City of Riverside
Financial Health Indicators

5-YEAR TREND AND COMPARABLE CITIES
FISCAL YEARS 2016-2020

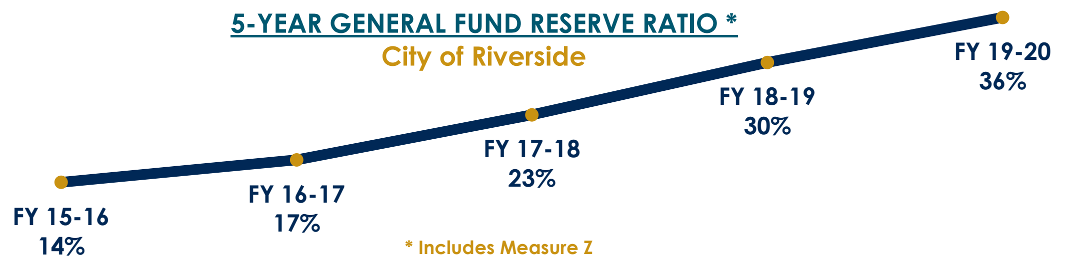
FINANCIAL POSITION
Can the City Pay its Bills Now?

A city has a strong financial position if it has plenty of cash and other liquid resources available. Without those resources, it will have to borrow money, delay payments or liquidate some of its other assets, all of which carry significant financial costs.

FINANCIAL HEALTH INDICATOR #1 – GENERAL FUND RESERVE RATIO

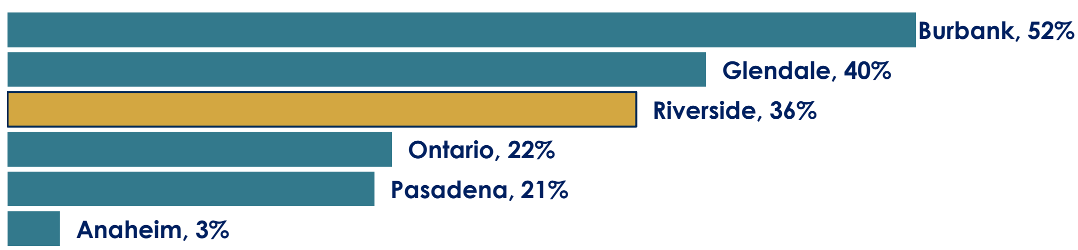
A declining unassigned fund balance can be a sign of fiscal stress. This indicator is important in identifying a trend of a deteriorating unassigned fund balance as well as how rapidly it is deteriorating. A **higher ratio** suggests larger reserves for dealing with unexpected resource needs in the long run.

5-YEAR GENERAL FUND RESERVE RATIO *
City of Riverside



* Includes Measure Z

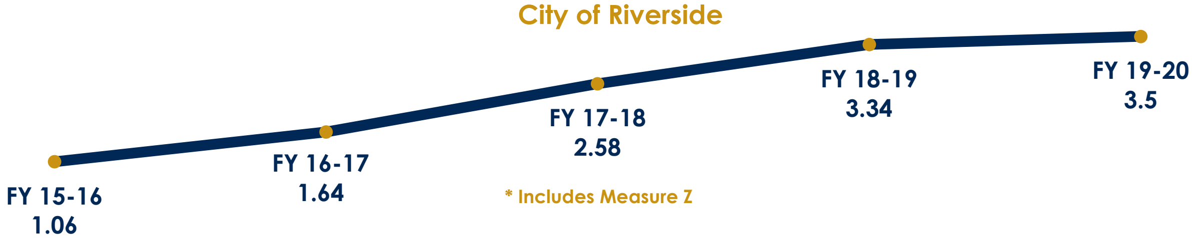
FY 19-20 GENERAL FUND RESERVE RATIO – COMPARABLE CITIES



FINANCIAL HEALTH INDICATOR #2 – GENERAL FUND LIQUIDITY RATIO

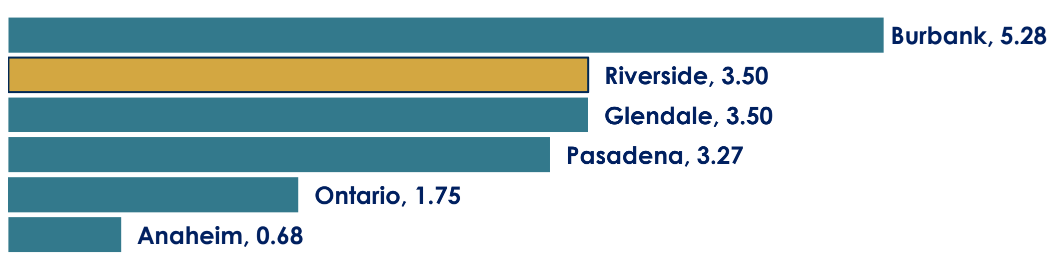
A declining ratio indicates a city does not have sufficient cash available to meet its current obligations as they come due. This indicator is important in identifying a trend of deteriorating cash as well as how rapidly it is deteriorating. Ideally, a **higher ratio** suggests a greater capacity for paying off short-term obligations.

5-YEAR GENERAL FUND LIQUIDITY RATIO *
City of Riverside



* Includes Measure Z

FY 19-20 GENERAL FUND LIQUIDITY RATIO – COMPARABLE CITIES



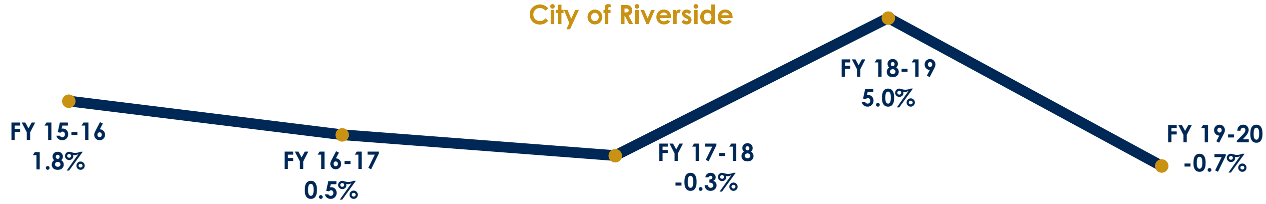
FINANCIAL PERFORMANCE
Can the City's Revenues Cover its Expenses?

A city does not only need to pay bills now, it needs to make sure there is enough regular revenue to cover its regular expenses. Missing this mark can negatively affect service levels.

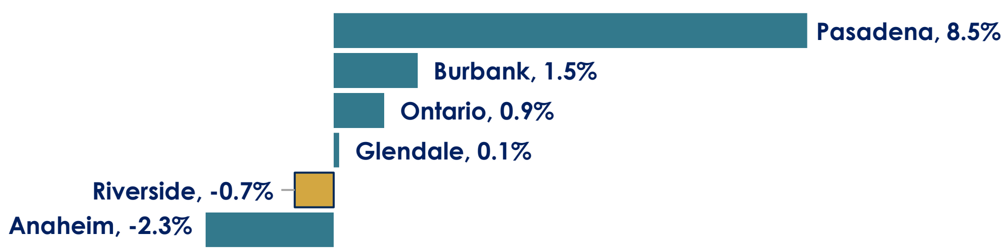
FINANCIAL HEALTH INDICATOR #3 – GENERAL GOVERNMENT GROWTH IN NET POSITION RATIO

Revenues from programs ideally should cover the expenses that are incurred for those programs, otherwise reserves may need to be used to meet the needs. A **higher ratio** suggests annual costs are adequately financed and the financial condition is improving.

5-YEAR GENERAL GOVERNMENT GROWTH IN NET POSITION RATO
City of Riverside



FY 19-20 GENERAL GOVERNMENT GROWTH IN NET POSITION RATIO – COMPARABLE CITIES

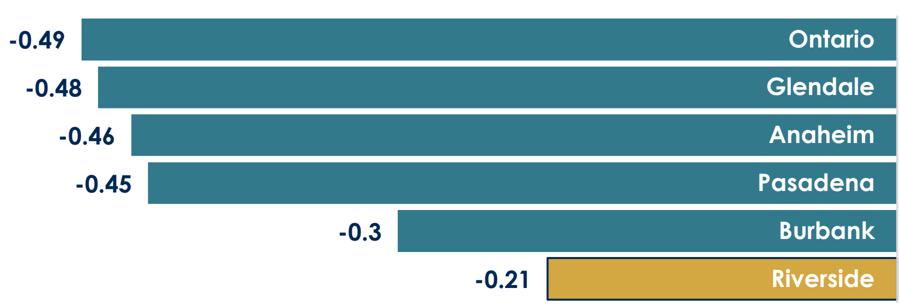


FINANCIAL HEALTH INDICATOR #4 – GENERAL GOVERNMENT OPERATING MARGIN RATIO

A city charges for services and may receive grants and aid from other governments (e.g. Federal and State). For this ratio, a **lower ratio** suggests basic government services are more self-sufficient through charges, fees, and grants.

5-YEAR GENERAL GOVERNMENT OPERATING MARGIN RATIO
City of Riverside

FY 19-20 GENERAL GOVERNMENT OPERATING MARGIN RATIO – COMPARABLE CITIES



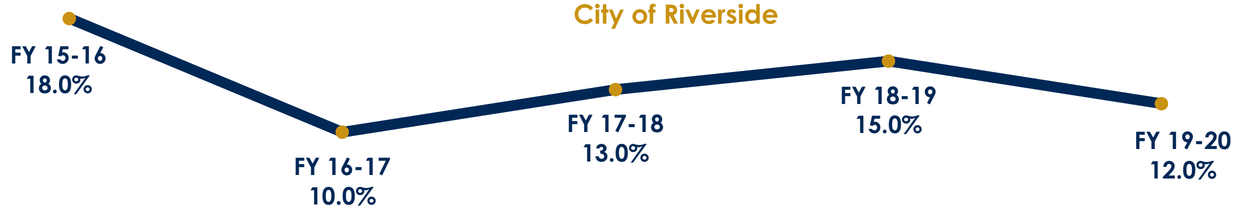
FINANCIAL PERFORMANCE (Cont.)
Can the City's Revenues Cover its Expenses?

FINANCIAL HEALTH INDICATOR #5 – GENERAL GOVERNMENT OWN SOURCE REVENUE RATIO

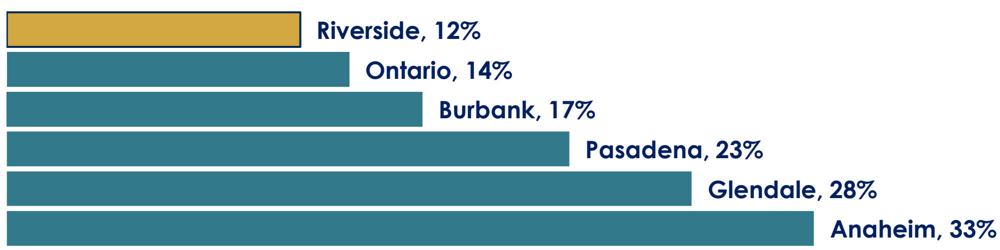
Revenues from grants are used to support some city functions. Other functions, such as public safety, are funded by general tax dollars. This ratio shows the extent to which government revenues were supported by general tax dollars. A **lower ratio** suggests the City is not heavily reliant on intergovernmental aid and more reliant on tax dollars and charges for services.

5-YEAR GENERAL GOVERNMENT OWN SOURCE REVENUE RATIO

City of Riverside



FY 19-20 GENERAL GOVERNMENT OWN SOURCE REVENUE RATIO – COMPARABLE CITIES



LONG-TERM SOLVENCY
Can the City Pay its Bills in the Future?

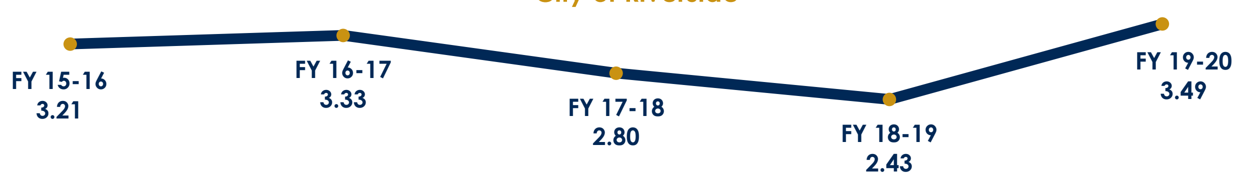
A city will have bills in the future and its current financial condition will influence its ability to pay them. For the long-term, a city needs to ensure its revenue sources can cover long-term spending needs.

FINANCIAL HEALTH INDICATOR #6 – GENERAL GOVERNMENT NEAR-TERM SOLVENCY RATIO

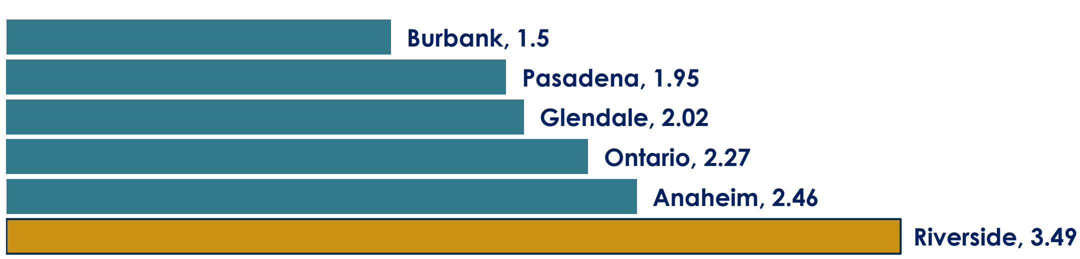
This ratio demonstrates a City's ability to pay a larger portion of its debts with annual revenues. For this measure, a **lower ratio** indicates better financial condition.

5-YEAR GENERAL GOVERNMENT NEAR-TERM SOLVENCY RATIO

City of Riverside



FY 19-20 GENERAL GOVERNMENT NEAR-TERM SOLVENCY RATIO – COMPARABLE CITIES



LONG-TERM SOLVENCY (Cont.)
Can the City Pay its Bills in the Future?

FINANCIAL HEALTH INDICATOR #7 – GENERAL GOVERNMENT DEBT BURDEN PER RESIDENT RATIO

Lower debts per capita result in a smaller debt burden on taxpayers and a greater capacity for a city to borrow money if it needs it. For this measure, a **lower ratio** indicates better financial condition. In FY 2019/20, the increase in the debt burden ratio is directly attributable to the issuance of a Pension Obligation Bond. The issuance of the bond resulted in a reclassification of the existing CalPERS unfunded pension liability to debt and resulted in an estimated savings of $175 million over the life of the debt.

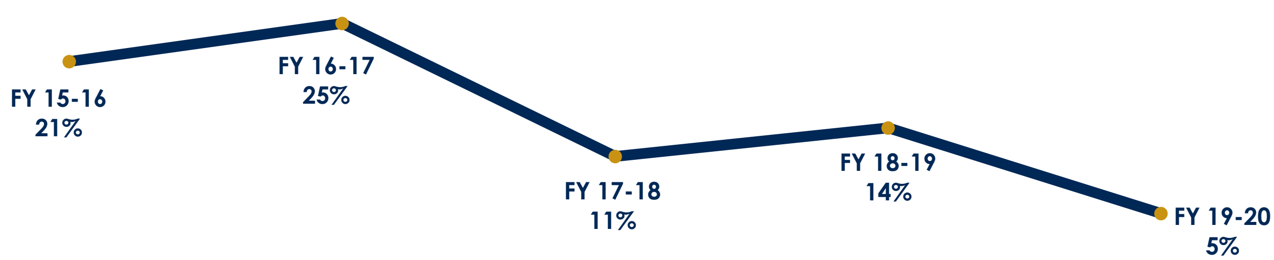
5-YEAR GENERAL GOVERNMENT DEBT BURDEN PER RESIDENT RATIO
City of Riverside

FY 19-20 GENERAL GOVERNMENT DEBT BURDEN PER RESIDENT RATIO– COMPARABLE CITIES

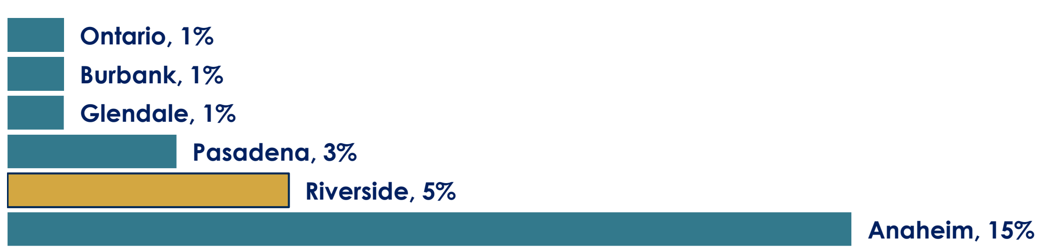
FINANCIAL HEALTH INDICATOR #8 – GOVERNMENTAL FUNDS COVERAGE RATIO

A city has principal and interest on debts to pay as well, and the lower the amount of these payments compared to all the other expenses it has, the better its financial condition. For this measure, a **lower ratio** indicates better financial condition.

5-YEAR GOVERNMENTAL FUNDS COVERAGE RATIO
City of Riverside



FY 19-20 GOVERNMENTAL FUNDS COVERAGE RATIO – COMPARABLE CITIES



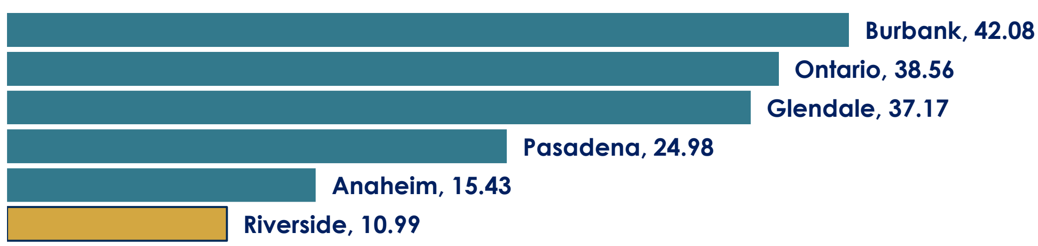
LONG-TERM SOLVENCY (Cont.)
Can the City Pay its Bills in the Future?

FINANCIAL HEALTH INDICATOR #9 – ENTERPRISE FUNDS COVERAGE RATIO

Just like a city's governmental services need to pay their debts (i.e., bonds) in the long-term, a city's enterprise funds need to do so as well. The City's Enterpise Funds include Electric, Water, Sewer, Airport, Refuse Transportation, Public Parking, and Civic Entertainment Funds. For this measure, a **higher ratio** indicates better financial condition.

5-YEAR ENTERPRISE FUNDS COVERAGE RATIO
City of Riverside

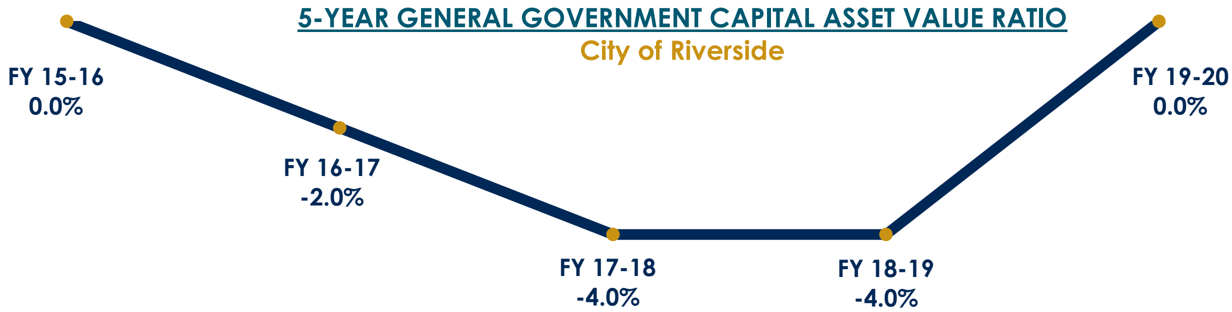
FY 19-20 ENTERPRISE FUNDS COVERAGE RATIO – COMPARABLE CITIES



FINANCIAL HEALTH INDICATOR #10 – GENERAL GOVERNMENT CAPITAL ASSET VALUE RATIO

Capital assets include buildings, land, vehicles, and public infrastructure. A negative ratio means that the overall value of a city's assets decreased over the year and some assets may need to be renovated or replaced. For this measure, a **higher ratio** inicates better financial condition.

5-YEAR GENERAL GOVERNMENT CAPITAL ASSET VALUE RATIO
City of Riverside



FY 19-20 GENERAL GOVERNMENT CAPITAL ASSET VALUE RATIO – COMPARABLE CITIES