



ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023

RIVERSIDE, CALIFORNIA



CITY OF RIVERSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2023

Prepared by the Finance Department
Kristie Thomas, Finance Director/Assistant Chief Financial Officer

3900 Main Street, Riverside, California 92522 (951) 826-5660

**CITY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal.....	i
GFOA Certificate of Achievement.....	viii
Legislative and City Officials.....	ix
Organizational Chart.....	ix
FINANCIAL SECTION	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	20
Statement of Activities.....	21
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	25
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.....	26
Statement of Net Position - Proprietary Funds.....	27
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds.....	29
Statement of Cash Flows - Proprietary Funds.....	30
Statement of Net Position - Fiduciary Funds.....	32
Statement of Changes in Net Position - Fiduciary Funds.....	33
Notes to Basic Financial Statements.....	34
Required Supplementary Information (Unaudited):	
Schedule of Changes in Net Pension Liability and Related Ratios.....	83
Schedule of Pension Plan Contributions.....	85
Schedule of Changes in Total OPEB Liability and Related Ratios.....	86

**CITY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

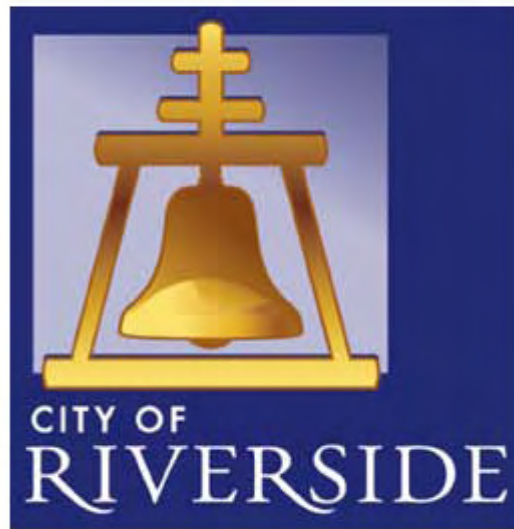
TABLE OF CONTENTS

	PAGE
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet - Non-Major Governmental Funds.....	88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds.....	90
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Non-Major Special Revenue Funds.....	92
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Capital Project Funds.....	95
Combining Statement of Net Position - Non-Major Enterprise Funds.....	98
Combining Statement of Revenues, Expenses, and Changes in Net Position - Non-Major Enterprise Funds.....	100
Combining Statement of Cash Flows - Non-Major Enterprise Funds.....	101
Combining Statement of Net Position - Internal Service Funds.....	104
Combining Statement of Revenues, Expenses, and Changes in Net Position - Internal Service Funds.....	105
Combining Statement of Cash Flows - Internal Service Funds.....	106
Balance Sheet - Combining General Fund Schedule.....	108
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Combining General Fund Schedule.....	109
Balance Sheet - Combining Capital Outlay Fund Schedule.....	110
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Combining Capital Outlay Fund Schedule.....	111
 STATISTICAL SECTION	
Net Position by Component.....	113
Changes in Net Position.....	114
Fund Balances - Governmental Funds.....	116
Changes in Fund Balances - Governmental Funds.....	117
Business-Type Activities - Electricity Revenues by Source.....	118
Governmental Activities - Tax Revenue by Source.....	119
Taxable Sales by Category.....	120

**CITY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

TABLE OF CONTENTS

	PAGE
Assessed Value and Estimated Actual Value of Taxable Property.....	121
Direct and Overlapping Property Tax Rates.....	122
Principal Property Taxpayers.....	123
Property Taxes Levies and Collections.....	124
Electricity Sold by Type of Customer.....	125
Electricity Rates.....	126
Top 10 Electricity Customers.....	127
Ratios of Outstanding Debt by Type.....	128
Ratios of General Bonded Debt Outstanding.....	129
Direct and Overlapping Governmental Activities Debt.....	130
Legal Debt Margin Information.....	132
Pledged-Revenue Coverage.....	133
Demographic and Economic Statistics.....	134
Principal Employers.....	135
Full-Time Equivalent City Government Employees by Function.....	136
Operating Indicators by Function.....	137
Capital Asset Statistics by Function.....	138





November 8, 2023

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, 2023.

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 Lance, Soll & Lunghard, 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, 2023. 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.

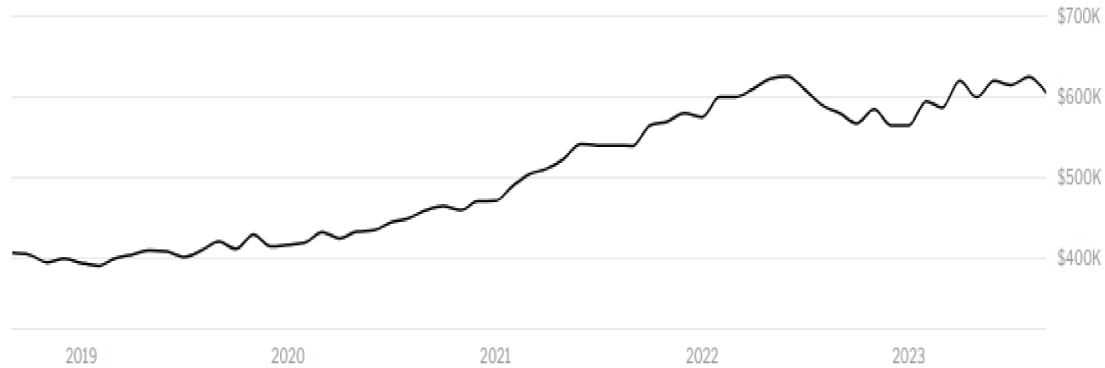
Biennially, during the period December through February, department heads prepare estimates of required appropriations for the following two-year budget cycle. These estimates are compiled into a proposed operating budget that includes a summary of proposed expenditures and financial resources, as well 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 which shall continue to their completion. For the general fund, this comparison is presented on page 26 as part of the basic financial statements for the governmental funds. For governmental funds other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which begins on page 92.

Local economy: The City is located in Inland Southern California, which consists of Riverside and San Bernardino Counties (the "MSA"). The population of Inland Southern California, at approximately 4.6 million, is larger than 26 states. The population of the City is 313,676 which places it as the 12th largest in California. As one of 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 provides local employment opportunities but also bolsters the broader Southern California economy. Additionally, Riverside's strategic location as a transportation and logistics hub, with access to major highways and distribution centers, demonstrates its critical role in facilitating the movement of goods within the region.

The City of Riverside saw an increase in the unemployment rate from 3.8% as of July 2022 to 4.5% as of July 2023. The City's unemployment rate remains lower than the State of California (4.8%) and the County of Riverside (5.0%), but higher than the United States (3.8%). The primary drivers for the decrease in employment in the Riverside metro area's nonfarm payrolls were in the categories of trade, transportation, and utilities; manufacturing; financial activities; and information, which saw decreases in employment from July 2022 to July 2023.

Consumer prices continue to increase at levels not seen in decades. In the Riverside metro area, there was an overall increase in the consumer price index of 3.4%, with food prices increasing by 5.4%, and energy prices decreasing by 9.1%, compared to the United States city average, which experienced an overall increase of 3.2%, with an increase of 4.9% in food prices, and a decrease of 12.5% in energy prices.

In September 2023, Riverside home prices were up 4.3% compared to last year, selling for a median price of \$605,000. On average, homes in Riverside currently sell after 22 days on the market compared to 39 days last year. There were 151 homes sold in September this year, down from 236 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: The financial results for fiscal year 2022/23 underscore the City's substantial recovery from the impacts of the COVID-19 pandemic. Key revenue streams that bore the brunt of the pandemic's impact, including transient occupancy tax, recreation revenue, and developer fees, have rebounded to pre-pandemic activity levels. After experiencing a pandemic-induced decline in fiscal year 2019/20, sales tax experienced an unconventional two-year surge in fiscal years 2020/21 and 2021/22, before returning to a more conventional growth rate of 3% in fiscal year 2022/23. Nevertheless, the uptick in revenues has been somewhat overshadowed by the backdrop of persistently high inflation and corresponding interest rate hikes by the Federal Reserve, employed as a measure to mitigate the effects of escalating prices.

Since the pandemic, the City, along with other municipalities, has experienced recruitment and hiring challenges, resulting in substantial personnel savings. As a result of these savings and the increase in sales tax revenue, in mid-2023 the City allocated general fund resources of \$10 million toward street improvement projects; \$5 million to the refuse fund for the purchase of capital equipment; and \$2 million to the parking fund to address deferred maintenance needs. In April 2023, the City Council approved increased parking rates with the aim of achieving financial self-sustainability for the public parking fund.

The City adopted a biennial budget spanning fiscal years 2022/23 and 2023/24. As part of its 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 changes. Because the City operates on a biennial budget, 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.

The City's amended 2023/24 budget totals \$1.38 billion, including the City's operating budget and planned capital projects. In the general fund, revised revenue estimates based on increased sales tax revenue and updated revenue trends added approximately \$15 million in available resources. This enabled the City to expand library hours, allocate resources toward economic development, increase security at libraries and recreational facilities, and address other critical needs. The City continues to plan for the future with investments in reserves, including an infrastructure reserve balance of \$20.6 million, technology reserve of \$3 million, and budgeted contributions to the Section 115 Trust for the long-term management of retirement costs.

CalPERS investment gains of 21.3% in fiscal year 2020/21 resulted in a decrease in the City's required unfunded accrued liability (UAL) payment for fiscal year 2022/23. The City's independent actuary provided UAL payment projections that incorporated actual and potential CalPERS investment returns for fiscal years 2021/22 and 2022/23. As part of the 2023/24 budget amendment, staff analyzed the actuary's projections and the pension obligation bonds (POB) payment schedule, determining a feasible amount and optimal series of Section 115 Trust contributions and withdrawals to smooth the fiscal impact of the payment obligations. The proposed smoothing is projected to result in level payments in the general fund of \$45 million annually for a period of 12 years, from fiscal year 2023/24 through fiscal year 2035/36. It is important to note that the required UAL contributions will vary based on actual CalPERS investment returns; Section 115 contributions will help to smooth the fiscal impact of spikes in the required UAL payments in future years.

In September 2023, the City Council approved new 5-year rate plans for the electric, water, and refuse funds. The rate increases will enhance the financial stability of each of the enterprise funds, supporting increases in operational costs as well as investment in capital infrastructure. In conjunction with the adoption of the water rate plan, the City Council directed that all future water general fund transfer collections be placed in a reserve account pending the outcome of pending litigation (refer to Note 25 in the Notes to Basic Financial Statements). Staff will consider the impact of the approximate \$8.5 million annual loss of revenue in the general fund during the development of the next biennial budget.

American Rescue Plan Act (ARPA): On March 11, 2021, President Biden passed the \$1.9 trillion American Rescue Plan Act (ARPA), which included sending checks to families and offering small business support to stimulate demand and counter the country's high unemployment. The 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 may use the funds to best support the needs of the community providing the use of the funds aligns with one of the following four statutory categories:

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; or
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 October 10, 2023, the City Council approved the reallocation for various spending plan items based on a review of activity to date and in process, as well as reassessment of needs. Below is a consolidation of the funding breakdown by Expenditure Category

1. Public Health	\$ 2,108,117	2.87 %
2. Negative Economic Impacts	27,675,000	37.64
3. Public Health Negative Economic Impacts: Public Sector Capacity	400,000	0.54
4. Premium Pay	-	-
5. Infrastructure	10,000	0.01
6. Revenue Replacement	43,022,071	58.51
7. Administration	320,000	0.44
Total	<u>\$ 73,535,188</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 provides an expanded set of households and communities that are presumed to be “impacted” and “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 uses available for these communities as part of COVID-19 public health and economic response 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 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 may continue 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, 2022. This was the seventeenth 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 City is pending the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2022. The City expects to receive this award for the sixth time for the June 30, 2022 report once reviewed and received by the GFOA. 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 2022-2024 Biennial Budget document, which covers the fiscal years commencing on July 1, 2022 and concluding June 30, 2024. To earn this distinguished recognition, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as 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

Finance Director/Assistant 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, 2022

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, 2022.

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

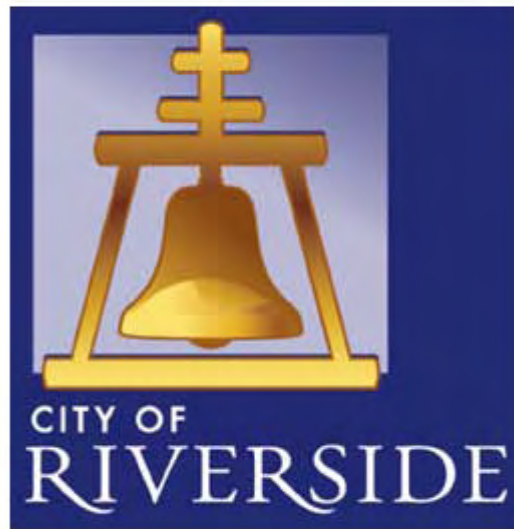
Patricia Lock Dawson Mayor
 Erin Edwards Councilmember – Ward 1
 Clarissa Cervantes Councilmember – Ward 2
 Ronaldo Fierro Councilmember – Ward 3
 Chuck Conder Councilmember – Ward 4
 Gaby Plascencia Councilmember – Ward 5
 Jim Perry Councilmember – Ward 6
 Steve Hemenway Councilmember – Ward 7

CITY OFFICIALS

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

Donesia Gause City Clerk*
 Phaedra Norton City Attorney*
 Todd Corbin General Manager - Public Utilities
 Larry V. Gonzalez Chief of Police
 Carl Carey General Services Director
 Erin Christmas Library Director
 Pamela Galera Parks, Recreation & Community Svcs Director
 Kristie Thomas Finance Director/Assistant CFO
 Rene Goldman Human Resources Director
 George Khalil Chief Innovation Officer
 Gilbert Hernandez Public Works Director
 Michael Moore Fire Chief
 Robyn Peterson Museum Director
 Jennifer Lilley Community & Economic Development Director

*Appointed by City Council





INDEPENDENT AUDITORS' REPORT

To the 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, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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, 2023, 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 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 Auditor's 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

Change in Accounting Principle

As described in Note 1 to the financial statements, in the fiscal year ended June 30, 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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To the 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.

Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards 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.



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

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, the schedule of changes in net pension liability and related ratios, the schedule of pension plan contributions, and the schedule of changes in total OPEB liability and related ratios, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, 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 accompanying combining and individual fund financial statements and schedules (supplementary information) 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 auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 auditor's 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.



To the 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 November 8, 2023, 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 City's internal control over financial reporting and compliance.

Lance, Solt & Loughard, LLP

Brea, California
November 8, 2023

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, 2023. 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, and culture and recreation. The business-type activities of the City include Electric, Water, Sewer, Airport, Refuse, Transportation, Public Parking, and Civic Entertainment Funds.

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 is 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 20 - 21 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 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 fifteen 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 twelve 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 88 - 96 in this report.

The City adopted an annual appropriated budget for its General Fund for the Year ended June 30, 2023. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 22 - 25 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 98 - 106 in this report.

The basic proprietary fund financial statements can be found on pages 27 - 31 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 statement 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 page 32 - 33 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 34 of this report.

Governmental Accounting Standards Board No. 96, Subscription-Based Information Technology Arrangements (GASB 96) - For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This Statement defines SBITA as a contract that conveys control of the right-to-use another party's information technology software, alone or in a combination with tangible capital assets, as specified in a contract for a period of time in an exchange or exchange-like transaction. For additional information, refer to Notes 1, 5, and 6.

Government-wide Financial Analysis

The following table presents a summarization of the City's assets, liabilities, deferred inflows and outflows, 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	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 633,853	\$ 711,511	\$ 856,258	\$ 856,015	\$ 1,490,111	\$ 1,567,526
Capital, lease, and subscription assets, net	1,343,379	1,330,850	1,958,937	1,975,600	3,302,316	3,306,450
Total assets	1,977,232	2,042,361	2,815,195	2,831,615	4,792,427	4,873,976
Deferred Outflows of Resources	196,336	67,430	77,898	41,648	274,234	109,078
Liabilities:						
Current liabilities	172,713	209,289	139,888	137,657	312,601	346,946
Long-term liabilities	780,515	601,939	1,469,858	1,414,352	2,250,373	2,016,291
Total liabilities	953,228	811,228	1,609,746	1,552,009	2,562,974	2,363,237
Deferred Inflows of Resources	25,610	204,023	112,733	176,142	138,343	380,165
Net Position						
Net investment in capital assets	1,198,815	1,176,215	790,844	774,469	1,989,659	1,950,684
Restricted - Expendable	237,159	199,456	96,638	85,666	333,797	285,122
Restricted - Nonexpendable	1,642	3,582	-	-	1,642	3,582
Unrestricted/(deficit)	(242,886)	(284,713)	283,132	284,977	40,246	264
Total net position	\$ 1,194,730	\$ 1,094,540	\$ 1,170,614	\$ 1,145,112	\$ 2,365,344	\$ 2,239,652

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,365,344 at June 30, 2023, an increase of \$125,692 from June 30, 2022.

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 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 14% 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, \$(242,886) net deficit is held by the governmental activities and \$283,132 is held by the business-type activities.

Unrestricted net position in the amount of \$40,246, a net position increase of 15,145% from prior year, is the change in resources available to fund City programs to citizens and debt obligations to creditors. The positive increase in unrestricted net position is primarily the result of the increases in sales tax, property tax, investment income, and miscellaneous one-time revenues.

Governmental activities increased the City's net position by \$100,190 to \$1,194,730 for the year ended June 30, 2023.

On the following page is a condensed summary of activities of the City's governmental and business-type operations for the period ended June 30, 2023 with the prior fiscal year presented for comparative purposes. Also included in the following analysis are revenue and expense graphs to aid in understanding the results of the current year's activities.

(Balance of page intentionally left blank)

(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 43,087	\$ 41,072	\$ 628,084	\$ 598,474	\$ 671,171	\$ 639,546
Operating grants and contributions	59,368	50,378	4,374	5,866	63,742	56,244
Capital grants and contributions	34,305	38,508	15,483	20,527	49,788	59,035
General revenues:						
Sales taxes	177,722	173,933	-	-	177,722	173,933
Property taxes	84,751	79,790	-	-	84,751	79,790
Other taxes and fees	49,972	47,183	-	-	49,972	47,183
Intergovernmental, unrestricted	467	661	-	-	467	661
Rental and investment income	8,817	(7,613)	11,191	(13,324)	20,008	(20,937)
Miscellaneous	10,331	3,880	10,049	12,639	20,380	16,519
Total revenues	468,820	427,792	669,181	624,182	1,138,001	1,051,974
Expenses:						
General government	34,258	66,937	-	-	34,258	66,937
Public safety	239,744	169,742	-	-	239,744	169,742
Highways and streets	50,588	41,125	-	-	50,588	41,125
Cultural and recreation	50,863	38,885	-	-	50,863	38,885
Interest on long-term debt and fiscal charges	18,598	19,806	-	-	18,598	19,806
Electric	-	-	401,427	349,004	401,427	349,004
Water	-	-	76,475	69,303	76,475	69,303
Sewer	-	-	67,195	59,060	67,195	59,060
Airport	-	-	2,385	1,944	2,385	1,944
Refuse	-	-	32,777	28,449	32,777	28,449
Transportation	-	-	4,808	3,758	4,808	3,758
Public Parking	-	-	5,493	4,566	5,493	4,566
Civic Entertainment	-	-	27,698	21,804	27,698	21,804
Total expenses	394,051	336,495	618,258	537,888	1,012,309	874,383
Increase (decrease) in net position	74,769	91,297	50,923	86,294	125,692	177,591
Extraordinary items	-	-	-	(5,748)	-	(5,748)
Transfers	25,421	34,915	(25,421)	(34,915)	-	-
Changes in net position	100,190	126,212	25,502	45,631	125,692	171,843
Net Position:						
Beginning of year, as previously stated	1,094,540	968,328	1,145,112	1,098,838	2,239,652	2,067,166
Prior period adjustment	-	-	-	643	-	643
Beginning of year, as restated	1,094,540	968,328	1,145,112	1,099,481	2,239,652	2,067,809
End of year	\$ 1,194,730	\$ 1,094,540	\$ 1,170,614	\$ 1,145,112	\$ 2,365,344	\$ 2,239,652

Governmental Activities - The total change in net position for governmental activities decreased by \$26.0 million. Key elements of this year's activity in relation to the prior year are as follows:

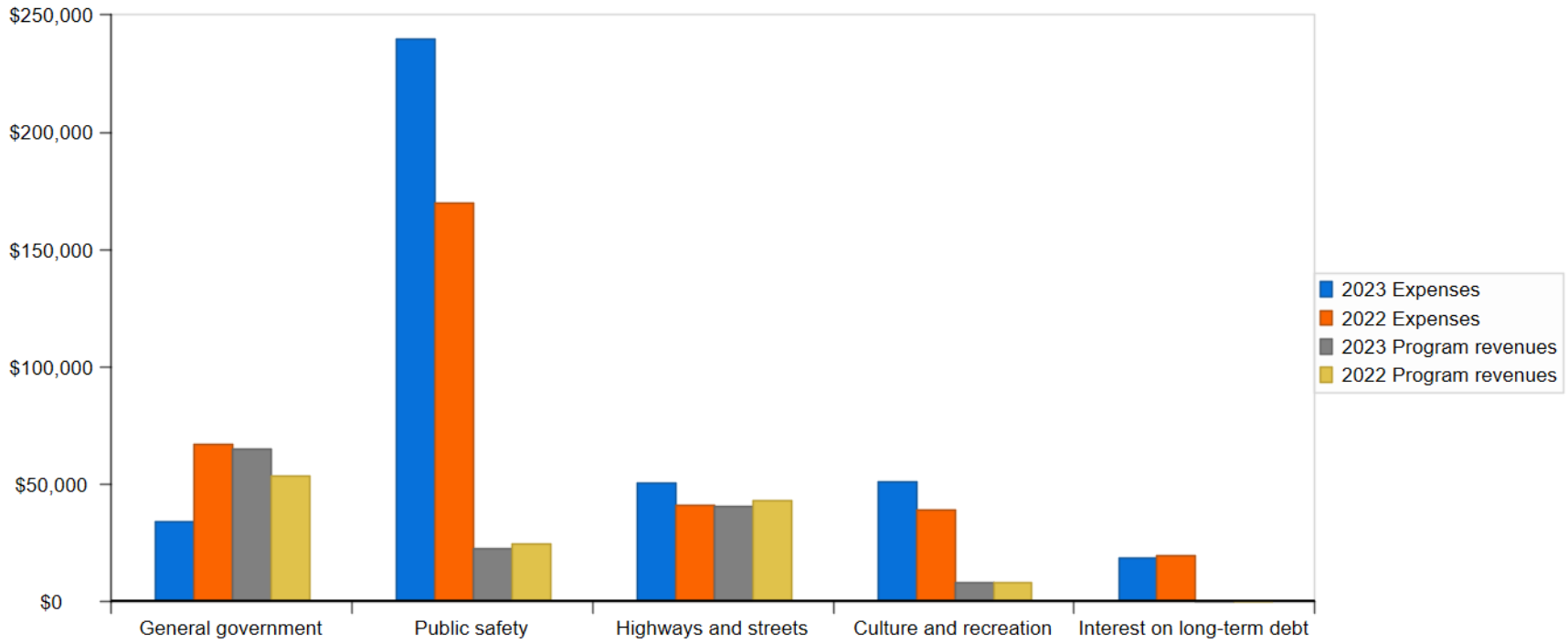
Revenues:

- While variances between years exist for the various revenue categories, the total net increase was approximately \$41.0 million or 10%. The increase is largely attributable to the \$3.8 million increase in sales taxes, primarily stemming from increased sales in the categories of autos and transportation; state and county pools; business and industry; and restaurants and hotels. The increase in property taxes of \$5 million was mainly due to increased property values. The increase in investment income of \$16.4 million was primarily due to an economic rebound that produced higher interest earnings on investments. The increase in miscellaneous revenue of \$6.5 million was predominantly from a sale of land from the dissolution of the March Joint Powers Authority for \$3.9 million and a \$2.5 million insurance reimbursement for a fire caused at a vacant City-owned building.

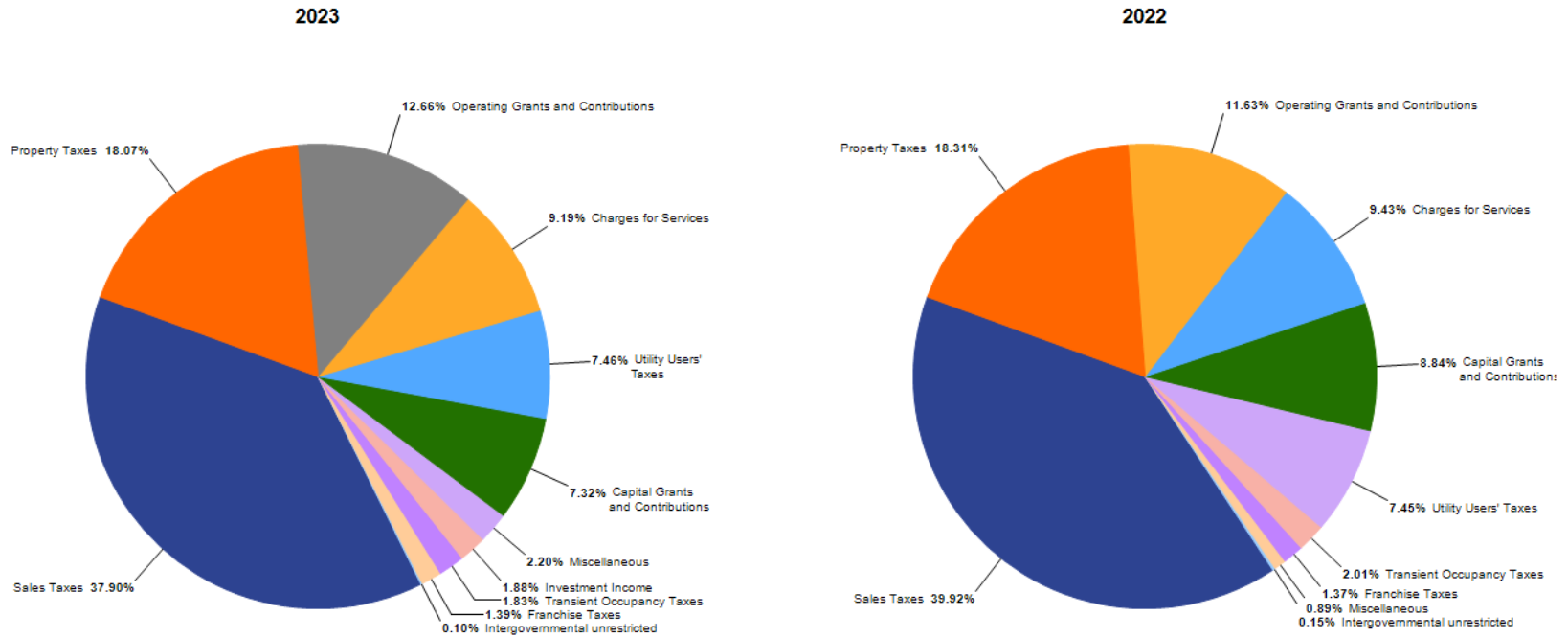
Expenses:

- While variances between years exist for the various expense functions, the total net increase was approximately \$57.6 million or 17%. This is primarily related to an increase to personnel related costs of \$67.8 million in public safety; highway and streets; and culture and recreation resulting from the adjustment of the net pension liability in fiscal year 2022-23.

Program Revenues and Expenses - Governmental Activities - Fiscal Year Comparison 2023 vs. 2022



Revenues by Source - Governmental Activities - Fiscal Year Comparison 2023 vs. 2022

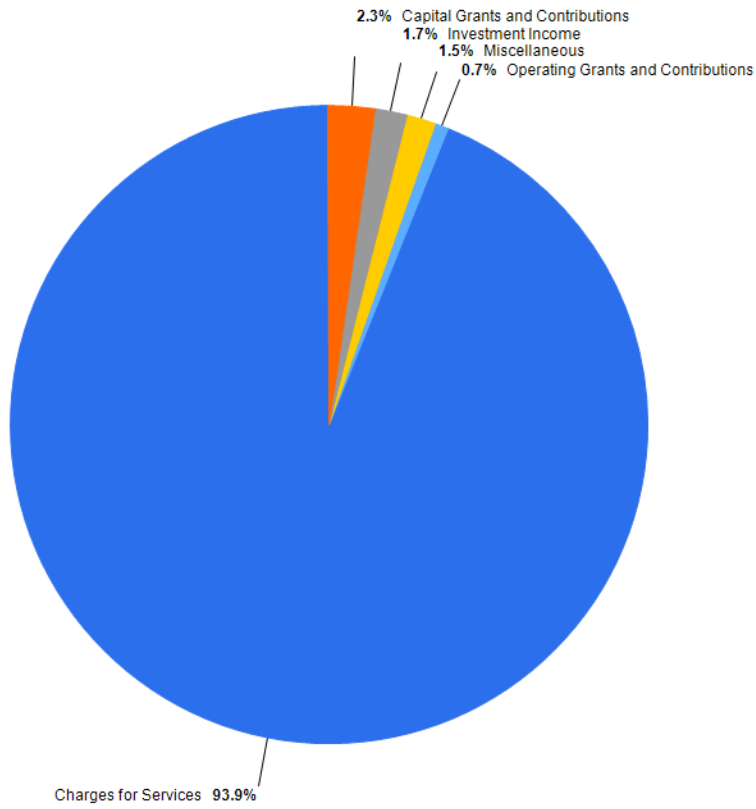


Business-Type Activities - Total net position for business-type activities increased by \$25.5 as compared to the prior year. Key elements of this year's activity in relation to the prior year are as follows:

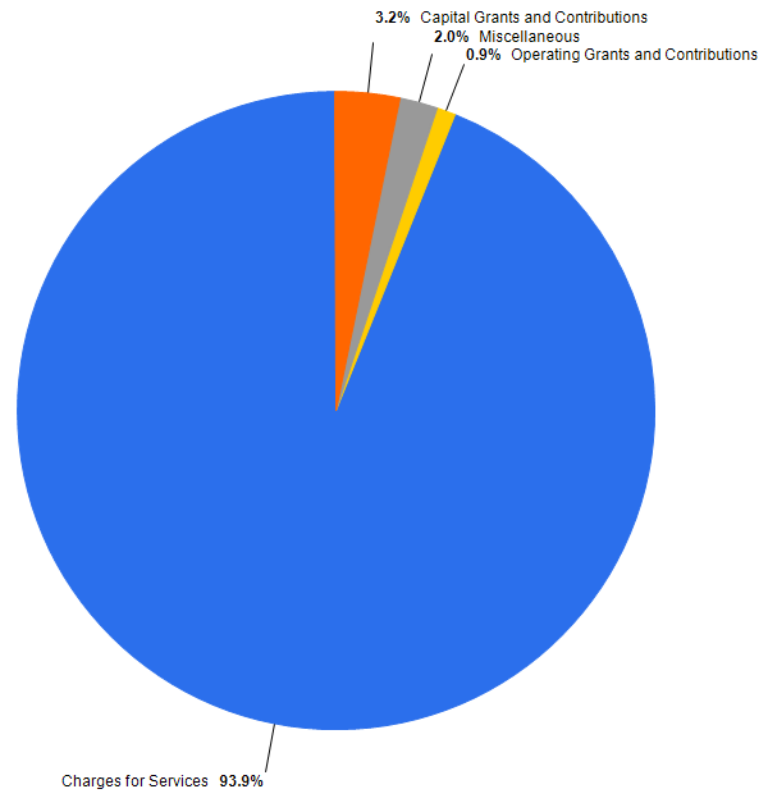
- Charges for services increased from the prior year, resulting in an increase of \$29.6 million or 5%. Electric Fund charges for services increased by \$21.4 million primarily due to an increase in consumption, rate plan increases, and decreased uncollectibles. The Civic Entertainment Fund charges for services increased by \$6.3 million due to an increase in entertainment venue events compared to the prior year.
- Overall expenses increased by \$80.4 million or 14.9%. The Electric Fund, Water Fund, and Sewer Fund had an increase in operating expenses of \$53.7 million, \$6.0 million, and \$8.6 million, respectively, primarily due to an increase in personnel related costs resulting from the adjustment to the net pension liability in fiscal year 2022-23. The Electric Fund production and purchased power expenses increased primarily due to a combination of exceptionally elevated winter natural gas prices and elevated power prices, along with global market disturbances. The Water Fund operating expenses increased primarily due to an increase in personnel related costs resulting from the adjustment to the net pension liability, along with increases in administrative and general operating expenses. The Sewer Fund operating expenses increased primarily due to an increase in personnel related costs resulting from the adjustment to the net pension liability, along with increases in maintenance and operation expenses.

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

2023



2022



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 sheet 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets	\$ 307,324	\$ 280,565	\$ 85,412	\$ 57,636	\$ 15,254	\$ 13,231	\$ 178,867	\$ 201,206	\$ 586,857	\$ 552,638
Liabilities	\$ 41,440	\$ 42,541	\$ 2,457	\$ 4,612	\$ 1,195	\$ 1,552	\$ 69,685	\$ 96,882	\$ 114,777	\$ 145,587
Deferred inflows of resources	12,507	10,806	154	520	-	-	48,669	49,832	61,330	61,158
Fund Balances										
Nonspendable	2,115	2,087	-	-	-	-	1,736	1,495	3,851	3,582
Restricted	32,695	30,715	82,801	52,504	14,059	11,679	58,777	54,212	188,332	149,110
Committed	111,301	82,801	-	-	-	-	-	-	111,301	82,801
Assigned	35,566	41,707	-	-	-	-	-	-	35,566	41,707
Unassigned	71,700	69,908	-	-	-	-	-	(1,215)	71,700	68,693
Total fund balances	253,377	227,218	82,801	52,504	14,059	11,679	60,513	54,492	410,750	345,893
Total liabilities, deferred inflows, and fund balances	\$ 307,324	\$ 280,565	\$ 85,412	\$ 57,636	\$ 15,254	\$ 13,231	\$ 178,867	\$ 201,206	\$ 586,857	\$ 552,638

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$410,750, an increase of \$64,857 compared to the prior year. Additionally, 1% of the fund balance, or \$3,851, is *nonspendable*, which comprises the portion of fund balance that cannot be spent due to form. \$188,332, or 46%, 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 \$111,301, or 27% of the fund balance, was set aside for economic contingencies. Committed for economic contingencies consists of 20% of the 2023-24 General Fund adopted expenditure budget of \$327 million, or \$65,500; \$5,000 for General Fund – Measure Z; \$20,617 for future capital projects; \$15,000 for balancing measures; \$3,000 for technology related projects; \$2,000 for insurance proceeds; and \$184 for public works equipment. \$35,566, or 9%, 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, \$71,700, or 17%, is *unassigned*, meaning it is available for spending at the City's discretion including \$47,000 in the Measure Z Fund. The City's governmental funds reported combined total assets of \$586,857 at June 30, 2023, an increase of \$34,219 compared to the prior year. Liabilities and deferred inflows of resources amounted to \$176,107, a decrease of \$30,638 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 \$253,377, in comparison to \$227,218 in the prior year. The increase in fund balance is primarily due to increase sales taxes of \$3.8 million; property taxes of \$5.0 million; utility users' taxes of \$2.5 million; and rental and investment income of \$9 million. The Capital Outlay Fund is used to account for the acquisition or construction of major capital facilities. The total fund balance was \$82,801, compared to \$52,504 in the prior year. The increase was due to increased transfers in for street and other future capital projects. The General Debt Service Fund accounts for the accumulation of resources and payment of long-term debt principal and interest. The total fund balance was \$14,059, compared to \$11,679 in the prior year. The Non-Major Governmental Funds fund balance was \$60,513, compared to \$54,492 in the prior year.

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 \$174,199, \$19,375, and \$77,165, respectively. The unrestricted net position for the Electric, Water, and Sewer Funds in the prior year was \$194,443, \$17,675, and \$74,034, respectively. The decrease in unrestricted net position of the Electric Fund \$(20,244) was primarily due to a decrease in operating income mainly as a result of higher power costs and the use of reserves to fund ongoing capital projects and decommissioning trusts, offset by an increase in investment income. The increase in unrestricted net position of the Water Fund in the amount of \$1,700 was primarily attributable to positive operating results, and an increase in investment income. The increase in unrestricted net position for the Sewer Fund totaling \$3,131 is primarily a result of increased investment income.

	Electric		Water		Sewer		Non-Major Enterprise Funds		Total Business-Type Funds	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets	\$ 1,239,900	\$ 1,297,992	\$ 731,921	\$ 682,884	\$ 646,557	\$ 657,568	\$ 196,817	\$ 193,171	\$ 2,815,195	\$ 2,831,615
Deferred outflows of resources	45,624	24,943	16,990	9,647	8,309	2,571	6,975	4,487	77,898	41,648
Liabilities	764,935	763,893	335,124	272,013	400,776	403,320	108,911	112,783	1,609,746	1,552,009
Deferred inflows of resources	17,237	53,479	86,374	98,214	1,959	11,145	7,163	13,304	112,733	176,142
Net position										
Net investment in capital assets	254,990	246,698	295,560	293,641	167,469	163,884	72,825	70,246	790,844	774,469
Restricted	74,163	64,422	12,478	10,988	7,497	7,756	2,500	2,500	96,638	85,666
Unrestricted/(deficit)	174,199	194,443	19,375	17,675	77,165	74,034	12,393	(1,175)	283,132	284,977
Total net position	\$ 503,352	\$ 505,563	\$ 327,413	\$ 322,304	\$ 252,131	\$ 245,674	\$ 87,718	\$ 71,571	\$ 1,170,614	\$ 1,145,112

General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues	\$ 318,356	\$ 341,329	\$ 352,492	\$ 11,163
Expenditures:				
Current:				
General government	24,767	37,047	16,703	20,344
Public safety	212,351	230,696	207,820	22,876
Highways and streets	24,371	28,840	21,274	7,566
Culture and recreation	35,766	41,710	36,259	5,451
Capital outlay	3,357	22,143	16,815	5,328
Debt service	-	-	2,331	(2,331)
Total expenditures	300,612	360,436	301,202	59,234
Excess/(deficiency) of revenues over/(under) expenditures	17,744	(19,107)	51,290	70,397
Other Financing Sources/(Uses):				
Net change in fund balance	(1,170)	(52,897)	26,159	79,056
Fund Balance:				
Beginning of year	227,218	227,218	227,218	-
End of year	\$ 226,048	\$ 174,321	\$ 253,377	\$ 79,056

The reason for the increase in final budgeted revenues compared to the Original Budget is primarily due to an \$18.6 million budget adjustment for updated sales and use tax revenue projections and other mid-year updates to revenue projections based on prior year actuals and trend data. The Final Budget for expenditures is higher than the Original Budget due to prior year encumbrances and carryovers totaling \$42.3 million as well as supplemental appropriations approved by the City Council during the fiscal year. Supplemental appropriations in expenditures and other financing sources/uses (in the form of transfers out) leveraged higher revenue projections and personnel savings to fund an additional \$12.6 million in street and other capital projects; \$18.7 million in the projected fiscal impact from revisions to various labor memorandums of understanding and employees' compensation and benefits packages; a \$5 million transfer to the Refuse Fund for the purchase of capital equipment; a \$2 million transfer to the Public Parking Fund to address deferred maintenance needs; and other miscellaneous budget adjustments. Also included in the other financing sources/uses is a \$15.9 million transfer in for revenue replacement funds from the American Rescue Plan Act.

Actual revenues exceeded Final Budget projections due to higher-than-anticipated revenues from numerous sources, such as property tax and interest earnings, and due to unbudgeted revenues, including an insurance reimbursement (\$2.5 million) and land sale (\$3.9 million). Actual expenditures were less than final budgeted amounts by approximately \$59.2 million. This is primarily attributable to fiscal year-end encumbrances totaling \$16.8 million; \$17.2 million in personnel savings due to recruitment and hiring challenges experienced by the City alongside the increase in appropriations for employees' compensation and benefits packages; 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 for governmental and business-type activities as of June 30, 2023 amounted to \$3,298,912 (net of accumulated depreciation). 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 \$5,708, comprised of an increase of \$10,815 for governmental activities and a decrease of \$16,523 for business-type activities primarily caused by depreciation expense exceeding capital asset additions.

Major capital improvements during the current fiscal year included ongoing projects for governmental activities consisting primarily of roads of \$30.3 million; purchase of vehicles, trailers and/or heavy equipment (\$3.7 million); and storm drains of \$2.5 million. Capital improvements in business-type activities included \$25.5 million in Electric Utility capital improvements primarily related to transformer replacements, improvements to communications network, underground improvements, metering infrastructure, and major streetlight projects; and \$16.3 million in Water Utility projects primarily related to main replacements, system expansion, transmission pipelines, distribution facilities, and water well projects.

Additional information on the City's capital assets can be found in Note 5 on page 49 of this report.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 383,379	\$ 376,787	\$ 103,456	\$ 100,111	\$ 486,835	\$ 476,898
Construction in progress	51,002	52,051	131,870	128,123	182,872	180,174
Buildings	102,405	106,726	451,277	465,740	553,682	572,466
Improvements other than buildings	94,884	103,649	1,209,419	1,216,016	1,304,303	1,319,665
Machinery and equipment	31,193	32,060	32,712	32,994	63,905	65,054
Intangibles	-	-	29,565	31,838	29,565	31,838
Infrastructure	677,750	658,525	-	-	677,750	658,525
Total	\$ 1,340,613	\$ 1,329,798	\$ 1,958,299	\$ 1,974,822	\$ 3,298,912	\$ 3,304,620

Lease and Subscription Assets - The City's investment in lease and subscription assets for governmental and business-type activities as of June 30, 2023 amounted to \$3,404 (net of accumulated amortization). The lease and subscription assets investment includes land, buildings, machinery and equipment, and subscription-based information technology arrangements (SBITA).

Additional information on the City's lease and subscription assets can be found in Note 5 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	
	2023	2022	2023	2022	2023	2022
Land	\$ -	\$ -	\$ 163	\$ 238	\$ 163	\$ 238
Buildings	398	617	199	273	597	890
Machinery and equipment	290	435	189	267	479	702
SBITA	2,078	-	87	-	2,165	-
Total	\$ 2,766	\$ 1,052	\$ 638	\$ 778	\$ 3,404	\$ 1,830

Long-term debt - At the end of the current fiscal year, the City had total debt outstanding of \$1,954,665 which includes bonded debt of \$1,768,632.

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Lease revenue bonds	\$ 65,093	\$ 68,855	\$ 6,168	\$ 6,625	\$ 71,261	\$ 75,480
General obligation bonds	3,411	4,987	-	-	3,411	4,987
Pension obligation bonds	321,413	338,264	103,705	110,718	425,118	448,982
Certificates of participation	80,584	85,477	24,582	25,912	105,166	111,389
Revenue bonds	-	-	1,163,676	1,139,100	1,163,676	1,139,100
Notes payable	-	-	55,070	59,948	55,070	59,948
Contracts payable	-	-	933	933	933	933
Financed purchased	19,230	22,294	1,476	2,176	20,706	24,470
Compensated absences	31,425	29,994	12,084	11,855	43,509	41,849
Claims and judgments	53,112	78,790	-	-	53,112	78,790
Landfill capping	-	-	9,425	9,820	9,425	9,820
Lease liability	699	1,060	563	787	1,262	1,847
SBITA liability	1,930	-	86	-	2,016	-
Total	\$ 576,897	\$ 629,721	\$ 1,377,768	\$ 1,367,874	\$ 1,954,665	\$ 1,997,595

The City's total debt decrease by \$44,361 or 51.3% during the current fiscal year. The net decrease is primarily related to payments on long-term debt.

The City's Water Utility maintains "AA+" and "AA+" ratings from S&P Global Ratings and Fitch, respectively, for their revenue bonds, while the Electric Utility maintains "AA-" ratings from both rating agencies for fixed rate bonds. The City's general obligation bond ratings from S&P Global Ratings and Fitch are "AA" and "AA," respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total adjusted assessed valuation. The legal debt limit was \$967,896 at June 30, 2023, which applies only to general obligation debt. At June 30, 2023, the City had \$3,411 of general obligation debt, resulting in available legal debt capacity of \$964,485.

Additional information on the City's long-term debt can be found in Note 9 beginning on page 55 of this report.

Economic Factors and Next Year's Budget

The City has experienced a 30% increase in the City's sales tax base since fiscal year 2018-19 as consumers changed their spending habits during the pandemic. This one-time anomaly provided a new foundation for future sales tax projections in the General Fund and allowed the City to fund new salary and benefit packages negotiated for City employees, as well as reserve funding for future infrastructure and technology needs. However, inflationary pressures are expected to influence the City's financial landscape in the coming fiscal year, impacting both income and expenditures. Inflation is driving up costs in all City funds in areas such as personnel, supplies, purchased services, and capital investments. In addition to inflation, unemployment, which increased from 3.8% last year to 4.5% this year, is expected to lead to a reduction in sales tax and other City revenues as consumers cut back on discretionary spending.

Rising retirement costs continue to have a significant impact on the City's long-term financial stability. 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, is 6.8%. As of June 30, 2023, CalPERS reported a preliminary net return of 5.8% on its investments for the 12-month period ending June 30, 2023. The preliminary 5.8% net investment return stands in contrast to the prior fiscal year, when global financial volatility led to the fund's first negative (6.1%) return since the Great Recession. As of June 30, 2023, total fund annualized returns for the 5-year period stood at 6.1%, the 10-year period at 7.1%, the 20-year period at 7.0%, and the 30-year period at 7.5%.

CalPERS transitioned to collecting employer contributions for the plan's unfunded liability as fixed dollar amounts effective on July 1, 2018, moving away from the previous method that combined a contribution rate with the normal cost rate. Additionally, in the fiscal year 2019-20, the City issued a pension obligation bond to help reduce future pension contributions. The fiscal year 2023-24 required unfunded liability contribution and funded status as reported in the Annual Valuation Report as of June 30, 2021 were informed by fiscal year 2020-21 CalPERS investment returns of 21.3%. The negative CalPERS investment return of 6.1% in fiscal year 2021-22 caused a swing in the unfunded accrued liability contribution and funded status as reported in the Annual Valuation Report as of June 30, 2022:

Annual Valuation Report as of June 30, 2021	Annual Valuation Report as of June 30, 2022
Miscellaneous Plan <ul style="list-style-type: none"> • Unfunded Liability Payment: \$0 • Funded Status: 104.3% 	Miscellaneous Plan <ul style="list-style-type: none"> • Unfunded Liability Payment (Prepayment option): \$4,929 • Funded Status 89.9%
Safety Plan <ul style="list-style-type: none"> • Unfunded Liability Payment (Prepayment option): \$9,967 • Funded Status: 99.6% 	Safety Plan <ul style="list-style-type: none"> • Unfunded Liability Payment (Prepayment option): \$10,645 • Funded Status: 86.4%

Recognizing the anomalous investment returns of fiscal year 2020-21, the City did not eliminate the budgeted UAL payments during the amendment of the fiscal year 2023-24 budget, but rather shifted those budgeted payments to the Section 115 Trust for the long-term management of rising pension costs. The Section 115 Trust will aid the City in mitigating the impact of rising pension costs in future years and ensuring maintenance of City service levels.

On June 21, 2022, the City Council adopted the City's Fiscal Year 2022-24 Biennial Budget. Within the adoption, the fiscal year 2023-24 citywide budget totaled \$1.32 billion in funding for citywide operations, including \$115.2 million for capital projects. On June 27, 2023, the City Council adopted an amended Fiscal Year 2023-24 budget totaling \$1.38 billion for citywide operations, including \$140.5 million for capital projects. The amended fiscal year 2023-24 General Fund budget, excluding Measure Z, represents a 6.9% increase over the adopted fiscal year 2022-23 budget. The increase is primarily attributable to rising personnel costs resulting from negotiated increases in employee salary and benefit packages and the addition of 41.75 full-time equivalent positions, as well as program expansions in various City departments.

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 finances. 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, 2023
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets:			
Cash and investments	\$ 435,813	\$ 436,977	\$ 872,790
Receivables, net of allowance for uncollectible	124,449	68,309	192,758
Leases receivable	9,213	102,048	111,261
Inventory	9,068	4,786	13,854
Prepaid items	2,026	17,397	19,423
Deposits	-	1,713	1,713
Other assets	-	2,925	2,925
Internal balances	(1,131)	1,131	-
Restricted assets:			
Cash and cash equivalents	-	145,412	145,412
Cash and investments	51,814	58,135	109,949
Benefit/Conservation Programs receivable	-	1,204	1,204
Regulatory assets	-	13,130	13,130
Derivative instruments	-	1,088	1,088
Land and improvements held for resale	2,601	-	2,601
Advances to Successor Agency Trust Fund	-	2,003	2,003
Capital assets:			
Capital assets, not depreciated	434,381	256,822	691,203
Capital assets, net of depreciation	906,232	1,701,477	2,607,709
Lease and subscription assets, net of amortization	2,766	638	3,404
Total assets	1,977,232	2,815,195	4,792,427
Deferred Outflows of Resources:			
Changes in derivative values	1,948	2,415	4,363
Deferred charge on refunding	1,886	12,867	14,753
Pension related items	186,736	59,595	246,331
OPEB related items	5,766	3,021	8,787
Total deferred outflows of resources	196,336	77,898	274,234
Liabilities:			
Current liabilities:			
Accounts payable and other current liabilities	40,177	36,997	77,174
Unearned revenue	61,973	1,085	63,058
Deposits	11,805	13,456	25,261
Accrued interest	1,716	14,164	15,880
Long-term obligations	21,446	52,686	74,132
Compensated absences	19,673	9,602	29,275
Claims and judgments	12,834	-	12,834
Landfill capping	-	559	559
Decommissioning liability	-	10,227	10,227
OPEB liability	1,113	812	1,925
Lease liability	379	226	605
SBITA liability	1,597	74	1,671
Non-current liabilities:			
Long-term obligations	468,285	1,302,924	1,771,209
Compensated absences	11,752	2,482	14,234
Claims and judgments	40,278	-	40,278
Landfill capping	-	8,866	8,866
Decommissioning liability	-	38,646	38,646
Regulatory liability	-	25,176	25,176
Derivative instruments	3,381	6,939	10,320
Net pension liability	230,991	66,107	297,098
OPEB liability	25,175	18,369	43,544
Lease liability	320	337	657
SBITA liability	333	12	345
Total liabilities	953,228	1,609,746	2,562,974
Deferred Inflows of Resources			
Change in derivative values	-	1,260	1,260
Deferred charges on refunding	-	585	585
Pension related items	8,746	6,103	14,849
OPEB related items	7,703	4,208	11,911
Lease related items	9,161	100,577	109,738
Total deferred inflows of resources	25,610	112,733	138,343
Net Position:			
Net investment in capital assets	1,198,815	790,844	1,989,659
Restricted - Expendable:			
Housing	41,780	-	41,780
Debt service	14,059	33,172	47,231
Public works	40,269	-	40,269
Capital projects	91,736	-	91,736
Landfill capping	-	2,500	2,500
Programs and regulatory requirements	-	60,966	60,966
Economic development	16,620	-	16,620
Unfunded accrued liability	32,695	-	32,695
Restricted - Nonexpendable:			
Permanent fund principal	1,642	-	1,642
Unrestricted/(deficit)	(242,886)	283,132	40,246
Total net position	\$ 1,194,730	\$ 1,170,614	\$ 2,365,344

**CITY OF RIVERSIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Function/Programs	Program Revenues					Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Government		
						Governmental Activities	Business-Type Activities	Total
Primary Government:								
Governmental Activities:								
General government	\$ 34,258	\$ (19,676)	\$ 14,046	\$ 50,198	\$ 997	\$ 50,659	\$ -	\$ 50,659
Public safety	239,744	13,218	14,963	7,618	-	(230,381)	-	(230,381)
Highways and streets	50,588	2,945	7,288	1,206	32,215	(12,824)	-	(12,824)
Culture and recreation	50,863	3,513	6,790	346	1,093	(46,147)	-	(46,147)
Interest on long-term debt and fiscal charges	18,598	-	-	-	-	(18,598)	-	(18,598)
Total governmental activities	394,051	-	43,087	59,368	34,305	(257,291)	-	(257,291)
Business-Type Activities:								
Electric	401,427	-	419,392	-	9,854	-	27,819	27,819
Water	76,475	-	78,703	-	4,149	-	6,377	6,377
Sewer	67,195	-	72,140	-	-	-	4,945	4,945
Airport	2,385	-	1,872	12	194	-	(307)	(307)
Refuse	32,777	-	31,477	-	-	-	(1,300)	(1,300)
Transportation	4,808	-	258	4,150	99	-	(301)	(301)
Public Parking	5,493	-	6,084	-	-	-	591	591
Civic Entertainment	27,698	-	18,158	212	1,187	-	(8,141)	(8,141)
Total business-type activities	618,258	-	628,084	4,374	15,483	-	29,683	29,683
Total primary government	\$ 1,012,309	\$ -	\$ 671,171	\$ 63,742	\$ 49,788	\$ (257,291)	\$ 29,683	\$ (227,608)
General Revenues:								
Taxes:								
Sales taxes						177,722	-	177,722
Property taxes						84,751	-	84,751
Utility users' taxes						34,963	-	34,963
Franchise taxes						6,422	-	6,422
Transient occupancy taxes						8,587	-	8,587
Intergovernmental, unrestricted						467	-	467
Rental and investment income						8,817	11,191	20,008
Miscellaneous						10,331	10,049	20,380
Transfers						25,421	(25,421)	-
Total general revenues and transfers						357,481	(4,181)	353,300
Change in net position						100,190	25,502	125,692
Net Position:								
Beginning of year						1,094,540	1,145,112	2,239,652
End of year						\$ 1,194,730	\$ 1,170,614	\$ 2,365,344

**CITY OF RIVERSIDE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023
(amounts expressed in thousands)**

	General Fund	Capital Outlay Fund	General Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 196,190	\$ 80,744	\$ 7,650	\$ 111,057	\$ 395,641
Cash and investments with fiscal agent	43,967	-	7,517	330	51,814
Receivables, net of allowance for uncollectible					
Interest	694	272	7	375	1,348
Property taxes	1,988	-	80	90	2,158
Sales taxes	30,918	-	-	-	30,918
Utility billed	2,320	-	-	-	2,320
Utility unbilled	945	-	-	-	945
Accounts	12,693	455	-	117	13,265
Intergovernmental	4,615	3,941	-	17,676	26,232
Notes	10	-	-	46,702	46,712
Leases receivable	9,213	-	-	-	9,213
Prepaid items	1,930	-	-	94	2,024
Due from other funds	1,666	-	-	-	1,666
Land and improvements held for resale	175	-	-	2,426	2,601
Total assets	\$ 307,324	\$ 85,412	\$ 15,254	\$ 178,867	\$ 586,857
Liabilities, Deferred Inflows of Resources, and Fund Balances:					
Liabilities:					
Accounts payable	\$ 14,250	\$ 2,113	\$ 64	\$ 6,290	\$ 22,717
Accrued payroll	15,240	-	-	40	15,280
Retainage payable	6	79	-	621	706
Intergovernmental	139	-	-	5	144
Unearned revenue	-	265	-	61,708	61,973
Deposits	11,805	-	-	-	11,805
Due to other funds	-	-	-	1,021	1,021
Advances from other funds	-	-	1,131	-	1,131
Total liabilities	41,440	2,457	1,195	69,685	114,777
Deferred Inflows of Resources:					
Unavailable revenue	3,346	154	-	48,669	52,169
Lease related items	9,161	-	-	-	9,161
Total deferred inflows of resources	12,507	154	-	48,669	61,330
Fund Balances:					
Nonspendable:					
Inventories, prepaids, notes, and deposits	1,940	-	-	94	2,034
Land and improvements held for resale	175	-	-	-	175
Permanent fund principal	-	-	-	1,642	1,642
Restricted:					
Housing and redevelopment	-	-	-	11,252	11,252
Debt service	-	-	14,059	-	14,059
Transportation and public works	-	82,801	-	38,742	121,543
Other purposes	-	-	-	8,783	8,783
Unfunded accrued liability	32,695	-	-	-	32,695
Committed:					
Economic contingency	70,500	-	-	-	70,500
Other purposes	40,801	-	-	-	40,801
Assigned:					
General government	4,597	-	-	-	4,597
Public safety	5,914	-	-	-	5,914
Highways and streets	4,885	-	-	-	4,885
Culture and recreation	1,427	-	-	-	1,427
Continuing projects	18,743	-	-	-	18,743
Unassigned	71,700	-	-	-	71,700
Total fund balances	253,377	82,801	14,059	60,513	410,750
Total liabilities, deferred inflows of resources, and fund balances	\$ 307,324	\$ 85,412	\$ 15,254	\$ 178,867	\$ 586,857

See Notes to Financial Statements

**CITY OF RIVERSIDE
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023
(amounts expressed in thousands)**

Total fund balances - governmental funds	\$	410,750
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		1,332,569
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		2,744
Deferred outflows on refunding charges are not available resources and, therefore, are not reported on the funds		1,886
Deferred outflows on pension related items		183,852
Deferred outflows on OPEB related items		5,578
Deferred inflows on pension related items		(8,450)
Deferred inflows on OPEB related items		(7,467)
Revenue not available to pay for current period expenditures are reported as unavailable revenue in the governmental funds		52,169
Accrued interest payable for the current portion of interest due on various debt issues has not been reported in the governmental funds		(1,716)
Long-term liabilities, as listed below, are not due and payable in the current period and, therefore, are not reported in the governmental funds		
General obligation bonds	(3,411)	
Pension obligation bonds	(317,126)	
Certificates of participation	(80,584)	
Lease revenue bonds	(65,093)	
Financed purchase	(18,799)	
Compensated absences	(30,960)	
Net pension liability	(227,792)	
OPEB liability	(25,145)	
Lease liability	(684)	
SBITA liability	(1,925)	(771,519)
	<u> </u>	
The City uses derivative instruments to hedge its exposure to changing interest rates through the uses of interest swaps. The following related items have been reflected in the Statement of Net Position:		
Net fair value of interest rate swaps	(3,381)	
Deferred amount related to the hedgeable portion of derivative instrument	1,948	(1,433)
	<u> </u>	
Internal service funds are used by management to charge the costs of insurance, centralized purchasing and fleet management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		<u>(4,233)</u>
Net position of governmental activities	\$	<u>1,194,730</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, 2023
(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	\$ 310,520	\$ -	\$ 1,925	\$ -	\$ 312,445
Licenses and permits	12,446	-	-	3,448	15,894
Intergovernmental	2,720	14,853	-	77,832	95,405
Charges for services	16,393	-	-	1,585	17,978
Fines and forfeitures	1,131	-	-	-	1,131
Special assessments	305	542	1,238	5,999	8,084
Rental and investment income	4,632	668	265	2,489	8,054
Miscellaneous	4,345	249	-	1,446	6,040
Total revenues	352,492	16,312	3,428	92,799	465,031
Expenditures:					
Current:					
General government	16,703	-	-	10,560	27,263
Public safety	207,820	-	-	11,739	219,559
Highways and streets	21,274	-	-	1,050	22,324
Culture and recreation	36,259	-	-	3,232	39,491
Capital outlay	16,815	20,982	-	36,041	73,838
Debt service:					
Principal	2,103	-	29,788	93	31,984
Interest and fiscal charges	228	-	18,804	44	19,076
Total expenditures	301,202	20,982	48,592	62,759	433,535
Excess/(deficiency) of revenues over/(under) expenditures	51,290	(4,670)	(45,164)	30,040	31,496
Other Financing Sources/(Uses):					
Transfers in	67,229	38,115	48,128	1,784	155,256
Transfers out	(100,281)	(3,148)	(584)	(25,822)	(129,835)
Proceeds from sale of capital assets	4,228	-	-	7	4,235
Issuance of debt related to leases and subscriptions	3,693	-	-	12	3,705
Total other financing sources/(uses)	(25,131)	34,967	47,544	(24,019)	33,361
Net change in fund balances	26,159	30,297	2,380	6,021	64,857
Fund Balances:					
Beginning of year	227,218	52,504	11,679	54,492	345,893
End of year	\$ 253,377	\$ 82,801	\$ 14,059	\$ 60,513	\$ 410,750

**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, 2023
(amounts expressed in thousands)**

Net change in fund balances - total governmental funds \$ 64,857

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	\$ 67,674	
Depreciation expense	(51,492)	
Lease and subscription amortization expense	(2,218)	
Gain/(Loss) on sale of capital assets	<u>(2,333)</u>	11,631

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	(3,708)	
Principal repayments		
General obligation bonds	1,560	
Pension obligation bonds	16,600	
Certificates of participation	4,830	
Lease revenue bonds	3,384	
Financed purchase	3,495	
Lease liability	414	
SBITA liability	1,700	
Amortization of bond premium/discount	<u>491</u>	28,766

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	140	
Changes in compensated absences	(1,423)	
Changes in net pension liability and related deferred outflows and inflows of resources	(11,024)	
Changes in OPEB liability and related deferred outflows and inflows of resources	<u>(1,442)</u>	(13,749)

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 (1,265)

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 9,950

Change in net position of governmental activities \$ 100,190

**CITY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES, IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts	Variance to Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 284,923	\$ 306,594	\$ 310,520	\$ 3,926
Licenses and permits	10,628	11,128	12,446	1,318
Intergovernmental	1,441	1,441	2,720	1,279
Charges for services	15,177	15,104	16,393	1,289
Fines and forfeitures	1,894	1,894	1,131	(763)
Special assessments	542	542	305	(237)
Rental and investment income	2,946	2,946	4,632	1,686
Miscellaneous	805	1,680	4,345	2,665
Total revenues	318,356	341,329	352,492	11,163
Expenditures:				
General government:				
Mayor	1,107	1,191	1,110	81
Council	1,730	1,904	1,771	133
Manager	9,697	14,688	7,990	6,698
Attorney	6,710	7,343	6,646	697
Clerk	1,719	2,118	1,927	191
Community development	20,432	30,924	17,493	13,431
Human resources	4,810	5,623	4,734	889
General services	7,333	8,099	6,822	1,277
Finance	10,233	1,972	9,908	(7,936)
Innovation and technology	15,113	17,311	12,484	4,827
Subtotal	78,884	91,173	70,885	20,288
Allocated expenditures - General Government	(54,117)	(54,126)	(54,182)	56
Total general government	24,767	37,047	16,703	20,344
Public safety:				
Police	135,747	147,506	129,634	17,872
Fire	69,170	74,448	69,754	4,694
Animal regulation	3,442	4,407	4,595	(188)
Building and zoning inspection	3,992	4,335	3,837	498
Total public safety	212,351	230,696	207,820	22,876
Highways and streets	24,371	28,840	21,274	7,566
Culture and recreation:				
Library	8,516	9,933	8,191	1,742
Museum and cultural affairs	2,393	2,826	1,955	871
Parks, recreation and community services	24,857	28,951	26,113	2,838
Total culture and recreation	35,766	41,710	36,259	5,451
Capital outlay	3,357	22,143	16,815	5,328
Debt service:				
Principal	-	-	2,103	(2,103)
Interest and fiscal charges	-	-	228	(228)
Total expenditures	300,612	360,436	301,202	59,234
Other Financing Sources/(Uses):				
Transfers in	51,704	77,964	67,229	(10,735)
Transfers out	(70,618)	(111,754)	(100,281)	11,473
Proceeds from sale of capital assets	-	-	4,228	4,228
Issuance of debt related to leases and subscriptions	-	-	3,693	3,693
Total other financing sources/(uses)	(18,914)	(33,790)	(25,131)	8,659
Net change in fund balance	(1,170)	(52,897)	26,159	79,056
Fund Balance:				
Beginning of year	227,218	227,218	227,218	-
Ending of year	\$ 226,048	\$ 174,321	\$ 253,377	\$ 79,056

See Notes to Financial Statements

**CITY OF RIVERSIDE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023
(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	\$ 247,831	\$ 49,191	\$ 112,833	\$ 27,122	\$ 436,977	\$ 40,172
Receivables, net of allowance for uncollectible						
Interest	1,033	343	396	123	1,895	140
Utility billed	17,783	4,478	5,207	2,176	29,644	-
Utility unbilled	13,617	3,406	2,414	1,102	20,539	-
Accounts	5,810	1,621	367	1,346	9,144	125
Property taxes	-	-	-	1	1	-
Intergovernmental	50	1,514	2,170	3,352	7,086	286
Leases receivable	1,359	1,001	27	474	2,861	-
Inventory	1,464	-	3,233	89	4,786	9,068
Prepaid items	5,421	212	17	83	5,733	2
Deposits	1,413	-	-	300	1,713	-
Other current assets	-	300	-	-	300	-
Restricted assets:						
Cash and cash equivalents						
Rate stabilization cash and cash equivalents	-	-	1,000	-	1,000	-
Other restricted cash and cash equivalents	73,946	12,478	-	2,500	88,924	-
Benefit/Conservation Programs receivable	1,070	134	-	-	1,204	-
Total current assets	370,797	74,678	127,664	38,668	611,807	49,793
Noncurrent assets:						
Restricted assets:						
Cash and cash equivalents at fiscal agent	-	55,488	-	-	55,488	-
Cash and investments at fiscal agent	58,135	-	-	-	58,135	-
Leases receivable	10,407	84,385	-	4,395	99,187	-
Prepaid items noncurrent	11,664	-	-	-	11,664	-
Other noncurrent assets	-	2,625	-	-	2,625	-
Advances to other funds	-	-	1,131	-	1,131	-
Regulatory assets	1,573	1,404	1,129	9,024	13,130	-
Derivative instruments	-	-	-	1,088	1,088	-
Advances to Successor Agency Trust Fund	2,003	-	-	-	2,003	-
Capital assets, net of accumulated depreciation	784,916	513,313	516,610	143,460	1,958,299	8,043
Lease and subscription assets, net of amortization	405	28	23	182	638	22
Total noncurrent assets	869,103	657,243	518,893	158,149	2,203,388	8,065
Total assets	1,239,900	731,921	646,557	196,817	2,815,195	57,858
Deferred Outflows of Resources:						
Changes in derivative values	1,571	-	-	844	2,415	-
Deferred charge on refunding	7,530	4,758	-	579	12,867	-
Pension related items	34,931	11,588	7,892	5,184	59,595	2,884
OPEB related items	1,592	644	417	368	3,021	188
Total deferred outflows of resources	45,624	16,990	8,309	6,975	77,898	3,072

CITY OF RIVERSIDE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023
(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	17,617	2,564	3,862	7,856	31,899	1,233
Accrued payroll	1,202	405	257	206	2,070	96
Retainage payable	765	944	155	163	2,027	-
Unearned revenue	314	52	-	719	1,085	-
Deposits	11,734	1,034	6	682	13,456	-
Accrued interest	5,083	2,609	6,427	45	14,164	-
Due to other funds	-	-	-	-	-	645
Benefit/Conservation Programs payable	866	135	-	-	1,001	-
Long-term obligations	22,633	11,476	12,480	6,097	52,686	455
Compensated absences	5,589	1,958	1,400	655	9,602	339
Claims and judgments	-	-	-	-	-	12,834
Landfill capping	-	-	-	559	559	-
Decommissioning liability	10,227	-	-	-	10,227	-
OPEB liability	417	171	120	104	812	48
Lease liability	137	5	5	79	226	5
SBITA liability	42	15	11	6	74	4
Total current liabilities	76,626	21,368	24,723	17,171	139,888	15,659
Noncurrent liabilities:						
Long-term obligations	590,602	290,760	348,423	73,139	1,302,924	4,263
Compensated absences	1,889	527	45	21	2,482	126
Claims and judgments	-	-	-	-	-	40,278
Landfill capping	-	-	-	8,866	8,866	-
Decommissioning liability	38,646	-	-	-	38,646	-
Regulatory liability	4,675	4,357	16,102	42	25,176	-
Derivative instruments	4,097	1,377	-	1,465	6,939	-
Net pension liability	38,748	12,854	8,754	5,751	66,107	3,199
OPEB liability	9,420	3,872	2,721	2,356	18,369	1,095
Lease liability	225	7	6	99	337	10
SBITA liability	7	2	2	1	12	1
Total noncurrent liabilities	688,309	313,756	376,053	91,740	1,469,858	48,972
Total liabilities	764,935	335,124	400,776	108,911	1,609,746	64,631
Deferred Inflows of Resources:						
Change in derivative values	-	196	-	1,064	1,260	-
Deferred charges on refunding	-	-	585	-	585	-
Pension related items	3,577	1,187	808	531	6,103	296
OPEB related items	2,266	889	539	514	4,208	236
Lease related items	11,394	84,102	27	5,054	100,577	-
Total deferred inflows of resources	17,237	86,374	1,959	7,163	112,733	532
Net position:						
Net investment in capital assets	254,990	295,560	167,469	72,825	790,844	8,045
Restricted net position:						
Debt service	19,332	8,933	4,907	-	33,172	-
Landfill capping	-	-	-	2,500	2,500	-
Regulatory requirements	25,502	-	2,590	-	28,092	-
Public Benefit Programs	29,329	-	-	-	29,329	-
Water Conservation Program	-	3,545	-	-	3,545	-
Unrestricted/(deficit)	174,199	19,375	77,165	12,393	283,132	(12,278)
Total net position	\$ 503,352	\$ 327,413	\$ 252,131	\$ 87,718	\$ 1,170,614	\$ (4,233)

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, 2023
(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	\$ 419,392	\$ 78,703	\$ 72,140	\$ 57,849	\$ 628,084	\$ 31,564
Total operating revenues	419,392	78,703	72,140	57,849	628,084	31,564
Operating Expenses:						
Personnel services	56,311	18,412	12,868	10,349	97,940	5,376
Contractual services	7,408	2,373	1,142	17,710	28,633	885
Maintenance and operation	260,039	11,546	12,178	12,782	296,545	3,441
General	10,919	15,155	4,407	20,059	50,540	7,630
Materials and supplies	1,157	927	6,104	2,171	10,359	184
Claims/Insurance	3,415	986	1,400	711	6,512	4,198
Depreciation	38,189	16,367	15,034	5,884	75,474	936
Amortization	214	20	77	650	961	10
Total operating expenses	377,652	65,786	53,210	70,316	566,964	22,660
Operating income/(loss)	41,740	12,917	18,930	(12,467)	61,120	8,904
Nonoperating Revenues/(Expenses):						
Grant subsidies	-	-	-	4,374	4,374	-
Interest revenue	5,952	3,613	1,409	217	11,191	763
Interest expense and fiscal charges	(23,775)	(10,689)	(13,985)	(2,845)	(51,294)	(153)
Capital improvement fees	-	-	374	-	374	-
Other	5,387	3,170	(364)	299	8,492	146
Gain/(loss) on disposal of capital assets	957	119	93	14	1,183	51
Total nonoperating revenues/(expenses)	(11,479)	(3,787)	(12,473)	2,059	(25,680)	807
Income/(loss) before contributions and operating transfers	30,261	9,130	6,457	(10,408)	35,440	9,711
Capital contributions	9,854	4,149	-	1,480	15,483	239
Transfers in	-	-	-	25,075	25,075	-
Transfers out	(42,326)	(8,170)	-	-	(50,496)	-
Change in net position	(2,211)	5,109	6,457	16,147	25,502	9,950
Net Position:						
Beginning of year	505,563	322,304	245,674	71,571	1,145,112	(14,183)
End of year	\$ 503,352	\$ 327,413	\$ 252,131	\$ 87,718	\$ 1,170,614	\$ (4,233)

**CITY OF RIVERSIDE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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	\$ 430,913	\$ 79,617	\$ 73,549	\$ 59,056	\$ 643,135	\$ -
Cash received from interfund services provided	-	-	-	-	-	31,702
Cash paid to suppliers for goods or services	(290,354)	(31,432)	(23,691)	(54,628)	(400,105)	(43,183)
Cash paid to employees for services	(56,730)	(18,778)	(13,086)	(10,387)	(98,981)	(5,441)
Net cash provided/(used) by operating activities	83,829	29,407	36,772	(5,959)	144,049	(16,922)
Cash Flows from Non-Capital Financing Activities:						
Transfers in	-	-	-	25,075	25,075	-
Transfers out	(42,326)	(8,170)	-	-	(50,496)	-
Payment made to other funds	-	-	-	-	-	606
Payment receipt from advances to other funds	451	-	311	-	762	-
Debt service payment on pension obligation bonds	(4,232)	(1,363)	(849)	(567)	(7,011)	(290)
Other non-operating receipts	5,140	484	(364)	411	5,671	146
Grant subsidies	-	-	-	5,900	5,900	-
Net cash provided/(used) by non-capital financing activities	(40,967)	(9,049)	(902)	30,819	(20,099)	462
Cash Flows from Capital and Related Financing Activities:						
Purchase of capital assets	(27,183)	(20,181)	(6,898)	(3,306)	(57,568)	(1,189)
Proceeds from sales of capital assets	5,673	130	100	14	5,917	51
Proceeds from revenue bonds, including premium	-	63,596	-	-	63,596	-
Principal paid on long-term obligations	(17,124)	(7,148)	(9,770)	(5,228)	(39,270)	-
Interest paid on long-term obligations	(26,149)	(10,074)	(16,087)	(2,903)	(55,213)	(154)
Bond issuance costs	-	(582)	-	-	(582)	-
Capital improvement fees	-	-	308	-	308	-
Contributions	4,951	2,932	-	1,480	9,363	-
Lease and subscription payments	(215)	(20)	(78)	(88)	(401)	(16)
Net cash provided/(used) by capital and related financing activities	(60,047)	28,653	(32,425)	(10,031)	(73,850)	(1,308)
Cash Flows from Investing Activities:						
Proceeds/(purchase) from/(of) investment securities	(4,350)	-	-	-	(4,350)	-
Interest from investments	5,582	3,517	1,238	133	10,470	738
Net cash provided/(used) by investing activities	1,232	3,517	1,238	133	6,120	738
Net increase/(decrease) in cash and cash equivalents	(15,953)	52,528	4,683	14,962	56,220	(17,030)
Cash and cash equivalents at beginning of year (excluding \$53,785 in restricted investments for Electric)	337,730	64,629	109,150	14,660	526,169	57,202
Cash and cash equivalents at end of year (excluding \$58,135 restricted investments for Electric)	\$ 321,777	\$ 117,157	\$ 113,833	\$ 29,622	\$ 582,389	\$ 40,172

**CITY OF RIVERSIDE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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)	\$ 41,740	\$ 12,917	\$ 18,930	\$ (12,467)	\$ 61,120	\$ 8,904
Adjustments to Reconcile Operating Income/(Loss) Net Cash Provided/(Used) by Operating Activities:						
Depreciation	38,189	16,367	15,034	5,884	75,474	936
Amortization	214	20	77	650	961	10
(Increase)/decrease in utility billed receivable	9,137	1,782	1,504	1,282	13,705	-
(Increase)/decrease in utility unbilled receivable	2,985	243	113	(49)	3,292	-
(Increase)/decrease in accounts receivable	732	(146)	1,135	1,472	3,193	-
(Increase)/decrease in property tax receivable	-	-	-	20	20	-
(Increase)/decrease in intergovernmental receivable	(20)	106	(1,345)	(89)	(1,348)	129
(Increase)/decrease in inventory	(979)	-	(113)	(10)	(1,102)	(871)
(Increase)/decrease in prepaid items	679	(13)	12	(45)	633	-
(Increase)/decrease in deposits	(79)	-	-	6	(73)	-
(Increase)/decrease in Benefit/Conservation Programs receivable	415	38	-	-	453	-
Increase/(decrease) in accounts payable	(3,494)	(928)	1,606	(410)	(3,226)	(287)
Increase/(decrease) in accrued payroll	192	28	43	53	316	19
Increase/(decrease) in retainage payable	164	403	37	(334)	270	(6)
Increase/(decrease) in unearned revenue	(1,097)	(1,093)	-	(1,461)	(3,651)	-
Increase/(decrease) in deposits payable	(154)	12	-	34	(108)	-
Increase/(decrease) in Benefit/Conservation Programs payable	242	64	-	-	306	-
Increase/(decrease) in compensated absences	278	(88)	(31)	70	229	8
Increase/(decrease) in claims and judgments	-	-	-	-	-	(25,678)
Increase/(decrease) in landfill capping liability	-	-	-	(396)	(396)	-
Increase/(decrease) in decommissioning liability	(4,438)	-	-	-	(4,438)	-
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(1,308)	(472)	(328)	(269)	(2,377)	(130)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	431	167	98	100	796	44
Total adjustments	42,089	16,490	17,842	6,508	82,929	(25,826)
Net cash provided/(used) by operating activities	\$ 83,829	\$ 29,407	\$ 36,772	\$ (5,959)	\$ 144,049	\$ (16,922)
Non-Cash Investing, Capital, and Financing Activities:						
Capital contributions - capital assets	\$ 4,903	\$ 1,218	\$ -	\$ -	\$ 6,121	\$ -
Payment on note payable offset by rent credit	-	1,974	-	-	1,974	-
Increase (decrease) in fair value of investments	(529)	-	-	-	(529)	-

**CITY OF RIVERSIDE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023
(amounts expressed in thousands)**

	<u>Private-Purpose Trust Fund</u>		<u>Successor Agency Trust Fund</u>	<u>Custodial Fund</u>
Assets:				
Cash and investments	\$	33,194	\$	2,307
Cash and investments with fiscal agent		4,112		7,531
Receivables, net of allowance for uncollectible				
Interest		108		5
Property taxes		-		150
Accounts		507		-
Intergovernmental		795		-
Notes		1,758		-
Direct financing receivable		5,245		-
Leases receivable		618		-
Deposits		2		-
Land and improvements held for resale		5,359		-
Capital assets:				
Capital assets, not depreciated		185		-
Total assets		51,883		9,993
Liabilities:				
Current liabilities:				
Accounts payable		26		-
Accrued interest		2,312		-
Long-term obligations		12,874		-
Due to bond holders		-		9,838
Noncurrent liabilities:				
Advances from City		2,003		-
Long-term obligations		157,476		-
Total liabilities		174,691		9,838
Deferred Inflows of Resources:				
Deferred charges on refunding		588		-
Lease related items		608		-
Total deferred inflows of resources		1,196		-
Net Position:				
Restricted for other governments		(124,004)		155
Total net position	\$	(124,004)	\$	155

**CITY OF RIVERSIDE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

	<u>Private-Purpose Trust Fund</u>		<u>Successor Agency Trust Fund</u>	<u>Custodial Fund</u>
Additions:				
Property taxes	\$ 18,673	\$		-
Special assessments	-			4,645
Rental and investment income	715			93
Miscellaneous	105			327
Total additions	19,493			5,065
Deductions:				
Professional services and other deductions	3,231			4,436
Redevelopment projects	122			-
Principal	-			2,615
Interest and fiscal charges	5,899			1,856
Total deductions	9,252			8,907
Changes in Net Position	10,241			(3,842)
Net Position:				
Beginning of year, as previously stated	(134,245)			13,834
Prior period adjustment	-			(9,837)
Beginning of year, as restated	(134,245)			3,997
End of year	\$ (124,004)	\$		155

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Note 1. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Blended Component Units

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

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

Riverside Municipal Improvements Corporation (Municipal Improvements Corporation) was created in 1978 and operates under provisions of the

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

Fiduciary Component Unit

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

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

B. Government-wide and Fund Financial Statements

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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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.

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

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

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 \$1.6 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 the City's collection agency. As of June 30, 2023, the City had an allowance for doubtful account balance of \$10,750 for all accounts receivables.

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

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.

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

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 five thousand dollars 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:

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 received in advance, and receivables are only recognized if payments are received subsequent to the reporting period. Leases between the Airport

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

System and air carriers and other aeronautical users are subject to external laws and regulations. As permitted by GASBS 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 liability associated with these benefits is reported in the government-wide statements. Vacation and sick leave of proprietary funds is recorded as an expense and as a liability of those funds as the benefits accrue to employees.

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 7 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 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.

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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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 13 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 was 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 2021, SCE provided the updated decommissioning cost estimate document in 2020 dollars. According to the update, total decommissioning costs for Units 2 and 3 are estimated at \$5.2 billion, of which the Electric Utility's share is \$93.8 million.

As of June 30, 2023, the Electric Utility has set aside \$47,110 in cash investments with the trustee and \$8,644 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, 2023, the Electric Utility has paid to date \$45,884 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 30, 2023, 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 11.

P. Fund Equity

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.

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

- 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, 2023 were calculated utilizing fiscal year 2023-2024 adopted General Fund expenditure budget, including appropriation adjustments, of \$327,087.

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

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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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 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.

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

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 following new Governmental Accounting Standards Board (GASB) pronouncements were effective and have been implemented for fiscal year 2022-2023 audit:

GASB Statement No. 91, *Conduit Debt Obligations* - This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement* - A Public-Private and Public-Public Partnerships (PPP) is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA) in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to

provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* - This Statement defines Subscription-Based Information Technology Arrangements (SBITA) as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement establishes that a SBITA results in a subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

The following GASB pronouncements are effective in the following fiscal years:

Fiscal Year 2024

GASB Statement No. 99, Omnibus 2022 - This Statement- provide clarification on previously issued Statement including classification and reporting of derivative instruments within the scope of Statement No. 53 Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument, clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and terminology used in Statement 53 to refer to resource flows statements.

GASB Statement No. 100, Accounting Changes and Error Corrections. - This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. It prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections, and requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.

Fiscal Year 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.

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.

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 and 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. 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. 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 which shall continue to their completion.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Note 3. Cash and Investments

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

Investments	\$ 941,611
Investments with fiscal agent	<u>163,996</u>
	1,105,607
Cash on hand and deposits with financial institutions	<u>69,688</u>
Total	<u>\$ 1,175,295</u>

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

Cash and investments	\$ 872,790
Restricted cash and cash equivalents	145,412
Restricted cash and investments	<u>109,949</u>
Total per statement of net position	1,128,151
Fiduciary fund cash and investments	35,501
Fiduciary fund cash and investments with fiscal agent	<u>11,643</u>
Total	<u>\$ 1,175,295</u>

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:

	Max Maturity	Max % of Portfolio	Max % in One Issuer
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 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

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

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 Authorized by Debt Agreements

Provisions of debt agreements, rather than the general provisions of the California Government Code or the City's investment policy, govern investments of debt proceeds held by bond fiscal agents. Permitted investments are specified in related trust agreements and include the following:

- Securities with Direct Obligations of the U.S. Government and its sponsored agencies
- Bankers' Acceptances rated in the single highest classification
- Commercial Paper rated AA or higher at the time of purchase
- Investments in money market funds rated in the single highest classification, except for certain debt proceeds which have no minimum rating requirement
- Municipal obligations rated Aaa/AAA or general obligations of states with ratings of at least Aa2/AA or higher by both Moody's and S&P
- Investment Agreements

No maximum percentage of the related debt issue or maximum investment in one issuer is specified.

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, 2023, the City had \$32,695 of restricted cash and investments reported in the General Fund in a Section 115 Trust restricted for future pension contributions. The City has retained US Bank as the trustee. US Bank has delegated investment authority to HighMark Capital Management, an SEC-registered investment adviser, with the full investment discretion over the managed assets in the account. 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.

- Investment Time Horizon: Intermediate-Term 5 - 7 years
- Anticipated Cash Flows: Assets in the Plan will seek to mitigate the impact of future rate increases from CalPERS.
- Investment Objective: Moderately - Passive
- Risk Tolerance: Moderate
- Portfolio Type: Index Plus (passive)
- Strategic Asset Allocation:

	Strategic Asset Allocation Ranges	Policy
Cash	0% - 20%	5%
Fixed income	40% - 60%	45%
Equity	40% - 60%	50%

- Investment Limitations: The following investment transactions are prohibited:
 - Direct investments in precious metals (precious metals mutual funds and exchange-traded funds are permissible).
 - Venture Capital
 - Short sales*
 - Purchases of Letter Stock, Private Placements, or direct payments
 - Leveraged Transactions*
 - Commodities Transactions Puts, calls, straddles, or other option strategies*
 - Purchases of real estate, with the exception of REITs
 - Derivatives, with exception of Exchange Traded Funds (ETFs)*

* Permissible in diversified mutual funds and exchange-traded funds

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:

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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.

The City has the following recurring fair value measurements as of June 30, 2023:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mortgage Pass-Through Securities	\$ 31,006	\$ -	\$ 31,006	\$ -
Asset-Backed Securities	78,704	-	78,704	-
U.S. Treasury Obligations	272,588	-	272,588	-
Federal Agency Obligations	130,361	-	130,361	-
Medium-Term Corporate Notes	196,191	-	196,191	-
Supranational Securities	34,071	-	34,071	-
Held by Fiscal Agent:				
Asset-Backed Securities	3,854	-	3,854	-
U.S. Treasury Obligations	34,553	-	34,553	-
Federal Agency Obligations	3,407	-	3,407	-
Medium-Term Corporate Notes	11,263	-	11,263	-
Supranational Securities	3,522	-	3,522	-
Total	799,520	\$ -	\$ 799,520	\$ -
Investments not subject to fair value hierarchy:				
Joint Powers Authority	181,643			
Local Agency Investment Fund	1,249			
Mutual Funds	30,925			
Money Market Mutual Funds	81,509			
Investment Contracts	10,761			
Total Investments	\$ 1,105,607			

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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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:

	Total	Remaining Maturity (in Months)			
		12 Months or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
Money Market Mutual Funds	\$ 17,046	\$ 17,046	\$ -	\$ -	\$ -
Joint Powers Authority Pools	181,643	181,643	-	-	-
Local Agency Investment Fund	1	1	-	-	-
Mortgage Pass-Through Securities	31,006	4,881	11,256	14,869	-
Asset-Backed Securities	78,704	871	35,109	42,724	-
U.S. Treasury Obligations	272,588	44,859	80,523	147,206	-
Federal Agency Obligations	130,361	30,938	79,192	20,231	-
Medium-Term Corporate Notes	196,191	9,793	106,758	79,640	-
Supranational Securities	34,071	-	34,071	-	-
Held by Fiscal Agent					
Money Market Mutual Funds	64,463	64,463	-	-	-
Mutual Funds	30,925	30,925	-	-	-
Local Agency Investment Fund	1,248	1,248	-	-	-
Asset-Backed Securities	3,854	-	2,066	1,788	-
Investment Contracts	10,761	-	-	-	10,761
U.S. Treasury Obligations	34,553	13,067	13,995	7,301	190
Federal Agency Obligations	3,407	-	3,407	-	-
Medium-Term Corporate Notes	11,263	1,311	8,898	1,054	-
Supranational Securities	3,522	-	3,522	-	-
Total	\$ 1,105,607	\$ 401,046	\$ 378,797	\$ 314,813	\$ 10,951

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:

	Total	Ratings as of Year End *			
		AAA	AA	A	Unrated
Money Market Mutual Funds	\$ 17,046	\$ 17,046	\$ -	\$ -	\$ -
Joint Powers Authority Pools	181,643	-	-	-	181,643
Local Agency Investment Fund	1	-	-	-	1
Mortgage Pass-Through Securities	31,006	31,006	-	-	-
Asset-Backed Securities	78,704	59,518	-	-	19,186
U.S. Treasury Obligations	272,588	272,588	-	-	-
Federal Agency Obligations	130,361	110,378	-	-	19,983
Medium-Term Corporate Notes	196,191	6,203	67,890	95,788	26,310
Supranational Securities	34,071	17,543	-	-	16,528
Held by Fiscal Agent					
Money Market Mutual Funds	64,463	61,098	-	-	3,365
Mutual Funds	30,925	-	-	-	30,925
Local Agency Investment Fund	1,248	-	-	-	1,248
Asset-Backed Securities	3,854	2,815	-	-	1,039
Investment Contracts	10,761	-	-	-	10,761
U.S. Treasury Obligations	34,553	26,060	-	8,493	-
Federal Agency Obligations	3,407	1,376	-	-	2,031
Medium-Term Corporate Notes	11,263	-	2,753	6,612	1,898
Supranational Securities	3,522	1,850	-	-	1,672
Total	\$ 1,105,607	\$ 607,481	\$ 70,643	\$ 110,893	\$ 316,590

*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, 2023, 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

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

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.

Note 4. Direct Financing Receivable

The former Redevelopment Agency had a direct financing arrangement with the State of California (the State) for a twelve-story office building, which was transferred to the Successor Agency. The term is for thirty years and the State takes ownership of the facility at the conclusion of that term. The financing arrangement calls for semi-annual payments not less than the debt service owed on the related lease revenue bonds issued by the former Redevelopment Agency for the purchase and renovation of the building.

The future minimum payments to be received are as follows:

<u>Fiscal Year</u>	
2024	\$ 2,786
2025	<u>2,823</u>
Total due	<u>5,609</u>
Less: amount applicable to interest	<u>(364)</u>
Total direct financing receivable	<u><u>\$ 5,245</u></u>

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Note 5. Capital, Lease, and Subscription Assets

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2023:

	Beginning Balance	Additions/ Transfers In	Deletions/ Transfers Out	Reclassifications	Ending Balance
Governmental Activities:					
Capital assets, not depreciated:					
Land	\$ 376,787	\$ 6,629	\$ (37)	\$ -	\$ 383,379
Construction in progress	52,051	27,477	-	(28,526)	51,002
Total capital assets, not depreciated	428,838	34,106	(37)	(28,526)	434,381
Capital assets, being depreciated:					
Buildings	190,232	2,544	(2,574)	-	190,202
Improvements other than buildings	271,383	78	(44)	2,460	273,877
Machinery and equipment	120,343	7,490	(3,948)	389	124,274
Intangibles, depreciable	219	-	-	-	219
Infrastructure	1,170,193	21,358	-	25,677	1,217,228
Total capital assets, being depreciated	1,752,370	31,470	(6,566)	28,526	1,805,800
Less: accumulated depreciation for:					
Buildings	(83,506)	(4,871)	580	-	(87,797)
Improvements other than buildings	(167,734)	(11,283)	24	-	(178,993)
Machinery and equipment	(88,283)	(8,464)	3,666	-	(93,081)
Intangibles, depreciable	(219)	-	-	-	(219)
Infrastructure	(511,668)	(27,810)	-	-	(539,478)
Total accumulated depreciation	(851,410)	(52,428)	4,270	-	(899,568)
Total capital assets being depreciated, net	900,960	(20,958)	(2,296)	28,526	906,232
Governmental Activities capital assets, net	\$ 1,329,798	\$ 13,148	\$ (2,333)	\$ -	\$ 1,340,613
Lease and subscription assets, being amortized					
Buildings	1,159	82	(341)	-	900
Machinery and equipment	580	-	-	-	580
Subscription-based information technology arrangements	-	3,887	(126)	-	3,761
Total lease and subscription assets	1,739	3,969	(467)	-	5,241
Less accumulated amortization					
Buildings	(542)	(274)	314	-	(502)
Machinery and equipment	(145)	(145)	-	-	(290)
Subscription-based information technology arrangements	-	(1,809)	126	-	(1,683)
Total lease and subscription assets accumulated amortization	(687)	(2,228)	440	-	(2,475)
Total lease and subscription assets, net	1,052	1,741	(27)	-	2,766
Capital, lease, and subscription assets, net	\$ 1,330,850	\$ 14,889	\$ (2,360)	\$ -	\$ 1,343,379

	Beginning Balance	Additions/ Transfers In	Deletions/ Transfers Out	Reclassifications	Ending Balance
Business-Type Activities:					
Capital assets, not depreciated:					
Land	\$ 100,111	\$ 3,343	\$ -	\$ 2	\$ 103,456
Intangible assets	21,495	-	-	1	21,496
Construction in progress	128,123	57,623	(46)	(53,830)	131,870
Total capital assets, not depreciated	249,729	60,966	(46)	(53,827)	256,822
Capital assets, being depreciated:					
Buildings	678,569	-	-	179	678,748
Improvements other than buildings	2,007,017	2,778	(10,508)	46,981	2,046,268
Machinery and equipment	113,498	-	(6,234)	5,963	113,227
Intangibles, depreciable	30,263	-	(119)	704	30,848
Total capital assets, being depreciated	2,829,347	2,778	(16,861)	53,827	2,869,091
Less: accumulated depreciation for:					
Buildings	(212,829)	(14,642)	-	-	(227,471)
Improvements other than buildings	(791,001)	(51,840)	5,992	-	(836,849)
Machinery and equipment	(80,504)	(6,021)	6,010	-	(80,515)
Intangibles, depreciable	(19,920)	(2,971)	112	-	(22,779)
Total accumulated depreciation	(1,104,254)	(75,474)	12,114	-	(1,167,614)
Total capital assets being depreciated, net	1,725,093	(72,696)	(4,747)	53,827	1,701,477
Business-Type activities capital assets, net	\$ 1,974,822	\$ (11,730)	\$ (4,793)	\$ -	\$ 1,958,299
Lease and subscription assets, being amortized					
Land	312	-	-	-	312
Buildings	348	-	-	-	348
Machinery and equipment	345	-	-	-	345
Subscription-based information technology arrangements	-	257	(96)	-	161
Total lease and subscription assets	1,005	257	(96)	-	1,166
Less accumulated amortization					
Land	(74)	(75)	-	-	(149)
Buildings	(75)	(74)	-	-	(149)
Machinery and equipment	(78)	(78)	-	-	(156)
Subscription-based information technology arrangements	-	(170)	96	-	(74)
Total lease and subscription assets accumulated amortization	(227)	(397)	96	-	(528)
Total lease and subscription assets, net	778	(140)	-	-	638
Capital, lease, and subscription assets, net	\$ 1,975,600	\$ (11,870)	\$ (4,793)	\$ -	\$ 1,958,937

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Depreciation expense was charged to various functions as follows:

Governmental Activities:	
General government	\$ 4,056
Public safety	7,719
Highways and streets	28,524
Culture and recreation	11,193
Internal service funds	936
Total depreciation expense - Governmental Activities	\$ 52,428

Business-Type Activities:	
Electric	\$ 38,189
Water	16,367
Sewer	15,034
Airport	737
Refuse	862
Transportation	281
Public Parking	972
Civic Entertainment	3,032
Total depreciation expense - Business-Type Activities	\$ 75,474

Amortization expense was charged to various functions as follows:

Governmental Activities:	
General government	\$ 1,808
Public safety	94
Highways and streets	11
Culture and recreation	305
Internal service funds	10
Total amortization expense - Governmental Activities	\$ 2,228

Business-type Activities:	
Electric	\$ 214
Water	20
Sewer	77
Airport	3
Refuse	6
Transportation	2
Public Parking	75
Total amortization expense - Governmental Activities	\$ 397

Note 6. 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 114 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 110 years beginning on the contract commencement date. As of June 30, 2023, the value of the lease receivable is \$111,261. The leases have interest rates ranging from 0.52% to 3.35%. The value of the deferred inflow of resources as of June 30, 2023 was \$109,738, and the City recognized lease revenue of \$5,382 during the fiscal year.

Fiscal Year	Governmental Activities		
	Principal	Interest	Total Payments
2024	\$ 1,132	\$ 158	\$ 1,290
2025	1,114	139	1,253
2026	1,145	120	1,265
2027	1,117	101	1,218
2028	1,062	82	1,144
2029-2033	3,150	171	3,321
2034-2038	200	34	234
2039-2043	166	19	185
2044-2048	127	4	131
Total	\$ 9,213	\$ 828	\$ 10,041

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 2,861	\$ 1,739	\$ 4,600
2025	2,675	1,699	4,374
2026	2,574	1,664	4,238
2027	2,296	1,630	3,926
2028	1,743	1,612	3,355
2029-2033	5,179	7,780	12,959
2034-2038	4,578	7,367	11,945
2039-2043	3,600	6,997	10,597
2044-2048	3,333	6,711	10,044
2049-2053	3,963	6,381	10,344
2054-2058	4,574	5,996	10,570
2059-2063	5,074	5,565	10,639
2064-2068	5,501	5,084	10,585
2069-2073	3,068	4,704	7,772
2074-2078	3,046	4,433	7,479
2079-2083	3,331	4,148	7,479
2084-2088	3,641	3,838	7,479
2089-2093	3,984	3,494	7,478
2094-2098	4,357	3,121	7,478
2099-2103	4,766	2,711	7,477
2104-2108	5,209	2,267	7,476
2109-2113	5,698	1,777	7,475
2114-2118	6,232	1,243	7,475
2119-2123	6,815	659	7,474
2124-2128	3,950	118	4,068
Total	\$ 102,048	\$ 92,738	\$ 194,786

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 23 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 2027. As of June 30, 2023, the value of the lease liability is \$1,262. The leases have an interest rate of 0.52%. The value of the lease asset as of June 30, 2023 of \$2,485 with accumulated amortization of \$1,246 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	\$ 312	\$ (149)
Buildings	1,248	(651)
Machinery and equipment	925	(446)
Total	\$ 2,485	\$ (1,246)

Governmental Activities:	Beginning Balance	Additions	Reclass	Reductions	Ending Balance	Due Within One Year
	Lease liability	\$ 1,060	\$ 83	\$ -	\$ (444)	\$ 699

Business-Type Activities::	Beginning Balance	Additions	Reclass	Reductions	Ending Balance	Due Within One Year
	Lease liability	\$ 787	\$ -	\$ -	\$ (224)	\$ 563

Fiscal Year	Governmental Activities		
	Principal	Interest	Total Payments
2024	\$ 379	\$ 2	\$ 381
2025	204	1	205
2026	102	-	102
2027	14	-	14
Total	\$ 699	\$ 3	\$ 702

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 226	\$ 2	\$ 228
2025	223	1	224
2026	114	-	114
Total	\$ 563	\$ 3	\$ 566

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total Payments
2024	\$ 74	\$ 1	\$ 75
2025	6	-	6
2026	4	-	4
2027	2	-	2
Total	\$ 86	\$ 1	\$ 87

Subscription-Based Information Technology Arrangements Liability

The City of Riverside has 23 subscription-based information technology arrangement (SBITA) for the use of various software as of the end of the fiscal year. The City is required to make principal and interest payments through fiscal year 2028. An initial lease liability was recorded in the amount of \$3,582. As of June 30, 2023, the value of the subscription liability was \$2,016. The subscriptions have interest rates ranging from 0.52% to 2.31%. The value of the subscription asset as of June 30, 2023 is \$3,922 with accumulated amortization of \$1,757.

Governmental Activities:	Beginning Balance	Additions	Reclass	Reductions	Ending Balance	Due Within One Year
	SBITA liability	\$ -	\$ 3,634	\$ -	\$ (1,704)	\$ 1,930

Business-Type Activities::	Beginning Balance	Additions	Reclass	Reductions	Ending Balance	Due Within One Year
	SBITA liability	\$ -	\$ 163	\$ -	\$ (77)	\$ 86

Fiscal Year	Governmental Activities		
	Principal	Interest	Total Payments
2024	\$ 1,597	\$ 13	\$ 1,610
2025	185	4	189
2026	103	2	105
2027	43	1	44
2028	2	-	2
Total	\$ 1,930	\$ 20	\$ 1,950

Note 7. Derivative Instruments

Interest Rate Swaps

The City has six cash flow hedging derivative instruments, which are 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 following is a summary of the derivative activity for the year ended June 30, 2023:

	Notional Amount	Fair Value as of 06/30/23	Change in Fair Value for Fiscal Year
Governmental Activities			
2008 Renaissance Certificates of Participation*	\$ 56,097	\$ (3,381)	\$ 2,907
Business-Type Activities			
2008 Renaissance Certificates of Participation*	25,203	(1,465)	1,260
2008 Electric Refunding/Revenue Bonds Series A	34,465	(491)	1,394
2008 Electric Refunding/Revenue Bonds Series C	32,150	(1,809)	1,686
2011 Electric Refunding/Revenue Bonds Series A	33,600	(1,797)	1,728
2011 Water Refunding/Revenue Bonds Series A	24,050	(1,377)	1,269
2012 Convention Center Financing	25,849	1,088	820

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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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 \$141,840 2008 Electric Revenue Bonds (Series A and C), \$56,450 2011A Electric Revenue Bonds, \$59,000 2011A Water Revenue Bonds and \$128,300 2008 Certificates of Participation (“COP”). Also, in 2012, the City entered into an additional interest rate swap agreement in connection with the \$41,650 Convention Center financing with PNC Bank, N.A.

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 Electric and Water swaps. 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 bonds and the related swap agreements for the 2008A Electric Revenue Bonds mature on October 1, 2029, 2008C Electric and 2011A Electric and 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, 2023, rates were as follows:

	2008 Electric Refunding/ Revenue Bonds Series A	2008 Electric Refunding/ Revenue Bonds Series C	2011 Electric Refunding/ Revenue Bonds Series A
	Rates	Rates	Rates
Interest rate swap:			
Fixed payment to counterparty	3.11100 %	3.20400 %	3.20100 %
Variable payment from counterparty	(0.69885)%	(0.69911)%	(0.75953)%
Net interest rate swap payments	2.41215 %	2.50489 %	2.44147 %
Variable rate bond coupon payments	0.56351 %	0.57077 %	0.68005 %
Synthetic interest rate on bonds	2.97566 %	3.07566 %	3.12152 %

	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	(0.72101)%	(0.65803)%	(2.26771)%
Net interest rate swap payments	2.47899 %	2.70397 %	0.97229 %
Variable rate bond coupon payments	0.65145 %	0.58813 %	2.26771 %
Synthetic interest rate on bonds	3.13044 %	3.29210 %	3.24000 %

Fair Value: As of June 30, 2023, in connection with all swap arrangements, the transactions had a combined net negative fair value of \$9,232. 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., Merrill Lynch Capital Services, Inc., PNC Financial Services Group, Inc. and J.P. Morgan Chase & Co. were rated A+, 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, 2023, there is no requirement for collateral posting for any of the outstanding swaps.

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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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

Swap payments and associated debt: As of June 30, 2023, 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.

Fiscal Year	Variable-Rate Bonds			Total
	Principal	Interest	Interest Rate Swaps, Net	
2024	\$ 7,495	\$ 1,994	\$ 6,177	\$ 15,666
2025	7,669	1,828	5,624	15,121
2026	8,662	1,711	5,323	15,696
2027	14,906	1,581	4,963	21,450
2028	15,639	1,444	4,587	21,670
2029-2033	107,314	4,776	15,933	128,023
2034-2038	71,290	771	3,199	75,260
Total	\$ 232,975	\$ 14,105	\$ 45,806	\$ 292,886

Note 8. Letters of Credit

The City’s 2008 Certificates of Participation, 2008 Electric Revenue Bonds (Series A and C), and 2011 Electric 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%
2008A Electric Revenue Bonds	Barclays Bank, PLC	2024	0.395%
2008C Electric Revenue Bonds	Barclays Bank, PLC	2024	0.395%
2011A Electric Revenue Bonds	Bank of America, N.A.	2026	0.350%

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 quarterly not to exceed a 5-year period. The City would be required to pay annual interest equal to the highest of 8.0%, the Prime Rate plus 2.50%, the Federal Funds Rate plus 2.50% and 150% of the yield on the 30-year U.S. Treasury Bond. No amounts have ever been drawn against the four 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. 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, 2023.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Note 9. Long-Term Obligations

Changes in Long-Term Obligations:

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

	Beginning Balance	Additions	Reclass	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
General obligation bonds	\$ 4,987	\$ -	\$ -	\$ (1,576)	\$ 3,411	\$ 1,640
Pension obligation bonds	338,264	-	-	(16,851)	321,413	7,624
Certificates of participation	85,477	-	-	(4,893)	80,584	5,054
Lease revenue bonds	68,855	-	-	(3,762)	65,093	3,539
Direct borrowings:						
Financed purchase	22,294	461	-	(3,525)	19,230	3,589
	<u>\$ 519,877</u>	<u>\$ 461</u>	<u>\$ -</u>	<u>\$ (30,607)</u>	<u>\$ 489,731</u>	<u>\$ 21,446</u>
Business-Type Activities:						
Revenue bonds	\$ 1,139,100	\$ 63,596	\$ -	\$ (39,020)	\$1,163,676	\$ 36,925
Pension obligation bonds	110,718	-	-	(7,013)	103,705	8,454
Certificates of participation	25,912	-	-	(1,330)	24,582	1,391
Lease revenue bonds	6,625	-	-	(457)	6,168	480
Direct borrowings:						
Notes payable	59,948	-	-	(4,878)	55,070	4,944
Contracts payable	933	-	-	-	933	150
Financed purchase	2,176	-	-	(700)	1,476	342
	<u>\$ 1,345,412</u>	<u>\$ 63,596</u>	<u>\$ -</u>	<u>\$ (53,398)</u>	<u>\$1,355,610</u>	<u>\$ 52,686</u>

Governmental Activities:

<u>General Obligation Bonds - Governmental Activities:</u>	<u>Principal Outstanding</u>
\$20,000 Fire Facility Projects, Election of 2003 General Obligation Bond; 3.0% to 5.5%, due in annual installments from \$410 to \$1,740 through August 1, 2024.	\$ 3,380
Add: unamortized bond premium	31
Total general obligation bonds	\$ 3,411

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,640	\$ 141	\$ 1,781
2025	1,740	48	1,788
Premium	31	-	31
Total	\$ 3,411	\$ 189	\$ 3,600

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.

\$ 6,565

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

\$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. \$324,582 relates to Governmental Activities	315,001
Subtotal	321,566
Less: unamortized bond discount	(153)
Total pension obligation bonds	\$ 321,413

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:

Fiscal Year	Principal	Interest	Total
2024	\$ 7,624	\$ 11,523	\$ 19,147
2025	9,839	11,353	21,192
2026	9,884	11,123	21,007
2027	10,966	10,868	21,834
2028	10,343	10,570	20,913
2029-2033	69,906	47,456	117,362
2034-2038	107,923	31,014	138,937
2039-2043	84,076	10,858	94,934
2044-2048	11,005	537	11,542
Discount	(153)	-	(153)
Total	\$ 321,413	\$ 145,302	\$ 466,715

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; 4.0% to 5.0%, due in annual installments from \$435 to \$1,270 through September 1, 2036. \$ 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; \$71,159 relates to Governmental Activities. 56,718

\$35,235 2013 Pavement Rehab Certificates of Participation are secured by Measure A Sales Tax receipts; 4.0% to 5.0%, due in annual installments from \$1,285 to \$2,855 through June 1, 2033. 23,225

Subtotal	79,948
Plus: unamortized bond premium	636
Total certificates of participation	\$ 80,584

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:

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Fiscal Year	Principal	Interest	Total
2024	\$ 5,054	\$ 3,031	\$ 8,085
2025	5,224	2,826	8,050
2026	5,463	2,612	8,075
2027	5,713	2,389	8,102
2028	5,947	2,171	8,118
2029-2033	33,426	7,163	40,589
2034-2038	19,121	1,475	20,596
Premium	636	-	636
Total	\$ 80,584	\$ 21,667	\$ 102,251

Lease Revenue Bonds - Governmental Activities: **Principal Outstanding**

In 2019, the Series 2012A Lease Revenue Refunding Bonds were distributed between Governmental Activities, Business-Type Activities, and Successor Agency to properly reflect their proportional share.

On August 15, 2012, the City issued the Series 2012A Lease Revenue Refunding Bonds in the amount of \$41,240. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from \$1,295 to \$2,840 commencing November 1, 2013 and ending November 1, 2033. 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. \$23,683 relates to Governmental Activities. \$ 17,724

\$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. 13,225

\$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. 27,475

Subtotal	<u>58,424</u>
Add: unamortized bond premium	6,669
Total lease revenue bonds	<u>\$ 65,093</u>

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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Fiscal Year	Principal	Interest	Total
2024	\$ 3,539	\$ 2,542	\$ 6,081
2025	3,587	2,389	5,976
2026	3,733	2,242	5,975
2027	3,896	2,078	5,974
2028	4,074	1,895	5,969
2029-2033	23,311	6,439	29,750
2034-2038	16,284	1,420	17,704
Premium	6,669	-	6,669
Total	\$ 65,093	\$ 19,005	\$ 84,098

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.

Revenue Bonds - Business-Type Activities:

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.

\$141,840 2008 Electric Refunding/Revenue Bonds; Series A & C. The bonds were issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.1% and 3.2% for the Series A & C bonds, respectively. See Note 6 for information on the swap agreements. Bonds are due in annual installments from \$700 to \$7,835 through October 1, 2035. In 2019, the Electric Fund refunded \$40,425 of the outstanding balance. \$ 66,615

\$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. 126,110

\$56,450 2011 Electric Revenue Refunding 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 \$725 to \$5,175 through October 1, 2035. Upon event of default, the bank may declare the outstanding amount of the obligations payable to be due immediately. During fiscal year 2019-20, the bonds originally issued as private placement bonds were remarketed as public securities in order to obtain a lower rate. The structure is the same and the existing swap is the same. 33,600

\$79,080 2013 Electric Revenue Refunding Bonds; Series A fixed rate bonds, 3% to 5.25%, due in annual installments from \$795 to \$12,685 through October 1, 2043. 35,385

\$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. 245,660

Subtotal 507,370
Add: Unamortized bond premium 42,457
Subtotal - Electric 549,827

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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

\$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. 62,760

\$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. 24,050

\$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. 98,465

\$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. 58,025

Subtotal **243,300**
Add: Unamortized bond premium 21,994
Subtotal - Water **265,294**

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. 173,610

\$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. 139,475

Subtotal **313,085**
Add: unamortized bond premium 35,470
Subtotal - Sewer **348,555**
Total revenue bonds **\$ 1,163,676**

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:

Fiscal Year	Electric		
	Principal	Interest	Total
2024	\$ 17,515	\$ 23,362	\$ 40,877
2025	18,335	22,488	40,823
2026	19,305	21,580	40,885
2027	20,085	20,742	40,827
2028	20,960	19,864	40,824
2029-2033	118,900	84,562	203,462
2034-2038	138,570	55,605	194,175
2039-2043	121,770	19,283	141,053
2044-2048	26,430	4,532	30,962
2049-2053	5,500	138	5,638
Premium	42,457	-	42,457
Total	\$ 549,827	\$ 272,156	\$ 821,983

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Water			
Fiscal Year	Principal	Interest	Total
2024	\$ 7,950	\$ 11,050	\$ 19,000
2025	8,460	10,664	19,124
2026	8,840	10,257	19,097
2027	9,245	9,831	19,076
2028	9,665	9,385	19,050
2029-2033	54,430	39,883	94,313
2034-2038	66,100	27,022	93,122
2039-2043	35,515	13,817	49,332
2044-2048	24,110	7,878	31,988
2049-2053	18,985	2,193	21,178
Premium	21,994	-	21,994
Total	\$ 265,294	\$ 141,980	\$ 407,274

Sewer			
Fiscal Year	Principal	Interest	Total
2024	\$ 11,460	\$ 15,139	\$ 26,599
2025	12,050	14,551	26,601
2026	12,670	13,933	26,603
2027	13,320	13,283	26,603
2028	14,000	12,600	26,600
2029-2033	81,540	51,465	133,005
2034-2038	104,525	28,483	133,008
2039-2043	63,520	4,212	67,732
Premium	35,470	-	35,470
Total	\$ 348,555	\$ 153,666	\$ 502,221

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.	\$ 7,150
\$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. \$107,583 relates to Business-Type Activities.	96,555
Total pension obligation bonds	\$ 103,705

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:

Fiscal Year	Principal	Interest	Total
2024	\$ 8,454	\$ 3,342	\$ 11,796
2025	9,364	3,153	12,517
2026	9,636	2,932	12,568
2027	9,244	2,683	11,927
2028	6,182	2,430	8,612
2029-2033	22,399	9,940	32,339
2034-2038	25,232	5,403	30,635
2039-2043	13,194	1,174	14,368
Total	\$ 103,705	\$ 31,057	\$ 134,762

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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

\$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; \$30,841 relates to the Civic Entertainment Fund.

Total certificates of participation \$ 24,582

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:

Fiscal Year	Principal	Interest	Total
2024	\$ 1,391	\$ 815	\$ 2,206
2025	1,420	768	2,188
2026	1,482	719	2,201
2027	1,542	669	2,211
2028	1,603	617	2,220
2029-2033	8,859	2,235	11,094
2034-2038	8,285	639	8,924
Total	\$ 24,582	\$ 6,462	\$ 31,044

Lease Revenue Bonds – Business Type Activities: Principal Outstanding

In 2019, the Series 2012A Lease Revenue Refunding Bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency to properly reflect their proportional share.

On August 15, 2012, the City issued the Series 2012A Lease Revenue Refunding Bonds in the amount of \$41,240. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from \$1,295 to \$2,840 commencing November 1, 2013 and ending November 1, 2033. 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. \$8,242 relates to Governmental Activities.

Total lease revenue bonds \$ 6,168

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
2024	\$ 480	\$ 256	\$ 736
2025	465	236	701
2026	481	220	701
2027	502	199	701
2028	527	173	700
2029-2033	3,031	461	3,492
2034-2038	682	14	696
Total	\$ 6,168	\$ 1,559	\$ 7,727

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, 2023:

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Governmental Long-Term Obligations:

Certificates of participation	\$ 7,504
Total	\$ 7,504

Enterprise Funds:

Electric	10,802
Total	\$ 10,802

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.

<u>Description of Pledge Revenue</u>	<u>Annual Amount of Pledge Revenue (net of expenses, where required)</u>	<u>Annual Debt Service Payments (all of debt secured by this revenue)</u>	<u>Coverage Ratio for FY 06/30/23</u>
Electric revenues	\$ 93,040 *	\$ 46,400	2.01
Water revenues	36,362 *	18,848	1.93
Sewer revenues	35,752	25,236	1.42

*Excludes non-cash pension expense

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.

Direct Borrowings: Notes Payable - Business-Type Activities:

Principal Outstanding

Notes payable consists of several agreements with Harvest A OSR, LLC, Stockbridge NLP, LLC and related entities (collectively Hillwood) for their development of logistic centers located in the City of San Bernardino. As part of these agreements, the Water Fund leases land to Hillwood and also purchased land from Hillwood with a subsequent lease-back to the entity. In addition, the agreements require Hillwood to relocate wells located on the properties as well as terminate an existing lease. In consideration of the cost of the land purchase, well relocations and lease termination, the Water Utility will make payments to Hillwood in the form of a credit with Hillwood's rental payments to the Water Utility for the first 15 years of the leases.

\$ 15,100

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.

12,560

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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.

	27,410
Total notes payable	\$ 55,070

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:

Fiscal Year	Water		
	Principal	Interest	Total
2024	\$ 1,499	\$ 540	\$ 2,039
2025	1,628	490	2,118
2026	1,765	414	2,179
2027	1,915	342	2,257
2028	2,076	260	2,336
2029-2033	6,217	290	6,507
Total	\$ 15,100	\$ 2,336	\$ 17,436

Fiscal Year	Non-Major Enterprise Funds		
	Principal	Interest	Total
2024	\$ 3,445	\$ 1,322	\$ 4,767
2025	3,568	1,200	4,768
2026	3,688	1,075	4,763
2027	3,811	945	4,756
2028	3,940	811	4,751
2029-2033	19,128	1,932	21,060
2034-2038	2,390	29	2,419
Total	\$ 39,970	\$ 7,314	\$ 47,284

Direct Borrowings: Contracts Payable	Principal Outstanding
Water stock acquisition rights payable on demand to various water companies	\$ 933

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.

The assets acquired through financing arrangements are as follows:

Asset	Governmental Activities	Business-Type Activities
Buildings and improvements	\$ 2,353	\$ -
Machinery and equipment	32,966	2,985
Subtotal	35,319	2,985
Less: Accumulated depreciation	(10,418)	(1,026)
Total	\$ 24,901	\$ 1,959

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

The future minimum obligations as of June 30, 2023 were as follows:

Fiscal Year	Governmental Activities	Business-Type Activities
2024	\$ 3,972	\$ 375
2025	3,972	375
2026	2,876	375
2027	2,836	375
2028	1,990	56
Thereafter	4,953	-
Total minimum installments	20,599	1,556
Less: Amount representing interest (rates ranging from 1.2% to 9%)	(1,369)	(80)
Total financed purchase	\$ 19,230	\$ 1,476

Note 10. 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	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 29,994	\$ 20,209	\$ (18,778)	\$ 31,425	\$ 19,673
Business-Type Activities:					
Compensated absences	\$ 11,855	\$ 9,655	\$ (9,426)	\$ 12,084	\$ 9,602

Note 11. 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 and three excess General Liability policies. The primary General Liability policy coverage has a limit of \$4,000 and the Excess General Liability policies provide an additional \$21,000 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 insurance coverage. Internal service funds have been established to account for and finance the uninsured risks of loss.

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.

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Claims and judgments	\$ 78,790	\$ 1,938	\$ (27,616)	\$ 53,112	\$ 12,834

Unpaid claims, June 30,2021	\$ 76,603
Incurred claims (including IBNR's)	13,134
Claim payments and adjustments	(10,947)
Unpaid claims, June 30,2022	78,790
Incurred claims (including IBNR's)	1,938
Claim payments and adjustments	(27,616)
Unpaid claims, June 30,2023	\$ 53,112

Note 12. 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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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, 2023 was 100%. The remaining post closure period is currently 16 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	\$ 9,820	\$ -	\$ (395)	\$ 9,425	\$ 559

Note 13. Nuclear Decommissioning Liability

As of June 30, 2023, decommissioning liability balance was \$48,873 with a portion reflected as current liabilities payable from restricted assets. Due to adequate funding of the liability, 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 will continue to set aside funds in the designated decommissioning reserve of \$2,000 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	\$ 53,310	\$ 907	\$ (5,344)	\$ 48,873	\$ 10,227

Note 14. 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 and the debt fully matures in 2024.

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 1368 (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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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 the Southern California Public Power Authority (SCPPA), a joint powers agency. 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:

Project	Percent Share	Entitlement	Final Maturity	Contract Expiration
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 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,	IPA¹	SCPPA	Total
	Intermountain Power Project	Southern Transmission System	All Projects
2024	\$ 3,479	\$ 7,125	\$ 10,604
2025	2,997	3,261	6,258
2026	2,997	3,257	6,254
2027	4,810	3,253	8,063
2028	-	3,254	3,254
Total	\$ 14,283	\$ 20,150	\$ 34,433

- 1 The Electric Utility's contract with IPA expires in 2027. The Electric Utility will not be responsible for the proportionate share of the 2022 Series A & B Revenue bonds after the contract expires.

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 and vary each year. The costs incurred for the years ended June 30, 2023 and 2022, are as follows:

Fiscal Year	Intermountain Power Project*	Palo Verde Nuclear Generating Station*		Southern Transmission System	Mead-Phoenix Transmission	Mead-Adelanto Transmission	All Projects
		Nuclear	Generating Station*				
2023	\$ 20,344	\$ 3,010	\$ 3,839	\$ 90	\$ 461	\$ 27,744	
2022	19,522	2,930	4,400	57	415	27,324	

* 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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Hoover Upgrading Project

The Electric Utility's initial entitlement in the Hoover project through SCPA 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 process for decision making 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 (\$450 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 October 5, 2023, the Act limits liability from third-party claims to approximately \$16.5 billion per incident. Under the industry wide retrospective assessment program provided for under the Act, assessments are limited to \$137.6 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 Palo Verde, the Electric Utility would be responsible for a maximum assessment of \$1.4 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 three 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 2022, renewable resources provided 43 percent of retail sales requirements.

On October 7, 2015, the Governor signed into law Senate Bill 350 (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 (Senate Bill 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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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:

Supplier	Type	Maximum Contract ¹	Contract Expiration	Estimated Annual Cost for 2023
Wintec	Wind	1.3 MW	02/19/2024	\$ 150
WKN Wagner	Wind	6.0 MW	12/22/2032	1,358
Terraform Power - AP North Lake	Photovoltaic	20.0 MW	08/11/2040	4,942
Onward Energy - Columbia II	Photovoltaic	11.1 MW	12/22/2034	2,314
GlidePath Power Solutions - GPS Cabazon Wind LLC	Wind	39.0 MW	01/01/2025	4,299
Capital Dynamics - 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	1,434
Roseburg Forest Products ²	Biomass	N/A MW	02/16/2026	179
CalEnergy - Salton Sea Portfolio	Geothermal	86.0 MW	12/31/2039	56,038
Atlantica - Coso Geothermal	Geothermal	10.0 MW	12/31/2041	6,050
Total³		239.7 MW		\$ 86,953

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.

³ American Renewable Power - Loylton was excluded due to the contract expiring April 2023 and no capacity received.

Long-term renewable PPAs with expected delivery:

Supplier	Type	Maximum Contract ¹	Expected Delivery	Energy Delivery No Later Than	Contract Term In Years
Atlantica - Coso Geothermal	Geothermal	20.0 MW	01/01/2027	01/01/2027	15
Total		20.0 MW			

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, 2023, the Electric Utility received \$18,317, 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 \$21,707 as of June 30, 2023.

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 \$485 as of June 30, 2023 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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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 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 fiscal year ended June 30, 2023, the Electric Utility's proceeds from the sale of LCFS credits were \$683. 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, 2023 was \$194. The balance in the Regulatory Requirement reserve as of June 30, 2023 was \$3,795.

Note 15. 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 June 30, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	206
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>2,014</u>
Total	<u>2,220</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:

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

Valuation Date: June 30, 2021
 Measurement Date: June 30, 2022
 Funding Policy: Pay-as-you-go for implicit rate subsidy
 Discount Rate: 3.54% 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 2017 Experience Study

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>		
	<u>1% Decrease</u>	<u>Cost Trend Rate</u>	<u>1% Increase</u>
	<u>3%</u>	<u>4%</u>	<u>5%</u>
Total OPEB liability	\$ 39,878	\$ 45,471	\$ 51,830

Sensitivity analysis of total OPEB liability for discount rates

The following presents the total OPEB liability, calculating using the discount rate of 3.54%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate:

	<u>Current Discount Rate</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>(2.54%)</u>	<u>(3.54%)</u>	<u>(4.54%)</u>
Total OPEB liability	\$ 49,839	\$ 45,471	\$ 42,384

Change in total OPEB liability

For fiscal year 2023, the City recognized total OPEB expense of \$2,285. 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, 2023:

	<u>2023</u>
Beginning total OPEB liability	\$ 48,770
Service cost	3,184
Interest	1,070
Changes of assumptions	(5,926)
Benefit of implied subsidy payments	(1,627)
Net changes	<u>(3,299)</u>
Ending total OPEB liability	<u>\$ 45,471</u>

Deferred outflows/inflows of resources

At June 30, 2023, 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	\$ 1,836	\$ -
Differences between expected and actual experience	163	3,410
Changes of assumptions	6,788	8,501
Total	<u>\$ 8,787</u>	<u>\$ 11,911</u>

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>
2024	\$ (134)
2025	(134)
2026	74
2027	113
2028	113
Thereafter	(4,992)
Total	<u>\$ (4,960)</u>

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

Note 16. 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.calpersca.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). Effective January 1, 2018, employees were required to pay 1.5% of their pensionable income, with the City contributing the other 7.5%. Only in the event that annual wages increase in excess of 2%, will the following apply: Effective January 1, 2019, employees were required to pay an additional portion of their pensionable income. This portion is a three-year increase of 1.5% (2019), 1.5% (2020) and 1.5% (2021). However, the 2021 increase did not take affect. In 2023, RPAA Management had an additional 1% increase and employees are contributing 5.5% pensionable income. RPOA and RPOA Supervisory remained at 4.5% contribution of pensionable income.
- 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 pay their share (9%) of

contributions.

- 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 the employee must pay the normal cost to CalPERS which is currently at 12.75%. Classic members (CalPERS members prior to 12/31/12) 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 before June 11, 2011. Effective January 1, 2019, employees were required to pay a portion of their pensionable income. This portion is a three-year increase of 2.5% (2019), 2.5% (2020) and 3% (2021). However, the 2021 increase was only 2% with the remaining 1% increase in 2022; therefore, in 2022, employees are contributing 8% of their pensionable income.
- 2nd Tier - The retirement formula is 3% at age 55 and new employees hired on or after June 11, 2011 pay their share (9%) of contributions.
- 3rd Tier – The retirement formula is 2.7% at age 57 for new members hired on or after January 1, 2013. A new member, as defined by the Public Employees' Pension Reform Act (PEPRA), hired on or after January 1, 2013 pay 50% of the normal cost to CalPERS which is currently 12.75% of compensation.

Miscellaneous:

- 1st Tier –
 - The retirement formula is 2.7% at age 55 for employees hired on or before October 18, 2011. Effective January 1, 2018 for unrepresented employees (Sr. Management, Management, Professional, Para-professional, Supervisory, Confidential, and Executive units, excluding the Chief of Police and the Fire Chief), the employees were required to pay 2% of their pensionable income, with the City contributing the other 6%. Effective January 1, 2019, employees were required to pay an additional portion of their

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

pensionable income. This portion is a three-year increase of 2% (2019), 2% (2020) and 2% (2021). As of 2021, employees were contributing the entire 8% of their pensionable income.

- The retirement formula is 2.7% at age 55 for SEIU and SEIU Refuse employees hired before June 7, 2011. Currently, employees are required to pay 7% of their pensionable income with the City contributing the other 1%. Effective January 1, 2019, employees were required to pay an additional portion of their pensionable income. This portion is a two-year increase of 1% (2019) and 1% (2020). As of 2020, employees are contributing the entire 8% of their pensionable income.
- The retirement formula is 2.7% at age 55 for IBEW and IBEW Supervisory employees hired on or before October 18, 2011. Effective November 1, 2017 employees were required to pay 2% of their total pensionable income with the City paying the remaining 6%. Effective each November 1st, employees will be required to pay an additional portion of their pensionable income. This portion is a three-year increase of 2% (2018), 2% (2019) and 2% (2020). As of November 2020, employees are contributing the entire 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 7.75%. Classic members (CalPERS members prior to 12/31/12) hired on or after January 1, 2013 may be placed in a different tier.

(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 1959 Survivor Benefit Level III, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

(D) Employees Covered - At June 30, 2022, the following employees were covered by the benefit terms of each Plan: Inactive employees or beneficiaries currently receiving benefits are 2,418 and 851 for the Miscellaneous and Safety Plans, respectively. Inactive employees entitled to but not yet receiving benefits are 1,475 and 205 for Miscellaneous and Safety Plans, respectively. Active employees were 1,527 and 564 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The liability for the governmental activities is primarily liquidated from the General Fund.

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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

A summary of principal assumptions and methods used to determine the net pension liability is shown below. Actuarial Assumptions – The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
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	

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include 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 CalPERS Experience Study and Review of Actuarial Assumptions 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:

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return^{1,2}</u>
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 in Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

(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, 2021	\$ 1,549,563	\$ 1,638,246	\$ (88,683)
Changes recognized for the measurement period:			
Service cost	27,830	-	27,830
Interest on total pension liability	105,283	-	105,283
Changes of Assumptions	19,686	-	19,686
Differences between expected and actual experience	(17,684)	-	(17,684)
Contributions - employer	-	27,329	(27,329)
Contributions - employees	-	10,788	(10,788)
Net investment income	-	(122,366)	122,366
Benefit payments, including refunds of employee contributions	(79,265)	(79,265)	-
Administrative expenses	-	(1,020)	1,020
Net changes	55,850	(164,534)	220,384
Balance at June 30, 2022	\$ 1,605,413	\$ 1,473,712	\$ 131,701

Safety

Balance at June 30, 2021
Changes recognized for the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	\$ 1,250,329	\$ 1,301,939	\$ (51,610)
Changes recognized for the measurement period:			
Service cost	25,734	-	25,734
Interest on total pension liability	87,761	-	87,761
Changes of Assumptions	43,994	-	43,994
Differences between expected and actual experience	(3,506)	-	(3,506)
Contributions - employer	-	24,810	(24,810)
Contributions - employees	-	10,557	(10,557)
Net investment income	-	(97,579)	97,579
Benefit payments, including refunds of employee contributions	(63,558)	(63,558)	-
Administrative expenses	-	(812)	812
Net changes	90,425	(126,582)	217,007
Balance at June 30, 2022	\$ 1,340,754	\$ 1,175,357	\$ 165,397

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

	Discount Rate	Current Discount Rate	Discount Rate
	-1% (5.90%)	(6.90%)	+1% (7.90%)
Plan's net pension liability/(asset)	\$ 350,680	\$ 131,701	\$ (48,111)

Safety

	Discount Rate	Current Discount Rate	Discount Rate
	-1% (5.90%)	(6.90%)	+1% (7.90%)
Plan's net pension liability/(asset)	\$ 349,445	\$ 165,397	\$ 14,687

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

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

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

For the year ended June 30, 2023, the City recognized pension expense/(credit) of \$(4,303) to Miscellaneous and \$12,821 to Safety for a total of \$8,518. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous		
Pension contributions subsequent to measurement date, net	\$ 29,144	\$ -
Changes of assumptions	13,534	-
Differences between expected and actual experience	893	(12,158)
Net differences between projected and actual earnings on plan investments	75,156	-
Total	\$ 118,727	\$ (12,158)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Safety		
Pension contributions subsequent to measurement date, net	\$ 26,195	\$ -
Changes of assumptions	33,763	-
Differences between expected and actual experience	7,320	(2,691)
Net differences between projected and actual earnings on plan investments	60,326	-
Total	\$ 127,604	\$ (2,691)

The \$55,339 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
All other amounts	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

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
2024	\$ 13,763	\$ 24,201
2025	11,797	20,530
2026	5,097	13,884
2027	46,768	40,103
Total	77,425	98,718

Events Subsequent to Actuarial Valuation Date - On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions,

CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)

economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Note 17. 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	\$ 9,350	\$ -	\$ (2,447)	\$ 6,903	\$ 2,556
Tax allocation bonds	165,342	-	(5,813)	159,529	10,280
Direct borrowings:					
Notes payable	3,918	-	-	3,918	38
	<u>\$ 178,610</u>	<u>\$ -</u>	<u>\$ (8,260)</u>	<u>\$ 170,350</u>	<u>\$ 12,874</u>

Lease Revenue Bonds - Successor Agency:

\$26,255 State of California Department of General Services Project, 2003 Lease Revenue Refunding Bonds, Series A are secured by lease payments made by the State of California Department of General Services for the California Tower office building; 2% to 5% due in annual installments from \$545 to \$2,230 through October 1, 2024. The bonds are subject to acceleration under the Trust Agreement upon the occurrence of an event of default and with the consent of the Insurer. There is no remedy of acceleration of the total Base Rental over the term of the Lease.

Principal Outstanding

\$ 4,315

\$4,810 State of California Department of General Services Project, 2003 Lease Revenue Refunding Bonds, Series B are secured by lease payments made by the State of California Department of General Services for the California Tower office building; \$310 serial bonds 1.20% to 1.42% through October 1, 2004; \$620 term bonds at 3.090% due October 1, 2008; \$1,110 term bonds at 4.340% due October 1, 2014 and \$2,770 term bonds at 5.480% due October 1, 2024. The bonds are subject to acceleration under the Trust Agreement upon the occurrence of an event of default and with the consent of the Insurer. There is no remedy of acceleration of the total Base Rental over the term of the Lease.

680

In 2019, the 2012A Lease Revenue Refunding bonds were distributed between Governmental Activities, Business-Type Activities, and the Successor Agency to properly reflect their proportional share.

\$41,240 Lease Revenue Refunding Bonds, Series 2012A. The bonds are secured by lease payments on a portion of the City Hall Complex and the Lincoln Police Patrol Center. The bonds were issued to refinance the 2003 Certificates of Participation. Interest on the bonds is payable semi-annually on May 1 and November 1 of each year, commencing May 1, 2013. The rate of interest varies from 2% to 5% per annum depending on maturity date. Principal is payable in annual installments ranging from \$1,295 to \$2,840 commencing November 1, 2013 and ending November 1, 2033. 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. \$2,415 relates to the Successor Agency.

	1,808
Subtotal	6,803
Add: Unamortized bond premium	100
Total lease revenue bonds	\$ 6,903

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:

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Fiscal Year	Principal	Interest	Total
2024	\$ 2,556	\$ 267	\$ 2,823
2025	2,717	135	2,852
2026	141	64	205
2027	147	58	205
2028	154	51	205
2029-2033	888	135	1,023
2034-2038	200	4	204
Premium	100	-	100
Total	\$ 6,903	\$ 714	\$ 7,617

Tax Allocation Bonds - Successor Agency:	Principal Outstanding
\$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.	\$ 28,410
\$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.	114,675
Subtotal	143,085
Add: Unamortized bond premium	16,444
Total tax allocation bonds	\$ 159,529

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.

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
2024	\$ 10,280	\$ 6,450	\$ 16,730
2025	10,690	5,928	16,618
2026	10,795	5,392	16,187
2027	11,135	4,844	15,979
2028	10,230	4,317	14,547
2029-2033	47,365	14,112	61,477
2034-2038	42,590	4,054	46,644
Premium	16,444	-	16,444
Total	\$ 159,529	\$ 45,097	\$ 204,626

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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(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
2024	\$ 38	\$ 304	\$ 342
2025	42	300	342
2026	46	295	341
2027	51	291	342
2028	57	285	342
2029-2033	385	1,323	1,708
2034-2038	636	1,074	1,710
2039-2043	1,048	661	1,709
2044-2048	1,615	1,025	2,640
Total	\$ 3,918	\$ 5,558	\$ 9,476

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

As of June 30, 2023, the City has several series of Assessment District and Community Facility District Bonds outstanding in the amount of \$38,980. 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 18. 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.

The following table shows amounts receivable/payable between funds within the City at June 30, 2023:

Receivable Funds	Payable Funds	Amount
General Fund	Non-Major Governmental Funds	\$ 1,021
	Internal Service Funds	645
Total		\$ 1,666

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, 2023:

Receivable Funds	Payable Funds	Amount
Sewer	General Debt Service Fund	\$ 1,131

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

Receivable Funds	Amount
Electric	\$ 2,003

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, 2023:

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

<u>Transfers in Funds</u>	<u>Transfers Out Funds</u>	<u>Amount</u>
General Fund	General Debt Service Fund	\$ 584
	Non-Major Governmental Funds	16,149
	Electric Fund	42,326
	Water Fund	8,170
		<u>67,229</u>
Capital Outlay Fund	General Fund	37,900
	Non-Major Enterprise Funds	215
		<u>38,115</u>
General Debt Service Fund	General Fund	43,171
	Capital Outlay Fund	2,999
	Non-Major Governmental Funds	1,958
		<u>48,128</u>
Non-Major Governmental Funds	General Fund	<u>1,635</u>
	Capital Outlay Fund	149
		<u>1,784</u>
Non-Major Enterprise Funds	General Fund	17,575
	Non-Major Governmental Funds	7,500
		<u>25,075</u>
	Total	<u><u>\$ 180,331</u></u>

Note 19. Deficit Net Position

Deficit net position exists in the non-major enterprise fund, Transportation \$(1,429). The deficit is primarily due to the net pension and OPEB liabilities.

Deficit net position exists in the Self-Insurance Internal Service Fund \$(24,729). This City adopted a Self-Insurance Reserve Policy that addresses the on-going 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.

Deficit net position exists in the Successor Agency Private-Purpose Trust Fund \$(124,004). 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.

Note 20. Construction Commitments

As of June 30, 2023, the Electric Utility had commitments (encumbrances) of approximately \$25,674 with respect to ongoing capital projects, of which \$16,623 is expected to be funded by bonds, \$7,676 to be funded by unrestricted cash reserves, and \$1,375 to be funded by restricted cash reserves.

Note 21. 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, 2023, the Electric Utility has net natural gas and electricity commitments for fiscal year 2024 and thereafter, of approximately \$112,355, with a market value of \$112,807.

Note 22. 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 \$65,500 which equals to approximately 20% of the 2023-2024 General Fund adopted expenditure budget plus appropriation adjustments. For the General Fund Measure Z Fund, \$5,000 has been set aside.

Note 23. 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.

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

Note 24. 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 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, 2023 is \$1,664.

Note 25. 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

**CITY OF RIVERSIDE
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

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 percent 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 have since appealed that ruling. The case has been fully briefed and the parties are awaiting a date for oral argument.

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 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.

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 and also that the court set aside the voter’s 2013 approval of the General Fund Transfer. 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 date of April 3, 2024 has been set for the second phase of the trial regarding damages.

Rate Plan Increases

On September 19, 2023, the City Council approved new 5-year rate plans for the Electric, Water, and Refuse Funds. The rate increases will enhance the financial stability of each of the enterprise funds, supporting increases in operational costs as well as investment in capital infrastructure. In conjunction with the adoption of the water rate plan, the City Council directed that all future Water General Fund Transfer collections be placed in a reserve account pending the outcome of pending litigation (refer to *Simpson v. City of Riverside*). Staff will consider the impact of the approximate \$8.5 million annual loss of revenue in the General Fund during the development of the next biennial budget.

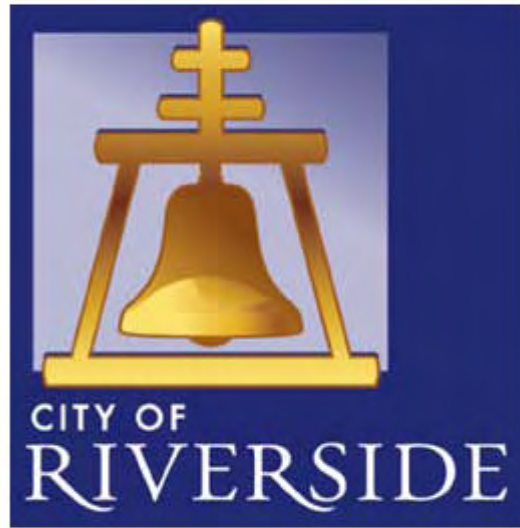
Replacement of London Interbank Offered Rate (LIBOR)

As of July 1, 2023, LIBOR is no longer an appropriate benchmark interest rate for a derivative instrument that hedges the interest risk for taxable debt for purposes of GASB Statement 53.

Note 26. Prior Period Adjustment

The Custodial Fund beginning net position has been restated to reflect the cash and investment balances in the fund as due to bond holders. Upon termination of the custodial relationship, the cash and investment balances will be released to bondholders.

	June 30, 2022 as Previously Reported	Changes in Accounting Principle	June 30, 2022 as Restated
Custodial Fund	\$ 13,834	\$ (9,837)	\$ 3,997



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 (1)
(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service cost	\$ 23,320	\$ 22,228	\$ 22,189	\$ 24,766	\$ 25,117	\$ 25,017	\$ 25,919	\$ 26,168	\$ 27,830
Interest on total pension liability	84,965	87,436	90,913	92,725	92,595	96,836	101,080	105,017	105,283
Changes in assumptions	-	(23,548)	(8,417)	(26,068)	(19,805)	-	-	-	19,686
Differences between expected and actual experience	-	(21,782)	-	79,037	(37,885)	6,927	6,220	873	(17,684)
Benefit payments, including refunds of employee contributions	(50,770)	(53,853)	(57,702)	(60,108)	(63,483)	(67,073)	(71,266)	(74,608)	(79,265)
Net change in total pension liability	57,515	10,481	46,983	110,352	(3,461)	61,707	61,953	57,450	55,850
Total pension liability - beginning	1,146,583	1,204,098	1,214,579	1,261,562	1,371,914	1,368,453	1,430,160	1,492,113	1,549,563
Total pension liability - ending (a)	\$ 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
Plan Fiduciary Net Position									
Net Plan to Plan Resource Movement	-	-	-	-	-	-	-	(1)	-
Contributions - employer	\$ 27,583	\$ 25,996	\$ 29,426	\$ 30,477	\$ 29,920	\$ 34,627	\$ 239,156	\$ 26,274	\$ 27,329
Contributions - employees	2,294	4,380	5,187	6,115	9,749	10,286	10,957	10,358	10,788
Net investment income	145,843	21,671	4,958	104,771	86,307	71,046	56,837	305,548	(122,366)
Benefit payments, including refunds of employee contributions	(50,770)	(53,853)	(57,702)	(60,108)	(63,483)	(67,073)	(71,266)	(74,608)	(79,265)
Administrative and other income/(expenses)	-	(1,056)	(594)	(1,290)	(4,664)	(776)	(1,604)	(1,371)	(1,020)
Net change in fiduciary net position	124,950	(2,862)	(18,725)	79,965	57,829	48,110	234,080	266,200	(164,534)
Plan fiduciary net position - beginning	848,699	973,649	970,787	952,062	1,032,027	1,089,856	1,137,966	1,372,046	1,638,246
Plan fiduciary net position - ending (b)	\$ 973,649	\$ 970,787	\$ 952,062	\$ 1,032,027	\$ 1,089,856	\$ 1,137,966	\$ 1,372,046	\$ 1,638,246	\$ 1,473,712
Plan net pension liability/(assets) - ending (a) - (b)	\$ 230,449	\$ 243,792	\$ 309,500	\$ 339,887	\$ 278,597	\$ 292,194	\$ 120,067	\$ (88,683)	\$ 131,701
Plan fiduciary net position as a percentage of the total pension liability	80.86 %	79.93 %	75.47 %	75.23 %	79.64 %	79.57 %	91.95 %	105.72 %	91.80 %
Covered-employee payroll	\$ 109,990	\$ 110,891	\$ 118,512	\$ 117,637	\$ 121,957	\$ 128,881	\$ 131,492	\$ 131,216	\$ 130,060
Plan net pension liability/(asset) as a percentage of covered-employee payroll	209.52 %	219.85 %	261.15 %	288.93 %	228.44 %	226.72 %	91.31 %	(67.59)%	101.26 %

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There was no changes in benefits.

Changes of Assumptions:

In fiscal year 2021-22, the discount rate was changed from 7.15 percent to 6.90 percent.

In fiscal year 2021-22, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions November 2021.

**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 (1)
(amounts expressed in thousands)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service cost	\$ 18,818	\$ 18,187	\$ 18,144	\$ 21,373	\$ 20,390	\$ 21,454	\$ 22,391	\$ 23,160	\$ 25,734
Interest on total pension liability	62,249	64,815	67,513	70,337	73,104	76,922	80,940	84,654	87,761
Changes in assumptions	-	(6,835)	(4,373)	(18)	868	-	-	-	43,994
Differences between expected and actual experience	-	(16,117)	-	59,768	(4,644)	10,897	11,896	6,361	(3,506)
Benefit payments, including refunds of employee contributions	(38,981)	(42,076)	(44,609)	(47,009)	(50,477)	(52,564)	(56,537)	(59,739)	(63,558)
Net change in total pension liability	42,086	17,974	36,675	104,451	39,241	56,709	58,690	54,436	90,425
Total pension liability - beginning	840,067	882,153	900,127	936,802	1,041,253	1,080,494	1,137,203	1,195,893	1,250,329
Total pension liability - ending (a)	\$ 882,153	\$ 900,127	\$ 936,802	\$ 1,041,253	\$ 1,080,494	\$ 1,137,203	\$ 1,195,893	\$ 1,250,329	\$ 1,340,754
Plan Fiduciary Net Position									
Net Plan to Plan Resource Movement	-	-	-	-	-	-	-	1	-
Contributions - employer	\$ 23,156	\$ 23,384	\$ 26,483	\$ 26,775	\$ 25,451	\$ 29,254	\$ 263,061	\$ 22,931	\$ 24,810
Contributions - employees	365	924	1,837	2,449	6,402	7,679	9,454	10,492	10,557
Net investment income	107,032	15,632	3,478	76,844	62,933	51,750	41,765	242,945	(97,579)
Benefit payments, including refunds of employee contributions	(38,981)	(42,076)	(44,609)	(47,009)	(50,478)	(52,564)	(56,537)	(59,739)	(63,558)
Administrative and other income/(expenses)	-	(816)	(428)	(1,145)	(3,403)	(567)	(1,170)	(1,085)	(812)
Net change in fiduciary net position	91,572	(2,952)	(13,239)	57,914	40,905	35,552	256,573	215,545	(126,582)
Plan fiduciary net position - beginning	620,069	711,641	708,689	695,450	753,364	794,269	829,821	1,086,394	1,301,939
Plan fiduciary net position - ending (b)	\$ 711,641	\$ 708,689	\$ 695,450	\$ 753,364	\$ 794,269	\$ 829,821	\$ 1,086,394	\$ 1,301,939	\$ 1,175,357
Plan net pension liability/(assets) - ending (a) - (b)	\$ 170,512	\$ 191,438	\$ 241,352	\$ 287,889	\$ 286,225	\$ 307,382	\$ 109,499	\$ (51,610)	\$ 165,397
Plan fiduciary net position as a percentage of the total pension liability	80.67 %	78.73 %	74.24 %	72.35 %	73.51 %	72.97 %	90.84 %	104.13 %	87.66 %
Covered-employee payroll	\$ 63,734	\$ 63,612	\$ 68,707	\$ 66,226	\$ 68,251	\$ 73,237	\$ 76,955	\$ 78,813	\$ 77,338
Plan net pension liability/(asset) as a percentage of covered-employee payroll	267.54 %	300.95 %	351.28 %	434.71 %	419.37 %	419.71 %	142.29 %	(65.48)%	213.86 %

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal year 2015 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

(2) Net of administrative expenses.

Notes to Schedule:

Benefit Changes: There was no changes in benefits.

Changes of Assumptions:

In fiscal year 2021-22, the discount rate was changed from 7.15 percent to 6.90 percent.

In fiscal year 2021-22, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions November 2021.

**CITY OF RIVERSIDE
SCHEDULE OF PENSION PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)
(amounts expressed in thousands)**

	<u>2014</u>	<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>
Miscellaneous Plan										
Actuarially determined contribution	\$ 20,505	\$ 21,063	\$ 24,885	\$ 26,955	\$ 29,948	\$ 34,486	\$ 38,889	\$ 26,274	\$ 27,330	\$ 29,144
Contribution in relation to the actuarially determined contribution	<u>(27,584)</u>	<u>(25,997)</u>	<u>(29,426)</u>	<u>(30,477)</u>	<u>(29,948)</u>	<u>(34,486)</u>	<u>(239,220)</u>	<u>(26,274)</u>	<u>(27,330)</u>	<u>(29,144)</u>
Contribution deficiency/(excess)	<u>\$ (7,079)</u>	<u>\$ (4,934)</u>	<u>\$ (4,541)</u>	<u>\$ (3,522)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (200,331)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 109,990	\$ 110,891	\$ 118,512	\$ 117,637	\$ 121,957	\$ 128,881	\$ 131,492	\$ 131,216	\$ 130,060	\$ 142,170
Contributions as a percentage of covered-employee payroll	25.08 %	23.44 %	24.83 %	25.91 %	24.56 %	26.76 %	181.93 %	20.02 %	21.01 %	20.50 %
Safety Plan										
Actuarially determined contribution	\$ 17,341	\$ 18,452	\$ 21,886	\$ 23,076	\$ 25,289	\$ 29,047	\$ 32,785	\$ 22,925	\$ 24,773	\$ 26,195
Contribution in relation to the actuarially determined contribution	<u>(23,156)</u>	<u>(23,384)</u>	<u>(26,483)</u>	<u>(26,775)</u>	<u>(25,289)</u>	<u>(29,047)</u>	<u>(263,016)</u>	<u>(22,925)</u>	<u>(24,773)</u>	<u>(26,195)</u>
Contribution deficiency/(excess)	<u>\$ (5,815)</u>	<u>\$ (4,932)</u>	<u>\$ (4,597)</u>	<u>\$ (3,699)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (230,231)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 63,734	\$ 63,612	\$ 68,707	\$ 66,226	\$ 68,251	\$ 73,237	\$ 76,955	\$ 78,813	\$ 77,338	\$ 77,810
Contributions as a percentage of covered-employee payroll	36.33 %	36.76 %	38.54 %	40.43 %	37.05 %	39.66 %	341.78 %	29.09 %	32.03 %	33.67 %

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation.

Notes to Schedule:

- Actuarial valuation date: June 30, 2020
- Actuarial cost method: Entry Age Normal
- Amortization method/period: June 30, 2020 CalPERS Funding Valuation Report
- Asset valuation method: Fair value of assets
- Discount rate: 7.0%
- Overall payroll growth: 2.75%
- Inflation: 2.5%
- Retirement age: 2017 CalPERS experience study
- Mortality: 2017 CalPERS Experience Study, with ongoing improvement using 90 percent of Scale MP-2016

**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)**

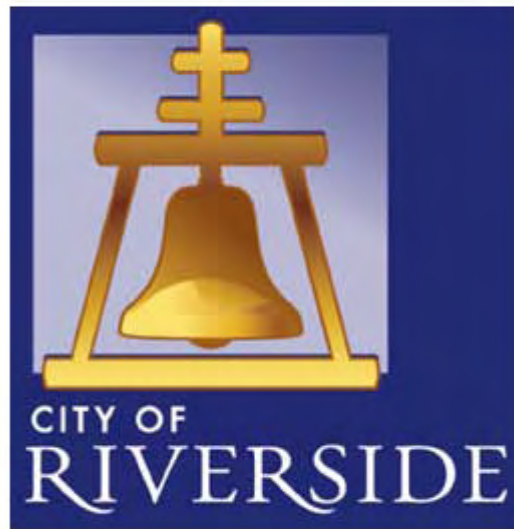
Reporting period June 30, Measurement period June 30,	2018	2019	2020	2021	2022	2023
	2017	2018	2019	2020	2021	2022
Total OPEB liability						
Service cost	\$ 2,554	\$ 2,403	\$ 2,435	\$ 2,569	\$ 2,646	\$ 3,184
Interest on the total OPEB liability	1,090	1,301	1,392	1,810	1,394	1,070
Differences between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

(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, 2022, the discount rate was changed from 2.16 percent to 3.54 percent.

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.

Transportation Fund - To account for the construction and installation of street and highway improvements in accordance with Articles 3 and 8 of the Transportation Development Act of 1971 of the State of California.

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, 2023
(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	\$ -	\$ 46,425	\$ 32,278	\$ 1,859	\$ 10,842	\$ 348	\$ 821	\$ 9,218	\$ 101,791
Cash and investments with fiscal agent	-	-	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible									
Interest	-	147	114	6	48	-	3	31	349
Property taxes	-	-	-	-	-	-	90	-	90
Accounts	-	84	-	-	20	-	-	13	117
Intergovernmental	1,201	6,113	1,509	105	7,533	269	-	-	16,730
Notes	-	-	-	-	16,143	-	-	30,559	46,702
Prepaid items	-	71	-	-	23	-	-	-	94
Land and improvements held for resale	-	-	-	-	443	-	-	1,983	2,426
Total assets	\$ 1,201	\$ 52,840	\$ 33,901	\$ 1,970	\$ 35,052	\$ 617	\$ 914	\$ 41,804	\$ 168,299
Liabilities, Deferred Inflows of Resources, and Fund Balances:									
Liabilities:									
Accounts payable	\$ 241	\$ 2,047	\$ 1,303	\$ -	\$ 2,601	\$ 10	\$ 7	\$ 8	\$ 6,217
Accrued payroll	-	6	-	-	11	7	-	16	40
Retainage payable	-	26	466	-	122	1	-	1	616
Intergovernmental	4	-	-	-	-	-	1	-	5
Unearned revenue	-	46,030	-	-	15,678	-	-	-	61,708
Due to other funds	956	-	-	-	-	-	-	-	956
Total liabilities	1,201	48,109	1,769	-	18,412	18	8	25	69,542
Deferred Inflows of Resources:									
Unavailable revenue	-	1,525	-	-	16,586	-	-	30,558	48,669
Total deferred inflows of resources	-	1,525	-	-	16,586	-	-	30,558	48,669
Fund Balances:									
Nonspendable:									
Inventories, prepaids, notes, and deposits	-	71	-	-	23	-	-	-	94
Permanent fund principal	-	-	-	-	-	-	-	-	-
Restricted:									
Housing and redevelopment	-	-	-	-	31	-	-	11,221	11,252
Transportation and public works	-	3,135	32,132	1,970	-	599	906	-	38,742
Other purposes	-	-	-	-	-	-	-	-	-
Total fund balances	-	3,206	32,132	1,970	54	599	906	11,221	50,088
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,201	\$ 52,840	\$ 33,901	\$ 1,970	\$ 35,052	\$ 617	\$ 914	\$ 41,804	\$ 168,299

**CITY OF RIVERSIDE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023
(amounts expressed in thousands)**

	Capital Projects Funds			Permanent Fund	Total Non-Major Governmental Funds	
	Special Capital Improvement	Storm Drain	Transportation	Total		Library Special
Assets:						
Cash and investments	\$ 7,624	\$ -	\$ -	\$ 7,624	\$ 1,642	\$ 111,057
Cash and investments with fiscal agent	330	-	-	330	-	330
Receivables, net of allowance for uncollectible						
Interest	26	-	-	26	-	375
Property taxes	-	-	-	-	-	90
Accounts	-	-	-	-	-	117
Intergovernmental	-	946	-	946	-	17,676
Notes	-	-	-	-	-	46,702
Prepaid items	-	-	-	-	-	94
Land and improvements held for resale	-	-	-	-	-	2,426
Total assets	\$ 7,980	\$ 946	\$ -	\$ 8,926	\$ 1,642	\$ 178,867
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable	\$ 73	\$ -	\$ -	\$ 73	\$ -	\$ 6,290
Accrued payroll	-	-	-	-	-	40
Retainage payable	5	-	-	5	-	621
Intergovernmental	-	-	-	-	-	5
Unearned revenue	-	-	-	-	-	61,708
Due to other funds	-	65	-	65	-	1,021
Total liabilities	78	65	-	143	-	69,685
Deferred Inflows of Resources:						
Unavailable revenue	-	-	-	-	-	48,669
Total deferred inflows of resources	-	-	-	-	-	48,669
Fund Balances:						
Nonspendable:						
Inventories, prepaids, notes, and deposits	-	-	-	-	-	94
Permanent fund principal	-	-	-	-	1,642	1,642
Restricted:						
Housing and redevelopment	-	-	-	-	-	11,252
Transportation and public works	-	-	-	-	-	38,742
Other purposes	7,902	881	-	8,783	-	8,783
Total fund balances	7,902	881	-	8,783	1,642	60,513
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,980	\$ 946	\$ -	\$ 8,926	\$ 1,642	\$ 178,867

**CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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	2,008	37,453	15,043	421	20,372	-	-	-	75,297
Charges for services	-	1,554	-	31	-	-	-	-	1,585
Special assessments	-	-	-	-	-	1,796	4,203	-	5,999
Rental and investment income	-	1,225	347	20	289	6	14	302	2,203
Miscellaneous	-	894	-	-	500	-	-	(227)	1,167
Total revenues	2,008	41,126	15,390	472	21,161	1,802	4,217	75	86,251
Expenditures:									
Current:									
General government	-	6,759	-	48	2,644	-	-	1,060	10,511
Public safety	2,008	4,822	-	-	-	-	4,909	-	11,739
Highways and streets	-	487	-	-	-	-	563	-	1,050
Culture and recreation	-	3,059	-	-	-	-	15	-	3,074
Capital outlay	-	822	12,952	242	17,209	1,804	-	-	33,029
Debt service:									
Principal	-	12	-	-	25	-	-	56	93
Interest and fiscal charges	-	-	-	-	14	-	-	30	44
Total expenditures	2,008	15,961	12,952	290	19,892	1,804	5,487	1,146	59,540
Excess/(deficiency) of revenues over/(under) expenditures	-	25,165	2,438	182	1,269	(2)	(1,270)	(1,071)	26,711
Other Financing Sources/(Uses):									
Transfers in	-	200	149	-	-	-	1,435	-	1,784
Transfers out	-	(23,857)	(215)	-	-	-	-	-	(24,072)
Proceeds from sale of capital assets	-	7	-	-	-	-	-	-	7
Issuance of debt related to leases and subscriptions	-	12	-	-	-	-	-	-	12
Total other financing sources/(uses)	-	(23,638)	(66)	-	-	-	1,435	-	(22,269)
Net change in fund balances	-	1,527	2,372	182	1,269	(2)	165	(1,071)	4,442
Fund Balances:									
Beginning of year	-	1,679	29,760	1,788	(1,215)	601	741	12,292	45,646
End of year	\$ -	\$ 3,206	\$ 32,132	\$ 1,970	\$ 54	\$ 599	\$ 906	\$ 11,221	\$ 50,088

**CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

	Capital Projects Funds				Permanent Fund	Total Non-Major Governmental Funds
	Special Capital Improvement	Storm Drain	Transportation	Total	Library Special	
Revenues:						
Licenses and permits	\$ 3,175	\$ 273	\$ -	\$ 3,448	\$ -	\$ 3,448
Intergovernmental	-	2,535	-	2,535	-	77,832
Charges for services	-	-	-	-	-	1,585
Special assessments	-	-	-	-	-	5,999
Rental and investment income	75	185	-	260	26	2,489
Miscellaneous	-	-	-	-	279	1,446
Total revenues	3,250	2,993	-	6,243	305	92,799
Expenditures:						
Current:						
General government	49	-	-	49	-	10,560
Public safety	-	-	-	-	-	11,739
Highways and streets	-	-	-	-	-	1,050
Culture and recreation	-	-	-	-	158	3,232
Capital outlay	510	2,502	-	3,012	-	36,041
Debt service:						
Principal	-	-	-	-	-	93
Interest and fiscal charges	-	-	-	-	-	44
Total expenditures	559	2,502	-	3,061	158	62,759
Excess/(deficiency) of revenues over/(under) expenditures	2,691	491	-	3,182	147	30,040
Other Financing Sources/(Uses):						
Transfers in	-	-	-	-	-	1,784
Transfers out	(1,750)	-	-	(1,750)	-	(25,822)
Proceeds from sale of capital assets	-	-	-	-	-	7
Issuance of debt related to leases and subscriptions	-	-	-	-	-	12
Total other financing sources/(uses)	(1,750)	-	-	(1,750)	-	(24,019)
Net change in fund balances	941	491	-	1,432	147	6,021
Fund Balances:						
Beginning of year	6,961	390	-	7,351	1,495	54,492
End of year	\$ 7,902	\$ 881	\$ -	\$ 8,783	\$ 1,642	\$ 60,513

**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, 2023
(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	\$ 11,697	\$ 2,008	\$ (9,689)	\$ 144,307	\$ 37,453	\$ (106,854)	\$ 16,804	\$ 15,043	\$ (1,761)
Charges for services	-	-	-	1,516	1,554	38	-	-	-
Rental and investment income	-	-	-	-	1,225	1,225	150	347	197
Miscellaneous	-	-	-	1,166	894	(272)	-	-	-
Total revenues	11,697	2,008	(9,689)	146,989	41,126	(105,863)	16,954	15,390	(1,564)
Expenditures:									
Current:									
General government	-	-	-	39,404	6,759	32,645	-	-	-
Public safety	11,697	2,008	9,689	12,662	4,822	7,840	-	-	-
Highways and streets	-	-	-	1,208	487	721	-	-	-
Culture and recreation	-	-	-	38,547	3,059	35,488	-	-	-
Capital outlay	-	-	-	33,060	822	32,238	43,091	12,952	30,139
Principal	-	-	-	-	12	(12)	-	-	-
Total expenditures	11,697	2,008	9,689	124,881	15,961	108,920	43,091	12,952	30,139
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	22,108	25,165	3,057	(26,137)	2,438	28,575
Other Financing Sources/(Uses):									
Transfers in	-	-	-	-	200	200	-	149	149
Transfers out	-	-	-	(24,581)	(23,857)	724	-	(215)	(215)
Proceeds from sale of capital assets	-	-	-	-	7	7	-	-	-
Issuance of debt related to leases and subscriptions	-	-	-	-	12	12	-	-	-
Total other financing sources/(uses)	-	-	-	(24,581)	(23,638)	943	-	(66)	(66)
Net change in fund balance	-	-	-	(2,473)	1,527	4,000	(26,137)	2,372	28,509
Fund Balances:									
Beginning of year	-	-	-	1,679	1,679	-	29,760	29,760	-
End of year	\$ -	\$ -	\$ -	\$ (794)	\$ 3,206	\$ 4,000	\$ 3,623	\$ 32,132	\$ 28,509

**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, 2023
(amounts expressed in thousands)**

	Air Quality Improvements			Housing & Community Development			NPDES 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:									
Intergovernmental	\$ 424	\$ 421	\$ (3)	\$ 45,485	\$ 20,372	\$ (25,113)	\$ 397	\$ -	\$ (397)
Charges for services	75	31	(44)	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	1,887	1,796	(91)
Rental and investment income	-	20	20	250	289	39	-	6	6
Miscellaneous	-	-	-	1,481	500	(981)	-	-	-
Total revenues:	499	472	(27)	47,216	21,161	(26,055)	2,284	1,802	(482)
Expenditures:									
Current:									
General government	475	48	427	3,064	2,644	420	-	-	-
Capital outlay	242	242	-	60,219	17,209	43,010	2,879	1,804	1,075
Debt service:									
Principal	-	-	-	25	25	-	-	-	-
Interest and fiscal charges	-	-	-	14	14	-	-	-	-
Total expenditures	717	290	427	63,322	19,892	43,430	2,879	1,804	1,075
Excess/(deficiency) of revenues over/(under) expenditures	(218)	182	400	(16,106)	1,269	17,375	(595)	(2)	593
Other Financing Sources/(Uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	(218)	182	400	(16,106)	1,269	17,375	(595)	(2)	593
Fund Balances:									
Beginning of year	1,788	1,788	-	(1,215)	(1,215)	-	601	601	-
End of year	\$ 1,570	\$ 1,970	\$ 400	\$ (17,321)	\$ 54	\$ 17,375	\$ 6	\$ 599	\$ 593

**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, 2023
(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	\$ 4,118	\$ 4,203	\$ 85	\$ -	\$ -	\$ -
Rental and investment income	-	14	14	-	302	302
Miscellaneous	-	-	-	-	(227)	(227)
Total revenues	4,118	4,217	99	-	75	75
Expenditures:						
Current:						
General government	-	-	-	2,872	1,060	1,812
Public safety	4,744	4,909	(165)	-	-	-
Highways and streets	748	563	185	-	-	-
Culture and recreation	353	15	338	-	-	-
Debt service:						
Principal	-	-	-	56	56	-
Interest and fiscal charges	-	-	-	30	30	-
Total expenditures	5,845	5,487	358	2,958	1,146	1,812
Excess/(deficiency) of revenues over/(under) expenditures	(1,727)	(1,270)	457	(2,958)	(1,071)	1,887
Other Financing Sources/(Uses):						
Transfers in	1,399	1,435	36	-	-	-
Total other financing sources/(uses)	1,399	1,435	36	-	-	-
Net change in fund balances	(328)	165	493	(2,958)	(1,071)	1,887
Fund Balances:						
Beginning of year	741	741	-	12,292	12,292	-
End of year	\$ 413	\$ 906	\$ 493	\$ 9,334	\$ 11,221	\$ 1,887

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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	\$ 3,175	\$ 590	\$ 179	\$ 273	\$ 94
Intergovernmental	53,153	14,853	(38,300)	-	-	-	26,481	2,535	(23,946)
Special assessments	680	542	(138)	-	-	-	-	-	-
Rental and investment income	180	668	488	30	75	45	13	185	172
Miscellaneous	-	249	249	-	-	-	-	-	-
Total revenues	54,013	16,312	(37,701)	2,615	3,250	635	26,673	2,993	(23,680)
Expenditures:									
Current:									
General government	-	-	-	47	49	(2)	-	-	-
Capital outlay	185,267	20,982	164,285	1,221	510	711	26,926	2,502	24,424
Debt service:									
Interest and fiscal charges	2	-	2	-	-	-	-	-	-
Total expenditures	185,269	20,982	164,287	1,268	559	709	26,926	2,502	24,424
Excess/(deficiency) of revenues over/(under) expenditures	(131,256)	(4,670)	126,586	1,347	2,691	1,344	(253)	491	744
Other Financing Sources/(Uses):									
Transfers in	37,900	38,115	215	-	-	-	-	-	-
Transfers out	(2,999)	(3,148)	(149)	(1,750)	(1,750)	-	-	-	-
Issuance of long-term debt	57,700	-	(57,700)	-	-	-	-	-	-
Total other financing sources/(uses)	92,601	34,967	(57,634)	(1,750)	(1,750)	-	-	-	-
Net change in fund balance	(38,655)	30,297	68,952	(403)	941	1,344	(253)	491	744
Fund Balances:									
Beginning of year	52,504	52,504	-	6,961	6,961	-	390	390	-
End of year	\$ 13,849	\$ 82,801	\$ 68,952	\$ 6,558	\$ 7,902	\$ 1,344	\$ 137	\$ 881	\$ 744

**CITY OF RIVERSIDE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023
 (amounts expressed in thousands)**

	Transportation		
	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 163	\$ -	\$ (163)
Total revenues	163	-	(163)
Expenditures:			
Capital outlay	163	-	163
Total expenditures	163	-	163
Other Financing Sources/(Uses):			
Transfers in	-	-	-
Fund Balances:			
Beginning of year	-	-	-
End of year	\$ -	\$ -	\$ -

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, 2023
(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	\$ 1,717	\$ 12,981	\$ 4,633	\$ 5,458	\$ 2,333	\$ 27,122
Receivables, net of allowance for uncollectible						
Interest	10	57	17	23	16	123
Utility billed	-	2,176	-	-	-	2,176
Utility unbilled	-	1,102	-	-	-	1,102
Accounts	290	384	25	270	377	1,346
Property taxes	1	-	-	-	-	1
Intergovernmental	108	-	100	9	3,135	3,352
Leases receivable	237	-	-	237	-	474
Inventory	-	-	-	-	89	89
Prepaid items	-	8	-	-	75	83
Deposits	-	-	-	-	300	300
Restricted assets:						
Cash and cash equivalents	-	2,500	-	-	-	2,500
Total current assets	2,363	19,208	4,775	5,997	6,325	38,668
Noncurrent assets:						
Leases receivable	2,293	-	-	2,102	-	4,395
Regulatory assets	-	9,024	-	-	-	9,024
Derivative instruments	-	-	-	-	1,088	1,088
Capital assets, net of accumulated depreciation	20,490	4,083	1,945	27,869	89,073	143,460
Lease and subscription assets, net of amortization	5	9	4	164	-	182
Total noncurrent assets	22,788	13,116	1,949	30,135	90,161	158,149
Total assets	25,151	32,324	6,724	36,132	96,486	196,817
Deferred Outflows of Resources:						
Changes in derivative values	-	-	-	-	844	844
Deferred charge on refunding	-	-	-	-	579	579
Pension related items	382	2,593	1,523	686	-	5,184
OPEB related items	23	192	131	22	-	368
Total deferred outflows of resources	405	2,785	1,654	708	1,423	6,975

(Continued)

**CITY OF RIVERSIDE
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2023
(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	150	1,773	4,095	613	1,225	7,856
Accrued payroll	13	123	51	19	-	206
Retainage payable	1	-	-	62	100	163
Unearned revenue	41	-	646	-	32	719
Deposits	-	-	-	-	682	682
Accrued interest	-	-	-	45	-	45
Long-term obligations	61	453	177	1,243	4,163	6,097
Compensated absences	75	372	175	33	-	655
Landfill capping	-	559	-	-	-	559
OPEB liability	6	57	29	12	-	104
Lease liability	1	1	2	75	-	79
SBITA liability	1	5	-	-	-	6
Total current liabilities	349	3,343	5,175	2,102	6,202	17,171
Noncurrent liabilities:						
Long-term obligations	623	4,177	1,966	12,614	53,759	73,139
Compensated absences	2	13	5	1	-	21
Landfill capping	-	8,866	-	-	-	8,866
Regulatory liability	-	-	-	-	42	42
Derivative instruments	-	-	-	-	1,465	1,465
Net pension liability	424	2,876	1,690	761	-	5,751
OPEB liability	146	1,281	660	269	-	2,356
Lease liability	2	2	3	92	-	99
SBITA liability	-	1	-	-	-	1
Total noncurrent liabilities	1,197	17,216	4,324	13,737	55,266	91,740
Total liabilities	1,546	20,559	9,499	15,839	61,468	108,911
Deferred Inflows of Resources:						
Change in derivative values	-	-	-	-	1,064	1,064
Pension related items	39	266	156	70	-	531
OPEB related items	30	271	152	61	-	514
Lease related items	2,622	-	-	2,432	-	5,054
Total deferred inflows of resources	2,691	537	308	2,563	1,064	7,163
Net Position:						
Net investment in capital assets	20,491	3,592	1,944	15,067	31,731	72,825
Landfill capping	-	2,500	-	-	-	2,500
Unrestricted/(deficit)	828	7,921	(3,373)	3,371	3,646	12,393
Total net position	\$ 21,319	\$ 14,013	\$ (1,429)	\$ 18,438	\$ 35,377	\$ 87,718

**CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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	\$ 1,872	\$ 31,477	\$ 258	\$ 6,084	\$ 18,158	\$ 57,849
Total operating revenues	1,872	31,477	258	6,084	18,158	57,849
Operating Expenses:						
Personnel services	751	6,138	2,858	602	-	10,349
Contractual services	237	7,444	67	2,340	7,622	17,710
Maintenance and operation General	370	11,129	533	536	214	12,782
Materials and supplies	205	4,391	705	274	14,484	20,059
Claims/Insurance	16	1,931	217	7	-	2,171
Depreciation	43	160	73	101	334	711
Amortization	737	862	281	972	3,032	5,884
Total operating expenses	2,362	32,625	4,736	4,907	25,686	70,316
Operating income/(loss)	(490)	(1,148)	(4,478)	1,177	(7,528)	(12,467)
Nonoperating Revenues/(Expenses):						
Grant subsidies	12	-	4,150	-	212	4,374
Interest revenue	61	84	19	47	6	217
Interest expense and fiscal charges	(23)	(152)	(72)	(586)	(2,012)	(2,845)
Other	(15)	407	(1)	(94)	2	299
Gain/(loss) on disposal of capital assets	-	14	-	-	-	14
Total nonoperating revenues/(expenses):	35	353	4,096	(633)	(1,792)	2,059
Income/(loss) before contributions and transfers	(455)	(795)	(382)	544	(9,320)	(10,408)
Capital contributions	194	-	99	-	1,187	1,480
Transfers in	-	11,000	-	3,500	10,575	25,075
Change in net position	(261)	10,205	(283)	4,044	2,442	16,147
Net Position						
Beginning of year	21,580	3,808	(1,146)	14,394	32,935	71,571
End of year	\$ 21,319	\$ 14,013	\$ (1,429)	\$ 18,438	\$ 35,377	\$ 87,718

**CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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	\$ 1,660	\$ 32,618	\$ 234	\$ 6,300	\$ 18,244	\$ 59,056
Cash paid to suppliers for goods or services	(809)	(26,148)	(1,573)	(3,240)	(22,858)	(54,628)
Cash paid to employees for services	(764)	(6,157)	(2,847)	(619)	-	(10,387)
Net cash provided/(used) by operating activities	87	313	(4,186)	2,441	(4,614)	(5,959)
Cash Flows from Non-Capital Financing Activities:						
Transfers in	-	11,000	-	3,500	10,575	25,075
Debt service payment on pension obligation bonds	(52)	(291)	(148)	(76)	-	(567)
Other non-operating receipts	42	408	(1)	(40)	2	411
Grant subsidies	12	-	5,676	-	212	5,900
Net cash provided/(used) by non-capital financing activities	2	11,117	5,527	3,384	10,789	30,819
Cash Flows from Capital and Related Financing Activities:						
Purchase of capital assets	(209)	(1,340)	(20)	(617)	(1,120)	(3,306)
Proceeds from sales of capital assets	-	14	-	-	-	14
Principal paid on long-term obligations	-	(103)	-	(1,105)	(4,020)	(5,228)
Interest paid on long-term obligations	(23)	(152)	(72)	(591)	(2,065)	(2,903)
Contributions	194	-	99	-	1,187	1,480
Lease and subscription payments	(3)	(6)	(2)	(77)	-	(88)
Net cash provided/(used) by capital and related financing activities	(41)	(1,587)	5	(2,390)	(6,018)	(10,031)
Cash Flows from Investing Activities:						
Interest from investments	59	41	8	29	(4)	133
Net cash provided/(used) by investing activities	59	41	8	29	(4)	133
Net increase/(decrease) in cash and cash equivalents	107	9,884	1,354	3,464	153	14,962
Cash and cash equivalents at beginning of year	1,610	5,597	3,279	1,994	2,180	14,660
Cash and cash equivalents at end of year	\$ 1,717	\$ 15,481	\$ 4,633	\$ 5,458	\$ 2,333	\$ 29,622

**CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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)	\$ (490)	\$ (1,148)	\$ (4,478)	\$ 1,177	\$ (7,528)	\$ (12,467)
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:						
Depreciation	737	862	281	972	3,032	5,884
Amortization	3	570	2	75	-	650
(Increase)/decrease in utility billed receivable	-	1,282	-	-	-	1,282
(Increase)/decrease in utility unbilled receivable	-	(49)	-	-	-	(49)
(Increase)/decrease in accounts receivable	(119)	(92)	(24)	197	1,510	1,472
(Increase)/decrease in property tax receivable	20	-	-	-	-	20
(Increase)/decrease in intergovernmental receivable	(107)	-	-	18	-	(89)
(Increase)/decrease in inventory	-	-	-	-	(10)	(10)
(Increase)/decrease in prepaid items	-	(5)	-	-	(40)	(45)
(Increase)/decrease in deposits	-	-	-	-	6	6
Increase/(decrease) in accounts payable	78	(687)	24	(42)	217	(410)
Increase/(decrease) in accrued payroll	1	39	16	(3)	-	53
Increase/(decrease) in retainage payable	(18)	-	-	62	(378)	(334)
Increase/(decrease) in unearned revenue	(4)	-	-	-	(1,457)	(1,461)
Increase/(decrease) in deposits payable	-	-	-	-	34	34
Increase/(decrease) in compensated absences	(1)	29	39	3	-	70
Increase/(decrease) in landfill capping liability	-	(396)	-	-	-	(396)
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(19)	(145)	(73)	(32)	-	(269)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	6	53	27	14	-	100
Total adjustments	577	1,461	292	1,264	2,914	6,508
Net cash provided/(used) by operating activities	\$ 87	\$ 313	\$ (4,186)	\$ 2,441	\$ (4,614)	\$ (5,959)

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, 2023
(amounts expressed in thousands)**

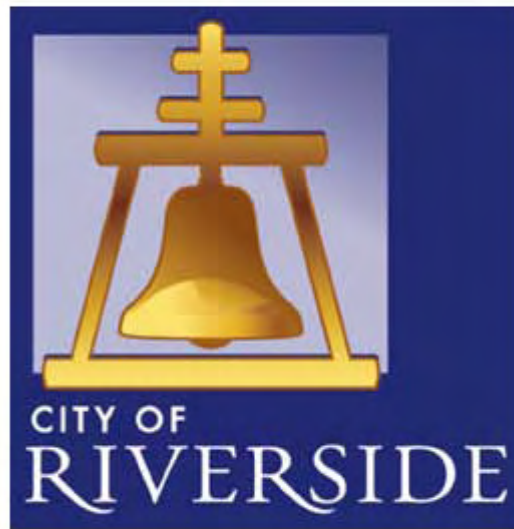
	Governmental Activities - Internal Service Funds			
	Self Insurance	Central Stores	Central Garage	Total Internal
	Trust			Service Funds
Assets:				
Current assets:				
Cash and investments	\$ 29,386	\$ -	\$ 10,786	\$ 40,172
Receivables, net of allowance for uncollectible				
Interest	102	-	38	140
Accounts	70	-	55	125
Intergovernmental	57	-	229	286
Inventory	-	8,592	476	9,068
Prepaid items	-	-	2	2
Total current assets	29,615	8,592	11,586	49,793
Noncurrent assets:				
Capital assets, net of accumulated depreciation	-	83	7,960	8,043
Lease and subscription assets, net of amortization	13	1	8	22
Total noncurrent assets	13	84	7,968	8,065
Total assets	29,628	8,676	19,554	57,858
Deferred Outflows of Resources:				
Pension related items	576	408	1,900	2,884
OPEB related items	46	27	115	188
Total deferred outflows of resources	622	435	2,015	3,072
Liabilities:				
Current liabilities:				
Accounts payable	277	626	330	1,233
Accrued payroll	17	14	65	96
Due to other funds	-	645	-	645
Long-term obligations	46	49	360	455
Compensated absences	47	88	204	339
Claims and judgments	12,834	-	-	12,834
OPEB liability	7	8	33	48
Lease liability	4	-	1	5
SBITA liability	-	1	3	4
Total current liabilities	13,232	1,431	996	15,659
Noncurrent liabilities:				
Long-term obligations	526	528	3,209	4,263
Compensated absences	17	33	76	126
Claims and judgments	40,278	-	-	40,278
Net pension liability	639	453	2,107	3,199
OPEB liability	167	172	756	1,095
Lease liability	7	-	3	10
SBITA liability	-	-	1	1
Total noncurrent liabilities	41,634	1,186	6,152	48,972
Total liabilities	54,866	2,617	7,148	64,631
Deferred Inflows of Resources:				
Pension related items	59	42	195	296
OPEB related items	54	44	138	236
Total deferred inflows of resources	113	86	333	532
Net Position:				
Net investment in capital assets	2	83	7,960	8,045
Unrestricted/(deficit)	(24,731)	6,325	6,128	(12,278)
Total net position	\$ (24,729)	\$ 6,408	\$ 14,088	\$ (4,233)

**CITY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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	\$ 21,005	\$ 1,580	\$ 8,979	\$ 31,564
Total operating revenues	21,005	1,580	8,979	31,564
Operating Expenses:				
Personnel services	1,049	870	3,457	5,376
Contractual services	662	6	217	885
Maintenance and operation General	5	40	3,396	3,441
Materials and supplies	6,095	128	1,407	7,630
Claims/Insurance	2	11	171	184
Depreciation	4,043	10	145	4,198
Amortization	-	11	925	936
	4	1	5	10
Total operating expenses	11,860	1,077	9,723	22,660
Operating income (loss)	9,145	503	(744)	8,904
Nonoperating Revenues/(Expenses):				
Interest revenue	578	-	185	763
Interest expense and fiscal charges	(19)	(19)	(115)	(153)
Other	145	-	1	146
Gain/(loss) on disposal of capital assets	-	-	51	51
Total nonoperating revenues/(expenses)	704	(19)	122	807
Income/(loss) before contributions and operating transfers	9,849	484	(622)	9,711
Capital contributions	-	-	239	239
Change in net position	9,849	484	(383)	9,950
Beginning of year	(34,578)	5,924	14,471	(14,183)
End of year	\$ (24,729)	\$ 6,408	\$ 14,088	\$ (4,233)

**CITY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023
(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 interfund services provided	\$ 21,095	\$ 1,580	\$ 9,027	\$ 31,702
Cash paid to suppliers for goods and services	(36,499)	(1,230)	(5,454)	(43,183)
Cash paid to employees for services	(1,052)	(892)	(3,497)	(5,441)
Net cash provided/(used) by operating activities	(16,456)	(542)	76	(16,922)
Cash Flows from Non-Capital Financing Activities:				
Payments from other funds	-	606	-	606
Debt service payment on pension obligation bonds	(38)	(41)	(211)	(290)
Other non-operating receipts	145	-	1	146
Net cash provided/(used) by non-capital financing activities	107	565	(210)	462
Cash Flows from Capital and Related Financing Activities:				
Purchase of capital assets	-	(2)	(1,187)	(1,189)
Proceeds from sales of capital assets	-	-	51	51
Interest paid on long-term obligations	(19)	(19)	(116)	(154)
Lease and subscription payments	(4)	(2)	(10)	(16)
Net cash provided/(used) by capital and related financing activities	(23)	(23)	(1,262)	(1,308)
Cash Flows from Investing Activities:				
Interest from investments	567	-	171	738
Net cash provided/(used) by capital and related financing activities	567	-	171	738
Net increase/(decrease) in cash and cash equivalents	(15,805)	-	(1,225)	(17,030)
Cash and cash equivalents at beginning of year	45,191	-	12,011	57,202
Cash and cash equivalents at end of year	\$ 29,386	\$ -	\$ 10,786	\$ 40,172
Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:				
Operating income/(loss)	\$ 9,145	\$ 503	\$ (744)	\$ 8,904
Adjustments to Reconcile Operating Income/(Loss) Net Cash Provided/(Used) by Operating Activities:				
Depreciation	-	11	925	936
Amortization	4	1	5	10
(Increase)/decrease in accounts receivable	(41)	-	41	-
(Increase)/decrease in intergovernmental receivable	128	-	1	129
(Increase)/decrease in inventory	-	(885)	14	(871)
Increase/(decrease) in accounts payable	(15)	(150)	(122)	(287)
Increase/(decrease) in accrued payroll	5	(1)	15	19
Increase/(decrease) in retainage payable	-	-	(6)	(6)
Increase/(decrease) in compensated absences	15	(17)	10	8
Increase/(decrease) in claims and judgments	(25,678)	-	-	(25,678)
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(28)	(13)	(89)	(130)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	9	9	26	44
Total adjustments	(25,601)	(1,045)	820	(25,826)
Net cash provided/(used) by operating activities	\$ (16,456)	\$ (542)	\$ 76	\$ (16,922)



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

**CITY OF RIVERSIDE
BALANCE SHEET
COMBINING GENERAL FUND SCHEDULE
JUNE 30, 2023
(amounts expressed in thousands)**

	<u>General Fund</u>	<u>Measure Z Fund</u>	<u>Total General Fund</u>
Assets:			
Cash and investments	\$ 141,168	\$ 55,022	\$ 196,190
Cash and investments with fiscal agent	32,695	11,272	43,967
Receivables, net of allowance for uncollectible			
Interest	469	225	694
Property taxes	1,988	-	1,988
Sales taxes	16,052	14,866	30,918
Utility billed	2,320	-	2,320
Utility unbilled	945	-	945
Accounts	12,686	7	12,693
Intergovernmental	4,615	-	4,615
Notes	10	-	10
Leases receivable	9,213	-	9,213
Prepaid items	1,644	286	1,930
Due from other funds	1,666	-	1,666
Land and improvements held for resale	175	-	175
Total assets	\$ 225,646	\$ 81,678	\$ 307,324
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable	\$ 8,054	\$ 6,196	\$ 14,250
Accrued payroll	14,813	427	15,240
Retainage payable	4	2	6
Intergovernmental	139	-	139
Deposits	11,805	-	11,805
Total liabilities	34,815	6,625	41,440
Deferred Inflows of Resources:			
Unavailable revenue	3,346	-	3,346
Lease related items	9,161	-	9,161
Total deferred inflows of resources	12,507	-	12,507
Fund Balances:			
Nonspendable:			
Inventories, prepaids, and deposits	1,654	286	1,940
Land and improvements held for resale	175	-	175
Restricted:			
Unfunded accrued liability	32,695	-	32,695
Committed:			
Economic contingency	65,500	5,000	70,500
Other purposes	40,801	-	40,801
Assigned:			
General government	3,978	619	4,597
Public safety	956	4,958	5,914
Highways and streets	702	4,183	4,885
Culture and recreation	1,412	15	1,427
Continuing projects	5,751	12,992	18,743
Unassigned	24,700	47,000	71,700
Total fund balances	178,324	75,053	253,377
Total liabilities, deferred inflows of resources, and fund balances	\$ 225,646	\$ 81,678	\$ 307,324

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINING GENERAL FUND SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

	<u>General Fund</u>	<u>Measure Z Fund</u>	<u>Total General Fund</u>
Revenues:			
Taxes	\$ 226,504	\$ 84,016	\$ 310,520
Licenses and permits	12,446	-	12,446
Intergovernmental	2,720	-	2,720
Charges for services	16,393	-	16,393
Fines and forfeitures	1,131	-	1,131
Special assessments	305	-	305
Rental and investment income	5,737	(1,105)	4,632
Miscellaneous	4,335	10	4,345
Total revenues	269,571	82,921	352,492
Expenditures:			
Current:			
General government	13,155	3,548	16,703
Public safety	183,189	24,631	207,820
Highways and streets	19,681	1,593	21,274
Culture and recreation	35,808	451	36,259
Capital outlay	4,237	12,578	16,815
Debt service:			
Principal	1,948	155	2,103
Interest and fiscal charges	206	22	228
Total expenditures	258,224	42,978	301,202
Excess/(deficiency) of revenues over/(under) expenditures	11,347	39,943	51,290
Other Financing Sources/(Uses):			
Transfers in	67,229	-	67,229
Transfers out	(63,875)	(36,406)	(100,281)
Transfers in/(out) to General Fund *	18,266	(18,266)	-
Proceeds from sale of capital assets	4,228	-	4,228
Issuance of debt related to leases and subscriptions	3,356	337	3,693
Total other financing sources/(uses)	29,204	(54,335)	(25,131)
Net change in fund balance	40,551	(14,392)	26,159
Fund Balances:			
Beginning of year	137,773	89,445	227,218
End of year	\$ 178,324	\$ 75,053	\$ 253,377

* 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, 2023
(amounts expressed in thousands)

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
Assets:			
Cash and investments	\$ 51,456	\$ 29,288	\$ 80,744
Receivables, net of allowance for uncollectible			
Interest	184	88	272
Accounts	451	4	455
Intergovernmental	3,941	-	3,941
Total assets	\$ 56,032	\$ 29,380	\$ 85,412
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Balances:			
Liabilities:			
Accounts payable	\$ 363	\$ 1,750	\$ 2,113
Retainage payable	34	45	79
Unearned revenue	265	-	265
Total liabilities	662	1,795	2,457
Deferred Inflows of Resources:			
Unavailable revenue	154	-	154
Total deferred inflows of resources	154	-	154
Fund Balances:			
Restricted:			
Transportation and public works	55,216	27,585	82,801
Total fund balances	55,216	27,585	82,801
Total liabilities, deferred inflows of resources, and fund balances	\$ 56,032	\$ 29,380	\$ 85,412

**CITY OF RIVERSIDE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMBINING CAPITAL OUTLAY FUND SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2023
(amounts expressed in thousands)**

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
Revenues:			
Intergovernmental	\$ 14,853	\$ -	\$ 14,853
Special assessments	542	-	542
Rental and investment income	314	354	668
Miscellaneous	249	-	249
Total revenues	15,958	354	16,312
Expenditures:			
Capital outlay	5,987	14,995	20,982
Total expenditures	5,987	14,995	20,982
Excess/(deficiency) of revenues over/(under) expenditures	9,971	(14,641)	(4,670)
Other Financing Sources/(Uses):			
Transfers in	11,940	26,175	38,115
Transfers out	(3,148)	-	(3,148)
Total other financing sources/(uses)	8,792	26,175	34,967
Net change in fund balances	18,763	11,534	30,297
Fund Balances:			
Beginning of year	36,453	16,051	52,504
End of year	\$ 55,216	\$ 27,585	\$ 82,801

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.	113
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.	118
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.	128
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.	134
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.	137

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)

	<u>2014</u>	<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>
Governmental Activities										
Net investment in capital assets	\$ 1,106,384	\$ 1,126,220	\$ 1,123,910	\$ 1,102,409	\$ 1,093,896	\$ 1,102,837	\$ 1,081,991	\$ 1,170,232	\$ 1,176,215	\$ 1,198,815
Restricted - Expendable	96,587	105,847	106,488	104,853	112,183	126,551	153,806	164,809	203,038	237,159
Restricted - Nonexpendable	-	-	-	-	-	-	-	-	-	1,642
Unrestricted	(2,049)	(406,388)	(389,278)	(362,146)	(364,500)	(356,340)	(369,222)	(366,713)	(284,713)	(242,886)
Total governmental activities net position	\$ 1,200,922	\$ 825,679	\$ 841,120	\$ 845,116	\$ 841,579	\$ 873,048	\$ 866,575	\$ 968,328	\$ 1,094,540	\$ 1,194,730
Business-Type Activities										
Net investment in capital assets	\$ 616,844	\$ 626,166	\$ 654,870	\$ 702,844	\$ 800,227	\$ 867,206	\$ 751,865	\$ 756,116	\$ 774,469	\$ 790,844
Restricted - Expendable	68,507	75,660	85,526	93,570	80,717	67,057	75,170	78,885	85,666	96,638
Unrestricted	359,698	209,469	235,144	245,116	199,143	155,468	272,776	263,837	284,977	283,132
Total business-type activities net position	\$ 1,045,049	\$ 911,295	\$ 975,540	\$ 1,041,530	\$ 1,080,087	\$ 1,089,731	\$ 1,099,811	\$ 1,098,838	\$ 1,145,112	\$ 1,170,614
Primary Government										
Net investment in capital assets	\$ 1,723,228	\$ 1,752,386	\$ 1,778,780	\$ 1,805,253	\$ 1,894,123	\$ 1,970,043	\$ 1,833,856	\$ 1,926,348	\$ 1,950,684	\$ 1,989,659
Restricted - Expendable	165,094	181,507	192,014	198,423	192,900	193,608	228,976	243,694	288,704	333,797
Restricted - Nonexpendable	-	-	-	-	-	-	-	-	-	1,642
Unrestricted	357,649	(196,919)	(154,134)	(117,030)	(165,357)	(200,872)	(96,446)	(102,876)	264	40,246
Total primary government net position	\$ 2,245,971	\$ 1,736,974	\$ 1,816,660	\$ 1,886,646	\$ 1,921,666	\$ 1,962,779	\$ 1,966,386	\$ 2,067,166	\$ 2,239,652	\$ 2,365,344

**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									
	2014 ¹	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General government	\$ 39,331	\$ 26,587	\$ 24,483	\$ 44,510	\$ 45,360	\$ 51,139	\$ 63,651	\$ 97,927	\$ 66,937	\$ 34,258
Public safety	149,555	154,123	161,284	160,665	216,772	201,942	222,061	219,136	169,742	239,744
Highways and streets	36,564	36,563	38,836	38,585	42,544	43,770	46,983	42,034	41,125	50,588
Cultural and recreation	42,252	45,594	47,762	49,406	38,362	31,200	37,400	37,693	38,885	50,863
Interest on long-term debt and fiscal charges	17,741	17,025	16,387	16,028	12,414	10,045	13,181	19,083	19,806	18,598
Total governmental activities	285,443	279,892	288,752	309,194	355,452	338,096	383,276	415,873	336,495	394,051
Business-Type Activities:										
Electric	304,416	309,874	307,925	317,335	333,061	347,804	350,667	366,165	349,004	401,427
Water	60,030	62,792	57,769	62,189	68,281	70,912	73,742	71,738	69,303	76,475
Sewer	40,385	35,593	39,978	38,305	54,136	70,137	62,961	61,029	59,060	67,195
Airport	1,662	1,809	1,799	1,998	2,179	1,972	2,304	2,326	1,944	2,385
Refuse	20,831	20,007	21,652	21,953	22,082	24,205	26,549	28,428	28,449	32,777
Transportation	4,067	4,385	4,113	4,221	4,782	4,493	4,607	4,623	3,758	4,808
Public Parking	4,610	5,604	5,141	5,448	6,186	5,151	4,628	4,684	4,566	5,493
Civic Entertainment	-	-	-	-	19,995	24,151	21,584	11,885	21,804	27,698
Total business-type activities	436,001	440,064	438,377	451,449	510,702	548,825	547,042	550,878	537,888	618,258
Total primary government expenses	\$ 721,444	\$ 719,956	\$ 727,129	\$ 760,643	\$ 866,154	\$ 886,921	\$ 930,318	\$ 966,751	\$ 874,383	\$ 1,012,309
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 13,775	\$ 17,600	\$ 24,944	\$ 27,441	\$ 24,605	\$ 29,281	\$ 25,698	\$ 11,485	\$ 13,721	\$ 14,046
Public safety	7,444	7,256	3,243	1,167	1,880	2,443	2,138	7,649	14,491	14,963
Highways and streets	17,487	13,868	5,709	5,930	5,554	6,036	5,174	11,278	6,090	7,288
Cultural and recreation	7,406	16,319	12,458	22,802	6,078	7,465	5,050	3,694	6,770	6,790
Operating grants and contributions	14,341	12,869	16,321	19,374	22,548	23,966	21,779	64,405	50,378	59,368
Capital grants and contributions	48,433	43,904	31,216	7,617	18,039	27,450	19,945	28,284	38,508	34,305
Total governmental activities	108,886	111,816	93,891	84,331	78,704	96,641	79,784	126,795	129,958	136,760
Business-Type Activities:										
Charges for services:										
Electric	-	347,621	354,530	366,066	364,516	363,570	368,969	376,101	397,947	419,392
Water	68,691	66,051	57,250	62,627	66,828	65,177	70,167	80,252	80,535	78,703
Sewer	46,162	50,336	52,664	59,735	65,081	64,282	64,114	66,323	71,557	72,140
Airport	1,100	1,260	1,549	1,578	1,562	1,618	1,743	1,709	1,728	1,872
Refuse	20,677	21,360	21,806	22,567	23,085	23,004	25,109	26,468	29,768	31,477
Transportation	413	385	377	359	441	444	309	65	168	258
Public Parking	4,382	4,609	4,918	5,009	6,258	4,604	4,301	2,968	4,888	6,084
Civic Entertainment	-	-	-	-	16,393	16,977	12,233	1,381	11,883	18,158
Operating grants and contributions	2,524	3,869	2,322	3,751	3,374	3,093	3,473	3,976	5,866	4,374
Capital grants and contributions	11,486	8,027	18,868	24,151	26,957	10,607	13,979	12,273	20,527	15,483
Total business-type activities	155,435	503,518	514,284	545,843	574,495	553,376	564,397	571,516	624,867	647,941
Total primary government program revenues	\$ 264,321	\$ 615,334	\$ 608,175	\$ 630,174	\$ 653,199	\$ 650,017	\$ 644,181	\$ 698,311	\$ 754,825	\$ 784,701

**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									
	2014 ¹	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Revenues/(Expenses)										
Governmental Activities	\$ (176,557)	\$ (168,076)	\$ (194,861)	\$ (224,863)	\$ (276,748)	\$ (241,455)	\$ (303,492)	\$ (289,078)	\$ (206,537)	\$ (257,291)
Business-Type Activities	(280,566)	63,454	75,907	94,394	63,793	4,551	17,355	20,638	86,979	29,683
Total primary government net revenues/(expenses)	\$ (457,123)	\$ (104,622)	\$ (118,954)	\$ (130,469)	\$ (212,955)	\$ (236,904)	\$ (286,137)	\$ (268,440)	\$ (119,558)	\$ (227,608)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Sales taxes	\$ 55,096	\$ 59,437	\$ 60,976	\$ 75,883	\$ 120,338	\$ 130,645	\$ 128,653	\$ 150,321	\$ 173,933	\$ 177,722
Property taxes	51,323	54,864	55,545	59,526	63,515	69,478	72,609	71,986	79,790	84,751
Utility users' taxes	28,092	28,076	27,828	27,958	27,498	28,009	29,044	30,577	32,464	34,963
Franchise taxes	5,046	5,543	5,730	4,814	4,972	5,256	5,443	5,527	5,955	6,422
Transient occupancy taxes	4,189	5,280	6,093	6,622	6,793	7,163	5,959	5,801	8,764	8,587
Intergovernmental, unrestricted	263	3,153	477	145	172	156	656	499	661	467
Rental and investment income	2,759	3,233	729	6,145	5,187	7,500	10,185	4,969	(7,613)	8,817
Miscellaneous	5,425	12,395	11,708	2,050	4,278	-	9,146	5,988	3,876	10,331
Transfers	43,100	42,681	41,216	45,716	41,459	37,115	35,324	34,879	34,915	25,421
Total governmental activities	195,293	214,662	210,302	228,859	274,212	285,322	297,019	310,547	332,745	357,481
Business-Type Activities:										
Investment income	8,005	5,319	6,888	2,650	3,939	19,488	19,838	681	(13,324)	11,191
Miscellaneous	7,081	7,652	22,666	14,662	12,901	10,322	8,211	11,986	12,639	10,049
Extraordinary items	-	-	-	-	-	-	-	-	(5,748)	-
Transfers	(43,100)	(42,681)	(41,216)	(45,716)	(41,459)	(37,115)	(35,324)	(34,278)	(34,915)	(25,421)
Total business-type activities	(28,014)	(29,710)	(11,662)	(28,404)	(24,619)	(7,305)	(7,275)	(21,611)	(41,348)	(4,181)
Total primary government	167,279	184,952	198,640	200,455	249,593	278,017	289,744	288,936	291,397	353,300
Change in Net Position										
Governmental Activities	\$ 18,736	\$ 46,586	\$ 15,441	\$ 3,996	\$ (2,536)	\$ 43,867	\$ (6,473)	\$ 21,469	\$ 126,208	\$ 100,190
Business-Type Activities	(308,580)	33,744	64,245	65,990	39,174	(2,754)	10,080	(973)	45,631	25,502
Total primary government	\$ (289,844)	\$ 80,330	\$ 79,686	\$ 69,986	\$ 36,638	\$ 41,113	\$ 3,607	\$ 20,496	\$ 171,839	\$ 125,692

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 24,419	\$ 23,642	\$ 23,094	\$ 26,168	\$ 1,947	\$ 949	\$ 1,446	\$ 1,870	\$ 2,087	\$ 2,115
Restricted	2,204	2,985	3,067	2,651	2,991	3,411	10,699	10,697	30,715	32,695
Committed	-	-	-	-	53,800	65,916	59,280	62,400	82,801	111,301
Assigned	14,505	13,965	9,922	14,968	23,242	26,984	21,260	24,890	41,707	35,566
Unassigned	37,732	39,059	29,495	39,283	7,644	23,907	41,184	59,790	69,908	71,700
Total general fund	\$ 78,860	\$ 79,651	\$ 65,578	\$ 83,070	\$ 89,624	\$ 121,167	\$ 133,869	\$ 159,647	\$ 227,218	\$ 253,377
All Other Governmental Funds										
Nonspendable	\$ 1,460	\$ 1,625	\$ 1,619	\$ 1,601	\$ 4,855	\$ 1,560	\$ 1,510	\$ 1,477	\$ 1,495	\$ 1,736
Restricted for:										
Housing and redevelopment	26,223	25,523	24,746	24,098	18,827	16,668	16,611	18,553	12,292	11,252
Debt service	26,177	26,203	26,221	6,455	11,509	6,825	11,210	11,292	11,679	14,059
Transportation and public works	54,876	36,347	36,876	34,178	43,499	91,379	84,413	78,884	87,073	121,543
Other purposes	321	2,326	3,628	4,145	3,451	5,505	5,984	6,275	7,351	8,783
Unassigned	-	-	-	(24)	-	-	(27)	-	(1,215)	-
Total all other governmental funds	\$ 109,057	\$ 92,024	\$ 93,090	\$ 70,453	\$ 82,141	\$ 121,937	\$ 119,701	\$ 116,481	\$ 118,675	\$ 157,373

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 143,748	\$ 153,200	\$ 156,172	\$ 174,803	\$ 223,116	\$ 240,416	\$ 241,708	\$ 267,714	\$ 300,906	\$ 312,445
Licenses and permits	9,244	11,168	11,611	14,455	12,442	14,317	13,023	12,778	14,850	15,894
Intergovernmental	59,348	49,892	51,896	31,440	42,454	44,950	42,296	87,226	88,000	95,405
Charges for services	15,734	24,737	26,443	31,384	17,438	16,927	15,968	14,578	16,938	17,978
Fines and forfeitures	7,283	3,957	1,941	1,976	3,717	2,078	1,887	2,100	2,096	1,131
Special assessments	6,272	6,757	7,039	7,578	7,113	7,973	6,950	7,674	7,188	8,084
Rental and investment income	4,315	5,112	4,370	4,718	3,446	6,548	8,441	4,437	(6,533)	8,054
Miscellaneous	6,957	6,939	12,578	7,252	8,716	5,370	7,845	5,962	3,703	6,040
Total revenues	\$ 252,901	\$ 261,762	\$ 272,050	\$ 273,606	\$ 318,442	\$ 338,579	\$ 338,118	\$ 402,469	\$ 427,148	\$ 465,031
Expenditures:										
General government	\$ 13,558	\$ 17,799	\$ 19,900	\$ 20,650	\$ 21,135	\$ 18,880	\$ 107,779	\$ 30,887	\$ 24,332	\$ 27,263
Public safety	151,721	157,660	164,800	163,712	190,916	198,363	434,208	200,733	205,968	219,559
Highways and streets	16,944	16,594	17,416	17,504	19,207	20,927	22,254	16,897	18,805	22,324
Culture and recreation	34,275	37,527	39,583	40,643	29,382	30,528	28,825	28,391	33,065	39,491
Capital outlay	72,365	60,060	53,208	31,000	33,504	41,585	55,178	69,248	71,534	73,838
Debt service:										
Principal	45,500	49,101	51,987	72,700	21,904	37,867	23,761	24,475	28,126	31,984
Interest and fiscal charges	16,787	17,048	16,451	16,115	12,746	10,493	10,773	20,372	20,134	19,076
Bond issuance cost	843	172	180	29	24	854	1,185	-	-	-
Total expenditures	\$ 351,993	\$ 355,961	\$ 363,525	\$ 362,353	\$ 328,818	\$ 359,497	\$ 683,963	\$ 391,003	\$ 401,964	\$ 433,535
Excess/(deficiency) of revenue over/(under) expenditures	\$ (99,092)	\$ (94,199)	\$ (91,475)	\$ (88,747)	\$ (10,376)	\$ (20,918)	\$ (345,845)	\$ 11,466	\$ 25,184	\$ 31,496
Other Financing Sources/(Uses):										
Transfers in	\$ 58,469	\$ 61,510	\$ 61,384	\$ 94,521	\$ 102,774	\$ 94,771	\$ 95,932	\$ 112,907	\$ 116,891	\$ 155,256
Transfers out	(15,369)	(18,829)	(20,168)	(48,805)	(66,021)	(58,688)	(60,608)	(102,028)	(85,380)	(129,835)
Issuance of long-term debt	87,037	30,940	31,145	31,578	14,500	49,485	320,131	-	11,292	-
Proceeds from sale of capital assets	931	(114)	261	4,199	461	149	856	213	59	4,235
Issuance of debt related to leases and subscriptions	-	-	-	-	-	-	-	-	1,714	3,705
Capital lease financing	6,625	4,450	5,846	2,109	-	-	-	-	-	-
Bond premium/(discounts)	-	-	-	-	-	6,540	-	-	-	-
Total other financing sources/(uses)	137,693	77,957	78,468	83,602	51,714	92,257	356,311	11,092	44,576	33,361
Net changes in fund balances	\$ 38,601	\$ (16,242)	\$ (13,007)	\$ (5,145)	\$ 41,338	\$ 71,339	\$ 10,466	\$ 22,558	\$ 69,760	\$ 64,857
Debt services as a percentage of non-capital expenditures	21.803 %	22.360 %	21.714 %	26.625 %	11.999 %	15.143 %	5.428 %	13.383 %	13.535 %	13.956 %

(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
2014	\$ 111,880	\$ 67,063	\$ 111,260	\$ 115	\$ 5,600	\$ 32,630	\$ 15,489	\$ 344,037
2015	114,112	68,572	112,283	60	5,654	30,587	16,353	347,621
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

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
2014	\$ 55,096	\$ 51,323	\$ 28,092	\$ 5,046	\$ 4,189	\$ 143,746
2015	59,437	54,864	28,076	5,543	5,280	153,200
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

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Apparel stores	\$ 178,349	\$ 188,670	\$ 203,001	\$ 214,852	\$ 210,158	\$ 212,036	\$ 210,439	\$ 147,176	\$ 249,034	\$ 232,964
General merchandise	463,355	475,147	477,903	478,538	465,490	470,386	465,234	426,500	617,257	460,364
Food stores	193,368	209,022	217,902	168,854	169,922	184,278	185,859	202,647	208,060	225,764
Eating and drinking places	447,841	483,901	533,317	582,262	609,705	639,995	677,763	587,403	788,765	875,980
Building materials	454,468	514,993	567,790	636,415	666,907	738,178	761,881	813,584	1,010,364	1,265,631
Auto dealers and supplies	1,280,633	1,461,217	1,548,385	1,608,231	1,588,854	1,621,311	1,672,475	1,728,498	2,084,828	2,111,240
Service stations	418,110	413,128	370,257	338,762	360,830	432,991	434,162	327,119	527,973	644,484
Other retail stores	550,157	595,305	633,089	692,375	677,850	666,659	636,043	609,428	764,854	743,571
All other outlets	1,154,492	1,312,607	1,461,982	1,474,160	1,481,019	1,700,733	1,701,236	1,995,760	2,099,827	2,545,362
Total	\$ 5,140,773	\$ 5,653,990	\$ 6,013,626	\$ 6,194,449	\$ 6,230,735	\$ 6,666,567	\$ 6,745,092	\$ 6,838,115	\$ 8,350,962	\$ 9,105,360

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
2014	\$ 23,045,134	\$ 1,201,634	\$ (7,394,982)	\$ 16,851,786	0.125
2015	24,482,621	1,329,391	(7,945,000)	17,867,012	0.124
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 ²	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	38,044,185	1,874,928	(14,108,558)	25,810,555	0.123

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**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
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	0.390	0.377	0.487	0.495	0.517	0.521	0.535	0.529	0.535	0.519
City of Riverside Debt Service	0.007	0.006	0.006	0.006	0.006	0.006	0.005	0.005	0.005	0.005
Metropolitan Water District Original Area	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004	0.004
Riverside City Community College Debt Service	0.018	0.018	0.017	0.016	0.016	0.015	0.015	0.015	0.015	0.015
Total direct & overlapping³ tax rates	1.419	1.405	1.514	1.521	1.543	1.546	1.559	1.553	1.559	1.543
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	0.007	0.006	0.006	0.006	0.006	0.006	0.005	0.005	0.005	0.005
Total direct rate⁵	0.125	0.124	0.124	0.124	0.124	0.124	0.124	0.123	0.123	0.122

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 2013/14 - 2022/23 Tax Rate Table.

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

(in thousands)

Property Owner	2023			2014		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Riverside Healthcare System	\$ 317,875	1	0.83 %	\$ 110,757	3	0.48 %
Tyler Mall LP	235,091	2	0.61 %	194,241	1	0.84 %
Nordstrom Inc	201,115	3	0.53 %	-		
CPT Riverside Plaza LLC	170,663	4	0.45 %	-		0.00 %
Rohr Inc	150,551	5	0.39 %	108,703	4	0.47 %
La Sierra University	141,373	6	0.37 %	136,505	2	0.59 %
TA Lance Drive LLC	135,715	7	0.35 %	-		
Corona Pointe Resort LLC	129,700	8	0.34 %	-		
490 Columbia	127,533	9	0.33 %	-		0.00 %
Smiths Food and Drug Centers Inc	108,392	10	0.28 %	-		
Cole ID Riverside California	-			93,330	5	0.40 %
State Street Bank and Trust Co of CA	-			91,636	6	0.40 %
Vestar Riverside Plaza LLC	-			84,860	7	0.37 %
Advanced Group 13 107	-			77,450	8	0.34 %
7450 Northrop Drive Apartments	-			73,297	9	0.32 %
Canyon Springs Marketplace Corporation	-			70,030	10	0.30 %
Totals	\$ 1,718,008		4.49 %	\$ 1,040,809		4.50 %

Notes:

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

Source: Riverside County Assessor 2022/2023 and 2013/14 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
2014	\$ 45,138	\$ 44,684	98.99%	\$ 454	\$ 45,138	100.00%
2015	48,846	48,427	99.14%	419	48,846	100.00%
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%	-	78,228	99.42%

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>2014</u>	<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>
Type of Customer:										
Residential	700	711	726	730	727	722	722	783	759	786
Commercial ¹	421	428	438	448	476	460	442	430	443	440
Industrial ¹	997	995	982	996	970	947	931	890	923	920
Wholesale sales ²	4	2	-	1	-	-	1	-	2	14
Other	30	31	23	23	22	21	18	18	19	15
Total	<u>2,152</u>	<u>2,167</u>	<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>
Total direct rate										
Monthly base rate *	18.06	18.06	18.06	18.06	18.06	19.41	20.63	21.84	23.20	24.55

* 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, and 2021 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
2014	0.15995	0.15936	0.11156	0.18513
2015	0.16050	0.16022	0.11282	0.18291
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 *

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 Sales Stats 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	2023			2014		
	Electricity Charges	Rank	Percent of Total Electric Revenues	Electricity Charges	Rank	Percent of Total Electric Revenues
Local University	\$ 13,261,512	1	3.82 %	\$ 10,947,884	1	3.70 %
Local Government	8,255,373	2	2.38 %	8,335,217	2	2.82 %
Local Government	7,315,285	3	2.11 %	-		0.00 %
Local School District	5,118,539	4	1.47 %	4,189,035	4	1.42 %
Corporation	4,538,154	5	1.31 %	-		0.00 %
Corporation	3,800,280	6	1.09 %	3,315,738	6	1.12 %
Corporation	3,639,576	7	1.05 %	-		0.00 %
Hospital	3,388,624	8	0.98 %	2,453,555	8	0.83 %
Corporation	3,137,781	9	0.90 %	-		0.00 %
Local University	3,085,263	10	0.89 %	-		0.00 %
Local Government	-		0.00 %	7,386,521	3	2.50 %
Corporation	-		0.00 %	3,677,670	5	1.24 %
Corporation	-		0.00 %	2,775,346	7	0.94 %
Corporation	-		0.00 %	2,120,900	9	0.72 %
Corporation	-		0.00 %	2,113,037	10	0.71 %
Total	\$ 55,540,386		15.98 %	\$ 47,314,904		16.00 %

Retail sales per financial statements *

\$ 347,490,345

\$ 295,803,687

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				
2014	\$ 14,460	\$ 42,344	\$ 115,775	\$ 191,446	\$ 13,168	\$ 47,611	\$ -	\$ -				
2015	13,546	40,891	108,725	187,212	14,966	45,574	-	-				
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				

Business-Type Activities												
Fiscal Year	Revenue Bonds	Notes/Loans Payable	Financed Purchase	Certificates of Participation²	Lease Revenue Bonds³	Lease Revenue Bonds⁴	Lease Liability	SBITA Liability	Total Primary Government	Debt Per Capita¹	Debt Per Capita¹	
2014	\$ 1,094,290	\$ 36,030	\$ 2,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,557,390	22.00%	4.00	
2015	1,239,634	37,225	1,720	-	-	-	-	-	1,689,493	24.00%	5.00	
2016	1,208,851	37,793	4,694	-	-	-	-	-	1,641,220	23.00%	5.00	
2017	1,180,345	35,255	6,209	-	-	-	-	-	1,578,802	22.00%	4.00	
2018	1,139,864	78,583	6,821	18,324	-	-	-	-	1,529,302	20.00%	4.00	
2019	1,241,743	73,673	5,192	14,775	29,692	7,867	-	-	1,634,952	21.00%	4.00	
2020	1,212,914	69,519	3,633	119,625	28,483	7,473	-	-	2,004,026	24.00%	6.00	
2021	1,176,605	64,678	2,354	116,227	27,213	7,059	-	-	1,931,503	22.00%	5.00	
2022	1,139,100	59,948	2,176	110,718	25,912	6,625	787	-	1,866,203	20.00%	5.00	
2023	1,163,676	55,070	1,476	103,705	24,582	6,168	563	86	1,847,550	20.40%	5.89	

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.

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
2014	\$ 14,460	\$ 115,775	\$ 191,446	\$ 321,681	\$ (27,996)	\$ 293,685	1.74 %	935
2015	13,546	108,725	187,212	309,483	(9,295)	300,188	1.68 %	955
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	(14,059)	391,349	1.52 %	1,248

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, 2023**

2022-23 Assessed Valuation:	\$ 38,008,158,400
Less Dissolved Redevelopment Agency Incremental Valuation:	<u>12,197,603,242</u>
Adjusted Assessed Valuation:	<u><u>\$ 25,810,555,158</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	\$ 19,215,000	1.053 %	\$ 202,334
Riverside County Flood Control, Zone 4	5,380,000	1.703	91,621
Riverside City Community College District	291,274,397	27.526	80,176,191
Alvord Unified School District	267,702,056	72.800	194,887,097
Riverside Unified School District	382,460,000	84.132	321,771,247
Corona-Norco Unified School District	484,011,917	0.001	4,840
Jurupa Unified School District	146,547,972	0.002	2,931
Moreno Valley Unified School District	290,606,643	9.597	27,889,520
Alvord Unified School District Community Facilities District No.2006-1	5,940,000	73.302	4,354,139
Riverside Unified School District Community Facilities Districts	67,600,000	88.837-100	67,506,789
City of Riverside Community Facilities Districts	24,585,000	100.000	24,585,000
City of Riverside 1915 Act Bonds	14,395,000	100.000	14,395,000
Total overlapping debt repaid with property taxes			<u>\$ 735,866,709</u>

(Continued)

**CITY OF RIVERSIDE
TABLE 17
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30 2023**

Other overlapping debt²

Riverside County General Fund Obligations	\$ 686,776,829	10.570 %	\$ 72,592,311
Riverside County Pension Obligations	748,540,000	10.570	79,120,678
Riverside City Community College District Certificates of Participation	24,550,000	27.526	6,757,633
Corona-Norco Unified School District General Fund Obligations	19,421,607	0.001	194
Jurupa Unified School District Certificates of Participation	47,341,612	0.002	947
Moreno Valley Unified School District Certificates of Participation	4,895,000	9.597	469,773
Riverside Unified School District General Fund Obligations	11,052,000	84.132	9,298,269
Western Municipal Water District General Fund Obligations	4,075,058	32.407	<u>1,320,604</u>
Total other overlapping debt			<u>169,560,409</u>
Overlapping tax increment debt			<u>171,664,176</u>
Total overlapping debt			1,077,091,294
City direct debt			<u>492,224,000 (3)</u>
Combined total direct and overlapping debt			<u><u>\$ 1,569,315,294</u></u>

(1) Debt balances are as of June 30, 2023.

(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 2022-23 Assessed Valuation:

Total debt repaid with property taxes.....	1.94 %
City direct debt \$492,224,000	1.30 %
Combined total direct and overlapping debt.....	4.13 %

Ratios to dissolved redevelopment incremental valuation \$(12,197,603,242):

Total overlapping tax increment debt.....	1.41 %
---	--------

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)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed valuation	\$ 16,851,786	\$ 17,867,012	\$ 18,502,513	\$ 19,209,528	\$ 19,936,641	\$ 20,798,529	\$ 22,376,423	\$ 23,284,552	\$ 24,208,336	\$ 25,810,555
Conversion percentage	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %
Adjusted assessed valuation	4,212,947	4,466,753	4,625,628	4,802,382	4,984,160	5,199,632	5,594,106	5,821,138	6,052,084	6,452,639
Debt limit percentage	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %
Debt limit	631,942	670,013	693,844	720,357	747,624	779,945	839,116	873,171	907,813	967,896
Total net debt applicable to limit	14,460	13,546	12,567	11,513	10,388	9,179	7,874	6,478	4,987	3,411
Legal debt margin	\$ 617,482	\$ 656,467	\$ 681,277	\$ 708,844	\$ 737,236	\$ 770,766	\$ 831,242	\$ 866,693	\$ 902,826	\$ 964,485
Total net debt applicable to the limit as a percentage of debt limit	2.3 %	2.0 %	1.8 %	1.6 %	1.4 %	1.2 %	0.9 %	0.7 %	0.5 %	0.4 %

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			Coverage
Year	Revenue ¹	Operating Expenses ¹	Available Revenue	Principle	Interest	Revenue		Revenue ¹	Operating Expenses ¹	Available Revenue	Principal	Interest	Revenue	
2014	\$ 347,541	\$ 241,136	\$ 106,405	\$ 21,632	\$ 27,575	2.16	\$ 71,317	\$ 37,698	\$ 33,619	\$ 4,574	\$ 8,536	2.56		
2015	348,244	250,578 *	97,666	15,485	26,532	2.32	66,010	36,725 *	29,285	5,258	8,342	2.15		
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		

Sewer Revenue Bonds							
Fiscal	Pledged	Less:	Net	Debt Service			Coverage
Year	Revenue ¹	Operating Expenses ¹	Available Revenue	Principal	Interest	Revenue	
2014	52,098	28,930	23,168	7,753	10,781	1.25	
2015	51,288	27,598	23,690	8,056	10,958	1.25	
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	

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
2013	314,034	6,909,376	22,002	8.4
2014	314,221	6,857,559	21,824	7.9
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

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	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
County of Riverside	24,399	1	17.7%	11,187	1	7.6%
University of California, Riverside	8,831	2	6.4%	7,218	2	4.9%
March Air Force Reserve	9,750	3	7.1%			
Kaiser Permanente	7,610	4	5.5%	3,156	4	2.1%
Riverside Unified School District	4,505	5	3.3%	3,461	3	2.4%
City of Riverside	2,457	6	1.8%	2,476	5	1.7%
Riverside Community Hospital	2,993	7	2.2%	1,880	6	1.3%
Riverside Community College District	1,900	8	1.4%	1,061	10	0.7%
Alvord Unified School District	1,824	9	1.3%	1,445	8	1.0%
California Baptist University	1,355	10	1.0%			
Riverside County Office of Education				1,765	7	1.2%
Parkview Community Hospital				1,350	9	0.9%
Total	65,624		47.7%	34,999		23.8%

Source: City of Riverside, Economic Development Department

**CITY OF RIVERSIDE
TABLE 22
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	2014	2015¹	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General government	356.25	361.25	394.24	417.55	430.05	453.80	458.30	460.30	462.05	485.05
Public safety (sworn and non-sworn personnel)										
Police	551.75	553.75	554.75	512.00	543.00	557.00	571.00	585.00	604.00	626.00
Fire	255.00	255.00	251.00	239.00	242.00	245.00	248.00	251.00	250.00	252.00
Highways and streets	333.48	308.00	308.00	272.00	273.00	271.00	271.00	270.00	271.00	273.00
Sanitation	59.00	57.00	59.00	59.00	59.00	59.00	59.00	62.00	62.00	62.00
Culture and recreation	269.98	274.45	286.75	276.23	276.98	276.07	284.07	283.60	287.86	284.60
Airport	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Water	182.15	181.15	181.15	174.15	158.65	158.65	158.65	164.50	164.50	164.00
Electric	462.50	464.50	466.50	471.75	489.25	475.25	475.25	466.25	468.50	473.00
Total	<u>2,476.11</u>	<u>2,461.10</u>	<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>

¹ In fiscal year 2013/14, the City Council deleted a number of long-term unfunded positions.

Source: City of Riverside, Finance Department, FY 2022/23 Budget Master Personnel Detail

**CITY OF RIVERSIDE
TABLE 23
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Arrests	9,321	10,310	9,242	8,358	8,423	8,295	7,738	8,089	7,667	8,095
Fire:										
Number of calls answered	30,668	32,943	35,905	36,150	38,501	37,739	37,999	31,918	38,801	45,073
Inspections	12,476	8,770	6,636	6,482	6,519	5,584	7,987	7,175	9,244	6,662
Public Works:										
Street resurfacing (miles)	35.38	38.75	39.01	27.09	17.37	16.50	18.80	7.30	17.35	14.60
Parks and Recreation:										
Number of recreation classes	45,707	43,007	53,907	53,308	54,025	54,069	34,366	525	856 ¹	28,888 ²
Number of facility rentals	46,432	44,363	47,772	48,097	46,904	66,846	45,741	324	374 ¹	1,391
Water:										
Number of accounts	64,829	65,102	65,094	65,428	65,640	65,803	66,031	66,198	66,372	66,441
Annual consumption (ccf)	28,887,304	26,007,490	22,529,463	25,340,729	27,514,374	25,827,721	25,526,021	28,625,382	26,845,583	23,667,466
Electric:										
Number of accounts	108,358	108,388	108,776	109,274	109,619	110,480	111,161	111,711	112,328	112,751
Annual consumption (millions of kwh)	2,152	2,167	2,170	2,197	2,195	2,150	2,115	2,122	2,145	2,175
Sewer:										
New connections	17,274	17,553	17,669	17,654	17,551	17,540	17,593	17,602	17,588	17,575
Average daily sewage treatment (millions of gallons)	28.49	27.15	26.35	27.19	26.16	26.86	25.22	25.30	26.01	26.98

¹ Reduction is due to the affects of the COVID-19 pandemic.

² Increase due to return to full operations.

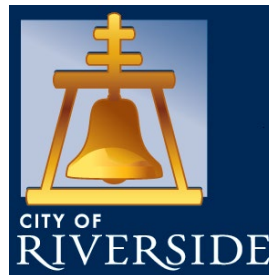
Source: City of Riverside, various departments

**CITY OF RIVERSIDE
TABLE 24
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function:										
Public Safety:										
Police:										
Stations	3	3	3	3	3	3	3	3	4	4
Substations	4	4	4	4	5	4	5	4	1	1
Helicopters	4	3	3	3	3	2	2	2	2	2
Airplane	0	0	0	0	0	1	1	1	1	1
Fire:										
Stations	14	14	14	14	14	14	14	14	14	14
Active apparatus	28	28	31	33	32	33	55	32	32	38
Reserve apparatus	11	11	8	9	9	9	13	9	10	13
Training facilities	1	1	1	1	1	1	1	1	1	1
Highways and streets:										
Streets (miles)	868.89	871.19	872.16	872.22	872.01	872.24	872.10	872.35	891.28	893.28
Streetlights	29,949	29,968	299,986	30,427	30,467	30,479	30,445	30,489	30,489	30,745
Signalized intersections	365	367	386	381	382	384	392	397	408	408
Culture and Recreation:										
Parks acreage	2,891.0	2,911.8	2,926.8	2,983.0	2,983.0	2,988.0	2,988.0	2,988.0	2,988.0	3,010.5
Community centers	11	11	11	11	11	11	11	11	12	14
Playgrounds	43	44	44	46	46	46	46	46	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	44
Library branches	8	8	8	8	8	8	8	8	8	8
Museum exhibit-fixed	3	3	4	5	5	- ¹	1 ¹	0 ¹	-	1
Museum exhibit-special	4	4	5	6	6	1 ¹	4 ¹	3 ¹	1	5
Water:										
Fire hydrants	7,726	7,754	7,758	7,908	7,952	8,173	8,192	9,304	8,012	8,023
Sewer:										
Sanitary sewers (miles)	829	829	820	829	827	820	820	820	853	853
Electric:										
Miles of overhead distribution system	513.0	513.0	513.0	513.0	513.0	514.0	514.0	513.0	513.0	513.0
Miles of underground system	810.0	814.0	815.0	817.0	826.0	831.0	834.0	838.0	838.0	842.0

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



City of Arts & Innovation

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