



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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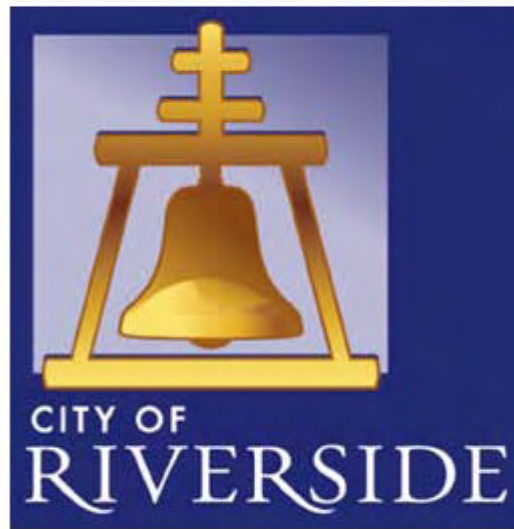
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December 23, 2025

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.

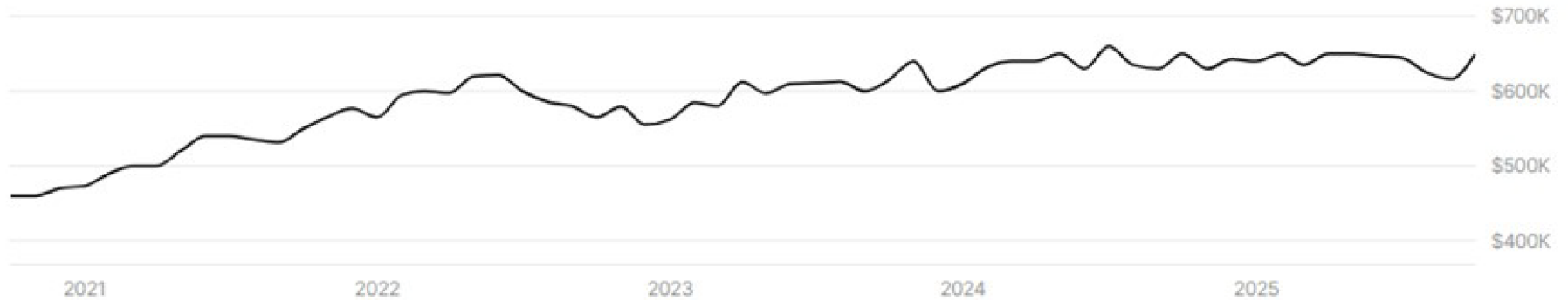
Biennially, during the period December through February, department heads prepare estimates of required appropriations for the following two-year budget cycle. These estimates are compiled into a proposed operating budget that includes a summary of proposed expenditures and financial resources, as well 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

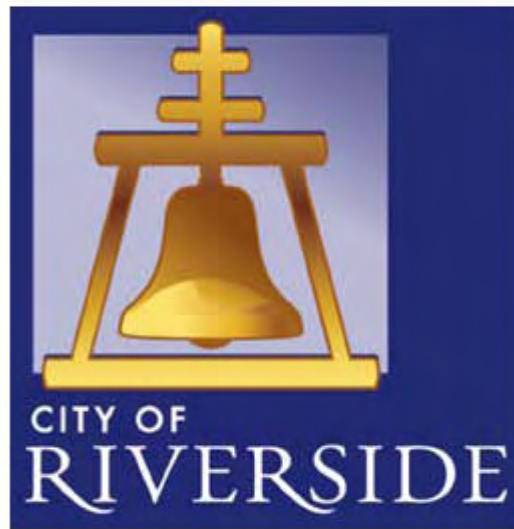
CITY OFFICIALS

- 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 Khalil Chief Innovation Officer
- Gilbert Hernandez Public Works Director
- Steve McKinster Fire Chief
- Robyn Peterson Museum Director
- Jennifer Lilley Community & 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

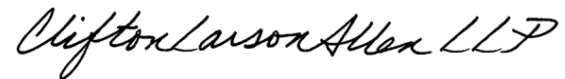
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover 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.

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(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:

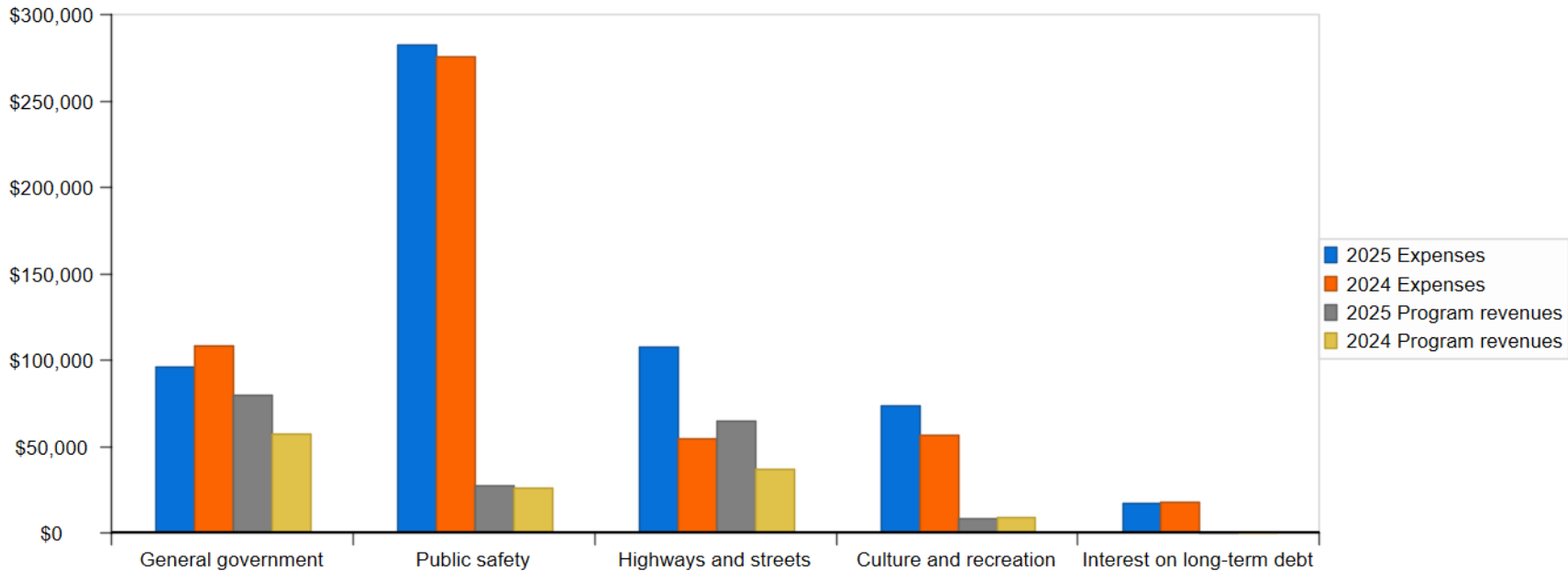
Revenues:

- 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.

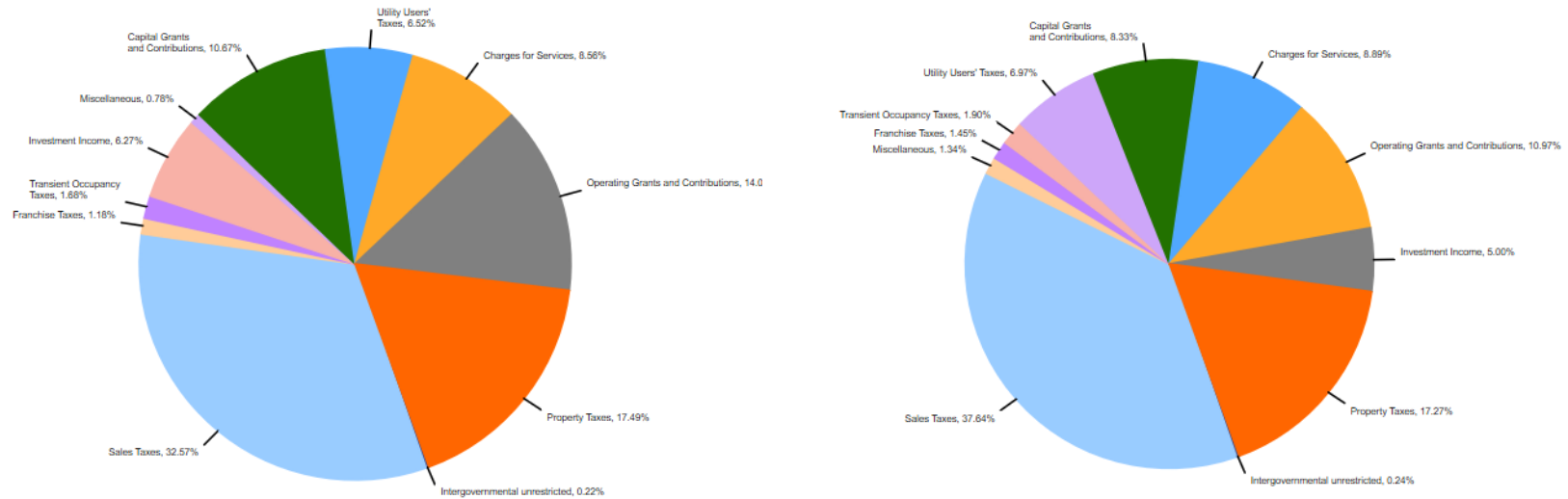
Expenses:

- 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



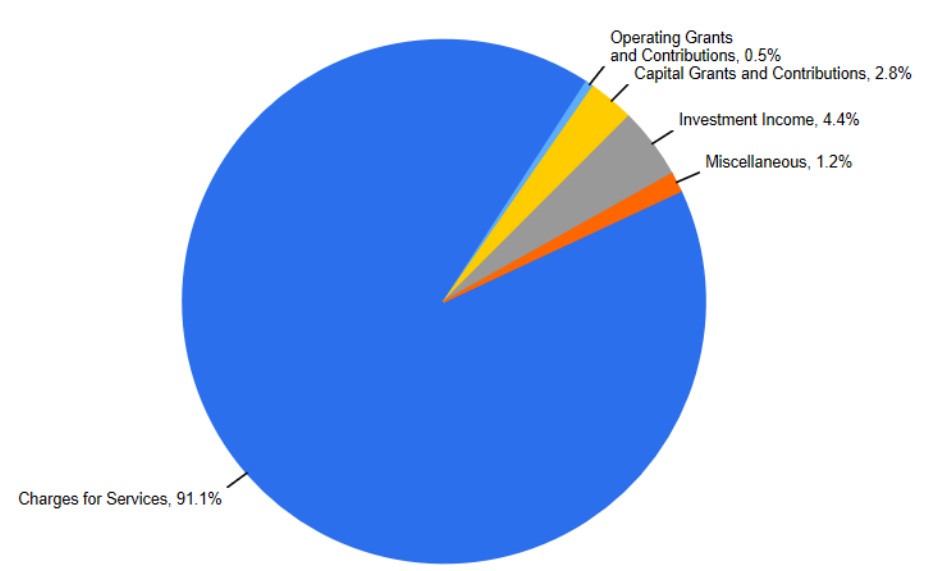
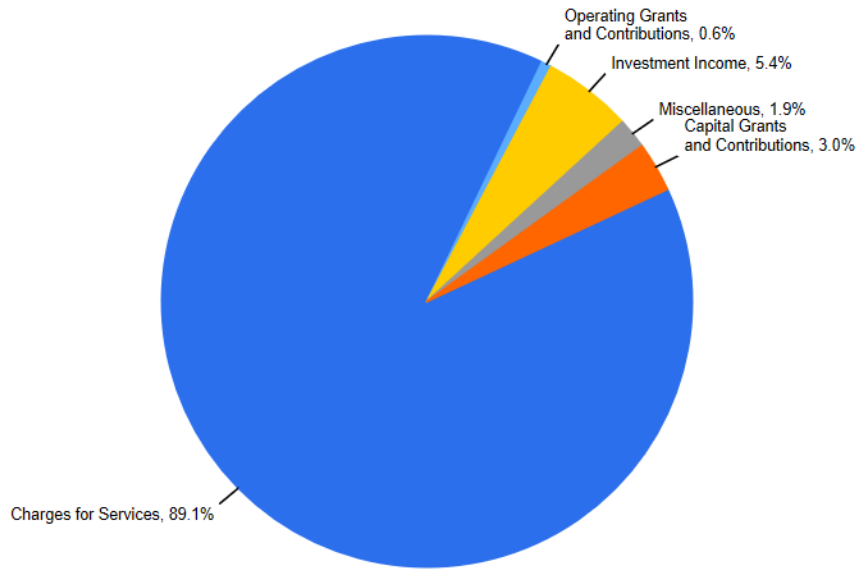
Business-Type Activities - The year-to-year change in net position for business-type activities is an increase of \$76.3 million. Included in the change is a decrease of \$22.1 million due to restatements related to various operational and maintenance costs that were included in construction in progress 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
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)
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)
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.		(59,920)
Net position of governmental activities	\$	<u>1,158,926</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		<u>(635)</u>	2,796
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		<u>118</u>	(26,852)
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		<u>(1,879)</u>	(40,826)
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>(12,837)</u>
Change in net position of governmental activities			<u>\$ 5,195</u>

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
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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
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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.

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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

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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

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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:

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	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.

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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

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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.

	<u>Governmental Activities</u>		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
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
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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

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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:

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	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	<u>0.89835 %</u>	<u>0.79157 %</u>	<u>2.72089 %</u>
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
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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.

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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:

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NOTES TO BASIC FINANCIAL STATEMENTS
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<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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: **Principal Outstanding**

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

\$19,945 2006 Galleria at Tyler Public Improvements Certificates of Participation are secured with collateral of the two level 912 space parking structure located near Tyler Street and Nordstrom store, the Tyler Mall North Plaza, the North Plaza parking, storm drains related to those improvements, and portions of two arterial streets. 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. \$ 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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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

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<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
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<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
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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
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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.	128,515
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Subtotal	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

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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

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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

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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.

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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	\$ 120,214

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:

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

	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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
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Lease Revenue Bonds - Successor Agency:	Principal Outstanding
<p>\$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.</p> <p style="padding-left: 20px;">Add: Unamortized bond premium</p> <p>Total lease revenue bonds</p>	<p>\$ 1,371</p> <p style="padding-left: 20px;">173</p> <p>\$ 1,544</p>

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

Fiscal Year	Principal	Interest	Total
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	\$ 1,544	\$ 330	\$ 1,874

Tax Allocation Bonds - Successor Agency:	Principal Outstanding
<p>\$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.</p> <p>\$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.</p> <p style="text-align: right;">Subtotal</p> <p style="padding-left: 20px;">Add: Unamortized bond premium</p> <p>Total tax allocation bonds</p>	<p>18,890</p> <p style="padding-left: 20px;">103,225</p> <p>122,115</p> <p style="padding-left: 20px;">13,391</p> <p>\$ 135,506</p>

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.

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

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

Fiscal Year	Principal	Interest	Total
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.

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

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
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(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
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(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
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(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.

	<u>June 30, 2024 as Previously Reported</u>	<u>Error Correction</u>	<u>June 30, 2024 as Restated</u>
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	<u><u>\$ 2,401,957</u></u>	<u><u>\$ (65,120)</u></u>	<u><u>\$ 2,336,837</u></u>

Restatements were recorded to Governmental and Proprietary funds as follows:

Governmental funds:

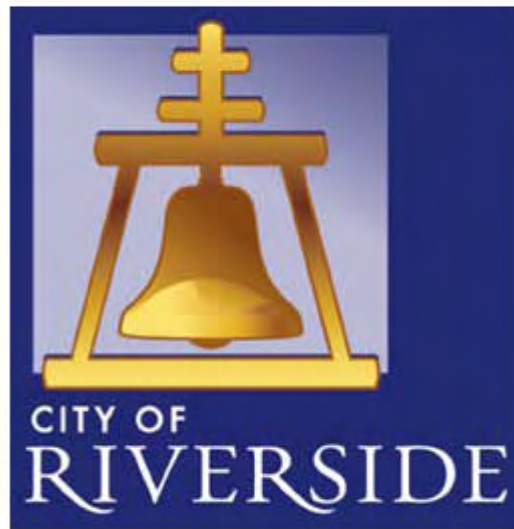
A restatement was recorded to increase the General funds net position by \$1,735. The restatement reflects corrections for various prepaid expenses and deposits that should have been recognized as expenditures and revenues in previous years. Additionally, restatements were recorded to decrease the Capital 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.

	<u>June 30, 2024 as Previously Reported</u>	<u>Error Correction</u>	<u>June 30, 2024 as Restated</u>
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	<u><u>\$ 397,079</u></u>	<u><u>\$ (290)</u></u>	<u><u>\$ 396,789</u></u>
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	<u><u>\$ 1,116,339</u></u>	<u><u>\$ (22,119)</u></u>	<u><u>\$ 1,094,220</u></u>



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)	<u>\$ (4,541)</u>	<u>\$ (3,522)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200,331)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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)	<u>\$ (4,597)</u>	<u>\$ (3,699)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230,231)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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)**

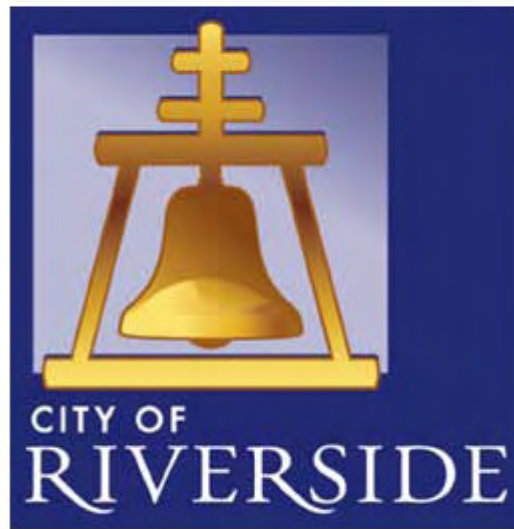
Reporting period June 30, Measurement period June 30,	2018	2019	2020	2021	2022	2023	2024	2025
	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability								
Service cost	\$ 2,554	\$ 2,403	\$ 2,435	\$ 2,569	\$ 2,646	\$ 3,184	\$ 2,576	\$ 3,131
Interest on the total OPEB liability	1,090	1,301	1,392	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)**

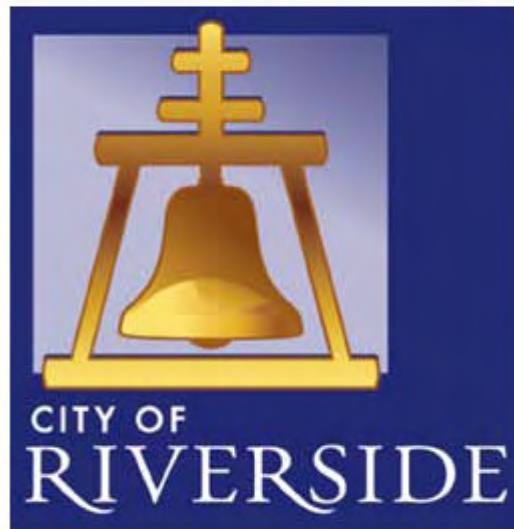
	Governmental Activities - Internal Service Funds			
	Self Insurance	Central Stores	Central Garage	Total Internal
	Trust			Service Funds
Assets:				
Current assets:				
Cash and investments	\$ 37,536	\$ -	\$ 9,990	\$ 47,526
Receivables, net of allowance for uncollectible				
Interest	236	-	65	301
Accounts	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 %
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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



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