



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2025

RIVERSIDE, CALIFORNIA



CITY OF RIVERSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2025

Prepared by the Finance Department
Kristie Thomas, Chief Financial Officer

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**CITY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025**

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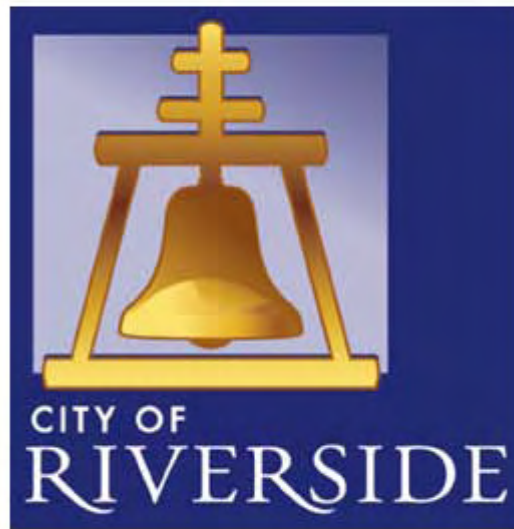
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December 23, 2025

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Riverside (the City) for the fiscal year ended June 30, 2025.

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

The City's financial statements have been audited by CliftonLarsonAllen, LLP, a firm of certified public accountants. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion on the City's financial statements for the fiscal year ended June 30, 2025. The independent auditors' report is presented as the first component of the financial section of this ACFR.

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

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

Profile of the City of Riverside

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

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

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

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

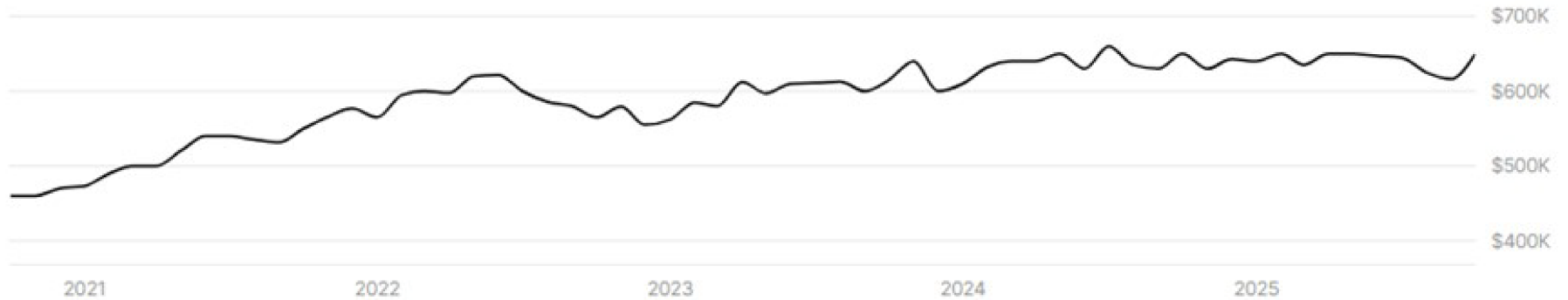
Biennially, during the period December through February, department heads prepare estimates of required appropriations for the following two-year budget cycle. These estimates are compiled into a proposed operating budget that includes a summary of proposed expenditures and financial resources, as well as historical data for the preceding budget cycle. At least thirty-five days prior to the beginning of the fiscal year, the City Manager provides the proposed budget in writing to the City Council for review, followed by presentation at a City Council meeting. Following Council review, a public hearing is set to obtain citizen comments. The City Council generally conducts the public hearing and adopts the budget during one of its June meetings. The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department and fund over the course of the fiscal year. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations within a fund. All appropriations shall lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered, except for appropriations for capital projects and grants which shall continue to their completion. For the General Fund, this comparison is presented on page 27 as part of the basic financial statements for the governmental funds. For all other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which begins on page 94.

Local economy: The City is located in Inland Southern California, which consists of Riverside and San Bernardino Counties (the "MSA"). Inland Southern California has a population of approximately 4.7 million, larger than that of 26 states. The population of the City is 320,337, which places it as the 12th largest in California. As one of the largest cities in the region, Riverside serves as a major economic hub and driver of growth. Its diverse economy encompasses a wide range of industries, including healthcare, education, manufacturing, and logistics, which not only provide local employment opportunities but also bolster the broader Southern California economy. Additionally, Riverside's strategic location as a transportation and logistics hub, with access to major highways and distribution centers, underscores its critical role in facilitating the movement of goods within the region.

The City of Riverside saw an increase in the unemployment rate from 5.3% as of July 2024 to 5.9% as of July 2025. The City's unemployment rate is lower than the County of Riverside (6.5%), but higher than the State of California (5.5%) and the United States (4.6%). The primary drivers of the change in employment in the Riverside metro area's nonfarm payrolls were decreases in the mining and logging and construction categories, which were partially offset by increases in employment in the education and health services and government categories.

In the Riverside metro area, there was an overall increase in the consumer price index of 3.5%, with food prices increasing by 3.5% and energy prices decreasing by 1.8%, compared to the United States city average, which experienced an overall increase of 2.7%, with an increase of 2.9% in food prices and a decrease of 1.6% in energy prices.

In October 2025, Riverside home prices were flat compared to last year, selling for a median price of \$650,000. On average, homes in Riverside currently sell after 49 days on the market, compared to 35 days last year. There were 195 homes sold in October this year, up from 177 last year.



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

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

1. City Council Strategic Policy, which sets forth the priorities and policy direction of the City Council to advance Riverside's potential and to frame the work efforts over the next five years including the Vision, Cross-Cutting Threads, Strategic Priorities, Indicators, and Goals; and
2. Operational Workplan, which sets forth envisioned actions to be carried out by City staff to implement the City Council Strategic Policy, as well as related metrics to track the trendlines of progress toward achieving City Council priorities and includes the Actions and Performance Measures which will be evaluated and updated by the City Manager on an as-needed basis in conjunction with the City's budget cycle.

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

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

Strategic Priorities and Indicators

Arts, Culture and Recreation Indicators:

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

Community Well-Being Indicators:

- Housing Supply and Attainability
- Public Safety
- Public Health
- Placemaking
- Homelessness
- Household Resilience

Economic Opportunity Indicators:

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

Environmental Stewardship Indicators:

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

High Performing Government Indicators:

- Community Centered Services
- Adaptive Organization
- Financial Health
- Equity in Delivery of City Services
- Civic Engagement
- City Team Engagement

Infrastructure, Mobility, and Connectivity Indicators:

- Access to Transportation Choices
- Infrastructure Quality and Reliability
- Outside Investment
- Smart City Ecosystem
- Greening Facilities
- Fleet and Systems

With the adoption of the Priority Based Budgeting methodology, the City Council's Strategic Priorities assume a pivotal role in resource allocation decisions, guiding the budget development process for future fiscal years.

Long-term financial planning: In June 2024, the City adopted the 2024-2026 biennial budget, reflecting its unwavering commitment to strategic financial management, promoting financial stability, growing the economy, and enhancing the quality of life for all Riverside residents. The budget is balanced year over year, allowing for robust investments in public safety, housing, homelessness response, parks and library improvements, funding for the arts, and community events – everything that makes Riverside a great place to live, work, play, and raise a family. As part of this biennial budget process, the City updates the second year of the budget before the beginning of the fiscal year. An update to the second year of an adopted biennial budget is necessary to ensure the City is proactive and responsive to financial and operational challenges. Amendments to the second fiscal year are typically minor and focus on the following:

- Reviewing and adjusting forecasts of major revenue sources.
- Incorporating the financial impact of City Council actions taken during the fiscal year.
- Addressing new and significant changes in the operating needs of City departments.
- Reviewing and re-prioritizing capital project funding.

While the City budget aligns with the City Council's strategic priorities, it is also shaped by robust community outreach and engagement, starting with the public outreach through the "Your Money, Your Voice" budget workshops, utilizing in-person meetings and public surveys to gather input from residents and business owners. The City also conducted a statistically valid Quality of Life survey of Riverside residents measuring satisfaction with City services and

helping city leadership make informed decisions aligning budget resources to meet resident priorities. Riverside's strong economy enables a strong City budget that meets today's needs and lays the foundation for continued success. The City of Riverside is well-positioned to meet future challenges and enhance the quality of life for all its residents.

Alongside the City's strategic priorities, the following budget priorities were fundamental in the decision-making process during budget development:

1. **Financial Stability:** Ensuring the City's fiscal health and resilience by responsibly managing short and long-term finances. This priority involves setting the appropriate cost recovery for city services currently subsidized by general revenues, identifying new revenue sources through economic growth and innovative solutions, and addressing critical needs in a responsible and sustainable manner.
2. **Public Safety:** Prioritizing the safety and well-being of residents by allocating resources to law enforcement, fire protection, and community safety. This includes investing in crime prevention and response capabilities to enhance public safety outcomes.
3. **Housing & Homelessness:** Addressing the housing needs of residents and mitigating homelessness through strategic investments in affordable housing, supportive services, and homeless prevention programs. This priority focuses on providing shelter, supportive housing, and pathways to stable housing for vulnerable populations.
4. **City Infrastructure:** Investing in the maintenance, improvement, and expansion of essential infrastructure systems such as transportation, parks, and public facilities. This includes repairing aging infrastructure and promoting sustainable infrastructure development to support the City's growth and quality of life.
5. **Growing the City's Economy:** Cultivating robust economic growth, job creation, and business development opportunities to fortify the City's financial prosperity and vitality. This priority entails nurturing an environment conducive to business success, attracting fresh investments, bolstering local enterprises, and championing initiatives for workforce advancement. By fostering economic expansion, this priority not only enriches the livelihoods of residents but also amplifies revenue streams for the City, ensuring sustainable financial strength and resilience.

The City's amended FY 2025-26 budget totals \$1.53 billion, including both operating costs and capital investments, with the General Fund's amended budget amounting to \$382.16 million. The General Fund budget is balanced and incorporates planned contributions to the Section 115 Trust consistent with the City's long-term financial strategy. Per City Council action in relation to the FY 2022-23 year-end financial report, \$35 million was reserved to offset future Section 115 Trust contributions and alleviate pressure on the General Fund budget, while ensuring the desired level of contributions to the Trust. The use of the Section 115 Trust Set-Aside funds is programmed in the five-year plan to facilitate the planned contributions throughout that period. In future years, the Section 115 Trust may be used to smooth fluctuations in required CalPERS unfunded accrued liability (UAL) payments, shielding the budget from fiscal shocks and preventing drastic operational adjustments.

Property and sales taxes are the City's largest revenue sources, making up about 52% of total budgeted revenues. The City experienced substantial property tax and sales tax growth driven by the COVID-19 economy. While property tax revenue is anticipated to maintain growth at a steady pace, rapidly changing federal policies combined with inflation, which continues to exceed the Federal Reserve's 2% target, have hindered consumer and business spending and impacted sales tax revenue growth for the City. The amended FY 2025-26 budget projects a modest increase in sales tax, with a return to more typical growth expected as interest rates are anticipated to continue to decline in FY 2025-26. Additionally, new revenue sources, such as recently adopted adjustments to developer fees and charges and the cannabis tax, are expected to help General Fund revenues keep pace with rising costs.

American Rescue Plan Act (ARPA): On March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act (ARPA), which included sending checks to families and offering small business support to stimulate demand and address the country's high unemployment. ARPA established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), which provide a combined \$350 billion in assistance to eligible state, local, territorial, and Tribal governments to assist in the recovery from economic and health impacts of the COVID-19 pandemic by providing resources to address impacts resulting from the crisis. The City received one-time funding of approximately \$73.5 million from ARPA, with the first installment of \$36.7 million

received in June 2021 and \$36.8 million received in June 2022. The City used the funds to best support the needs of the community in alignment with specified statutory categories, including:

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

On November 9, 2021, the City Council approved the ARPA spending plan for the first allocation in the amount of \$36.7 million. On February 7, 2023, the City Council approved the ARPA spending plan for the second allocation in the amount of \$36.8 million. On December 10, 2024, the City Council approved the final reallocation of 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 all unobligated funds and mitigate the risk of funding loss. Below is a consolidation of the final allocation of ARPA funds by expenditure category.

| | | |
|--|----------------------|-----------------|
| 1. Public Health | \$ 1,430,147 | 1.94 % |
| 2. Negative Economic Impacts | 13,533,876 | 18.40 % |
| 3. Public Health Negative Economic Impacts: Public Sector Capacity | 400,000 | 0.54 % |
| 4. Premium Pay | - | - % |
| 5. Infrastructure | - | - % |
| 6. Revenue Replacement | 58,108,463 | 79.02 % |
| 7. Administration | 62,703 | 0.09 % |
| Total | <u>\$ 73,535,189</u> | <u>100.00 %</u> |

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

- The final rule offers a standard allowance for revenue loss of \$10 million, allowing recipients to select between a standard amount of revenue loss or complete a full revenue loss calculation.
- In some cases, enumerated eligible uses included in the interim final rule under responding to the public health emergency have been re-categorized in the organization of the final rule to enhance clarity.
- In addition to programs and services, the final rule clarifies that recipients can use funds for capital expenditures that support an eligible COVID-19 public health or economic response.
- The final rule presumes that an expanded set of households and communities are “impacted” or “disproportionately impacted” by the pandemic, thereby allowing recipients to provide responses to a broad set of households and entities without requiring additional analysis.
- The final rule provides a broader set of enumerated eligible uses available for these communities as part of COVID-19 public health and economic response eligible in all impacted communities and making certain community development and neighborhood revitalization activities

eligible for disproportionately impacted communities.

- The final rule also allows for a broader set of uses to restore and support government employment, including hiring above a recipient's pre-pandemic baseline, providing funds to employees that experienced pay cuts or furloughs, avoiding layoffs, and providing retention incentives.

On August 10, 2023, the U.S. Department of the Treasury released the 2023 Interim Final Rule that implements three new eligible uses authorized in the Consolidated Appropriations Act, 2023. The new eligible uses allow recipients to use SLFRF funds for emergency relief from natural disasters, community development, and surface transportation projects. The existing eligible uses are generally unchanged, and recipients are permitted to use SLFRF funds in accordance with the 2022 Final Rule.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting (Program) to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the thirty-eighth consecutive year that the City has received this prestigious award. The City received this award for publishing an easily readable and efficiently organized ACFR that satisfied both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The award is valid for a period of one year only. We believe that our current ACFR continues to meet the Program's requirements, and we are submitting it to the GFOA again this year.

The Government Finance Officers Association awarded an Outstanding Achievement in Popular Annual Financial Reporting to the City for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2024. The City received this award for the eighth time for the June 30, 2024 report. This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The award is valid for a period of one year only. We believe that our current PAFR continues to meet the Program's requirements, and we are submitting it to the GFOA again this year.

The City received the GFOA's Distinguished Budget Presentation Award for its 2024-2026 Biennial Budget document, which covers the fiscal years commencing on July 1, 2024, and concluding on June 30, 2026. To earn this distinguished recognition, a governmental unit must publish a budget document that meets program criteria as a policy document, an operations guide, a financial plan, and a communication tool.

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

Respectfully submitted,



Kristie Thomas

Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Riverside
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Riverside for our Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

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

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

LEGISLATIVE OFFICIALS

Patricia Lock DawsonMayor
 Philip Falcone Councilmember – Ward 1
 Clarissa Cervantes Councilmember – Ward 2
 Steven Robillard Councilmember – Ward 3
 Chuck Conder Councilmember – Ward 4
 Sean Mill Councilmember – Ward 5
 Jim Perry Councilmember – Ward 6
 Steve Hemenway Councilmember – Ward 7

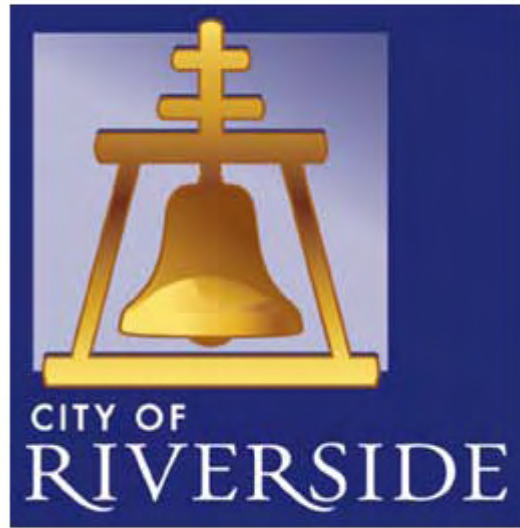
CITY OFFICIALS

Mike Futrell.....City Manager*
 Rafael Guzman Assistant City Manager
 Kris Martinez Assistant City Manager
 Edward Enriquez.....Assistant City Manager, CFO/Treasurer

 Donesia GauseCity Clerk*
 Rebecca McKee-Reimbold Interim City Attorney*
 David Garcia General Manager - Public Utilities
 Larry V. Gonzalez Chief of Police
 Lee Withers General Services Director
 Erin Christmas..... Library Director
 Pamela Galera Parks, Recreation & Community Svcs Director
 Kristie Thomas Chief Financial Officer
 Rene Goldman Human Resources Director
 George KhalilChief Innovation Officer
 Gilbert Hernandez Public Works Director
 Steve McKinster Fire Chief
 Robyn Peterson Museum Director
 Jennifer LilleyCommunity & Economic Development Director

*Appointed by City Council







INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Riverside (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Restatement

As described in Note 25 to the financial statements, the City restated the governmental activities, business-type activities beginning net position, the Water Fund, Electric Fund, and Sewer Fund beginning net position, and the General Fund, Capital Outlay Fund, and Non-Major Governmental Fund beginning fund balance. Our opinions are not modified with respect to this matter.

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

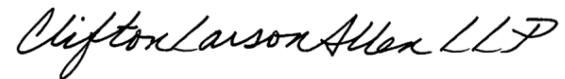
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
December 23, 2025

Management's Discussion and Analysis (Unaudited)

As management of the City, we offer this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on page i of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars (0,000).

Overview of the Financial Statements

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 21 - 22 of this report.

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

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

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

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Outlay Fund, and General Debt Service Fund which are major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* and can be found on pages 90 - 97 in this report.

The City adopted an annual appropriated budget for its General Fund for the year ended June 30, 2025. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 23 - 26 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements (*business-type activities*), only in more detail. The proprietary fund financial statements provide separate information for the Electric, Water, and Sewer operations, all of which are considered to be major funds of the City. The five remaining proprietary funds noted above are combined into a single, aggregated presentation. All internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the form of *combining statements* and can be found on pages 99 - 107 in this report.

The basic proprietary fund financial statements can be found on pages 28 - 32 of this report.

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

The fiduciary fund financial statements can be found on pages 33 - 34 of this report.

Notes to Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to Basic Financial Statements begin on page 35 of this report.

Government-wide Financial Analysis

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

(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|---------------------|--------------------------|---------------------|---------------------|---------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Assets: | | | | | | |
| Current and other assets | \$ 756,549 | \$ 704,544 | \$ 1,016,689 | \$ 999,318 | \$ 1,773,238 | \$ 1,703,862 |
| Capital, lease, and subscription assets, net | 1,311,501 | 1,350,155 | 1,981,225 | 1,963,201 | 3,292,726 | 3,313,356 |
| Total assets | 2,068,050 | 2,054,699 | 2,997,914 | 2,962,519 | 5,065,964 | 5,017,218 |
| Deferred Outflows of Resources | 128,993 | 174,420 | 58,633 | 63,486 | 187,626 | 237,906 |
| Liabilities: | | | | | | |
| Current liabilities | 151,247 | 177,907 | 149,359 | 151,896 | 300,606 | 329,803 |
| Long-term liabilities | 867,597 | 831,959 | 1,501,380 | 1,541,518 | 2,368,977 | 2,373,477 |
| Total liabilities | 1,018,844 | 1,009,866 | 1,650,739 | 1,693,414 | 2,669,583 | 2,703,280 |
| Deferred Inflows of Resources | 19,273 | 22,521 | 124,297 | 127,366 | 143,570 | 149,887 |
| Net Position | | | | | | |
| Net investment in capital assets | 1,176,467 | 1,206,876 | 809,305 | 785,422 | 1,985,772 | 1,992,298 |
| Restricted - Expendable | 297,802 | 230,945 | 136,001 | 120,525 | 433,803 | 351,470 |
| Restricted - Nonexpendable | 1,758 | 1,676 | - | - | 1,758 | 1,676 |
| Unrestricted/(deficit) | (317,101) | (242,765) | 336,205 | 299,278 | 19,104 | 56,513 |
| Total net position | \$ 1,158,926 | \$ 1,196,732 | \$ 1,281,511 | \$ 1,205,225 | \$ 2,440,437 | \$ 2,401,957 |

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,440,437 at June 30, 2025, an increase of \$38,480 from June 30, 2024.

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

An additional 18% of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. Of this amount, \$(317,101) net deficit is held by the governmental activities and \$336,205 is held by the business-type activities.

Unrestricted net position in the amount of \$19,104, a net position decrease of 66% from the prior year, represents the change in resources available to fund City programs for citizens and debt obligations to creditors. The decrease is primarily the result of restatements related to various operational and maintenance costs that were included in construction in progress from 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. See Note 25 for additional details.

Governmental activities decreased the City's net position by \$37,806 to \$1,158,926 for the year ended June 30, 2025.

The following page presents a condensed summary of activities of the City's governmental and business-type operations for the period ended June 30, 2025, with the prior fiscal year presented for comparative purposes. Also included in the following analysis are revenue and expense graphs to aid in understanding the results of the current year's activities.

(Balance of page intentionally left blank)

(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 46,326 | \$ 47,529 | \$ 709,660 | \$ 654,660 | \$ 755,986 | \$ 702,189 |
| Operating grants and contributions | 76,067 | 50,327 | 4,923 | 3,637 | 80,990 | 53,964 |
| Capital grants and contributions | 57,771 | 31,064 | 23,981 | 20,343 | 81,752 | 51,407 |
| General revenues: | | | | | | |
| Sales taxes | 176,256 | 174,300 | - | - | 176,256 | 174,300 |
| Property taxes | 94,638 | 90,383 | - | - | 94,638 | 90,383 |
| Other taxes and fees | 50,686 | 47,690 | - | - | 50,686 | 47,690 |
| Intergovernmental, unrestricted | 1,199 | 1,097 | - | - | 1,199 | 1,097 |
| Investment income | 33,933 | 23,089 | 43,336 | 31,514 | 77,269 | 54,603 |
| Miscellaneous | 4,234 | 6,193 | 14,864 | 8,392 | 19,098 | 14,585 |
| Total revenues | 541,110 | 471,672 | 796,764 | 718,546 | 1,337,874 | 1,190,218 |
| Expenses: | | | | | | |
| General government | 95,866 | 108,301 | - | - | 95,866 | 108,301 |
| Public safety | 282,364 | 275,631 | - | - | 282,364 | 275,631 |
| Highways and streets | 107,629 | 55,000 | - | - | 107,629 | 55,000 |
| Cultural and recreation | 73,905 | 56,685 | - | - | 73,905 | 56,685 |
| Interest on long-term debt and fiscal charges | 17,483 | 17,607 | - | - | 17,483 | 17,607 |
| Electric | - | - | 418,293 | 409,674 | 418,293 | 409,674 |
| Water | - | - | 87,978 | 80,452 | 87,978 | 80,452 |
| Sewer | - | - | 70,901 | 69,465 | 70,901 | 69,465 |
| Airport | - | - | 2,629 | 2,438 | 2,629 | 2,438 |
| Refuse | - | - | 37,557 | 35,717 | 37,557 | 35,717 |
| Transportation | - | - | 5,892 | 5,648 | 5,892 | 5,648 |
| Public Parking | - | - | 8,467 | 8,046 | 8,467 | 8,046 |
| Civic Entertainment | - | - | 25,310 | 31,557 | 25,310 | 31,557 |
| Total expenses | 577,247 | 513,224 | 657,027 | 642,997 | 1,234,274 | 1,156,221 |
| Increase (decrease) in net position | (36,137) | (41,552) | 139,737 | 75,549 | 103,600 | 33,997 |
| Transfers | 41,332 | 43,554 | (41,332) | (43,554) | - | - |
| Changes in net position | 5,195 | 2,002 | 98,405 | 31,995 | 103,600 | 33,997 |
| Net Position: | | | | | | |
| Beginning of year, as previously stated | 1,196,732 | 1,194,730 | 1,205,225 | 1,170,614 | 2,401,957 | 2,365,344 |
| Error Correction | (43,001) | - | (22,119) | 2,616 | (65,120) | 2,616 |
| Beginning of year, as restated | 1,153,731 | 1,194,730 | 1,183,106 | 1,173,230 | 2,336,837 | 2,367,960 |
| End of year | \$ 1,158,926 | \$ 1,196,732 | \$ 1,281,511 | \$ 1,205,225 | \$ 2,440,437 | \$ 2,401,957 |

Governmental Activities - The year-to-year change in net position for governmental activities is a decrease of \$37.8 million. The decrease is primarily the result of a \$43 million restatement related to 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. See Note 25 for additional details. Key elements of this year's activity in relation to the prior year are as follows:

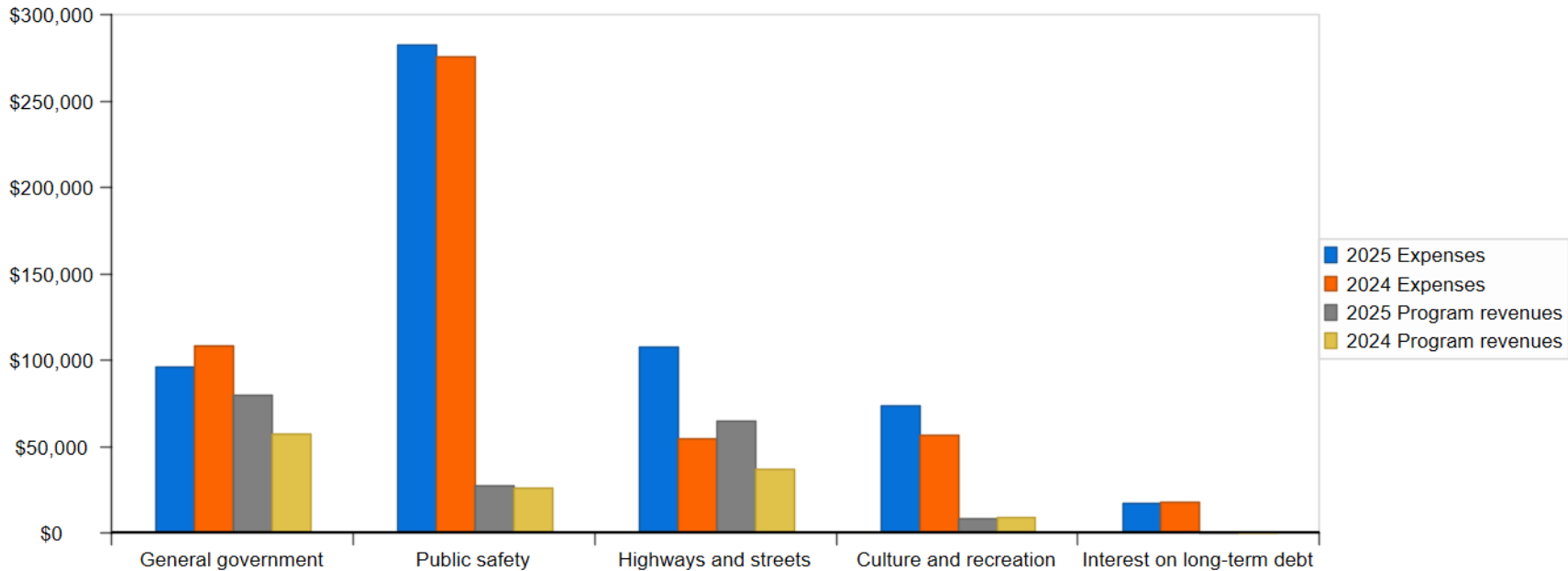
Revenues:

- While variances between years exist for the various revenue categories, the aggregate net increase was approximately \$69.4 million, or 15%. This increase is largely attributable to the \$52.4 million increase in program revenues, primarily due to higher levels of grant activities and contributions. An \$11 million increase in rental and investment income, resulting from economic growth that produced higher interest earnings on investments, also contributed to the overall increase in revenues.

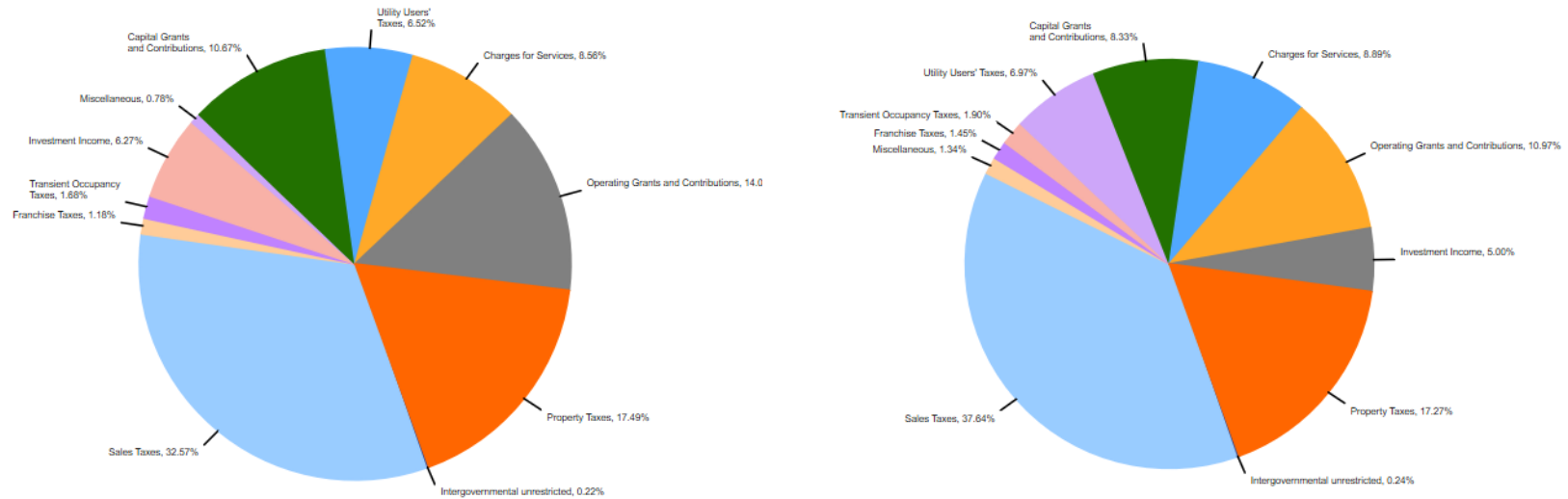
Expenses:

- While variances between years exist for the various expense functions, the aggregate net increase was approximately \$64.0 million, or 12%. Due to new and ongoing federal and state grant-funded projects, highway and street expenses increased by \$53 million and cultural and recreation expenses increased by \$17 million. These increases were partially offset by a \$12.4 million decrease in general government expenses, largely due to additional expenses in the prior year related to the Simpson v. City class action lawsuit.

Program Revenues and Expenses - Governmental Activities - Fiscal Year Comparison 2025 vs. 2024



Revenues by Source - Governmental Activities - Fiscal Year Comparison 2025 vs. 2024

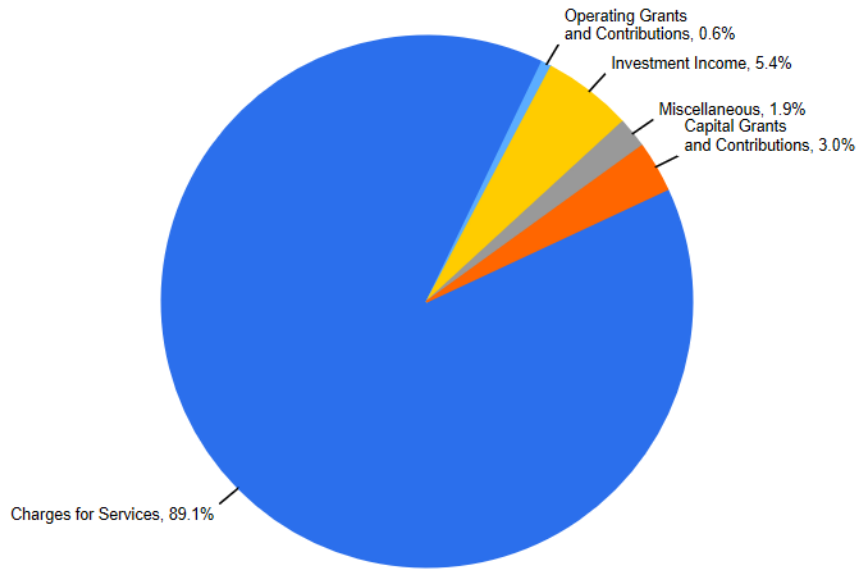


Business-Type Activities - The year-to-year change in net position for business-type activities is an increase of \$76.3 million. Included in the change is a decrease of \$22.1 million due to restatements related to various operational and maintenance costs that were included in construction in progress 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. See Note 25 for additional details. Key elements of this year's activity in relation to the prior year are as follows:

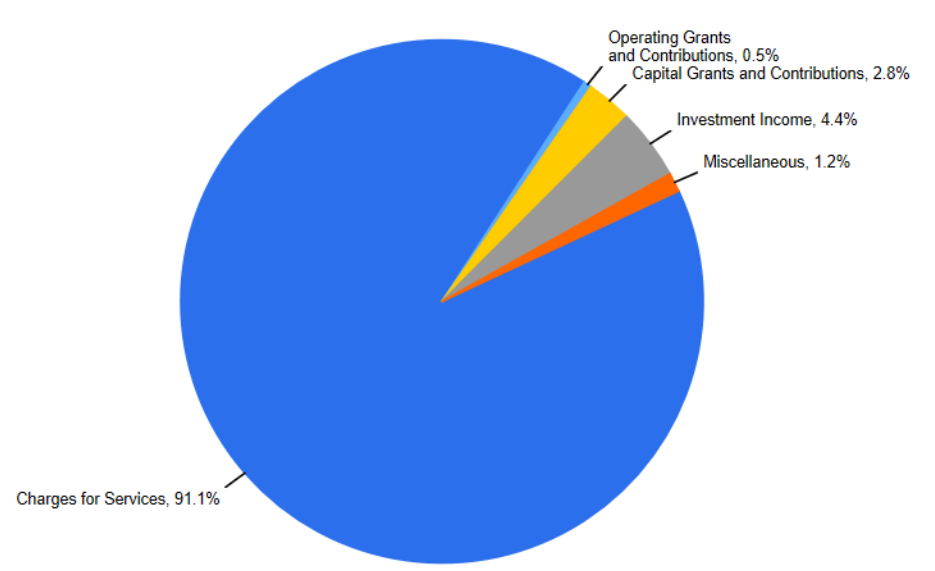
- Charges for services increased from the prior year, resulting in an increase of \$55.0 million, or 8%. This increase is primarily attributed to increases of \$45.8 million in the Electric Fund, \$14.6 million in the Water Fund, and \$4 million in the Refuse Fund, largely due to higher consumption levels and rate plan increases. Included in the total year-to-year change for charges for services is a decrease of approximately \$7.2 million in the Civic Entertainment Fund, primarily attributable to a new lease agreement for the Fox Theater under which the lessee assumed responsibility for ongoing operations and the associated financial risk. Additionally, investment income increased \$11.8 million from the prior year as a result of favorable economic conditions, which contributed to the overall change in net position for business-type activities.
- Overall, aggregate expenses increased by \$14.0 million, or 2.2%. The Electric, Water, and Sewer Funds had increases in operating expenses of \$8.6 million, \$7.5 million, and \$1.4 million, respectively. The increase in these funds is primarily attributable to increases in personnel costs, general related costs, and depreciation expenses. Additionally, the Electric Fund incurred an increase in the decommissioning liability expense. Included in the overall change is a decrease of approximately \$6.2 million in the Civic Entertainment Fund, primarily attributable to a new lease agreement for the Fox Theater under which the lessee assumed responsibility for ongoing operational and maintenance costs.

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

2025



2024



Financial Analysis of the City's Funds

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

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

(in thousands)

| | General Fund | | Capital Outlay Fund | | General Debt Service Fund | | Non-Major Governmental Funds | | Total Governmental Funds | |
|---|-------------------|-------------------|---------------------|-------------------|---------------------------|------------------|------------------------------|-------------------|--------------------------|-------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Assets | \$ 387,603 | \$ 346,067 | \$ 103,547 | \$ 107,710 | \$ 58,123 | \$ 13,877 | \$ 155,679 | \$ 185,359 | \$ 704,952 | \$ 653,013 |
| Liabilities | \$ 45,177 | \$ 40,433 | \$ 4,209 | \$ 8,553 | \$ 556 | \$ 876 | \$ 37,871 | \$ 67,553 | \$ 87,813 | \$ 117,415 |
| Deferred inflows of resources | 15,461 | 17,776 | 3,059 | 842 | - | - | 60,329 | 52,156 | 78,849 | 70,774 |
| Fund Balances | | | | | | | | | | |
| Nonspendable | 6,826 | 3,963 | 11 | - | - | - | 1,809 | 1,832 | 8,646 | 5,795 |
| Restricted | 76,851 | 60,166 | 42,304 | 40,963 | 57,567 | 13,001 | 55,670 | 63,818 | 232,392 | 177,948 |
| Committed | 145,754 | 138,061 | 20,960 | 23,365 | - | - | - | - | 166,714 | 161,426 |
| Assigned | 51,956 | 33,579 | 33,004 | 33,987 | - | - | - | - | 84,960 | 67,566 |
| Unassigned | 45,578 | 52,089 | - | - | - | - | - | - | 45,578 | 52,089 |
| Total fund balances | 326,965 | 287,858 | 96,279 | 98,315 | 57,567 | 13,001 | 57,479 | 65,650 | 538,290 | 464,824 |
| Total liabilities, deferred inflows, and fund balances | \$ 387,603 | \$ 346,067 | \$ 103,547 | \$ 107,710 | \$ 58,123 | \$ 13,877 | \$ 155,679 | \$ 185,359 | \$ 704,952 | \$ 653,013 |

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$538,290, an increase of \$73,466 compared to the prior year. Additionally, 2% of the fund balance, or \$8,646, is *nonspendable*, which comprises the portion of fund balance that cannot be spent due to form. \$232,392, or 43%, of fund balance is *restricted*, which represents the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation, or limitations imposed by creditors or grantors. Committed fund balance of \$166,714, or 31% of the fund balance, was set aside for economic contingencies and other purposes. Committed for economic contingencies consists of 20% of the 2025-26 General Fund adopted expenditure budget of \$382 million, or \$76,431; \$5,000 for General Fund – Measure Z; \$11,706 for future capital projects; \$5,000 for technology related projects; \$16,630 for Water Fund transfers pending the outcome of litigation; \$336 for mine reclamation; \$30,467 for the section 115 trust to cover future pension costs; \$184 for public works equipment, and \$20,960 for capital outlay. A total of \$84,960, or 16%, of fund balance is constrained by the City's intent to utilize fund balance for specific purposes, which is reported within the fund balance classification *assigned*. The remainder of the fund balance, \$45,578, or 8%, is *unassigned*, meaning it is available for spending at the City's discretion. The City's governmental funds reported combined total assets of \$704,952 at June 30, 2025, an increase of \$51,939 compared to the prior year. Liabilities and deferred inflows of resources amounted to \$166,662, a decrease of \$21,527 from the prior year.

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, total fund balance equaled \$326,965, compared to \$287,858 in the prior year. The increase in fund balance is primarily due to an increase in taxes of \$10.6 million, rental and investment income of \$6.8 million, and a larger increase of transfers-in totaling \$39.4 million compared to the increase of transfers-out totaling \$12.6 million. The Capital Outlay Fund is used to account for the acquisition or construction of major capital facilities. The Capital Outlay fund decreased by approximately \$2 million, primarily attributable to the timing of expenditures and related grant revenue. The General Debt Service Fund accounts for the accumulation of resources and payment of long-term debt principal and interest. The General Debt Service fund balance is \$57,567, compared to \$13,001 in the prior year. The increase is primarily due to an increase in funding from the issuance of long-term debt totaling \$58.7 million to fund capital projects. The Non-Major Governmental Funds fund balance decreased to \$57,479, from \$65,650 in the prior

year, primarily due to the net effect of a \$20.4 million increase in intergovernmental revenue alongside an increase of \$32 million in net transfers-out.

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

The unrestricted net position of the Electric, Water, and Sewer Funds at the end of the year amounted to \$214,943, \$34,165, and \$76,899, respectively. The unrestricted net position for the Electric, Water, and Sewer Funds in the prior year was \$183,511, \$20,445, and \$84,749, respectively. The increase in unrestricted net position of the Electric and Water Funds, in the amount of \$31,432 and \$13,720, respectively, is primarily due to an increase in consumption and rate plan increases related to charges for services. The decrease in unrestricted net position for the Sewer Fund totaling \$(7,850) is primarily a result of restatements related to operational and maintenance costs that were incorrectly included in infrastructure and CIP, deposits that should have been recognized as revenue in previous years, and revenues that should have been recognized as deposits in previous years. See Note 25 for additional details.

| | Electric | | Water | | Sewer | | Non-Major Enterprise Funds | | Total Business-Type Funds | |
|----------------------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-----------------------------------|-------------------|----------------------------------|---------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Assets | \$ 1,422,541 | \$ 1,379,360 | \$ 738,450 | \$ 743,314 | \$ 640,110 | \$ 648,205 | \$ 203,516 | \$ 193,873 | \$ 3,004,617 | \$ 2,964,752 |
| Deferred outflows of resources | 31,817 | 34,671 | 14,025 | 15,230 | 6,708 | 7,361 | 6,083 | 6,224 | 58,633 | 63,486 |
| Liabilities | 881,276 | 889,826 | 309,636 | 315,367 | 363,520 | 385,967 | 103,010 | 104,486 | 1,657,442 | 1,695,646 |
| Deferred inflows of resources | 12,526 | 15,671 | 100,838 | 103,504 | 1,066 | 1,466 | 9,867 | 6,725 | 124,297 | 127,366 |
| Net position | | | | | | | | | | |
| Net investment in capital assets | 239,920 | 230,789 | 292,595 | 304,422 | 193,201 | 174,764 | 83,589 | 75,447 | 809,305 | 785,422 |
| Restricted | 105,693 | 94,234 | 15,241 | 14,805 | 12,132 | 8,620 | 2,935 | 2,866 | 136,001 | 120,525 |
| Unrestricted/(deficit) | 214,943 | 183,511 | 34,165 | 20,445 | 76,899 | 84,749 | 10,198 | 10,573 | 336,205 | 299,278 |
| Total net position | \$ 560,556 | \$ 508,534 | \$ 342,001 | \$ 339,672 | \$ 282,232 | \$ 268,133 | \$ 96,722 | \$ 88,886 | \$ 1,281,511 | \$ 1,205,225 |

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General Fund Budgetary Highlights

| | Original Budget | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) |
|---|--------------------|-------------------|-------------------|---|
| Revenues | \$ 363,810 | \$ 360,755 | \$ 383,174 | \$ 22,419 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 38,868 | 52,975 | 29,348 | 23,627 |
| Public safety | 230,889 | 247,420 | 236,332 | 11,088 |
| Highways and streets | 32,212 | 34,732 | 28,328 | 6,404 |
| Culture and recreation | 49,746 | 52,390 | 47,147 | 5,243 |
| Capital outlay | 9,594 | 17,667 | 17,699 | (32) |
| Debt service | - | - | 2,769 | (2,769) |
| Total expenditures | 361,309 | 405,184 | 361,623 | 43,561 |
| Excess/(deficiency) of revenues over/(under) expenditures | 2,501 | (44,429) | 21,551 | 65,980 |
| Other Financing Sources/(Uses): | (6,330) | 7,369 | 15,821 | 8,452 |
| Net change in fund balance | (3,829) | (37,060) | 37,372 | 74,432 |
| Fund Balance: | | | | |
| Beginning of year | 287,858 | 287,858 | 287,858 | - |
| Error correction | - | - | 1,735 | 1,735 |
| End of year | \$ 284,029 | \$ 250,798 | \$ 326,965 | \$ 76,167 |

The reason for the decrease in final budgeted revenues compared to the Original Budget is primarily due to a \$5.1 million negative budget adjustment for updated sales and use tax projections, which was partially offset by a \$2.1 million positive adjustment in increased revenue from other agencies and other miscellaneous revenues. The Final Budget for expenditures is higher than the Original Budget primarily due to prior year encumbrances and carryovers of \$37 million, as well as supplemental appropriations approved by the City Council during the fiscal year. Supplemental appropriations approved by City Council include, but are not limited to, a \$1.5 million fiscal impact from recent labor negotiations, \$4 million for increased public safety overtime, \$1 million in legal costs for various cases, and a \$23 million reallocation of various projects that were formerly included in the American Rescue Plan Act Expenditure Plan to the General Fund, offset by increased other financing sources (in the form of transfers in). These increased appropriations were partially offset by decreased budget adjustments made to balance the budget.

Actual revenues exceeded Final Budget projections due to higher-than-anticipated revenues from numerous sources, such as sales tax, property tax, interest earnings, and administrative civil penalty revenues. These revenue increases were partially offset by lower-than-budgeted actual revenues from business license tax and development fees and charges. Actual expenditures were less than final budgeted amounts by approximately \$43.6 million. This is primarily attributable to fiscal year-end encumbrances totaling \$37.8 million and other unexpended funds at fiscal year-end, some of which are expected to be carried over to the next fiscal year.

Capital Assets and Debt Administration

Capital Assets - The City's capital assets, excluding lease and subscription assets, totaled \$3,284,069 (net of accumulated depreciation) as of June 30, 2025, for governmental and business-type activities. This investment includes land, intangibles, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The City's net capital assets for the current fiscal year decreased by \$26,110, comprised of a decrease of \$43,795 for governmental activities and an increase of \$17,685 for business-type activities. The decrease in governmental activities is primarily the result of a \$43 million restatement related to various operational and maintenance costs that were included in construction in progress from previous years that should have been recognized as expense in previous years. The increase in business-type activities is primarily attributable to \$111,956 in additions to construction in progress, offset by a \$17,084 restatement related to various operational and maintenance costs from previous years that should have been recognized as expense, and current year depreciation expense totaling \$78,800.

Major capital improvements during the current fiscal year included ongoing projects for governmental activities consisting primarily of roads totaling \$27.8 million, improvements to various citywide parks and buildings totaling \$13.8 million, and purchases of vehicles and/or heavy equipment totaling \$15.9 million. Capital improvements in business-type activities included \$59.5 million in Electric Utility capital improvements primarily related to transformer replacements, improvements to communication networks, underground improvements, metering infrastructure, purchases of vehicles and/or heavy equipment, and major streetlight projects; \$19.8 million in Water Utility projects primarily related to main replacements, system expansion, transmission pipelines, distribution facilities, purchases of vehicles and/or heavy equipment, and water well projects; and \$23.7 million in Sewer capital improvements primarily related to pump and lift station additions/upgrades, sewer infrastructure rehabilitations, water main replacements, and purchases of vehicles and/or heavy equipment.

Additional information on the City's capital assets can be found in Note 4 on page 49 of this report.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | \$ 382,049 | \$ 377,534 | \$ 103,515 | \$ 103,422 | \$ 485,564 | \$ 480,956 |
| Construction in progress | 43,571 | 64,546 | 142,357 | 165,714 | 185,928 | 230,260 |
| Buildings | 95,024 | 97,507 | 431,007 | 437,260 | 526,031 | 534,767 |
| Improvements other than buildings | 78,892 | 84,305 | 1,231,316 | 1,191,328 | 1,310,208 | 1,275,633 |
| Machinery and equipment | 51,818 | 44,944 | 47,548 | 37,512 | 99,366 | 82,456 |
| Intangibles | - | - | 24,418 | 27,240 | 24,418 | 27,240 |
| Infrastructure | 652,554 | 678,867 | - | - | 652,554 | 678,867 |
| Total | \$ 1,303,908 | \$ 1,347,703 | \$ 1,980,161 | \$ 1,962,476 | \$ 3,284,069 | \$ 3,310,179 |

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Lease and Subscription Assets - The City's investment in lease and subscription assets for governmental and business-type activities as of June 30, 2025, amounted to \$8,657 (net of accumulated amortization). The lease and subscription assets investment includes land, buildings, machinery and equipment, and subscription-based information technology arrangements (SBITAs).

Additional information on the City's lease and subscription assets can be found in Note 4 on page 49 of this report.

City of Riverside's Lease and Subscription Assets
(net of amortization)
(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------|------------------------------------|-----------------|-------------------------------------|---------------|-----------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | \$ - | \$ - | \$ 432 | \$ 89 | \$ 432 | \$ 89 |
| Buildings | 955 | 144 | 50 | 124 | 1,005 | 268 |
| Machinery and equipment | 477 | 435 | 379 | 218 | 856 | 653 |
| SBITA | 6,161 | 1,873 | 203 | 294 | 6,364 | 2,167 |
| Total | \$ 7,593 | \$ 2,452 | \$ 1,064 | \$ 725 | \$ 8,657 | \$ 3,177 |

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Long-term debt - At the end of the current fiscal year, the City had total long-term debt outstanding of \$2,058,590, which includes bonded debt of \$1,811,234.

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|----------------------------|-------------------|-----------------------------|---------------------|---------------------|---------------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Lease revenue bonds | \$ 101,590 | \$ 61,163 | \$ 5,271 | \$ 5,688 | \$ 106,861 | \$ 66,851 |
| General obligation bonds | - | 1,756 | - | - | - | 1,756 |
| Pension obligation bonds | 304,027 | 313,830 | 85,888 | 95,253 | 389,915 | 409,083 |
| Certificates of participation | 69,788 | 75,067 | 21,770 | 23,191 | 91,558 | 98,258 |
| Revenue bonds | - | - | 1,222,900 | 1,268,727 | 1,222,900 | 1,268,727 |
| Arbitrage payable | - | - | 3,862 | 673 | 3,862 | 673 |
| Notes payable | - | - | 32,957 | 36,525 | 32,957 | 36,525 |
| Contracts payable | - | - | 931 | 931 | 931 | 931 |
| Financed purchased | 12,635 | 16,152 | 5,298 | 1,134 | 17,933 | 17,286 |
| Compensated absences | 40,531 | 34,445 | 14,886 | 12,350 | 55,417 | 46,795 |
| Claims and judgments | 120,214 | 101,617 | - | - | 120,214 | 101,617 |
| Landfill capping | - | - | 8,572 | 8,944 | 8,572 | 8,944 |
| Lease liability | 1,440 | 586 | 810 | 443 | 2,250 | 1,029 |
| SBITA liability | 5,102 | 1,119 | 118 | 241 | 5,220 | 1,360 |
| Total | \$ 655,327 | \$ 605,735 | \$ 1,403,263 | \$ 1,454,100 | \$ 2,058,590 | \$ 2,059,835 |

The City's total long-term debt decreased by \$(1,245) or 0.06% during the current fiscal year. The net decrease reflects debt payments made during the current year.

The City's Water Utility maintains "AA+" ratings from both S&P Global Ratings and Fitch for its revenue bonds, while the Electric Utility maintains "AA-" ratings from both rating agencies for its fixed-rate bonds. S&P Global Ratings also affirmed the City's "AA" long-term and underlying ratings on its outstanding general obligation and pension-refinancing debt, as well as its "AA-" ratings on existing appropriation obligations, except for Series 2019A, which remains rated "A".

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total adjusted assessed valuation. The legal debt limit was \$1,068,583 at June 30, 2025, which applies only to general obligation debt. At June 30, 2025, the City had no outstanding general obligation debt, resulting in available legal debt capacity of \$1,068,583.

Additional information on the City's long-term debt can be found in Note 8, beginning on page 55 of this report.

Economic Factors and Next Year's Budget

On June 17, 2025, the City Council adopted the amended FY 2025-26 Budget totaling \$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 potential impacts on the local economy. Revenue projections for the 2024–2026 Biennial Budget were based on performance data from early spring 2024. However, the city experienced a slowdown compared to prior years, particularly in sales tax revenue, and the City's sales tax consultant, HdL, downgraded growth for FY 2025-26. Additionally, national economic uncertainty and the direction of the economy, including the effects of rapidly changing federal policies, could impact the City's financial outlook in FY 2025-26 and beyond. This uncertainty may result in reduced consumer and business spending and has made forecasting and planning for next fiscal year more challenging than in recent years. Other factors influencing the FY 2025-26 Budget include recently approved agreements with various City bargaining units, increased pension unfunded liability costs, and potential decreases in other revenue sources, which have increased financial pressures and are reflected in the budget amendment.

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, in order to protect core city services. Relatively minor adjustments to expenditures were sufficient to balance the General Fund budget and guard against possible budget shortfalls in the 2025-26 fiscal year.

The budget also continues to plan for the ongoing litigation of the Water Fund transfer to the General Fund (Water GFT). Water GFT revenue of \$9.2 million in FY 2025-26 will be placed in reserve pending the outcome of ongoing litigation. In addition to the required UAL payments, the budget includes a \$9 million General Fund contribution to the Section 115 Trust.

The adopted budget incorporates rate increases for the Electric, Water, and Refuse Funds consistent with the five-year rate plans approved by the City Council in 2023. Capital projects to maintain utility infrastructure are also funded for the Electric, Water, and Sewer Funds.

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 unfunded accrued liability (UAL). The CalPERS discount rate, comparable to an assumed annual rate of return on investments, is 6.8%. As of June 30, 2025, CalPERS reported a preliminary net return on investments of 11.6% for the 12-month period ending on that date, an improvement over the prior fiscal year net investment return of 9.3%. Total fund annualized returns as of June 30, 2025, stood at 8.0% for the 5-year period, 7.1% for the 10-year period, 6.7% for the 20-year period, and 7.6% for the 30-year period.

CalPERS transitioned to collecting employer contributions for the plan's unfunded liability as fixed dollar amounts effective July 1, 2018, moving away from the previous method that combined a contribution rate with the normal cost rate. In the fiscal year 2019-20, the City issued a pension obligation bond to help reduce future pension contributions. The City also established a Section 115 Trust to manage the long-term fiscal impact of rising retirement costs. As of June 30, 2025, the trust holds \$84 million in assets. In future years, the trust will help mitigate significant increases in annual UAL payments, ensuring the City can maintain service levels and fund ongoing operations. The 2024-2026 Biennial Budget includes required UAL payments of \$15.4 million in FY 2024-25 and \$29.1 million in the FY 2025-26 amended budget. The funded status for each of the Safety and Miscellaneous Plans is above 85% based on the actuarial report issued in July 2025 for the period ending June 30, 2024.

| Annual Valuation Report as of June 30, 2023 | Annual Valuation Report as of June 30, 2024 |
|--|--|
| Miscellaneous Plan <ul style="list-style-type: none"> • Unfunded Liability Payment: \$14,084 • Funded Status: 86.6% | Miscellaneous Plan <ul style="list-style-type: none"> • Unfunded Liability Payment (Prepayment option): \$19,588 • Funded Status 86.9% |
| Safety Plan <ul style="list-style-type: none"> • Unfunded Liability Payment (Prepayment option): \$15,063 • Funded Status: 85.8% | Safety Plan <ul style="list-style-type: none"> • Unfunded Liability Payment (Prepayment option): \$19,406 • Funded Status: 86.2% |

Request for information

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

**CITY OF RIVERSIDE
STATEMENT OF NET POSITION
JUNE 30, 2025
(amounts expressed in thousands)**

| | Primary Government | | |
|--|----------------------------|-----------------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Assets: | | | |
| Cash and investments | \$ 444,301 | \$ 467,137 | \$ 911,438 |
| Receivables, net of allowance for uncollectible | 153,449 | 100,983 | 254,432 |
| Leases receivable | 9,605 | 110,315 | 119,920 |
| Inventory | 11,040 | 5,024 | 16,064 |
| Prepaid items | 1,053 | 26,211 | 27,264 |
| Deposits | - | 1,962 | 1,962 |
| Other assets | - | 1,014 | 1,014 |
| Internal balances | 6,200 | (6,200) | - |
| Restricted assets: | | | |
| Cash and cash equivalents | - | 241,897 | 241,897 |
| Cash and investments | 129,653 | 52,856 | 182,509 |
| Benefit/Conservation Programs receivable | - | 1,648 | 1,648 |
| Regulatory assets | - | 12,154 | 12,154 |
| Derivative instruments | - | 590 | 590 |
| Land and improvements held for resale | 1,248 | - | 1,248 |
| Advances to Successor Agency Trust Fund | - | 1,098 | 1,098 |
| Capital assets: | | | |
| Capital assets, not depreciated | 425,620 | 267,368 | 692,988 |
| Capital assets, net of depreciation | 878,288 | 1,712,793 | 2,591,081 |
| Lease and subscription capital assets, net of amortization | 7,593 | 1,064 | 8,657 |
| Total assets | 2,068,050 | 2,997,914 | 5,065,964 |
| Deferred Outflows of Resources: | | | |
| Changes in derivative values | 1,718 | 745 | 2,463 |
| Deferred charge on refunding | 1,039 | 6,650 | 7,689 |
| Pension related items | 121,591 | 48,782 | 170,373 |
| OPEB related items | 4,645 | 2,456 | 7,101 |
| Total deferred outflows of resources | 128,993 | 58,633 | 187,626 |
| Liabilities: | | | |
| Accounts payable and other current liabilities | 41,751 | 41,218 | 82,969 |
| Unearned revenue | 28,664 | 4,565 | 33,229 |
| Deposits | 10,792 | 15,087 | 25,879 |
| Accrued interest | 2,128 | 15,721 | 17,849 |
| Noncurrent liabilities: | | | |
| Due within one year | | | |
| Long-term obligations | 21,560 | 56,333 | 77,893 |
| Compensated absences | 21,350 | 7,956 | 29,306 |
| Claims and judgments | 21,191 | - | 21,191 |
| Landfill capping | - | 559 | 559 |
| Decommissioning liability | - | 6,887 | 6,887 |
| OPEB liability | 1,238 | 616 | 1,854 |
| Lease liability | 321 | 299 | 620 |
| SBITA liability | 2,252 | 118 | 2,370 |
| Due in more than one year | | | |
| Long-term obligations | 466,480 | 1,322,544 | 1,789,024 |
| Compensated absences | 19,181 | 6,930 | 26,111 |
| Claims and judgments | 99,023 | - | 99,023 |
| Landfill capping | - | 8,013 | 8,013 |
| Decommissioning liability | - | 40,078 | 40,078 |
| Regulatory liability | - | 10,115 | 10,115 |
| Derivative instruments | 2,809 | 2,403 | 5,212 |
| Net pension liability | 247,598 | 90,448 | 338,046 |
| OPEB liability | 28,537 | 20,338 | 48,875 |
| Lease liability | 1,119 | 511 | 1,630 |
| SBITA liability | 2,850 | - | 2,850 |
| Total liabilities | 1,018,844 | 1,650,739 | 2,669,583 |
| Deferred Inflows of Resources | | | |
| Change in derivative values | - | 676 | 676 |
| Deferred charges on refunding | 1,651 | 517 | 2,168 |
| Pension related items | 1,632 | 535 | 2,167 |
| OPEB related items | 6,717 | 3,704 | 10,421 |
| Lease related items | 9,273 | 118,865 | 128,138 |
| Total deferred inflows of resources | 19,273 | 124,297 | 143,570 |
| Net Position: | | | |
| Net investment in capital assets | 1,176,467 | 809,305 | 1,985,772 |
| Restricted - Expendable: | | | |
| Housing | 43,321 | - | 43,321 |
| Debt service | 57,567 | 43,592 | 101,159 |
| Public works | 42,502 | - | 42,502 |
| Capital projects | 58,263 | - | 58,263 |
| Landfill capping | - | 2,500 | 2,500 |
| Programs and regulatory requirements | - | 82,989 | 82,989 |
| Economic development | 19,298 | - | 19,298 |
| Unfunded accrued liability | 76,851 | 6,920 | 83,771 |
| Restricted - Nonexpendable: | | | |
| Permanent fund principal | 1,758 | - | 1,758 |
| Unrestricted/(deficit) | (317,101) | 336,205 | 19,104 |
| Total net position | \$ 1,158,926 | \$ 1,281,511 | \$ 2,440,437 |

**CITY OF RIVERSIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Program Revenues | | | | | Net (Expenses) Revenues and Changes in Net Position | | |
|---|---------------------|------------------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|---------------------|
| | Expenses | Indirect Expenses Allocation | Charges for Services | Operating Contributions and Grants | Capital Contributions and Grants | Primary Government | | Total |
| | | | | | | Governmental Activities | Business-Type Activities | |
| Function/Programs | | | | | | | | |
| Primary Government: | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | \$ 95,866 | \$ (20,395) | \$ 16,774 | \$ 61,194 | \$ 1,539 | \$ 4,036 | \$ - | \$ 4,036 |
| Public safety | 282,364 | 13,713 | 16,218 | 10,968 | 248 | (268,643) | - | (268,643) |
| Highways and streets | 107,629 | 2,892 | 6,026 | 3,412 | 55,503 | (45,580) | - | (45,580) |
| Culture and recreation | 73,905 | 3,790 | 7,308 | 493 | 481 | (69,413) | - | (69,413) |
| Interest on long-term debt and fiscal charges | 17,483 | - | - | - | - | (17,483) | - | (17,483) |
| Total governmental activities | 577,247 | - | 46,326 | 76,067 | 57,771 | (397,083) | - | (397,083) |
| Business-Type Activities: | | | | | | | | |
| Electric | 418,293 | - | 475,608 | - | 8,745 | - | 66,060 | 66,060 |
| Water | 87,978 | - | 96,083 | - | 2,823 | - | 10,928 | 10,928 |
| Sewer | 70,901 | - | 71,953 | - | 10,894 | - | 11,946 | 11,946 |
| Airport | 2,629 | - | 2,235 | - | 127 | - | (267) | (267) |
| Refuse | 37,557 | - | 37,436 | - | - | - | (121) | (121) |
| Transportation | 5,892 | - | 278 | 4,923 | 1,392 | - | 701 | 701 |
| Public Parking | 8,467 | - | 11,276 | - | - | - | 2,809 | 2,809 |
| Civic Entertainment | 25,310 | - | 14,791 | - | - | - | (10,519) | (10,519) |
| Total business-type activities | 657,027 | - | 709,660 | 4,923 | 23,981 | - | 81,537 | 81,537 |
| Total primary government | \$ 1,234,274 | \$ - | \$ 755,986 | \$ 80,990 | \$ 81,752 | \$ (397,083) | \$ 81,537 | \$ (315,546) |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| | | | | | | 176,256 | - | 176,256 |
| | | | | | | 94,638 | - | 94,638 |
| | | | | | | 35,278 | - | 35,278 |
| | | | | | | 6,300 | - | 6,300 |
| | | | | | | 9,108 | - | 9,108 |
| | | | | | | 1,199 | - | 1,199 |
| | | | | | | 33,933 | 43,336 | 77,269 |
| | | | | | | 4,234 | 14,864 | 19,098 |
| | | | | | | 41,332 | (41,332) | - |
| | | | | | | 402,278 | 16,868 | 419,146 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | 5,195 | 98,405 | 103,600 |
| Net Position: | | | | | | | | |
| | | | | | | 1,196,732 | 1,205,225 | 2,401,957 |
| | | | | | | (43,001) | (22,119) | (65,120) |
| | | | | | | \$ 1,153,731 | \$ 1,183,106 | \$ 2,336,837 |
| | | | | | | | | |
| | | | | | | \$ 1,158,926 | \$ 1,281,511 | \$ 2,440,437 |

See Notes to Financial Statements

**CITY OF RIVERSIDE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

| | General Fund | Capital Outlay Fund | General Debt Service Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|-------------------|---------------------|---------------------------|------------------------------|--------------------------|
| Assets: | | | | | |
| Cash and investments | \$ 242,492 | \$ 73,297 | \$ 5,641 | \$ 75,345 | \$ 396,775 |
| Cash and investments with fiscal agent | 76,852 | 4 | 52,467 | 330 | 129,653 |
| Receivables, net of allowance for uncollectible | | | | | |
| Interest | 1,365 | 629 | 15 | 489 | 2,498 |
| Property taxes | 1,831 | - | - | 80 | 1,911 |
| Sales taxes | 30,037 | - | - | - | 30,037 |
| Utility billed | 1,516 | - | - | - | 1,516 |
| Utility unbilled | 1,971 | - | - | - | 1,971 |
| Accounts | 6,301 | - | - | 145 | 6,446 |
| Intergovernmental | 4,956 | 27,199 | - | 20,497 | 52,652 |
| Notes | - | - | - | 55,022 | 55,022 |
| Leases receivable | 9,605 | - | - | - | 9,605 |
| Prepaid items | 991 | 11 | - | 51 | 1,053 |
| Due from other funds | 2,808 | 2,407 | - | 2,647 | 7,862 |
| Land and improvements held for resale | 175 | - | - | 1,073 | 1,248 |
| Advances to other funds | 6,703 | - | - | - | 6,703 |
| Total assets | \$ 387,603 | \$ 103,547 | \$ 58,123 | \$ 155,679 | \$ 704,952 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | | |
| Balances: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 8,864 | \$ 3,039 | \$ 53 | \$ 8,252 | \$ 20,208 |
| Accrued payroll | 17,651 | - | - | 148 | 17,799 |
| Retainage payable | 64 | 1,057 | - | 1,070 | 2,191 |
| Intergovernmental | 194 | - | - | 5 | 199 |
| Unearned revenue | 2,960 | 113 | - | 25,591 | 28,664 |
| Deposits | 10,622 | - | - | 120 | 10,742 |
| Due to other funds | 4,822 | - | - | 2,685 | 7,507 |
| Advances from other funds | - | - | 503 | - | 503 |
| Total liabilities | 45,177 | 4,209 | 556 | 37,871 | 87,813 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable revenue | 6,188 | 3,059 | - | 60,329 | 69,576 |
| Lease related items | 9,273 | - | - | - | 9,273 |
| Total deferred inflows of resources | 15,461 | 3,059 | - | 60,329 | 78,849 |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventories, prepaids, and deposits | 991 | 11 | - | 51 | 1,053 |
| Advances and notes | 5,660 | - | - | - | 5,660 |
| Land and improvements held for resale | 175 | - | - | - | 175 |
| Permanent fund principal | - | - | - | 1,758 | 1,758 |
| Restricted: | | | | | |
| Housing and redevelopment | - | - | - | 7,836 | 7,836 |
| Debt service | - | - | 57,567 | - | 57,567 |
| Transportation and public works | - | 42,304 | - | 39,590 | 81,894 |
| Other purposes | - | - | - | 10,825 | 10,825 |
| Unfunded accrued liability | 76,851 | - | - | - | 76,851 |
| Committed: | | | | | |
| Economic contingency | 81,431 | - | - | - | 81,431 |
| Other purposes | 64,323 | 20,960 | - | - | 85,283 |
| Assigned: | | | | | |
| General government | 11,767 | - | - | - | 11,767 |
| Public safety | 11,425 | - | - | - | 11,425 |
| Highways and streets | 4,367 | - | - | - | 4,367 |
| Culture and recreation | 1,943 | - | - | - | 1,943 |
| Continuing projects | 22,454 | 33,004 | - | - | 55,458 |
| Unassigned | 45,578 | - | - | (2,581) | 42,997 |
| Total fund balances | 326,965 | 96,279 | 57,567 | 57,479 | 538,290 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 387,603 | \$ 103,547 | \$ 58,123 | \$ 155,679 | \$ 704,952 |

See Notes to Financial Statements

**CITY OF RIVERSIDE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025
(amounts expressed in thousands)**

| | | |
|---|-----------------------------|--------------------------------|
| Total fund balances - governmental funds | \$ | 538,290 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds | | 1,293,482 |
| Lease and subscription assets, net of accumulated amortization, used in governmental activities and are not current financial resources and, therefore, are not reported as assets in the governmental funds | | 7,576 |
| Deferred outflows on refunding charges are not available resources and, therefore, are not reported on the funds | | 1,039 |
| Deferred outflows on pension related items | | 119,234 |
| Deferred outflows on OPEB related items | | 4,494 |
| Deferred inflows on refunding charges are not available resources and, therefore, are not reported on the funds | | (1,651) |
| Deferred inflows on pension related items | | (1,605) |
| Deferred inflows on OPEB related items | | (6,513) |
| Revenue not available to pay for current period expenditures are reported as unavailable revenue in the governmental funds | | 69,576 |
| Accrued interest payable for the current portion of interest due on various debt issues has not been reported in the governmental funds | | (2,128) |
| Long-term liabilities, as listed below, are not due and payable in the current period and, therefore, are not reported in the governmental funds | | |
| Pension obligation bonds | (300,475) | |
| Certificates of participation | (69,788) | |
| Lease revenue bonds | (101,590) | |
| Financed purchase | (11,757) | |
| Compensated absences | (39,980) | |
| Net pension liability | (243,227) | |
| OPEB liability | (28,514) | |
| Lease liability | (1,424) | |
| SBITA liability | (5,102) | (801,857) |
| | <u> </u> | |
| The City uses derivative instruments to hedge its exposure to changing interest rates through the uses of interest swaps. The following related items have been reflected in the Statement of Net Position: | | |
| Net fair value of interest rate swaps | (2,809) | |
| Deferred amount related to the hedgeable portion of derivative instrument | 1,718 | (1,091) |
| | <u> </u> | |
| Internal service funds are used by management to charge the costs of insurance, centralized purchasing and fleet management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. | | <u>(59,920)</u> |
| Net position of governmental activities | \$ | <u><u>1,158,926</u></u> |

See Notes to Financial Statements

**CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | <u>General Fund</u> | <u>Capital Outlay Fund</u> | <u>General Debt Service Fund</u> | <u>Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|--------------------------------|--------------------------------------|---|---|
| Revenues: | | | | | |
| Taxes | \$ 321,468 | \$ - | \$ 112 | \$ - | \$ 321,580 |
| Licenses and permits | 12,168 | - | - | 3,141 | 15,309 |
| Intergovernmental | 4,634 | 37,531 | - | 83,277 | 125,442 |
| Charges for services | 17,359 | - | - | 2,012 | 19,371 |
| Fines and forfeitures | 2,208 | - | - | - | 2,208 |
| Special assessments | 615 | 256 | 1,236 | 5,604 | 7,711 |
| Rental and investment income | 22,522 | 5,732 | 518 | 4,341 | 33,113 |
| Miscellaneous | 2,200 | 213 | - | 1,792 | 4,205 |
| Total revenues | 383,174 | 43,732 | 1,866 | 100,167 | 528,939 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 29,348 | - | - | 22,314 | 51,662 |
| Public safety | 236,332 | - | - | 17,287 | 253,619 |
| Highways and streets | 28,328 | - | - | 1,038 | 29,366 |
| Culture and recreation | 47,147 | - | - | 1,640 | 48,787 |
| Capital outlay | 17,699 | 74,132 | - | 31,461 | 123,292 |
| Debt service: | | | | | |
| Principal | 2,651 | 1 | 23,263 | 159 | 26,074 |
| Interest and fiscal charges | 118 | 1 | 16,510 | 41 | 16,670 |
| Issuance costs | - | - | 475 | - | 475 |
| Total expenditures | 361,623 | 74,134 | 40,248 | 73,940 | 549,945 |
| Excess/(deficiency) of revenues over/(under) expenditures | 21,551 | (30,402) | (38,382) | 26,227 | (21,006) |
| Other Financing Sources/(Uses): | | | | | |
| Transfers in | 96,526 | 43,106 | 37,446 | 3,635 | 180,713 |
| Transfers out | (88,626) | (14,122) | - | (36,633) | (139,381) |
| Issuance of long-term debt | - | - | 58,774 | - | 58,774 |
| Premium on issuance of long-term debt | - | - | 1,735 | - | 1,735 |
| Proceeds from sale of capital assets | 388 | - | - | - | 388 |
| Payment to refunding escrow agent | - | - | (15,007) | - | (15,007) |
| Issuance of debt related to leases and subscriptions | 7,533 | 7 | - | - | 7,540 |
| Total other financing sources/(uses) | 15,821 | 28,991 | 82,948 | (32,998) | 94,762 |
| Net change in fund balances | 37,372 | (1,411) | 44,566 | (6,771) | 73,756 |
| Fund Balances: | | | | | |
| Beginning of year, as previously stated | 287,858 | 98,315 | 13,001 | 65,650 | 464,824 |
| Error correction | 1,735 | (625) | - | (1,400) | (290) |
| Beginning of year, as restated | 289,593 | 97,690 | 13,001 | 64,250 | 464,534 |
| End of year | \$ 326,965 | \$ 96,279 | \$ 57,567 | \$ 57,479 | \$ 538,290 |

**CITY OF RIVERSIDE
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | | | |
|--|-----------|-------------------|--------------------------|
| Net change in fund balances - total governmental funds | \$ | 73,756 | |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation and amortization expense. | | | |
| Capital outlay | \$ | 64,282 | |
| Depreciation expense | | (58,459) | |
| Lease and subscription amortization expense | | (2,392) | |
| Gain/(Loss) on sale of capital assets | | (635) | 2,796 |
| | | <u> </u> | |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Whereas, issuance of long-term debt is a current financial resource in the governmental funds, but the issuance increase long-term debt in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and deferral on loss of refunding when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities | | | |
| Issuance of long-term debt | | (60,509) | |
| Lease and SBITA proceeds | | (7,540) | |
| Payment to refunding escrow agent | | 15,007 | |
| Principal repayments | | | |
| General obligation bonds | | 1,740 | |
| Pension obligation bonds | | 9,454 | |
| Certificates of participation | | 5,034 | |
| Lease revenue bonds | | 3,588 | |
| Financed purchase | | 3,558 | |
| Lease liability | | 242 | |
| SBITA liability | | 2,456 | |
| Amortization of bond premium/discount | | 118 | (26,852) |
| | | <u> </u> | |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | | |
| Changes in accrued interest | | (252) | |
| Changes in compensated absences | | (5,939) | |
| Changes in net pension liability and related deferred outflows and inflows of resources | | (32,756) | |
| Changes in OPEB liability and related deferred outflows and inflows of resources | | (1,879) | (40,826) |
| | | <u> </u> | |
| Revenues reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity | | | 9,158 |
| Internal service funds are used by management to charge the costs of insurance, central purchasing and fleet management to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities | | | <u> </u> |
| | | | (12,837) |
| Change in net position of governmental activities | | | <u><u> </u></u> |
| | \$ | | 5,195 |

CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES, IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance to Final Budget Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes | \$ 321,204 | \$ 315,588 | \$ 321,468 | \$ 5,880 |
| Licenses and permits | 14,400 | 14,400 | 12,168 | (2,232) |
| Intergovernmental | 1,909 | 3,962 | 4,634 | 672 |
| Charges for services | 18,322 | 18,460 | 17,359 | (1,101) |
| Fines and forfeitures | 1,157 | 1,157 | 2,208 | 1,051 |
| Special assessments | 378 | 378 | 615 | 237 |
| Rental and investment income | 5,244 | 5,324 | 22,522 | 17,198 |
| Miscellaneous | 1,196 | 1,486 | 2,200 | 714 |
| Total revenues | 363,810 | 360,755 | 383,174 | 22,419 |
| Expenditures: | | | | |
| General government: | | | | |
| Mayor | 1,199 | 1,202 | 1,161 | 41 |
| Council | 2,005 | 2,143 | 2,404 | (261) |
| Manager | 5,307 | 5,609 | 5,168 | 441 |
| Marketing and communications | 2,928 | 2,941 | 2,468 | 473 |
| Attorney | 7,166 | 8,578 | 8,298 | 280 |
| Clerk | 2,285 | 2,377 | 2,304 | 73 |
| Community development | 16,701 | 25,118 | 16,627 | 8,491 |
| Human resources | 7,561 | 7,788 | 5,904 | 1,884 |
| Housing and human services | 9,115 | 11,233 | 6,500 | 4,733 |
| General services | 10,542 | 9,911 | 8,035 | 1,876 |
| Finance | 11,710 | 12,876 | 11,219 | 1,657 |
| Innovation and technology | 17,792 | 18,651 | 14,811 | 3,840 |
| Subtotal | 94,311 | 108,427 | 84,899 | 23,528 |
| Allocated expenditures - General Government | (55,443) | (55,452) | (55,551) | 99 |
| Total general government | 38,868 | 52,975 | 29,348 | 23,627 |
| Public safety: | | | | |
| Police | 142,823 | 147,666 | 148,059 | (393) |
| Fire | 78,354 | 88,866 | 80,144 | 8,722 |
| Animal regulation | 4,562 | 5,326 | 3,698 | 1,628 |
| Building and zoning inspection | 5,150 | 5,562 | 4,431 | 1,131 |
| Total public safety | 230,889 | 247,420 | 236,332 | 11,088 |
| Highways and streets | 32,212 | 34,732 | 28,328 | 6,404 |
| Culture and recreation: | | | | |
| Library | 10,889 | 11,463 | 10,591 | 872 |
| Museum and cultural affairs | 2,686 | 3,284 | 2,409 | 875 |
| Parks, recreation and community services | 36,171 | 37,643 | 34,147 | 3,496 |
| Total culture and recreation | 49,746 | 52,390 | 47,147 | 5,243 |
| Capital outlay | 9,594 | 17,667 | 17,699 | (32) |
| Debt service: | | | | |
| Principal | - | - | 2,651 | (2,651) |
| Interest and fiscal charges | - | - | 118 | (118) |
| Total expenditures | 361,309 | 405,184 | 361,623 | 43,561 |
| Total revenues over (under) expenditures | 2,501 | (44,429) | 21,551 | 65,980 |
| Other Financing Sources/(Uses): | | | | |
| Transfers in | 65,405 | 106,457 | 96,526 | (9,931) |
| Transfers out | (77,238) | (99,738) | (88,626) | 11,112 |
| Proceeds from sale of capital assets | 5,503 | 650 | 388 | (262) |
| Issuance of debt related to leases and subscriptions | - | - | 7,533 | 7,533 |
| Total other financing sources/(uses) | (6,330) | 7,369 | 15,821 | 8,452 |
| Net change in fund balance | (3,829) | (37,060) | 37,372 | 74,432 |
| Fund Balance: | | | | |
| Beginning of year, as previously stated | 287,858 | 287,858 | 287,858 | - |
| Error correction | - | - | 1,735 | 1,735 |
| Beginning of year, as restated | - | - | 289,593 | 289,593 |
| Ending of year | \$ 284,029 | \$ 250,798 | \$ 326,965 | \$ 76,167 |

See Notes to Financial Statements

**CITY OF RIVERSIDE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|--|---|----------------|----------------|----------------------------------|------------------------------|---|
| | Electric | Water | Sewer | Non-Major Enterprise Funds | | |
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 276,817 | \$ 60,558 | \$ 97,580 | \$ 32,182 | \$ 467,137 | \$ 47,526 |
| Receivables, net of allowance for uncollectible | | | | | | |
| Interest | 2,037 | 3,983 | 669 | 228 | 6,917 | 301 |
| Utility billed | 20,669 | 5,463 | 4,042 | 1,938 | 32,112 | - |
| Utility unbilled | 28,293 | 6,788 | 3,966 | 2,070 | 41,117 | - |
| Accounts | 7,819 | 1,874 | 771 | 1,710 | 12,174 | 763 |
| Intergovernmental | 5 | 934 | 6,943 | 781 | 8,663 | 332 |
| Leases receivable | 1,478 | 952 | - | 557 | 2,987 | - |
| Inventory | 1,313 | - | 3,592 | 119 | 5,024 | 11,040 |
| Prepaid items | 13,298 | 216 | 49 | 50 | 13,613 | - |
| Deposits | 1,662 | - | - | 300 | 1,962 | - |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | | | | | | |
| Rate stabilization cash and cash equivalents | - | - | 4,000 | - | 4,000 | - |
| Other restricted cash and cash equivalents | 98,387 | 13,569 | - | 2,500 | 114,456 | - |
| Benefit/Conservation Programs receivable | 1,628 | 20 | - | - | 1,648 | - |
| Total current assets | 453,406 | 94,357 | 121,612 | 42,435 | 711,810 | 59,962 |
| Noncurrent assets: | | | | | | |
| Restricted assets: | | | | | | |
| Cash and cash equivalents at fiscal agent | 97,958 | 25,483 | - | - | 123,441 | - |
| Cash and investments at fiscal agent | 48,258 | 2,835 | 1,328 | 435 | 52,856 | - |
| Leases receivable | 9,754 | 89,107 | - | 8,467 | 107,328 | - |
| Prepaid items noncurrent | 12,598 | - | - | - | 12,598 | - |
| Other noncurrent assets | - | 1,014 | - | - | 1,014 | - |
| Advances to other funds | - | - | 503 | - | 503 | - |
| Regulatory assets | 1,999 | 1,259 | 1,000 | 7,896 | 12,154 | - |
| Derivative instruments | - | - | - | 590 | 590 | - |
| Advances to Successor Agency Trust Fund | 1,098 | - | - | - | 1,098 | - |
| Capital assets, not depreciated | 150,600 | 60,303 | 35,201 | 21,264 | 267,368 | 458 |
| Capital assets, net of depreciation | 646,203 | 464,069 | 480,363 | 122,158 | 1,712,793 | 9,968 |
| Lease and subscription capital assets, net of amortization | 667 | 23 | 103 | 271 | 1,064 | 17 |
| Total noncurrent assets | 969,135 | 644,093 | 518,498 | 161,081 | 2,292,807 | 10,443 |
| Total assets | 1,422,541 | 738,450 | 640,110 | 203,516 | 3,004,617 | 70,405 |
| Deferred Outflows of Resources: | | | | | | |
| Changes in derivative values | - | - | - | 745 | 745 | - |
| Deferred charge on refunding | 1,999 | 4,201 | - | 450 | 6,650 | - |
| Pension related items | 28,534 | 9,297 | 6,359 | 4,592 | 48,782 | 2,357 |
| OPEB related items | 1,284 | 527 | 349 | 296 | 2,456 | 151 |
| Total deferred outflows of resources | 31,817 | 14,025 | 6,708 | 6,083 | 58,633 | 2,508 |

**CITY OF RIVERSIDE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|--|---|-------------------|-------------------|----------------------------------|------------------------------|---|
| | Electric | Water | Sewer | Non-Major Enterprise Funds | | |
| Liabilities: | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 22,964 | 3,989 | 2,035 | 5,539 | 34,527 | 1,157 |
| Accrued payroll | 1,844 | 652 | 402 | 277 | 3,175 | 178 |
| Retainage payable | 968 | 463 | 834 | 148 | 2,413 | 19 |
| Unearned revenue | 4,244 | 58 | - | 263 | 4,565 | - |
| Deposits | 12,109 | 1,099 | 809 | 1,070 | 15,087 | 50 |
| Accrued interest | 7,313 | 2,425 | 5,940 | 43 | 15,721 | - |
| Due to other funds | - | - | - | - | - | 355 |
| Benefit/Conservation Programs payable | 1,026 | 77 | - | - | 1,103 | - |
| Long-term obligations | 24,314 | 11,725 | 13,831 | 6,463 | 56,333 | 740 |
| Compensated absences | 4,592 | 1,658 | 1,163 | 543 | 7,956 | 307 |
| Claims and judgments | - | - | - | - | - | 21,191 |
| Landfill capping | - | - | - | 559 | 559 | - |
| Decommissioning liability | 6,887 | - | - | - | 6,887 | - |
| OPEB liability | 335 | 129 | 75 | 77 | 616 | 43 |
| Lease liability | 190 | 6 | 5 | 98 | 299 | 4 |
| SBITA liability | 46 | - | 72 | - | 118 | - |
| Total current liabilities | 86,832 | 22,281 | 25,166 | 15,080 | 149,359 | 24,044 |
| Noncurrent liabilities: | | | | | | |
| Long-term obligations | 686,221 | 258,551 | 317,357 | 60,415 | 1,322,544 | 3,690 |
| Compensated absences | 4,383 | 1,452 | 775 | 320 | 6,930 | 244 |
| Advances from other funds | - | - | - | 6,703 | 6,703 | - |
| Claims and judgments | - | - | - | - | - | 99,023 |
| Landfill capping | - | - | - | 8,013 | 8,013 | - |
| Decommissioning liability | 40,078 | - | - | - | 40,078 | - |
| Regulatory liability | - | 4,636 | 5,438 | 41 | 10,115 | - |
| Derivative instruments | - | 1,185 | - | 1,218 | 2,403 | - |
| Net pension liability | 52,907 | 17,238 | 11,790 | 8,513 | 90,448 | 4,371 |
| OPEB liability | 10,472 | 4,275 | 2,978 | 2,613 | 20,338 | 1,218 |
| Lease liability | 383 | 18 | 16 | 94 | 511 | 12 |
| Total noncurrent liabilities | 794,444 | 287,355 | 338,354 | 87,930 | 1,508,083 | 108,558 |
| Total liabilities | 881,276 | 309,636 | 363,520 | 103,010 | 1,657,442 | 132,602 |
| Deferred Inflows of Resources: | | | | | | |
| Change in derivative values | - | 110 | - | 566 | 676 | - |
| Deferred charges on refunding | - | - | 517 | - | 517 | - |
| Pension related items | 312 | 102 | 70 | 51 | 535 | 27 |
| OPEB related items | 1,990 | 787 | 479 | 448 | 3,704 | 204 |
| Lease related items | 10,224 | 99,839 | - | 8,802 | 118,865 | - |
| Total deferred inflows of resources | 12,526 | 100,838 | 1,066 | 9,867 | 124,297 | 231 |
| Net position: | | | | | | |
| Net investment in capital assets | 239,920 | 292,595 | 193,201 | 83,589 | 809,305 | 10,427 |
| Restricted net position: | | | | | | |
| Debt service | 24,465 | 10,800 | 8,327 | - | 43,592 | - |
| Landfill capping | - | - | - | 2,500 | 2,500 | - |
| Regulatory requirements | 41,762 | - | 2,863 | - | 44,625 | - |
| Public Benefit Programs | 35,297 | - | - | - | 35,297 | - |
| Water Conservation Program | - | 3,067 | - | - | 3,067 | - |
| Unfunded accrued liability | 4,169 | 1,374 | 942 | 435 | 6,920 | - |
| Unrestricted/(deficit) | 214,943 | 34,165 | 76,899 | 10,198 | 336,205 | (70,347) |
| Total net position | \$ 560,556 | \$ 342,001 | \$ 282,232 | \$ 96,722 | \$ 1,281,511 | \$ (59,920) |

See Notes to Financial Statements

CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

| | Business-Type Activities - Enterprise Funds | | | | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
|--|---|-------------------|-------------------|----------------------------------|------------------------------|---|
| | Electric | Water | Sewer | Non-Major Enterprise Funds | | |
| Operating Revenues: | | | | | | |
| Charges for services | \$ 475,608 | \$ 96,083 | \$ 71,953 | \$ 66,016 | \$ 709,660 | \$ 36,612 |
| Total operating revenues | 475,608 | 96,083 | 71,953 | 66,016 | 709,660 | 36,612 |
| Operating Expenses: | | | | | | |
| Personnel services | 69,032 | 22,232 | 15,019 | 11,861 | 118,144 | 7,604 |
| Contractual services | 9,199 | 2,877 | 1,489 | 14,896 | 28,461 | 872 |
| Maintenance and operation | 239,038 | 14,544 | 11,528 | 16,504 | 281,614 | 4,460 |
| General | 19,466 | 16,565 | 5,985 | 24,355 | 66,371 | 7,482 |
| Materials and supplies | 1,693 | 1,452 | 7,553 | 1,446 | 12,144 | 205 |
| Claims/Insurance | 4,262 | 1,154 | 1,648 | 1,037 | 8,101 | 29,743 |
| Depreciation | 39,371 | 18,100 | 14,913 | 6,416 | 78,800 | 1,556 |
| Amortization | 260 | 13 | 82 | 738 | 1,093 | 7 |
| Total operating expenses | 382,321 | 76,937 | 58,217 | 77,253 | 594,728 | 51,929 |
| Operating income/(loss) | 93,287 | 19,146 | 13,736 | (11,237) | 114,932 | (15,317) |
| Nonoperating Revenues/(Expenses): | | | | | | |
| Grant subsidies | - | - | - | 4,923 | 4,923 | - |
| Interest revenue | 27,187 | 7,136 | 6,579 | 2,434 | 43,336 | 2,547 |
| Interest expense and fiscal charges | (30,136) | (11,041) | (12,684) | (2,602) | (56,463) | (205) |
| Capital improvement fees | - | - | 65 | - | 65 | - |
| Decommissioning liability expense | (5,807) | - | - | - | (5,807) | - |
| Other | 4,604 | 5,031 | 4,801 | 673 | 15,109 | 72 |
| Gain/(loss) on disposal of capital assets | (270) | 116 | (198) | 13 | (339) | 63 |
| Total nonoperating revenues/(expenses) | (4,422) | 1,242 | (1,437) | 5,441 | 824 | 2,477 |
| Income/(loss) before contributions and operating transfers | 88,865 | 20,388 | 12,299 | (5,796) | 115,756 | (12,840) |
| Capital contributions | 8,745 | 2,823 | 10,894 | 1,519 | 23,981 | 3 |
| Transfers in | - | - | - | 12,113 | 12,113 | - |
| Transfers out | (45,215) | (8,230) | - | - | (53,445) | - |
| Change in net position | 52,395 | 14,981 | 23,193 | 7,836 | 98,405 | (12,837) |
| Net Position: | | | | | | |
| Beginning of year, as previously stated | 508,534 | 339,672 | 268,133 | 88,886 | 1,205,225 | (47,083) |
| Error correction | (373) | (12,652) | (9,094) | - | (22,119) | - |
| Beginning of year, as restated | 508,161 | 327,020 | 259,039 | 88,886 | 1,183,106 | (47,083) |
| End of year | \$ 560,556 | \$ 342,001 | \$ 282,232 | \$ 96,722 | \$ 1,281,511 | \$ (59,920) |

**CITY OF RIVERSIDE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|------------------|-------------------|----------------------------------|------------------------------|---|
| | Electric | Water | Sewer | Non-Major Enterprise Funds | Total Enterprise Funds | |
| Cash Flows from Operating Activities: | | | | | | |
| Cash received from customers and users | \$ 460,969 | \$ 92,534 | \$ 66,341 | \$ 64,989 | \$ 684,833 | \$ 50 |
| Cash received from interfund services provided | - | - | - | - | - | 36,303 |
| Cash paid to suppliers for goods or services | (283,269) | (40,134) | (33,152) | (60,333) | (416,888) | (24,690) |
| Cash paid to employees for services | (56,882) | (18,350) | (12,378) | (10,042) | (97,652) | (6,525) |
| Net cash provided/(used) by operating activities | 120,818 | 34,050 | 20,811 | (5,386) | 170,293 | 5,138 |
| Cash Flows from Non-Capital Financing Activities: | | | | | | |
| Transfers in | - | - | - | 12,112 | 12,112 | - |
| Transfers out | (45,215) | (8,230) | - | - | (53,445) | - |
| Cash received/(paid) from/(to) other funds | - | - | - | (233) | (233) | (1,088) |
| Payment receipt from advances to other funds | 457 | - | 317 | 4,703 | 5,477 | - |
| Debt service payment on pension obligation bonds | (5,676) | (1,815) | (1,128) | (746) | (9,365) | (387) |
| Other non-operating receipts | 4,268 | 2,886 | 4,802 | 438 | 12,394 | 72 |
| Grant subsidies (repayments) | - | - | - | 5,352 | 5,352 | - |
| Increase (decrease) in restricted arbitrage cash | (2,526) | (664) | - | - | (3,190) | - |
| Net cash provided/(used) by non-capital financing activities | (48,692) | (7,823) | 3,991 | 21,626 | (30,898) | (1,403) |
| Cash Flows from Capital and Related Financing Activities: | | | | | | |
| Purchase of capital assets | (59,466) | (20,862) | (23,614) | (8,939) | (112,881) | (2,824) |
| Proceeds from sales of capital assets | 394 | 116 | - | 13 | 523 | 63 |
| Proceeds from revenue bonds, including premium | - | - | - | 5,284 | 5,284 | - |
| Principal paid on long-term obligations | (15,479) | (8,340) | (12,050) | (5,575) | (41,444) | 41 |
| Interest paid on long-term obligations | (33,948) | (11,295) | (14,933) | (2,551) | (62,727) | (206) |
| Bond issuance costs | - | - | - | (56) | (56) | - |
| Refunding Escrow Agent | - | - | - | (5,222) | (5,222) | - |
| Contributions | 6,572 | 2,823 | - | 1,518 | 10,913 | 3 |
| Lease and subscription payments | (302) | (8) | (80) | (256) | (646) | (6) |
| Cash received from finance purchases | - | 4,814 | - | - | 4,814 | - |
| Net cash provided/(used) by capital and related financing activities | (102,229) | (32,752) | (50,677) | (15,784) | (201,442) | (2,929) |
| Cash Flows from Investing Activities: | | | | | | |
| Proceeds/(purchase) from/(of) investment securities | 272 | (995) | (536) | (69) | (1,328) | - |
| Interest from investments | 26,776 | 6,133 | 6,529 | 2,369 | 41,807 | 2,472 |
| Net cash provided/(used) by investing activities | 27,048 | 5,138 | 5,993 | 2,300 | 40,479 | 2,472 |
| Net increase/(decrease) in cash and cash equivalents | (3,055) | (1,387) | (19,882) | 2,756 | (21,568) | 3,278 |
| Cash and cash equivalents at beginning of year (excluding noncurrent cash and investments at fiscal agent) | 476,217 | 100,997 | 121,462 | 31,926 | 730,602 | 44,248 |
| Cash and cash equivalents at end of year (excluding noncurrent cash and investments at fiscal agent) | \$ 473,162 | \$ 99,610 | \$ 101,580 | \$ 34,682 | \$ 709,034 | \$ 47,526 |

**CITY OF RIVERSIDE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | | Governmental Activities - Internal Service Funds |
|---|---|------------------|-------------------|----------------------------------|------------------------------|---|
| | Electric | Water | Sewer | Non-Major Enterprise Funds | Total Enterprise Funds | |
| Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities: | | | | | | |
| Operating income/(loss) | \$ 93,287 | \$ 19,146 | \$ 13,736 | \$ (11,237) | \$ 114,932 | \$ (15,317) |
| Adjustments to Reconcile Operating Income/(Loss) Net Cash Provided/(Used) by Operating Activities: | | | | | | |
| Depreciation | 39,371 | 18,100 | 14,913 | 6,416 | 78,800 | 1,556 |
| Amortization | 260 | 13 | 82 | 738 | 1,093 | 7 |
| (Increase)/decrease in utility billed receivable | (2,298) | (768) | 103 | (18) | (2,981) | - |
| (Increase)/decrease in utility unbilled receivable | (10,798) | (2,805) | (1,470) | (868) | (15,941) | - |
| (Increase)/decrease in accounts receivable | (2,238) | (280) | (320) | (359) | (3,197) | (57) |
| (Increase)/decrease in property tax receivable | - | - | - | 5 | 5 | - |
| (Increase)/decrease in intergovernmental receivable | 351 | 655 | (4,937) | 56 | (3,875) | (256) |
| (Increase)/decrease in inventory | 152 | - | (98) | (39) | 15 | (952) |
| (Increase)/decrease in prepaid items | (11,877) | 2 | (36) | 21 | (11,890) | - |
| (Increase)/decrease in deposits | (133) | - | - | - | (133) | - |
| (Increase)/decrease in Benefit/Conservation Programs receivable | (408) | 5 | - | - | (403) | - |
| Increase/(decrease) in accounts payable | 3,263 | (2,314) | (26) | (1,737) | (814) | 407 |
| Increase/(decrease) in accrued payroll | 468 | 151 | 84 | (18) | 685 | 63 |
| Increase/(decrease) in retainage payable | 762 | (872) | 536 | (15) | 411 | 19 |
| Increase/(decrease) in unearned revenue | 3,482 | 3 | - | (61) | 3,424 | - |
| Increase/(decrease) in deposits payable | 137 | (754) | (4,327) | 220 | (4,724) | 50 |
| Increase/(decrease) in Benefit/Conservation Programs payable | 276 | 24 | - | - | 300 | - |
| Increase/(decrease) in compensated absences | 1,575 | 433 | 343 | 183 | 2,534 | 147 |
| Increase/(decrease) in claims and judgments | - | - | - | - | - | 18,599 |
| Increase/(decrease) in landfill capping liability | - | - | - | (372) | (372) | - |
| Increase/(decrease) in decommissioning liability | (4,924) | - | - | - | (4,924) | - |
| Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources | 9,584 | 3,108 | 2,110 | 1,578 | 16,380 | 805 |
| Changes in OPEB liability and related deferred inflows/(outflows) of resources | 526 | 203 | 118 | 121 | 968 | 67 |
| Total adjustments | 27,531 | 14,904 | 7,075 | 5,851 | 55,361 | 20,455 |
| Net cash provided/(used) by operating activities | \$ 120,818 | \$ 34,050 | \$ 20,811 | \$ (5,386) | \$ 170,293 | \$ 5,138 |
| Non-Cash Investing, Capital, and Financing Activities: | | | | | | |
| Capital contributions - capital assets | \$ 2,172 | \$ - | \$ 360 | \$ - | \$ 2,532 | \$ - |
| Lease and subscription additions | 518 | 8 | 7 | 338 | 871 | - |
| Increase (decrease) in fair value of investments | 1,809 | 104 | - | - | 1,913 | - |
| (Increase) decrease in arbitrage rebate liability | (2,426) | (664) | - | - | (3,090) | - |
| Total Non-Cash Investing, Capital, and Financing Activities | \$ 2,073 | \$ (552) | \$ 367 | \$ 338 | \$ 2,226 | \$ - |
| Reconciliation of Statements of Cash Flows to Statement of Net Position: | | | | | | |
| Cash and investments | \$ 276,817 | \$ 60,558 | \$ 97,580 | \$ 32,182 | \$ 467,137 | \$ 47,526 |
| Rate stabilization cash and cash equivalents | - | - | 4,000 | - | 4,000 | - |
| Other restricted cash and cash equivalents | 98,387 | 13,569 | - | 2,500 | 114,456 | - |
| Cash and cash equivalents at fiscal agent | 97,958 | 25,483 | - | - | 123,441 | - |
| Cash and cash equivalents at end of year | \$ 473,162 | \$ 99,610 | \$ 101,580 | \$ 34,682 | \$ 709,034 | \$ 47,526 |

See Notes to Financial Statements

**CITY OF RIVERSIDE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

| | <u>Private-Purpose Trust Fund</u> | | <u>Successor Agency Trust Fund</u> | <u>Custodial Fund</u> |
|---|---------------------------------------|------------------|--|-----------------------|
| Assets: | | | | |
| Cash and investments | \$ | 34,449 | \$ | 1,233 |
| Cash and investments with fiscal agent | | 1,392 | | 14,040 |
| Receivables, net of allowance for uncollectible | | | | |
| Interest | | 208 | | 8 |
| Property taxes | | - | | 61 |
| Accounts | | 99 | | - |
| Intergovernmental | | 426 | | - |
| Notes | | 1,391 | | - |
| Deposits | | 2 | | - |
| Land and improvements held for resale | | 5,209 | | - |
| Capital assets: | | | | |
| Capital assets, not depreciated | | 185 | | - |
| Total assets | | 43,361 | | 15,342 |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | | 238 | | 3,384 |
| Retainage payable | | 12 | | - |
| Accrued interest | | 1,898 | | - |
| Long-term obligations | | 10,944 | | - |
| Due to bond holders | | - | | 11,958 |
| Noncurrent liabilities: | | | | |
| Advances from City | | 1,098 | | - |
| Long-term obligations | | 130,024 | | - |
| Total liabilities | | 144,214 | | 15,342 |
| Deferred Inflows of Resources: | | | | |
| Deferred charges on refunding | | 384 | | - |
| Total deferred inflows of resources | | 384 | | - |
| Net Position: | | | | |
| Restricted for other governments | | (101,237) | | - |
| Total net position | \$ | (101,237) | \$ | - |

**CITY OF RIVERSIDE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | <u>Private-Purpose Trust Fund</u> | | <u>Successor Agency Trust Fund</u> | <u>Custodial Fund</u> |
|---|---------------------------------------|-----------|--|-----------------------|
| Additions: | | | | |
| Property taxes | \$ 14,402 | \$ | | - |
| Special assessments | - | | | 4,394 |
| Rental and investment income | 892 | | | 321 |
| Miscellaneous | 112 | | | - |
| Issuance of long-term debt | - | | | 1,824 |
| Total additions | 15,406 | | | 6,539 |
| Deductions: | | | | |
| Professional services and other deductions | 1,594 | | | 2,204 |
| Redevelopment projects | 760 | | | - |
| Principal | - | | | 2,184 |
| Interest and fiscal charges | 4,086 | | | 2,151 |
| Gain/(loss) on sale of land held for resale | 2 | | | - |
| Total deductions | 6,442 | | | 6,539 |
| Changes in Net Position | 8,964 | | | - |
| Net Position: | | | | |
| Beginning of year | (110,201) | | | - |
| End of year | \$ (101,237) | \$ | | - |

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Blended Component Units

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

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

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

Fiduciary Component Unit

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

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

B. Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the City and its component units. Interfund activity has been removed from these statements except for utility charges, as this would distort the presentation of function costs and program revenues. Governmental

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support.

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide, proprietary and fiduciary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied on the property. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. An allowance for doubtful accounts is maintained for the utility and other miscellaneous receivables.

Governmental fund financial statements are reported using the current financial

resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues are considered to be available if they are generally collected within 60 days after year end, except for revenue associated with neglected property abatement which is eleven (11) months and except for grant revenue, including reimbursement received from Transportation Uniform Mitigation Fees, which is six (6) months. Grant revenue is recognized if received within six (6) months of year end to enable the matching of revenue with applicable expenditures. Expenditures generally are recorded when a liability is incurred under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, special assessments, sales taxes, franchise taxes, licenses, charges for services, amounts due from other governments and interest associated with the current fiscal period are all considered to be susceptible to accrual. Other revenue items such as fines and permits are considered to be measurable and available only when the government receives cash and are therefore not susceptible to accrual.

The government reports the following major governmental funds:

The General fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Outlay fund accounts for the construction and installation of street and highway capital improvements for the City, including improvements funded by the ½% sales tax approved by Riverside County in 1988.

The General Debt Service fund accounts for the accumulation of resources and payment of long-term debt obligations of the City and related entities.

The government reports the following major proprietary funds:

The Electric fund accounts for the activities of the City's electric distribution operations.

The Water fund accounts for the activities of the City's water distribution operations.

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

The Sewer fund accounts for the activities of the City's sewer systems.

Additionally, the government reports the following fund types:

Special Revenue funds account for proceeds of specific revenue sources that are legally restricted or otherwise committed or assigned for specific purposes.

Capital Projects funds account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Internal Service funds account for self-insurance, central stores, and central garage on a cost reimbursement basis.

Fiduciary funds include private-purpose trust and custodial funds. The private-purpose trust fund accounts for assets and activities of the dissolved Redevelopment Agency, which is accounted for in the Successor Agency Trust. The custodial funds are used to account for special assessments that service no-commitment debt.

The Permanent fund is a governmental fund that is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's Library programs. Non-expendable net position on the Statement of Net Position includes \$1.8 million of permanent fund principal which are considered nonexpendable.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The Sewer fund also recognizes, as operating revenue, the portion of connection fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Investments

The City values its cash and investments in accordance with the provisions of Governmental Accounting Standards Board Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, which requires governmental entities to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value.

The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach or the income approach.

Cash accounts of all funds are pooled for investment purposes to enhance safety and liquidity while maximizing interest earnings. Investments are stated at fair value except for investments in investment contracts which are recorded at contract value. All highly liquid investments (including restricted assets) with a maturity of 90 days or less when purchased are considered cash equivalents. Cash and investments held on behalf of proprietary funds by the City Treasurer are considered highly liquid and are classified as cash equivalents for the purpose of presentation in the statement of cash flows.

E. Restricted Cash and Investments

Certain proceeds of long-term indebtedness, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Restricted cash and investments also include cash set aside for nuclear decommissioning, public benefit programs, regulatory requirements and rate stabilization because their use is legally restricted to a specific purpose. Unspent proceeds received from the City's landfill capping surcharge are also recorded as restricted assets.

F. Allowance for Doubtful Accounts

Management determines the allowance for doubtful accounts by analyzing customer accounts for all balances over 60 days old. The allowance for doubtful accounts is then adjusted at fiscal year-end based on the amount equal to the annual uncollectible accounts. Utility customer closed accounts are written off when deemed uncollectible. Recoveries to utility customer receivables previously written off are recorded when received. For non-utility accounts receivables, delinquent notices after 60 days are sent to customers with outstanding balances. After 120 days, accounts still outstanding are referred to

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

the City's collection agency. As of June 30, 2025, the City had an allowance for doubtful account balance of \$12,998 for all accounts receivables.

G. Land and Improvements Held of Resale

Land and improvements held for resale were generally acquired for future development projects. The properties are carried at the lower of cost or net realizable value.

H. Inventory

Supplies are valued at cost using the average-cost method. Costs are charged to user departments when consumed rather than when purchased.

I. Prepaid Items

Payments to vendors for services benefiting future periods are recorded as prepaid items and expenditures are recognized when items are consumed.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, right of way, and similar items), are reported in the applicable governmental activities and business-type activities of the government-wide financial statements and in the proprietary funds and the fiduciary private-purpose trust fund statements of net position. The government defines capital assets as assets with an initial, individual cost of more than ten thousand dollars (\$10,000) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Costs include: labor; materials; allocated indirect charges such as engineering, construction and transportation equipment, retirement plan contributions and other fringe benefits. Donated capital assets or donated works of art and similar items are recorded at acquisition cost at the date of donation. Capital assets received in a service concession arrangement are recorded at acquisition value. Intangible assets that cost more than one hundred thousand dollars with useful lives of at least three years are capitalized and are recorded at cost. Interest incurred during the construction phase is expensed in the period incurred.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets other

than land are depreciated using the straight-line method. Estimated useful lives used to compute depreciation are as follows:

| | |
|-----------------------------------|--------------|
| Buildings and improvements | 30-50 years |
| Improvements other than buildings | 20-99 years |
| Intangibles, depreciable | 3-15 years |
| Machinery and equipment | 3-15 years |
| Infrastructure | 20-100 years |

K. Leases and Subscription-Based Information Technology Arrangements

Leases are defined by the general government as the right-to-use an underlying asset. As lessee, the City recognizes a lease liability and an intangible lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Re-measurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The City calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred. As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference. For lease contracts that are short-term, the City recognizes short-term lease payments as inflows of resources (revenues) based on the payment provisions of the lease contract. Liabilities are only recognized if payments are

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Leases between the Airport System and air carriers and other aeronautical users are subject to external laws and regulations. As permitted by GASB No. 87, paragraph 43, the Airport System recognizes inflows of resources based on the payment provisions of the lease contract, and the accounting policies do not apply to regulated leases.

Subscription-Based Information Technology Arrangements (SBITAs) are contracts that convey control of the right-to-use another party's information technology (IT) software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right-to-use the underlying IT assets, the City assesses both the right to obtain the present service capacity from use of the underlying IT assets and the right to determine the nature and manner of use of the underlying IT assets as specified in the contract. Contracts that solely provide IT support services are excluded from the definition of a SBITA. The subscription term is the period during which the City has a noncancellable right-to-use the underlying IT assets, plus the periods covered by the City's option to extend the SBITA if it is reasonably certain, based on all relevant factors, that the government will exercise that option. Periods for which both the government and the SBITA vendor have an option to terminate the SBITA without permission from the other party (or if both parties have to agree to extend) are cancellable periods and are excluded from the subscription term.

L. Compensated Absences

City employees receive 10 to 25 vacation days a year based upon length of service. A maximum of two years' vacation accrual may be accumulated, any excess vacation must be used in accordance to policy, and unused vacation is paid in cash upon separation.

City employees generally receive one day of sick leave for each month of employment with unlimited accumulation. Upon retirement or death, certain employees or their estates receive a percentage of unused sick leave paid in a lump sum based on longevity. The General, Electric and Water funds have been primarily used to liquidate such balances.

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation

from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – vacation, sick, and compensatory time. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

M. Derivative Instruments

The City's derivative instruments are accounted for in accordance with Government Accounting Standards Board Statement No. 53 (GASB 53), *Accounting and Financial Reporting for Derivative Instruments*, which requires the City to report its derivative instruments at fair value. Changes in fair value for effective hedges that are achieved with derivative instruments are reported as deferrals in the statements of net position.

The City uses derivative instruments to hedge its exposure to changing interest rates through the use of interest rate swaps. The City had debt that was layered with "synthetic fixed rate" swaps, which was refunded in 2008 and 2011. The balance of the deferral account for each swap is included as part of the deferred charge on refunding associated with the new bonds. The swaps were also employed as a hedge against the new debt. Hedge accounting was applied to that portion of the hedging relationship, which was determined to be effective. The negative fair value of the interest rate swaps related to the new hedging relationship has been recorded and deferred on the statement of net position. See Note 6 for further discussion related to the City's interest rate swaps.

Various transactions permitted in the Utility's Power Resources Risk Management Policies may be considered derivatives, including energy and/or gas transactions for swaps, options, forward arrangements and congestion revenue rights. The City has determined that all of its contracts including congestion revenue rights fall under the scope of "normal purchases and normal sales" and are exempt from GASB 53.

N. Long-Term Obligations

Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities columns in the

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government-wide financial statements and in the proprietary funds and fiduciary funds statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any liability for arbitrated interest is recorded in the fund incurring the liability and interest income is reduced by the amount of liability incurred during the year. As of June 30, 2025, the City has an arbitrage liability related to Water Revenue Bonds, 2022A and Electric Revenue Bonds, 2024A.

In the fund financial statements, government fund types recognize bond issuance costs as expenditures during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Decommissioning

The City has a 1.79 percent undivided ownership interest in Units 2 and 3 of San Onofre Nuclear Generating Station (SONGS), located south of the City of San Clemente in northern San Diego County. Both Units 2 and 3 of SONGS were permanently retired on June 2013. Consequently, the units are no longer a source of supply for the Electric Utility, but remain associated with certain of its costs, including those associated with the units' shutdown and decommissioning (see Note 12 for nuclear decommissioning liability).

The other owners are SCE, with a 78.21 percent interest (including the 3.16 percent interest it acquired from the City of Anaheim in 2006), and San Diego Gas & Electric Company (SDG&E), with a 20.00 percent interest.

In 2005, the California Public Utilities Commission (CPUC) authorized a project to install four new steam generators in Units 2 and 3 at SONGS and remove and dispose of the predecessor generators. SCE completed the installation of these steam generators in 2010 and 2011 for Units 2 and 3, respectively. The Electric Utility's share of the cost to replace the steam generators was approximately \$13.4 million. Replacement of the steam generators was expected to enable plant operations to continue through at least 2022, and perhaps beyond, subject to the approval of the NRC

In January 2012, a water leak occurred in one of the heat transfer tubes of Unit 3's steam generators, causing it to be shut down. At that time, Unit 2 was off-line for a planned outage when unexpected wear in areas of tube-to-support structure were found. Units 2 and 3 remained offline for extensive inspections,

testing and analysis of their system generators. On June 7, 2013, SCE unilaterally announced its plan to retire Units 2 and 3 permanently.

As a result of SCE's decision to permanently retire SONGS Units 2 and 3, the decommissioning phase of the plant began in June 2013. The process of decommissioning the nuclear power plant is expected to take many years and is governed by NRC regulations. According to SCE's decommissioning cost estimate document as of March 2018 in 2017 dollars, total decommissioning costs for Units 2 and 3 were estimated at \$4.7 billion, of which the Electric Utility's share was \$84 million.

In August 2024, SCE provided the updated decommissioning cost estimate document in 2023 dollars. According to the update, total decommissioning costs for Units 2 and 3 are estimated at \$5.7 billion, of which the Electric Utility's share is \$102.6 million.

As of June 30, 2025, the Electric Utility has set aside \$41,536 in cash investments with the trustee and \$12,227 in an designated decommissioning reserve for the Electric Utility's estimated share of the decommissioning costs. Increases to the funds held for decommissioning liability are from investment earnings. The investment earnings are included in investment income in the Electric Utility's financial statements. An equivalent amount is reflected as decommissioning expense, which is considered part of production and purchased power. Decreases to the funds held for decommissioning liability are from actual funds drawn from the trust for decommissioning costs invoiced by SCE.

On February 23, 2016, the City Council adopted a resolution authorizing the commencement of SONGS decommissioning effective June 7, 2013. This resolution allows the Electric Utility to access the decommissioning trust funds to pay for its share of decommissioning costs. The Electric Utility began drawing decommissioning trust funds to pay for decommissioning costs in the fiscal year ended June 30, 2017. As of June 30, 2025, the Electric Utility has paid to date \$55,593 in decommissioning obligations which have been reimbursed by the trust funds.

O. Claims and Judgments Payable

Claims and judgments payable are recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Such claims, including an estimate for claims incurred but not reported at year end, are recorded as liabilities in the self-insurance internal service fund. As of June

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30, 2025, the City had an obligation related to claims and judgments which is reflected as a liability on the government-wide statements and is more fully described in Note 10.

P. Fund Balance

In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance is the portion of fund balance that cannot be spent due to form. Examples include inventories, prepaid amounts, long-term loans, and notes receivable, unless the proceeds are restricted, committed or assigned. Also, amounts that must be maintained intact legally or contractually, such as the principal of a permanent fund are reported within the nonspendable category.
- Restricted fund balance is the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors.
- Committed fund balance is the portion of fund balance that can only be used for specific purposes due to formal action of the City Council through adoption of a resolution prior to the end of the fiscal year.

Once adopted, the limitation imposed by resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. On September 6, 2016, the City Council approved the General Fund Reserve Policy setting a 10% minimum in the Emergency Reserve and 5% in the Contingency Reserve with an aspirational goal of 15% in the Emergency Reserve. The Emergency Reserve was established for the purpose of addressing any extremely unusual and infrequent occurrences, such as a major natural disaster or a major unforeseen settlement. Utilization of the Emergency Reserve requires declaration of an emergency by a two-thirds majority of the City Council, and specification of the maximum dollar amount to be used. The Contingency Reserve was established for the purpose of providing a “bridge” to facilitate a measured and thoughtful reduction in expenditures during times of economic downturn, rather than making immediate and drastic budget reductions without the time for proper evaluation. Utilization of the Contingency Reserve, including

specification of the maximum dollar amount to be used, requires approval by a two-thirds majority of the City Council. The reserves committed at June 30, 2025 were calculated utilizing fiscal year 2025-2026 adopted General Fund expenditure budget, including appropriation adjustments, of \$371,806.

On April 2, 2019, the City Council approved the General Fund - Measure Z Contingency Reserve Policy setting a required \$5,000 in the Contingency Reserve. The Contingency Reserve was established to cover necessary expenses in order to provide time for a measured and thoughtful reduction in expenditures during times of economic downturn, rather than making immediate and drastic budget reductions without the time for proper evaluation.

Utilization of the Contingency Reserve, including specification of the maximum dollar amount to be used, requires the affirmative votes of at least five members of the City Council.

- Assigned fund balance reflects the City’s intended use of resources. Intent can be expressed by the City Council or by an official to which the City Council delegates the authority. On February 22, 2011, the City Council approved a policy whereby the authority to assign fund balance was delegated to the City’s Chief Financial Officer, which authorized the assignment of fund balance for specific programs or purposes in accordance with City Council directives. The City also uses budget and finance policy to authorize the assignment of fund balance, which is done through the adoption of the budget and subsequent budget amendments throughout the year.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the City’s policy is to use restricted amounts before unrestricted amounts. Within unrestricted resources, committed resources are used first followed by assigned resources, and finally unassigned resources.

Q. Net Position

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Net position represents the difference between assets and deferred outflows less liabilities and deferred inflows. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, lease and subscription assets, net of amortization reduced by the outstanding balances of any borrowings used for the related acquisition, construction or improvement of those assets excluding unspent debt proceeds. Restricted net position represents restricted assets less liabilities and deferred inflows related to those assets. Restricted assets are recorded when there are limitations imposed on their use either through legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Restricted resources are used first to fund appropriations.

R. Interfund Transactions

Interfund transactions are accounted for as revenues and expenditures or expenses. Transactions, which constitute reimbursements, are eliminated in the reimbursed fund and accounted for as expenditures or expenses in the fund to which the transaction is applicable.

During the year, transactions occur between individual funds for goods provided or services rendered. Related receivables and payables are classified as "due from/to other funds" on the accompanying fund level statements. The noncurrent portion of long-term interfund loans receivable are reported as advances and, for governmental fund types, are equally offset by nonspendable fund balance to indicate that the receivable is not in spendable form.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

S. Unearned Revenue

Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to meeting all eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, revenue is recognized.

T. Unavailable Revenue

Unavailable revenue arises only under a modified accrual basis of accounting.

Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources (revenue) in the period that the amounts become available.

U. Deferred Outflows and Deferred Inflows of Resources

When applicable, the statement of net position and the balance sheet will report a separate section for deferred outflows of resources. Deferred outflows of resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore will not be recognized as an expense or expenditure until that time.

Conversely, deferred inflows of resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are *not* recognized as an inflow of resources (revenue) until that time.

V. Regulatory Assets and Deferred Regulatory Charges

In accordance with GASB Statement No. 62, enterprise funds that are used to account for rate-regulated activities are permitted to defer certain expenses and revenues that would otherwise be recognized when incurred, provided that the City is recovering or expects to recover or refund such amounts in rates charged to its customers. Accordingly, regulatory assets and/or deferred regulatory charges have been recorded in the Electric, Water, Sewer and Refuse funds.

W. Property Tax Calendar

Under California law, general property taxes are assessed for up to 1% of the property's assessed value. General property taxes are collected by the counties along with other special district taxes and assessments and voter approved debt. General property tax revenues are collected and pooled by the county throughout the fiscal year and then allocated and paid to the county, cities and school districts based on complex formulas prescribed by State statutes.

Property taxes are calculated on assessed values as of January 1 for the ensuing fiscal year. On January 1 of the fiscal year the levy is placed and a lien is attached to the property. Property taxes are due in two installments. The first installment is due November 1 and is delinquent after December 10. The second installment is due February 1 and is delinquent after April 10. The City generally accrues only those taxes, which are received within sixty days after the year-end. Under the Teeter plan, the County of Riverside has responsibility

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for the collection of delinquent taxes and the City receives 100% of the levy.

X. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures. Specifically, the City has made certain estimates and assumptions relating to the revenues due and expenditures incurred through fiscal year end, collectability of its receivables, the valuation of property held for resale, the useful lives of capital assets, and the ultimate outcome of claims and judgments. Actual results may differ from those estimates and assumptions.

Y. Pensions

For purposes of measuring the net pension asset/liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Riverside California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Z. Other Post-Employment Benefit (OPEB)

OPEB refers to the benefits, other than pensions, that the City provides as part of an employee's retirement benefits. The OPEB liability is defined as the liability of employers contributing to employees for benefits provided through a defined benefit OPEB plan that is administered through a trust.

AA. New Accounting Pronouncements

The City has adopted and implemented the following Governmental Accounting Standards Board (GASB) pronouncement effective for fiscal year 2024-2025:

GASB Statement No. 101, *Compensated Absences* - This Statement requires that liabilities for compensated absences be recognized for (1) leave that has

not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. It also requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Further, this Statement establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures* - This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact.

The following GASB pronouncements are effective for the succeeding fiscal year:

Fiscal Year 2026

GASB Statement No. 103, *Financial Reporting Model Improvements* - This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This

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Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that “boilerplate” discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* - This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Additionally, This Statement also requires additional disclosures for capital assets held for sale.

Note 2. Legal Compliance - Budgets

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

Biannually, during the period December through February, department heads prepare estimates of required appropriations for both operating and capital needs for the upcoming fiscal years. These estimates are compiled into a proposed biennial budget that includes a summary of proposed revenues and expenditures, along with historical data for the two preceding fiscal years. The City Manager presents the operating budget and capital improvement plan to the City Council for review, and public hearings are conducted to obtain citizen input. Following a mid-cycle review of the second budget year, the City Manager presents an amended budget proposal. The City Council then conducts a public hearing and re-adopts the budget for the second year, as the City’s Charter

requires annual budget adoption. The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department and fund. However, transfers of appropriations between departments or funds, as well as any increases in appropriations, must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations at the departmental level within a fund.

In connection with the preparation of its biennial budgets, the City prepares Five-Year Financial Plans for the General Fund and Measure Z for the purpose of helping City policy makers and management to understand the fiscal gaps that may exist between revenue forecasts and projected expenditure requirements. The Five-Year Financial Plans provide a guide for establishing City department budget targets, which are intended to be used by City departments to develop budget proposals that are constrained by the resources anticipated to be available in the upcoming fiscal year.

Note 3. Cash and Investments

Cash and investments at fiscal year-end consist of the following:

| | |
|---|----------------------------|
| Investments | \$ 1,013,588 |
| Investments with fiscal agent | 318,709 |
| | <u>1,332,297</u> |
| Cash on hand and deposits with financial institutions | 54,661 |
| Total | <u>\$ 1,386,958</u> |

The amounts are reflected in the statements of net position of the government-wide and fiduciary fund financial statements:

| | |
|--|------------------|
| Cash and investments | \$ 911,438 |
| Restricted cash and cash equivalents | 241,897 |
| Restricted cash and investments | <u>182,509</u> |
| Total per statement of net position | 1,335,844 |

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| | |
|---|---------------------|
| Fiduciary fund cash and investments | 35,682 |
| Fiduciary fund cash and investments with fiscal agent | 15,432 |
| Total | \$ 1,386,958 |

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures, which are administered by outside agencies.

Interest income earned on pooled cash and investments is allocated monthly to funds based on the beginning and month-end balances. Interest income from cash and investments held at fiscal agents is credited directly to the related account. Bank deposits are covered by federal depository insurance for the first \$250 or by collateral held in the pledging bank's trust department in the name of the City.

Authorized Investments

Under provisions of the City's investment policy, and in accordance with California Government Code Section 53601, the City Treasurer may invest or deposit in the following types of investments:

| | <u>Max Maturity</u> | <u>Max % of Portfolio</u> | <u>Max % in One Issuer</u> |
|--|-------------------------|-------------------------------|--------------------------------|
| Local Agency Investment Fund (State Pool) | N/A | N/A | N/A |
| Money Market Mutual Funds | N/A | 20 % | N/A % |
| Mutual Funds | N/A | 20 % | 10 % |
| Joint Powers Authority Pools | N/A | N/A | N/A |
| Medium-Term Corporate Notes ¹ | 5 years | 30 % | 5 % |
| Municipal Bonds ¹ | 5 years | 30 % | 5 % |
| Negotiable Certificates of Deposit ² | 5 years | 30 % | 5 % |
| Mortgage Pass-Through and Asset-Backed Securities ³ | 5 years | 20 % | 5 % |
| Certificates of Deposit Placement Services ⁴ | 5 years | 30 % | 5 % |
| Collateralized Time Deposits ⁴ | 5 years | 30 % | 5 % |
| Federally Insured Time Deposits | 5 years | 30 % | 5 % |
| Supranational Securities ³ | 5 years | 30 % | 10 % |
| Federal Agency Obligations | 5 years | N/A | 25 % |
| U.S. Treasury Obligations | 5 years | N/A | N/A |
| Repurchase Agreements | 1 year | N/A | N/A |
| Commercial Paper of "prime" quality ⁵ | 270 days | 25 % | 5 % |
| Bankers' Acceptance ² | 180 days | 10 % | 5 % |
| Reverse Repurchase Agreements ⁶ | 92 days | 20 % | N/A |

¹ Minimum credit rating of A (or its equivalent) by at least one nationally

recognized statistical rating organization at the time of purchase

² Issued by organizations having short-term obligations rated A-1 (or its equivalent) and long-term obligations rated A (or its equivalent) by at least one nationally recognized statistical rating organization

³ Minimum credit rating of AA (or its equivalent) by at least one nationally recognized statistical rating organization

⁴ Or no more than 15% of the portfolio may be invested in any combination of non-negotiable certificates of deposit as set forth in Federally Insured Time Deposits, Collateralized Time Deposits, and Certificate of Deposit Placement Services. No more than 30% of the portfolio may be invested in any combination of non-negotiable or negotiable certificates of deposit

⁵ Or no more than 10% of outstanding commercial paper of any single issuer may be purchased

⁶ Securities sold pursuant to a reverse purchase agreement must have been owned and fully paid for by the City for a minimum of 30 days prior to sale

The City's investment policy provides the following three exceptions to the above: (1) investments authorized by debt agreements, (2) investments in the City of Riverside - 115 Trust for Pension and (3) funds reserved in the San Onofre Nuclear Generating Station Decommissioning Account for which the five-year maturity limitation may be extended to the term of the operating license.

Investments Held by Bond Trustees

Investments of debt proceeds held by bond trustees are governed by the bond transcript and authorized by City Council, rather than the City's General Investment Policy. For details on each borrowing, refer to the "Permitted Investments" section of the bond transcript included in the Official Statement. All current Official Statements are available on the Municipal Securities Rulemaking Board's EMMA platform.

Investments in the City of Riverside - 115 Trust for Pension

The City has established the City of Riverside - 115 Trust for Pension (the Plan) to accumulate resources for future contributions to CalPERS. As of June 30, 2025, the City had \$83,771 of restricted cash and investments reported in a Section 115 Trust restricted for future pension contributions. \$76,851 of these

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funds are in the General Fund, \$4,169 are in the Electric Fund, \$1,374 are in the Water Fund, \$942 are in the Sewer Fund, \$45 are in the Airport Fund, \$308 are in the Refuse Fund, and \$82 are in the Public Parking Fund.

At June 30, 2025, the Plan's assets are being held with Charles Schwab and Company. The trustee has delegated investment discretion and authority to Shuster Advisory Group, LLC, an independent SEC-registered investment advisor. Investment Advisor has full investment discretion over the assets in the account that are managed. Investment Advisor is authorized to purchase, sell, exchange, invest, re-invest and manage the designated assets held in the account without prior approval or subsequent approval of any other party to the plan. This management shall be based upon the account's investment objectives provided by the Employer/Plan Sponsor/Plan Administrator. The goal of the Plan's investment program is to provide a reasonable level of growth which, will result in sufficient assets to pay the present and future obligations of the Plan. The following objectives are intended to assist in achieving this goal:

- The Plan should seek to earn a return in excess of its policy benchmark over the life of the Plan.
- The Plan's assets will be managed on a total return basis which takes into consideration both investment income and capital appreciation. While the Employer/Plan Sponsor recognizes the importance of preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. To achieve these objectives, the Employer/Plan Sponsor allocates its assets (asset allocation) with a strategic perspective of the capital markets.
 - Investment Objective: Moderate Growth
 - Risk Tolerance: Moderate Growth
 - Strategic Asset Allocation: Moderate Growth

| | Strategic Asset Allocation Ranges | Policy |
|--------------|--|---------------|
| Cash | 0% - 10% | 2% |
| Fixed income | 28% - 48% | 38% |
| Equity | 50% - 70% | 60% |

Disclosures Relating to Fair Value Measurement and Application

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). The unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The fair value of the City's investments in categorized within Level 2 of the fair value hierarchy using the institutional bond quotes with evaluations based on various market and industry inputs.

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The City has the following recurring fair value measurements as of June 30, 2025:

| | Total | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Remaining Maturity (in Months) | | | | |
|---|---------------------|--|---|---|--------------------------------|-------------------|-------------------|-------------------|---------------------|
| | | | | | Total | 12 Months or Less | 13 to 36 Months | 37 to 60 Months | More than 60 Months |
| Mortgage Pass-Through Securities | \$ 38,834 | \$ - | \$ 38,834 | \$ - | \$ 4,914 | \$ 4,914 | \$ - | \$ - | \$ - |
| Asset-Backed Securities | 118,410 | - | 118,410 | - | 126,381 | 126,381 | - | - | - |
| U.S. Treasury Obligations | 410,115 | - | 410,115 | - | 38,834 | 224 | 17,819 | 20,791 | - |
| Federal Agency Obligations | 34,923 | - | 34,923 | - | 118,410 | 4,168 | 37,141 | 77,101 | - |
| Medium-Term Corporate Notes | 206,387 | - | 206,387 | - | 410,115 | - | 151,717 | 258,398 | - |
| Supranational Securities | 73,624 | - | 73,624 | - | 34,923 | 7,776 | 27,147 | - | - |
| Held by Fiscal Agent: | | | | | 206,387 | 30,328 | 86,677 | 89,382 | - |
| Asset-Backed Securities | 932 | - | 932 | - | 73,624 | 14,190 | - | 59,434 | - |
| Mortgage Pass-Through Securities | 437 | - | 437 | - | | | | | |
| U.S. Treasury Obligations | 76,800 | - | 76,800 | - | 142,959 | 142,959 | - | - | - |
| Federal Agency Obligations | 1,251 | - | 1,251 | - | 10,240 | 10,240 | - | - | - |
| Medium-Term Corporate Notes | 7,789 | - | 7,789 | - | 73,336 | 73,336 | - | - | - |
| Supranational Securities | 3,588 | - | 3,588 | - | 1,377 | 1,377 | - | - | - |
| Total | 973,090 | \$ - | \$ 973,090 | \$ - | \$ 1,332,297 | \$ 457,156 | \$ 353,840 | \$ 521,301 | \$ - |
| Investments not subject to fair value hierarchy: | | | | | | | | | |
| Joint Powers Authority | 126,381 | | | | | | | | |
| Local Agency Investment Fund | 1,377 | | | | | | | | |
| Mutual Funds | 10,240 | | | | | | | | |
| Unit Investment Trusts | 73,336 | | | | | | | | |
| Money Market Funds | 147,873 | | | | | | | | |
| Total Investments | \$ 1,332,297 | | | | | | | | |

The City assumes that callable investments will not be called.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type:

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy requires that the interest rate risk exposure be managed by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Ratings as of Year End * | | | | |
|----------------------------------|--------------------------|-------------------|-------------------|-------------------|-------------------|
| | Total | AAA | AA | A | Unrated |
| Money Market Mutual Funds | \$ 4,914 | \$ 4,914 | \$ - | \$ - | \$ - |
| Joint Powers Authority Pools | 126,381 | 126,381 | - | - | - |
| Mortgage Pass-Through Securities | 38,834 | 30,874 | 7,960 | - | - |
| Asset-Backed Securities | 118,410 | 84,514 | - | - | 33,896 |
| U.S. Treasury Obligations | 410,115 | - | 410,115 | - | - |
| Federal Agency Obligations | 34,923 | - | 34,923 | - | - |
| Medium-Term Corporate Notes | 206,387 | 6,405 | 59,452 | 96,591 | 43,939 |
| Supranational Securities | 73,624 | - | - | - | 73,624 |
| Held by Fiscal Agent | | | | | |
| Money Market Mutual Funds | 142,959 | 38,364 | - | - | 104,595 |
| Mutual Funds | 10,240 | - | - | - | 10,240 |
| Unit Investment Trusts | 73,336 | - | - | - | 73,336 |
| Local Agency Investment Fund | 1,377 | - | - | - | 1,377 |
| Asset-Backed Securities | 932 | 472 | - | - | 460 |
| Mortgage Pass-Through Securities | 437 | 437 | - | - | - |
| U.S. Treasury Obligations | 76,800 | - | 73,712 | 3,088 | - |
| Federal Agency Obligations | 1,251 | - | 1,251 | - | - |
| Medium-Term Corporate Notes | 7,789 | - | 1,881 | 3,540 | 2,368 |
| Supranational Securities | 3,588 | - | - | - | 3,588 |
| Total | \$ 1,332,297 | \$ 292,361 | \$ 589,294 | \$ 103,219 | \$ 347,423 |

*Fitch rating used with "-" and "+" removed for simplicity

Concentration on Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stated above. For fiscal year ended June 30, 2025, the City did not have any investments in any one issuer (other than U.S. Treasury securities, money market funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City's investment policy requires that a third-party bank trust department hold all securities owned by the City. All trades are settled on a delivery vs. payment basis through the City's safekeeping agent. The City has no deposits with

financial institutions; bank balances are swept daily into a money market account.

The pledge to secure deposits is administered by the California Commissioner of Business Oversight. Collateral is required for demand deposits at 110% of all deposits not covered by federal depository insurance (FDIC) if obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. All such collateral is considered to be held by the pledging financial institutions' trust departments or agents in the name of the City. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them.

Written custodial agreements are required to provide, among other things, that the collateral securities are held separate from the assets of the custodial institution.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in Joint Powers Authority

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust and created through a joint powers agency as a pooled short-term portfolio and cash management vehicle for California public agencies under California Government Code Section 53601(p). CAMP is governed by a seven-member Board of Trustees comprised of finance directors and treasurers of California public agencies. The City reports its investments in CAMP at the fair value amounts provided by CAMP, and is exempt from the fair value hierarchy.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

Note 4. Capital, Lease, and Subscription Assets

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2025:

| | Beginning Balance as Restated | Additions/ Transfers In | Deletions/ Transfers Out | Reclassifications | Ending Balance | | Beginning Balance as Restated | Additions/ Transfers In | Deletions/ Transfers Out | Reclassifications | Ending Balance |
|---|-------------------------------------|----------------------------|--------------------------------|-------------------|---------------------|---|-------------------------------------|----------------------------|--------------------------------|-------------------|---------------------|
| Governmental Activities: | | | | | | Business-Type Activities: | | | | | |
| Capital assets, not depreciated: | | | | | | Capital assets, not depreciated: | | | | | |
| Land | \$ 379,321 | \$ 1,264 | \$ (263) | \$ 1,727 | \$ 382,049 | Land | \$ 103,422 | \$ 85 | \$ - | \$ 8 | \$ 103,515 |
| Construction in progress | 16,703 | 41,908 | (6) | (15,034) | 43,571 | Intangible assets | 21,496 | - | - | - | 21,496 |
| Total capital assets, not depreciated | 396,024 | 43,172 | (269) | (13,307) | 425,620 | Construction in progress | 122,423 | 111,956 | (55) | (91,967) | 142,357 |
| Capital assets, being depreciated: | | | | | | Total capital assets, not depreciated | 247,341 | 112,041 | (55) | (91,959) | 267,368 |
| Buildings | 192,124 | 188 | - | 372 | 192,684 | Capital assets, being depreciated: | | | | | |
| Improvements other than buildings | 275,263 | 307 | (1) | 6,235 | 281,804 | Buildings | 679,458 | - | (126) | 7,912 | 687,244 |
| Machinery and equipment | 139,446 | 15,900 | (2,437) | 2,729 | 155,638 | Improvements other than buildings | 2,105,301 | 2,087 | (8,033) | 66,795 | 2,166,150 |
| Intangibles, depreciable | 219 | - | - | - | 219 | Machinery and equipment | 122,315 | 360 | (4,367) | 17,220 | 135,528 |
| Infrastructure | 1,236,026 | - | (177) | 3,971 | 1,239,820 | Intangibles, depreciable | 31,545 | - | - | 32 | 31,577 |
| Total capital assets, being depreciated | 1,843,078 | 16,395 | (2,615) | 13,307 | 1,870,165 | Total capital assets, being depreciated | 2,938,619 | 2,447 | (12,526) | 91,959 | 3,020,499 |
| Less: accumulated depreciation for: | | | | | | Less: accumulated depreciation for: | | | | | |
| Buildings | (92,695) | (4,965) | - | - | (97,660) | Buildings | (241,907) | (14,456) | 126 | - | (256,237) |
| Improvements other than buildings | (190,284) | (12,629) | 1 | - | (202,912) | Improvements other than buildings | (888,106) | (54,096) | 7,368 | - | (934,834) |
| Machinery and equipment | (94,502) | (11,361) | 2,043 | - | (103,820) | Machinery and equipment | (84,761) | (7,387) | 4,168 | - | (87,980) |
| Intangibles, depreciable | (219) | - | - | - | (219) | Intangibles, depreciable | (25,794) | (2,861) | - | - | (28,655) |
| Infrastructure | (556,410) | (31,060) | 204 | - | (587,266) | Total accumulated depreciation | (1,240,568) | (78,800) | 11,662 | - | (1,307,706) |
| Total accumulated depreciation | (934,110) | (60,015) | 2,248 | - | (991,877) | Total capital assets being depreciated, net | 1,698,051 | (76,353) | (864) | 91,959 | 1,712,793 |
| Total capital assets being depreciated, net | 908,968 | (43,620) | (367) | 13,307 | 878,288 | Business-Type activities capital assets, net | \$ 1,945,392 | \$ 35,688 | \$ (919) | \$ - | \$ 1,980,161 |
| Governmental Activities capital assets, net | \$ 1,304,992 | \$ (448) | \$ (636) | \$ - | \$ 1,303,908 | Lease and subscription assets, being amortized | | | | | |
| Lease and subscription assets, being amortized | | | | | | Land | 312 | 473 | (208) | - | 577 |
| Buildings | 900 | 918 | (694) | - | 1,124 | Buildings | 348 | - | - | - | 348 |
| Machinery and equipment | 584 | 182 | (60) | - | 706 | Machinery and equipment | 332 | 305 | (20) | - | 617 |
| Subscription-based information technology arrangements | 4,133 | 6,440 | (2,272) | - | 8,301 | Subscription-based information technology arrangements | 514 | 93 | (169) | - | 438 |
| Total lease and subscription assets | 5,617 | 7,540 | (3,026) | - | 10,131 | Total lease and subscription assets | 1,506 | 871 | (397) | - | 1,980 |
| Less accumulated amortization | | | | | | Less accumulated amortization | | | | | |
| Buildings | (756) | (108) | 695 | - | (169) | Land | (223) | (130) | 208 | - | (145) |
| Machinery and equipment | (149) | (139) | 59 | - | (229) | Buildings | (224) | (74) | - | - | (298) |
| Subscription-based information technology arrangements | (2,260) | (2,152) | 2,272 | - | (2,140) | Machinery and equipment | (114) | (144) | 20 | - | (238) |
| Total lease and subscription assets accumulated amortization | (3,165) | (2,399) | 3,026 | - | (2,538) | Subscription-based information technology arrangements | (220) | (184) | 169 | - | (235) |
| Total lease and subscription assets, net | 2,452 | 5,141 | - | - | 7,593 | Total lease and subscription assets accumulated amortization | (781) | (532) | 397 | - | (916) |
| Capital, lease, and subscription assets, net | \$ 1,307,444 | \$ 4,693 | \$ (636) | \$ - | \$ 1,311,501 | Total lease and subscription assets, net | 725 | 339 | - | - | 1,064 |
| | | | | | | Capital, lease, and subscription assets, net | \$ 1,946,117 | \$ 36,027 | \$ (919) | \$ - | \$ 1,981,225 |

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

Depreciation expense was charged to various functions as follows:

| | |
|--|------------------|
| Governmental Activities: | |
| General government | \$ 3,587 |
| Public safety | 9,841 |
| Highways and streets | 32,671 |
| Culture and recreation | 12,360 |
| Internal service funds | 1,556 |
| Total depreciation expense - Governmental Activities | \$ 60,015 |
| | |
| Business-Type Activities: | |
| Electric | \$ 39,371 |
| Water | 18,100 |
| Sewer | 14,913 |
| Airport | 756 |
| Refuse | 1,117 |
| Transportation | 258 |
| Public Parking | 1,166 |
| Civic Entertainment | 3,119 |
| Total depreciation expense - Business-Type Activities | \$ 78,800 |

Amortization expense was charged to various functions as follows:

| | |
|---|-----------------|
| Governmental Activities: | |
| General government | \$ 2,152 |
| Public safety | 98 |
| Highways and streets | 11 |
| Culture and recreation | 131 |
| Internal service funds | 7 |
| Total amortization expense - Governmental Activities | \$ 2,399 |
| | |
| Business-type Activities: | |
| Electric | \$ 260 |
| Water | 13 |
| Sewer | 82 |
| Airport | 2 |
| Refuse | 6 |
| Transportation | 95 |
| Public Parking | 74 |
| Total amortization expense - Governmental Activities | \$ 532 |

Note 5. Leases and Subscription-Based Information Technology Arrangements

Leases Receivable

Leases are financings of the right-to-use an underlying asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City of Riverside has various leases as a Lessor for the use of various land, building and equipment as of the end of the fiscal year. The terms range from 2 to 55 years beginning on the contract commencement date. As of June 30, 2025, the value of the lease receivable is \$119,920. The leases have interest rates ranging from 1.68% to 3.72%. The value of the deferred inflow of resources as of June 30, 2025 was \$128,138 and the City recognized lease revenue of \$6,588 during the fiscal year.

| Fiscal Year | Governmental Activities | | |
|--------------|-------------------------|-----------------|------------------|
| | Principal | Interest | Total Payments |
| 2026 | \$ 1,106 | \$ 228 | \$ 1,334 |
| 2027 | 1,090 | 207 | 1,297 |
| 2028 | 956 | 187 | 1,143 |
| 2029 | 846 | 169 | 1,015 |
| 2030 | 593 | 153 | 746 |
| 2031-2035 | 1,533 | 607 | 2,140 |
| 2036-2040 | 393 | 529 | 922 |
| 2041-2045 | 535 | 464 | 999 |
| 2046-2050 | 575 | 378 | 953 |
| 2051-2055 | 716 | 274 | 990 |
| 2056-2060 | 959 | 134 | 1,093 |
| 2061-2065 | 303 | 6 | 309 |
| Total | \$ 9,605 | \$ 3,336 | \$ 12,941 |

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| Business-Type Activities | | | |
|---------------------------------|---------------------------|--------------------------|-----------------------|
| Fiscal Year | Principal Payments | Interest Payments | Total Payments |
| 2026 | \$ 2,988 | \$ 2,173 | \$ 5,161 |
| 2027 | 2,841 | 2,122 | 4,963 |
| 2028 | 2,340 | 2,084 | 4,424 |
| 2029 | 1,863 | 2,042 | 3,905 |
| 2030 | 1,542 | 2,018 | 3,560 |
| 2031-2035 | 6,822 | 9,508 | 16,330 |
| 2036-2040 | 6,668 | 8,341 | 15,009 |
| 2041-2045 | 9,120 | 7,286 | 16,406 |
| 2046-2050 | 10,414 | 6,404 | 16,818 |
| 2051-2055 | 12,165 | 5,374 | 17,539 |
| 2056-2060 | 14,486 | 4,171 | 18,657 |
| 2061-2065 | 16,430 | 2,766 | 19,196 |
| 2066-2070 | 17,560 | 1,205 | 18,765 |
| 2071-2075 | 5,076 | 122 | 5,198 |
| Total | \$ 110,315 | \$ 55,616 | \$ 165,931 |

Lease Liability

Leases are financings of the right-to-use an underlying asset and a lessee is required to recognize a lease liability and an intangible lease asset.

The City of Riverside has various leases as Lessee for the use of various land, building and equipment as of the end of the fiscal year. The City is required to make principal and interest payments through fiscal year 2030. As of June 30, 2025, the value of the lease liability is \$2,250. The leases have an interest rates ranging from 0.52% to 2.80%. The value of the lease asset as of June 30, 2025 of \$3,372 with accumulated amortization of \$1,079 and is included with land, buildings, and machinery and equipment on the table below:

| Asset Class | Amount of Lease Assets by Major Classes of Underlying Asset | |
|-------------------------|--|---------------------------------|
| | Lease Asset Value | Accumulated Amortization |
| Land | \$ 577 | \$ (145) |
| Buildings | 1,472 | (467) |
| Machinery and equipment | 1,323 | (467) |
| | \$ 3,372 | \$ (1,079) |

| Governmental Activities: | Beginning Balance | Additions | Reclass | Reductions | Ending Balance | Due Within One Year |
|---------------------------------|--------------------------|------------------|----------------|-------------------|-----------------------|----------------------------|
| Lease liability | \$ 586 | \$ 1,100 | \$ - | \$ (246) | \$ 1,440 | \$ 321 |

| Business-Type Activities:: | Beginning Balance | Additions | Reclass | Reductions | Ending Balance | Due Within One Year |
|-----------------------------------|--------------------------|------------------|----------------|-------------------|-----------------------|----------------------------|
| Lease liability | \$ 443 | \$ 778 | \$ - | \$ (411) | \$ 810 | \$ 299 |

| Governmental Activities | | | |
|--------------------------------|------------------|-----------------|-----------------------|
| Fiscal Year | Principal | Interest | Total Payments |
| 2026 | \$ 321 | \$ 34 | \$ 355 |
| 2027 | 303 | 26 | 329 |
| 2028 | 305 | 18 | 323 |
| 2029 | 298 | 10 | 308 |
| 2030 | 213 | 2 | 215 |
| Total | \$ 1,440 | \$ 90 | \$ 1,530 |

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| Business-Type Activities | | | |
|---------------------------------|---------------------------|--------------------------|-----------------------|
| Fiscal Year | Principal Payments | Interest Payments | Total Payments |
| 2026 | \$ 299 | \$ 16 | \$ 315 |
| 2027 | 221 | 10 | 231 |
| 2028 | 145 | 6 | 151 |
| 2029 | 140 | 2 | 142 |
| 2030 | 5 | - | 5 |
| Total | \$ 810 | \$ 34 | \$ 844 |

| Governmental Activities | | | |
|--------------------------------|------------------|-----------------|-----------------------|
| Fiscal Year | Principal | Interest | Total Payments |
| 2026 | \$ 2,252 | \$ 105 | \$ 2,357 |
| 2027 | 2,079 | 46 | 2,125 |
| 2028 | 114 | 20 | 134 |
| 2029 | 101 | 17 | 118 |
| 2030 | 105 | 14 | 119 |
| 2031-2035 | 451 | 24 | 475 |
| Total | \$ 5,102 | \$ 226 | \$ 5,328 |

Subscription-Based Information Technology Arrangements Liability

The City of Riverside has several subscription-based information technology arrangements (SBITA) for the use of various software applications as of the end of the fiscal year. The City is required to make principal and interest payments through fiscal year 2035. As of June 30, 2025, the value of the subscription liability was \$5,220. The subscriptions have interest rates ranging from 0.52% to 2.80%. The value of the subscription asset as of June 30, 2025 is \$8,739 with accumulated amortization of \$2,375.

| Business-Type Activities | | | |
|---------------------------------|------------------|-----------------|-----------------------|
| Fiscal Year | Principal | Interest | Total Payments |
| 2026 | \$ 118 | \$ 1 | \$ 119 |
| Total | \$ 118 | \$ 1 | \$ 119 |

| | Beginning Balance | Additions | Reclass | Reductions | Ending Balance | Due Within One Year |
|---------------------------------|--------------------------|------------------|----------------|-------------------|-----------------------|----------------------------|
| Governmental Activities: | | | | | | |
| SBITA liability | \$ 1,119 | \$ 6,440 | \$ - | \$ (2,457) | \$ 5,102 | \$ 2,252 |

| | Beginning Balance | Additions | Reclass | Reductions | Ending Balance | Due Within One Year |
|----------------------------------|--------------------------|------------------|----------------|-------------------|-----------------------|----------------------------|
| Business-Type Activities: | | | | | | |
| SBITA liability | \$ 241 | \$ 93 | \$ - | \$ (216) | \$ 118 | \$ 118 |

Note 6. Derivative Instruments

Interest Rate Swaps

The City has three cash flow hedging derivative instruments, which were pay-fixed swaps. These swaps were employed as a hedge against debt that was refunded in 2008 and 2011 and against debt issued in 2012. The balance of the deferral account for each swap is included as part of the deferred charge on refunding associated with the new bonds. The swaps were also employed as a hedge against the new debt. Hedge accounting was applied to that portion of the hedging relationship, which was determined to be effective. Hedge accounting was also applied to the swap associated with the debt issued in 2012, which was also determined to be effective.

The City's three cash flow hedging derivative instruments are 2011A Water Bonds, 2008 COPS and 2012 Convention Center Financing.

The following is a summary of the derivative activity for the year ended June 30, 2025:

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Notional Amount | Fair Value as of 06/30/25 | Change in Fair Value for Fiscal Year |
|---|--------------------|---------------------------------|---|
| Governmental Activities | | | |
| 2008 Renaissance Certificates of Participation* | \$ 49,680 | \$ (2,809) | \$ (548) |
| Business-Type Activities | | | |
| 2008 Renaissance Certificates of Participation* | 22,320 | (1,218) | (238) |
| 2011 Water Refunding/Revenue Bonds Series A | 24,050 | (1,185) | (354) |
| 2012 Convention Center Financing | 21,735 | 590 | (518) |

* The 2008 Riverside Renaissance Certificates of Participation were distributed between Governmental Activities and Business-Type Activities to properly reflect their proportional share.

Objective: In order to lower borrowing costs as compared to fixed-rate bonds, the City entered into interest rate swap agreements in connection with its \$59,000 2011A Water Revenue Bonds, \$128,300 2008 Certificates of Participation ("COP") and \$41,650 Convention Center.

Terms: Per the existing swap agreements, the City pays a counterparty a fixed payment and receives a variable payment computed as 62.68% of the London Interbank Offering Rate (LIBOR) one month index plus 12 basis points for the Water swap. For the COP swap, the City pays a fixed payment and receives a variable payment computed as 63.00% of the LIBOR one-month index plus 7 basis points. The Convention Center financing consists of an initial 21-month variable rate interest only period during construction, which swaps to a fixed rate for the remaining 20-year amortization whereby the City will pay a fixed payment and will receive a variable payment computed at 65.01% of the LIBOR one month index plus 150 basis points. The notional value of the swaps and the principal amounts of the associated debt decline at a smaller rate until the debt is completely retired in fiscal year 2037.

The bond and the related swap agreement for the 2011A Water Revenue/Refunding Bonds mature on October 1, 2035. The 2008 Certificates of Participation mature on March 1, 2037. The loan with PNC Bank, N.A. will be paid in full on April 1, 2034.

As of June 30, 2025, rates were as follows:

| | 2011 Water Refunding/ Revenue Bonds Series A | 2008 Renaissance COPs | 2012 Convention Center Financing |
|------------------------------------|--|-----------------------------|---|
| | Rates | Rates | Rates |
| Interest rate swap: | | | |
| Fixed payment to counterparty | 3.20000 % | 3.36200 % | 3.24000 % |
| Variable payment from counterparty | (1.08784)% | (0.96218)% | (2.72089)% |
| Net interest rate swap payments | <u>2.11216 %</u> | <u>2.39982 %</u> | <u>0.51911 %</u> |
| Variable rate bond coupon payments | 0.89835 % | 0.79157 % | 2.72089 % |
| Synthetic interest rate on bonds | <u><u>3.01051 %</u></u> | <u><u>3.19139 %</u></u> | <u><u>3.24000 %</u></u> |

Fair Value: As of June 30, 2025, in connection with all swap arrangements, the transactions had a combined net negative fair value of \$4,621. Because the coupons on the City's variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value decrease. The fair value was developed by a pricing service using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Credit risk: The City is not exposed to substantial credit risk because each swap, with the exception of the Convention Center Financing swap have a negative fair value. The swap counterparties, Bank of America, N.A., PNC Financial Services Group, Inc. and J.P. Morgan Chase & Co. were rated A+, A, and A respectively by Standard & Poor's. To mitigate the potential for credit risk for these swaps, the swap agreements require the fair value of the swap to be collateralized by the counterparty with U.S. Government securities if the counterparties' rating decreases to negotiated trigger points. Collateral would be posted with a third-party custodian. At June 30, 2025, there is no requirement for collateral posting for any of the outstanding swaps.

Basis risk: The City is exposed to basis risk on its pay-fixed interest rate swap and rate cap hedging derivative instruments because the variable-rate payments received by the City on these hedging derivative instruments are based on a rate or index other than interest rates the city pays on its hedged variable-rate debt. If a change occurs that results in the rates' moving to convergence, the expected cost savings may not be realized.

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Termination risk: The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Schedule to the Master Agreement includes an “additional termination event.” That is, a swap may be terminated by the City if either counterparty’s credit quality falls below “BBB-” as issued by Standard and Poor’s. The City or the counterparty may terminate a swap if the other party fails to perform under the terms of the contract. If a swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination, a swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap’s fair value.

Swap payments and associated debt: As of June 30, 2025, the debt service requirements of the variable-rate debt and net swap payments assuming current interest rates remain the same, for their term are summarized in the following table. As rates vary, variable-rate bond interest payments and net swap payments will vary.

| Variable-Rate Bonds | | | | |
|----------------------------|-------------------|-----------------|---------------------------------|-------------------|
| Fiscal Year | Principal | Interest | Interest Rate Swaps, Net | Total |
| 2026 | \$ 7,212 | \$ 1,417 | \$ 2,456 | \$ 11,085 |
| 2027 | 7,481 | 1,312 | 2,319 | 11,112 |
| 2028 | 7,754 | 1,203 | 2,176 | 11,133 |
| 2029 | 7,930 | 1,091 | 2,028 | 11,049 |
| 2030 | 11,481 | 952 | 1,821 | 14,254 |
| 2031-2035 | 59,038 | 2,460 | 5,492 | 66,990 |
| 2036-2040 | 18,150 | 159 | 474 | 18,783 |
| Total | \$ 119,046 | \$ 8,594 | \$ 16,766 | \$ 144,406 |

Note 7. Letters of Credit

The City’s 2008 Certificates of Participation and 2011 Water Revenue Bonds (Series A) require an additional layer of security between the City and the purchaser of the bonds. The City has entered into the following letters of credit (“LOC”) in order to provide liquidity should all or a portion of the debt be optionally tendered to the remarketer without being successfully remarketed:

| Debt Issue | LOC Provider | LOC Expiration Date | Annual Commitment Fee |
|------------------------------------|-----------------------|----------------------------|------------------------------|
| 2008 Certificates of Participation | Bank of America, N.A. | 2026 | 0.350% |
| 2011A Water Revenue Bonds | PNC Bank, N.A. | 2025 | 0.230% |

To the extent that remarketing proceeds are insufficient or not available, tendered amounts will be paid from drawings made under an irrevocable direct-pay letter of credit.

Liquidity advances drawn against the LOC that are not repaid will be converted to an installment loan with principal to be paid semi-annually (2008 COPs) or quarterly (2011A Water Bonds) not to exceed a 5-year period. For the 2008 COPs, the City would be required to pay annual interest equal to the Bank Rate in effect on such date plus 3%, where the Bank Rate is currently calculated at the highest of (i) the Prime Rate plus 1%, (ii) the Federal Funds Rate plus 2%, and (iii) 7%. For the 2011A Water Bonds, the City would be required to pay annual interest equal to the highest of (i) the Prime Rate plus 3%, (ii) the Overnight Bank Rate plus 3.5%, and (iii) 9%. No amounts have ever been drawn against the two letters of credit due to a failed remarketing. The various indentures allow the City to convert the mode of the debt in the case of a failed remarketing.

On February 1, 2019, the City entered into a subordinate letter of credit agreement with U.S. Bank, National Association. The agreement was renewed on February 1, 2022, and again on June 2, 2025. The Subordinate Letter of Credit is a tool approved through the Electric and Water Utility Five-Year Rate Plan to manage rate increases by enabling the Electric Utility and Water Utility to reduce cash levels while maintaining compliance with the Riverside Public Utilities Cash Reserve Policy. Under the terms and conditions of the agreement, the City may borrow up to \$35,000 for purposes of the capital or operating financial needs of the Electric System and \$25,000 for purposes of the capital or operating financial needs of the Water System. There were no borrowings against the LOC as of June 30, 2025.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

Note 8. Long-Term Obligations

Changes in Long-Term Obligations:

Below is a summary of changes in long-term obligations during the fiscal year:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---------------------------------|--------------------------|------------------|--------------------|-----------------------|----------------------------|
| Governmental Activities: | | | | | |
| General obligation bonds | \$ 1,756 | \$ - | \$ (1,756) | \$ - | \$ - |
| Pension obligation bonds | 313,830 | - | (9,803) | 304,027 | 9,884 |
| Certificates of participation | 75,067 | - | (5,279) | 69,788 | 5,263 |
| Lease revenue bonds | 61,163 | 60,509 | (20,082) | 101,590 | 3,540 |
| Direct borrowings: | | | | | |
| Financed purchase | 16,152 | 346 | (3,863) | 12,635 | 2,873 |
| | <u>\$ 467,968</u> | <u>\$ 60,855</u> | <u>\$ (40,783)</u> | <u>\$ 488,040</u> | <u>\$ 21,560</u> |

| | <u>Beginning Balance (As Corrected)</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|----------------------------------|---|------------------|--------------------|-----------------------|----------------------------|
| Business-Type Activities: | | | | | |
| Revenue bonds | \$ 1,268,727 | \$ - | \$ (45,827) | \$1,222,900 | \$ 39,985 |
| Arbitrage payable | 673 | 3,190 | - | 3,862 | - |
| Pension obligation bonds | 95,253 | - | (9,365) | 85,888 | 9,636 |
| Certificates of participation | 23,191 | - | (1,421) | 21,770 | 1,481 |
| Lease revenue bonds | 5,688 | 5,271 | (5,688) | 5,271 | 414 |
| Direct borrowings: | | | | | |
| Notes payable | 36,525 | - | (3,568) | 32,957 | 3,689 |
| Contracts payable | 931 | - | - | 931 | 150 |
| Financed purchase | 1,134 | 4,814 | (650) | 5,298 | 978 |
| | <u>\$ 1,432,122</u> | <u>\$ 13,275</u> | <u>\$ (66,519)</u> | <u>\$1,378,877</u> | <u>\$ 56,333</u> |

Governmental Activities:

Pension Obligation Bonds - Governmental Activities: **Principal Outstanding**

In 2018, the 2017 Taxable Pension Obligation Bonds were distributed between Governmental Activities, Business-Type Activities and the Successor Agency to properly reflect their proportional share. Pension Obligation bonds are not collateralized by assets, nor do they constitute an obligation of the City of Riverside whereby the City is obligated to levy or pledge any form of taxation.

In 2020, the 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.

\$31,960 2017 Taxable Pension Obligation Bonds Series A; 1.25% to 3.125%, due in annual installments from \$2,910 to \$3,580 through June 1, 2027; \$15,299 relates to Governmental Activities. \$ 3,377

\$432,165 2020 Taxable Pension Obligation Bonds Series A; 1.646% to 3.857% due in annual installments from \$2,920 to \$28,310 through June 1, 2045. \$324,567 relates to Governmental Activities 300,726

| | |
|---------------------------------------|--------------------------|
| Subtotal | <u>304,103</u> |
| Less: unamortized bond discount | (76) |
| Total pension obligation bonds | <u>\$ 304,027</u> |

Remaining pension obligation bond debt service payments will be made from unrestricted revenues of the General Fund. Annual debt service requirements to maturity are as follows:

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| Fiscal Year | Principal | Interest | Total |
|--------------------|-------------------|-------------------|-------------------|
| 2026 | \$ 9,884 | \$ 11,123 | \$ 21,007 |
| 2027 | 10,966 | 10,868 | 21,834 |
| 2028 | 10,343 | 10,570 | 20,913 |
| 2029 | 11,500 | 10,283 | 21,783 |
| 2030 | 12,594 | 9,959 | 22,553 |
| 2031-2035 | 87,039 | 42,132 | 129,171 |
| 2036-2040 | 107,137 | 22,632 | 129,769 |
| 2041-2045 | 54,640 | 4,859 | 59,499 |
| Discount | (76) | - | (76) |
| Total | \$ 304,027 | \$ 122,426 | \$ 426,453 |

Certificates of Participation – Governmental Activities:

In 2019, the 2008 Riverside Renaissance Certificates of Participation were distributed between Governmental Activities and Business-Type Activities to properly reflect their proportional share.

\$19,945 2006 Galleria at Tyler Public Improvements Certificates of Participation are secured with collateral of the two level 912 space parking structure located near Tyler Street and Nordstrom store, the Tyler Mall North Plaza, the North Plaza parking, storm drains related to those improvements, and portions of two arterial streets. In 2019, the 2019A Lease Revenue Refunding Bonds were issued to refinance all but \$5 of the outstanding 2006 Lease Revenue Certificates of Participation (Galleria at Tyler Public Improvements). Annual interest payments are due until September 1, 2036, when the final principal will be paid.

Principal Outstanding

\$ 5

\$128,300 2008 Riverside Renaissance Certificates of Participation are secured with collateral of the Adulka Park, Fairmount Park and Golf Course, Arlington Heights Sports Park, Orange Terrace Park, Orange Terrace Community Center and Orange Terrace Library; issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.4%. For information on the swap agreement see Note 6. Due in annual installments from \$2,900 to \$7,200 through March 1, 2037; \$89,507 relates to Governmental Activities. 50,230

\$21,190 2023 Riverside Public Financing Authority Local Measure A Sales Tax Revenue (Installment Sale) Refunding Certificates of Participation. On 7/27/2023 these bonds refunded and replaced the 2013 Pavement Rehab Certificates of Participation. The City entered into an installment sale with a fixed rate of 5%. The annual payments are \$1,830 to \$2,595 through June 1, 2033. 17,604

| | |
|--|------------------|
| Subtotal | 67,839 |
| Plus: unamortized bond premium | 1,949 |
| Total certificates of participation | \$ 69,788 |

Remaining Certificates of Participation debt service payments will be made from unrestricted revenues of the Debt Service Fund. Annual debt service requirements to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|------------------|------------------|------------------|
| 2026 | \$ 5,263 | \$ 2,540 | \$ 7,803 |
| 2027 | 5,493 | 2,332 | 7,825 |
| 2028 | 5,727 | 2,115 | 7,842 |
| 2029 | 5,902 | 1,888 | 7,790 |
| 2030 | 6,147 | 1,542 | 7,689 |
| 2031-2035 | 29,396 | 4,128 | 33,524 |
| 2036-2040 | 9,911 | 419 | 10,330 |
| Premium | 1,949 | - | 1,949 |
| Total | \$ 69,788 | \$ 14,964 | \$ 84,752 |

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

| <u>Lease Revenue Bonds - Governmental Activities:</u> | <u>Principal Outstanding</u> |
|--|------------------------------|
| <p>\$15,980 2019A Lease Revenue Refunding Bonds (Galleria at Tyler Public Improvements) are secured by lease payments on the two level 912 space parking structure located near Tyler Street and Nordstrom store, the Tyler Mall North Plaza, the North Plaza parking, storm drains related to those improvements, and portions of two arterial streets. The bonds were issued to refinance all but \$5 of the outstanding 2006 Lease Revenue Certificates of Participation (Galleria at Tyler Public Improvements); 2.75% to 4.0%, due in annual installments from \$605 to \$1,180 through November 1, 2036. The refunding transaction resulted in a total net present value savings of \$1,140. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated.</p> | \$ 11,685 |
| <p>\$33,505 2019B Lease Revenue Refunding Bonds (Main Library Project); 3.0% to 5.0%, due in annual installments from \$1,245 to \$2,645 through November 1, 2036. The bonds are secured by an amendment to the Ground Lease entered into by the City upon issuance of the 2012A Lease Revenue Bonds. It adds the remainder of the City Hall Complex, the Corporation Yard Administration Building and annex, Bobby Bonds Park, and the Main Library site. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated.</p> | 24,605 |

| | |
|---|--------------------------|
| <p>\$19,500 2024A Lease Revenue Refunding Bonds; 5.0%, due in annual installments from \$1,725 to \$2,610 through November 1, 2033. The net proceeds of the sale of the Series 2024A Bonds were used to refund the 2012A Lease Revenue Refunding Bonds. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated. Similar to the 2012A Bonds, the 2024A Bonds were distributed between Governmental Activities, Business-Type Activities, and Successor Agency to properly reflect their proportional share. The Governmental Activities portion is \$13,449.</p> | 13,449 |
| <p>\$45,000 2025A Lease Revenue Bonds (Museum Project); 5.0% to 5.25%, due in annual installments from \$625 to \$1,605 through November 1, 2045. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated.</p> | 42,520 |
| Subtotal | <u>92,259</u> |
| Add: unamortized bond premium | 9,331 |
| Total lease revenue bonds | <u>\$ 101,590</u> |

Remaining lease revenue bond debt service payments will be made from unrestricted revenues of the Debt Service Fund. Annual debt service requirements to maturity are as follows:

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|-------------------|------------------|-------------------|
| 2026 | \$ 3,540 | \$ 4,477 | \$ 8,017 |
| 2027 | 4,366 | 4,339 | 8,705 |
| 2028 | 4,567 | 4,132 | 8,699 |
| 2029 | 4,776 | 3,915 | 8,691 |
| 2030 | 4,998 | 3,685 | 8,683 |
| 2031-2035 | 26,877 | 14,549 | 41,426 |
| 2036-2040 | 12,840 | 9,311 | 22,151 |
| 2041-2045 | 6,910 | 7,355 | 14,265 |
| 2046-2050 | 8,950 | 5,251 | 14,201 |
| 2051-2055 | 11,695 | 2,430 | 14,125 |
| 2056-2060 | 2,740 | 75 | 2,815 |
| Premium | 9,331 | - | 9,331 |
| Total | \$ 101,590 | \$ 59,519 | \$ 161,109 |

Business-Type Activities:

The following debt has been issued for the purpose of generating capital resources for use in acquiring or constructing municipal facilities or infrastructure projects.

| <u>Revenue Bonds - Business-Type Activities:</u> | <u>Principal Outstanding</u> |
|--|------------------------------|
| Electric | |
| All electric revenue bonds are covenanted per the Amended and Restated Resolution No. 17662 (Electric) Master Resolution that upon the occurrence and continuation of an event of default, the owners of 25% in aggregate amount of Bond Obligation may, by written notice to the City, declare the entire unpaid principal and accreted value of the bonds due and payable should the City fail to pay its debts as they become due or upon the entry of any decree or order of bankruptcy of the City. | |
| \$140,380 2010 Electric Revenue Bonds fixed rate bonds, 3% to 7.65%, due in annual installments from \$95 to \$33,725 through October 1, 2040. | \$ 120,805 |
| \$283,325 2019 Electric Refunding/Revenue Bonds; Series A, fixed rate bonds, 5.0%, due in annual installments from \$3,545 to \$24,005 through October 1, 2048. The bonds refunded the 2008 Electric Revenue Bonds Series D and partially refunded the 2008 Electric Revenue Bonds Series A and C. The refunding transactions resulted in a total net present value savings of \$36,810. | 218,635 |
| \$31,390 2023A Electric Refunding/Revenue Bonds; Series A fixed rate bonds, 5.0%, due in annual installments from \$990 to \$2,395 through October 1, 2043. The bonds refunded the 2013A Electric Revenue bonds. | 30,400 |
| \$213,295 2024 Electric Refunding/Revenue Bonds; Series A fixed rate bonds, 5.0%, due in annual installments from \$460 to \$11,455 through October 1, 2050. The bonds refunded 100% of the remaining 2008A Electric Revenue bonds, 2008C Electric Revenue bonds, and 2011A Electric Revenue Bonds. As of 6/30/2025, the 2024A Electric Revenue bonds have \$2,526 in arbitrage liability. | 212,835 |
| Subtotal | 582,675 |
| Add: Unamortized bond premium | 72,717 |
| Subtotal - Electric | 655,392 |

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

Water

All water revenue bonds are covenanted per the Amended and Restated Resolution No. 17664 (Water) Master Resolution that upon the occurrence and continuation of an event of default, the owners of 25% in aggregate amount of Bond Obligation may, by written notice to the City, declare the entire unpaid principal and accreted value of the bonds due and payable should the City fail to pay its debts as they become due or upon the entry of any decree or order of bankruptcy of the City.

\$67,790 2009 Water Revenue Bonds; Series B fixed rate bonds, 5.1% to 6.3%, due in annual installments from \$2,475 to \$4,985 through October 1, 2039.

\$59,000 2011 Water Refunding/Revenue Bonds; Series A. The bonds were issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.2%. For information on the swap agreements see Note 6. Bonds are due in annual installments from \$600 to \$3,950 through October 1, 2035.

\$114,215 2019 Water Refunding/Revenue Bonds; Series A, fixed rate bonds, 5.0%, due in annual installments from \$1,680 to \$8,455 through October 1, 2048. The bonds refunded the 2008 Water Revenue Bonds Series B and partially refunded and partially unwound the swap on the 2011 Water Revenue Bonds Series A. The refunding transactions resulted in a total net present value savings of \$10,759.

\$58,025 2022 Water Revenue Bonds; Series A fixed rate bonds, 5.0%, due in annual installments from \$3,618 to \$3,695 through October 1, 2052. As of June 30, 2025, the 2022A Water Revenue bonds have \$1,337 in arbitrage liability.

| | |
|-------------------------------|----------------|
| Subtotal | 56,370 |
| | 226,890 |
| Add: Unamortized bond premium | 19,630 |
| Subtotal - Water | 246,520 |

Sewer

All sewer revenue bonds are covenanted per Resolution No. 21860 Sewer Master Resolution that upon the occurrence and continuation of an event of default, the owners of 25% in aggregate amount of Bond Obligation may, by written notice to the City, declare the entire unpaid principal and accreted value of the bonds due and payable should the City fail to pay its debts as they become due or upon the entry of any decree or order of bankruptcy of the City.

\$200,030 2015 Sewer Revenue Bonds; Series A fixed rate bonds, 4% to 5%, due in annual installments from \$4,790 to \$14,175 through August 1, 2040. 161,060

57,365 \$153,670 2018 Sewer Revenue Bonds; Series A fixed rate bonds, 4% to 5%, due in annual installments from \$2,905 to \$11,775 through August 1, 2039. The bonds advanced refunded the 2009 Direct Pay Build America Bonds Series B. The refunding transaction resulted in a total net present value savings of \$18,932.

| | |
|-------------------------------|---------------------|
| Subtotal | 128,515 |
| | 289,575 |
| Add: unamortized bond premium | 31,413 |
| Subtotal - Sewer | 320,988 |
| Total revenue bonds | \$ 1,222,900 |

Remaining revenue bond debt service payments will be made from revenues of the Electric, Water and Sewer Enterprise funds. Annual debt service requirements to maturity are as follows:

89,105

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Electric

| Fiscal Year | Principal | Interest | Total |
|--------------------|-------------------|-------------------|-------------------|
| 2026 | \$ 18,475 | \$ 28,763 | \$ 47,238 |
| 2027 | 19,360 | 27,822 | 47,182 |
| 2028 | 20,320 | 26,830 | 47,150 |
| 2029 | 21,330 | 25,789 | 47,119 |
| 2030 | 22,405 | 24,696 | 47,101 |
| 2031-2035 | 135,625 | 104,147 | 239,772 |
| 2036-2040 | 171,650 | 66,554 | 238,204 |
| 2041-2045 | 100,965 | 27,809 | 128,774 |
| 2046-2050 | 72,545 | 8,873 | 81,418 |
| Premium | 72,717 | - | 72,717 |
| Total | \$ 655,392 | \$ 341,283 | \$ 996,675 |

Water

| Fiscal Year | Principal | Interest | Total |
|--------------------|-------------------|-------------------|-------------------|
| 2026 | \$ 8,840 | \$ 10,257 | \$ 19,097 |
| 2027 | 9,245 | 9,831 | 19,076 |
| 2028 | 9,665 | 9,385 | 19,050 |
| 2029 | 10,095 | 8,920 | 19,015 |
| 2030 | 10,755 | 8,429 | 19,184 |
| 2031-2035 | 58,385 | 35,044 | 93,429 |
| 2036-2040 | 64,935 | 20,955 | 85,890 |
| 2041-2045 | 20,820 | 11,242 | 32,062 |
| 2046-2050 | 23,845 | 5,413 | 29,258 |
| 2051-2055 | 10,305 | - | 10,305 |
| Premium | 19,630 | - | 19,630 |
| Total | \$ 246,520 | \$ 119,476 | \$ 365,996 |

Sewer

| Fiscal Year | Principal | Interest | Total |
|--------------------|-------------------|-------------------|-------------------|
| 2026 | \$ 12,670 | \$ 13,933 | \$ 26,603 |
| 2027 | 13,320 | 13,283 | 26,603 |
| 2028 | 14,000 | 12,600 | 26,600 |
| 2029 | 14,720 | 11,882 | 26,602 |
| 2030 | 15,475 | 11,127 | 26,602 |
| 2031-2035 | 90,115 | 42,888 | 133,003 |
| 2036-2040 | 115,100 | 17,909 | 133,009 |
| 2041-2045 | 14,175 | 354 | 14,529 |
| Premium | 31,413 | - | 31,413 |
| Total | \$ 320,988 | \$ 123,976 | \$ 444,964 |

Pension Obligation Bonds - Business Type Activities: **Principal Outstanding**

In 2018, the 2017 Taxable Pension Obligation Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency to properly reflect their proportional share. Pension Obligation Bonds are not collateralized by assets, nor do they constitute a debt of the City of Riverside whereby the City is obligated to levy or pledge any form of taxation.

In 2020, the 2017 Taxable Pension Obligation Bonds outstanding balances in the Successor Agency were distributed between Governmental Activities and Business-Type Activities.

\$31,960 2017 Taxable Pension Obligation Bonds Series A; 1.25% to 3.125%, due in annual installments from \$2,910 to \$3,580 through June 1, 2027. \$16,661 relates to Business Type Activities.

\$ 3,678

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
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\$432,165 2020 Taxable Pension Obligation Bonds Series A; 1.646% to 3.857% due in annual installments from \$2,920 to \$28,310 through June 1, 2045. \$107,598 relates to Business-Type Activities.

Total pension obligation bonds

82,210
\$ 85,888

Remaining pension obligation bond debt service payments will be made from unrestricted revenues of the Business-Type Activities funds. Annual debt service requirements to maturity are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|------------------|-------------------|
| 2026 | \$ 9,636 | \$ 2,932 | \$ 12,568 |
| 2027 | 9,244 | 2,683 | 11,927 |
| 2028 | 6,182 | 2,430 | 8,612 |
| 2029 | 4,925 | 2,259 | 7,184 |
| 2030 | 3,716 | 2,119 | 5,835 |
| 2031-2035 | 24,146 | 8,328 | 32,474 |
| 2036-2040 | 22,658 | 3,495 | 26,153 |
| 2041-2045 | 5,381 | 316 | 5,697 |
| Total | \$ 85,888 | \$ 24,562 | \$ 110,450 |

Certificates of Participation – Business Type Activities: Principal Outstanding

In 2019, the 2008 Riverside Renaissance Certificates of Participation were distributed between Governmental Activities and Business-Type Activities to properly reflect their proportional shares.

\$128,300 2008 Riverside Renaissance Certificates of Participation are secured with collateral of the Andulka Park, Fairmount Park and Golf Course, Arlington Heights Sports Park, Orange Terrace Park, Orange Terrace Community Center, and Orange Terrace Library; issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.4%. For information on the swap agreement see Note 6. Due in annual installments from \$2,900 to \$7,200 through March 1, 2037; \$38,793 relates to the Civic Entertainment Fund.

Total certificates of participation

\$ 21,770
\$ 21,770

Remaining certificates of participation debt service payments will be made from unrestricted revenues of the Civic Entertainment Fund. Annual debt service requirements to maturity are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|------------------|
| 2026 | \$ 1,481 | \$ 719 | \$ 2,200 |
| 2027 | 1,542 | 669 | 2,211 |
| 2028 | 1,603 | 617 | 2,220 |
| 2029 | 1,633 | 563 | 2,196 |
| 2030 | 1,693 | 507 | 2,200 |
| 2031-2035 | 9,524 | 1,623 | 11,147 |
| 2036-2040 | 4,294 | 181 | 4,475 |
| Total | \$ 21,770 | \$ 4,879 | \$ 26,649 |

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | |
|--|----------------------------------|
| Lease Revenue Bonds – Business Type Activities: | Principal Outstanding |
| \$19,500 2024A Lease Revenue Bonds (); 5.0%, due in annual installments from \$1,725 to \$2,610 through November 1, 2033. The net proceeds of the sale of the Series 2024A Bonds were used to refund the 2012A Lease Revenue Refunding Bonds. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated. Similar to the 2012A Bonds, the 2024A Bonds were distributed between Governmental Activities, Business-Type Activities, and Successor Agency to properly reflect their proportional share. The Business-Type Activities portion is \$4,680. | \$ 4,680 |
| Add: unamortized bond premium | 591 |
| Total lease revenue bonds | \$ 5,271 |

Remaining lease revenue bond debt service payments will be made from unrestricted revenues of the Parking Fund. Annual debt service requirements to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------|-----------------|-----------------|-----------------|
| 2026 | \$ 414 | \$ 224 | \$ 638 |
| 2027 | 448 | 202 | 650 |
| 2028 | 470 | 179 | 649 |
| 2029 | 494 | 155 | 649 |
| 2030 | 520 | 130 | 650 |
| 2031-2035 | 2,334 | 240 | 2,574 |
| Premium | 591 | - | 591 |
| Total | \$ 5,271 | \$ 1,130 | \$ 6,401 |

The following are legally required debt service cash reserves. These amounts, at a minimum, are held by the City or fiscal agents at June 30, 2025:

| | |
|--|-----------------|
| Governmental Long-Term Obligations: | |
| Certificates of participation | \$ 7,647 |
| Total | \$ 7,647 |

The City has a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. The debt service coverage ratios also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment.

| Description of Pledge Revenue | Annual Amount of Pledge Revenue (net of expenses, where required) | Annual Debt Service Payments (all of debt secured by this revenue) | Coverage Ratio for FY 06/30/25 |
|-------------------------------|---|--|--------------------------------|
| Electric revenues | \$ 175,782 * | \$ 54,997 | 3.20 |
| Water revenues | 53,445 * | 21,294 | 2.51 |
| Sewer revenues | 39,372 ** | 26,601 | 1.48 |

*Excludes non-cash pension expense

**Includes cash set-aside in a rate stabilization account in accordance with applicable bond covenants.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
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(amounts expressed in thousands)**

There are also a number of limitations and restrictions contained in Assessment Bond indentures. The City believes they are in compliance with all significant limitations and restrictions.

Remaining notes payable debt service payments will be made from unrestricted revenues of the Water Fund, Public Parking Fund, and Civic Entertainment Fund. Annual debt service requirements to maturity are as follows:

| <u>Direct Borrowings: Notes Payable - Business-Type Activities:</u> | <u>Principal Outstanding</u> |
|--|------------------------------|
| Public Parking Fund and Civic Entertainment Fund loan for Fox Entertainment Plaza project secured with collateral of the Fox Theater, Fox Entertainment Plaza, and Parking Garage No. 7. 3.85%, payable in net annual installments of \$1,747, beginning June 16, 2011 through December 16, 2031. In the event of default, the City would continue to remain liable for the payment of Rental Payments and damages for breach of the Lease. | \$ 9,960 |
| In July 19, 2012, the City secured financing in the amount of \$41,650 with BBVA Compass Bank for the renovation and expansion of the Riverside Convention Center (Civic Entertainment Fund) secured with collateral of the convention center facility. In March 2014, the financing arrangement with BBVA was increased to \$44,650. The financing consists of an initial 21-month variable rate interest only period during construction that has a swap transaction layered over the remaining 20-year amortization resulting in a "synthetic fixed" rate of 3.24% for 20 of the 22 years. For information on the swap agreement see Note 6. At the end of the construction period, principal and interest are due on the first of each month, with equal payments each year of approximately \$2,850. In the event of default, the outstanding amount of the site lease payment drawn by the City and not repaid will bear interest at a default rate that will be charged until the default is cured. | 22,997 |
| Total notes payable | <u>\$ 32,957</u> |

| <u>Fiscal Year</u> | <u>Non-Major Enterprise Funds</u> | | |
|--------------------|-----------------------------------|------------------------|-------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| 2026 | \$ 3,689 | \$ 1,075 | \$ 4,764 |
| 2027 | 3,811 | 945 | 4,756 |
| 2028 | 3,940 | 811 | 4,751 |
| 2029 | 4,073 | 673 | 4,746 |
| 2030 | 4,210 | 530 | 4,740 |
| 2031-2035 | <u>13,234</u> | <u>758</u> | <u>13,992</u> |
| Total | <u>\$ 32,957</u> | <u>\$ 4,792</u> | <u>\$ 37,749</u> |

| <u>Direct Borrowings: Contracts Payable</u> | <u>Principal Outstanding</u> |
|---|------------------------------|
| Water stock acquisition rights payable on demand to various water companies | \$ <u>931</u> |

Direct Borrowings: Financed Purchase

The City purchased various equipment through financing arrangements in the governmental and proprietary fund types. These activities are recorded for both governmental and business-type activities in the government-wide financial statements. The assets and related obligations in governmental funds are not recorded in the fund statements. For proprietary funds, the assets and their related liabilities are reported directly in the fund. Amortization applicable to proprietary assets acquired through financing arrangements is included with depreciation for financial statement presentation.

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The future minimum obligations as of June 30, 2025 were as follows:

| Fiscal Year | Governmental Activities | Business-Type Activities |
|---|------------------------------------|-------------------------------------|
| 2026 | \$ 3,140 | \$ 1,174 |
| 2027 | 3,101 | 1,174 |
| 2028 | 2,188 | 857 |
| 2029 | 1,255 | 799 |
| 2030 | 1,238 | 799 |
| Thereafter | 2,476 | 1,200 |
| Total minimum installments | 13,398 | 6,003 |
| Less: Amount representing interest (rates ranging from 1.2% to 9%) | (763) | (705) |
| Total financed purchase | \$ 12,635 | \$ 5,298 |

Note 9. Compensated Absences

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probably that virtually all of these balances will be liquidated by either paid time-off or payments upon termination or retirement.

Below is a summary of changes in compensated absences during the fiscal year:

| | Beginning Balance | Net Increase/ (Decrease) | Ending Balance | Due Within One Year |
|----------------------------------|------------------------------|---|---------------------------|------------------------------------|
| Governmental Activities: | | | | |
| Compensated absences | \$ 34,445 | \$ 6,086 | \$ 40,531 | \$ 21,350 |
| Business-Type Activities: | | | | |
| Compensated absences | \$ 12,350 | \$ 2,536 | \$ 14,886 | \$ 7,956 |

Note 10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Property insurance coverage has a limit of \$1,000,000, with a deductible of \$100. Earthquake and flood insurance coverage has a limit of \$25,000, with a deductible of 5% (subject to \$100 minimum for earthquake and \$100 for flood). Workers' compensation insurance coverage has a limit of \$25,000, with a self-insured retention of \$3,000. The City has four General Liability policies: a primary and three excess General Liability policies. The primary General Liability policy coverage has a limit of \$5,000 and the Excess General Liability policies provide an additional \$20,000 of coverage, with a self-insured retention of \$3,000. Both the primary and excess General liability policies cover general and auto liability claims including but not limited to Law Enforcement Liability and Public Officials Errors and Omissions. There has been one claim settled in the last three fiscal years that exceed the City's self-insured retention. Internal service funds have been established to account for and finance the uninsured risks of loss. There have been additions to the claims and judgement liability related to the Simpson v. City of Riverside recorded in fiscal year 2024 and adjusted in fiscal year 2025. More information regarding the Simpson v. City of Riverside can be found in Note 25.

All funds of the City participate in the Risk Management program and make payments to the Internal Service Funds based on actuarial estimates of the amounts needed to fund prior and current year claims and incidents that have been incurred but not reported. Interfund premiums are accounted for as quasi-external transactions and are therefore recorded as revenues of the Internal Service Funds in the fund financial statements.

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Changes in the self-insurance fund's claims and judgments amounts are:

| Governmental Activities: | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--------------------------|-------------------|-----------|------------|----------------|---------------------|
| Claims and judgments | \$ 101,617 | \$ 25,990 | \$ (7,393) | \$ 120,214 | \$ 21,191 |

| | | | | | |
|------------------------------------|----|----------------|--|--|--|
| Unpaid claims, June 30,2023 | \$ | 53,112 | | | |
| Incurred claims (including IBNR's) | | 61,371 | | | |
| Claim payments and adjustments | | (12,866) | | | |
| Unpaid claims, June 30,2024 | | 101,617 | | | |
| Incurred claims (including IBNR's) | | 25,990 | | | |
| Claim payments and adjustments | | (7,393) | | | |
| Unpaid claims, June 30,2025 | \$ | <u>120,214</u> | | | |

Note 11. Landfill Capping

State and Federal laws and regulations require the City to place a final cover on all active landfills when closed and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. To comply with these laws and regulations, the City is funding the costs of closure and "final capping" of the Tequesquite landfill located in the City. This area, comprised of approximately 120 acres, operated as a "Class II Sanitary Landfill" until its closure in 1985. During its operation, the landfill did not accept hazardous waste and no clean up and abatement or cease and desist orders have been issued to the City. The capacity used at June 30, 2025 was 100%. The remaining post closure period is currently 14 years.

The estimated costs as determined and updated by the Public Works Department are associated with flood control upgrades, remediation of possible ground water contamination and control of methane gas. All potential costs have been recognized in the financial statements. However, there is the potential for these estimates to change due to inflation, deflation, technology, or change in laws or regulations. The City is recovering such costs in rates charged to its customers. The portion of costs to be recovered through future rates is classified as a regulatory asset and will be amortized over future periods.

Below is a summary of changes in landfill capping liability during the fiscal year:

| Business-Type Activities: | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---------------------------|-------------------|-----------|------------|----------------|---------------------|
| Landfill capping | \$ 8,944 | \$ - | \$ (372) | \$ 8,572 | \$ 559 |

Note 12. Nuclear Decommissioning Liability

As of June 30, 2025, decommissioning liability balance was \$46,965 with a portion reflected as current liabilities payable from restricted assets. As a result of the updated SCE decommissioning cost estimate and the increase in the Electric Utility's estimated share, the decommissioning liability was increased by \$5.8 million in fiscal year 2025. The offset of this liability increase was recorded as a decommissioning liability expense in fiscal year 2025.

The Electric Utility no longer provides additional funding to the trustee. However, since the decommissioning cost estimate is subject to a number of uncertainties including the cost of disposal of nuclear waste, site remediation costs, as well as a number of other assumptions and estimates, the Electric Utility has set aside funds in the designated decommissioning reserve of \$2,000 per year through fiscal year 2024, as approved by the Board of Public Utilities and City Council. Beginning in fiscal year 2025, the Electric Utility will continue to set aside funds in the designated decommissioning reserve of \$1,000 per year, as approved by the Board of Public Utilities and City Council.

Below is a summary of changes in decommissioning liability during the fiscal year:

| Business-Type Activities: | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---------------------------|-------------------|-----------|------------|----------------|---------------------|
| Decommissioning liability | \$ 46,082 | \$ 6,938 | \$ (6,055) | \$ 46,965 | \$ 6,887 |

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Note 13. Commitments and Contingencies

Intermountain Power Agency

The Electric Utility has a power purchase contract with Intermountain Power Agency (IPA) for the delivery of electric power. The Electric Utility's share of IPA power is equal to 7.6 percent, or approximately 137.1 MW, of the net generation output of IPA's 1,800 MW central Utah coal-fueled generating station, known as Intermountain Power Project (IPP). The contract expires in 2027.

The contract constitutes an obligation of the Electric Utility to make payments solely from operating revenues. The power purchase contract requires the Electric Utility to pay certain minimum charges that are based on debt service requirements and other fixed costs. Such payments are considered a cost of production.

On September 29, 2006, Senate Bill (SB) 1368 was enacted into law. The bill requires electric service providers to limit financial investments in power plants to those that adhere to greenhouse gas performance standards as determined by the Public Utilities Commission. Pursuant to this legislation, the Electric Utility is prohibited from renewing its participation in IPP if it remains a coal fueled generating resource.

In order to facilitate the continued participation in the IPP, the IPA Board issued the Second Amendatory Power Sales Contract, which amended the IPP Contract allowing the plant to replace the coal units with combined cycle natural gas units by July 1, 2025. On June 16, 2015, the City Council approved the IPP renewal agreements, including the Second Amendatory Power Sales Contract and the Renewal Power Sales Contract, and authorized participation in the IPP Repower Project for up to 5 percent in generation capacity or 60 MW. The Second Amendatory Power Sales Contract became effective March 16, 2016.

On January 5, 2017, the Electric Utility executed the Renewal Power Sales Contract and the Electric Utility accepted an offer of 4.167 percent entitlement or 50 MW generation capacity in the IPP Repower Project based on the 1,200 MW designed capacity, which is within the maximum participation level approved by the City Council. The Electric Utility's corresponding Southern

Transmission System allocation is 5.278 percent or approximately 127 MW. Further, under the Renewal Power Sales Contract, the Electric Utility had the right to exit from the Repower Project by no later than November 1, 2019, if it is determined that the Repower Project is not cost beneficial to its customers.

On September 11, 2018, the City Council approved "Alternative Repowering" of the IPP Repower Project, which reduced the design capacity of the future plant from 1,200 MW to 840 MW.

On May 7, 2019, the City Council authorized termination of the Renewal Power Sales Contract between the IPA and the Electric Utility effective November 1, 2019, and the Electric Utility's exit from the IPP Repower Project upon the expiration date of the current Power Sales Contract on June 15, 2027, due to numerous uncertainties surrounding the IPP Repower Project.

The Electric Utility is a member of SCPPA, a joint powers agency (see Note 9). SCPPA provides for the financing and construction of electric generating and transmission projects for participation by some or all of its members. To the extent the Electric Utility participates in take-or-pay projects developed by SCPPA, it has entered into Power Purchase or Transmission Service Agreements, entitling the Electric Utility to the power output or transmission service, as applicable, and the Electric Utility will be obligated for its proportionate share of the project costs whether or not such generation output of transmission service is available.

The projects and the Electric Utility's proportionate share of SCPPA's obligations, including final maturities and contract expirations are as follows:

| <u>Project</u> | <u>Percent Share</u> | <u>Entitlement</u> | <u>Final Maturity</u> | <u>Contract Expiration</u> |
|---------------------------------------|----------------------|--------------------|-----------------------|----------------------------|
| Palo Verde Nuclear Generating Station | 5.40 % | 12.3 MW | 2017 | 2030 |
| Southern Transmission System | 10.20 % | 244.0 MW | 2027 | 2027 |
| Mead-Phoenix Transmission | 4.00 % | 18.0 MW | 2020 | 2030 |
| Mead-Adelanto Transmission | 13.50 % | 118.0 MW | 2020 | 2030 |

Terms of Take or Pay Commitments

As part of the take-or-pay commitments with IPA and SCPPA, the Electric Utility has agreed to pay its share of current and long-term obligations. Management intends to pay these obligations from operating revenues received during the

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year that payment is due. A long-term obligation has not been recorded on the accompanying financial statements for these commitments. Take-or-pay commitments terminate upon the later of contract expiration or final maturity of outstanding bonds for each project.

The outstanding debts associated with the take-or-pay obligations have fixed interest rates, which range from 4.00 percent to 5.00 percent. The schedule below details the amount of principal and interest that is due and payable by the Electric Utility as part of the take-or-pay contract for each project in the fiscal year indicated:

| Debt Service Payment Year Ending June 30, | IPA ¹ | SCPPA | Total |
|---|--------------------------------|------------------------------------|------------------|
| | Intermountain Power Project | Southern Transmission System | All Projects |
| 2026 | \$ 6,897 | \$ 11,034 | \$ 17,931 |
| 2027 | 10,975 | 12,859 | 23,834 |
| 2028 | - | 8,647 | 8,647 |
| Total | \$ 17,872 | \$ 32,540 | \$ 50,412 |

¹ The Electric Utility's contract with IPA expires in 2027. The Electric Utility will not be responsible for the proportionate share of the IPA Revenue bonds after the contract expires.

² During fiscal year 2024-25, STS issued 2 Renewal Project bonds. The Electric Utility's contract with STS through SCPPA expires on June 15, 2027. The Electric Utility will be responsible for the proportionate share of the STS bonds up to the July 1, 2027, debt payment date.

In addition to debt service, the Electric Utility's entitlements require the payment of fuel costs, operating and maintenance, administrative and general and other miscellaneous costs associated with the generation and transmission facilities discussed above. These costs do not have a similar structured payment schedule as debt service varies each year. The costs incurred for the years ended June 30, 2025 and 2024, are as follows (in thousands):

| Fiscal Year | Intermountain Power Project* | Palo Verde Nuclear Generating Station* | Southern Transmission System | Mead-Phoenix Transmission | Mead-Adelanto Transmission | All Projects |
|-------------|---------------------------------|---|------------------------------------|------------------------------|-------------------------------|--------------|
| 2025 | \$ 31,660 | \$ 3,414 | \$ 5,124 | \$ 58 | \$ 640 | \$ 40,896 |
| 2024 | 20,106 | 3,135 | 3,771 | 76 | 640 | 27,728 |

* Excludes variable costs

These costs are included in production and purchased power or transmission

expense on the Statements of Revenues, Expenses and Changes in Net Position.

The Electric Utility has become a Participating Transmission Owner with the California Independent System Operator (CAISO) and has turned over the operational control of its transmission entitlements including the Southern Transmission System, Mead-Phoenix, and Mead-Adelanto Transmission Projects. In return, users of California's high voltage transmission grid are charged for, and the Electric Utility receives reimbursement for, transmission revenue requirements, including the costs associated with these three transmission projects.

Hoover Upgrading Project

The Electric Utility's initial entitlement in the Hoover project through SCPPA terminated on September 30, 2017. On August 23, 2016, the City Council approved a 50-year Electric Service Contract (ESC) and an Amended and Restated Implementation Agreement (IA) with the Western Area Power Administration (Western) Bureau of Reclamation for 30 MW of hydroelectric power. The contract with Western is effective as of October 1, 2017. The ESC extended the Electric Utility's 30 MW entitlement in the Hoover project through 2067. The IA is a supplemental agreement to the ESC that establishes administrative, budgetary and project oversight by creating project committees and a process for decision making in plant operations.

Nuclear Insurance

The Price-Anderson Act (the Act) requires that all utilities with nuclear generating facilities purchase the maximum private primary nuclear liability insurance available (\$500 million) and participate in the industry's secondary financial protection plan. The secondary financial protection program is the industry's retrospective assessment plan that uses deferred premium charges from every licensed reactor owner if claims and/or costs resulting from a nuclear incident at any licensed reactor in the United States were to exceed the primary nuclear insurance at that plant's site. Effective January 1, 2024, the Act limits liability from third-party claims to approximately \$16.3 billion per incident. Under the industry-wide retrospective assessment program provided for under the Act, assessments are limited to \$165.9 million per reactor for each nuclear incident occurring at any nuclear reactor in the United States, with payments under the program limited to \$24.7 million per reactor, per year, per event to be indexed for inflation every five years. Based on the Electric Utility's interest in

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Palo Verde, the Electric Utility would be responsible for a maximum assessment of \$1.6 million, limited to payments of \$0.2 million per incident, per year. If the public liability limit above is insufficient, federal regulations may impose further revenue-raising measures to pay claims, including a possible additional assessment on all licensed reactor operators.

Renewable Portfolio Standards (RPS)

On April 12, 2011, the California Renewable Energy Resources Act (SBX1-2) was signed into law by the Governor, which officially created the first set of tiered RPS targets of 20% by 2013, 25% by 2016 and 33% by 2020. SBX1-2 specified that publicly owned utilities must meet these defined targets via interim Compliance Period (CP) targets to achieve the end goal of 33% RPS by December 31, 2020 as follows: CP1 - an average of 20 percent of retail sales during the 3-year period from 2011-2013; CP2 – no less than 25 percent of retail sales by December 31, 2016; and CP3 – no less than 33 percent of retail sales by December 31, 2020. The Riverside Public Utilities Board and City Council approved the RPS Enforcement Program required by SBX1-2 on November 18, 2011 and December 13, 2011, respectively, and further approved the Electric Utility’s RPS Procurement Plan (a.k.a. Procurement Policy) implementing the new RPS mandates on May 3, 2013 and May 14, 2013, respectively. The Electric Utility met the procurement requirements of SBX1-2 for CP1 (2011-2013), CP2 (2014-2016), and CP3 (2017-2020). The additional future mandates are expected to be met with resource procurement actions as outlined in the Electric Utility’s RPS Procurement Plan. For calendar year 2024, renewable resources provided 39 percent of retail sales requirements.

On October 7, 2015, the Governor signed into law SB 350 increasing the RPS mandate from 33 percent by 2020 to 50 percent by December 31, 2030. In addition, SB 350 required that an updated RPS Procurement Policy be approved and adopted before January 1, 2019 and be incorporated into the Electric Utility’s Integrated Resource Plan. An updated 2018 Renewable Energy Procurement Policy was adopted by the Board and City Council on September 10, 2018 and October 9, 2018, respectively. The Electric Utility expects to be able to substantially meet the increased RPS mandates imposed by SB 350 with the actions described in the updated procurement policy and the portfolio of renewable resources outlined below.

On September 10, 2018, the 100 Percent Clean Energy Act of 2018 (SB 100) was signed into law by the California Governor. This bill further increases the

RPS goals of SBX1-2 and SB 350 while maintaining the 33 percent RPS target by December 31, 2020, but modifying the RPS percentages to be 44 percent by December 31, 2024, 52 percent by December 31, 2027, 60 percent by December 31, 2030, with an end goal of 100 percent of total retail sales of electricity in California generated from eligible renewable energy resources and zero-carbon resources by December 31, 2045. It is expected that the California Energy Commission will have further guidance and enforcement procedures for publicly owned utilities to meet these increased mandates. The Electric Utility will continue to monitor the outcome and impacts of any upcoming workshops and regulations in meeting the new requirements.

In an effort to increase the share of renewables in the Electric Utility’s power portfolio, the Electric Utility entered into power purchase agreements (PPA) and power sales agreements (PSA) with various entities described below in general on a “take-and-pay” basis. The contracts in the following tables were executed as part of compliance with RPS mandates.

Long-term renewable PPAs and PSAs in operation (dollars in thousands):

| Supplier | Type | Maximum Contract¹ | Contract Expiration | Estimated Annual Cost for 2025 |
|---------------------------------------|--------------|-------------------------------------|----------------------------|---------------------------------------|
| WKN Wagner | Wind | 6.0 MW | 12/22/2032 | \$ 1,485 |
| Terraform Power - AP North Lake | Photovoltaic | 20.0 MW | 08/11/2040 | 5,130 |
| Onward Energy - Columbia II | Photovoltaic | 11.1 MW | 12/22/2034 | 2,314 |
| Salka Cabazon Wind, LLC | Wind | 39.0 MW | 12/31/2027 | 4,299 |
| Arevon - Kingbird Solar B, LLC | Photovoltaic | 14.0 MW | 12/31/2036 | 2,867 |
| AES - Summer Solar | Photovoltaic | 10.0 MW | 12/31/2041 | 1,748 |
| AES - Antelope Big Sky Ranch | Photovoltaic | 10.0 MW | 12/31/2041 | 1,748 |
| AES - Antelope DSR 1 Solar | Photovoltaic | 25.0 MW | 12/19/2036 | 3,826 |
| Arevon - Tequesquite Landfill Solar | Photovoltaic | 7.3 MW | 12/31/2040 | 1,488 |
| Roseburg Forest Products ² | Biomass | N/A | 02/16/2026 | 119 |
| CalEnergy - Salton Sea Portfolio | Geothermal | 86.0 MW | 12/31/2039 | 58,157 |
| Atlantica - Coso Geothermal | Geothermal | 10.0 MW | 12/31/2041 | 6,050 |
| Total³ | | 238.4 MW | | \$ 89,231 |

¹ All contracts are contingent on energy delivered from specific related generating facilities. The Electric Utility has no commitment to pay any amounts except for energy delivered on a monthly basis from these facilities except for any economic curtailments directed by the Electric Utility.

² This supply is only available to satisfy SB 859 requirements.

Long-term renewable PPAs with expected delivery:

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| <u>Supplier</u> | <u>Type</u> | <u>Maximum Contract¹</u> | <u>Expected Delivery</u> | <u>Energy Delivery No Later Than</u> | <u>Contract Term In Years</u> |
|-----------------------------|-------------|-------------------------------------|--------------------------|--------------------------------------|-------------------------------|
| SunZia Wind Power Co. | Wind | 125.0 MW ² | 03/31/2026 | 03/31/2027 | 15 |
| Atlantica - Coso Geothermal | Geothermal | <u>20.0- MW</u> ⁰ | 01/01/2027 | 01/01/2027 | 15 |
| Total | | <u>145.0- MW</u> | | | |

¹ All contracts are contingent on energy delivered from specific related generating facilities. The Electric Utility has no commitment to pay any amounts except for energy delivered on a monthly basis from these facilities except for any economic curtailments directed by the Electric Utility.

Cap-and-Trade Program

Assembly Bill (AB) 32, enacted in 2006, mandated that the California Air Resources Board (CARB) develop regulations for the reduction of greenhouse gas (GHG) emissions to the 1990 levels by the year 2020. Subsequently, Senate Bill (SB 32), enacted in 2016, extended the requirements of AB 32 and codified that it was the State's goal to reduce GHG emissions to 40% below 1990 levels by the year 2020. AB 398 was then enacted in 2017 clarifying that it was the State legislature's intent to continue the Cap-and-Trade Program and regulations until 2030. In January 2013, emission compliance obligations developed by CARB began under the Cap-and-Trade Program (Program). This Program requires electric utilities to have GHG allowances on an annual basis to offset GHG emissions associated with generating electricity. To ease the transition and mitigate the rate impacts to retail customers, CARB will allocate certain amounts of GHG allowances at no cost to electrical distribution utilities. The Electric Utility's free allocation of GHG allowances is expected to be sufficient to meet the Electric Utility's direct GHG compliance obligations.

At times, the Electric Utility may have allocated allowances in excess of its compliance obligations that can be sold into the CARB quarterly auctions. In fiscal year ended June 30, 2025, the Electric Utility received \$15,624, in proceeds related to the sale of the GHG allowances which are included on the Statements of Revenues, Expenses, and Changes in Net Position as other operating revenue. The Electric Utility has established a restricted Regulatory Requirement reserve to comply with regulatory restrictions and governing requirements related to the use of the GHG proceeds. The available funds are

to be utilized for qualifying projects, consistent with the goals of AB 32 to benefit the retail ratepayers. The balance in the Regulatory Requirement reserve was \$35,859 as of June 30, 2025.

The Electric Utility also purchases GHG allowances which can be used in future periods for GHG compliance regulations. The balance of purchased GHG allowances was \$1,313 as of June 30, 2025 and is recorded as inventory in the Statement of Net Position.

Low Carbon Fuel Standard Program

Assembly Bill (AB) 32, enacted in 2006, mandated that the California Air Resources Board (CARB) develop regulations for the reduction of greenhouse gas (GHG) emissions to the 1990 levels by the year 2020. Subsequently, Senate Bill (SB 32), enacted in 2016, extended the requirements of AB 32 and codified that it was the State's goal to reduce GHG emissions to 40% below 1990 levels by the year 2020. Similar to the Cap-and-Trade Program, the Low Carbon Fuel Standard (LCFS) Program is a key component of the market mechanisms authorized by these bills to achieve the State's GHG emissions reduction goals. The LCFS regulation was initially approved by CARB in 2009. The program then underwent some litigation in the State of California and the regulation was re-adopted in 2015 with modifications and went into effect in 2016. LCFS seeks to reduce the carbon intensity (CI) of fuels used for transportation by establishing an annual CI target. Fuels that have a CI greater than the target have a compliance obligation and are required to turn in LCFS credits; fuels with a CI lower than the target may generate credits.

Electricity is considered a fuel subject to the program when it is used as a transportation fuel in electric vehicles. However, because the CI of electricity is substantially lower than the annual CI targets under the program, electricity is a fuel that generates LCFS credits and participation in the Program is voluntary. The City opted into the LCFS program in March 2018 and began generating LCFS credits for the first quarter of 2018. These credits are associated with two sources – unmetered electricity used to charge residents' electric vehicles at their homes (residential base credits) and from electric forklifts charging at private businesses (forklift credits). CARB calculates the credits that the Electric Utility receives, and the Electric Utility submits reports quarterly to receive the credits.

The LCFS regulation was amended in 2018 and required that electric utilities that have opted into the LCFS Program participate in and manage a statewide point-of-sale rebate program for new electric vehicles. This program is called

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the California Clean Fuel Reward Program (CFR) and the City joined the program in May 2020. To fund the program, electric utilities are required to contribute proceeds received from the sales of residential base credits beginning with the credits the Electric Utility received in Q4 2019 (generated from electricity used for transportation in Q2 2019). Residential base credits the Electric Utility received prior to that time are not subject to the contribution requirements. Additionally, a “start-up” contribution from proceeds is required to be submitted by January 31, 2021. After the initial deposit of funds in November 2020, deposits to the CFR program are required by March 31 annually.

In November 2024, CARB adopted amendments to the LCFS regulation that went into effect on July 1, 2025. Under the new amendments, the CFR program will provide point-of-purchase rebates for new and/or used commercial medium- or heavy-duty electric vehicles rather than new light-duty electric vehicles. Additionally, the Electric Utility has been reclassified as a small publicly-owned utility and will no longer have an obligation to contribute funds to the CFR program, although its customers are still eligible to participate in the program. The approved amendments also included changes to the list of preapproved projects for holdback credits and no longer provides credits for electric forklift charging to electric utilities.

In fiscal year ended June 30, 2025, the Electric Utility’s proceeds from the sale of LCFS credits were \$1,514. These proceeds are included on the Statements of Revenues, Expenses and Changes in Net Position as other operating revenue. The Electric Utility has established a restricted Regulatory Requirement reserve to comply with regulatory restrictions and governing requirements related to the use of the LCFS proceeds. The available funds are to be utilized for qualifying programs that support the Electric Utility’s customers who are existing and future electric vehicle owners. Total expenses for qualifying programs as of June 30, 2025 was \$178. The balance in the Regulatory Requirement reserve as of June 30, 2025 was \$5,902.

Note 14. Other Post-Employment Benefits (OPEB)

Plan description - The City’s defined benefit OPEB plan, Retiree Health Plan, provides continuation of medical (including prescription drugs) and dental coverage benefits to retirees and surviving spouses in the form of an implied rate subsidy. The Retiree Health Benefits plan is a single employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided - Eligibility for continuation of coverage requires retirement

from the City and CalPERS with at least 5 years of City service. The retiree is responsible for 100% of the premium cost for coverage, which is based on the blended experience of both the active and retired employees. The City is not required by law or contractual agreement to provide funding other than the pay-as-you-go amount necessary to provide current benefit to eligible retirees and beneficiaries. Retiree and spousal coverage terminate when the retirees become covered under another employer health plan, or when the retiree reaches Medicare eligibility age, which is currently age 65. However, retiree benefit continues to the surviving spouse if the retiree elects the CalPERS survivor annuity.

Employees covered by benefit terms – At the June 30, 2024 measurement date, the following employees were covered by the benefit terms:

| | |
|--|----------------------------|
| Inactive plan members entitled to but not yet receiving benefits | \$ 182 |
| Active plan members | <u>2,113</u> |
| Total | <u><u>2,295</u></u> |

Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions:

| | |
|-------------------|--|
| Valuation Date: | June 30, 2023 |
| Measurement Date: | June 30, 2024 |
| Funding Policy: | Pay-as-you-go for implicit rate subsidy |
| Discount Rate: | 3.93% per year net of expenses. This is based on the Bond Buyer 20 Bond Index |
| Inflation Rate: | 2.5% per annum |
| Salary Inflation: | 2.75% per annum |
| Salary Increases: | Since benefits do not depend on salary (as they do for pensions), this assumption is only used to determine the accrual pattern of the Actuarial Present Value of Projected Benefit Payments |
| Mortality: | Based on the CalPERS 2021 Experience Study |

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Changes in Assumption

From measurement periods ended June 30, 2023 to 2024, the discount rate changed from 3.65% to 3.93%; respectively.

Sensitivity analysis of total OPEB liability for healthcare cost trend rates.

The following presents the total net OPEB liability, calculating using the healthcare cost trend rate of 4.0%, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (3.0%) or 1-percentage-point higher (5.0%) than the current rate:

| | <u>Current Healthcare</u> | | |
|-----------------------------|---------------------------|-----------------|-------------|
| | 1% Decrease | Cost Trend Rate | 1% Increase |
| | <u>3%</u> | <u>4%</u> | <u>5%</u> |
| Total OPEB liability | \$ 44,360 | \$ 50,729 | \$ 58,208 |

Sensitivity analysis of total OPEB liability for discount rates

The following presents the total OPEB liability, calculating using the discount rate of 3.93%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate:

| | 1% Decrease | Current | 1% Increase |
|-----------------------------|----------------|----------------------------------|----------------|
| | <u>(2.93%)</u> | <u>Discount Rate (3.93%)</u> | <u>(4.93%)</u> |
| Total OPEB liability | \$ 55,436 | \$ 50,729 | \$ 46,601 |

Change in total OPEB liability

For fiscal year 2025, the City recognized total OPEB expense of \$4,767. The liability for the governmental activities is primarily liquidated from the General Fund. The following table shows the change in the total OPEB liability for the year ended June 30, 2025:

| | <u>2025</u> |
|-------------------------------------|------------------|
| Beginning total OPEB liability | \$ 48,730 |
| Service cost | 3,131 |
| Interest | 1,808 |
| Changes of assumptions | (1,340) |
| Benefit of implied subsidy payments | (1,600) |
| Net changes | <u>1,999</u> |
| Ending total OPEB liability | <u>\$ 50,729</u> |

Deferred outflows/inflows of resources

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Contributions subsequent to the measurement date | \$ 1,853 | \$ - |
| Differences between expected and actual experience | 1,076 | (2,508) |
| Changes of assumptions | 4,172 | (7,913) |
| Total | <u>\$ 7,101</u> | <u>\$ (10,421)</u> |

An amount of \$1,853 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending June 30,</u> | <u>Deferred Outflows/(Inflows) of Resources</u> |
|-----------------------------|---|
| 2026 | \$ 38 |
| 2027 | 77 |
| 2028 | 77 |
| 2029 | (1,018) |
| 2030 | (1,009) |
| Thereafter | (3,338) |
| Total | <u>\$ (5,173)</u> |

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Note 15. City Employees Retirement Plan

(A) Plan Description - The City of Riverside contributes to the California Public Employees Retirement System (CalPERS), an agent multiple employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. A copy of CalPERS' annual financial report may be obtained online at www.calpers.ca.gov.

(B) Funding Policy - The City has contributed at the actuarially determined rate provided by CalPERS' actuaries. Participants are required to contribute various percentages for miscellaneous employees and for safety employees of their annual covered salary based on their Tier. The City has a multiple tier retirement plan with benefits varying by plan. The City pays the employees' contributions to CalPERS for both miscellaneous and safety employees hired on or before specific dates as follows:

Safety (Police):

- 1st Tier (RPOA, RPOA Supervisory & RPAA Management) - The retirement formula is 3% at age 50 for employees hired on or before February 16, 2012 (RPOA, RPAA Management) or June 8, 2012 (RPOA Supervisory). The City pays employee standard contributions to the Public Employees' Retirement System (PERS). As of June 30, 2025, employees are required to pay a portion of the employer contribution equal to 5% for RPOA, 6% for RPOA Supervisory, and 7.5% percent for RPAA; of pensionable income pursuant to the cost sharing provisions set forth in California Government Code Section 20516.
- 2nd Tier (RPOA, RPOA Supervisory & RPAA Management) - The retirement formula is 3% at age 50 for RPOA and RPAA Management employees hired on or after February 17, 2012, and RPOA Supervisory employees hired on or after June 8, 2012. Employees pay their share of contributions, which is currently 9%.
- 3rd Tier (RPOA, RPOA Supervisory & RPAA) – The retirement formula

is 2.7% at age 57 for new members hired on or after January 1, 2013, and who are defined by PEPRA as new PERS members. Employees pay their share of contributions, which is currently 13.50%. Classic members (CalPERS members prior to 12/31/12) who are hired on or after January 1, 2013, may be placed in a different tier.

Safety (Fire):

- 1st Tier - The retirement formula is 3% at age 50 for employees hired on or before June 10, 2011. The City pays employee standard contributions to the Public Employees' Retirement System (PERS). As of June 30, 2025, employees are required to pay a portion of the employer contribution equal to 11% of pensionable income pursuant to the cost sharing provisions set forth in California Government Code Section 20516.
- 2nd Tier - The retirement formula is 3% at age 55 for employees hired on or after June 11, 2011. Employees pay their share of contributions, which is currently 11%.
- 3rd Tier – The retirement formula is 2.7% at age 57 for new members hired on or after January 1, 2013, and who are defined by PEPRA as new PERS members. Employees pay 50% of the normal cost to CalPERS, which is currently 13.50% of compensation. Classic members (CalPERS members prior to 12/31/12) who are hired on or after January 1, 2013, may be placed in a different tier.

Miscellaneous:

- 1st Tier –
 - Unrepresented - The retirement formula is 2.7% at age 55 for employees hired on or before October 18, 2011. Unrepresented employees (Sr. Management, Management, Professional, Para-professional, Supervisory, Confidential, and Executive units, excluding the Chief of Police and the Fire Chief) are required to contribute 8% of their pensionable income.
 - SEIU - The retirement formula is 2.7% at age 55 for SEIU and SEIU Refuse employees hired before June 7, 2011. Employees are

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required to contribute 8% of their pensionable income.

- IBEW - The retirement formula is 2.7% at age 55 for IBEW and IBEW Supervisory employees hired on or before October 18, 2011. Employees are required to contribute 8% of their pensionable income.
- 2nd Tier - The retirement formula is 2.7% at age 55, and:
 - Miscellaneous employees, IBEW, and IBEW Supervisory hired on or after October 19, 2011, pay their share (8%) of contributions.
 - SEIU and SEIU Refuse employees hired on or after June 7, 2011, pay their share (8%) of contributions.
- 3rd Tier – The retirement formula is 2% at age 62 for new members hired on or after January 1, 2013, and the employee must pay the normal cost to CalPERS which is currently at 8.25%. Classic members (CalPERS members prior to 12/31/12) who are hired on or after January 1, 2013, may be placed in a different tier.

The contribution requirements of plan members and the City are established and may be amended by CalPERS.

(C) Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, the 1959 Survivor Benefit Level III, or the Optional Settlement 2 Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

(D) Employees Covered - At the June 30, 2024, measurement date, the following employees were covered by the benefit terms of each Plan: Inactive employees or beneficiaries currently receiving benefits are 2,420 and 885 for the Miscellaneous and Safety Plans, respectively. Inactive employees entitled to but not yet receiving benefits are 1,536 and 197 for Miscellaneous and Safety Plans, respectively. Active employees were 1,652 and 562 for Miscellaneous and Safety Plans, respectively.

(E) Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

(F) Net Pension Liability - The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The liability for the governmental activities is primarily liquidated from the General Fund.

Actuarial Assumptions – The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

| | <u>Miscellaneous</u> | <u>Safety</u> |
|-----------------------------------|--|---------------|
| Valuation Date | June 30, 2023 | June 30, 2023 |
| Measurement Date | June 30, 2024 | June 30, 2024 |
| Actuarial Cost Method | Entry-Age Normal Cost Method | |
| Actuarial Assumptions | | |
| Discount Rate | 6.90% | 6.90% |
| Inflation | 2.30% | 2.30% |
| Salary Increase | Varies by Entry Age and Service | |
| Mortality Rate Table ¹ | Derived using CALPERS' membership data for all funds | |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter | |

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¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

| Asset Class¹ | Assumed Asset Allocation | Real Return^{1,2} |
|----------------------------------|---------------------------------|----------------------------------|
| Global Equity - Cap-weighted | 30.00% | 4.54% |
| Global Equity - Non-Cap-weighted | 12.00% | 3.84% |
| Private Equity | 13.00% | 7.28% |
| Treasury | 5.00% | 0.27% |
| Mortgage-backed Securities | 5.00% | 0.50% |
| Investment Grade Corporates | 10.00% | 1.56% |
| High Yield | 5.00% | 2.27% |
| Emerging Market Debt | 5.00% | 2.48% |
| Private Debt | 5.00% | 3.57% |
| Real Assets | 15.00% | 3.21% |
| Leverage | (5.00)% | (0.59)% |

¹ An expected inflation of 2.30% used for this period

² Figures are based on the 2021 Asset Liability Management Study

Discount Rate - The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current

member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes of Benefit Terms – There were no changes in benefit terms in 2024.

Changes in Assumptions – There were no changes in assumptions in 2024.

(G) Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

| Miscellaneous | Increase (Decrease) | | |
|---|--------------------------------|------------------------------------|--------------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2023 | \$ 1,672,933 | \$ 1,517,932 | \$ 155,001 |
| Changes recognized for the measurement period: | | | |
| Service cost | 30,810 | - | 30,810 |
| Interest on total pension liability | 117,365 | - | 117,365 |
| Differences between expected and actual experience | 58,854 | - | 58,854 |
| Contributions - employer | - | 21,228 | (21,228) |
| Contributions - employees | - | 12,738 | (12,738) |
| Net investment income | - | 142,128 | (142,128) |
| Benefit payments, including refunds of employee contributions | (92,502) | (92,502) | - |
| Administrative expenses | - | (1,235) | 1,235 |
| Net changes | 114,527 | 82,357 | 32,170 |
| Balance at June 30, 2024 | \$ 1,787,460 | \$ 1,600,289 | \$ 187,171 |

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| Safety | <u>Increase (Decrease)</u> | | |
|---|--------------------------------|------------------------------------|--------------------------------------|
| | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net Pension Liability/(Asset)</u> |
| Balance at June 30, 2023 | \$ 1,390,943 | \$ 1,214,682 | \$ 176,261 |
| Changes recognized for the measurement period: | | | |
| Service cost | 25,288 | - | 25,288 |
| Interest on total pension liability | 94,848 | - | 94,848 |
| Differences between expected and actual experience | 7,396 | - | 7,396 |
| Contributions - employer | - | 26,565 | (26,565) |
| Contributions - employees | - | 12,619 | (12,619) |
| Net investment income | - | 114,722 | (114,722) |
| Benefit payments, including refunds of employee contributions | (72,754) | (72,754) | - |
| Administrative expenses | - | (988) | 988 |
| Net changes | 54,778 | 80,164 | (25,386) |
| Balance at June 30, 2024 | \$ 1,445,721 | \$ 1,294,846 | \$ 150,875 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Miscellaneous

| | <u>Current</u> | | |
|--------------------------------------|----------------------------------|------------------------------|----------------------------------|
| | <u>Discount Rate -1% (5.90%)</u> | <u>Discount Rate (6.90%)</u> | <u>Discount Rate +1% (7.90%)</u> |
| Plan's net pension liability/(asset) | \$ 426,474 | \$ 187,171 | \$ (9,730) |

| Safety | <u>Current</u> | | |
|--------------------------------------|----------------------------------|------------------------------|----------------------------------|
| | <u>Discount Rate -1% (5.90%)</u> | <u>Discount Rate (6.90%)</u> | <u>Discount Rate +1% (7.90%)</u> |
| Plan's net pension liability/(asset) | \$ 345,824 | \$ 150,875 | \$ (8,914) |

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

As of June 30, 2025, the City reported net pension liability, deferred outflows of resources, and deferred inflows of resources for both Miscellaneous and Safety Plans as follows:

| | <u>Net Pension Liability</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Pension Expense</u> |
|--------------------------------------|------------------------------|---------------------------------------|--------------------------------------|------------------------|
| Governmental activities: | | | | |
| Miscellaneous Plan | \$ 96,723 | \$ 52,165 | \$ (572) | \$ 30,531 |
| Safety Plan | 150,875 | 69,426 | (1,060) | 43,915 |
| Total Governmental activities | 247,598 | 121,591 | (1,632) | 74,446 |
| Business-type activities: | | | | |
| Miscellaneous Plan | 90,448 | 48,782 | (535) | 31,347 |
| Total | \$ 338,046 | \$ 170,373 | \$ (2,167) | \$ 105,793 |

(H) Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions.

For the year ended June 30, 2025, the City recognized pension expense/(credit) of \$61,878 to Miscellaneous and \$43,915 to Safety for a total of \$105,793. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Miscellaneous | | |
| Pension contributions subsequent to measurement date, net | \$ 27,482 | \$ - |
| Changes of assumptions | 1,230 | - |
| Differences between expected and actual experience | 45,779 | (1,107) |
| Net differences between projected and actual earnings on plan investments | 26,456 | - |
| Total | \$ 100,947 | \$ (1,107) |

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Safety | | |
| Pension contributions subsequent to measurement date, net | \$ 28,375 | \$ - |
| Changes of assumptions | 13,300 | - |
| Differences between expected and actual experience | 7,181 | (1,060) |
| Net differences between projected and actual earnings on plan investments | 20,570 | - |
| Total | \$ 69,426 | \$ (1,060) |

The \$55,857 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

Amortization of Deferred Outflows and Deferred Inflows of Resources - Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments 5 year straight-line amortization

5 year straight-line amortization

Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

All other amounts

The remaining amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized as pension expense as follows:

| Fiscal Year | Miscellaneous | Safety |
|--------------------|----------------------|---------------|
| 2026 | \$ 21,105 | \$ 11,376 |
| 2027 | 59,603 | 37,595 |
| 2028 | (444) | (2,909) |
| 2029 | (7,906) | (6,071) |
| Total | 72,358 | 39,991 |

Events Subsequent to Actuarial Valuation Date - There were no subsequent events that would materially affect the results presented in this disclosure.

Note 16. Other Long-Term Obligations

Changes in Long-Term Obligations

Below is a summary of changes in long-term obligations during the fiscal year for the former Redevelopment Agency, which is accounted for in the Successor Agency Trust Fund (a fiduciary fund):

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|-------------------------------------|------------------------------|------------------|--------------------|---------------------------|--------------------------------|
| Lease revenue bonds | \$ 4,296 | \$ 1,544 | \$ (4,296) | \$ 1,544 | \$ 121 |
| Tax allocation bonds | 147,714 | - | (12,208) | 135,506 | 10,795 |
| Direct borrowings: Notes payable | 3,918 | - | - | 3,918 | 28 |
| | \$ 155,928 | \$ 1,544 | \$ (16,504) | \$ 140,968 | \$ 10,944 |

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| <u>Lease Revenue Bonds - Successor Agency:</u> | <u>Principal Outstanding</u> |
|--|----------------------------------|
| \$19,500 2024A Lease Revenue Bonds (); 5.0%, due in annual installments from \$1,725 to \$2,610 through November 1, 2033. The net proceeds of the sale of the Series 2024A Bonds were used to refund the 2012A Lease Revenue Refunding Bonds. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. In the event of default, the Trustee may retain the Lease Agreement and hold the City liable for all Base Rental Payments on an annual basis. The rental payments may not be accelerated. Similar to the 2012A Bonds, the 2024A Bonds were distributed between Governmental Activities, Business-Type Activities, and Successor Agency to properly reflect their proportional share. The Successor Agency portion is \$1,371. | \$ 1,371 |
| Add: Unamortized bond premium | 173 |
| Total lease revenue bonds | <u>\$ 1,544</u> |

Remaining debt service will be paid by the Successor Agency Trust from future property tax revenues. Annual debt service requirements to maturity are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------------|----------------------|------------------------|
| 2026 | \$ 121 | \$ 66 | \$ 187 |
| 2027 | 131 | 59 | 190 |
| 2028 | 138 | 52 | 190 |
| 2029 | 145 | 45 | 190 |
| 2030 | 152 | 38 | 190 |
| 2031-2035 | 684 | 70 | 754 |
| Premium | 173 | - | 173 |
| Total | <u>\$ 1,544</u> | <u>\$ 330</u> | <u>\$ 1,874</u> |

| <u>Tax Allocation Bonds - Successor Agency:</u> | <u>Principal Outstanding</u> |
|--|----------------------------------|
| \$62,980 Subordinate Tax Allocation Refunding Bonds (2014 Series A and B). The bonds were issued to refund certain obligations of the former Redevelopment Agency of the City of Riverside. Interest is due semi-annually on March 1 and September 1, commencing March 1, 2015. Principal is due in annual installments from \$160 to \$4,745 through September 1, 2034. The rate of interest varies from 0.6% to 5% per annum. | \$ 18,890 |
| \$114,815 2018 Tax Allocation Refunding Bonds (Series A and B). The bonds were issued to refund the 2007 Riverside Public Financing Authority Redevelopment Agency Tax Allocation Bonds (Series A, B, C and D). Principal is payable in annual installments from \$140 to \$9,180 through September 1, 2037. The rate of interest varies from 3.125% to 5% per annum. The refunding transaction resulted in a total net present value savings of \$20,000. | 103,225 |
| Subtotal | <u>122,115</u> |
| Add: Unamortized bond premium | 13,391 |
| Total tax allocation bonds | <u>\$ 135,506</u> |

The Successor Agency Tax Allocation Bonds are secured by tax revenues deposited in the Redevelopment Property Tax Trust Fund for the Agency established and held by the County of Riverside Auditor-Controller pursuant to Section 34813(a)(2) of the Dissolution Act. Upon event of default, the principal due on the Bonds is subject to acceleration.

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Remaining debt service will be paid by the Successor Agency Trust Fund from future property tax revenues. Annual debt service requirements to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|-------------------|------------------|-------------------|
| 2026 | \$ 10,795 | \$ 5,392 | \$ 16,187 |
| 2027 | 11,135 | 4,844 | 15,979 |
| 2028 | 10,230 | 4,317 | 14,547 |
| 2029 | 10,785 | 3,799 | 14,584 |
| 2030 | 10,430 | 3,269 | 13,699 |
| 2031-2035 | 44,385 | 9,725 | 54,110 |
| 2036-2040 | 24,355 | 1,372 | 25,727 |
| Premium | 13,391 | - | 13,391 |
| Total | \$ 135,506 | \$ 32,718 | \$ 168,224 |

Remaining debt service will be paid by the Successor Agency Trust Fund from future property tax revenues. Annual debt service requirements to maturity are as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------------|------------------|-----------------|-----------------|
| 2026 | \$ 28 | \$ 314 | \$ 342 |
| 2027 | 31 | 311 | 342 |
| 2028 | 34 | 307 | 341 |
| 2029 | 38 | 304 | 342 |
| 2030 | 42 | 300 | 342 |
| 2031-2035 | 286 | 1,423 | 1,709 |
| 2036-2040 | 471 | 1,238 | 1,709 |
| 2041-2045 | 777 | 933 | 1,710 |
| 2046-2050 | 2,211 | 430 | 2,641 |
| Total | \$ 3,918 | \$ 5,560 | \$ 9,478 |

Notes Payable – Successor Agency:

Principal Outstanding

These notes payable have been issued to promote development and expansion within the City's redevelopment areas.

Pepsi Cola Bottling Company of Los Angeles, 10.5%, payable in net annual installments of \$341, subject to recording of completion. Interest accrues on the outstanding note balance upon issuance of the Certificate of Completion. Principal and interest on the note are payable solely from Project Property Tax Increment. Payments start upon the time sufficient increment is generated in one year to pay the annual principal and interest on the note. Upon 25 years from the first anniversary date of the certificate of completion, all unpaid principal together with any accrued interest will be forgiven.

\$ 2,987

Smith's Food & Drug Centers Inc., 6% payable in variable installments, subject to payment of annual Community Facilities District assessment. The note is secured under a developer agreement.

931

Total notes payable

\$ 3,918

Assessment Districts and Community Facilities Districts Bonds (Not obligations of the City):

As of June 30, 2025, the City has several series of Assessment District and Community Facility District Bonds outstanding in the amount of \$41,915. Bonds were issued for improvements in certain districts and are long-term obligations of the property owners. The City's only limited commitment on these obligations is that the City Treasurer act as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, if applicable. Since the debt does not constitute an obligation of the City, it is not reflected as a long-term obligation of the City and is not reflected in the government-wide financial statements.

Note 17. Interfund Assets, Liabilities and Transfers

Due From/To Other Funds: These balances resulted from expenditures being incurred prior to receipt of the related revenue source.

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The following table shows amounts receivable/payable between funds within the City at June 30, 2025:

| <u>Receivable Funds</u> | <u>Payable Funds</u> | <u>Amount</u> |
|------------------------------|------------------------------|------------------------|
| General Fund | Non-Major Governmental Funds | \$ 2,453 |
| | Internal Service Funds | 355 |
| | | <u>2,808</u> |
| Non-Major Governmental Funds | General Fund | 2,415 |
| | Non-Major Governmental Funds | 232 |
| | | <u>2,647</u> |
| Capital Outlay | General Fund | <u>2,407</u> |
| | Total | <u>\$ 7,862</u> |

Advances To/From Other Funds: These balances consist of advances used to fund capital projects in advance of related financing/assessments and for other long-term borrowing purposes.

The following table shows amounts advanced from funds within the City to other funds within the City at June 30, 2025:

| <u>Receivable Funds</u> | <u>Payable Funds</u> | <u>Amount</u> |
|-------------------------|----------------------------|------------------------|
| Sewer | General Debt Service Fund | \$ 503 |
| General Fund | Non-Major Enterprise Funds | 6,703 |
| | Total | <u>\$ 7,206</u> |

In addition, the following advances to the former Redevelopment Agency are accounted for in the Private-Purpose Trust Fund of the Successor Agency:

| <u>Receivable Funds</u> | <u>Amount</u> |
|-------------------------|------------------------|
| Electric | <u>\$ 1,098</u> |

Transfers In/Out: Transfers are primarily used to (1) move revenues to the fund that statute or budget requires to expend them, and (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due.

The following table shows amounts transferred to/from funds within the City for the year ended June 30, 2025:

| <u>Transfers in Funds</u> | <u>Transfers Out Funds</u> | <u>Amount</u> |
|------------------------------|------------------------------|--------------------------|
| General Fund | Capital Outlay Fund | \$ 11,074 |
| | Non-Major Governmental Funds | 32,007 |
| | Electric Fund | 45,215 |
| | Water Fund | 8,230 |
| | | <u>96,526</u> |
| Capital Outlay Fund | General Fund | 43,066 |
| | Non-Major Governmental Funds | 40 |
| | | <u>43,106</u> |
| General Debt Service Fund | General Fund | 31,473 |
| | Capital Outlay Fund | 2,723 |
| | Non-Major Governmental Funds | 3,250 |
| | | <u>37,446</u> |
| Non-Major Governmental Funds | General Fund | 3,078 |
| | Capital Outlay Fund | 325 |
| | Non-Major Governmental Funds | 232 |
| | | <u>3,635</u> |
| Non-Major Enterprise Funds | General Fund | 11,009 |
| | Non-Major Governmental Funds | 1,104 |
| | | <u>12,113</u> |
| | Total | <u>\$ 192,826</u> |

Note 18. Deficit Net Position

Deficit net position exists in the non-major enterprise fund, Transportation \$(1,134). The deficit is primarily due to the net pension and OPEB liabilities.

Deficit net position exists in the Self-Insurance Internal Service Fund \$(83,297). This City adopted a Self-Insurance Reserve Policy that addresses the on-going

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

deficit in fund balance. In the past, the City began funding a portion of the deficit in the internal service fund via self-insurance rate increases phased in over several years. However, the increases continue to be offset by unusually large losses incurred during the year combined with an adjustment for the increase in the amount estimated for claims and judgments. Management believes that there are sufficient funds on hand to cover current payment obligations and plans to continue to control costs and increase rates, as needed. An increase to the claims and judgments liability related to the Simpson v. City of Riverside class action lawsuit also contributed to the deficit.

Deficit net position exists in the Successor Agency Private-Purpose Trust Fund \$(101,237). The deficit in the Successor Agency Trust Fund will be reduced over the years as the related debt is paid-off with funds received from the Redevelopment Property Tax Trust Fund (RPTTF), which is administered by the County Auditor-Controller.

Deficit net position exists in the Urban Areas Security Initiative (UASI) Special Revenue Fund \$(1,602). The deficit is primarily due to the timing of grant expenditures and when the grant revenue becomes available.

Deficit net position exists in the Housing and Community Development Special Revenue Fund \$(963). The deficit is primarily due to the timing of grant expenditures and when the grant revenue becomes available.

Note 19. Construction Commitments

As of June 30, 2025, the Electric Utility had commitments (encumbrances) of approximately \$90,662 with respect to ongoing capital projects, of which \$66,345 is expected to be funded by bonds, \$0 to be funded by unrestricted cash reserves, and \$0 to be funded by restricted cash reserves.

Note 20. Forward Purchase/Sale Agreements

In order to meet seasonal energy needs and summer peaking requirements, the Electric Utility contracts on a monthly and/or quarterly basis for the purchase or sale of natural gas, electricity and/or capacity products on a one to four year forward horizon. As of June 30, 2025, the Electric Utility has net natural gas and electricity commitments for fiscal year 2026 and thereafter, of approximately \$82,091, with a market value of \$70,486. It should be noted that the market value can and typically does change on a daily basis.

Note 21. Economic Contingency

A portion of fund balance has been committed within the General Fund and Measure Z fund for future economic contingencies. The amount that has been set aside for the General Fund is \$76,431 which equals to approximately 20% of the 2025-2026 General Fund adopted expenditure budget. For the General Fund Measure Z Fund, \$5,000 has been set aside.

Note 22. Litigation

The City is a defendant in various lawsuits arising in the normal course of business. Present lawsuits and other claims against the City are incidental to the ordinary course of operations and are largely covered by the City's self-insurance program. In the opinion of management and the City Attorney, such claims and litigation will not have a materially adverse effect upon the financial position or results of operation of the City, unless disclosed in the Subsequent Events note disclosure (Note 24).

Note 23. Tax Abatements

In November 2012, the City entered into a tax sharing agreement with a local business to incentivize an expansion of their facility. Assistance is provided in the form of a rebate of sales and property taxes over fifteen years in an amount not to exceed \$4,500. The agreement expires on the earlier of: 1) total cumulative tax rebate of \$4,500; or 2) fifteen years in fiscal 2027-28.

Incremental Sales Tax Revenue can be generated from sales, over the fiscal 2011-12 base period, reported to the State Board of Equalization at the business site and from third party vendor transactions occurring using the business site as the point of sale. Incremental Property Tax Revenue is generated from the increase in County assessed valuation over the 2012-13 base period values, for the parcels designated in the agreement. For parcels acquired after 2012-13 in the project area, the acquisition price will become its base year valuation. The initial 2012-13 base year assessed valuation is \$114,293 and has been adjusted to \$125,043 for the parcels acquired in 2014-15. The base year assessed valuation was adjusted to \$130,349 for parcels acquired in 2023-24. The business is due 100% of the incremental Property tax revenue due to the City from the project area tax rate. It is calculated as 11% of the value determined from taking 1% of the difference of current net assessed valuation over the adjusted base valuation. The cumulative rebate payment as of June 30, 2025 is \$2,359.

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

Note 24. Subsequent Events

Parada II Litigation

On September 12, 2018, a petition for writ of mandate entitled *Parada v. City of Riverside* (“*Parada II*”) was filed against the City seeking to invalidate, rescind and void, under Proposition 26, the Electric System’s rates approved by City Council on May 22, 2018, which took effect on January 1, 2019, by challenging the portion of the electric rates that are attributable to the General Fund. The petition did not seek any monetary relief from the General Fund. The trial court divided the case into two stages for hearings: a liability phase and a damages phase. On April 17, 2020, the Court in the liability phase of Parada II litigation entered a tentative ruling finding the City’s electric rates attributable to the General Fund transfer violate Article XIII C of the California Constitution. The formal hearing on the matter took place on June 5, 2020, but the Court asked for further briefing on the issue of whether or not the plaintiffs failed to exhaust their administrative remedies. On October 9, 2020, the Court confirmed its tentative ruling and entered an order denying the City’s request for interlocutory remand. The court had set a hearing for February 24, 2021, to set a briefing schedule for determining appropriate remedies /damages in the case. The City expected the second phase of the trial relating to plaintiffs’ available remedies to occur in the second quarter of 2021.

The ruling by the Court in Parada II was anticipated to likely have a material adverse impact on the City’s General Fund. The General Fund receives approximately \$40 million annually (up to the maximum amount of 11.5% of Electric Fund revenues) from the Electric Fund. Based on the Court’s order in the liability phase of the trial, approximately \$19-32 million of the General Fund transfer is potentially attributable to rate payer revenue that was not approved by the voters. However, that amount will be determined during the damages phase of the trial. Additionally, the City might have been required to refund rate payers for the portions of the rates that were determined to violate Article XIII C of the California Constitution from the date the writ of mandate was filed. However, the trial court did not issue any ruling as to what the amount of any damages would be.

Based on the Court’s order in the liability phase of the trial, the City estimated that the amount of a refund would be \$19 to \$32 million per year, beginning January 1, 2019, until date of settlement or issuance of a final, non-appealable judgment by the trial court after anticipated appeals are resolved. This amount could vary depending upon whether or not the City decides to repeal and

replace the challenged rates pending appeal.

On May 17, 2021, the City and the Paradas entered into a conditional settlement agreement. This settlement was conditioned on: (1) the Riverside City Council’s placement of a ballot measure on City ballots in November 2021 to approve the City’s General Fund Transfer practices as a general tax (“Ballot Measure”); and (2) voter approval of the Ballot Measure. The Riverside City Council placed the Ballot Measure on the ballot for the November 2, 2021 election. The Parties stayed the Parada lawsuit until certification of the results of the Ballot Measure. If voters approved the Ballot Measure, the City would refund to customers of its electric utility an amount equal to \$24 million less the amount awarded to Plaintiffs’ counsel in fees, paid over a five year period beginning no later than February 1, 2022. If voters did not approve the Ballot Measure, this litigation would then resume.

On or about September 16, 2021, a petition for writ of mandate entitled *Riversiders Against Increased Taxes v. City of Riverside, et al.* (“RAIT lawsuit”) was filed against the City challenging the Ballot Measure on the grounds that the Ballot Measure cannot be adopted at the November 2021 election because that election is a “special” election and under Proposition 218, a ballot measure to impose a general tax can only be submitted to voters at a general election. On November 9, 2021, the court set a trial date for the RAIT lawsuit for January 7, 2022 and ordered a stay of the certification of the Ballot Measure Election results pending the January 7th hearing but did not otherwise delay or cancel the election for the Ballot Measure.

The election was held on November 2, 2021, and the Measure C was approved by voters, with 54.52% voting in favor.

On April 26, 2022 the RAIT lawsuit trial court determined that the November 2021 election was a “special election” rather than a “general election” and therefore did not comply with Proposition 218. The RAIT lawsuit trial court further ruled that it lacked power to enjoin the certification of election results or to otherwise invalidate the election. Both sides appealed that ruling.

On May 12, 2022, the City and the Paradas amended the May 17, 2021 Settlement Agreement, with the following additional terms: (a) City agreed to start making refunds to ratepayers by October 1, 2022; (b) if the City prevailed in the appeal of the trial court’s decision in the RAIT lawsuit, no additional refund would be due to the ratepayers; (c) if the City did not prevail in the appeal of the trial court’s decision in the RAIT lawsuit, an additional refund would be implemented in the amount of \$705,882 per month, from November, 2021 up to

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)

when the City either (i) sets new electric rates; (ii) voters approve a valid ballot measure for the GFT or (iii) the City otherwise stops collecting the electric GFT. The Parada lawsuit was dismissed on May 13, 2022.

The City Council adopted a resolution certifying the results of the Measure C election on July 19, 2022. The plaintiffs from the RAIT lawsuit sought to intervene in the Parada lawsuit and set aside this dismissal. On August 3, 2022, the Parada trial court refused to set aside the dismissal. The City has now begun to implement the settlement agreement.

On July 25, 2024, the appellate court ruled in favor of the City and against RAIT, holding that the City conducted a proper election in compliance with Proposition 218 and 26. Because the appellate court ruled in favor of the City, no additional refunds are owed to ratepayers by the City under the Parada settlement agreement. On September 4, 2024, RAIT sought California Supreme Court review of the appellate decision and on October 30, 2024, the California Supreme Court declined review of the appellate court's ruling in favor of the City.

Simpson v. City of Riverside

On December 19, 2019, a class action lawsuit entitled *Simpson v. City of Riverside* was filed against the City alleging that the City is overcharging customers for water utility service in violation of Article XIID, Section 6 of the California Constitution, on the grounds that the City is transferring 11.5% of water utility revenues to the City's general fund. The transfer, also known as the "General Fund Transfer", was approved by voters on June 4, 2013, as a general tax. The plaintiff is seeking refunds for all customers for monies collected in violation in the three years prior to the filing of the lawsuit and an order that the court set aside the Revenue Transfer Re-Approval. The trial was bifurcated into two phases, liability and damages.

The Court issued its ruling on the liability phase on August 17, 2023, finding that the City's water rates violated Article XIID, Section 6 of the California Constitution because they were set in an amount sufficient to recover the General Fund Transfer. A trial hearing related to the second phase of the trial, damages, was held on September 6, 2024. On December 5, 2024, the trial court issued its ruling on damages. The court calculated damages in the amount of \$37,934,100 from FY 2018/2019 through FY2022/2023. The Court made no determination as to the amount of damages for Fiscal Year End 2024, as that information was not yet available. Subsequently the parties submitted a

stipulation as to the amount of the General Fund Transfer for Fiscal Year End 2024 in the amount of \$2,920,200, for total damages in the amount of \$40,854,300.00. The parties then submitted a Proposed Judgment, with the City filing objections. The Court has scheduled a hearing related to the judgment, including the form of the remedy and attorneys' fees, for December 4, 2025.

Pre-Judgment interest has accrued through June 30, 2025, in the amount of \$5,390,117.89. For each day after June 30, 2025, that judgment is not entered, the daily interest rate will be \$4,798.49 per day.

Damages related to *Simpson I* ceased to accrue as of the City's adoption of Resolution No. 24042 setting new water rates for fiscal years 2023-24 to 2027-28 on September 30, 2023. However, on January 26, 2024, a class action lawsuit entitled *Simpson v. City of Riverside* ("Simpson II") was filed against the City, challenging the City's newly adopted water rates, again alleging that the Water Revenue Transfer results in the City overcharging for water utility service in violation of Article XIID, Section 6 of the State Constitution and asking for the same relief as *Simpson I*. This lawsuit has been stayed pending the resolution of *Simpson I*.

On January 26, 2024, a case entitled *Pongs v. City of Riverside*, was filed against the City. *Pongs* is a reverse validation action challenging the validity of the new rates adopted by Resolution No. 24042 for fiscal years 2023-24 to 2027-28. *Pongs* alleges multiple violations of Article XIII D (also referred herein as Proposition 218) including, inter alia, illegal transfers of water rate revenue from the City's water utility into the General Fund, invalid tiered rate structures, and improper spending of water rate revenue on categories unrelated to the provision of water service. The trial court ruled in favor of the City and on February 24, 2025, the appellate court also ruled in favor of the City. On May 28, 2025, the California Supreme Court denied review.

Note 25. Restatement

Restatements were recorded to Governmental and Business-Type Activities for various operational and maintenance costs that were included in infrastructure and CIP. Additionally, restatements were made to Governmental and Business-Type Activities for various prepaid expenses and deposits that should have been recognized as expenses and revenues in previous years. On the government-wide statements, this resulted in a decrease of \$(43,001) in governmental net position and a decrease of \$(22,119) in business-type net

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

position.

| | June 30, 2024 as Previously Reported | Error Correction | June 30, 2024 as Restated |
|------------------------------|---|-----------------------------|--------------------------------------|
| Government-wide | | | |
| Governmental activities | \$ 1,196,732 | \$ (43,001) | \$ 1,153,731 |
| Business-type activities | 1,205,225 | (22,119) | 1,183,106 |
| Total government-wide | \$ 2,401,957 | \$ (65,120) | \$ 2,336,837 |

Restatements were recorded to Governmental and Proprietary funds as follows:

Governmental funds:

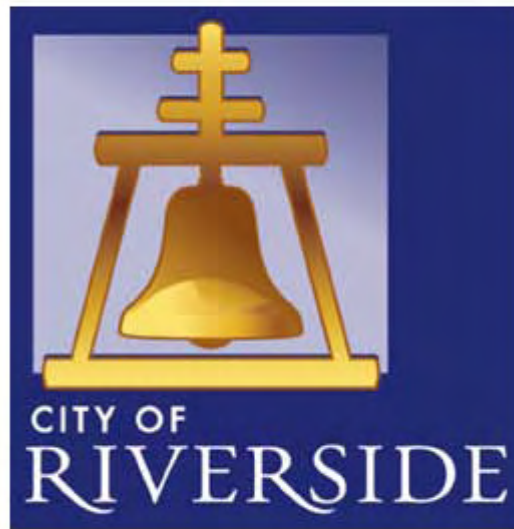
A restatement was recorded to increase the General funds net position by \$1,735. The restatement reflects corrections for various prepaid expenses and deposits that should have been recognized as expenditures and revenues in previous years. Additionally, restatements were recorded to decrease the Capital Outlay, Storm Drain, and Special Capital Improvement funds net position's by \$(625), \$(172), and \$(1,228); respectively. The restatements reflect corrections for various prepaid expenses that should have been recognized as expenditures in previous years. As a result, total Governmental funds have been restated to reflect a net decrease of \$(290).

Proprietary funds:

Restatements were recorded to decrease the Electric and Water Utility's net position, including the Public Benefit and Water Conservation Programs. The restatements reflect corrections to Electric and Water construction in progress of \$(690) and \$(10,781), deposits of \$(405) and \$(813), and accumulated depreciation related to utility plant of \$(592) and \$(1,058); respectively. Restatements were recorded to increase the Electric and Sewer funds net positions by \$1,314 and \$209; respectively. The restatements reflect corrections for various deposits that should have been recognized as revenue in previous years. Additionally, restatements were made to the Sewer funds net position for various operational and maintenance costs that were included in infrastructure

and CIP \$(3,963), as well as, for various revenues that should have been recognized as deposits in previous years \$(5,340). As a result, the Electric, Water, and Sewer funds net positions have been restated to reflect a net decrease of \$(373), \$(12,652), and \$(9,094); respectively.

| | June 30, 2024 as Previously Reported | Error Correction | June 30, 2024 as Restated |
|----------------------------------|---|-----------------------------|--------------------------------------|
| Governmental funds | | | |
| Major funds: | | | |
| General fund | \$ 287,858 | \$ 1,735 | \$ 289,593 |
| Capital Outlay fund | 98,315 | (625) | 97,690 |
| Non-Major funds: | | | |
| Storm Drain fund: | 995 | (172) | 823 |
| Special Capital Improvement fund | 9,911 | (1,228) | 8,683 |
| Total governmental funds | \$ 397,079 | \$ (290) | \$ 396,789 |
| Proprietary funds | | | |
| Major funds: | | | |
| Electric fund | \$ 508,534 | \$ (373) | \$ 508,161 |
| Water fund | 339,672 | (12,652) | 327,020 |
| Sewer fund | 268,133 | (9,094) | 259,039 |
| Total proprietary funds | \$ 1,116,339 | \$ (22,119) | \$ 1,094,220 |



Required Supplementary Information

Consists of the following:

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Pension Plan Contributions
- Schedule of Changes in Total OPEB Liability and Related Ratios

**CITY OF RIVERSIDE
MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

| | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 22,228 | \$ 22,189 | \$ 24,766 | \$ 25,117 | \$ 25,017 | \$ 25,919 | \$ 26,168 | \$ 27,830 | \$ 27,778 | \$ 30,810 |
| Interest on total pension liability | 87,436 | 90,913 | 92,725 | 92,595 | 96,836 | 101,080 | 105,017 | 105,283 | 109,814 | 117,365 |
| Changes in assumptions | (23,548) | (8,417) | (26,068) | (19,805) | - | - | - | 19,686 | - | - |
| Changes of Benefit Terms | - | - | - | - | - | - | - | - | 1,795 | - |
| Differences between expected and actual experience | (21,782) | - | 79,037 | (37,885) | 6,927 | 6,220 | 873 | (17,684) | 12,692 | 58,854 |
| Benefit payments, including refunds of employee contributions | (53,853) | (57,702) | (60,108) | (63,483) | (67,073) | (71,266) | (74,608) | (79,265) | (84,559) | (92,502) |
| Net change in total pension liability | 10,481 | 46,983 | 110,352 | (3,461) | 61,707 | 61,953 | 57,450 | 55,850 | 67,520 | 114,527 |
| Total pension liability - beginning | 1,204,098 | 1,214,579 | 1,261,562 | 1,371,914 | 1,368,453 | 1,430,160 | 1,492,113 | 1,549,563 | 1,605,413 | 1,672,933 |
| Total pension liability - ending (a) | \$ 1,214,579 | \$ 1,261,562 | \$ 1,371,914 | \$ 1,368,453 | \$ 1,430,160 | \$ 1,492,113 | \$ 1,549,563 | \$ 1,605,413 | \$ 1,672,933 | \$ 1,787,460 |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Net Plan to Plan Resource Movement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1) | \$ - | \$ 11 | \$ - |
| Contributions - employer | 25,996 | 29,426 | 30,477 | 29,920 | 34,627 | 239,156 | 26,274 | 27,329 | 29,150 | 21,228 |
| Contributions - employees | 4,380 | 5,187 | 6,115 | 9,749 | 10,286 | 10,957 | 10,358 | 10,788 | 11,238 | 12,738 |
| Net investment income | 21,671 | 4,958 | 104,771 | 86,307 | 71,046 | 56,837 | 305,548 | (122,366) | 89,464 | 142,128 |
| Benefit payments, including refunds of employee contributions | (53,853) | (57,702) | (60,108) | (63,483) | (67,073) | (71,266) | (74,608) | (79,265) | (84,559) | (92,502) |
| Administrative and other income/(expenses) | (1,056) | (594) | (1,290) | (4,664) | (776) | (1,604) | (1,371) | (1,020) | (1,084) | (1,235) |
| Net change in fiduciary net position | (2,862) | (18,725) | 79,965 | 57,829 | 48,110 | 234,080 | 266,200 | (164,534) | 44,220 | 82,357 |
| Plan fiduciary net position - beginning | 973,649 | 970,787 | 952,062 | 1,032,027 | 1,089,856 | 1,137,966 | 1,372,046 | 1,638,246 | 1,473,712 | 1,517,932 |
| Plan fiduciary net position - ending (b) | \$ 970,787 | \$ 952,062 | \$ 1,032,027 | \$ 1,089,856 | \$ 1,137,966 | \$ 1,372,046 | \$ 1,638,246 | \$ 1,473,712 | \$ 1,517,932 | \$ 1,600,289 |
| Plan net pension liability/(assets) - ending (a) - (b) | \$ 243,792 | \$ 309,500 | \$ 339,887 | \$ 278,597 | \$ 292,194 | \$ 120,067 | \$ (88,683) | \$ 131,701 | \$ 155,001 | \$ 187,171 |
| Plan fiduciary net position as a percentage of the total pension liability | 79.93 % | 75.47 % | 75.23 % | 79.64 % | 79.57 % | 91.95 % | 105.72 % | 91.80 % | 90.73 % | 89.53 % |
| Covered-employee payroll | \$ 110,891 | \$ 118,512 | \$ 117,637 | \$ 121,957 | \$ 128,881 | \$ 131,492 | \$ 131,216 | \$ 130,060 | \$ 142,170 | \$ 157,294 |
| Plan net pension liability/(asset) as a percentage of covered-employee payroll | 219.85 % | 261.15 % | 288.93 % | 228.44 % | 226.72 % | 91.31 % | (67.59)% | 101.26 % | 109.03 % | 118.99 % |

Notes to Schedule:

Benefit Changes: In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023 or 2024.

**CITY OF RIVERSIDE
SAFETY PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | | | | | | | | | | |
| Service cost | \$ 18,187 | \$ 18,144 | \$ 21,373 | \$ 20,390 | \$ 21,454 | \$ 22,391 | \$ 23,160 | \$ 25,734 | \$ 24,896 | \$ 25,288 |
| Interest on total pension liability | 64,815 | 67,513 | 70,337 | 73,104 | 76,922 | 80,940 | 84,654 | 87,761 | 91,186 | 94,848 |
| Changes in assumptions | (6,835) | (4,373) | (18) | 868 | - | - | - | 43,994 | - | - |
| Changes of benefit terms | - | - | - | - | - | - | - | - | 454 | - |
| Differences between expected and actual experience | (16,117) | - | 59,768 | (4,644) | 10,897 | 11,896 | 6,361 | (3,506) | 2,104 | 7,396 |
| Benefit payments, including refunds of employee contributions | (42,076) | (44,609) | (47,009) | (50,477) | (52,564) | (56,537) | (59,739) | (63,558) | (68,451) | (72,754) |
| Net change in total pension liability | 17,974 | 36,675 | 104,451 | 39,241 | 56,709 | 58,690 | 54,436 | 90,425 | 50,189 | 54,778 |
| Total pension liability - beginning | 882,153 | 900,127 | 936,802 | 1,041,253 | 1,080,494 | 1,137,203 | 1,195,893 | 1,250,329 | 1,340,754 | 1,390,943 |
| Total pension liability - ending (a) | \$ 900,127 | \$ 936,802 | \$ 1,041,253 | \$ 1,080,494 | \$ 1,137,203 | \$ 1,195,893 | \$ 1,250,329 | \$ 1,340,754 | \$ 1,390,943 | \$ 1,445,721 |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Net Plan to Plan Resource Movement | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1 | \$ - | \$ (11) | \$ - |
| Contributions - employer | 23,384 | 26,483 | 26,775 | 25,451 | 29,254 | 263,061 | 22,931 | 24,810 | 26,238 | 26,565 |
| Contributions - employees | 924 | 1,837 | 2,449 | 6,402 | 7,679 | 9,454 | 10,492 | 10,557 | 10,702 | 12,619 |
| Net investment income | 15,632 | 3,478 | 76,844 | 62,933 | 51,750 | 41,765 | 242,945 | (97,579) | 71,711 | 114,722 |
| Benefit payments, including refunds of employee contributions | (42,076) | (44,609) | (47,009) | (50,478) | (52,564) | (56,537) | (59,739) | (63,558) | (68,451) | (72,754) |
| Administrative and other income/(expenses) | (816) | (428) | (1,145) | (3,403) | (567) | (1,170) | (1,085) | (812) | (864) | (988) |
| Net change in fiduciary net position | (2,952) | (13,239) | 57,914 | 40,905 | 35,552 | 256,573 | 215,545 | (126,582) | 39,325 | 80,164 |
| Plan fiduciary net position - beginning | 711,641 | 708,689 | 695,450 | 753,364 | 794,269 | 829,821 | 1,086,394 | 1,301,939 | 1,175,357 | 1,214,682 |
| Plan fiduciary net position - ending (b) | \$ 708,689 | \$ 695,450 | \$ 753,364 | \$ 794,269 | \$ 829,821 | \$ 1,086,394 | \$ 1,301,939 | \$ 1,175,357 | \$ 1,214,682 | \$ 1,294,846 |
| Plan net pension liability/(assets) - ending (a) - (b) | \$ 191,438 | \$ 241,352 | \$ 287,889 | \$ 286,225 | \$ 307,382 | \$ 109,499 | \$ (51,610) | \$ 165,397 | \$ 176,261 | \$ 150,875 |
| Plan fiduciary net position as a percentage of the total pension liability | 78.73 % | 74.24 % | 72.35 % | 73.51 % | 72.97 % | 90.84 % | 104.13 % | 87.66 % | 87.33 % | 89.56 % |
| Covered-employee payroll | \$ 63,612 | \$ 68,707 | \$ 66,226 | \$ 68,251 | \$ 73,237 | \$ 76,955 | \$ 78,813 | \$ 77,338 | \$ 77,810 | \$ 86,210 |
| Plan net pension liability/(asset) as a percentage of covered-employee payroll | 300.95 % | 351.28 % | 434.71 % | 419.37 % | 419.71 % | 142.29 % | (65.48)% | 213.86 % | 226.53 % | 175.01 % |
| Notes to Schedule: | | | | | | | | | | |
| Benefit Changes: In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms. | | | | | | | | | | |
| Changes of Assumptions: There were no assumption changes in 2023 or 2024. | | | | | | | | | | |

**CITY OF RIVERSIDE
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-------------------|-------------------|-------------|-------------|---------------------|-------------|-------------|-------------|-------------|-------------|
| Miscellaneous Plan | | | | | | | | | | |
| Actuarially determined contribution | \$ 24,885 | \$ 26,955 | \$ 29,948 | \$ 34,486 | \$ 38,889 | \$ 26,274 | \$ 27,330 | \$ 29,144 | \$ 21,237 | \$ 27,482 |
| Contribution in relation to the actuarially determined contribution | (29,426) | (30,477) | (29,948) | (34,486) | (239,220) | (26,274) | (27,330) | (29,144) | (21,237) | (27,482) |
| Contribution deficiency/(excess) | \$ (4,541) | \$ (3,522) | \$ - | \$ - | \$ (200,331) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 118,512 | \$ 117,637 | \$ 121,957 | \$ 128,881 | \$ 131,492 | \$ 131,216 | \$ 130,060 | \$ 142,170 | \$ 157,294 | \$ 171,626 |
| Contributions as a percentage of covered-employee payroll | 24.83 % | 25.91 % | 24.56 % | 26.76 % | 181.93 % | 20.02 % | 21.01 % | 20.50 % | 13.50 % | 16.01 % |
| Safety Plan | | | | | | | | | | |
| Actuarially determined contribution | \$ 21,886 | \$ 23,076 | \$ 25,289 | \$ 29,047 | \$ 32,785 | \$ 22,925 | \$ 24,773 | \$ 26,195 | \$ 26,564 | \$ 28,375 |
| Contribution in relation to the actuarially determined contribution | (26,483) | (26,775) | (25,289) | (29,047) | (263,016) | (22,925) | (24,773) | (26,195) | (26,564) | (28,375) |
| Contribution deficiency/(excess) | \$ (4,597) | \$ (3,699) | \$ - | \$ - | \$ (230,231) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered-employee payroll | \$ 68,707 | \$ 66,226 | \$ 68,251 | \$ 73,237 | \$ 76,955 | \$ 78,813 | \$ 77,338 | \$ 77,810 | \$ 86,210 | \$ 99,447 |
| Contributions as a percentage of covered-employee payroll | 38.54 % | 40.43 % | 37.05 % | 39.66 % | 341.78 % | 29.09 % | 32.03 % | 33.67 % | 30.81 % | 28.53 % |

Notes to Schedule:

Actuarial valuation date: June 30, 2022
Actuarial cost method: Entry Age Normal
Amortization method/period: June 30, 2022 CalPERS Funding Valuation Report
Asset valuation method: Fair value of assets
Discount rate: 6.8%
Overall payroll growth: 2.8%
Inflation: 2.3%
Retirement age: 2021 CalPERS experience study
2021 CalPERS Experience Study, projected generationall for future years using 80 percent of the
Mortality: Society of Actuaries' Scale MP-2020.

**CITY OF RIVERSIDE
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)**

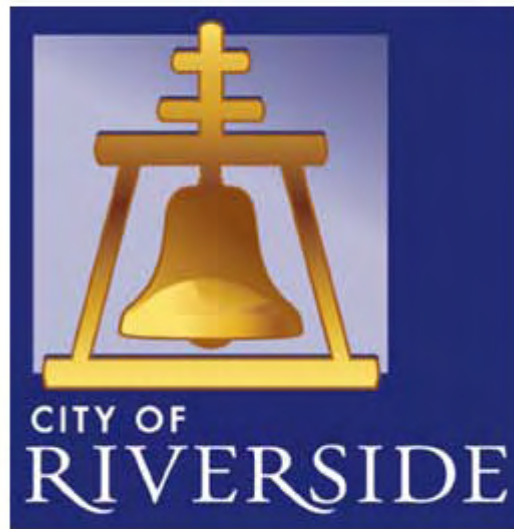
| Reporting period June 30, Measurement period June 30, | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Total OPEB liability | | | | | | | | |
| Service cost | \$ 2,554 | \$ 2,403 | \$ 2,435 | \$ 2,569 | \$ 2,646 | \$ 3,184 | \$ 2,576 | \$ 3,131 |
| Interest on the total OPEB liability | 1,090 | 1,301 | 1,392 | 1,810 | 1,394 | 1,070 | 1,622 | 1,808 |
| Differences between expected and actual experience | - | - | 292 | (2,300) | (2,267) | - | 1,173 | - |
| Changes in assumptions | (1,668) | (306) | 9,550 | 2,225 | (3,086) | (5,926) | (274) | (1,340) |
| Benefit payments | (1,732) | (1,846) | (2,003) | (2,032) | (2,193) | (1,627) | (1,838) | (1,600) |
| Net change in total OPEB liability | 244 | 1,552 | 11,666 | 2,272 | (3,506) | (3,299) | 3,259 | 1,999 |
| Total OPEB liability - beginning | 36,542 | 36,786 | 38,338 | 50,004 | 52,276 | 48,770 | 45,471 | 48,730 |
| Total OPEB liability - ending | \$ 36,786 | \$ 38,338 | \$ 50,004 | \$ 52,276 | \$ 48,770 | \$ 45,471 | \$ 48,730 | \$ 50,729 |
| Covered-employee payroll | \$ 170,858 | \$ 170,858 | \$ 185,967 | \$ 191,546 | \$ 197,292 | \$ 203,211 | \$ 209,307 | \$ 215,587 |
| Total OPEB liability as a percentage of covered-employee payroll | 21.53 % | 22.44 % | 26.89 % | 27.29 % | 24.72 % | 22.38 % | 23.28 % | 23.53 % |

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

Changes in assumptions: For the measurement period ending June 30, 2023 to 2024,, the discount rate was changed from 3.65 percent to 3.93 percent; respectively.

There are no asset accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.



Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Urban Areas Security Initiative (UASI) Fund - To account for UASI grants received from the U.S. Department of Homeland Security.

Grants and Restricted Programs Fund - To account for federal, state, and local grants along with other restricted program revenue.

Gas Tax Fund - To account for the construction and maintenance of the road network system of the City. Financing is provided by the City's share of state gasoline taxes which state law requires to be used to maintain streets.

Air Quality Improvements Fund - To account for qualified air pollution reduction programs funded by the South Coast Air Quality Management District.

Housing & Community Development Fund - To account for federal grants received from the Department of Housing and Urban Development (HUD). The grants are used for the development of a viable urban community by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons with low and moderate incomes.

National Pollution Discharge Elimination System (NPDES) Storm Drain Fund - To account for storm drain maintenance and inspection required for California storm water permits. Activities are funded by a special assessment district of Riverside County, California.

Special Districts Fund - To account for Loving Homes, Village at Canyon Crest, Sycamore Highlands, Riverwalk, Riverwalk Parks Projects, and Street Lighting districts.

Housing Fund - To account for the housing activities for persons with low or moderate income.

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Special Capital Improvement Fund - To account for the acquisition, construction and installation of capital improvements and a Community Facilities District within the City.

Storm Drain Fund - To account for the acquisition, construction and installation of storm drains in the City.

Permanent Fund

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Library Special Fund - To account for the monies held in trust for the benefit of the Riverside City Public Library System.

**CITY OF RIVERSIDE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

| | Special Revenue Funds | | | | | | | | |
|--|---------------------------------|--------------------------------|------------------|--------------------------|---------------------------------|-------------------|-------------------|------------------|-------------------|
| | Urban Areas Security Initiative | Grants and Restricted Programs | Gas Tax | Air Quality Improvements | Housing & Community Development | NPDES Strom Drain | Special Districts | Housing | Total |
| Assets: | | | | | | | | | |
| Cash and investments | \$ - | \$ 11,630 | \$ 31,322 | \$ 2,414 | \$ 8,822 | \$ - | \$ 1,539 | \$ 6,916 | \$ 62,643 |
| Cash and investments with fiscal agent | - | - | - | - | - | - | - | - | - |
| Receivables, net of allowance for uncollectible | | | | | | | | | |
| Interest | - | 66 | 198 | 15 | 86 | - | 7 | 44 | 416 |
| Property taxes | - | - | - | - | - | - | 80 | - | 80 |
| Accounts | - | 110 | - | - | 22 | - | - | 13 | 145 |
| Intergovernmental | 1,604 | 8,778 | 1,663 | 110 | 7,665 | 627 | - | - | 20,447 |
| Notes | - | - | - | - | 19,600 | - | - | 35,422 | 55,022 |
| Prepaid items | 16 | 35 | - | - | - | - | - | - | 51 |
| Due from other funds | - | 2,415 | - | - | - | - | - | 232 | 2,647 |
| Land and improvements held for resale | - | - | - | - | 391 | - | - | 682 | 1,073 |
| Total assets | \$ 1,620 | \$ 23,034 | \$ 33,183 | \$ 2,539 | \$ 36,586 | \$ 627 | \$ 1,626 | \$ 43,309 | \$ 142,524 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ 104 | \$ 2,631 | \$ 1,201 | \$ 11 | \$ 4,247 | \$ - | \$ 34 | \$ 4 | \$ 8,232 |
| Accrued payroll | - | 103 | - | - | 28 | 4 | - | 13 | 148 |
| Retainage payable | - | 234 | 566 | - | 240 | 22 | - | - | 1,062 |
| Intergovernmental | 4 | - | - | - | - | - | 1 | - | 5 |
| Unearned revenue | 136 | 13,553 | - | - | 11,408 | - | - | - | 25,097 |
| Deposits | - | - | - | - | - | - | 85 | 35 | 120 |
| Due to other funds | 1,374 | - | - | - | 1,287 | 24 | - | - | 2,685 |
| Total liabilities | 1,618 | 16,521 | 1,767 | 11 | 17,210 | 50 | 120 | 52 | 37,349 |
| Deferred Inflows of Resources: | | | | | | | | | |
| Unavailable revenue | 1,604 | 2,915 | - | - | 20,339 | - | - | 35,421 | 60,279 |
| Total deferred inflows of resources | 1,604 | 2,915 | - | - | 20,339 | - | - | 35,421 | 60,279 |
| Fund Balances: | | | | | | | | | |
| Nonspendable: | | | | | | | | | |
| Inventories, prepaids, and deposits | 16 | 35 | - | - | - | - | - | - | 51 |
| Permanent fund principal | - | - | - | - | - | - | - | - | - |
| Restricted: | | | | | | | | | |
| Housing and redevelopment | - | - | - | - | - | - | - | 7,836 | 7,836 |
| Transportation and public works | - | 3,563 | 31,416 | 2,528 | - | 577 | 1,506 | - | 39,590 |
| Other purposes | - | - | - | - | - | - | - | - | - |
| Unassigned: | (1,618) | - | - | - | (963) | - | - | - | (2,581) |
| Total fund balances | (1,602) | 3,598 | 31,416 | 2,528 | (963) | 577 | 1,506 | 7,836 | 44,896 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 1,620 | \$ 23,034 | \$ 33,183 | \$ 2,539 | \$ 36,586 | \$ 627 | \$ 1,626 | \$ 43,309 | \$ 142,524 |

**CITY OF RIVERSIDE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

| | Capital Projects Funds | | | Permanent Fund | Total Non-Major Governmental Funds |
|--|-----------------------------|-----------------|------------------|-----------------|------------------------------------|
| | Special Capital Improvement | Storm Drain | Total | Library Special | |
| Assets: | | | | | |
| Cash and investments | \$ 9,611 | \$ 1,333 | \$ 10,944 | \$ 1,758 | \$ 75,345 |
| Cash and investments with fiscal agent | 330 | - | 330 | - | 330 |
| Receivables, net of allowance for uncollectible | | | | | |
| Interest | 64 | 9 | 73 | - | 489 |
| Property taxes | - | - | - | - | 80 |
| Accounts | - | - | - | - | 145 |
| Intergovernmental | - | 50 | 50 | - | 20,497 |
| Notes | - | - | - | - | 55,022 |
| Prepaid items | - | - | - | - | 51 |
| Due from other funds | - | - | - | - | 2,647 |
| Land and improvements held for resale | - | - | - | - | 1,073 |
| Total assets | \$ 10,005 | \$ 1,392 | \$ 11,397 | \$ 1,758 | \$ 155,679 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 20 | \$ - | \$ 20 | \$ - | \$ 8,252 |
| Accrued payroll | - | - | - | - | 148 |
| Retainage payable | 8 | - | 8 | - | 1,070 |
| Intergovernmental | - | - | - | - | 5 |
| Unearned revenue | - | 494 | 494 | - | 25,591 |
| Deposits | - | - | - | - | 120 |
| Due to other funds | - | - | - | - | 2,685 |
| Total liabilities | 28 | 494 | 522 | - | 37,871 |
| Deferred Inflows of Resources: | | | | | |
| Unavailable revenue | - | 50 | 50 | - | 60,329 |
| Total deferred inflows of resources | - | 50 | 50 | - | 60,329 |
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Inventories, prepaids, and deposits | - | - | - | - | 51 |
| Permanent fund principal | - | - | - | 1,758 | 1,758 |
| Restricted: | | | | | |
| Housing and redevelopment | - | - | - | - | 7,836 |
| Transportation and public works | - | - | - | - | 39,590 |
| Other purposes | 9,977 | 848 | 10,825 | - | 10,825 |
| Unassigned: | | | | | |
| | - | - | - | - | (2,581) |
| Total fund balances | 9,977 | 848 | 10,825 | 1,758 | 57,479 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 10,005 | \$ 1,392 | \$ 11,397 | \$ 1,758 | \$ 155,679 |

**CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Special Revenue Funds | | | | | | | | |
|---|--|---|------------------|-------------------------------------|--|------------------------------|------------------------------|-----------------|------------------|
| | Urban Areas Security Initiative | Grants and Restricted Programs | Gas Tax | Air Quality Improvements | Housing & Community Development | NPDES Strom Drain | Special Districts | Housing | Total |
| Revenues: | | | | | | | | | |
| Licenses and permits | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 1,601 | 46,844 | 17,523 | 422 | 16,777 | - | - | - | 83,167 |
| Charges for services | - | 1,970 | - | 42 | - | - | - | - | 2,012 |
| Special assessments | - | - | - | - | - | 1,314 | 4,290 | - | 5,604 |
| Rental and investment income | 2 | 679 | 1,893 | 125 | 621 | 1 | 31 | 305 | 3,657 |
| Miscellaneous | - | 1,182 | 3 | - | 316 | - | - | 133 | 1,634 |
| Total revenues | 1,603 | 50,675 | 19,419 | 589 | 17,714 | 1,315 | 4,321 | 438 | 96,074 |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | 6,194 | 3 | 79 | 14,258 | 331 | - | 1,400 | 22,265 |
| Public safety | 3,205 | 8,939 | - | - | 57 | - | 5,086 | - | 17,287 |
| Highways and streets | - | 443 | - | - | - | - | 595 | - | 1,038 |
| Culture and recreation | - | 1,463 | - | - | - | - | 58 | - | 1,521 |
| Capital outlay | - | 4,329 | 19,993 | - | 5,764 | 982 | - | - | 31,068 |
| Debt service: | | | | | | | | | |
| Principal | - | 48 | - | - | 35 | - | - | 76 | 159 |
| Interest and fiscal charges | - | 2 | - | - | 12 | - | - | 27 | 41 |
| Total expenditures | 3,205 | 21,418 | 19,996 | 79 | 20,126 | 1,313 | 5,739 | 1,503 | 73,379 |
| Excess/(deficiency) of revenues over/(under) expenditures | (1,602) | 29,257 | (577) | 510 | (2,412) | 2 | (1,418) | (1,065) | 22,695 |
| Other Financing Sources/(Uses): | | | | | | | | | |
| Transfers in | - | 356 | 325 | - | 115 | - | 1,696 | 232 | 2,724 |
| Transfers out | - | (32,264) | (40) | - | (1,287) | - | - | - | (33,591) |
| Total other financing sources/(uses) | - | (31,908) | 285 | - | (1,172) | - | 1,696 | 232 | (30,867) |
| Net change in fund balances | (1,602) | (2,651) | (292) | 510 | (3,584) | 2 | 278 | (833) | (8,172) |
| Fund Balances: | | | | | | | | | |
| Beginning of year, as previously stated | - | 6,249 | 31,708 | 2,018 | 2,621 | 575 | 1,228 | 8,669 | 53,068 |
| Error correction | - | - | - | - | - | - | - | - | - |
| Beginning of year, as restated | - | 6,249 | 31,708 | 2,018 | 2,621 | 575 | 1,228 | 8,669 | 53,068 |
| End of year | \$ (1,602) | \$ 3,598 | \$ 31,416 | \$ 2,528 | \$ (963) | \$ 577 | \$ 1,506 | \$ 7,836 | \$ 44,896 |

**CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Capital Projects Funds | | | Permanent Fund | Total Non-Major Governmental Funds |
|---|-----------------------------|---------------|------------------|-----------------|------------------------------------|
| | Special Capital Improvement | Storm Drain | Total | Library Special | |
| Revenues: | | | | | |
| Licenses and permits | \$ 2,998 | \$ 143 | \$ 3,141 | \$ - | \$ 3,141 |
| Intergovernmental | - | 110 | 110 | - | 83,277 |
| Charges for services | - | - | - | - | 2,012 |
| Special assessments | - | - | - | - | 5,604 |
| Rental and investment income | 574 | 67 | 641 | 43 | 4,341 |
| Miscellaneous | - | - | - | 158 | 1,792 |
| Total revenues | 3,572 | 320 | 3,892 | 201 | 100,167 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 49 | - | 49 | - | 22,314 |
| Public safety | - | - | - | - | 17,287 |
| Highways and streets | - | - | - | - | 1,038 |
| Culture and recreation | - | - | - | 119 | 1,640 |
| Capital outlay | 98 | 295 | 393 | - | 31,461 |
| Debt service: | | | | | |
| Principal | - | - | - | - | 159 |
| Interest and fiscal charges | - | - | - | - | 41 |
| Total expenditures | 147 | 295 | 442 | 119 | 73,940 |
| Excess/(deficiency) of revenues over/(under) expenditures | 3,425 | 25 | 3,450 | 82 | 26,227 |
| Other Financing Sources/(Uses): | | | | | |
| Transfers in | 911 | - | 911 | - | 3,635 |
| Transfers out | (3,042) | - | (3,042) | - | (36,633) |
| Total other financing sources/(uses) | (2,131) | - | (2,131) | - | (32,998) |
| Net change in fund balances | 1,294 | 25 | 1,319 | 82 | (6,771) |
| Fund Balances: | | | | | |
| Beginning of year, as previously stated | 9,911 | 995 | 10,906 | 1,676 | 65,650 |
| Error correction | (1,228) | (172) | (1,400) | - | (1,400) |
| Beginning of year, as restated | 8,683 | 823 | 9,506 | 1,676 | 64,250 |
| End of year | \$ 9,977 | \$ 848 | \$ 10,825 | \$ 1,758 | \$ 57,479 |

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Urban Areas Security Initiative | | | Grants and Restricted Programs | | | Gas Tax | | |
|---|---------------------------------|-------------------|--|--------------------------------|-----------------|--|-----------------|------------------|--|
| | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) |
| Revenues: | | | | | | | | | |
| Intergovernmental | \$ 13,841 | \$ 1,601 | \$ (12,240) | \$ 141,143 | \$ 46,844 | \$ (94,299) | \$ 16,790 | \$ 17,523 | \$ 733 |
| Charges for services | - | - | - | 2,034 | 1,970 | (64) | - | - | - |
| Rental and investment income | - | 2 | 2 | 110 | 679 | 569 | 150 | 1,893 | 1,743 |
| Miscellaneous | - | - | - | 1,280 | 1,182 | (98) | - | 3 | 3 |
| Total revenues | 13,841 | 1,603 | (12,238) | 144,567 | 50,675 | (93,892) | 16,940 | 19,419 | 2,479 |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | - | - | 33,758 | 6,194 | 27,564 | - | 3 | (3) |
| Public safety | 13,841 | 3,205 | 10,636 | 11,380 | 8,939 | 2,441 | - | - | - |
| Highways and streets | - | - | - | 2,330 | 443 | 1,887 | - | - | - |
| Culture and recreation | - | - | - | 5,359 | 1,463 | 3,896 | - | - | - |
| Capital outlay | - | - | - | 67,537 | 4,329 | 63,208 | 44,044 | 19,993 | 24,051 |
| Principal | - | - | - | - | 48 | (48) | - | - | - |
| Interest and fiscal charges | - | - | - | - | 2 | (2) | - | - | - |
| Total expenditures | 13,841 | 3,205 | 10,636 | 120,364 | 21,418 | 98,946 | 44,044 | 19,996 | 24,048 |
| Excess/(deficiency) of revenues over/(under) expenditures | - | (1,602) | (1,602) | 24,203 | 29,257 | 5,054 | (27,104) | (577) | 26,527 |
| Other Financing Sources/(Uses): | | | | | | | | | |
| Transfers in | - | - | - | 2,814 | 356 | (2,458) | 325 | 325 | - |
| Transfers out | - | - | - | (32,264) | (32,264) | - | - | (40) | (40) |
| Total other financing sources/(uses) | - | - | - | (29,450) | (31,908) | (2,458) | 325 | 285 | (40) |
| Net change in fund balance | - | (1,602) | (1,602) | (5,247) | (2,651) | 2,596 | (26,779) | (292) | 26,487 |
| Fund Balances: | | | | | | | | | |
| Beginning of year | - | - | - | 6,249 | 6,249 | - | 31,708 | 31,708 | - |
| End of year | \$ - | \$ (1,602) | \$ (1,602) | \$ 1,002 | \$ 3,598 | \$ 2,596 | \$ 4,929 | \$ 31,416 | \$ 26,487 |

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | <u>Air Quality Improvements</u> | | | <u>Housing & Community Development</u> | | | <u>NPDES Strom Drain</u> | | |
|---|---------------------------------|-----------------------|---|--|-----------------------|---|--------------------------|-----------------------|---|
| | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance to Final Budget Positive (Negative)</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance to Final Budget Positive (Negative)</u> | <u>Final Budget</u> | <u>Actual Amounts</u> | <u>Variance to Final Budget Positive (Negative)</u> |
| Revenues: | | | | | | | | | |
| Intergovernmental | \$ 425 | \$ 422 | \$ (3) | \$ 45,788 | \$ 16,777 | \$ (29,011) | \$ 397 | \$ - | \$ (397) |
| Charges for services | 40 | 42 | 2 | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - | 1,496 | 1,314 | (182) |
| Rental and investment income | - | 125 | 125 | 217 | 621 | 404 | - | 1 | 1 |
| Miscellaneous | - | - | - | 1,091 | 316 | (775) | - | - | - |
| Total revenues: | 465 | 589 | 124 | 47,096 | 17,714 | (29,382) | 1,893 | 1,315 | (578) |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | 436 | 79 | 357 | 29,005 | 14,258 | 14,747 | 520 | 331 | 189 |
| Public safety | - | - | - | 129 | 57 | 72 | - | - | - |
| Capital outlay | - | - | - | 32,665 | 5,764 | 26,901 | 1,482 | 982 | 500 |
| Debt service: | | | | | | | | | |
| Principal | - | - | - | 35 | 35 | - | - | - | - |
| Interest and fiscal charges | - | - | - | 12 | 12 | - | - | - | - |
| Total expenditures | 436 | 79 | 357 | 61,846 | 20,126 | 41,720 | 2,002 | 1,313 | 689 |
| Excess/(deficiency) of revenues over/(under) expenditures | 29 | 510 | 481 | (14,750) | (2,412) | 12,338 | (109) | 2 | 111 |
| Other Financing Sources/(Uses): | | | | | | | | | |
| Transfers in | - | - | - | 27 | 115 | 88 | - | - | - |
| Transfers out | - | - | - | (1,289) | (1,287) | 2 | - | - | - |
| Total other financing sources/(uses) | - | - | - | (1,262) | (1,172) | 90 | - | - | - |
| Net change in fund balances | 29 | 510 | 481 | (16,012) | (3,584) | 12,428 | (109) | 2 | 111 |
| Fund Balances: | | | | | | | | | |
| Beginning of year | 2,018 | 2,018 | - | 2,621 | 2,621 | - | 575 | 575 | - |
| End of year | \$ 2,047 | \$ 2,528 | \$ 481 | \$ (13,391) | \$ (963) | \$ 12,428 | \$ 466 | \$ 577 | \$ 111 |

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Special Districts | | | Housing | | |
|---|-------------------|-----------------|--|-----------------|-----------------|--|
| | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) |
| Revenues | | | | | | |
| Special assessments | \$ 4,208 | \$ 4,290 | \$ 82 | \$ - | \$ - | \$ - |
| Rental and investment income | - | 31 | 31 | - | 305 | 305 |
| Miscellaneous | - | - | - | 253 | 133 | (120) |
| Total revenues | 4,208 | 4,321 | 113 | 253 | 438 | 185 |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | 2,887 | 1,400 | 1,487 |
| Public safety | 5,084 | 5,086 | (2) | - | - | - |
| Highways and streets | 1,015 | 595 | 420 | - | - | - |
| Culture and recreation | 497 | 58 | 439 | - | - | - |
| Debt service: | | | | | | |
| Principal | - | - | - | 66 | 76 | 10 |
| Interest and fiscal charges | - | - | - | 27 | 27 | - |
| Total expenditures | 6,596 | 5,739 | 857 | 2,980 | 1,503 | 1,477 |
| Excess/(deficiency) of revenues over/(under) expenditures | (2,388) | (1,418) | 970 | (2,727) | (1,065) | 1,662 |
| Other Financing Sources/(Uses): | | | | | | |
| Transfers in | 1,675 | 1,696 | 21 | 232 | 232 | - |
| Total other financing sources/(uses) | 1,675 | 1,696 | 21 | 232 | 232 | - |
| Net change in fund balances | (713) | 278 | 991 | (2,495) | (833) | 1,662 |
| Fund Balances: | | | | | | |
| Beginning of year | 1,228 | 1,228 | - | 8,669 | 8,669 | - |
| End of year | \$ 515 | \$ 1,506 | \$ 991 | \$ 6,174 | \$ 7,836 | \$ 1,662 |

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Capital Outlay Fund | | | Special Capital Improvement | | | Storm Drain | | |
|---|---------------------|------------------|--|-----------------------------|-----------------|--|---------------|----------------|--|
| | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) | Final Budget | Actual Amounts | Variance to Final Budget Positive (Negative) |
| Revenues: | | | | | | | | | |
| Licenses and permits | \$ - | \$ - | \$ - | \$ 2,585 | \$ 2,998 | \$ 413 | \$ 190 | \$ 143 | \$ (47) |
| Intergovernmental | 86,743 | 37,531 | (49,212) | - | - | - | 23,117 | 110 | (23,007) |
| Special assessments | 610 | 256 | (354) | - | - | - | - | - | - |
| Rental and investment income | 180 | 5,732 | 5,552 | 30 | 574 | 544 | 13 | 67 | 54 |
| Miscellaneous | - | 213 | 213 | - | - | - | - | - | - |
| Total revenues | 87,533 | 43,732 | (43,801) | 2,615 | 3,572 | 957 | 23,320 | 320 | (23,000) |
| Expenditures: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | - | - | 49 | 49 | - | - | - | - |
| Capital outlay | 271,239 | 74,132 | 197,107 | 2,301 | 98 | 2,203 | 23,981 | 295 | 23,686 |
| Debt service: | | | | | | | | | |
| Principal | - | 1 | (1) | - | - | - | - | - | - |
| Interest and fiscal charges | 6 | 1 | 5 | - | - | - | - | - | - |
| Total expenditures | 271,245 | 74,134 | 197,111 | 2,350 | 147 | 2,203 | 23,981 | 295 | 23,686 |
| Excess/(deficiency) of revenues over/(under) expenditures | (183,712) | (30,402) | 153,310 | 265 | 3,425 | 3,160 | (661) | 25 | 686 |
| Other Financing Sources/(Uses): | | | | | | | | | |
| Transfers in | 43,090 | 43,106 | 16 | 911 | 911 | - | - | - | - |
| Transfers out | (14,122) | (14,122) | - | (3,042) | (3,042) | - | - | - | - |
| Issuance of debt related to leases and subscriptions | - | 7 | 7 | - | - | - | - | - | - |
| Issuance of long-term debt | 78,000 | - | (78,000) | - | - | - | - | - | - |
| Total other financing sources/(uses) | 106,968 | 28,991 | (77,977) | (2,131) | (2,131) | - | - | - | - |
| Net change in fund balance | (76,744) | (1,411) | 75,333 | (1,866) | 1,294 | 3,160 | (661) | 25 | 686 |
| Fund Balances: | | | | | | | | | |
| Beginning of year, as previously stated | 98,315 | 98,315 | - | 9,911 | 9,911 | - | 995 | 995 | - |
| Error correction | - | (625) | (625) | - | (1,228) | (1,228) | - | (172) | (172) |
| Beginning of year, as restated | 98,315 | 97,690 | (625) | 9,911 | 8,683 | (1,228) | 995 | 823 | (172) |
| End of year | \$ 21,571 | \$ 96,279 | \$ 74,708 | \$ 8,045 | \$ 9,977 | \$ 1,932 | \$ 334 | \$ 848 | \$ 514 |

Non-Major Enterprise Funds

Enterprise Funds are used to account for the operations that are financed and operated in a manner similar to private business enterprises. The City's intent is to demonstrate that the cost of services provided to the general public on a continuing basis is financed or recovered through user charges; or the City has decided that the periodic determination of net income is appropriate for accountability purposes.

Airport - To account for the operations of the City's airport.

Refuse - To account for the operations of the City's solid waste and sanitation program which provides for the collection and disposal of solid waste on a user charge basis to residents and businesses.

Transportation - To account for the operations of the City's Senior Citizens' and Handicapped Transportation System in accordance with Article 4 of the Transportation Development Act of 1971 (SB325) of the State of California. Federal Transit Administration Funds are also accounted for in this fund.

Public Parking - To account for the operations and construction of the City's public parking facilities.

Civic Entertainment - To account for the operations of the Riverside Fox Theater, Riverside Municipal Auditorium, The Box and Showcase, the Riverside Convention Center, and the Cheech.

**CITY OF RIVERSIDE
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | | Total Non-Major Enterprise Funds |
|--|---|---------------|----------------|----------------|------------------------|---|
| | Airport | Refuse | Transportation | Public Parking | Civic Entertainment | |
| Assets: | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 4,670 | \$ 13,826 | \$ 91 | \$ 10,009 | \$ 3,586 | \$ 32,182 |
| Receivables, net of allowance for uncollectible | | | | | | |
| Interest | 38 | 111 | - | 68 | 11 | 228 |
| Utility billed | - | 1,938 | - | - | - | 1,938 |
| Utility unbilled | - | 2,070 | - | - | - | 2,070 |
| Accounts | 595 | 408 | 21 | 14 | 672 | 1,710 |
| Intergovernmental | - | - | 775 | 6 | - | 781 |
| Leases receivable | 422 | - | - | 27 | 108 | 557 |
| Inventory | - | - | - | - | 119 | 119 |
| Prepaid items | - | 9 | - | - | 41 | 50 |
| Deposits | - | - | - | - | 300 | 300 |
| Restricted assets: | | | | | | |
| Cash and cash equivalents | - | 2,500 | - | - | - | 2,500 |
| Total current assets | 5,725 | 20,862 | 887 | 10,124 | 4,837 | 42,435 |
| Noncurrent assets: | | | | | | |
| Restricted assets: | | | | | | |
| Cash and investments at fiscal agent | 45 | 308 | - | 82 | - | 435 |
| Leases receivable | 3,930 | - | - | 2,033 | 2,504 | 8,467 |
| Regulatory assets | - | 7,896 | - | - | - | 7,896 |
| Derivative instruments | - | - | - | - | 590 | 590 |
| Capital assets, not depreciated | 9,994 | - | - | 9,137 | 2,133 | 21,264 |
| Capital assets, net of depreciation | 10,310 | 9,017 | 2,168 | 18,504 | 82,159 | 122,158 |
| Lease and subscription capital assets, net of amortization | 5 | - | 246 | 20 | - | 271 |
| Total noncurrent assets | 24,284 | 17,221 | 2,414 | 29,776 | 87,386 | 161,081 |
| Total assets | 30,009 | 38,083 | 3,301 | 39,900 | 92,223 | 203,516 |
| Deferred Outflows of Resources: | | | | | | |
| Changes in derivative values | - | - | - | - | 745 | 745 |
| Deferred charge on refunding | - | - | - | - | 450 | 450 |
| Pension related items | 324 | 2,224 | 1,450 | 594 | - | 4,592 |
| OPEB related items | 18 | 155 | 112 | 11 | - | 296 |
| Total deferred outflows of resources | 342 | 2,379 | 1,562 | 605 | 1,195 | 6,083 |

(Continued)

**CITY OF RIVERSIDE
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | | Total Non-Major Enterprise Funds |
|--|--|------------------|-----------------------|-----------------------|--------------------------------|---|
| | Airport | Refuse | Transportation | Public Parking | Civic Entertainment | |
| Liabilities: | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 99 | 3,684 | 5 | 272 | 1,479 | 5,539 |
| Accrued payroll | 20 | 139 | 73 | 45 | - | 277 |
| Retainage payable | 20 | - | - | 128 | - | 148 |
| Unearned revenue | 19 | - | 217 | - | 27 | 263 |
| Deposits | - | - | - | - | 1,070 | 1,070 |
| Accrued interest | - | - | 4 | 39 | - | 43 |
| Long-term obligations | 70 | 505 | 202 | 1,243 | 4,443 | 6,463 |
| Compensated absences | 65 | 279 | 119 | 80 | - | 543 |
| Landfill capping | - | 559 | - | - | - | 559 |
| OPEB liability | 5 | 39 | 21 | 12 | - | 77 |
| Lease liability | 1 | - | 79 | 18 | - | 98 |
| Total current liabilities | 299 | 5,205 | 720 | 1,837 | 7,019 | 15,080 |
| Noncurrent liabilities: | | | | | | |
| Long-term obligations | 486 | 3,180 | 1,568 | 10,155 | 45,026 | 60,415 |
| Compensated absences | 44 | 198 | 53 | 25 | - | 320 |
| Advances from other funds | 2,000 | 2,870 | - | 1,833 | - | 6,703 |
| Landfill capping | - | 8,013 | - | - | - | 8,013 |
| Regulatory liability | - | - | - | - | 41 | 41 |
| Derivative instruments | - | - | - | - | 1,218 | 1,218 |
| Net pension liability | 600 | 4,123 | 2,689 | 1,101 | - | 8,513 |
| OPEB liability | 163 | 1,418 | 732 | 300 | - | 2,613 |
| Lease liability | 4 | - | 85 | 5 | - | 94 |
| Total noncurrent liabilities | 3,297 | 19,802 | 5,127 | 13,419 | 46,285 | 87,930 |
| Total liabilities | 3,596 | 25,007 | 5,847 | 15,256 | 53,304 | 103,010 |
| Deferred Inflows of Resources: | | | | | | |
| Change in derivative values | - | - | - | - | 566 | 566 |
| Pension related items | 4 | 24 | 16 | 7 | - | 51 |
| OPEB related items | 26 | 236 | 134 | 52 | - | 448 |
| Lease related items | 4,251 | - | - | 1,996 | 2,555 | 8,802 |
| Total deferred inflows of resources | 4,281 | 260 | 150 | 2,055 | 3,121 | 9,867 |
| Net Position: | | | | | | |
| Net investment in capital assets | 20,284 | 8,738 | 2,250 | 16,981 | 35,336 | 83,589 |
| Restricted net position: | | | | | | |
| Landfill capping | - | 2,500 | - | - | - | 2,500 |
| Unfunded accrued liability | 45 | 308 | - | 82 | - | 435 |
| Unrestricted/(deficit) | 2,145 | 3,649 | (3,384) | 6,131 | 1,657 | 10,198 |
| Total net position | \$ 22,474 | \$ 15,195 | \$ (1,134) | \$ 23,194 | \$ 36,993 | \$ 96,722 |

**CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | | Total Non-Major Enterprise Funds |
|--|---|------------------|-------------------|------------------|------------------------|---|
| | Airport | Refuse | Transportation | Public Parking | Civic Entertainment | |
| Operating Revenues: | | | | | | |
| Charges for services | \$ 2,235 | \$ 37,436 | \$ 278 | \$ 11,276 | \$ 14,791 | \$ 66,016 |
| Total operating revenues | 2,235 | 37,436 | 278 | 11,276 | 14,791 | 66,016 |
| Operating Expenses: | | | | | | |
| Personnel services | 940 | 6,471 | 3,449 | 1,001 | - | 11,861 |
| Contractual services | 190 | 10,424 | 160 | 3,975 | 147 | 14,896 |
| Maintenance and operation | 284 | 12,186 | 594 | 802 | 2,638 | 16,504 |
| General | 277 | 5,207 | 994 | 639 | 17,238 | 24,355 |
| Materials and supplies | 36 | 1,201 | 190 | 19 | - | 1,446 |
| Claims/Insurance | 123 | 188 | 83 | 149 | 494 | 1,037 |
| Depreciation | 756 | 1,117 | 258 | 1,166 | 3,119 | 6,416 |
| Amortization | 2 | 567 | 95 | 74 | - | 738 |
| Total operating expenses | 2,608 | 37,361 | 5,823 | 7,825 | 23,636 | 77,253 |
| Operating income/(loss) | (373) | 75 | (5,545) | 3,451 | (8,845) | (11,237) |
| Nonoperating Revenues/(Expenses): | | | | | | |
| Grant subsidies | - | - | 4,923 | - | - | 4,923 |
| Interest revenue | 309 | 1,333 | 14 | 574 | 204 | 2,434 |
| Interest expense and fiscal charges | (21) | (196) | (69) | (642) | (1,674) | (2,602) |
| Other | 179 | 202 | 53 | 10 | 229 | 673 |
| Gain/(loss) on disposal of capital assets | - | 13 | - | - | - | 13 |
| Total nonoperating revenues/(expenses): | 467 | 1,352 | 4,921 | (58) | (1,241) | 5,441 |
| Income/(loss) before contributions and transfers | 94 | 1,427 | (624) | 3,393 | (10,086) | (5,796) |
| Capital contributions | 127 | - | 1,392 | - | - | 1,519 |
| Transfers in | - | 1,104 | - | - | 11,009 | 12,113 |
| Change in net position | 221 | 2,531 | 768 | 3,393 | 923 | 7,836 |
| Net Position | | | | | | |
| Beginning of year | 22,253 | 12,664 | (1,902) | 19,801 | 36,070 | 88,886 |
| End of year | \$ 22,474 | \$ 15,195 | \$ (1,134) | \$ 23,194 | \$ 36,993 | \$ 96,722 |

**CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | | Total Non-Major Enterprise Funds |
|---|--|------------------|-----------------------|-----------------------|--------------------------------|---|
| | Airport | Refuse | Transportation | Public Parking | Civic Entertainment | |
| Cash Flows from Operating Activities: | | | | | | |
| Cash received from customers and users | \$ 2,028 | \$ 36,471 | \$ 293 | \$ 11,341 | \$ 14,856 | \$ 64,989 |
| Cash paid to suppliers for goods or services | (1,156) | (29,126) | (2,689) | (5,873) | (21,489) | (60,333) |
| Cash paid to employees for services | (789) | (5,663) | (2,886) | (704) | - | (10,042) |
| Net cash provided/(used) by operating activities | 83 | 1,682 | (5,282) | 4,764 | (6,633) | (5,386) |
| Cash Flows from Non-Capital Financing Activities: | | | | | | |
| Transfers in | - | 1,104 | - | - | 11,008 | 12,112 |
| Cash received/(paid) from/(to) other funds | - | - | (233) | - | - | (233) |
| Payment receipt from advances to other funds | 2,000 | 2,870 | - | (167) | - | 4,703 |
| Debt service payment on pension obligation bonds | (67) | (384) | (196) | (99) | - | (746) |
| Other non-operating receipts (payments) | 42 | 202 | 53 | (30) | 171 | 438 |
| Grant subsidies (repayments) | - | - | 5,352 | - | - | 5,352 |
| Net cash provided/(used) by non-capital financing activities | 1,975 | 3,792 | 4,976 | (296) | 11,179 | 21,626 |
| Cash Flows from Capital and Related Financing Activities: | | | | | | |
| Purchase of capital assets | (538) | (6,698) | (762) | (943) | 2 | (8,939) |
| Proceeds from revenue bonds, including premium | - | - | - | 5,284 | - | 5,284 |
| Proceeds from sales of capital assets | - | 13 | - | - | - | 13 |
| Principal paid on long-term obligations | - | (107) | - | (1,178) | (4,290) | (5,575) |
| Interest paid on long-term obligations | (21) | (196) | (65) | (601) | (1,668) | (2,551) |
| Refunding Escrow Agent | - | - | - | (5,222) | - | (5,222) |
| Contributions | 127 | - | 1,391 | - | - | 1,518 |
| Lease and subscription payments | 2 | (1) | (181) | (76) | - | (256) |
| Bond issuance costs | - | - | - | (56) | - | (56) |
| Net cash provided/(used) by capital and related financing activities | (430) | (6,989) | 383 | (2,792) | (5,956) | (15,784) |
| Cash Flows from Investing Activities: | | | | | | |
| Interest from investments | 290 | 1,305 | 14 | 552 | 208 | 2,369 |
| Proceeds from investment securities | (7) | (49) | - | (13) | - | (69) |
| Net cash provided/(used) by investing activities | 283 | 1,256 | 14 | 539 | 208 | 2,300 |
| Net increase/(decrease) in cash and cash equivalents | 1,911 | (259) | 91 | 2,215 | (1,202) | 2,756 |
| Cash and cash equivalents at beginning of year | 2,759 | 16,585 | - | 7,794 | 4,788 | 31,926 |
| Cash and cash equivalents at end of year (excluding noncurrent cash and investments at fiscal agent) | \$ 4,670 | \$ 16,326 | \$ 91 | \$ 10,009 | \$ 3,586 | \$ 34,682 |

**CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Business-Type Activities - Enterprise Funds | | | | | Total Non-Major Enterprise Funds |
|---|--|------------------|-----------------------|-----------------------|--------------------------------|---|
| | Airport | Refuse | Transportation | Public Parking | Civic Entertainment | |
| Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities: | | | | | | |
| Operating income/(loss) | \$ (373) | \$ 75 | \$ (5,545) | \$ 3,451 | \$ (8,845) | \$ (11,237) |
| Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities: | | | | | | |
| Depreciation | 756 | 1,117 | 258 | 1,166 | 3,119 | 6,416 |
| Amortization | 2 | 567 | 95 | 74 | - | 738 |
| (Increase)/decrease in utility billed receivable | - | (18) | - | - | - | (18) |
| (Increase)/decrease in utility unbilled receivable | - | (868) | - | - | - | (868) |
| (Increase)/decrease in accounts receivable | (199) | (77) | 14 | 10 | (107) | (359) |
| (Increase)/decrease in property tax receivable | 5 | - | - | - | - | 5 |
| (Increase)/decrease in intergovernmental receivable | 1 | - | - | 55 | - | 56 |
| (Increase)/decrease in inventory | - | - | - | - | (39) | (39) |
| (Increase)/decrease in prepaid items | - | (3) | - | - | 24 | 21 |
| Increase/(decrease) in accounts payable | (231) | 408 | (663) | (293) | (958) | (1,737) |
| Increase/(decrease) in accrued payroll | 2 | (49) | 11 | 18 | - | (18) |
| Increase/(decrease) in retainage payable | (19) | - | - | 4 | - | (15) |
| Increase/(decrease) in unearned revenue | (14) | - | - | - | (47) | (61) |
| Increase/(decrease) in deposits payable | - | - | - | - | 220 | 220 |
| Increase/(decrease) in compensated absences | 21 | 80 | 26 | 56 | - | 183 |
| Increase/(decrease) in landfill capping liability | - | (372) | - | - | - | (372) |
| Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources | 124 | 761 | 489 | 204 | - | 1,578 |
| Changes in OPEB liability and related deferred inflows/(outflows) of resources | 8 | 61 | 33 | 19 | - | 121 |
| Total adjustments | 456 | 1,607 | 263 | 1,313 | 2,212 | 5,851 |
| Net cash provided/(used) by operating activities | \$ 83 | \$ 1,682 | \$ (5,282) | \$ 4,764 | \$ (6,633) | \$ (5,386) |
| Non-Cash Investing, Capital, and Financing Activities: | | | | | | |
| Lease and subscription additions | \$ - | \$ - | \$ 332 | \$ 6 | \$ - | \$ 338 |
| Reconciliation of Statements of Cash Flows to Statement of Net Position: | | | | | | |
| Cash and investments | \$ 4,670 | \$ 13,826 | \$ 91 | \$ 10,009 | \$ 3,586 | \$ 32,182 |
| Cash and cash equivalents | - | 2,500 | - | - | - | 2,500 |
| Cash and cash equivalents at end of year | \$ 4,670 | \$ 16,326 | \$ 91 | \$ 10,009 | \$ 3,586 | \$ 34,682 |

Internal Service Funds

Internal Service Funds are used to account for the financing of goods and services provided by one City department to other City departments on a cost-reimbursement basis.

Self-Insurance Trust - To account for the operations of the City's self-insured workers' compensation, unemployment, and liability programs.

Central Stores - To account for the operations of the City's centralized supplies inventory, including receiving and delivery services provided to City departments.

Central Garage - To account for the maintenance and repair of all city-owned vehicles and motorized equipment, except for Police vehicles.

**CITY OF RIVERSIDE
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025
(amounts expressed in thousands)**

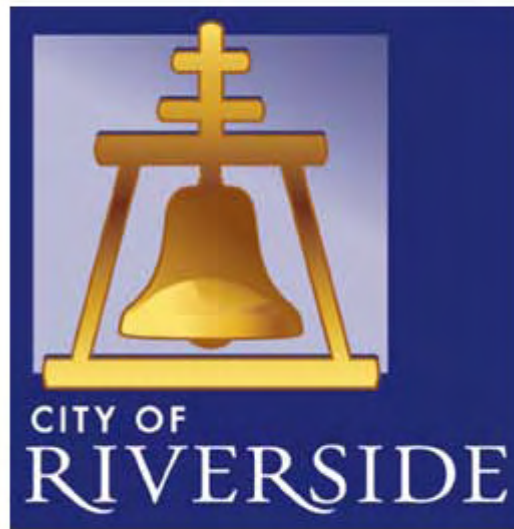
| | Governmental Activities - Internal Service Funds | | | |
|--|---|-----------------------|-----------------------|-----------------------|
| | Self Insurance | Central Stores | Central Garage | Total Internal |
| | Trust | | | Service Funds |
| Assets: | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 37,536 | \$ - | \$ 9,990 | \$ 47,526 |
| Receivables, net of allowance for uncollectible | | | | |
| Interest | 236 | - | 65 | 301 |
| Accounts | 650 | 7 | 106 | 763 |
| Intergovernmental | - | - | 332 | 332 |
| Inventory | - | 10,539 | 501 | 11,040 |
| Total current assets | 38,422 | 10,546 | 10,994 | 59,962 |
| Noncurrent assets: | | | | |
| Capital assets, not depreciated | - | - | 458 | 458 |
| Capital assets, net of depreciation | - | 61 | 9,907 | 9,968 |
| Lease and subscription capital assets, net of amortization | 9 | - | 8 | 17 |
| Total noncurrent assets | 9 | 61 | 10,373 | 10,443 |
| Total assets | 38,431 | 10,607 | 21,367 | 70,405 |
| Deferred Outflows of Resources: | | | | |
| Pension related items | 490 | 321 | 1,546 | 2,357 |
| OPEB related items | 36 | 22 | 93 | 151 |
| Total deferred outflows of resources | 526 | 343 | 1,639 | 2,508 |
| Liabilities: | | | | |
| Current liabilities: | | | | |
| Accounts payable | 135 | 741 | 281 | 1,157 |
| Accrued payroll | 46 | 22 | 110 | 178 |
| Retainage payable | - | - | 19 | 19 |
| Deposits | 50 | - | - | 50 |
| Due to other funds | - | 355 | - | 355 |
| Long-term obligations | 53 | 55 | 632 | 740 |
| Compensated absences | 104 | 19 | 184 | 307 |
| Claims and judgments | 21,191 | - | - | 21,191 |
| OPEB liability | 13 | 6 | 24 | 43 |
| Lease liability | 2 | - | 2 | 4 |
| Total current liabilities | 21,594 | 1,198 | 1,252 | 24,044 |
| Noncurrent liabilities: | | | | |
| Long-term obligations | 423 | 420 | 2,847 | 3,690 |
| Compensated absences | 54 | 10 | 180 | 244 |
| Claims and judgments | 99,023 | - | - | 99,023 |
| Net pension liability | 909 | 596 | 2,866 | 4,371 |
| OPEB liability | 191 | 192 | 835 | 1,218 |
| Lease liability | 7 | - | 5 | 12 |
| Total noncurrent liabilities | 100,607 | 1,218 | 6,733 | 108,558 |
| Total liabilities | 122,201 | 2,416 | 7,985 | 132,602 |
| Deferred Inflows of Resources: | | | | |
| Pension related items | 6 | 4 | 17 | 27 |
| OPEB related items | 47 | 39 | 118 | 204 |
| Total deferred inflows of resources | 53 | 43 | 135 | 231 |
| Net Position: | | | | |
| Net investment in capital assets | - | 61 | 10,366 | 10,427 |
| Unrestricted/(deficit) | (83,297) | 8,430 | 4,520 | (70,347) |
| Total net position | \$ (83,297) | \$ 8,491 | \$ 14,886 | \$ (59,920) |

**CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Governmental Activities - Internal Service Funds | | | |
|---|---|-----------------------|-----------------------|---|
| | Self Insurance Trust | Central Stores | Central Garage | Total Internal Service Funds |
| Operating Revenues: | | | | |
| Charges for services | \$ 22,296 | \$ 2,730 | \$ 11,586 | \$ 36,612 |
| Total operating revenues | 22,296 | 2,730 | 11,586 | 36,612 |
| Operating Expenses: | | | | |
| Personnel services | 2,287 | 906 | 4,411 | 7,604 |
| Contractual services | 576 | 7 | 289 | 872 |
| Maintenance and operation General | 2 | 36 | 4,422 | 4,460 |
| Materials and supplies | 5,757 | 207 | 1,518 | 7,482 |
| Claims/Insurance | 2 | 16 | 187 | 205 |
| Depreciation | 29,517 | 13 | 213 | 29,743 |
| Amortization | - | 12 | 1,544 | 1,556 |
| | 2 | 1 | 4 | 7 |
| Total operating expenses | 38,143 | 1,198 | 12,588 | 51,929 |
| Operating income (loss) | (15,847) | 1,532 | (1,002) | (15,317) |
| Nonoperating Revenues/(Expenses): | | | | |
| Interest revenue | 2,011 | - | 536 | 2,547 |
| Interest expense and fiscal charges | (17) | (17) | (171) | (205) |
| Other | 12 | - | 60 | 72 |
| Gain/(loss) on disposal of capital assets | - | - | 63 | 63 |
| Total nonoperating revenues/(expenses) | 2,006 | (17) | 488 | 2,477 |
| Income/(loss) before contributions and operating transfers | (13,841) | 1,515 | (514) | (12,840) |
| Capital contributions | - | - | 3 | 3 |
| Change in net position | (13,841) | 1,515 | (511) | (12,837) |
| Beginning of year | (69,456) | 6,976 | 15,397 | (47,083) |
| End of year | \$ (83,297) | \$ 8,491 | \$ 14,886 | \$ (59,920) |

**CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Governmental Activities - Internal Service Funds | | | |
|---|---|-----------------------|-----------------------|-------------------------------------|
| | Self Insurance Trust | Central Stores | Central Garage | Total Internal Service Funds |
| Cash Flows from Operating Activities: | | | | |
| Cash received from customers and users | \$ 50 | \$ - | \$ - | \$ 50 |
| Cash received from interfund services provided | 22,328 | 2,722 | 11,253 | 36,303 |
| Cash paid to suppliers for goods and services | (17,255) | (781) | (6,654) | (24,690) |
| Cash paid to employees for services | (2,013) | (782) | (3,730) | (6,525) |
| Net cash provided/(used) by operating activities | 3,110 | 1,159 | 869 | 5,138 |
| Cash Flows from Non-Capital Financing Activities: | | | | |
| Cash received/(paid) from/(to) other funds | - | (1,088) | - | (1,088) |
| Debt service payment on pension obligation bonds | (51) | (54) | (282) | (387) |
| Other non-operating receipts | 12 | - | 60 | 72 |
| Net cash provided/(used) by non-capital financing activities | (39) | (1,142) | (222) | (1,403) |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Purchase of capital assets | - | - | (2,824) | (2,824) |
| Proceeds from sales of capital assets | - | - | 63 | 63 |
| Principal paid on long-term obligations | - | - | 41 | 41 |
| Interest paid on long-term obligations | (18) | (17) | (171) | (206) |
| Contributions | - | - | 3 | 3 |
| Lease and subscription payments | (3) | - | (3) | (6) |
| Net cash provided/(used) by capital and related financing activities | (21) | (17) | (2,891) | (2,929) |
| Cash Flows from Investing Activities: | | | | |
| Interest from investments | 1,939 | - | 533 | 2,472 |
| Net cash provided/(used) by capital and related financing activities | 1,939 | - | 533 | 2,472 |
| Net increase/(decrease) in cash and cash equivalents | 4,989 | - | (1,711) | 3,278 |
| Cash and cash equivalents at beginning of year | 32,547 | - | 11,701 | 44,248 |
| Cash and cash equivalents at end of year | \$ 37,536 | \$ - | \$ 9,990 | \$ 47,526 |
| Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities: | | | | |
| Operating income/(loss) | \$ (15,847) | \$ 1,532 | \$ (1,002) | \$ (15,317) |
| Adjustments to Reconcile Operating Income/(Loss) Net Cash Provided/(Used) by Operating Activities: | | | | |
| Depreciation | - | 12 | 1,544 | 1,556 |
| Amortization | 2 | 1 | 4 | 7 |
| (Increase)/decrease in accounts receivable | - | (7) | (50) | (57) |
| (Increase)/decrease in intergovernmental receivable | 28 | - | (284) | (256) |
| (Increase)/decrease in inventory | - | (896) | (56) | (952) |
| Increase/(decrease) in accounts payable | 2 | 392 | 13 | 407 |
| Increase/(decrease) in accrued payroll | 22 | 8 | 33 | 63 |
| Increase/(decrease) in retainage payable | - | - | 19 | 19 |
| Increase/(decrease) in deposits payable | 50 | - | - | 50 |
| Increase/(decrease) in compensated absences | 55 | 8 | 84 | 147 |
| Increase/(decrease) in claims and judgments | 18,599 | - | - | 18,599 |
| Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources | 179 | 100 | 526 | 805 |
| Changes in OPEB liability and related deferred inflows/(outflows) of resources | 20 | 9 | 38 | 67 |
| Total adjustments | 18,957 | (373) | 1,871 | 20,455 |
| Net cash provided/(used) by operating activities | \$ 3,110 | \$ 1,159 | \$ 869 | \$ 5,138 |



**Combining General Fund and Capital Outlay Fund Schedules with
Measure Z Fund Activity**

**CITY OF RIVERSIDE
BALANCE SHEET
COMBINING GENERAL FUND SCHEDULE
JUNE 30, 2025
(amounts expressed in thousands)**

| | <u>General Fund</u> | <u>Measure Z Fund</u> | <u>Total General Fund</u> |
|--|---------------------|-----------------------|---------------------------|
| Assets: | | | |
| Cash and investments | \$ 188,809 | \$ 53,683 | \$ 242,492 |
| Cash and investments with fiscal agent | 76,852 | - | 76,852 |
| Receivables, net of allowance for uncollectible | | | |
| Interest | 1,049 | 316 | 1,365 |
| Property taxes | 1,831 | - | 1,831 |
| Sales taxes | 15,860 | 14,177 | 30,037 |
| Utility billed | 1,516 | - | 1,516 |
| Utility unbilled | 1,971 | - | 1,971 |
| Accounts | 6,300 | 1 | 6,301 |
| Intergovernmental | 4,956 | - | 4,956 |
| Leases receivable | 9,605 | - | 9,605 |
| Prepaid items | 907 | 84 | 991 |
| Due from other funds | 1,775 | 1,033 | 2,808 |
| Land and improvements held for resale | 175 | - | 175 |
| Advances to other funds | 6,703 | - | 6,703 |
| Total assets | \$ 318,309 | \$ 69,294 | \$ 387,603 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | |
| Liabilities: | | | |
| Accounts payable | \$ 8,212 | \$ 652 | \$ 8,864 |
| Accrued payroll | 16,863 | 788 | 17,651 |
| Retainage payable | 62 | 2 | 64 |
| Intergovernmental | 194 | - | 194 |
| Unearned revenue | 2,960 | - | 2,960 |
| Deposits | 10,622 | - | 10,622 |
| Due to other funds | 4,822 | - | 4,822 |
| Total liabilities | 43,735 | 1,442 | 45,177 |
| Deferred Inflows of Resources: | | | |
| Unavailable revenue | 6,188 | - | 6,188 |
| Lease related items | 9,273 | - | 9,273 |
| Total deferred inflows of resources | 15,461 | - | 15,461 |
| Fund Balances: | | | |
| Nonspendable: | | | |
| Inventories, prepaids, and deposits | 907 | 84 | 991 |
| Advances and notes | 5,660 | - | 5,660 |
| Land and improvements held for resale | 175 | - | 175 |
| Restricted: | | | |
| Unfunded accrued liability | 76,851 | - | 76,851 |
| Committed: | | | |
| Economic contingency | 76,431 | 5,000 | 81,431 |
| Other purposes | 64,323 | - | 64,323 |
| Assigned: | | | |
| General government | 6,133 | 5,634 | 11,767 |
| Public safety | 1,029 | 10,396 | 11,425 |
| Highways and streets | 3,454 | 913 | 4,367 |
| Culture and recreation | 1,892 | 51 | 1,943 |
| Continuing projects | 13,184 | 9,270 | 22,454 |
| Unassigned | 9,074 | 36,504 | 45,578 |
| Total fund balances | 259,113 | 67,852 | 326,965 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 318,309 | \$ 69,294 | \$ 387,603 |

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINING GENERAL FUND SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | <u>General Fund</u> | <u>Measure Z Fund</u> | <u>Total General Fund</u> |
|---|---------------------|-----------------------|---------------------------|
| Revenues: | | | |
| Taxes | \$ 240,142 | \$ 81,326 | \$ 321,468 |
| Licenses and permits | 12,168 | - | 12,168 |
| Intergovernmental | 4,634 | - | 4,634 |
| Charges for services | 17,359 | - | 17,359 |
| Fines and forfeitures | 2,208 | - | 2,208 |
| Special assessments | 615 | - | 615 |
| Rental and investment income | 19,065 | 3,457 | 22,522 |
| Miscellaneous | 2,200 | - | 2,200 |
| Total revenues | 298,391 | 84,783 | 383,174 |
| Expenditures: | | | |
| Current: | | | |
| General government | 23,629 | 5,719 | 29,348 |
| Public safety | 205,849 | 30,483 | 236,332 |
| Highways and streets | 24,778 | 3,550 | 28,328 |
| Culture and recreation | 46,756 | 391 | 47,147 |
| Capital outlay | 11,188 | 6,511 | 17,699 |
| Debt service: | | | |
| Principal | 2,626 | 25 | 2,651 |
| Interest and fiscal charges | 118 | - | 118 |
| Total expenditures | 314,944 | 46,679 | 361,623 |
| Excess/(deficiency) of revenues over/(under) expenditures | (16,553) | 38,104 | 21,551 |
| Other Financing Sources/(Uses): | | | |
| Transfers in | 95,488 | 1,038 | 96,526 |
| Transfers out | (62,001) | (26,625) | (88,626) |
| Transfers in/(out) to General Fund * | 24,156 | (24,156) | - |
| Proceeds from sale of capital assets | 388 | - | 388 |
| Issuance of debt related to leases and subscriptions | 7,533 | - | 7,533 |
| Total other financing sources/(uses) | 65,564 | (49,743) | 15,821 |
| Net change in fund balance | 49,011 | (11,639) | 37,372 |
| Fund Balances: | | | |
| Beginning of year, as previously stated | 208,367 | 79,491 | 287,858 |
| Error correction | 1,735 | - | 1,735 |
| Beginning of year, as restated | 210,102 | 79,491 | 289,593 |
| End of year | \$ 259,113 | \$ 67,852 | \$ 326,965 |

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

CITY OF RIVERSIDE
BALANCE SHEET
COMBINING CAPITAL OUTLAY FUND SCHEDULE
JUNE 30, 2025
(amounts expressed in thousands)

| | Capital Outlay Fund | Measure Z Capital Outlay Fund | Total Capital Outlay Fund |
|--|------------------------|-------------------------------------|------------------------------|
| Assets: | | | |
| Cash and investments | \$ 51,125 | \$ 22,172 | \$ 73,297 |
| Cash and investments with fiscal agent | 4 | - | 4 |
| Receivables, net of allowance for uncollectible | | | |
| Interest | 487 | 142 | 629 |
| Intergovernmental | 27,199 | - | 27,199 |
| Prepaid items | - | 11 | 11 |
| Due from other funds | 2,407 | - | 2,407 |
| Total assets | \$ 81,222 | \$ 22,325 | \$ 103,547 |
| Liabilities, Deferred Inflows of Resources, and Fund Balances: | | | |
| Balances: | | | |
| Liabilities: | | | |
| Accounts payable | \$ 2,162 | \$ 877 | \$ 3,039 |
| Retainage payable | 580 | 477 | 1,057 |
| Unearned revenue | 113 | - | 113 |
| Total liabilities | 2,855 | 1,354 | 4,209 |
| Deferred Inflows of Resources: | | | |
| Unavailable revenue | 3,059 | - | 3,059 |
| Total deferred inflows of resources | 3,059 | - | 3,059 |
| Fund Balances: | | | |
| Inventories, prepaids, and deposits | - | 11 | 11 |
| Restricted: | | | |
| Transportation and public works | 42,304 | - | 42,304 |
| Committed: | | | |
| Other purposes | - | 20,960 | 20,960 |
| Assigned: | | | |
| Continuing projects | 33,004 | - | 33,004 |
| Total fund balances | 75,308 | 20,971 | 96,279 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 81,222 | \$ 22,325 | \$ 103,547 |

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINING CAPITAL OUTLAY FUND SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2025
(amounts expressed in thousands)**

| | Capital Outlay Fund | Measure Z Capital Outlay Fund | Total Capital Outlay Fund |
|---|--------------------------------|--|--------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 37,531 | \$ - | \$ 37,531 |
| Special assessments | 256 | - | 256 |
| Rental and investment income | 4,268 | 1,464 | 5,732 |
| Miscellaneous | 213 | - | 213 |
| Total revenues | 42,268 | 1,464 | 43,732 |
| Expenditures: | | | |
| Capital outlay | 52,020 | 22,112 | 74,132 |
| Debt service: | | | |
| Principal | - | 1 | 1 |
| Interest and fiscal charges | 1 | - | 1 |
| Total expenditures | 52,021 | 22,113 | 74,134 |
| Excess/(deficiency) of revenues over/(under) expenditures | (9,753) | (20,649) | (30,402) |
| Other Financing Sources/(Uses):: | | | |
| Transfers in | 24,853 | 18,253 | 43,106 |
| Transfers out | (14,117) | (5) | (14,122) |
| Issuance of debt related to leases and subscriptions | - | 7 | 7 |
| Total other financing sources/(uses): | 10,736 | 18,255 | 28,991 |
| Net change in fund balances | 983 | (2,394) | (1,411) |
| Fund Balances: | | | |
| Beginning of year, as previously stated | 74,950 | 23,365 | 98,315 |
| Error correction | (625) | - | (625) |
| Beginning of year, as restated | 74,325 | 23,365 | 97,690 |
| End of year | \$ 75,308 | \$ 20,971 | \$ 96,279 |

Statistical Section
(Unaudited)

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

| <u>Contents</u> | <u>Page</u> |
|---|--------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. | 114 |
| Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes. | 119 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | 129 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments. | 135 |
| Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs. | 138 |

Source: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**CITY OF RIVERSIDE
TABLE 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEAR
(accrual basis of accounting)**

(in thousands)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 1,123,910 | \$ 1,102,409 | \$ 1,093,896 | \$ 1,102,837 | \$ 1,081,991 | \$ 1,170,232 | \$ 1,176,215 | \$ 1,198,815 | \$ 1,206,876 | \$ 1,176,467 |
| Restricted - Expendable | 106,488 | 104,853 | 112,183 | 126,551 | 153,806 | 164,809 | 203,038 | 237,159 | 230,945 | 297,802 |
| Restricted - Nonexpendable | - | - | - | - | - | - | - | 1,642 | 1,676 | 1,758 |
| Unrestricted | (389,278) | (362,146) | (364,500) | (356,340) | (369,222) | (366,713) | (284,713) | (242,886) | (242,765) | (317,101) |
| Total governmental activities net position | \$ 841,120 | \$ 845,116 | \$ 841,579 | \$ 873,048 | \$ 866,575 | \$ 968,328 | \$ 1,094,540 | \$ 1,194,730 | \$ 1,196,732 | \$ 1,158,926 |
| Business-Type Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 654,870 | \$ 702,844 | \$ 800,227 | \$ 867,206 | \$ 751,865 | \$ 756,116 | \$ 774,469 | \$ 790,844 | \$ 785,422 | \$ 809,305 |
| Restricted - Expendable | 85,526 | 93,570 | 80,717 | 67,057 | 75,170 | 78,885 | 85,666 | 96,638 | 120,525 | 136,001 |
| Unrestricted | 235,144 | 245,116 | 199,143 | 155,468 | 272,776 | 263,837 | 284,977 | 283,132 | 299,278 | 336,205 |
| Total business-type activities net position | \$ 975,540 | \$ 1,041,530 | \$ 1,080,087 | \$ 1,089,731 | \$ 1,099,811 | \$ 1,098,838 | \$ 1,145,112 | \$ 1,170,614 | \$ 1,205,225 | \$ 1,281,511 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | \$ 1,778,780 | \$ 1,805,253 | \$ 1,894,123 | \$ 1,970,043 | \$ 1,833,856 | \$ 1,926,348 | \$ 1,950,684 | \$ 1,989,659 | \$ 1,992,298 | \$ 1,985,772 |
| Restricted - Expendable | 192,014 | 198,423 | 192,900 | 193,608 | 228,976 | 243,694 | 288,704 | 333,797 | 351,470 | 433,803 |
| Restricted - Nonexpendable | - | - | - | - | - | - | - | 1,642 | 1,676 | 1,758 |
| Unrestricted | (154,134) | (117,030) | (165,357) | (200,872) | (96,446) | (102,876) | 264 | 40,246 | 56,513 | 19,104 |
| Total primary government net position | \$ 1,816,660 | \$ 1,886,646 | \$ 1,921,666 | \$ 1,962,779 | \$ 1,966,386 | \$ 2,067,166 | \$ 2,239,652 | \$ 2,365,344 | \$ 2,401,957 | \$ 2,440,437 |

**CITY OF RIVERSIDE
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

(in thousands) Page 1 of 2

| | Fiscal Year | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| | 2016 ¹ | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General government | \$ 24,483 | \$ 44,510 | \$ 45,360 | \$ 51,139 | \$ 63,651 | \$ 97,927 | \$ 66,937 | \$ 34,258 | \$ 108,301 | \$ 95,866 |
| Public safety | 161,284 | 160,665 | 216,772 | 201,942 | 222,061 | 219,136 | 169,742 | 239,744 | 275,631 | 282,364 |
| Highways and streets | 38,836 | 38,585 | 42,544 | 43,770 | 46,983 | 42,034 | 41,125 | 50,588 | 55,000 | 107,629 |
| Cultural and recreation | 47,762 | 49,406 | 38,362 | 31,200 | 37,400 | 37,693 | 38,885 | 50,863 | 56,685 | 73,905 |
| Interest on long-term debt and fiscal charges | 16,387 | 16,028 | 12,414 | 10,045 | 13,181 | 19,083 | 19,806 | 18,598 | 17,607 | 17,483 |
| Total governmental activities | 288,752 | 309,194 | 355,452 | 338,096 | 383,276 | 415,873 | 336,495 | 394,051 | 513,224 | 577,247 |
| Business-Type Activities: | | | | | | | | | | |
| Electric | 307,925 | 317,335 | 333,061 | 347,804 | 350,667 | 366,165 | 349,004 | 401,427 | 409,674 | 418,293 |
| Water | 57,769 | 62,189 | 68,281 | 70,912 | 73,742 | 71,738 | 69,303 | 76,475 | 80,452 | 87,978 |
| Sewer | 39,978 | 38,305 | 54,136 | 70,137 | 62,961 | 61,029 | 59,060 | 67,198 | 69,465 | 70,901 |
| Airport | 1,799 | 1,998 | 2,179 | 1,972 | 2,304 | 2,326 | 1,944 | 2,383 | 2,438 | 2,629 |
| Refuse | 21,652 | 21,953 | 22,082 | 24,205 | 26,549 | 28,428 | 28,449 | 32,779 | 35,717 | 37,557 |
| Transportation | 4,113 | 4,221 | 4,782 | 4,493 | 4,607 | 4,623 | 3,758 | 4,808 | 5,648 | 5,892 |
| Public Parking | 5,141 | 5,448 | 6,186 | 5,151 | 4,628 | 4,684 | 4,566 | 5,494 | 8,046 | 8,467 |
| Civic Entertainment | - | - | 19,995 | 24,151 | 21,584 | 11,885 | 21,804 | 27,696 | 31,557 | 25,310 |
| Total business-type activities | 438,377 | 451,449 | 510,702 | 548,825 | 547,042 | 550,878 | 537,888 | 618,260 | 642,997 | 657,027 |
| Total primary government expenses | \$ 727,129 | \$ 760,643 | \$ 866,154 | \$ 886,921 | \$ 930,318 | \$ 966,751 | \$ 874,383 | \$ 1,012,311 | \$ 1,156,221 | \$ 1,234,274 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 24,944 | \$ 27,441 | \$ 24,605 | \$ 29,281 | \$ 25,698 | \$ 11,485 | \$ 13,721 | \$ 14,046 | \$ 17,582 | \$ 16,774 |
| Public safety | 3,243 | 1,167 | 1,880 | 2,443 | 2,138 | 7,649 | 14,491 | 14,963 | 14,937 | 16,218 |
| Highways and streets | 5,709 | 5,930 | 5,554 | 6,036 | 5,174 | 11,278 | 6,090 | 7,288 | 7,078 | 6,026 |
| Cultural and recreation | 12,458 | 22,802 | 6,078 | 7,465 | 5,050 | 3,694 | 6,770 | 6,790 | 7,932 | 7,308 |
| Operating grants and contributions | 16,321 | 19,374 | 22,548 | 23,966 | 21,779 | 64,405 | 50,378 | 59,368 | 50,327 | 76,067 |
| Capital grants and contributions | 31,216 | 7,617 | 18,039 | 27,450 | 19,945 | 28,284 | 38,508 | 34,305 | 31,064 | 57,771 |
| Total governmental activities | 93,891 | 84,331 | 78,704 | 96,641 | 79,784 | 126,795 | 129,958 | 136,760 | 128,920 | 180,164 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Electric | 354,530 | 366,066 | 364,516 | 363,570 | 368,969 | 376,101 | 397,947 | 419,392 | 429,853 | 475,608 |
| Water | 57,250 | 62,627 | 66,828 | 65,177 | 70,167 | 80,252 | 80,535 | 78,703 | 81,425 | 96,083 |
| Sewer | 52,664 | 59,735 | 65,081 | 64,282 | 64,114 | 66,323 | 71,557 | 72,140 | 75,395 | 71,953 |
| Airport | 1,549 | 1,578 | 1,562 | 1,618 | 1,743 | 1,709 | 1,728 | 1,872 | 2,039 | 2,235 |
| Refuse | 21,806 | 22,567 | 23,085 | 23,004 | 25,109 | 26,468 | 29,768 | 31,477 | 33,444 | 37,436 |
| Transportation | 377 | 359 | 441 | 444 | 309 | 65 | 168 | 258 | 276 | 278 |
| Public Parking | 4,918 | 5,009 | 6,258 | 4,604 | 4,301 | 2,968 | 4,888 | 6,084 | 10,228 | 11,276 |
| Civic Entertainment | - | - | 16,393 | 16,977 | 12,233 | 1,381 | 11,883 | 18,158 | 22,000 | 14,791 |
| Operating grants and contributions | 2,322 | 3,751 | 3,374 | 3,093 | 3,473 | 3,976 | 5,866 | 4,374 | 3,637 | 4,923 |
| Capital grants and contributions | 18,868 | 24,151 | 26,957 | 10,607 | 13,979 | 12,273 | 20,527 | 15,484 | 20,343 | 23,981 |
| Total business-type activities | 514,284 | 545,843 | 574,495 | 553,376 | 564,397 | 571,516 | 624,867 | 647,942 | 678,640 | 738,564 |
| Total primary government program revenues | \$ 608,175 | \$ 630,174 | \$ 653,199 | \$ 650,017 | \$ 644,181 | \$ 698,311 | \$ 754,825 | \$ 784,702 | \$ 807,560 | \$ 918,728 |

**CITY OF RIVERSIDE
TABLE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

(in thousands) Page 2 of 2

| | Fiscal Year | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 ¹ | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Net Revenues/(Expenses) | | | | | | | | | | |
| Governmental Activities | \$ (194,861) | \$ (224,863) | \$ (276,748) | \$ (241,455) | \$ (303,492) | \$ (289,078) | \$ (206,537) | \$ (257,291) | \$ (384,304) | \$ (397,083) |
| Business-Type Activities | 75,907 | 94,394 | 63,793 | 4,551 | 17,355 | 20,638 | 86,979 | 29,682 | 35,643 | 81,537 |
| Total primary government net revenues/(expenses) | \$ (118,954) | \$ (130,469) | \$ (212,955) | \$ (236,904) | \$ (286,137) | \$ (268,440) | \$ (119,558) | \$ (227,609) | \$ (348,661) | \$ (315,546) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Sales taxes | \$ 60,976 | \$ 75,883 | \$ 120,338 | \$ 130,645 | \$ 128,653 | \$ 150,321 | \$ 173,933 | \$ 177,722 | \$ 174,300 | \$ 176,256 |
| Property taxes | 55,545 | 59,526 | 63,515 | 69,478 | 72,609 | 71,986 | 79,790 | 84,751 | 90,383 | 94,638 |
| Utility users' taxes | 27,828 | 27,958 | 27,498 | 28,009 | 29,044 | 30,577 | 32,464 | 34,963 | 32,218 | 35,278 |
| Franchise taxes | 5,730 | 4,814 | 4,972 | 5,256 | 5,443 | 5,527 | 5,955 | 6,422 | 6,694 | 6,300 |
| Transient occupancy taxes | 6,093 | 6,622 | 6,793 | 7,163 | 5,959 | 5,801 | 8,764 | 8,587 | 8,778 | 9,108 |
| Intergovernmental, unrestricted | 477 | 145 | 172 | 156 | 656 | 499 | 661 | 467 | 1,097 | 1,199 |
| Investment income | 729 | 6,145 | 5,187 | 7,500 | 10,185 | 4,969 | (7,613) | 8,817 | 23,089 | 33,933 |
| Miscellaneous | 11,708 | 2,050 | 4,278 | - | 9,146 | 5,988 | 3,876 | 10,342 | 6,193 | 4,234 |
| Transfers | 41,216 | 45,716 | 41,459 | 37,115 | 35,324 | 34,879 | 34,915 | 25,421 | 43,554 | 41,332 |
| Total governmental activities | 210,302 | 228,859 | 274,212 | 285,322 | 297,019 | 310,547 | 332,745 | 357,492 | 386,306 | 402,278 |
| Business-Type Activities: | | | | | | | | | | |
| Investment income | 6,888 | 2,650 | 3,939 | 19,488 | 19,838 | 681 | (13,324) | 11,191 | 31,514 | 43,336 |
| Miscellaneous | 22,666 | 14,662 | 12,901 | 10,322 | 8,211 | 11,986 | 12,639 | 10,049 | 8,392 | 14,864 |
| Extraordinary items | - | - | - | - | - | - | (5,748) | - | - | - |
| Transfers | (41,216) | (45,716) | (41,459) | (37,115) | (35,324) | (34,278) | (34,915) | (25,421) | (43,554) | (41,332) |
| Total business-type activities | (11,662) | (28,404) | (24,619) | (7,305) | (7,275) | (21,611) | (41,348) | (4,181) | (3,648) | 16,868 |
| Total primary government | 198,640 | 200,455 | 249,593 | 278,017 | 289,744 | 288,936 | 291,397 | 353,311 | 382,658 | 419,146 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ 15,441 | \$ 3,996 | \$ (2,536) | \$ 43,867 | \$ (6,473) | \$ 21,469 | \$ 126,208 | \$ 100,201 | \$ 2,002 | \$ 5,195 |
| Business-Type Activities | 64,245 | 65,990 | 39,174 | (2,754) | 10,080 | (973) | 45,631 | 25,501 | 31,995 | 98,405 |
| Total primary government | \$ 79,686 | \$ 69,986 | \$ 36,638 | \$ 41,113 | \$ 3,607 | \$ 20,496 | \$ 171,839 | \$ 125,702 | \$ 33,997 | \$ 103,600 |

¹ The decrease in total business-type activities net position is primarily due to the power plant closure.

**CITY OF RIVERSIDE
TABLE 3
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

(in thousands)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 23,094 | \$ 26,168 | \$ 1,947 | \$ 949 | \$ 1,446 | \$ 1,870 | \$ 2,087 | \$ 2,115 | \$ 3,963 | \$ 6,826 |
| Restricted | 3,067 | 2,651 | 2,991 | 3,411 | 10,699 | 10,697 | 30,715 | 32,695 | 60,166 | 76,851 |
| Committed | - | - | 53,800 | 65,916 | 59,280 | 62,400 | 82,801 | 111,301 | 138,061 | 145,754 |
| Assigned | 9,922 | 14,968 | 23,242 | 26,984 | 21,260 | 24,890 | 41,707 | 35,566 | 33,579 | 51,956 |
| Unassigned | 29,495 | 39,283 | 7,644 | 23,907 | 41,184 | 59,790 | 69,908 | 71,700 | 52,089 | 45,578 |
| Total general fund | \$ 65,578 | \$ 83,070 | \$ 89,624 | \$ 121,167 | \$ 133,869 | \$ 159,647 | \$ 227,218 | \$ 253,377 | \$ 287,858 | \$ 326,965 |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | \$ 1,619 | \$ 1,601 | \$ 4,855 | \$ 1,560 | \$ 1,510 | \$ 1,477 | \$ 1,495 | \$ 1,736 | \$ 1,832 | \$ 1,820 |
| Restricted for: | | | | | | | | | | |
| Housing and redevelopment | 24,746 | 24,098 | 18,827 | 16,668 | 16,611 | 18,553 | 12,292 | 11,252 | 11,290 | 7,836 |
| Debt service | 26,221 | 6,455 | 11,509 | 6,825 | 11,210 | 11,292 | 11,679 | 14,059 | 13,001 | 57,567 |
| Transportation and public works | 36,876 | 34,178 | 43,499 | 91,379 | 84,413 | 78,884 | 87,073 | 121,543 | 82,585 | 81,894 |
| Other purposes | 3,628 | 4,145 | 3,451 | 5,505 | 5,984 | 6,275 | 7,351 | 8,783 | 10,906 | 10,825 |
| Committed | - | - | - | - | - | - | - | - | 23,365 | 20,960 |
| Assigned | - | - | - | - | - | - | - | - | 33,987 | 33,004 |
| Unassigned | - | (24) | - | - | (27) | - | (1,215) | - | - | (2,581) |
| Total all other governmental funds | \$ 93,090 | \$ 70,453 | \$ 82,141 | \$ 121,937 | \$ 119,701 | \$ 116,481 | \$ 118,675 | \$ 157,373 | \$ 176,966 | \$ 211,325 |

Notes:

Certain reclassifications have been made to prior year balances to conform with current year's presentation.

CITY OF RIVERSIDE
TABLE 4
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

(in thousands)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ 156,172 | \$ 174,803 | \$ 223,116 | \$ 240,416 | \$ 241,708 | \$ 267,714 | \$ 300,906 | \$ 312,445 | \$ 312,373 | \$ 321,580 |
| Licenses and permits | 11,611 | 14,455 | 12,442 | 14,317 | 13,023 | 12,778 | 14,850 | 15,894 | 16,492 | 15,309 |
| Intergovernmental | 51,896 | 31,440 | 42,454 | 44,950 | 42,296 | 87,226 | 88,000 | 95,405 | 78,511 | 125,442 |
| Charges for services | 26,443 | 31,384 | 17,438 | 16,927 | 15,968 | 14,578 | 16,938 | 17,978 | 15,451 | 19,371 |
| Fines and forfeitures | 1,941 | 1,976 | 3,717 | 2,078 | 1,887 | 2,100 | 2,096 | 1,131 | 993 | 2,208 |
| Special assessments | 7,039 | 7,578 | 7,113 | 7,973 | 6,950 | 7,674 | 7,188 | 8,084 | 8,587 | 7,711 |
| Rental and investment income | 4,370 | 4,718 | 3,446 | 6,548 | 8,441 | 4,437 | (6,533) | 8,054 | 22,839 | 33,113 |
| Miscellaneous | 12,578 | 7,252 | 8,716 | 5,370 | 7,845 | 5,962 | 3,703 | 6,040 | 2,379 | 4,205 |
| Total revenues | \$ 272,050 | \$ 273,606 | \$ 318,442 | \$ 338,579 | \$ 338,118 | \$ 402,469 | \$ 427,148 | \$ 465,031 | \$ 457,625 | \$ 528,939 |
| Expenditures: | | | | | | | | | | |
| General government | \$ 19,900 | \$ 20,650 | \$ 21,135 | \$ 18,880 | \$ 107,779 | \$ 30,887 | \$ 24,332 | \$ 27,258 | \$ 32,184 | \$ 51,662 |
| Public safety | 164,800 | 163,712 | 190,916 | 198,363 | 434,208 | 200,733 | 205,968 | 219,559 | 237,709 | 253,619 |
| Highways and streets | 17,416 | 17,504 | 19,207 | 20,927 | 22,254 | 16,897 | 18,805 | 22,324 | 25,377 | 29,366 |
| Culture and recreation | 39,583 | 40,643 | 29,382 | 30,528 | 28,825 | 28,391 | 33,065 | 39,491 | 43,236 | 48,787 |
| Capital outlay | 53,208 | 31,000 | 33,504 | 41,585 | 55,178 | 69,248 | 71,534 | 73,838 | 73,528 | 123,292 |
| Debt service: | | | | | | | | | | |
| Principal | 51,987 | 72,700 | 21,904 | 37,867 | 23,761 | 24,475 | 28,126 | 31,984 | 23,487 | 26,074 |
| Interest and fiscal charges | 16,451 | 16,115 | 12,746 | 10,493 | 10,773 | 20,372 | 20,134 | 19,076 | 17,694 | 16,670 |
| Issuance costs | 180 | 29 | 24 | 854 | 1,185 | - | - | - | 247 | 475 |
| Total expenditures | \$ 363,525 | \$ 362,353 | \$ 328,818 | \$ 359,497 | \$ 683,963 | \$ 391,003 | \$ 401,964 | \$ 433,530 | \$ 453,462 | \$ 549,945 |
| Excess/(deficiency) of revenue over/(under) expenditures | \$ (91,475) | \$ (88,747) | \$ (10,376) | \$ (20,918) | \$ (345,845) | \$ 11,466 | \$ 25,184 | \$ 31,501 | \$ 4,163 | \$ (21,006) |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Transfers in | \$ 61,384 | \$ 94,521 | \$ 102,774 | \$ 94,771 | \$ 95,932 | \$ 112,907 | \$ 116,891 | \$ 155,256 | \$ 126,130 | \$ 180,713 |
| Transfers out | (20,168) | (48,805) | (66,021) | (58,688) | (60,608) | (102,028) | (85,380) | (129,835) | (82,576) | (139,381) |
| Issuance of long-term debt | 31,145 | 31,578 | 14,500 | 49,485 | 320,131 | - | 11,292 | - | 21,190 | 58,774 |
| Proceeds from sale of capital assets | 261 | 4,199 | 461 | 149 | 856 | 213 | 59 | 4,235 | 4,389 | 388 |
| Issuance of debt related to leases and subscriptions | - | - | - | - | - | - | 1,714 | 3,705 | 1,714 | 7,540 |
| Capital lease financing | 5,846 | 2,109 | - | - | - | - | - | - | - | - |
| Payment to refunding bond escrow agent | - | - | - | - | - | - | - | - | (23,371) | (15,007) |
| Other finance sources - bond premium/(discount) | - | - | - | 6,540 | - | - | - | - | - | - |
| Premium on issuance of long-term debt | - | - | - | - | - | - | - | - | 2,435 | 1,735 |
| Total other financing sources/(uses) | 78,468 | 83,602 | 51,714 | 92,257 | 356,311 | 11,092 | 44,576 | 33,361 | 49,911 | 94,762 |
| Net changes in fund balances | \$ (13,007) | \$ (5,145) | \$ 41,338 | \$ 71,339 | \$ 10,466 | \$ 22,558 | \$ 69,760 | \$ 64,862 | \$ 54,074 | \$ 73,756 |
| Debt services as a percentage of non-capital expenditures | 21.714 % | 26.625 % | 11.999 % | 15.143 % | 5.428 % | 13.383 % | 13.535 % | 13.956 % | 10.613 % | 8.801 % |

(1)

(1) Includes one-time payment of \$318,944 to CalPERS to paydown the Unfunded Pension Liability for Miscellaneous and Safety personnel.

CITY OF RIVERSIDE
TABLE 5
BUSINESS-TYPE ACTIVITIES - ELECTRICITY REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

(in thousands)

| Fiscal Year | Residential Sales | Commercial Sales ¹ | Industrial Sales ¹ | Wholesale Sales | Other Sales | Transmission Revenue | Other Operating Revenue | Total Revenues |
|--------------------|--------------------------|--------------------------------------|--------------------------------------|------------------------|--------------------|-----------------------------|--------------------------------|-----------------------|
| 2016 | \$ 116,997 | \$ 69,759 | \$ 113,756 | \$ 3 | \$ 4,737 | \$ 32,924 | \$ 16,354 | \$ 354,530 |
| 2017 | 117,662 | 71,456 | 115,432 | 9 | 4,782 | 35,497 | 21,779 | 366,617 |
| 2018 | 115,630 | 73,971 | 112,264 | 2 | 4,792 | 37,484 | 8,860 | 353,003 |
| 2019 | 116,303 | 72,511 | 111,445 | 344 | 4,824 | 35,730 | 22,413 | 363,570 |
| 2020 | 121,162 | 71,570 | 113,132 | - | 4,849 | 34,817 | 23,438 | 368,968 |
| 2021 | 133,460 | 71,510 | 112,572 | 27 | 4,864 | 32,316 | 21,351 | 376,100 |
| 2022 | 134,403 | 75,899 | 122,684 | 89 | 4,891 | 32,245 | 27,736 | 397,947 |
| 2023 | 140,538 | 77,191 | 124,600 | 2,043 | 5,162 | 35,233 | 34,625 | 419,392 |
| 2024 | 138,879 | 77,850 | 130,519 | - | 5,254 | 39,934 | 37,416 | 429,852 |
| 2025 | 164,209 | 83,190 | 142,845 | 7 | 5,371 | 32,749 | 47,237 | 475,608 |

¹ Changes in fiscal years 2018, 2019, 2020 and 2021 reflect reclassification of certain Industrial and Commercial accounts related to contract accounts. Prior to fiscal year 2018, accounts were reflected under Industrial Sales.

CITY OF RIVERSIDE
TABLE 6
GOVERNMENTAL ACTIVITIES - TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)

(in thousands)

| Fiscal Year | Sales Tax¹ | Property Tax² | Utility Users' Tax | Franchise Tax | Transient Occupancy Tax | Total Taxes |
|--------------------|------------------------------|---------------------------------|---------------------------|----------------------|--------------------------------|--------------------|
| 2016 | \$ 60,976 | \$ 55,545 | \$ 27,828 | \$ 5,730 | \$ 6,093 | \$ 156,172 |
| 2017 | 75,883 | 59,526 | 27,958 | 4,814 | 6,622 | 174,803 |
| 2018 | 120,338 | 63,515 | 27,498 | 4,972 | 6,793 | 223,116 |
| 2019 | 130,645 | 69,343 | 28,009 | 5,256 | 7,163 | 240,416 |
| 2020 | 128,653 | 72,609 | 29,044 | 5,443 | 5,959 | 241,708 |
| 2021 | 150,321 | 71,986 | 30,577 | 5,527 | 5,801 | 264,212 |
| 2022 | 173,933 | 79,790 | 32,464 | 5,955 | 8,764 | 300,906 |
| 2023 | 177,722 | 84,751 | 34,963 | 6,422 | 8,587 | 312,445 |
| 2024 | 174,300 | 90,383 | 32,218 | 6,694 | 8,778 | 312,373 |
| 2025 | 176,256 | 94,638 | 35,278 | 6,300 | 9,108 | 321,580 |

¹ Increase in sales tax in fiscal year 2017 is due to Measure Z which was passed by the voters November 2016 and became effective April 1, 2017. Measure Z is a one percent transaction and use tax.

² Decrease in property taxes in fiscal year 2013 relates to the dissolution of the Redevelopment Agency. Upon the dissolution of the Redevelopment Agency on February 1, 2012, property taxes received by the Successor Agency are reported in a private-purpose trust fund and therefore are excluded from the activities of the primary government.

**CITY OF RIVERSIDE
TABLE 7
TAXABLE SALES BY CATEGORY
LAST TEN CALENDAR YEARS**

(in thousands)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Apparel stores | \$ 203,001 | \$ 214,852 | \$ 210,158 | \$ 212,036 | \$ 210,439 | \$ 147,176 | \$ 249,034 | \$ 232,964 | \$ 231,058 | \$ 242,305 |
| General merchandise | 477,903 | 478,538 | 465,490 | 470,386 | 465,234 | 426,500 | 617,257 | 460,364 | 458,278 | 460,013 |
| Food stores | 217,902 | 168,854 | 169,922 | 184,278 | 185,859 | 202,647 | 208,060 | 225,764 | 225,749 | 229,671 |
| Eating and drinking places | 533,317 | 582,262 | 609,705 | 639,995 | 677,763 | 587,403 | 788,765 | 875,980 | 879,796 | 918,498 |
| Building materials | 567,790 | 636,415 | 666,907 | 738,178 | 761,881 | 813,584 | 1,010,364 | 1,265,631 | 1,094,427 | 1,030,982 |
| Auto dealers and supplies | 1,548,385 | 1,608,231 | 1,588,854 | 1,621,311 | 1,672,475 | 1,728,498 | 2,084,828 | 2,111,240 | 2,282,012 | 2,253,249 |
| Service stations | 370,257 | 338,762 | 360,830 | 432,991 | 434,162 | 327,119 | 527,973 | 644,484 | 597,100 | 558,996 |
| Other retail stores | 633,089 | 692,375 | 677,850 | 666,659 | 636,043 | 609,428 | 764,854 | 743,571 | 700,044 | 682,186 |
| All other outlets | 1,461,982 | 1,474,160 | 1,481,019 | 1,700,733 | 1,701,236 | 1,995,760 | 2,099,827 | 2,545,362 | 2,516,180 | 2,590,573 |
| Total | \$ 6,013,626 | \$ 6,194,449 | \$ 6,230,735 | \$ 6,666,567 | \$ 6,745,092 | \$ 6,838,115 | \$ 8,350,962 | \$ 9,105,360 | \$ 8,984,644 | \$ 8,966,473 |

Notes:

Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source: State of California Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, and HdL Companies.

**CITY OF RIVERSIDE
TABLE 8
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

(in thousands)

| Fiscal Year Ended June 30 | Secured | Unsecured | Less: Exemptions | Taxable Assessed Value | Total Direct Rate¹ |
|--|----------------|------------------|-----------------------------|---------------------------------------|--|
| 2016 | \$ 25,710,122 | \$ 1,225,375 | \$ (8,432,984) | \$ 18,502,513 | 0.124 |
| 2017 | 26,927,989 | 1,311,356 | (9,029,817) | 19,209,528 | 0.124 |
| 2018 | 28,373,517 | 1,354,934 | (9,791,810) | 19,936,641 | 0.124 |
| 2019 | 30,196,815 | 1,420,597 | (10,818,883) | 20,798,529 | 0.124 |
| 2020 | 31,856,912 | 1,466,408 | (10,946,897) | 22,376,423 | 0.124 |
| 2021 | 33,717,485 | 1,482,535 | (11,915,468) | 23,284,552 | 0.123 |
| 2022 | 35,353,418 | 1,736,131 | (12,881,213) | 24,208,336 | 0.123 |
| 2023 ² | 38,044,185 | 1,874,928 | (14,108,558) | 25,810,555 | 0.122 |
| 2024 | 40,681,352 | 2,076,413 | (15,496,481) | 27,261,284 | 0.121 |
| 2025 | 42,870,683 | 2,338,264 | (16,713,409) | 28,495,538 | 0.116 |

Notes:

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. Assessed valuations are based on 100 percent of estimated actual value.

¹ Total Direct Rate is the weighted average of all individual direct rates. Beginning in 2013/14, the Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas.

² Total Taxable Assessed Value for FY2020 was recorded as an estimate and has been restated to the actual amount per information from the Riverside County Auditor-Controller.

Source: Riverside County Auditor-Controller

**CITY OF RIVERSIDE
TABLE 9
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(RATE PER \$100 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS**

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Basic Levy ¹ | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Unified School Districts Debt Service ² | 0.487 | 0.495 | 0.517 | 0.521 | 0.535 | 0.529 | 0.535 | 0.519 | 0.561 | 0.518 |
| City of Riverside Debt Service | 0.006 | 0.006 | 0.006 | 0.006 | 0.005 | 0.005 | 0.005 | 0.005 | 0.003 | - |
| Metropolitan Water District Original Area | 0.004 | 0.004 | 0.004 | 0.004 | 0.004 | 0.004 | 0.004 | 0.004 | 0.004 | 0.007 |
| Riverside City Community College Debt Service | 0.017 | 0.016 | 0.016 | 0.015 | 0.015 | 0.015 | 0.015 | 0.015 | 0.015 | 0.012 |
| Total direct & overlapping³ tax rates | 1.514 | 1.521 | 1.543 | 1.546 | 1.559 | 1.553 | 1.559 | 1.543 | 1.583 | 1.537 |
| City's share of 1% levy per prop 13⁴ | 0.113 | 0.113 | 0.113 | 0.113 | 0.113 | 0.113 | 0.113 | 0.113 | 0.113 | 0.113 |
| Voter approved City debt rate | 0.006 | 0.006 | 0.006 | 0.006 | 0.005 | 0.005 | 0.005 | 0.005 | 0.003 | 0.000 |
| Total direct rate⁵ | 0.124 | 0.124 | 0.124 | 0.124 | 0.124 | 0.123 | 0.123 | 0.122 | 0.121 | 0.116 |

Notes:

Amounts presented in this table have been restated for prior years to reflect the most current information available.

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Includes: Alvard Unified School District, Corona Norco Unified School District, Jurupa Unified School District, Moreno Valley Unified School District, and Riverside Unified School District.

³ Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

⁴ City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF portion of the City's levy has been subtracted where known.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical information and excludes revenues derived from aircraft. Beginning in 2013/14, the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognize enforceable obligations assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: Riverside County Assessor 2015/16 - 2024/25 Tax Rate Table.

**CITY OF RIVERSIDE
TABLE 10
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

(in thousands)

| Property Owner | 2025 | | | 2016 | | |
|--|----------------------------|------|--|----------------------------|------|--|
| | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value |
| Riverside Healthcare System | \$ 349,988,235 | 1 | 0.80 % | \$ 146,113,760 | 2 | 0.57 % |
| Target Corporation | 259,847,122 | 2 | 0.60 % | | | |
| Tyler Mall LP | 244,459,390 | 3 | 0.56 % | 199,362,194 | 1 | 0.78 |
| Nordstrom Inc | 221,106,012 | 4 | 0.51 % | | | |
| CPT Riverside Plaza LLC | 177,557,805 | 5 | 0.41 % | | | |
| La Sierra University | 165,495,822 | 6 | 0.38 % | 106,057,873 | 4 | 0.41 % |
| TA Lance Drive LLC | 141,198,286 | 7 | 0.32 % | - | | % |
| Rohr Inc | 139,226,014 | 8 | 0.32 % | 101,518,042 | 5 | 0.39 |
| 490 Columbia | 138,247,095 | 9 | 0.32 % | | | |
| Corona Pointe Resort LLC | 134,926,874 | 10 | 0.31 % | | | |
| State Street Bank | | | | 112,074,035 | 3 | 0.44 % |
| Advanced Group 13 107 | | | | 98,504,571 | 6 | 0.38 % |
| 1001 Columbia PT | | | | 95,626,913 | 7 | 0.37 % |
| Vestar Riverside Plaza LLC | | | | 84,356,088 | 8 | 0.33 % |
| Northrop Drive Apartments Investment | | | | 78,240,182 | 9 | 0.30 % |
| Canyon Springs Marketplace Corporation | | | | 71,460,172 | 10 | 0.28 % |
| Totals | \$ 1,972,052,655 | | 4.53 % | \$ 1,093,313,830 | | 4.25 % |

Notes:

The amounts shown above include assessed value data for both the City and the Successor Agency.

Source: Riverside County Assessor 2024/2025 and 2015/16 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

**CITY OF RIVERSIDE
TABLE 11
PROPERTY TAXES LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

(in thousands)

| Fiscal Year Ended June 30 | Taxes Levied for Fiscal Year | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|------------------------------|------------------------------------|---|--------------------|--|---------------------------|--------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2016 | \$ 50,023 | \$ 49,585 | 99.12% | \$ - | \$ 50,023 | 100.00% |
| 2017 | 53,655 | 53,252 | 99.25% | - | 53,655 | 100.00% |
| 2018 | 57,567 | 57,173 | 99.32% | - | 57,567 | 100.00% |
| 2019 | 63,003 | 62,557 | 99.29% | - | 63,003 | 100.00% |
| 2020 | 66,295 | 65,729 | 99.15% | - | 66,295 | 100.00% |
| 2021 | 68,363 | 67,968 | 99.42% | - | 68,363 | 100.00% |
| 2022 | 71,892 | 71,573 | 99.56% | - | 71,892 | 100.00% |
| 2023 | 78,685 | 78,228 | 99.42% | - | 78,685 | 100.00% |
| 2024 | 84,918 | 84,330 | 99.31% | - | 84,330 | 100.00% |
| 2025 | 89,944 | 89,275 | 99.26% | - | 89,275 | 99.26% |

Notes:

The table reflects amounts related to the City. In addition, it includes amounts related to the Redevelopment Agency through dissolution (01/31/12). The amounts collected by the Redevelopment Agency include monies that were passed-through to other agencies. Current tax levies are the original charge as provided by the County of Riverside. Current tax collections do not include supplemental taxes, aircraft taxes or other property taxes.

The City adopted the Teeter plan available with the County of Riverside effective Fiscal year 2014. Under the Teeter plan, the County of Riverside has responsibility for the collection of delinquent taxes and the City receives 100% of the levy.

Source: Riverside County Auditor-Controller and City Finance Department

**CITY OF RIVERSIDE
TABLE 12
ELECTRICITY SOLD BY TYPE OF CUSTOMER
LAST TEN FISCAL YEARS**

(in millions of kilowatt-hours)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Type of Customer: | | | | | | | | | | |
| Residential | 726 | 730 | 727 | 722 | 722 | 783 | 759 | 786 | 709 | 781 |
| Commercial ¹ | 438 | 448 | 476 | 460 | 442 | 430 | 443 | 440 | 427 | 438 |
| Industrial ¹ | 982 | 996 | 970 | 947 | 931 | 890 | 923 | 920 | 916 | 927 |
| Wholesale sales ² | - | 1 | - | - | 1 | - | 2 | 14 | - | - |
| Other | 23 | 23 | 22 | 21 | 18 | 18 | 19 | 15 | 12 | 11 |
| Total | <u>2,169</u> | <u>2,198</u> | <u>2,195</u> | <u>2,150</u> | <u>2,114</u> | <u>2,121</u> | <u>2,146</u> | <u>2,175</u> | <u>2,064</u> | <u>2,157</u> |
| Total direct rate | | | | | | | | | | |
| Monthly base rate * | 18.06 | 18.06 | 18.06 | 19.41 | 20.63 | 21.84 | 23.20 | 24.55 | 26.09 | 27.75 |

* Includes a Reliability Charge

¹ Changes in fiscal years 2018, 2019, 2020 and 2021 reflect reclassification of certain Industrial and Commercial accounts related to contract accounts. Prior to fiscal year 2018, accounts were reflected in the Industrial customer class.

² For fiscal years 2016, 2018, 2019, 2021, 2024, and 2025 wholesale MWH was less than 1 MWH.

Source: Riverside Public Utilities, Finance Services

**CITY OF RIVERSIDE
TABLE 13
ELECTRICITY RATES
LAST TEN FISCAL YEARS**

(average rate in dollars per kilowatt-hour)

| Fiscal Year Ended June 30 | Residential | Commercial¹ | Industrial¹ | Other |
|--|--------------------|-------------------------------|-------------------------------|--------------|
| 2016 | 0.16119 * | 0.15915 * | 0.11577 * | 0.20908 * |
| 2017 | 0.16116 * | 0.15958 * | 0.11586 * | 0.21287 * |
| 2018 | 0.15910 * | 0.15547 * | 0.11570 * | 0.21288 * |
| 2019 | 0.16111 * | 0.15768 * | 0.11761 * | 0.23448 * |
| 2020 | 0.16774 * | 0.16202 * | 0.12149 * | 0.26480 * |
| 2021 | 0.17032 * | 0.16636 * | 0.12643 * | 0.26659 * |
| 2022 | 0.17707 * | 0.17126 * | 0.13295 * | 0.26454 * |
| 2023 | 0.17878 * | 0.17528 * | 0.13537 * | 0.35779 * |
| 2024 | 0.19580 * | 0.18227 * | 0.14155 * | 0.44126 * |
| 2025 | 0.21030 * | 0.18993 * | 0.15409 * | 0.47088 * |

¹ Changes in fiscal years 2018, 2019, 2020 and 2021 reflect reclassification of certain Industrial and Commercial accounts related to contract accounts. Prior to fiscal year 2018, accounts were reflected in the Industrial customer class.

* Rate calculations were taken from the Retail Sales not the financial statements.

Does not include Public Benefits charge.

Source: Riverside Public Utilities, Finance Services

**CITY OF RIVERSIDE
TABLE 14
TOP 10 ELECTRICITY CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO**

| Electricity Customer | 2025 | | | 2016 | | |
|---|----------------------|------|------------------------------------|----------------------|------|------------------------------------|
| | Electricity Charges | Rank | Percent of Total Electric Revenues | Electricity Charges | Rank | Percent of Total Electric Revenues |
| Local University | \$ 14,940,624 | 1 | 3.78 % | \$ 12,075,034 | 1 | 3.96 % |
| Local Government | 10,685,366 | 2 | 2.70 % | 8,467,901 | 2 | 2.77 % |
| Local Government | 9,625,651 | 3 | 2.43 % | 7,350,087 | 3 | 2.41 % |
| Local School District | 7,186,605 | 4 | 1.82 % | 4,385,174 | 4 | 1.44 % |
| Corporation | 5,142,851 | 5 | 1.30 % | 4,126,026 | 5 | 1.35 % |
| Corporation | 4,606,243 | 6 | 1.16 % | 3,298,925 | 6 | 1.08 % |
| Hospital | 4,390,005 | 7 | 1.11 % | - | | 0.00 % |
| Corporation | 4,165,626 | 8 | 1.05 % | 3,117,515 | 7 | 1.02 % |
| Local University | 3,839,167 | 9 | 0.97 % | - | | 0.00 % |
| Corporation | 3,217,434 | 10 | 0.81 % | | | |
| Hospital | | | | 2,601,830 | 8 | 0.85 % |
| Local University | - | | 0.00 % | 2,315,680 | 9 | 0.76 % |
| Local School District | - | | 0.00 % | 2,167,774 | 10 | 0.71 % |
| Total | \$ 67,799,572 | | 17.14 % | \$ 49,905,946 | | 16.35 % |
| Retail sales per financial statements * | \$ 395,614,626 | | | \$ 305,248,858 | | |

Source: Riverside Public Utilities, Finance Services

* Financial Report - Riverside Public Utilities

**CITY OF RIVERSIDE
TABLE 15
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

(in thousands)

| Governmental Activities | | | | | | | | | | | | | |
|--------------------------------|---------------------------------|----------------------------|---|--------------------------------------|--------------------------|----------------------------------|------------------------|------------------------|--|--|--|--|--|
| Fiscal Year | General Obligation Bonds | Lease Revenue Bonds | Pension Obligation Bonds² | Certificates of Participation | Financed Purchase | Notes & Loans Payable | Lease Liability | SBITA Liability | | | | | |
| 2016 | \$ 12,567 | \$ 39,398 | \$ 101,000 | \$ 181,429 | \$ 12,006 | \$ 43,482 | \$ - | \$ - | | | | | |
| 2017 | 11,513 | 37,854 | 92,592 | 156,516 | 17,193 | 41,325 | - | - | | | | | |
| 2018 | 10,388 | 36,246 | 60,883 | 150,800 | 25,647 | 1,746 | - | - | | | | | |
| 2019 | 9,179 | 80,416 | 50,486 | 99,178 | 21,422 | 1,329 | - | - | | | | | |
| 2020 | 7,874 | 75,964 | 364,633 | 94,802 | 18,207 | 899 | - | - | | | | | |
| 2021 | 6,478 | 72,471 | 352,824 | 90,215 | 14,922 | 457 | - | - | | | | | |
| 2022 | 4,987 | 68,855 | 338,264 | 85,477 | 22,294 | - | 1,060 | - | | | | | |
| 2023 | 3,411 | 65,093 | 321,413 | 80,584 | 19,230 | - | 563 | 1,930 | | | | | |
| 2024 | 1,756 | 61,163 | 313,830 | 75,067 | 16,152 | - | 586 | 1,119 | | | | | |
| 2025 | - | 101,590 | 304,027 | 69,788 | 12,635 | - | 1,440 | 5,102 | | | | | |

| Business-Type Activities | | | | | | | | | | | | | |
|---------------------------------|----------------------|--------------------------|----------------------------------|--------------------------|---|--|--|--------------------------------------|------------------------|------------------------|---------------------------------|--|------------------------------------|
| Fiscal Year | Revenue Bonds | Arbitrage Payable | Notes & Loans Payable | Financed Purchase | Pension Obligation Bonds² | Certificates of Participation³ | Lease Revenue Bonds⁴ | Contracts Payable⁵ | Lease Liability | SBITA Liability | Total Primary Government | Percentage of Personal Income¹ | Debt Per Capita¹ |
| 2016 | \$ 1,208,851 | \$ - | \$ 37,793 | \$ 4,694 | \$ - | \$ - | \$ - | \$ 938 | \$ - | \$ - | \$ 2,851,009 | 23.00% | 5.00 |
| 2017 | 1,180,345 | - | 35,255 | 6,209 | - | - | - | 938 | - | - | 1,579,740 | 22.00% | 4.00 |
| 2018 | 1,139,864 | - | 78,583 | 6,821 | 18,324 | - | - | 938 | - | - | 1,530,240 | 20.00% | 4.00 |
| 2019 | 1,241,743 | - | 73,673 | 5,192 | 14,775 | 29,692 | 7,867 | 937 | - | - | 1,635,889 | 21.00% | 4.00 |
| 2020 | 1,212,914 | - | 69,519 | 3,633 | 119,625 | 28,483 | 7,473 | 1,019 | - | - | 2,005,045 | 24.00% | 6.00 |
| 2021 | 1,176,605 | - | 64,678 | 2,354 | 116,227 | 27,213 | 7,059 | 1,067 | - | - | 1,932,570 | 22.00% | 5.00 |
| 2022 | 1,139,100 | - | 59,948 | 2,176 | 110,718 | 25,912 | 6,625 | 1,067 | 787 | - | 1,867,270 | 20.00% | 5.00 |
| 2023 | 1,163,676 | - | 55,070 | 1,476 | 103,705 | 24,582 | 6,168 | 933 | 563 | 86 | 1,848,483 | 20.00% | 5.00 |
| 2024 | 1,268,727 | 673 | 36,525 | 1,134 | 95,253 | 23,191 | 5,688 | 931 | 443 | 241 | 1,902,479 | 19.00% | 6.00 |
| 2025 | 1,222,900 | 3,862 | 32,957 | 5,298 | 85,888 | 21,770 | 5,271 | 931 | 810 | 118 | 1,874,387 | 17.58% | 5.85 |

¹ These ratios are calculated using personal income and population data for the prior calendar year.

² In 2018, the 2005 and 2017 Taxable Pension Obligation Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency.

³ In 2019, the 2008 Certificates of Participation were distributed between Governmental Activities and Business-Type Activities.

⁴ In 2019, the 2012 Lease Revenue Refunding Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency.

⁵ In 2025, Contracts Payable was added to Business-Type Activities and previous years restated.

Source: City of Riverside Notes to Financial Statements and Statistical Table 20.

**CITY OF RIVERSIDE
TABLE 16
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

(in thousands, except per capita amount)

| Fiscal Year | General Obligation Bonds | Pension Bonds | Certificates of Participation | Total Obligated Debt Outstanding | Less: Amounts Available in Debt Service Fund | Net Obligated Debt Outstanding | Percent of Assessed Value¹ | Per Capita² |
|--------------------|---|--------------------------|--|---|---|---|--|-----------------------------------|
| 2016 | \$ 12,567 | \$ 101,000 | \$ 181,429 | \$ 294,996 | \$ (27,997) | \$ 266,999 | 1.44 % | 822 |
| 2017 | 11,513 | 92,592 | 156,516 | 260,621 | (8,339) | 252,282 | 1.31 % | 772 |
| 2018 | 10,388 | 60,883 | 150,800 | 222,071 | (13,546) | 208,525 | 1.05 % | 640 |
| 2019 | 9,179 | 50,486 | 99,178 | 158,843 | (9,051) | 149,792 | 0.72 % | 457 |
| 2020 | 7,874 | 364,633 | 94,802 | 467,309 | (11,210) | 456,099 | 2.04 % | 1,390 |
| 2021 | 6,478 | 352,824 | 90,215 | 449,517 | (11,292) | 438,225 | 1.88 % | 1,351 |
| 2022 | 4,987 | 338,264 | 85,477 | 428,728 | (11,679) | 417,049 | 1.72 % | 1,312 |
| 2023 | 3,411 | 321,413 | 80,584 | 405,408 | (16,440) | 388,968 | 1.51 % | 1,240 |
| 2024 | 1,756 | 313,830 | 75,067 | 390,653 | (13,001) | 377,652 | 1.39 % | 1,192 |
| 2025 | - | 304,027 | 69,788 | 373,815 | (13,001) | 360,814 | 1.27 % | 1,126 |

Notes:

General bonded debt is debt payable with governmental fund and enterprise fund resources.

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

² These ratios are calculated using population data for the prior calendar year.

Source: City of Riverside Notes to Financial Statements, Statistical Table 8, Statistical Table 15, and Reserve Cash Reconciliation maintained by City Finance Department.

**CITY OF RIVERSIDE
TABLE 17
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2025**

| | |
|--|---------------------------------|
| 2024-25 Assessed Valuation: | \$ 43,274,624,689 |
| Less Dissolved Redevelopment Agency Incremental Valuation: | <u>14,779,086,687</u> |
| Adjusted Assessed Valuation: | <u><u>\$ 28,495,538,002</u></u> |

| | <u>Total Debt</u> | <u>% Applicable</u> | <u>City's Share of Debt¹</u> |
|--|-------------------|---------------------|---|
| Overlapping debt repaid with property taxes | | | |
| Metropolitan Water District | \$ 17,155,000 | 1.070 % | \$ 183,559 |
| Riverside City Community College District | 478,850,423 | 26.696 | 127,833,909 |
| Alvord Unified School District | 245,002,197 | 72.682 | 178,072,497 |
| Riverside Unified School District | 348,350,000 | 83.207 | 289,851,585 |
| Corona-Norco Unified School District | 465,087,236 | 0.001 | 4,651 |
| Jurupa Unified School District | 198,979,150 | 0.001 | 1,990 |
| Moreno Valley Unified School District | 428,227,607 | 9.964 | 42,668,599 |
| Alvord Unified School District Community Facilities District No.2006-1 | 5,305,000 | 82.333 | 4,367,766 |
| Riverside Unified School District Community Facilities Districts | 60,640,000 | 87.928-100 | 60,550,667 |
| City of Riverside Community Facilities Districts | 27,070,000 | 100.000 | 27,070,000 |
| City of Riverside 1915 Act Bonds | 11,365,000 | 100.000 | 11,055,000 |
| Total overlapping debt repaid with property taxes | | | <u>\$ 741,660,223</u> |

(Continued)

**CITY OF RIVERSIDE
TABLE 17
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30 2025**

Other overlapping debt²

| | | | |
|---|------------------|----------|--------------------------------|
| Riverside County General Fund Obligations | \$ 1,134,209,783 | 10.263 % | \$ 116,403,950 |
| Riverside County Pension Obligations | 603,055,000 | 10.263 | 61,891,535 |
| Riverside City Community College District Certificates of Participation | 23,830,000 | 26.696 | 6,361,657 |
| Corona-Norco Unified School District General Fund Obligations | 14,750,989 | 0.001 | 148 |
| Jurupa Unified School District Certificates of Participation | 43,880,748 | 0.001 | 439 |
| Moreno Valley Unified School District Certificates of Participation | 2,560,000 | 9.964 | 255,078 |
| Riverside Unified School District General Fund Obligations | 8,482,000 | 83.207 | 7,057,618 |
| Western Municipal Water District General Fund Obligations | 1,377,594 | 31.932 | <u>439,893</u> |
| Total other overlapping debt | | | <u>192,410,318</u> |
| Overlapping tax increment debt | | | <u>143,738,123</u> |
| Total overlapping debt | | | 1,077,808,664 |
| City direct debt | | | <u>494,582,000 (3)</u> |
| Combined total direct and overlapping debt | | | <u><u>\$ 1,572,390,664</u></u> |

(1) Debt balances are as of June 30, 2025.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, non-bonded capital lease obligations.

(3) Excludes debt related to Business-Type Activities.

Ratios to 2024-25 Assessed Valuation:

| | |
|---|--------|
| Total debt repaid with property taxes..... | 1.71 % |
| City direct debt \$494,582,000 | 1.14 % |
| Combined total direct and overlapping debt..... | 3.63 % |

Ratios to dissolved redevelopment incremental valuation \$(14,779,086,687):

| | |
|---|--------|
| Total overlapping tax increment debt..... | 0.97 % |
|---|--------|

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Source: California Municipal Statistics, Inc., Riverside County Auditor-Controller, City Finance Department, and Statistical Table 8.

**CITY OF RIVERSIDE
TABLE 18
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

(in thousands)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Assessed valuation | \$ 18,502,513 | \$ 19,209,528 | \$ 19,936,641 | \$ 20,798,529 | \$ 22,376,423 | \$ 23,284,552 | \$ 24,208,336 | \$ 25,810,555 | \$ 27,261,284 | \$ 28,495,538 |
| Conversion percentage | 25 % | 25 % | 25 % | 25 % | 25 % | 25 % | 25 % | 25 % | 25 % | 25 % |
| Adjusted assessed valuation | 4,625,628 | 4,802,382 | 4,984,160 | 5,199,632 | 5,594,106 | 5,821,138 | 6,052,084 | 6,452,639 | 6,815,321 | 7,123,885 |
| Debt limit percentage | 15 % | 15 % | 15 % | 15 % | 15 % | 15 % | 15 % | 15 % | 15 % | 15 % |
| Debt limit | 693,844 | 720,357 | 747,624 | 779,945 | 839,116 | 873,171 | 907,813 | 967,896 | 1,022,298 | 1,068,583 |
| Total net debt applicable to limit | 12,567 | 11,513 | 10,388 | 9,179 | 7,874 | 6,478 | 4,987 | 3,411 | 1,756 | - |
| Legal debt margin | <u>\$ 681,277</u> | <u>\$ 708,844</u> | <u>\$ 737,236</u> | <u>\$ 770,766</u> | <u>\$ 831,242</u> | <u>\$ 866,693</u> | <u>\$ 902,826</u> | <u>\$ 964,485</u> | <u>\$ 1,020,542</u> | <u>\$ 1,068,583</u> |
| Total net debt applicable to the limit as a percentage of debt limit | <u>1.8 %</u> | <u>1.6 %</u> | <u>1.4 %</u> | <u>1.2 %</u> | <u>0.9 %</u> | <u>0.7 %</u> | <u>0.5 %</u> | <u>0.4 %</u> | <u>(0.2)%</u> | <u>- %</u> |

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

Source: City of Riverside, Statistical Table 8, Statistical Table 15, and Notes to Financial Statements.

**CITY OF RIVERSIDE
TABLE 19
PLEDGED-REVENUE COVERAGE
BUSINESS-TYPE ACTIVITY DEBT
LAST TEN FISCAL YEARS**

(in thousands)

| Electric Revenue Bonds | | | | | | | Water Revenue Bonds | | | | | | |
|------------------------|----------------------|---------------------------------|-------------------|--------------|-----------|---------|---------------------|----------------------|---------------------------------|-------------------|--------------|----------|----------|
| Fiscal | Pledged | Less: | Net | Debt Service | | | Coverage | Pledged | Less: | Net | Debt Service | | |
| Year | Revenue ¹ | Operating Expenses ¹ | Available Revenue | Principle | Interest | Revenue | | Revenue ¹ | Operating Expenses ¹ | Available Revenue | Principal | Interest | Coverage |
| 2016 | \$ 371,029 | \$ 249,607 * | \$ 121,422 | \$ 16,460 | \$ 25,780 | 2.87 | \$ 60,047 | \$ 35,608 * | \$ 24,439 | \$ 5,533 | \$ 8,063 | 1.80 | |
| 2017 | 368,956 | 251,998 * | 116,958 | 14,032 | 25,553 | 2.95 | 65,689 | 37,956 * | 27,733 | 5,486 | 8,124 | 2.04 | |
| 2018 | 368,116 | 257,785 * | 110,331 | 15,675 | 25,045 | 2.71 | 71,054 | 40,737 * | 30,317 | 6,098 | 8,049 | 2.14 | |
| 2019 | 374,510 | 279,394 * | 95,116 | 16,449 | 26,017 | 2.24 | 69,965 | 44,547 * | 25,418 | 6,362 | 8,780 | 1.68 | |
| 2020 | 378,391 | 277,064 * | 101,327 | 11,641 | 26,992 | 2.62 | 74,343 | 45,825 * | 28,518 | 6,139 | 9,671 | 1.80 | |
| 2021 | 373,663 | 284,293 * | 89,370 | 17,364 | 27,559 | 1.99 | 83,510 | 45,896 * | 37,614 | 7,007 | 9,685 | 2.25 | |
| 2022 | 391,860 | 298,221 * | 93,639 | 19,339 | 26,689 | 2.03 | 85,163 | 47,177 * | 37,986 | 7,715 | 9,353 | 2.23 | |
| 2023 | 425,941 | 332,901 * | 93,040 | 20,985 | 25,415 | 2.01 | 85,058 | 48,696 * | 36,362 | 8,278 | 10,570 | 1.93 | |
| 2024 | 443,500 | 326,639 | 116,861 | 22,627 | 28,067 | 2.31 | 90,803 | 49,340 | 41,463 | 9,590 | 11,324 | 1.98 | |
| 2025 | 497,144 | 321,362 | 175,782 | 23,672 | 31,325 | 3.20 | 108,346 | 54,901 | 53,445 | 10,275 | 11,019 | 2.51 | |

| Sewer Revenue Bonds | | | | | | |
|---------------------|----------------------|---------------------------------|-------------------|--------------|----------|----------|
| Fiscal | Pledged | Less: | Net | Debt Service | | |
| Year | Revenue ¹ | Operating Expenses ¹ | Available Revenue | Principal | Interest | Coverage |
| 2016 | 68,412 | 31,864 | 36,548 | 8,405 | 20,786 | 1.25 |
| 2017 | 78,337 | 29,921 | 48,416 | 9,010 | 19,621 | 1.69 |
| 2018 | 68,735 | 31,513 | 37,222 | 9,184 | 19,136 | 1.31 |
| 2019 | 71,787 | 34,084 | 37,703 | 14,766 | 14,455 | 1.29 |
| 2020 | 70,365 | 33,704 | 36,661 | 8,634 | 18,434 | 1.35 |
| 2021 | 66,421 | 31,431 | 34,990 | 9,599 | 17,032 | 1.31 |
| 2022 | 69,422 | 29,640 | 39,782 | 9,966 | 16,575 | 1.50 |
| 2023 | 73,923 | 38,171 | 35,752 | 9,770 | 15,466 | 1.42 |
| 2024 | 80,191 | 41,178 | 39,013 | 11,460 | 15,139 | 1.47 |
| 2025 | 78,597 | 43,225 | 35,372 | 12,050 | 14,551 | 1.33 |

Notes:

Details regarding the City's outstanding debt can be found in the notes to the financial statements

The City of Riverside does not have any pledged revenue related to Governmental Activities.

¹ Amounts have been calculated in accordance with the provisions set forth in the debt covenants. Total operating expenses exclusive of depreciation. Pledged revenue includes applicable cash set aside in a rate stabilization account in accordance with applicable bond covenants.

* Excludes non-cash pension expense.

**CITY OF RIVERSIDE
TABLE 20
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

| Calendar Year | Population¹ | Personal Income² (in thousands) | Per Capita Personal Income² | Unemployment Rate³ |
|----------------------|-------------------------------|---|---|--------------------------------------|
| 2015 | 324,696 | 6,953,323 | 21,415 | 6.4 |
| 2016 | 326,792 | 7,139,080 | 21,846 | 5.8 |
| 2017 | 325,860 | 7,349,024 | 22,553 | 5.1 |
| 2018 | 328,101 | 7,674,374 | 23,390 | 3.8 |
| 2019 | 328,155 | 8,102,150 | 24,690 | 3.6 |
| 2020 | 324,302 | 8,496,064 | 26,198 | 9.0 |
| 2021 | 317,847 | 8,891,501 | 27,974 | 6.7 |
| 2022 | 313,676 | 9,058,788 | 28,879 | 3.8 |
| 2023 | 316,690 | 9,998,230 | 31,571 | 4.4 |
| 2024 | 320,337 | 10,662,377 | 33,284 | 4.7 |

Sources:

¹ California State Department of Finance.

² Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries. Demographic Estimates for 2010 and later are per the U.S. Census Bureau most recent American Community Survey.

³ State of California Employment Development Department.

**CITY OF RIVERSIDE
TABLE 21
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

| Employer | 2025 | | | 2016 | | |
|--|---------------|------|-------------------------------------|---------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| County of Riverside | 25,345 | 1 | 15.0% | 11,956 | 1 | 8.0% |
| Riverside Unified School District | 6,562 | 2 | 3.9% | 4,000 | 4 | 2.7 |
| Kaiser Permanente Riverside Medical Center | 5,817 | 3 | 3.4% | 4,500 | 3 | 3.0% |
| University of California, Riverside | 5,137 | 4 | 3.0% | 8,306 | 2 | 5.5% |
| City of Riverside | 2,700 | 5 | 1.6% | 2,507 | 5 | 1.7 |
| Alvord Unified School District | 1,898 | 6 | 1.1% | 1,445 | 8 | 1.0% |
| Riverside City College | 1,350 | 7 | 0.8% | 1,061 | 10 | 0.7% |
| Collins Aerospace | 1,000 | 8 | 0.6% | - | - | -% |
| J Ginger Masonry | 1,000 | 9 | 0.6% | - | - | -% |
| Riverside Medical Clinic Inc | 600 | 10 | 0.4% | | | % |
| Riverside Community Hospital | | | | 2,400 | 6 | 1.6% |
| Riverside County Office of Education | | | | 1,765 | 7 | 1.2% |
| Parkview Community Hospital | | | | 1,350 | 9 | 0.9% |
| Total | 51,409 | | 30.4% | 39,290 | | 26.3% |

Source: City of Riverside, Economic Development Department

CITY OF RIVERSIDE
TABLE 22
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Function | | | | | | | | | | |
| General government | 394.24 | 417.55 | 430.05 | 453.80 | 458.30 | 460.30 | 462.05 | 485.05 | 518.30 | 534.75 |
| Public safety (sworn and non-sworn personnel) | | | | | | | | | | |
| Police | 554.75 | 512.00 | 543.00 | 557.00 | 571.00 | 585.00 | 604.00 | 626.00 | 626.00 | 628.25 |
| Fire | 251.00 | 239.00 | 242.00 | 245.00 | 248.00 | 251.00 | 250.00 | 252.00 | 252.00 | 262.00 |
| Highways and streets | 308.00 | 272.00 | 273.00 | 271.00 | 271.00 | 270.00 | 271.00 | 273.00 | 278.00 | 289.25 |
| Sanitation | 59.00 | 59.00 | 59.00 | 59.00 | 59.00 | 62.00 | 62.00 | 62.00 | 62.00 | 67.00 |
| Culture and recreation | 286.75 | 276.23 | 276.98 | 276.07 | 284.07 | 283.60 | 287.86 | 284.60 | 286.85 | 307.99 |
| Airport | 6.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 8.00 |
| Water | 181.15 | 174.15 | 158.65 | 158.65 | 158.65 | 164.50 | 164.50 | 164.00 | 165.00 | 165.00 |
| Electric | 466.50 | 471.75 | 489.25 | 475.25 | 475.25 | 466.25 | 468.50 | 473.00 | 473.00 | 473.00 |
| Total | <u>2,507.39</u> | <u>2,428.68</u> | <u>2,478.93</u> | <u>2,502.77</u> | <u>2,532.27</u> | <u>2,549.65</u> | <u>2,576.91</u> | <u>2,626.65</u> | <u>2,668.15</u> | <u>2,735.24</u> |

Source: City of Riverside, Finance Department, FY 2024/25 Budget Master Personnel Detail

**CITY OF RIVERSIDE
TABLE 23
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function/Program | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|------------------|---------------------|---------------------|-------------|
| Police: | | | | | | | | | | |
| Arrests | 9,242 | 8,358 | 8,423 | 8,295 | 7,738 | 8,089 | 7,667 | 8,095 | 8,052 | 8,492 |
| Fire: | | | | | | | | | | |
| Number of calls answered | 35,905 | 36,150 | 38,501 | 37,739 | 37,999 | 31,918 | 38,801 | 45,073 | 43,329 | 44,670 |
| Inspections | 6,636 | 6,482 | 6,519 | 5,584 | 7,987 | 7,175 | 9,244 | 6,662 | 6,851 | 5,169 |
| Public Works: | | | | | | | | | | |
| Street resurfacing (miles) | 39.01 | 27.09 | 17.37 | 16.50 | 18.80 | 7.30 | 17.35 | 14.60 | 11.80 | 29.60 |
| Parks and Recreation: | | | | | | | | | | |
| Number of recreation classes | 53,907 | 53,308 | 54,025 | 54,069 | 34,366 | 525 | 856 ¹ | 28,888 ¹ | 29,056 ² | 32,358 |
| Number of facility rentals | 47,772 | 48,097 | 46,904 | 66,846 | 45,741 | 324 | 374 ¹ | 1,391 ¹ | 830 ² | 2,942 |
| Water: | | | | | | | | | | |
| Number of accounts | 65,094 | 65,428 | 65,640 | 65,803 | 66,031 | 66,198 | 66,372 | 66,441 | 66,570 | 66,772 |
| Annual consumption (ccf) | 22,529,463 | 25,340,729 | 27,514,374 | 25,827,721 | 25,526,021 | 28,625,382 | 26,845,583 | 23,667,466 | 23,011,443 | 25,765,127 |
| Electric: | | | | | | | | | | |
| Number of accounts | 108,776 | 109,274 | 109,619 | 110,480 | 111,161 | 111,711 | 112,328 | 112,751 | 113,436 | 114,180 |
| Annual consumption (millions of kwh) | 2,170 | 2,197 | 2,195 | 2,150 | 2,115 | 2,122 | 2,145 | 2,175 | 2,065 | 2,157 |
| Sewer: | | | | | | | | | | |
| New connections | 17,669 | 17,654 | 17,551 | 17,540 | 17,593 | 17,602 | 17,588 | 17,575 | 17,580 | 17,588 |
| Average daily sewage treatment (millions of gallons) | 26.35 | 27.19 | 26.16 | 26.86 | 25.22 | 25.30 | 26.01 | 26.98 | 26.95 | 27.15 |

¹ Reduction is due to the affects of the COVID-19 pandemic.

² Increase due to return to full operations.

Source: City of Riverside, various departments

**CITY OF RIVERSIDE
TABLE 24
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

| | Fiscal Year | | | | | | | | | |
|---------------------------------------|-------------|---------|---------|----------------|----------------|----------------|----------------|---------|---------|---------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Function: | | | | | | | | | | |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 5 |
| Substations | 4 | 4 | 5 | 4 | 4 | 4 | 1 | 1 | 1 | - |
| Helicopters | 3 | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Airplane | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 | - | - |
| Fire: | | | | | | | | | | |
| Stations | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Active apparatus | 31 | 33 | 32 | 33 | 55 | 32 | 32 | 38 | 32 | 32 |
| Reserve apparatus | 8 | 9 | 9 | 9 | 13 | 9 | 10 | 13 | 11 | 11 |
| Training facilities | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Highways and streets: | | | | | | | | | | |
| Streets (miles) | 872.19 | 872.22 | 872.01 | 872.24 | 872.10 | 872.35 | 891.28 | 893.28 | 890.93 | 890.88 |
| Streetlights | 299,986 | 30,427 | 30,467 | 30,479 | 30,445 | 30,489 | 30,489 | 30,745 | 31,112 | 30,116 |
| Signalized intersections | 386 | 381 | 382 | 384 | 392 | 397 | 408 | 408 | 409 | 416 |
| Culture and Recreation: | | | | | | | | | | |
| Parks acreage | 2,926.8 | 2,983.0 | 2,983.0 | 2,988.0 | 2,988.0 | 2,988.0 | 2,988.0 | 3,010.5 | 3,010.5 | 3,027.6 |
| Community centers | 11 | 11 | 11 | 11 | 11 | 11 | 12 | 14 | 14 | 15 |
| Playgrounds | 44 | 46 | 46 | 46 | 46 | 46 | 43 | 43 | 43 | 43 |
| Swimming pools | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Softball and baseball diamonds | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 51 |
| Library branches | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 7 |
| Museum exhibit-fixed | 4 | 5 | 5 | - ¹ | 1 ¹ | - ¹ | - ¹ | 1 | 1 | 1 |
| Museum exhibit-special | 5 | 6 | 6 | 1 ¹ | 4 ¹ | 3 ¹ | 1 ¹ | 5 | 4 | 6 |
| Water: | | | | | | | | | | |
| Fire hydrants | 7,758 | 7,908 | 7,952 | 8,173 | 8,192 | 9,304 | 8,012 | 8,023 | 8,052 | 7,913 |
| Sewer: | | | | | | | | | | |
| Sanitary sewers (miles) | 820 | 829 | 827 | 820 | 820 | 820 | 853 | 853 | 853 | 853 |
| Electric: | | | | | | | | | | |
| Miles of overhead distribution system | 513.0 | 513.0 | 513.0 | 514.0 | 514.0 | 513.0 | 513.0 | 513.0 | 512.0 | 510.0 |
| Miles of underground system | 815.0 | 817.0 | 826.0 | 831.0 | 834.0 | 838.0 | 838.0 | 842.0 | 846.0 | 873.0 |

¹ The decrease in total numbers of Museum's exhibits is due to the closure of the Riverside Metropolitan Museum for expansion and renovation.

Source: City of Riverside, various departments



3900 Main Street, Riverside, CA 92522
ExploreRiverside.com