a minimal budget and is used to account for monies expended for landscape maintenance districts throughout the City. The majority of the expenditures in this fund are appropriated through supplemental appropriations, which is why the budget for the fund only includes charges from the General Fund.

A final fund included in this category is the Redevelopment Agency Fund. This fund is entirely allocated through a distribution of costs to the Development Department's various other funds. It therefore has a budget of zero dollars and is not an appropriated fund. This fund is mentioned here to provide context for the tables where it appears due to costs budgeted in the fund that are allocated to other funds.

Special Revenue Funds

Special Revenue Funds are used to account for specific monies that are legally restricted for use for a particular purpose. Funds included in this category relate to City Departments as follows.

The Development Department's budget includes various Special Revenue Funds. Several of these funds are used to account for the portion of Redevelopment tax increment monies that California Redevelopment Law requires be set aside for the development of low and moderate income housing in the City's various redevelopment areas. Other funds are used to account for Federal grants received from the Department of Housing and Urban Development (HUD) to be used for the development of a viable urban community by providing decent housing, a suitable living environment, and expanding economic opportunities principally for persons of low and moderate incomes.

The Public Works Department's budget includes three Special Revenue Funds. These funds include the Special Gas Tax Fund, used to account for the construction and maintenance of City streets funded by the City's share of state gasoline taxes; the Air Quality Improvement Fund,

used to account for qualified air pollution reduction programs funded by the South Coast Air Quality Management District; and the National Pollution Discharge Elimination System (NPDES) Fund, used to account for storm drain maintenance and inspection required for California storm water permits funded by a special assessment district of Riverside County.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources and payment of long-term debt obligations of the City and related entities. Funds included in this category are Development Department funds associated with the City's various redevelopment areas; funds used to account for debt service payments for the City's various assessment districts and community facilities districts (CFDs); and the Certificates of Participation Debt Service Fund used to account for debt service associated with certificates of participation issued by the Riverside Municipal Improvements Corporation and financed via lease payments from the City.

Capital Project Funds

Capital Project Funds are used to account for the acquisition and construction of major capital facilities other than those financed by Enterprise Funds or the General Fund.

The Public Works Department's budget includes four Capital Projects Funds. These funds include the Storm Drain Fund, used to account for the acquisition, construction, and installation of storm drains in the City; the Capital Outlay Fund, used to account for the construction and installation of street and highway capital improvements; the Measure A Fund, used to account for transportation improvements funded by the 1/2% sales tax approved by Riverside County voters in 1988; and the Transportation Development Impact Fees Fund, used to account for transportation improvements funded by impact fees.

The Development Department's budget includes various Capital Projects Funds. These funds are used to account for costs associated with the acquisition, relocation, demolition, and sale of property in the City's various redevelopment project areas.

Finally, the Parks, Recreation, and Community Services Department's budget includes two Capital Projects Funds. These funds include the Local Park Special Capital

BUDGET SUMMARY

Improvements Fund, used to account for capital projects to construct parks and recreation facilities funded by impact fees; and the Regional Park Special Capital Improvements Fund, used to account for capital projects to construct regional parks and recreation facilities funded by impact fees.

Enterprise Funds

Enterprise Funds are used to account for activities that are financed and operated in a manner similar to private businesses. The City's intent is that the operational and capital costs of providing these services be recovered primarily through user fees and charges.

Riverside Public Utilities is budgeted in four Enterprise Funds. These funds include the Electric Fund, used to account for expenditures of the City's electric utility; the Electric Public Benefits Charge Fund, used to account for public benefits funds related to the City's electric utility; the Water Fund, used to account for expenditures of the City's water utility; and the Conservation and Reclamation Program Fund, used to account for public benefits funds related to the City's water utility. The Electric and Water Funds are described in more detail later in this Section.

The Public Works Department's budget includes three Enterprise Funds. These funds include the Refuse Collection Fund, used to account for expenditures associated with the City's refuse collection services; the Sewer Service Fund, used to account for expenditures related to the City's sewer system; and the Public Parking fund, used to account for expenditures related to the various parking facilities operated by the City in downtown Riverside. The Refuse and Sewer Funds are described in more detail later in this Section.

The Parks, Recreation, and Community Services Department's budget includes an Enterprise Fund. The Special Transit fund is used to account for expenditures related to the City's fleet of minibuses, which are used to transport senior citizens and disabled persons.

Finally, the Riverside Airport is entirely budgeted in an Enterprise Fund. The Airport Fund is described in more detail later in this Section.

Internal Service Funds

Internal Service Funds are used to account for the operational and capital cost of providing centralized services to City Departments. The costs of these services

are recovered through the City's Cost Allocation Plan or other cost reimbursement methods. Funds in this category include the City's insurance-related funds, which are budgeted in the Office of the City Manager's budget. They are the Workers' Compensation Insurance Trust Fund, the Unemployment Insurance Trust Fund, and the Liability Insurance Trust Fund. Additionally, the Office of the City Manager's budget includes the Central Stores Fund, used to account for purchases; and the General Services Department's budget includes the Central Garage Fund, used to account for vehicle maintenance and motor pool functions.

Funds Not Budgeted

There are certain City funds that do not appear in the budget and that have not been described in this Section, either because they are no longer active or because they are never budgeted in the Annual Budget. Funds in the second category include the Capital Project Funds related to the City's assessment districts and CFDs, certain Public Works Capital Projects Funds, and certain Capital Project Funds used to account for expenditures associated with bond or certificate of participation issues completed mid-year in prior budget years. Appropriations were or are made to these funds on an as-needed basis through supplemental appropriations approved by the City Council during the budget year.

Summary of Significant Budget Adjustments

Detailed listings by department of significant budget adjustments can be found in Section I of the Annual Budget. This summary is intended as a high-level overview of significant structural changes to the budget or organization. Please refer to Section I for a detailed discussion of specific budgetary adjustments at the department level.

Fund Reorganization

At the close of fiscal year 2006/07, several funds were eliminated in an effort to simplify the City's fund structure. Historical data has been presented in the Annual Budget as though these changes had always been in place. This facilitates easy historical comparison, which would not be possible if the prior year data were left in the old format.

The first significant change is the consolidation of the Central Services Fund (102) into the General Fund (101). The two funds have historically been consolidated in the City's Comprehensive Annual Financial Report (CAFR), but were tracked separately for budgetary purposes. The

BUDGET SUMMARY

primary reason for this related to the City' Cost Allocation Plan (CAP). The CAP fully allocated all divisions located in the Central Services Fund, and the fund therefore had a net budget of \$0.00. The divisions previously budgeted in the Central Services Fund are now budgeted in the General Fund.

The second significant change is the consolidation of the Library Fund (210) into the General Fund. Historically, the Riverside Public Library provided contract services to Riverside County. This necessitated the tracking of the Library's operations in a Special Revenue Fund. The arrangement with the County was terminated several years ago, but the Library remained in its own fund. Additionally, transfers from the General Fund were necessary to maintain a positive fund balance in the Library Fund. Because the relationship with the County no longer exists and because the General Fund was already partially supporting the Library's operations, the Library has been moved into the General Fund.

The third significant change is the elimination of the Special Designations Fund (290). This fund was used to account for special designations of the City's other funds that had been set aside for a designated purpose. These designations have been moved to their parent funds and are now set aside as designated fund balance.

Finally, the last significant change is the consolidation of the Sewer Projects Fund (551) into the Sewer Service Fund (550). Historically, there was a need to track capital projects related to the City's sewer infrastructure in a separate fund. This type of tracking is no longer needed. Therefore the Sewer Projects Fund was eliminated in favor of a single fund for operating the Sewer enterprise. This is consistent with the way that the City's other Enterprise Funds are structured wherein capital projects and current operations are all budgeted in the same fund.

Department Reorganizations

During fiscal year 2006/07 or effective at the beginning of fiscal year 2007/08, the following reorganizations occurred throughout the City. A reorganization can be defined as the transfer of a particular function from one department to another department that has no impact on the net Annual Budget.

1. The Development Department transferred maintenance responsibility for the Municipal

Auditorium and Convention Center to the General Services Department.

2. The Human Relations Division was transferred from the Office of the City Manager to the Office of the Mayor and renamed the Community Relations Division.
3. The non-park landscape maintenance function was transferred from the Parks, Recreation, and Community Services Department to the Public Works Department.

Programmatic and Staffing Changes

Citywide staffing increased by 175.12 full time equivalents. This increase was primarily driven by Riverside Renaissance capital projects and additional staff needed to address identified City Council priorities. Each department's summary in Section I outlines the reasons for the increases in personnel.

In addition to personnel increases, the non-personnel budget was increased to address identified City Council priorities as articulated in the City Manager's Budget Message. Each department's summary in Section I outlines the reasons for the increases in non-personnel expenditures. The capital improvements and debt service budgets are also larger than in the prior year. The increases primarily reflect projects and new bond issues related to the Riverside Renaissance Initiative.

The transmittal letter for the final budget included at the end of Section A references "minor administrative adjustments" in addition to several listed last minute additions to the budget. These minor administrative adjustments do not have a material impact on the budget as a whole, though the budget numbers presented in the City Manager's Budget Message may be slightly different than the final budget numbers presented in the Annual Budget.

Interfund Transfers

Throughout the Annual Budget reference is made to interfund transfers. An interfund transfer is a transfer of funds from one City fund to another City fund. These transfers appear as a resource in the fund receiving the transfer and as a budget requirement in the fund that is sending the transfer. While this does result in the revenue and expenditure being "double counted" in the Annual Budget, this presentation provides a truer picture of the actual expenditures for the City's Enterprise Funds, from which the majority of the transferred funds originate. A

BUDGET SUMMARY

summary of the City's interfund transfers is provided in the table to the right.

Outstanding Debt

As discussed in the City's Debt Management Policy, found in the Guide to the Budget Section, the City's legal debt limit is set by State of California Statute at 15% of the City's adjusted assessed valuation. Of the \$1.15 billion in debt currently outstanding, only \$19.08 million is supported by tax revenues (the Measure G Fire Facility Projects Bonds) and is therefore subject to the legal debt limit. The City's assessed valuation for the current fiscal year is \$16.40 billion, resulting in a debt limit of \$614.84 million and a current ratio of debt to assessed value of 3.10%. The remaining outstanding debt detailed in the table on the facing page is supported by other specific revenue streams and is not subject to the legal debt limit.

During fiscal year 2006/07, several significant debt issues were completed. The General Fund issued Certificates of Participation totaling \$118.98 million and the Redevelopment Agency issued Tax Allocation Bonds totaling \$156.27 to fund Riverside Renaissance Initiative capital projects. These projects are described in more detail in the Capital Improvement Program Summary in Section J of the Annual Budget. The debt service for the 2007 Certificates of Participation is funded through an

SUMMARY OF INTERFUND TRANSFERS

Sending Fund		Transfer to General Fund
Electric Fund	510	26,935,300
Water Fund	520	4,690,900
Total		31,626,200

increase to the interfund transfer from the Electric Fund to the General Fund and by Park Development Impact Fees. The debt service for the 2007 Tax Allocation Bond issues is funded through tax increment in the City's redevelopment project areas.

Certificates of Participation totaling \$19.95 million were also issued for public improvements to the Galleria at Tyler. The debt service for this issue is funded through an assessment district encompassing the Galleria at Tyler property plus, as necessary, a portion of the sales taxes generated by the Galleria expansion. In the event that the higher sales taxes generated by the facility expansion are not sufficient to cover the debt service on the Certificates of Participation, special property assessments can be

LEGAL DEBT LIMIT CALCULATION

	As of June 30, 2007
Fiscal Year 2006/07 Assessed Valuation	16,395,628,541
Conversion Percentage	25.00%
Adjusted Assessed Valuation for Calculation Purposes	4,098,907,135
Debt Limit Percentage	15.00%
Legal Debt Limit	614,836,070
Less: Outstanding General Obligation Debt Payable from Property Taxes Measure G Fire Facility Projects Bonds	19,075,000
Remaining Debt Capacity	595,761,070
Ratio of Debt to Legal Debt Limit	3.10%
Debt per Capita (2007 Population Estimate of 291,398)	\$65.46

BUDGET SUMMARY

instituted to cover any shortfall.

During the course of fiscal year 2007/08, it is anticipated that debt will be issued by the Electric Fund, the Water Fund, and for the Redevelopment Agency Low/Mod Housing Funds. The Sewer Fund may also issue debt, though a pending rate increase will determine the structure of funding for future capital projects.

Bond proceeds totaling \$235.00 million are included in the Electric and Water Fund portions of the Annual Budget that relate to the anticipated debt issues described above. These funds are reflected as a resource in the various revenue tables but are not included in revenue to avoid skewing historical comparisons, as bond proceeds are not included in historical revenues.

SUMMARY OF CITYWIDE DEBT OBLIGATIONS

Debt Issue	Budgeted Fund	Year of Issuance	Year of Final Maturity	Total Issue Size	Outstanding Principal 6/30/2008	2007/08 Principal	2007/08 Interest	Total Budgeted Payment
General Obligation								
Measure G Fire Facility Projects Bonds	General Fund	2004	2025	20,000,000	18,530,000	545,000	856,695	1,401,695
Pension Obligation								
Pension Obligation Bonds (2004)	General Fund	2004	2023	89,540,000	84,090,000	1,675,000	4,854,968	6,529,968
Pension Obligation Bonds (2005) Series A	General Fund	2005	2020	30,000,000	27,880,000	805,000	1,337,846	2,142,846
Pension Obligation Bonds (2005) Series B	General Fund	2005	2025	30,000,000	30,000,000	-	1,449,000	1,449,000
Certificates of Participation								
Capital Improvement Projects Refunding	General Fund	1999	2010	6,360,000	1,575,000	705,000	172,195	877,195
Riverside Public Financing Authority (RPFA) Projects	General Fund	2003	2034	53,185,000	49,035,000	1,165,000	2,332,313	3,497,313
Galleria Mall Improvements	General Fund	2006	2036	19,945,000	19,945,000	-	835,479	835,479
Riverside Renaissance Projects Series A	General Fund	2007	2037	59,475,000	59,475,000	-	-	-
Riverside Renaissance Projects Series B	General Fund	2007	2037	59,500,000	59,500,000	-	-	-
Total General Fund					350,030,000	4,895,000	11,838,496	16,733,496
Sewer								
Sewer Revenue Bonds	Sewer Fund	1993	2013	49,145,000	21,350,000	3,515,000	1,346,125	4,861,125
Total Sewer Fund					21,350,000	3,515,000	1,346,125	4,861,125
Electric Utility								
Electric Revenue Bonds (1998)	Electric Fund	1998	2019	98,730,000	41,410,000	5,905,000	2,331,469	8,236,469
Electric Revenue Bonds (2001)	Electric Fund	2001	2015	47,215,000	25,990,000	3,135,000	1,253,468	4,388,468
Electric Revenue Bonds (2003)	Electric Fund	2003	2014	75,405,000	46,710,000	7,170,000	2,218,350	9,388,350
Electric Revenue Bonds (2004)	Electric Fund	2004	2030	110,000,000	104,660,000	2,725,000	4,123,147	6,848,147
Electric Revenue Bonds (2005)	Electric Fund	2005	2036	115,725,000	114,600,000	525,000	3,675,670	4,200,670
Total Electric Fund					333,370,000	19,460,000	13,602,104	33,062,104
Water Utility								
Water Revenue Bonds (1991)	Water Fund	1991	2011	50,950,000	9,710,000	3,240,000	-	3,240,000
Water Revenue Bonds (1998)	Water Fund	1998	2019	30,965,000	20,705,000	285,000	1,064,527	1,349,527
Water Revenue Bonds (2001)	Water Fund	2001	2017	20,000,000	4,445,000	405,000	195,710	600,710
Water Revenue Bonds (2005)	Water Fund	2005	2036	61,125,000	60,300,000	425,000	1,934,134	2,359,134
Total Water Fund					95,160,000	4,355,000	3,194,371	7,549,371
Redevelopment Agency								
RPFA Multiple Project Area TABs (1991)	Redev. Funds	1991	2018	5,645,000	170,000	10,000	14,400	24,400
Univ. Corridor/Sycamore Canyon TABs Series A	Redev. Funds	1999	2028	17,025,000	14,325,000	425,000	692,305	1,117,305
Univ. Corridor/Sycamore Canyon TABs Series B	Redev. Funds	1999	2028	6,055,000	5,175,000	140,000	290,633	430,633
Casa Blanca TABs	Redev. Funds	1999	2026	20,395,000	16,285,000	580,000	781,275	1,361,275
Downtown/Airport TABs	Redev. Funds	2003	2034	40,435,000	35,375,000	1,305,000	1,643,118	2,948,118
California Towers Lease Revenue Bonds Series A	Redev. Funds	2003	2025	26,255,000	23,060,000	680,000	1,054,858	1,734,858
California Towers Lease Revenue Bonds Series B	Redev. Funds	2003	2025	4,810,000	4,040,000	160,000	207,386	367,386
Arlington Tax Allocation Bonds Series A	Redev. Funds	2004	2035	4,550,000	4,435,000	40,000	205,845	245,845
Arlington Tax Allocation Bonds Series B	Redev. Funds	2004	2025	2,975,000	2,705,000	95,000	151,388	246,388
Multiple Project Area Housing TABs	Redev. Funds	2004	2035	24,115,000	22,460,000	585,000	999,772	1,584,772
ERAF Loan Program Through CSCDA	Redev. Funds	2005	2016	1,465,000	1,235,000	125,000	61,089	186,089
RPFA Multiple Project Area TABs (2007) Series A	Redev. Funds	2007	2037	8,340,000	8,340,000	-	112,120	112,120
RPFA Multiple Project Area TABs (2007) Series B	Redev. Funds	2007	2028	14,850,000	14,850,000	-	258,617	258,617
RPFA Multiple Project Area TABs (2007) Series C	Redev. Funds	2007	2037	89,205,000	89,205,000	-	1,336,780	1,336,780
RPFA Multiple Project Area TABs (2007) Series D	Redev. Funds	2007	2032	43,875,000	43,875,000	-	765,261	765,261
Total Redevelopment Agency					285,535,000	4,145,000	8,574,847	12,719,847
Assessment District & Community Facilities District								
Community Facilities District 90-2 Tyler Mall Bonds	Asmt. Funds	1991	2012	17,960,000	1,374,367	413,948	781,052	1,195,000
Sycamore Canyon Business Park No. 1 Bonds	Asmt. Funds	1992	2013	4,416,947	1,790,000	280,000	164,050	444,050
Auto Center Assessment District Bonds	Asmt. Funds	1999	2025	6,341,504	5,035,000	190,000	267,798	457,798
Highlander CFD 90-1 Refunding Bonds	Asmt. Funds	2001	2016	14,325,000	9,200,000	945,000	465,410	1,410,410
Riverwalk Assessment District Bonds	Asmt. Funds	2001	2027	10,198,078	9,005,000	265,000	550,910	815,910
RPFA Refunding Bonds Series A	Asmt. Funds	2001	2017	16,730,000	9,170,000	1,325,000	415,005	1,740,005
RPFA Refunding Bonds Series B	Asmt. Funds	2001	2017	1,620,000	1,075,000	95,000	59,535	154,535
Canyon Springs Assessment District Refunding Bonds	Asmt. Funds	2004	2012	8,680,000	4,845,000	1,105,000	206,219	1,311,219
Riverwalk Business Center Assessment District Bonds	Asmt. Funds	2005	2030	3,755,000	3,510,000	85,000	206,225	291,225
Sycamore Canyon Business Park CFD 92-1 Bonds	Asmt. Funds	2005	2035	9,700,000	9,355,000	175,000	469,903	644,903
Hunter Park Assessment District Bonds	Asmt. Funds	2006	2037	15,269,906	15,025,000	244,906	755,564	1,000,470
Total Assessment District & Community Facilities District					69,384,367	5,123,854	4,341,671	9,465,525
Total Debt					1,154,829,367	41,493,854	42,897,614	84,391,468

NOTE: "TABs" refers to Tax Allocation Bonds.

BUDGET SUMMARY – GENERAL FUND

Overview of the General Fund

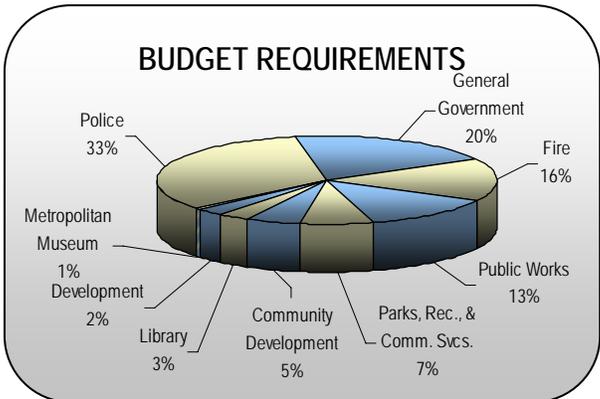
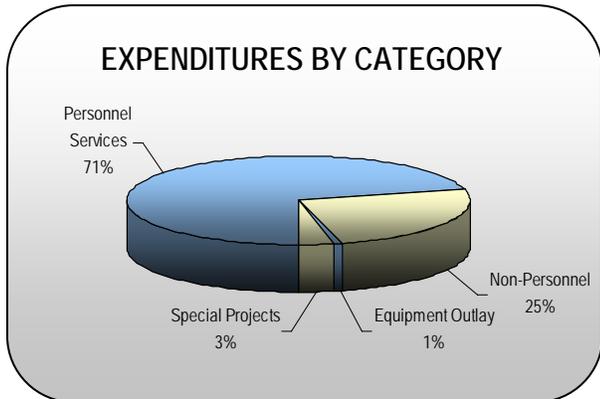
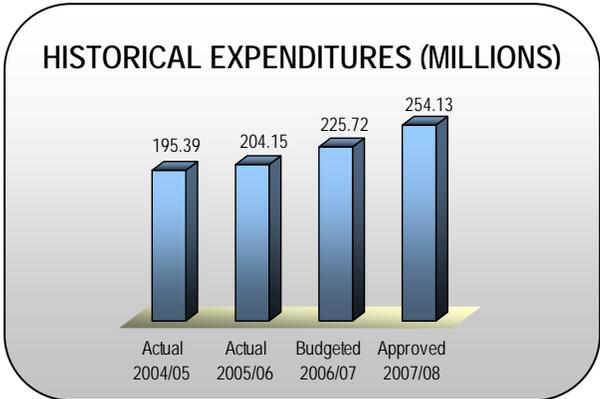
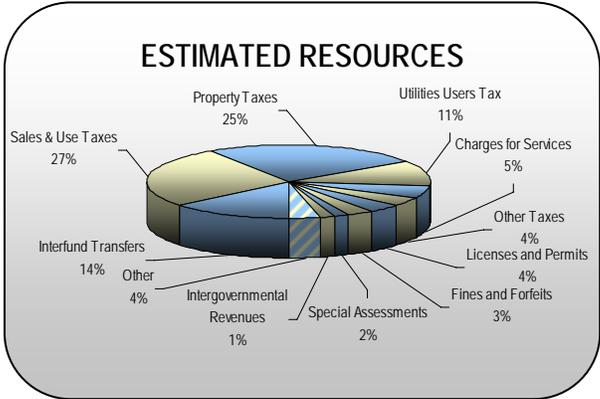
The City's General Fund budget for fiscal year 2007/08 amounts to \$226,514,879. This equates to an increase of 9.60% over the previous year's Annual Budget excluding interfund transfers. The increase in the current operations budget is 12.59%.

Core city services such as police, fire, parks, recreation, and street maintenance are budgeted in the General Fund. Therefore, the General Fund's growth can be more closely tied to the growth of the City and the economic activity within the City than the Annual Budget as a whole. The robust General Fund budget increase this year represents an investment in public safety, transportation, economic development, and other critical needs as outlined in the City Manager's Budget Message.

General Fund Revenue Sources

The General Fund is supported by a diverse set of revenue sources. Included are tax revenues, fees charged for services, licenses and permits, and other more minor sources. In the pages that follow, each of the major General Fund revenue sources is described with information about historical trends, current budgeted revenues, and forecast methodology.

An important part of the overall General Fund financial picture is interfund transfers. The General Fund will receive \$31.6 million from the Electric and Water Funds, which is a transfer of certain operating revenues as authorized by the City Charter.



GENERAL FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Sales & Use Taxes	54,485,783	58,830,459	60,230,000	61,276,000	1.74%
Property Taxes	35,202,708	44,235,108	53,981,000	55,703,000	3.19%
Utilities Users Tax	22,134,951	23,501,590	24,987,000	25,598,000	2.45%
Charges for Services	11,298,098	11,583,215	11,170,135	12,199,891	9.22%
Other Taxes	7,898,296	8,387,159	8,903,000	9,185,000	3.17%
Licenses and Permits	7,374,776	8,367,349	8,402,200	8,636,900	2.79%
Fines and Forfeits	1,988,494	2,096,110	2,545,000	6,857,000	169.43%
Special Assessments	3,744,008	3,577,316	3,905,000	3,800,411	-2.68%
Intergovernmental Revenues	2,670,351	2,850,453	2,645,000	3,370,000	27.41%
Other	9,316,493	3,812,934	4,171,000	8,262,477	98.09%
Total Revenues	156,113,958	167,241,693	180,939,335	194,888,679	7.71%
Interfund Transfers				31,626,200	
Fund Balance				-	
Total Resources				226,514,879	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Personnel Services	137,665,590	142,430,241	163,587,900	180,397,286	10.28%
Non-Personnel	46,208,686	48,542,776	50,729,562	63,026,921	24.24%
Equipment Outlay	4,818,437	4,956,802	4,699,261	2,205,331	-53.07%
Special Projects	6,693,077	8,220,256	6,705,652	8,505,118	26.84%
Current Operations Budget	195,385,790	204,150,075	225,722,375	254,134,656	12.59%
Debt Service	13,043,821	17,475,143	16,094,206	18,366,173	14.12%
Operating Grants	4,212,320	5,542,521	-	-	---
Capital Outlay & Grants	17,162,278	35,083,292	3,048,160	6,134,294	101.25%
Charges From Others	27,022,001	31,900,782	32,992,840	37,857,255	14.74%
Charges To Others	(56,279,296)	(59,475,609)	(60,083,774)	(77,813,067)	29.51%
Total Budget	200,546,914	234,676,204	217,773,807	238,679,311	9.60%
Interfund Transfers				-	
Managed Savings				(12,164,432)	
Total Budget Requirements				226,514,879	

EXPENDITURE HISTORY BY ORGANIZATIONAL UNIT

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Police Department	73,286,520	71,727,679	78,494,041	83,804,807	6.77%
General Government	38,072,649	42,362,352	44,435,396	50,835,707	14.40%
Fire Department	33,273,904	33,906,966	35,588,330	40,466,389	13.71%
Public Works Department	18,589,849	18,578,360	21,989,507	32,650,636	48.48%
Parks, Recreation, & Community Services Dept.	16,265,374	17,481,887	18,418,481	17,617,521	-4.35%
Community Development Department	5,840,070	9,351,687	11,656,682	12,957,083	11.16%
Riverside Public Library	6,254,111	6,766,795	8,234,622	8,009,810	-2.73%
Development Department	2,579,437	2,560,738	5,106,011	6,057,019	18.63%
Riverside Metropolitan Museum	1,223,876	1,413,611	1,799,305	1,735,684	-3.54%
Current Operations Budget	195,385,790	204,150,075	225,722,375	254,134,656	12.59%

BUDGET SUMMARY – GENERAL FUND

Sales and Use Taxes

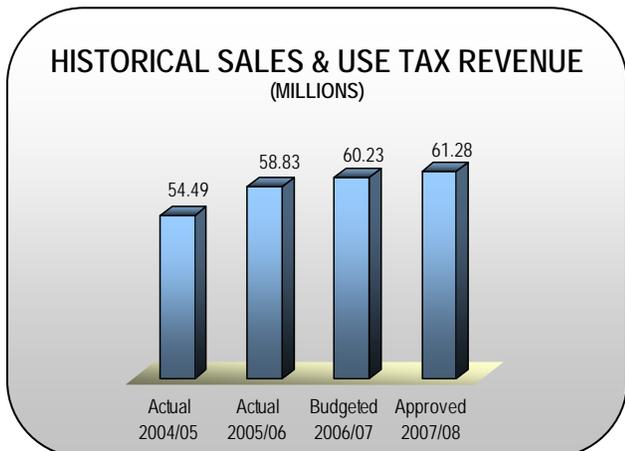
Sales and Use Taxes are imposed on retail transactions, usually at the point of sale. They are collected and remitted to the California State Board of Equalization, which administers the program. In Riverside County, Sales Tax is assessed at the rate of 7.75% of the transaction value. Included in this rate are one percentage point for local sales tax, 0.5 percentage point for Measure “A” transportation programs, and 0.5 percentage point for Local Public Safety Augmentation (LPSA). The Board of Equalization distributes Sales Tax monies on the basis of point of sale data, while Use Tax monies are allocated from various dollar pools at County or State levels based on taxable sales for the defined areas. The LPSA monies are distributed via the County of Riverside to cities based on their proportionate share of property tax losses due to the State’s Educational Revenue Augmentation Fund (ERAF) shifts.

Sales and Use Tax revenues are the largest single revenue source for the General Fund, representing 31.44% of total estimated revenues in fiscal year 2007/08. In each of the past 13 years these revenues have increased, with growth rates in some years higher than 10% annually. This growth is dependent upon the economy and local commercial trends, and sustained growth at the 10% level is improbable. For fiscal year 2007/08, budgeted Sales and Use Tax revenues are estimated to grow slightly, at a level that is in line with the previous year’s actual growth rate and that does not take into account continued retail growth in the City of Riverside that may well result in higher actual revenues. The budgeted amount of \$61.28 million represents an increase of 1.74%.

Property Taxes

Property taxes are levied at one percent of assessed value, as established in 1978 by California’s Proposition 13. The County of Riverside administers the property tax program and the City of Riverside receives approximately 12% of the receipts generated by property taxes levied within the City limits. The balance of the assessment received is allocated between various schools, Riverside County, and the City’s Redevelopment Agency. The increase in revenues between fiscal years 2003/04 and 2004/05 is partially attributable to the State’s swap of certain Property Tax revenues for Vehicle License Fee revenues previously received by the City. Similarly, the increase in revenues between fiscal years 2005/06 and 2006/07 is partially attributable to the ERAF III shift, which diverted certain Property Tax revenues to the State in fiscal years 2004/05 and 2005/06.

Property Tax revenues are the second largest single revenue source for the General Fund, representing 28.58% of total estimated revenues in fiscal year 2007/08. Property Tax revenues have increased in recent years as a result of the booming housing market in Southern California, new retail and commercial construction, annexations, and higher assessed values for properties as they are sold (Proposition 13 also limits annual increases in assessed value so that properties are often assessed considerably below actual value until resold). For fiscal year 2007/08, budgeted Property Tax revenues are estimated to grow at a lower level than in the previous fiscal year, reflecting the slowing housing market in Southern California. The budgeted amount of \$55.70 million represents an increase of 3.19%.



GENERAL FUND – BUDGET SUMMARY

Utility Users Taxes

Utility Users Taxes are imposed on telephone, electrical, gas, water, and cable television services within the City limits at a rate of 6.5 percent of taxable services.

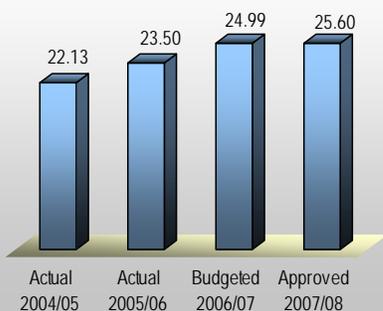
Utility Users Tax revenues represent 13.13% of total estimated General Fund revenues in fiscal year 2007/08. These revenues are largely predictable and increase at a steady and measurable rate as the customer base of the City's utilities increases. For fiscal year 2007/08, budgeted Utility Users Tax revenues are estimated to grow at a rate slightly lower than in the previous year. The budgeted amount of \$25.60 million represents an increase of 2.45%.

Charges for Services

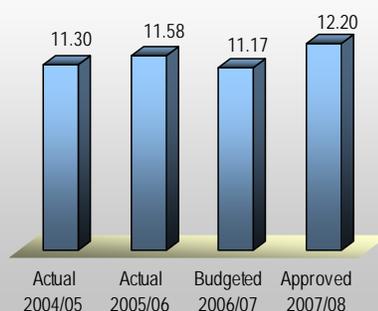
The City has developed service fees that are designed to recover a specified portion of the service cost. This is referred to as the recovery level and is established by the City Council. For most development related services the recovery level is 100 percent. The primary revenue source in this category is fees for processing various development-related applications.

Charges for Services revenue represents 6.26% of total estimated General Fund revenues in fiscal year 2007/08. Revenue from many Charges for Services remains relatively steady and increases each year with the growth in the City's population and inflation. Certain Charges for Services, however, are tied to the construction industry and are thus more closely tied to current economic trends. For fiscal year 2007/08, budgeted Charges for Services are estimated to increase primarily as a result of additional dangerous building demolitions and increased sign abatement. The budgeted amount of \$12.20 million represents an increase of 9.22%.

HISTORICAL UTILITY USERS TAX REVENUE
(MILLIONS)



HISTORICAL CHARGES FOR SVCS. REVENUE
(MILLIONS)



BUDGET SUMMARY – GENERAL FUND

Licenses and Permits

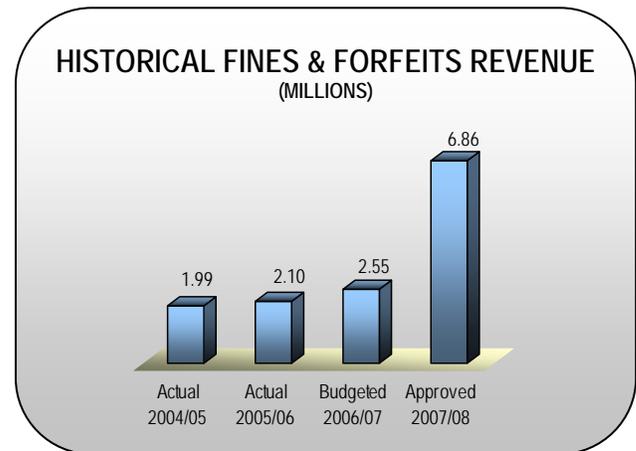
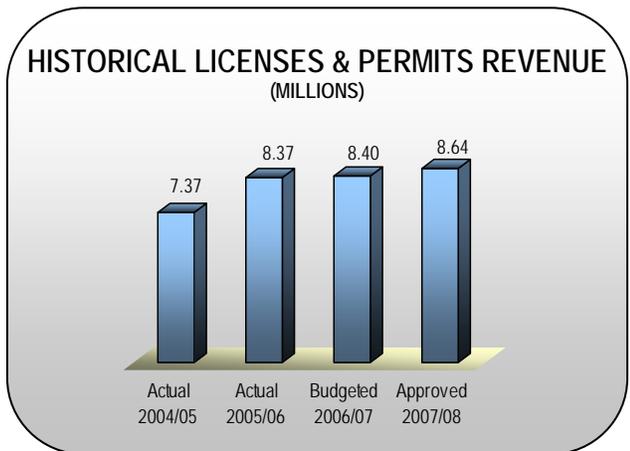
Licenses and permits generate revenue from a wide variety of activity, ranging from business and animal licenses, to building-related permits. The most significant revenue sources are Business Licenses and Building Permit Fees. Business Licenses are required for all establishments conducting business within the City limits and are renewed annually. License fees are based on gross sales, the type of business, and the number of employees. Building Permits are issued by the City and required for various types of construction within the City limits.

Licenses and Permits revenue represents 4.43% of total estimated General Fund revenues in fiscal year 2007/08. Revenue from some Licenses and Permits remains relatively steady and increases each year with the growth in the City's population and inflation. Other Licenses and Permits, however, are tied to the construction industry and are thus more closely tied to current economic trends. For fiscal year 2007/08, budgeted Licenses and Permits revenues are estimated to increase slightly. The budgeted amount of \$8.64 million represents an increase of 2.79%.

Fines and Forfeits

Fines and Forfeits revenue is generated primarily by fines paid to the City for violations of the municipal code or for traffic violations.

Fines and Forfeits revenue represents 3.52% of total estimated General Fund revenues in fiscal year 2007/08. Revenue from most Fines & Forfeits sources remains relatively steady and increases each year with the growth in the City's population and inflation. With the implementation mid-year in fiscal year 2006/07 of the City's Photo Red Light Enforcement Program, however, there is a significant anticipated increase in Fines and Forfeits revenue for fiscal year 2007/08. These revenues are designated for traffic safety-related expenditures and offset expenditures budgeted in the Public Works Department budget for that purpose. The budgeted amount of \$6.86 million represents an increase of 169.43%.



GENERAL FUND – BUDGET SUMMARY

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BUDGET SUMMARY – ELECTRIC FUND

Overview of the Electric Fund

The City's Electric Fund budget for fiscal year 2007/08 amounts to \$522,977,667. This equates to an increase of 91.05% over the previous year's Annual Budget excluding interfund transfers. This increase is primarily attributable to several large capital projects, as discussed in the portion of Section I of the Annual Budget that discusses Riverside Public Utilities. The increase in the current operations budget is 8.49%.

The operating and capital expenditures of the Electric Utility component of Riverside Public Utilities are budgeted in the Electric Fund. In addition to offering lower residential rates than its competitors, Riverside Public Utilities also bolsters economic development within the City by offering discounted commercial rates to large power users and high tech companies. Expenditures in the Electric Fund range from personnel operating the City's power plants to capital expenditures to construct new transmission lines as the City grows.

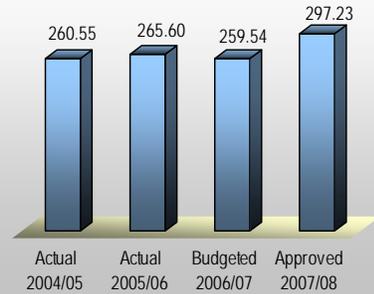
Electric Fund Revenue Sources

The Electric Fund is supported almost exclusively by Charges for Services. These charges include charges for residential and commercial electricity usage by the Utility's customers as well as other miscellaneous items. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

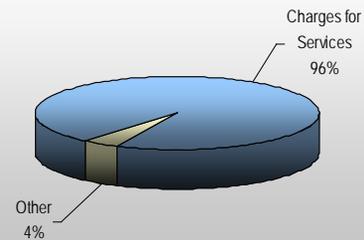
Growth in Electric Fund Charges for Services revenue is primarily tied to growth in the customer base of the Utility and/or electricity demand. Riverside Public Utilities prepares revenue projections based upon an analysis of various statistics and trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$284.78 million represents an increase of 13.96%.

An important part of the overall Electric Fund financial picture is interfund transfers. The Electric Fund will transfer \$26.94 million out to the General Fund, which is a transfer of certain operating revenues as authorized by the City Charter. These funds are used by the City to augment the provisioning of core city services such as police, fire, parks, and street maintenance.

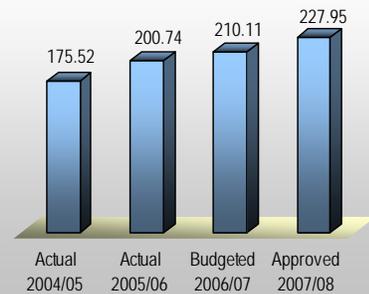
HISTORICAL REVENUE (MILLIONS)



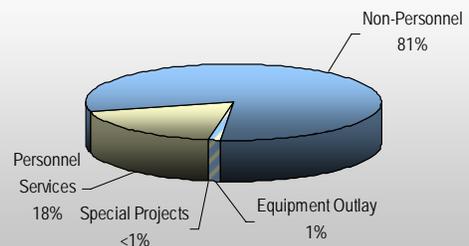
ESTIMATED RESOURCES



HISTORICAL EXPENDITURES (MILLIONS)



EXPENDITURES BY CATEGORY



ELECTRIC FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Charges for Services	241,347,452	252,075,102	249,885,000	284,775,000	13.96%
Other	19,206,288	13,526,773	9,654,000	12,457,000	29.03%
Total Revenues	260,553,740	265,601,875	259,539,000	297,232,000	14.52%
Interfund Transfers				-	
Bond Proceeds				180,000,000	
Fund Balance				45,745,667	
Total Resources				522,977,667	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Personnel Services	25,912,655	28,544,566	34,014,889	41,261,449	21.30%
Non-Personnel	149,068,473	167,105,119	174,422,580	183,838,687	5.40%
Equipment Outlay	328,682	4,905,156	1,451,499	2,627,729	81.04%
Special Projects	209,874	182,496	225,000	225,000	0.00%
Current Operations Budget	175,519,684	200,737,337	210,113,968	227,952,865	8.49%
Debt Service	25,945,447	28,629,332	31,090,800	45,014,000	44.78%
Operating Grants	-	-	-	-	---
Capital Outlay & Grants	94,587,933	58,360,756	25,036,000	231,848,000	826.06%
Charges From Others	7,049,430	7,791,826	8,416,981	11,419,350	35.67%
Charges To Others	(13,735,528)	(14,252,317)	(15,016,975)	(20,191,848)	34.46%
Total Budget	289,366,966	281,266,934	259,640,774	496,042,367	91.05%
Interfund Transfers				26,935,300	
Total Budget Requirements				522,977,667	

BUDGET SUMMARY – WATER FUND

Overview of the Water Fund

The City's Water Fund budget for fiscal year 2007/08 amounts to \$94,539,223. This equates to an increase of 68.80% from the previous year's Annual Budget excluding interfund transfers. This increase is primarily attributable to several large capital projects, as discussed in the portion of Section I of the Annual Budget that discusses Riverside Public Utilities. The increase in the current operations budget is 14.23%.

The operating and capital expenditures of the Water Utility component of Riverside Public Utilities are budgeted in the Water Fund. Expenditures in the Water Fund range from personnel maintaining water lines to capital expenditures to construct new water lines as the City grows.

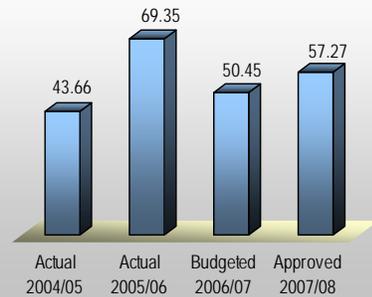
Water Fund Revenue Sources

The Water Fund is supported almost exclusively by Charges for Services. These charges include residential and commercial water usage by the Utility's customers as well as other miscellaneous items. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

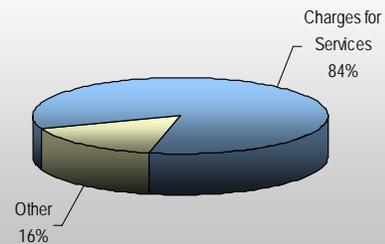
Growth in Water Fund Charges for Services revenues is primarily tied to growth in the customer base of the Utility and/or water demand. Riverside Public Utilities prepares revenue projections based upon an analysis of various statistics and trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$48.11 million represents an increase of 13.13%.

An important part of the overall Water Fund financial picture is interfund transfers. The Water Fund will transfer \$4.69 million out to the General Fund, which is a transfer of certain operating revenues as authorized by the City Charter. These funds are used by the City to augment the provisioning of core city services such as police, fire, parks, and street maintenance.

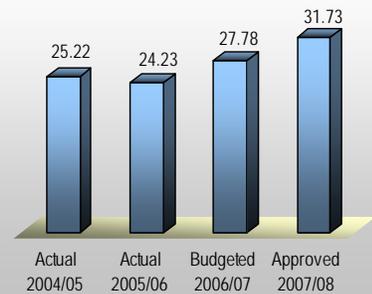
HISTORICAL REVENUE (MILLIONS)



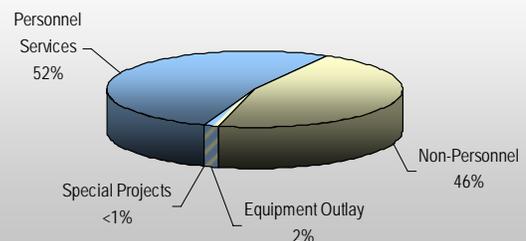
ESTIMATED RESOURCES



HISTORICAL EXPENDITURES (MILLIONS)



EXPENDITURES BY CATEGORY



WATER FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Charges for Services	33,559,450	37,145,635	42,523,000	48,105,000	13.13%
Other	10,105,346	32,206,120	7,922,000	9,165,000	15.69%
Total Revenues	43,664,796	69,351,755	50,445,000	57,270,000	13.53%
Interfund Transfers				-	
Bond Proceeds				55,000,000	
Fund Balance				-	
Total Resources				112,270,000	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Personnel Services	11,160,940	11,326,294	13,465,663	16,664,594	23.76%
Non-Personnel	12,941,884	12,670,004	13,497,630	14,526,615	7.62%
Equipment Outlay	1,040,393	234,071	800,000	525,000	-34.38%
Special Projects	76,045	1,728	15,000	15,000	0.00%
Current Operations Budget	25,219,262	24,232,097	27,778,293	31,731,209	14.23%
Debt Service	7,788,405	8,827,833	9,472,744	12,288,600	29.73%
Operating Grants	55,155	-	-	-	---
Capital Outlay & Grants	16,085,779	16,843,716	11,534,000	43,321,000	275.59%
Charges From Others	5,998,586	6,804,280	8,026,787	9,099,514	13.36%
Charges To Others	(3,618,074)	(3,567,352)	(3,585,000)	(6,592,000)	83.88%
Total Budget	51,529,113	53,140,574	53,226,824	89,848,323	68.80%
Interfund Transfers				4,690,900	
Total Budget Requirements				94,539,223	

BUDGET SUMMARY – SEWER FUND

Overview of the Sewer Fund

The City's Sewer Fund budget for fiscal year 2007/08 amounts to \$43,981,040. This equates to a decrease of 13.01% versus the previous year's Annual Budget excluding interfund transfers. The increase in the current operations budget is 25.06%.

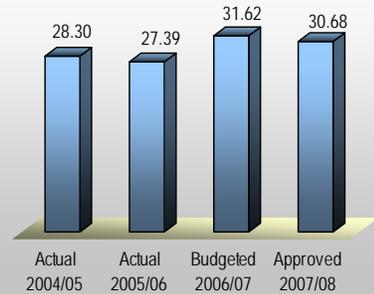
The operating and capital expenditures related to the City's sewer system and treatment plant are budgeted in the Sewer Fund. Expenditures in the Sewer Funds include the cost of constructing and maintaining sewer lines and facilities and well as the operational costs associated with the City's Wastewater Treatment Plant, which serves the residential and commercial sewer needs within the City as well as the Jurupa, Rubidoux, and Edgemont Community Service Districts.

Sewer Funds Revenue Sources

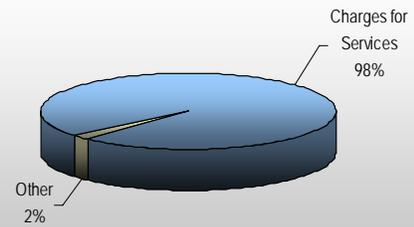
The Sewer Fund is supported almost exclusively by Charges for Services. These charges include residential and commercial sewer usage charges and other miscellaneous items. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

Growth in Sewer Fund Charges for Services revenues is primarily tied to growth in the customer base and/or demand. The Public Works Department prepares revenue projections based upon an analysis of various statistics and trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$30.06 million represents a decrease of 0.36%.

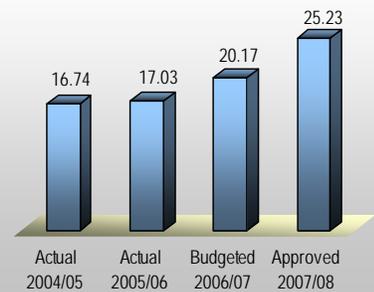
HISTORICAL REVENUE (MILLIONS)



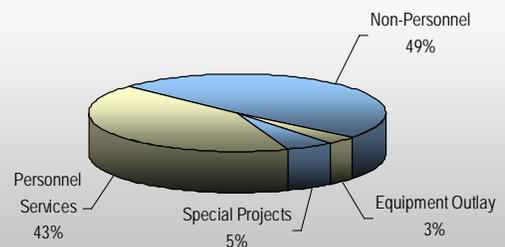
ESTIMATED RESOURCES



HISTORICAL EXPENDITURES (MILLIONS)



EXPENDITURES BY CATEGORY



SEWER FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Charges for Services	25,466,308	25,570,003	30,166,400	30,057,561	-0.36%
Other	2,838,096	1,815,512	1,450,200	622,000	-57.11%
Total Revenues	28,304,404	27,385,515	31,616,600	30,679,561	-2.96%
Interfund Transfers				-	
Fund Balance				13,301,479	
			Total Resources	43,981,040	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Personnel Services	7,177,712	8,463,660	10,111,003	10,725,520	6.08%
Non-Personnel	8,238,025	7,337,464	8,322,901	12,340,504	48.27%
Equipment Outlay	165,441	29,268	555,500	854,000	53.74%
Special Projects	1,158,255	1,196,497	1,181,421	1,306,084	10.55%
Current Operations Budget	16,739,433	17,026,889	20,170,825	25,226,108	25.06%
Debt Service	5,267,011	5,629,385	5,775,936	5,904,758	2.23%
Operating Grants	-	-	-	-	---
Capital Outlay & Grants	13,087,188	7,071,417	21,415,000	9,200,000	-57.04%
Charges From Others	2,199,221	2,731,477	3,202,995	3,657,674	14.20%
Charges To Others	(10,846)	(178,497)	(7,500)	(7,500)	0.00%
Total Budget	37,282,007	32,280,671	50,557,256	43,981,040	-13.01%
Interfund Transfers				-	
			Total Budget Requirements	43,981,040	

BUDGET SUMMARY – REFUSE FUND

Overview of the Refuse Fund

The City's Refuse Fund budget for fiscal year 2007/08 amounts to \$20,367,797. This equates to an increase of 11.85% over the previous year's Annual Budget. The increase in the current operations budget is 12.40%.

The operating and capital expenditures related to the City's refuse collection services are budgeted in the Refuse Fund. The City provides approximately 70 percent of residential service, with the remainder provided by private companies. Commercial refuse service is provided solely by the private sector.

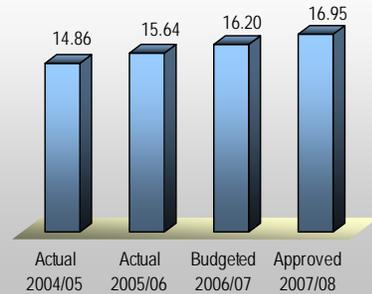
Refuse Fund Revenue Sources

The Refuse Fund is supported almost exclusively by Charges for Services. These charges include residential refuse collection charges and other miscellaneous items. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

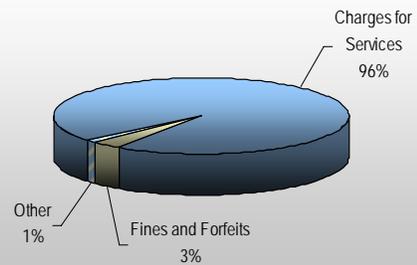
Growth in Refuse Fund Charges for Services revenues is primarily tied to growth in the customer base and/or demand. The Public Works Department prepares revenue projections based upon analysis of various statistics and trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$16.21 million represents an increase of 1.66%.

Additionally, a small amount of revenue is received by the Refuse Fund related to parking tickets issued for violations of no parking zones on street sweeping days. These revenues offset interfund charges from the Public Parking Fund related to enforcement of the no parking zones.

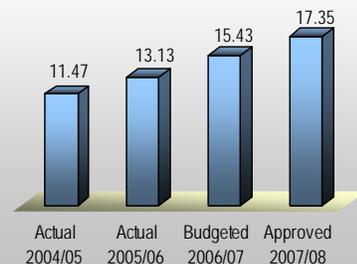
HISTORICAL REVENUE (MILLIONS)



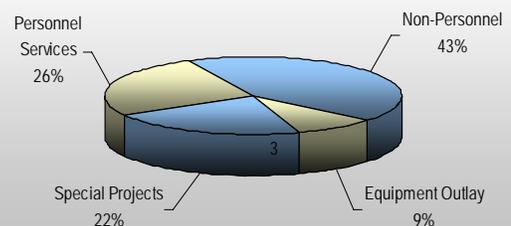
ESTIMATED RESOURCES



HISTORICAL EXPENDITURES (MILLIONS)



EXPENDITURES BY CATEGORY



REFUSE FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Charges for Services	14,492,119	15,160,650	15,948,464	16,213,753	1.66%
Fines and Forfeits	-	-	-	567,564	---
Other	372,005	475,574	254,000	173,100	-31.85%
Total Revenues	14,864,124	15,636,224	16,202,464	16,954,417	4.64%
Interfund Transfers				-	
Fund Balance				3,413,380	
			Total Resources	20,367,797	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Personnel Services	2,692,755	3,691,278	4,120,474	4,534,334	10.04%
Non-Personnel	5,061,129	5,729,508	6,628,510	7,512,737	13.34%
Equipment Outlay	867,676	683,339	1,237,021	1,543,021	24.74%
Special Projects	2,844,406	3,030,203	3,446,888	3,756,720	8.99%
Current Operations Budget	11,465,966	13,134,328	15,432,893	17,346,812	12.40%
Debt Service	804,698	867,848	777,000	99,640	-87.18%
Operating Grants	-	-	-	-	---
Capital Outlay & Grants	399,090	279,896	385,000	385,000	0.00%
Charges From Others	1,554,734	1,626,567	1,995,327	2,854,437	43.06%
Charges To Others	(31,299)	(385,908)	(379,773)	(318,092)	-16.24%
Total Budget	14,193,189	15,522,731	18,210,447	20,367,797	11.85%
Interfund Transfers				-	
			Total Budget Requirements	20,367,797	

BUDGET SUMMARY – AIRPORT FUND

Overview of the Airport Fund

The City's Airport Fund budget for fiscal year 2007/08 amounts to \$1.12. This equates to a decrease of 6.98% versus the previous year's Annual Budget. The decrease in the current operations budget is 2.84%.

The operating and capital expenditures of the Riverside Airport are budgeted in the Airport Fund. The Riverside Airport serves the needs of local business jets, cargo aircraft, police and military helicopters, and private pilots and leases open space for short-term projects. Expenditures in the Airport Fund range from maintaining the terminal building to capital expenditures to reconstruct or expand the airfield.

Airport Fund Revenue Sources

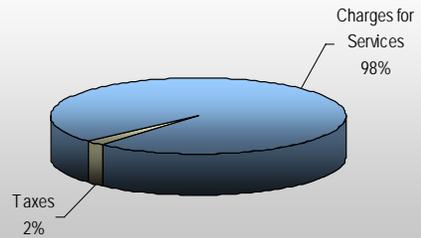
The Airport Fund is supported almost exclusively by Charges for Services. These charges include leases, fuel flowage charges, and landing fees. As an Enterprise Fund, capital and operational cost are recovered through charges for services. Rate increases may be necessary due to increased costs or inflation.

Growth in Airport Fund Charges for Services revenues is primarily tied to growth in the customer base of the Airport and/or the number of leased facilities on the Airport. The Riverside Airport projects revenue based upon an analysis of historical trends. The results of this analysis are included in the Annual Budget. The budgeted amount of \$1.15 million represents an increase of 0.80%.

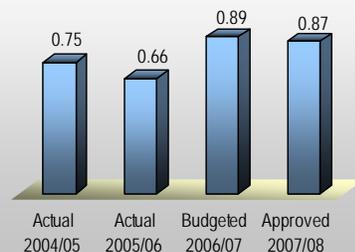
HISTORICAL REVENUE (MILLIONS)



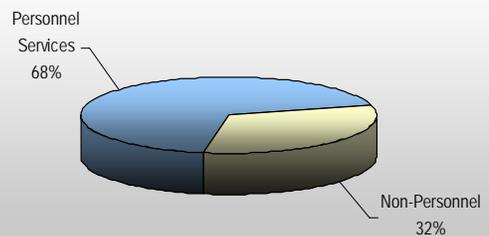
ESTIMATED RESOURCES



HISTORICAL EXPENDITURES (MILLIONS)



EXPENDITURES BY CATEGORY



AIRPORT FUND – BUDGET SUMMARY

REVENUE HISTORY BY REVENUE CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Taxes	65,353	49,379	25,000	25,000	0.00%
Charges for Services	1,087,516	1,161,578	1,144,824	1,154,025	0.80%
Total Revenues	1,152,869	1,210,957	1,169,824	1,179,025	0.79%
Interfund Transfers				-	
Fund Balance				-	
			Total Resources	1,179,025	

EXPENDITURE HISTORY BY BUDGET CATEGORY

	Actual 2004/05	Actual 2005/06	Budgeted 2006/07	Approved 2007/08	Change
Personnel Services	467,182	392,451	570,884	587,507	2.91%
Non-Personnel	262,500	259,761	323,061	281,042	-13.01%
Equipment Outlay	19,094	8,620	-	-	---
Special Projects	-	-	-	-	---
Current Operations Budget	748,776	660,832	893,945	868,549	-2.84%
Debt Service	95,927	83,321	80,882	95,852	18.51%
Operating Grants	182,053	-	-	-	---
Capital Outlay & Grants	1,797,588	589,145	25,000	1,000	-96.00%
Charges From Others	239,316	127,715	201,504	152,129	-24.50%
Charges To Others	(22,537)	-	-	-	---
Total Budget	3,041,123	1,461,013	1,201,331	1,117,530	-6.98%
Interfund Transfers				-	
			Total Budget Requirements	1,117,530	

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