

POPULAR ANNUAL

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

RIVERSIDE, CALIFORNIA



Dear Reader,

The City of Riverside is pleased to present our Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025. Our PAFR provides an overview of the City's financial position in a manner that is easy to understand. The information in this report is based on the audited results presented in the City's Annual Comprehensive Financial Report (ACFR). This report also includes information about the City's economic outlook and organizational outstanding debt structure.

It is important to note, this PAFR is unaudited and is presented on a non-GAAP basis*. This means that the presentation of financial data in this report differs from the GAAP basis presentation in the City's ACFR. The differences are as follows: the use of prescribed accounting methods and financial statement formats; the presentation of segregated funds; and the disclosure of all material financial and non-financial matters in notes to the financial statements.

We hope that you find this report helpful and encourage you to access the City's website (www.RiversideCA.gov/Finance) or contact the Finance Department at (951) 826-5660 for more detailed information about the City's finances.

Sincerely,

Kristie Thomas
Chief Financial Officer

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* Generally Accepted Accounting Principles (GAAP) is a combination of authoritative standards and the commonly accepted way of recording and reporting accounting information. To review the audited GAAP-based, full disclosure financial statements, please refer to the City's ACFR, which is available on the City's website at www.RiversideCA.gov/Finance/

ABOUT THE CITY AND ITS LEADERSHIP

The City of Riverside operates under the council-manager form of government. Under this organizational structure, the City Council appoints a City Manager to act as the Chief Operating Officer. The City Council sets policy direction and the City Manager implements those policies. The Mayor is elected at-large, while Council members are elected by voters in each of seven separate wards. The Mayor shall be the presiding officer at all meetings of the City Council and shall have a voice in all its proceedings but shall not vote except to break a City Council tie-vote. The Mayor shall be the official head of the City for all ceremonial purposes.



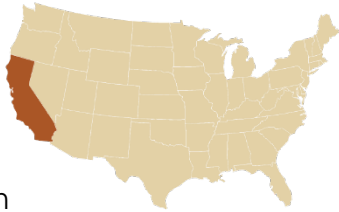
The City of Riverside, incorporated on October 11, 1883, is in the western portion of Riverside County, about 60 mile east of Los Angeles. The City currently occupies a land area of 81.5 square miles.

The City is a part of Inland Southern California, which consists of Riverside and San Bernardino Counties (the "MSA"). The population of Inland Southern California, at approximately 4.7 million, is larger than that of 26 states. The population of the City is 320,337 which places it as the 12th largest in California.



12th
largest city in
California

61st
largest
incorporated
city in **the United States**
by population



CITY DEMOGRAPHICS AND KEY STATISTICS

CITY DEMOGRAPHICS

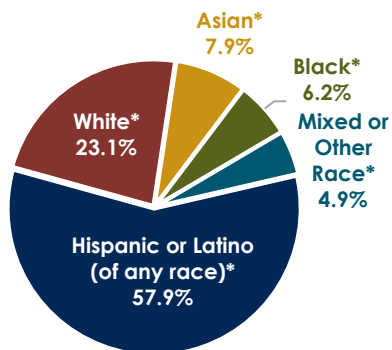


\$650,000
Median Sale Price in Riverside
 Source: Redfin calculations of home data from MLS and/or public records October 2025

Unemployment Rate: 5.9%
 Source: July 2025 U.S. Bureau of Labor Statistics, bls.gov



Median Age: 34.8*



2025 Estimated Population
320,337

Source: California Department of Finance



Average Household Size: 3.03*



32.9% of the Population 25 years & over have a college degree*
 (Associates, Bachelor's, Graduate/Professional)



Average Household Income: \$108,599*

* Source: United States Census Bureau, 2024 American Community Survey 1-Year Estimates – Most recent data available at time of publication

CITY KEY STATISTICS



Police



5 Police Stations &
2 Helicopters



628 Police Personnel
 (Sworn & Non-Sworn)



Fire



14 Fire Stations
1 Training Facility



262 Fire Personnel



44,670 Calls Answered



Culture & Recreation



7 Library Branches



15 Community Centers



3,027.6
 Acres of Parks



43 Playgrounds &
51 Softball/Baseball Diamonds



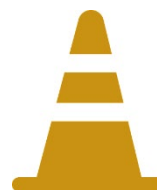
Public Works



30,116
 Streetlights



890.88
 Streets (miles)



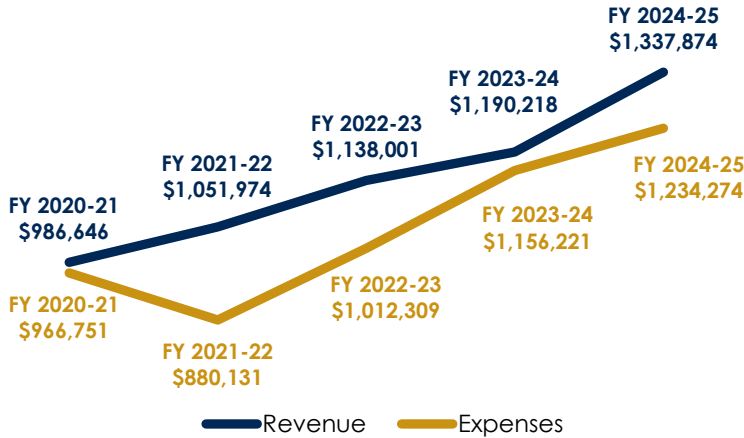
29.6
 Street Resurfacing (miles)

WHAT'S NEW: FINANCIAL HIGHLIGHTS

Overall, the City as a whole has seen revenue increasing and expenses trending upward. For the year ended June 30, 2025, revenue exceeded expenses by \$103.6 million. The increase in unrestricted net position is primarily the result of the increases in charges for services, grants and contributions, and investment income.

FIVE-YEAR REVENUES VS EXPENSES – CITYWIDE

In thousands of dollars



\$413.1 Million
General Fund
2024-25 Budget
Final Budget*

\$382.2 Million
General Fund
2025-26 Budget
Adopted Budget*

Long-Term Financial Planning

On June 17, 2025, the City Council adopted the amended FY 2025-26 Budget, which includes \$1.53 billion in citywide funding, including \$158.1 million for capital investments. The amended FY 2025-26 Budget included a more cautious approach for the General Fund and Measure Z due to continued uncertainty regarding the national economy and impacts that may have on the local economy. While significant reserve balances are available to help offset any revenue downturn, reserve balances are generally being preserved in the event the City experiences a more severe economic downturn.

*excludes Measure Z spending



2,735.24 Full-Time Equivalent
**City Employees providing services to
 our community**



1 General Fund Policy Reserve of
**20% of budgeted expenditures met
 (\$76.431 million)**

Measure Z Fund

In May 2017, the City began receiving revenue for the Measure Z additional one-cent sales and use tax authorized by voters during the November 2016 election. Measure Z funds are within the General Fund. For purposes of transparency the PAFR separates General Fund and Measure Z.



American Rescue Plan Act (ARPA)

On March 11, 2021, President Biden passed the \$1.9 trillion American Rescue Plan Act (ARPA). The ARPA established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund, which aid eligible state, local, territorial, and Tribal governments to assist in the recovery from economic and health impacts of the COVID-19 pandemic.

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 Council approved the ARPA spending plan for the two allocations in November 2021 and February 2023. On December 10, 2024, the City Council approved the final reallocation of the ARPA funding whereby all unexpended funds were reallocated to the Provision of Government Services, supported by qualifying public safety expenditures, to allow the City to safely meet the December 31, 2024, obligation deadline.

For more information about the City's plan for ARPA spending, please visit:

<https://www.riversideca.gov/citymanager/arpa>

THE CITY'S FINANCIAL POSITION

The Statement of Net Position financial statement presents information about the City's assets, liabilities, deferred outflows (e.g., prepaid items), and deferred inflows (e.g., advance collections). The City's net financial position is the balance of all assets and deferred outflows, less all liabilities and deferred inflows. 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. For the fiscal year ended June 30, 2025, the City's net position improved by \$38.5 million.

STATEMENT OF NET POSITION – ALL FUNDS

In thousands of dollars

City Assets – What We Own	2024	2025
Current Assets consisting mainly of cash and amounts owed to the City	\$1,703,862	\$1,773,238
Net Capital Assets consisting primarily of buildings, equipment, and vehicles	3,313,356	3,292,726
TOTAL CITY ASSETS	\$5,017,218	\$5,065,964
Deferred Outflows of Resources, positive effect on Net Position	237,906	187,626
Total City Assets and Deferred Outflows	\$5,255,124	\$5,253,590
City Liabilities – What We Owe		
Current Liabilities consisting of all amounts the City owes	\$329,803	\$300,606
Non-Current Liabilities consisting of long-term debt owed, including pension obligations	2,373,477	2,368,977
TOTAL CITY LIABILITIES	\$2,703,280	\$2,669,583
Deferred Inflows of Resources, negative effect on Net Position	149,887	143,570
Total City Liabilities and Deferred Inflows	\$2,853,167	\$2,813,153
CITY NET FINANCIAL POSITION	\$2,401,957	\$2,440,437



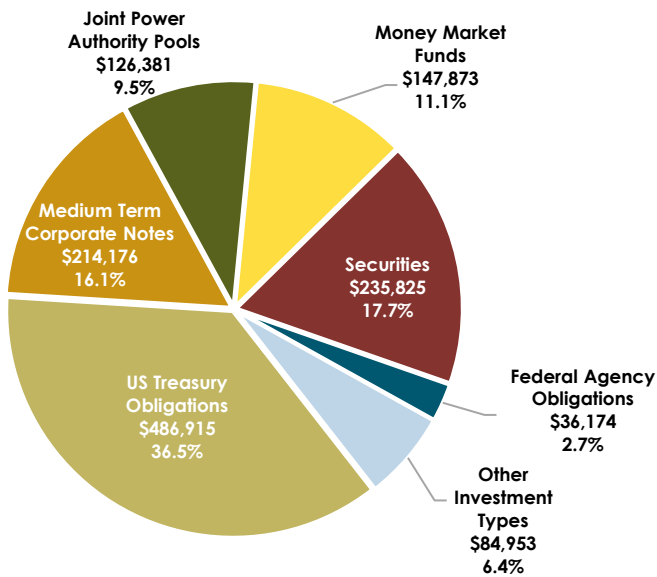
THE CITY'S INVESTMENTS AND CAPITAL ASSETS

INVESTMENT MANAGEMENT AND FUNDS ALLOCATION

The prioritized objective of the City's investment program is to preserve principal, ensure sufficient liquidity, and generate a market rate of return. The City's investments comply with California Government Code Section 53601 guidelines for permissible investment types and limits. In addition, all investments comply with the City Council's adopted investment policy which mitigates the City's risk. The chart below reflects the types of investments held by the City or its Fiscal Agent as of June 30, 2025.

INVESTMENT TYPE • \$1,332,297

In thousands of dollars



3.74 %
June 2025

3.20 %
June 2024

Average Purchase Yield to Maturity

Yield to maturity is the total return of investment anticipated on a bond if the bond is held until it matures. This figure is expressed as an annual rate. Based on information prepared by the City's investment consultant at year-end, the City's average purchase yield to maturity increased significantly when compared to the previous year.

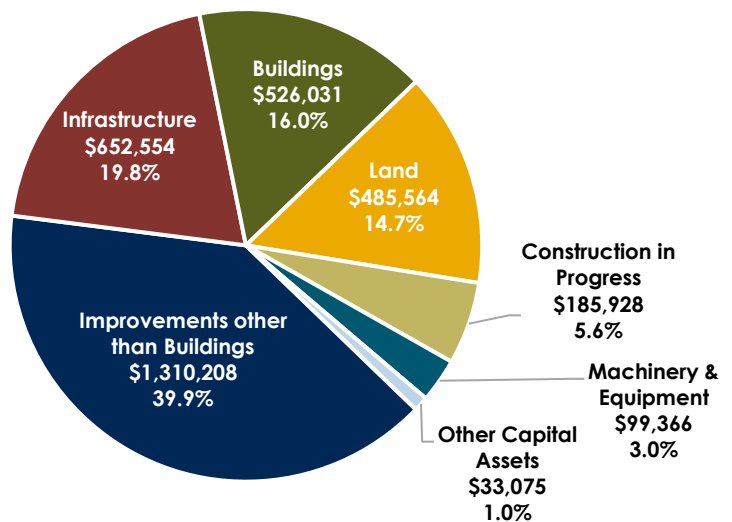
CAPITAL ASSETS, NET OF DEPRECIATION AND AMORTIZATION

\$3,292,726

(In thousands of dollars)

The City's capital asset investment includes land, buildings and improvements, machinery and equipment, park facilities, roads, highways, bridges, and other capital assets (intangibles, lease, and subscription assets).

Major capital improvements included projects for roads (\$27.8 million), improvements to parks and buildings (\$13.8 million), purchase of vehicles and heavy equipment (\$15.9 million), electric utility capital improvements (\$59.5 million), water utility projects (\$19.8 million), and sewer capital improvements (\$23.7 million).



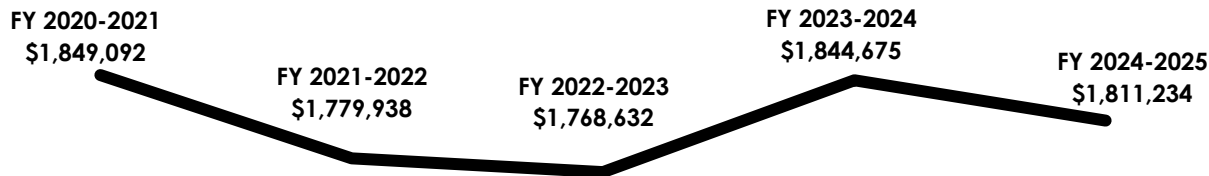
To review more comprehensive information about the City's funds in the audited GAAP-based, full disclosure financial statements, please refer to the City's ACFR which is available on the City's website at www.RiversideCA.gov/Finance/

WHAT THE CITY OWES

As of June 30, 2025, the City had outstanding long-term bonded debt totaling \$1.811 billion. A five-year history of the long-term debt for governmental and business-type activities is below.



Long-Term Bond Debt Outstanding*

In thousands of dollars



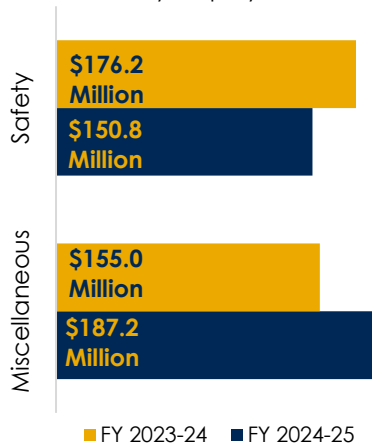
*Excludes debt issued by the City that is not a financial obligation of the City such as Fiduciary Funds.

The City issues bonds to support spending for construction, capital asset purchases and improvements, and unfunded pension liability.

Water, Electric, and Sewer Revenue Bonds \$1,222.9 million	Issued to acquire, purchase, construct, or improve major capital facilities. The revenue generated by the facility or activity supporting the facility is pledged as security for the repayment of debt.	 
Certificates of Participation \$91.5 million	Used as a lease-purchase financing mechanism for public buildings such as the Convention Center.	
Pension Obligation Bonds \$389.9 million	Used to pay some of the pension plan's unfunded pension liability. The City's net pension liability as of June 30, 2025, was \$338 million.*	
Lease Revenue Bonds \$106.9 million	Used to finance public improvements such as City Hall, Galleria at Tyler, Police Patrol Center, and a Main Library Project.	

Net Pension Liability*

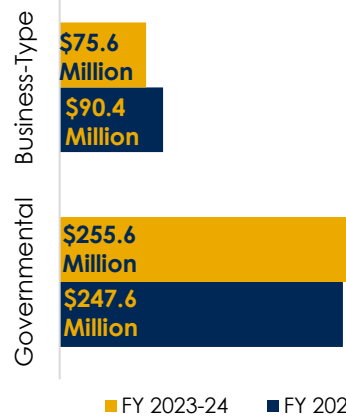
Miscellaneous vs Safety Employees



Rising retirement costs are a key consideration in the City's long-term financial planning and are factored into ongoing efforts to maintain fiscal health. CalPERS investment returns have fluctuated significantly over the last ten years, leading to swings in funding levels reported in CalPERS actuarial reports and projected payments toward the City's Unfunded Accrued Liability (UAL). In response, the City has employed several strategies to address the rising CalPERS costs, such as issuing a Pension Obligation Bond (POB) and establishing a Section 115 Trust. If CalPERS meets its long-term assumptions, the POB is anticipated to generate \$175 million in pension expense through maturity of the bond in 2050, and Section 115 Trust contributions are projected to help smooth fluctuations in annual required CalPERS UAL payments.

Net Pension Liability* by Fund Type

Governmental vs Business-Type Activities



*Based on Governmental Accounting Standards Board Pronouncement No. 68 Generally Accepted Accounting Principles reporting requirements which differs from the annual CalPERS actuarial report which contains information regarding the current financial status of the City's retirement plans and employer funding requirements.

STATEMENT OF ACTIVITIES

The Statement of Activities presents the City's revenue and expenses in a format that reflects the financial burden for each of the City's functions. Revenues and expenses are recorded when they are earned or incurred, regardless of the timing of the related cash flow.

For the fiscal year ended June 30, 2025, the City's governmental and business-type activities resulted in an increase of net position totaling \$38.5 million. The table below provides an overview of the effect of the City's functions on its net financial position.

STATEMENT OF ACTIVITIES – ALL FUNDS

In thousands of dollars

Program Revenue	2024	2025
Charges for Services	\$702,189	\$755,986
Operating Grants and Contributions	53,964	80,990
Capital Grants and Contributions	51,407	81,752
Total Program Revenue	\$807,560	\$918,728
General Revenue and Net Transfers		
Sales Tax	\$174,300	\$176,256
Property Tax	90,383	94,638
Utility Users' Tax	32,218	35,278
Franchise Tax	6,694	6,300
Transient Occupancy Tax	8,778	9,108
Intergovernmental, unrestricted	1,097	1,199
Rental and Investment Income	54,603	77,269
Miscellaneous and Transfers, net	14,585	19,098
Total General Revenue and Net Transfers	\$382,658	\$419,146
TOTAL PROGRAM, GENERAL REVENUES, AND NET TRANSFERS	\$1,190,218	\$1,337,874
Program Expenses		
General Government	\$108,301	\$95,866
Public Safety	275,631	282,364
Highways and Streets	55,000	107,629
Culture and Recreation	56,685	73,905
Interest on Long-Term Debt and Fiscal Charges	17,607	17,483
Electric	409,674	418,293
Water	80,452	87,978
Sewer	69,465	70,901
Refuse	35,717	37,557
Civic Entertainment	31,557	25,310
Other Business-Type Activities	16,132	16,988
TOTAL PROGRAM EXPENSES	\$1,156,221	\$1,234,274
INCREASE IN NET POSITION	\$33,997	\$103,600
Net Position		
Net Position, beginning of year, as previously stated	\$2,365,344	\$2,401,957
<i>Error Correction*</i>	2,616	(65,120)
<i>Add increase in net position</i>	33,997	103,600
NET POSITION, ENDED	\$2,401,957	\$2,440,437

* In FY 2023-24, a restatement was made to the Water Enterprise Fund for capital contributions and changes in leases. In FY 2024-25, a restatement was made to Governmental and Business-Type Activities for various operational and maintenance costs that were included in construction in progress in previous years, prepaid expenses that should have been recognized as expenses in previous years, and deposits that should have been recognized as revenues in previous years.

CITY VISION, ACTIVITIES, AND SPENDING

The City of Riverside is committed to providing high quality municipal services to ensure a safe, inclusive, and livable community.

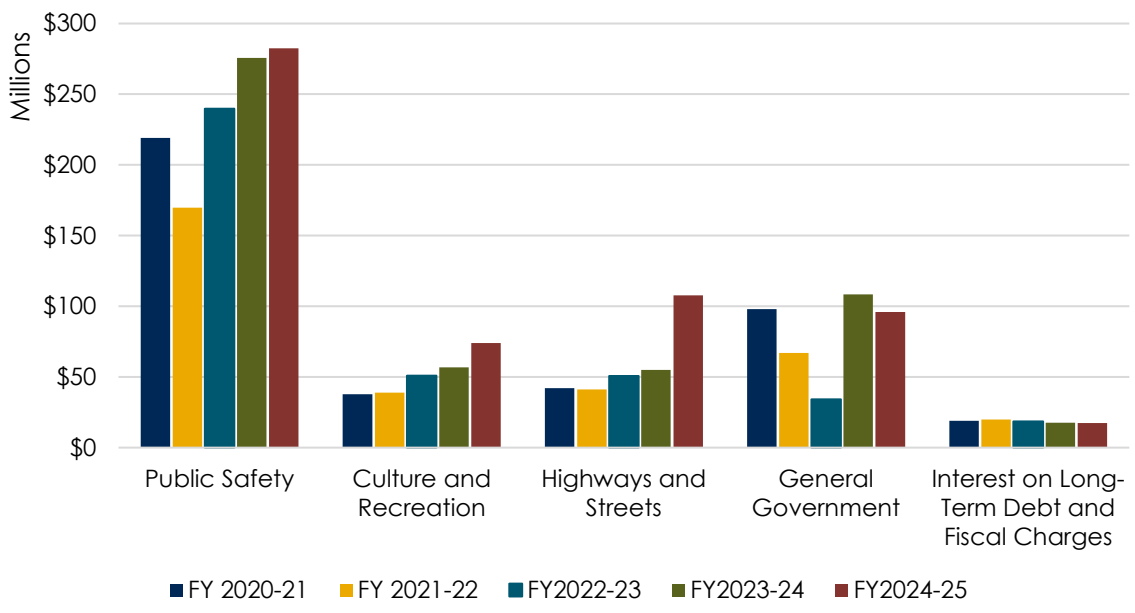
The City provides a full range of services which include general government, public safety, highway and street maintenance, economic development, culture and recreation, electric, water, airport, refuse, sewer, and senior citizen/handicap transportation.



SPENDING: GOVERNMENTAL ACTIVITIES

The City's governmental activities include general government, public safety, highways and streets, and culture and recreation. These activities are principally supported by general revenue including taxes and investment income. The table below reflects a five-year history of spending for these activities.

FIVE-YEAR SPENDING HISTORY – GOVERNMENTAL
In thousands of dollars



Public Safety expenditures reflect the costs associated with providing police and fire services to residents and visitors.

Culture and Recreation expenditures enrich the quality of life in Riverside through recreational and cultural activities as well as support the educational and informational needs of the community.

Highways and Streets expenditures are related to the design, construction, maintenance, and operation of public facilities and infrastructure within the City.

General Government expenditures include the administrative offices, such as the Mayor, City Council, City Manager, City Attorney, City Clerk, Community Development, Finance, Human Resources, General Services, and Innovation & Technology.

Interest on Long-Term Debt and Fiscal Charges expenditures reflect the interest expense and fiscal charges associated with debt financing.

GOVERNMENTAL ACTIVITY: FINANCIAL HIGHLIGHTS

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 recorded in another fund. Fund balance highlights are below.

FUND BALANCE OVERVIEW – GENERAL FUND

Excludes Measure Z Activity

(In thousands of dollars)

FY 2024-2025 Fund Balance

\$259,113



Non-Spendable
(e.g., Deposits & Inventory)
\$6,742



Committed (Fund use determined by formal Council or Board Approval)
\$140,754



Restricted (Fund use restricted for a legally constrained purpose)
\$76,851



Assigned (Fund use intended for a specific purpose)
\$25,692



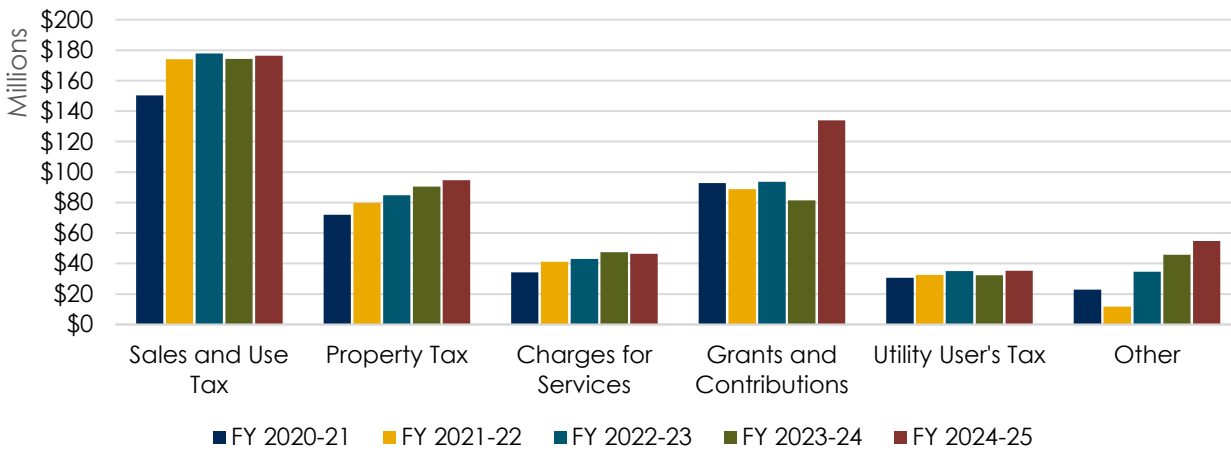
Unassigned (available for use)
\$9,074



Functions of the City can be separated into two categories; those that are principally supported by taxes and intergovernmental revenues (governmental activities) and those that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

FIVE-YEAR REVENUE HISTORY – GOVERNMENTAL

In thousands of dollars



Sales and Use Tax – consumable tax placed on retail sales, leases or rentals of most goods, and any taxable services as mandated.

Property Tax – legally enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments on December 10 and April 10.

Charges for Services – revenues that arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the service.

Grants and Contributions (operating and capital) – revenues arising from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

Utility User's Tax – 6.5% usage tax on landline telephone, electricity, gas, water, and cable. The tax is collected by the utility company as part of its regular billing procedure and then remitted to the City.

Other consists of franchise tax, transient occupancy tax, intergovernmental (unrestricted), rental and investment income, and miscellaneous income, including one-time revenues.

MEASURE Z REVENUE AND SPENDING

In May 2017, the City began receiving revenue for the Measure Z additional one-cent sales and use tax authorized by voters during the November 2016 election. In Fiscal Year 2024-25, the City received \$84.8 million in Measure Z revenue. Unspent revenue will be used for approved purposes in future fiscal years.



STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE MEASURE Z

In thousands of dollars

Measure Z - Revenue	
Taxes	\$81,326
Investment Income	3,457
Total Revenue	\$84,783
Measure Z - Expenditures	
Current:	
General Government	5,719
Public Safety	30,483
Highways and Streets	3,550
Culture and Recreation	391
Capital Outlay and Debt Service	6,536
Total Expenditures	\$46,679
Excess of Revenues Over Expenditures	\$38,104
Measure Z - Other Financing Sources (Uses)	
Transfers In	1,038
Transfers Out	(26,625)
Transfers Out to General Fund*	(24,156)
Total Other Financing Sources (Uses)	(\$49,743)
DECREASE IN MEASURE Z FUND BALANCE	(\$11,639)
Measure Z - Fund Balance	
Fund Balance, Beginning of Year	79,491
Add decrease in fund balance	(11,639)
FUND BALANCE, END OF YEAR	\$67,852

* Measure Z funds are within the General Fund. Per accounting standards, transfers within the same fund are not reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances; however, General Fund transfers are reflected in this schedule for transparency purposes.

BUSINESS-TYPE ACTIVITIES: FINANCIAL HIGHLIGHTS

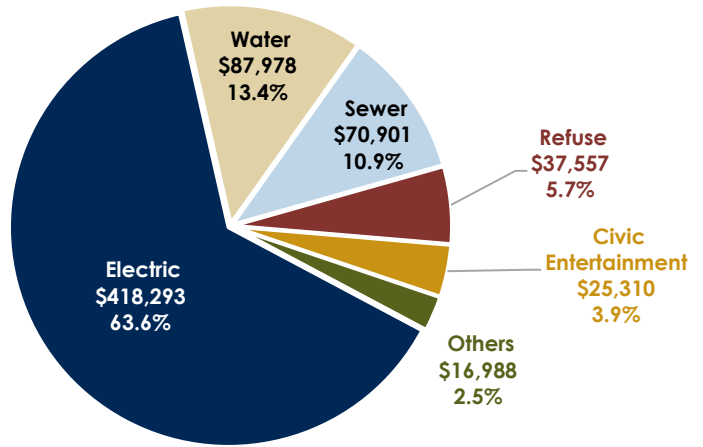
EXPENSES: BUSINESS-TYPE ACTIVITIES

The business-type activities of the City include Electric, Water, Sewer, Refuse, Civic Entertainment, and Others (Public Parking, Airport, and Transportation services).

2025 SPENDING – BUSINESS-TYPE ACTIVITIES

(In thousands of dollars)

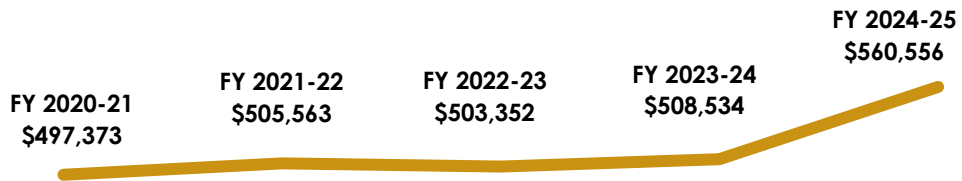
Electric is the largest business-type function in the City with more than \$418 million in spending during Fiscal Year 2024-25. Water and Sewer business activities are the next largest, with a combined \$158.9 million in spending during the fiscal year (\$88 million and \$70.9 million, respectively).



The Electric Fund accounts for the activities of the City's electric distribution operations. To provide an overview of the overall financial health of the fund, a five-year history of the net position is presented below. The total includes non-spendable assets and funds that are restricted for specific purposes. Net position does not reflect funds available for new spending on electric distribution operations.

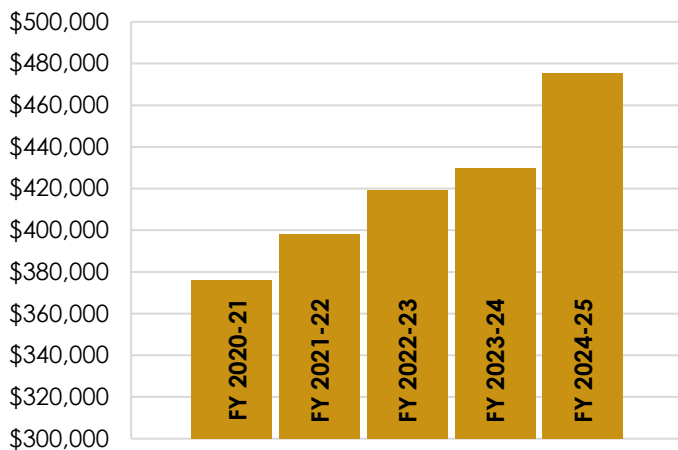
NET POSITION – ELECTRIC FUND

(In thousands of dollars)



CHARGES FOR SERVICE - ELECTRIC

(In thousands of dollars)



2,157 kwh
Annual electric consumption (millions of kwh)



114,180
Active Electric Meters - includes Residential, Commercial, and Industrial



473.0 Employee positions approved to provide Electric – related services

BUSINESS-TYPE ACTIVITIES: FINANCIAL HIGHLIGHTS (CONTINUED)

The Water Fund accounts for the activities of the City's water distribution operations, and the Sewer Fund accounts for the activities of the City's sewer systems. To provide an overview of the overall financial health of each fund, a five-year history of the net position is below. The total includes non-spendable assets and funds that are restricted for specific purposes. The net position does not reflect funds available for new water and sewer operations spending.



NET POSITION – WATER AND SEWER FUNDS

In thousands of dollars

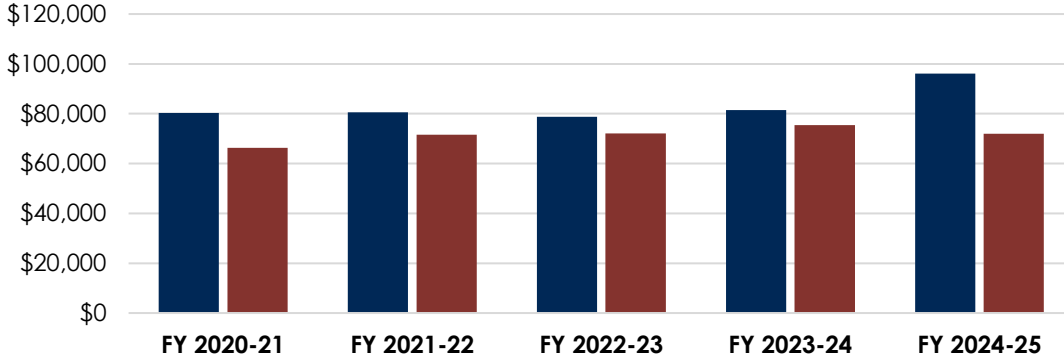
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Water Fund	\$308,360	\$322,304	\$327,413	\$339,672	\$342,001

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Sewer Fund	\$234,397	\$245,674	\$252,131	\$268,133	\$282,232



CHARGES FOR SERVICE - WATER AND SEWER

In thousands of dollars



66,772
Number of Accounts



25,765,127
Annual water consumption (CCF*)

*CCF = Centum Cubic Feet = 748 gallons

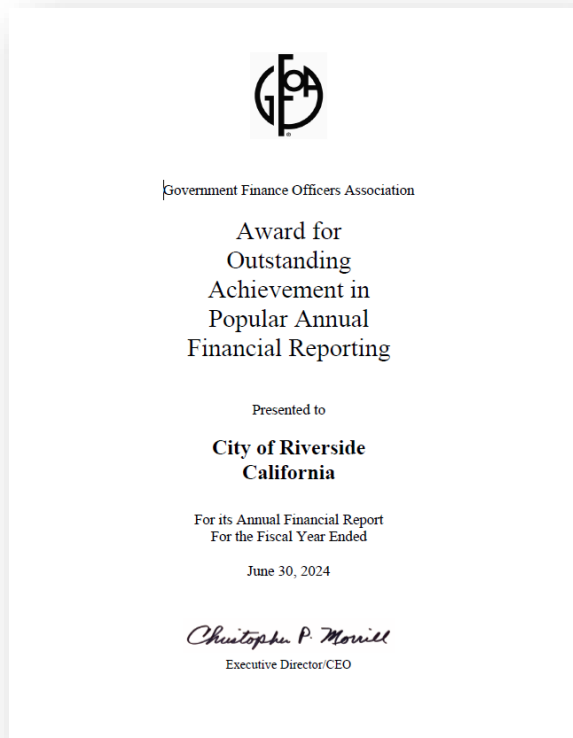


17,588
New Connections



27.15
Average Daily Sewage Treatment (Millions of gallons)

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) PAFR AWARD



The Government Finance Officers Association (GFOA) has recognized the City with an Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2024. This prestigious national award recognizes conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report that conforms to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The City has received this award for the last eight consecutive years (fiscal years ended June 30, 2017 through 2024). We believe this report continues to conform to the Popular Annual Financial Reporting program standards and we will submit it to GFOA to determine its eligibility for another Award.



3900 Main Street, Riverside, CA 92522
ExploreRiverside.com