



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

RIVERSIDE, CALIFORNIA

**CITY OF RIVERSIDE, CALIFORNIA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR FISCAL YEAR ENDED JUNE 30, 2022**

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**Prepared by the Finance Department**  
**Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/Treasurer**

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

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**CITY OF RIVERSIDE  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 2022**

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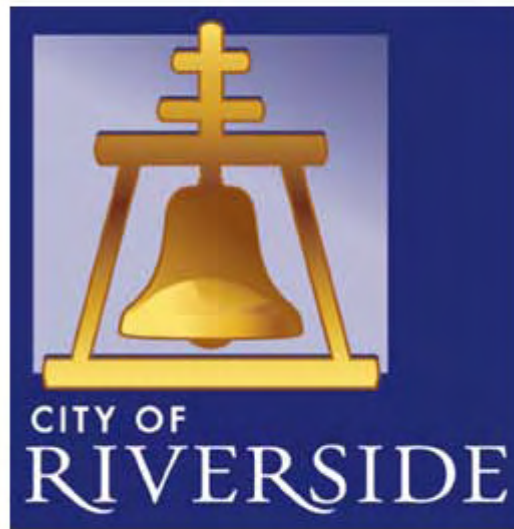
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January 26, 2023

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, 2022.

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, 2022. The independent auditor's 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 auditor's 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 and historical data for the preceding budget cycle. At least thirty-five days prior to the beginning of the fiscal year, City Manager provides the proposed budget, in writing, to the City Council for review. The operating budget is presented by the City Manager 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 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 24 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 90.

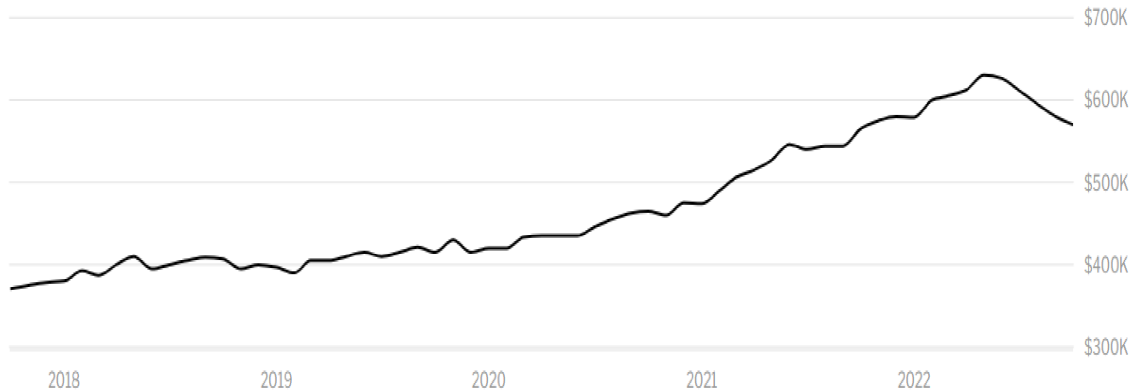
**Local economy:** The City is located in Inland Southern California, which consists of Riverside and San Bernardino Counties (the "MSA"). The population of Inland Southern California, at approximately 4.6 million, is larger than 25 states. The City leads the Inland Southern California in most measures of economic power, including population, income, employment, bank deposits, assessed valuation, office space and college enrollment. The population of the City is 317,847 which places it as the 12<sup>th</sup> largest in California.

The City of Riverside saw a reduction in the unemployment rate from 5.6% as of September 2021 to 3.2% as of September 2022. The City's unemployment rate remains lower than the State of California (3.7%), the County of Riverside (4%), and the United States (3.3%). The primary drivers for the increase in employment in the Riverside metro area nonfarm payrolls were from the trade, transportation, and utilities; leisure and hospitality; professional and business services; and education and health services industries, which saw increases from September 2021 to September 2022.

Consumer prices continue to increase at levels not seen in decades. The Riverside metro area saw an overall increase in the consumer price index of 8.4% as of September 2022 compared to a 8.2% overall increase in the United States city average. The Riverside metro area saw food prices soar 11.5% and energy prices rise 23.6% as of September 2022 compared with 11.2% and 19.8% for the United States city average, respectively.



In October 2022, Riverside home prices were up 0.9% compared to last year, selling for a median price of \$570,000. However, homes are taking longer to sell and the volume of home sales has decreased. On average, homes in Riverside currently sell after 37 days on the market compared to 28 days last year, and only 203 homes were sold in October 2022, down from 309 last year, a decrease of 34.3%.



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 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

As the City implements Priority Based Budgeting strategies, which will guide the budget development process for future fiscal years, the City Council's Strategic Priorities will play a critical role in helping the City make decisions on how to allocate resources.

**Long-term financial planning:** The City continues to recover from the COVID-19 pandemic. Sales tax has seen increases in fiscal years 2021 and 2022 following a decrease caused by the pandemic in fiscal year 2020. Service revenues have also seen increases as venues began to fully open throughout the City. However, the increase in revenues have been shadowed by high inflation and corresponding Federal Reserve interest rates hikes used as a tool to reduce the impact of rising prices.

The City proposed the fiscal year 2022-2024 Biennial Budget totals approximately \$1.36 billion in fiscal year 2022/23 and \$1.32 billion in fiscal year 2023/24, including the City's operating budget and planned capital projects. Two primary goals were established for the fiscal year 2022-2024 budget development cycle:

1. Leverage Priority Based Budgeting (PBB) to identify and reallocate funding to critical unfunded needs.

During budget development and departments' evaluation of their operational and financial needs, departments identified additional critical needs. Those needs were described through the lens of PBB, including relating the requests to existing programs and answering fundamental questions to assess the level of criticality of the need:

- How is this a critical unfunded need?
- What is the impact to operations should this budget request not be approved?
- How does this request benefit City stakeholders?

2. Implement a financing strategy of planned contributions and withdrawals to/from the Section 115 Trust to smooth the annual fiscal impact of the combined CalPERS unfunded accrued liability (UAL) and 2020 Pension Obligation Bond payments.

Staff analyzed the unfunded accrued liability (UAL) payment schedule per the CalPERS actuarial report and the pension obligation bond (POB) payment schedule and determined 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 will result in level payments of \$37,925,000 annually for a period of 12 years, from fiscal year 2024/25 through fiscal year 2035/36. The City Council approved a \$10 million contribution to the Section 115 Trust from fiscal year 2020/21 excess reserves. Contributions totaling nearly \$12 million are incorporated into the proposed fiscal year 2022-2024 Biennial Budget, with \$11 million occurring in fiscal year 2023/24 made possible by the payoff of the 2004 Safety POB in fiscal year 2022/23. The combination of current reserves and the proposed contributions will build the Section 115 Trust Fund to a balance of approximately \$40 million which is projected to be sufficient to smooth the volatile required liability payments over the course of 12 years. Contributions totaling \$34.4 million over five years are included in the General Fund Five-Year Financial Plan. It is important to note that the required UAL contributions will vary based on actual CalPERS investment returns; Section 115 Trust contributions will help to smooth the fiscal impact of spikes in the required UAL payments in future years.

American Rescue Plan Act (ARPA): On March 11, 2021, President Biden passed the \$1.9 trillion American Rescue Plan Act (ARPA) sending checks to families and offering small business support to drive up demand and counter the country's high unemployment. The ARPA established the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund, 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 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 funding Expenditure Category Plan for the first allocation in the amount of \$36.7 million following the Interim Final Rule guidelines. The approval by Council for the ARPA funding Expenditure Category Plan for the second allocation of \$36.7 million is in progress.

1. Public Health	\$ 1,086,250	2.95 %
2. Negative Economic Impacts	12,270,000	33.37
3. Services to Disproportionately Impacted Communities	13,120,000	35.68
4. Premium Pay	-	-
5. Infrastructure	2,500,000	6.80
6. Revenue Replacement	7,525,000	20.47
7. Administration	266,344	0.72
Total	<u>\$ 36,767,594</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.

**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, 2021. This was the sixteenth 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. This award is valid for a period of one year only. We believe that our current ACFR continues to meet the Program’s requirements and we are submitting it to the GFOA again this year.

The Government Finance Officers Association (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City

for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2021. The City received the award for the fifth time for the June 30, 2021 report and has continued to prepare an award-winning report. This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The Award is valid for a period of one year only. We believe that our current PAFR continues to meet the Program's requirements and we are submitting it to the GFOA again this year.

The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year beginning July 1, 2021. In order to receive this award, 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 device.

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,



Edward Enriquez

Chief Financial Officer/City Treasurer



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, 2021

*Christopher P. Morill*

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Riverside for our Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

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.

# CITY LEADERSHIP



## LEGISLATIVE OFFICIALS

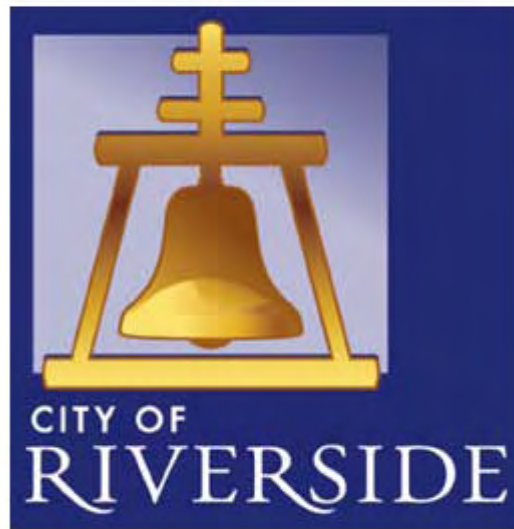
Patricia Lock Dawson ..... Mayor  
 Erin Edwards ..... Councilmember – Ward 1  
 Clarissa Cervantes ..... Councilmember – Ward 2  
 Ronaldo Fierro ..... Councilmember – Ward 3  
 Chuck Conder ..... Councilmember – Ward 4  
 Gaby Plascencia ..... Councilmember – Ward 5  
 Jim Perry ..... Councilmember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

## CITY OFFICIALS

Michael D. Moore ..... Interim City Manager\*  
 Rafael Guzman ..... Assistant City Manager  
 Kris Martinez ..... Assistant City Manager  
 Edward Enriquez ..... Interim Assistant City Manager

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  
 Edward Enriquez ..... Chief Financial Officer/Treasurer  
 Rene Goldman ..... Human Resources Director  
 George Khalil ..... Chief Innovation Officer  
 Gilbert Hernandez ..... Public Works Director  
 La Wayne Hearn ..... Interim Fire Chief  
 Robyn Peterson ..... Museum Director  
 Chris Christopoulos ..... Interim 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 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 City of Riverside, California, (the City) as of and for the year ended June 30, 2022, 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 of Riverside, California, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the 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 audits. 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, 2022, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.





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

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

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



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.

### ***Other Reporting Responsibilities***

#### *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 on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 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 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 section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 January 26, 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 the City's internal control over financial reporting and compliance.

*Lance, Solt & Lingham, LLP*

Brea, California  
January 26, 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, 2022. 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 describe 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 18 - 19 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 assets, 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 86 - 94 in this report.

The City adopted an annual appropriated budget for its General Fund for the Year ended June 30, 2022. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 20 - 23 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 96 - 104 in this report.

The basic proprietary fund financial statements can be found on pages 25 - 29 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 30 - 31 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 32 of this report.

**Governmental Accounting Standards Board No. 87, Lease (GASB 87)** For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to Notes 1, 5, 6, and 27.

**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	
	2022	2021	2022	2021	2022	2021
<b>Assets:</b>						
Current and other assets	\$ 711,511	\$ 503,107	\$ 856,015	\$ 724,367	\$ 1,567,526	\$ 1,227,474
Capital and leased assets, net	1,330,850	1,337,100	1,975,600	1,976,364	3,306,450	3,313,464
<b>Total assets</b>	<b>2,042,361</b>	<b>1,840,207</b>	<b>2,831,615</b>	<b>2,700,731</b>	<b>4,873,976</b>	<b>4,540,938</b>
<b>Deferred Outflows of Resources</b>	<b>67,430</b>	<b>100,355</b>	<b>41,648</b>	<b>70,694</b>	<b>109,078</b>	<b>171,049</b>
<b>Liabilities:</b>						
Current liabilities	146,784	112,061	71,696	57,503	218,480	169,564
Long-term liabilities	664,444	854,428	1,480,313	1,610,535	2,144,757	2,464,963
<b>Total liabilities</b>	<b>811,228</b>	<b>966,489</b>	<b>1,552,009</b>	<b>1,668,038</b>	<b>2,363,237</b>	<b>2,634,527</b>
<b>Deferred Inflows of Resources</b>	<b>204,023</b>	<b>5,745</b>	<b>176,142</b>	<b>4,549</b>	<b>380,165</b>	<b>10,294</b>
<b>Net Position</b>						
Net investment in capital assets	1,176,215	1,170,232	774,469	756,116	1,950,684	1,926,348
Restricted	199,456	164,809	85,666	78,885	285,122	243,694
Nonspendable	3,582	-	-	-	3,582	-
Unrestricted/(deficit)	(284,713)	(366,713)	284,977	263,837	264	(102,876)
<b>Total net position</b>	<b>\$ 1,094,540</b>	<b>\$ 968,328</b>	<b>\$ 1,145,112</b>	<b>\$ 1,098,838</b>	<b>\$ 2,239,652</b>	<b>\$ 2,067,166</b>

The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,239,652 at June 30, 2022, an increase of \$172,486 from June 30, 2021.

The City's net position reflects its investment in capital assets (i.e., land, buildings, machinery, equipment and infrastructure), net of any related debt 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 portion of the City's net position 13% 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, \$(284,713) net deficit is held by the governmental activities and \$284,977 is held by the business-type activities.

Unrestricted net position in the amount of \$264, a net position increase of 100% 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 reporting of the City's net pension asset, which was a liability in prior year, in accordance with an accounting standard issued by the Government Accounting Standards Board (GASB) that relates to pension activity; Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27."

Governmental activities increased the City's net position by \$126,212 to \$1,094,540 for the year ended June 30, 2022.

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, 2022 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	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 41,072	\$ 34,106	\$ 598,474	\$ 555,267	\$ 639,546	\$ 589,373
Operating grants and contributions	50,378	64,405	5,866	3,976	56,244	68,381
Capital grants and contributions	38,508	28,284	20,527	12,273	59,035	40,557
General revenues:						
Sales taxes	173,933	150,321	-	-	173,933	150,321
Property taxes	79,790	71,986	-	-	79,790	71,986
Other taxes and fees	47,183	41,905	-	-	47,183	41,905
Intergovernmental, unrestricted	661	499	-	-	661	499
Investment income	(7,613)	4,969	(13,324)	681	(20,937)	5,650
Miscellaneous	3,880	5,988	12,639	11,986	16,519	17,974
<b>Total revenues</b>	<b>427,792</b>	<b>402,463</b>	<b>624,182</b>	<b>584,183</b>	<b>1,051,974</b>	<b>986,646</b>
<b>Expenses:</b>						
General government	66,937	97,927	-	-	66,937	97,927
Public safety	169,742	219,136	-	-	169,742	219,136
Highways and streets	41,125	42,034	-	-	41,125	42,034
Cultural and recreation	38,885	37,693	-	-	38,885	37,693
Interest on long-term debt and fiscal charges	19,806	19,083	-	-	19,806	19,083
Electric	-	-	349,004	366,165	349,004	366,165
Water	-	-	69,303	71,738	69,303	71,738
Sewer	-	-	59,060	61,029	59,060	61,029
Airport	-	-	1,944	2,326	1,944	2,326
Refuse	-	-	28,449	28,428	28,449	28,428
Transportation	-	-	3,758	4,623	3,758	4,623
Public Parking	-	-	4,566	4,684	4,566	4,684
Civic Entertainment	-	-	21,804	11,885	21,804	11,885
<b>Total expenses</b>	<b>336,495</b>	<b>415,873</b>	<b>537,888</b>	<b>550,878</b>	<b>874,383</b>	<b>966,751</b>
Increase (decrease) in net position	91,297	(13,410)	86,294	33,305	177,591	19,895
Extraordinary items	-	-	(5,748)	-	(5,748)	-
Transfers, net	34,915	34,879	(34,915)	(34,278)	-	601
<b>Changes in net position</b>	<b>126,212</b>	<b>21,469</b>	<b>45,631</b>	<b>(973)</b>	<b>171,843</b>	<b>20,496</b>
<b>Net Position:</b>						
Beginning of year, as previously stated	968,328	866,575	1,098,838	1,099,811	2,067,166	1,966,386
Prior period adjustment	-	80,284	643	-	643	80,284
Beginning of year, as restated	968,328	946,859	1,099,481	1,099,811	2,067,809	2,046,670
<b>End of year</b>	<b>\$ 1,094,540</b>	<b>\$ 968,328</b>	<b>\$ 1,145,112</b>	<b>\$ 1,098,838</b>	<b>\$ 2,239,652</b>	<b>\$ 2,067,166</b>

**Governmental Activities** - Total change in net position for governmental activities increased by \$104.7 million while prior fiscal year increased by \$21.5 million. Key elements of this year's activity in relation to the prior year are as follows:

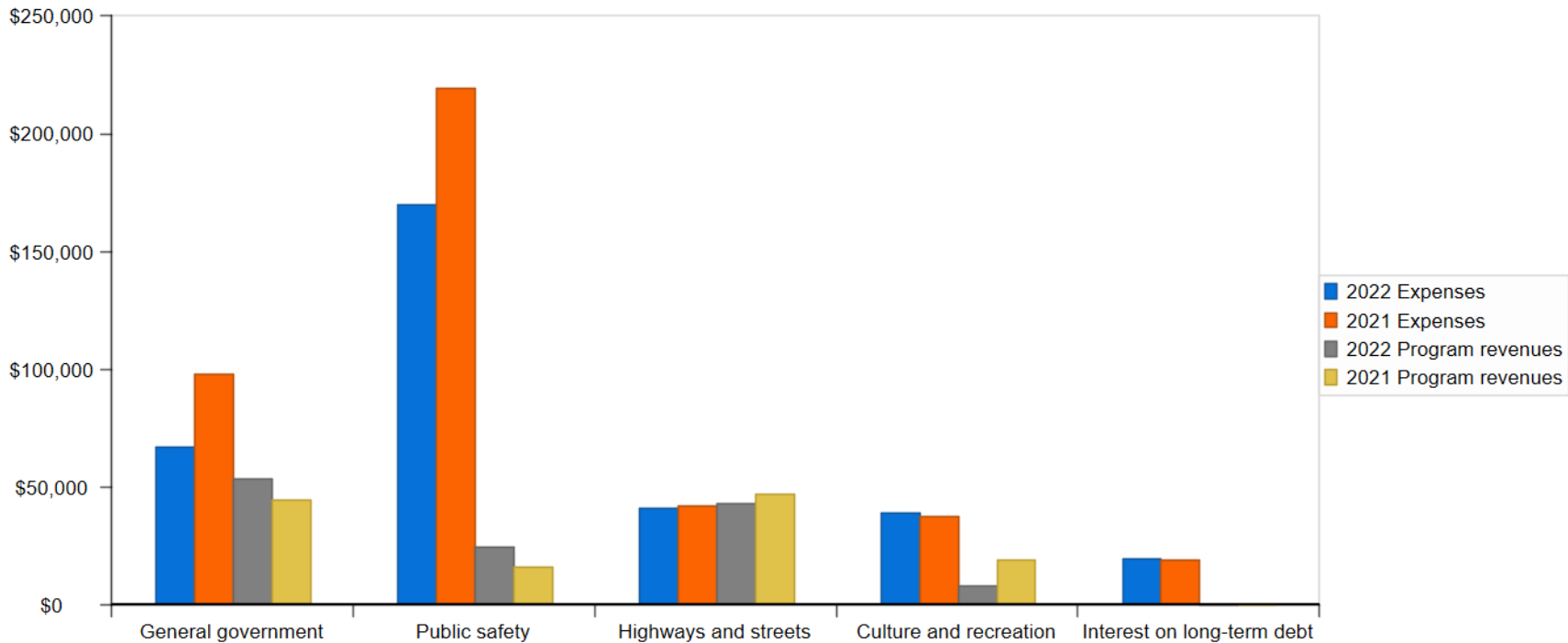
**Revenues:**

- While variances between years exist for the various revenue categories, the total net increase was approximately \$25.3 million or 6%. Precipitated by an infusion of federal stimulus funding and inflationary factors and is largely attributable to the increase to sales taxes of \$23.6 million which was primarily from increased sales price of fuel and service stations; autos and transportation; general consumer goods; building and construction; and restaurants and hotels. The increase of property taxes of \$7,804 was mainly due to increased property values and sales. Program revenue groupings were updated in fiscal year 2022 and are the primary reason for the \$14,027 decrease in operating grants and contributions and the \$10,224 increase in capital grants and contributions.

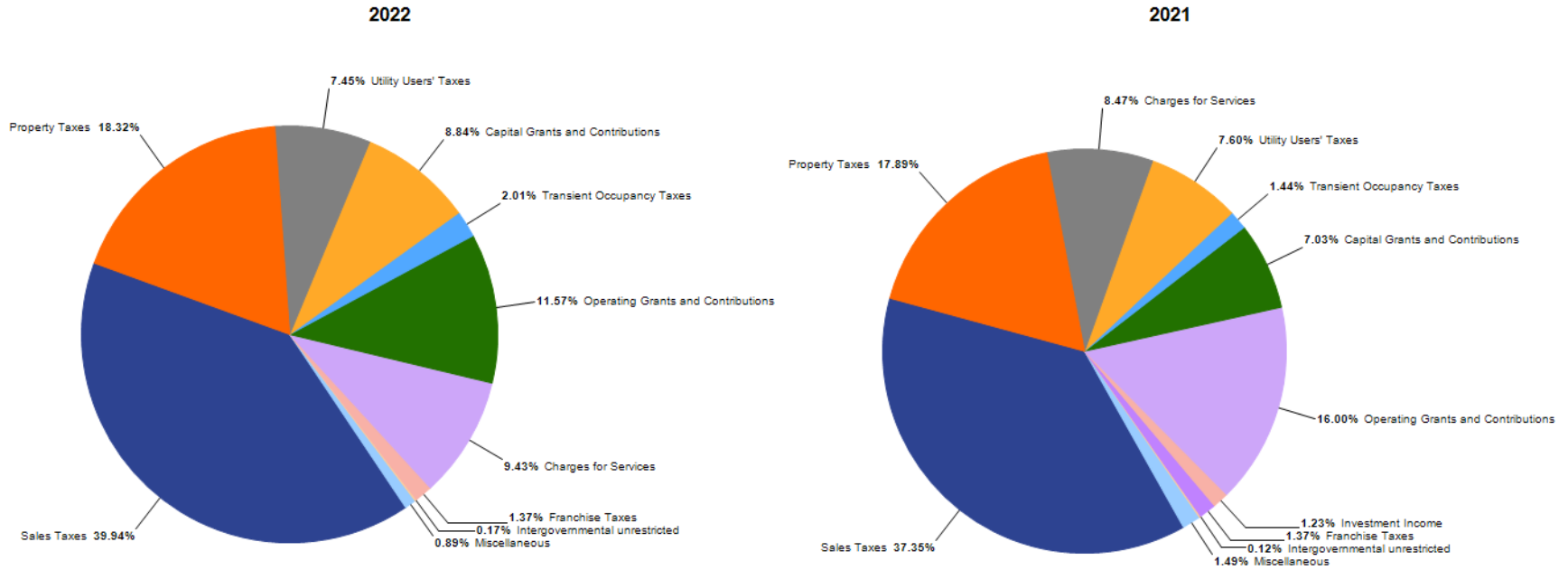
**Expenses:**

- While variances between years exist for the various expense functions, the total net decrease was approximately \$79.4 million or 19%. This is primarily related to one time expenditures in fiscal year 2021 for the Parada II Litigation settlement of \$24 million and various grant expenditures for the CARES grant, which were nonrecurring in fiscal year 2022, as well as a decrease to personnel related costs of \$48 million resulting from the elimination of the prior year net pension liability and generation of a net pension asset in fiscal year 2022.

**Program Revenues and Expenses - Governmental Activities - Fiscal Year Comparison 2022 vs. 2021**



## Revenues by Source - Governmental Activities - Fiscal Year Comparison 2022 vs. 2021



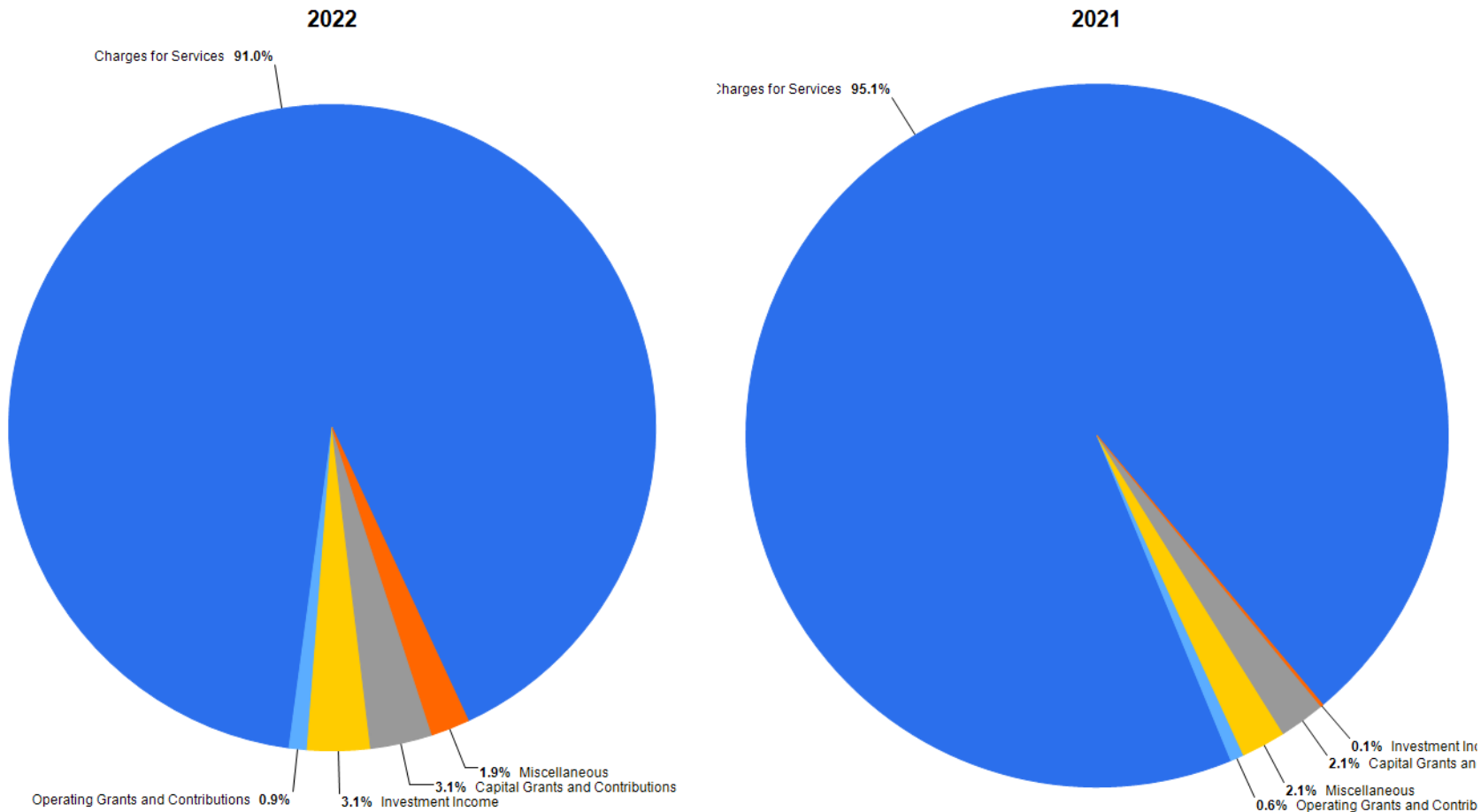
\* Zero Data, Investment Income

**Business-Type Activities** - Total net position for business-type activities increased by \$46.3 million while prior fiscal year decreased by \$973. Key elements of this year's activity in relation to the prior year are as follows:

- Charges for services slightly increased from prior year resulting in an increase of \$43.2 million or 8%. Electric Fund charges for services increased by \$21.8 million primarily due to the rate plan increases and decreased uncollectibles. The Civic Entertainment Fund charges for services increased by \$10.5 million due to the reopening of various entertainment venues caused by the COVID-19 pandemic.

- Overall expenses decreased by \$13.0 million or 2.4%. The Electric Fund, Water Fund and Sewer Fund had decreased operating expenses of \$16.3 million, \$2.2 million and 1.3 million, respectively, primarily due to reduction in personnel related costs resulting from the elimination of the prior year net pension liability and generation of a net pension asset in fiscal year 2022.

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



### 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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Assets</b>	<b>\$ 280,565</b>	<b>\$ 201,980</b>	<b>\$ 57,636</b>	<b>\$ 54,804</b>	<b>\$ 13,231</b>	<b>\$ 13,165</b>	<b>\$ 201,206</b>	<b>\$ 169,940</b>	<b>\$ 552,638</b>	<b>\$ 439,889</b>
<b>Liabilities</b>	<b>\$ 42,541</b>	<b>\$ 38,774</b>	<b>\$ 4,612</b>	<b>\$ 3,674</b>	<b>\$ 1,552</b>	<b>\$ 1,873</b>	<b>\$ 96,882</b>	<b>\$ 67,553</b>	<b>\$ 145,587</b>	<b>\$ 111,874</b>
<b>Deferred inflows of resources</b>	<b>10,806</b>	<b>3,559</b>	<b>520</b>	<b>772</b>	<b>-</b>	<b>-</b>	<b>49,832</b>	<b>47,556</b>	<b>61,158</b>	<b>51,887</b>
<b>Fund Balances</b>										
Nonspendable	2,087	1,870	-	-	-	-	1,495	1,477	3,582	3,347
Restricted	30,715	10,697	52,504	50,358	11,679	11,292	54,212	53,354	149,110	125,701
Committed	82,801	62,400	-	-	-	-	-	-	82,801	62,400
Assigned	41,707	24,890	-	-	-	-	-	-	41,707	24,890
Unassigned	69,908	59,790	-	-	-	-	(1,215)	-	68,693	59,790
<b>Total fund balances</b>	<b>227,218</b>	<b>159,647</b>	<b>52,504</b>	<b>50,358</b>	<b>11,679</b>	<b>11,292</b>	<b>54,492</b>	<b>54,831</b>	<b>345,893</b>	<b>276,128</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 280,565</b>	<b>\$ 201,980</b>	<b>\$ 57,636</b>	<b>\$ 54,804</b>	<b>\$ 13,231</b>	<b>\$ 13,165</b>	<b>\$ 201,206</b>	<b>\$ 169,940</b>	<b>\$ 552,638</b>	<b>\$ 439,889</b>

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$345,893 an increase of \$69,765 compared to the prior year. Additionally, 1% of the fund balance \$3,582 is *nonspendable*, which comprises the portion of fund balance that cannot be spent due to form. \$149,110 or 43% of fund balance is *restricted*, which represents the portion of fund balance that is subject to externally enforceable limitations by law, enabling legislation or limitations imposed by creditors or grantors. Committed fund balance of \$82,801 or 24% of the fund balance was set aside for economic contingencies. Committed for economic contingencies consists of 20% of the 2022-23 General Fund adopted expenditure budget of \$306 million or \$61,000, \$5,000 for General Fund – Measure Z, \$10,801 for future capital projects, and \$6,000 for balancing measures. \$41,707 or 12% 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 \$68,693 or 20% is *unassigned*, meaning it is available for spending at the City's discretion. The City's governmental funds reported combined total assets of \$552,638 at June 30, 2022, an increase of \$112,749 compared to the prior year. Liabilities and deferred inflows of resources amounted to \$206,745, an increase of \$42,984 from 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 \$227,218, in comparison to \$159,647 in the prior year. The increased in fund balance is primarily due to increased sales and use tax as well as the decrease in grant expenditures. The Capital Outlay Fund is used to account for the acquisition or construction of major capital facilities. The total fund balance was \$52,504, compared to \$50,358 in prior year. The increased was due to decreased 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 \$11,679, compared to \$11,292 in prior year. The Non-Major Governmental Funds fund balance was \$54,492, compared to \$54,831 in 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.

Unrestricted net position of the Electric, Water and Sewer Funds at the end of the year amounted to \$194,443, \$17,675, and \$74,034, respectively. The unrestricted net position for the Electric, Water and Sewer Funds in the prior year was \$201,521, \$6,220, and \$63,285, respectively. The decrease in unrestricted net position of the Electric Fund \$(7,078) was primarily attributable to a reduction of investment income due to a market value adjustment done at fiscal year end as prescribed by accounting standards. The increase in unrestricted net position of the Water Fund \$11,455 was primarily attributable to positive operating results. The increase in unrestricted net position for the Sewer Fund \$10,749 is primarily a result of increased charge for services and reduced personnel service costs.

### General Fund Budgetary Highlights

	Original Budget	Final Budget	Actual Amounts	Variance to Final Budget Positive (Negative)
<b>Revenues</b>	<b>\$ 285,299</b>	<b>\$ 308,880</b>	<b>\$ 329,317</b>	<b>\$ 20,437</b>
<b>Expenditures:</b>				
Current:				
General government	19,669	30,867	8,197	22,670
Public safety	196,249	202,627	193,369	9,258
Highways and streets	21,854	22,763	17,935	4,828
Culture and recreation	35,270	35,043	30,882	4,161
Capital outlay	3,630	20,301	3,262	17,039
Debt service	-	-	771	(771)
<b>Total expenditures</b>	<b>276,672</b>	<b>311,601</b>	<b>254,416</b>	<b>57,185</b>
Excess/(deficiency) of revenues over/(under) expenditures	8,627	(2,721)	74,901	77,622
<b>Other Financing Sources/(Uses):</b>	<b>(7,393)</b>	<b>(18,425)</b>	<b>(7,330)</b>	<b>11,095</b>
Net change in fund balance	1,234	(21,146)	67,571	88,717
<b>Fund Balance:</b>				
Beginning of year, as previously stated	159,647	159,647	159,647	-
<b>End of year</b>	<b>\$ 160,881</b>	<b>\$ 138,501</b>	<b>\$ 227,218</b>	<b>\$ 88,717</b>

The primary reason for final budgeted revenues and expenditures increasing from the Original Budget is due to increased sales and use tax as well as increased Measure Z funding for encumbrance rollovers, carryover budgets and capital projects.

Actual amounts differed from the final fund budget are as follows:

Actual expenditures were less than final budgeted amounts by approximately \$57.2 million. This is primarily associated with unspent appropriations for projects that were not completed during the year (which are carried over to the next fiscal year) as well as the cost saving efforts by City Departments.

### Capital Assets and Debt Administration

**Capital Assets** - The City's investment in capital assets for governmental and business-type activities as of June 30, 2022 amounted to \$3,304,620 (net of accumulated depreciation). This investment includes land, intangibles, buildings and improvements, machinery and equipment, park facilities, roads, highways, and bridges. The total decrease in the City's net capital assets for the current fiscal year was \$8,844; a decrease of \$7,302 for governmental activities and a decrease

of \$1,542 for business-type activities primarily caused by depreciation expense exceeding capital asset additions.

Major capital improvements during the current fiscal year included ongoing projects: Consisting primarily of roads of \$22.5 million; Storm drains of \$8.6 million; and the Youth Innovation Center of \$7.1 million for governmental activities. \$26.4 million in Electric Utility capital improvements primarily related to transformer replacements, improvements to communications network, underground improvements, metering infrastructure, and major streetlight projects; \$15.2 million in Water Utility projects primarily related to main replacements, system expansion, transmission pipelines, distribution facilities, and well projects; and The Cheech Marin Center of \$11 million grant funded for business-type activities.

Additional information on the City's capital assets can be found in Note 5 on page 47 of this report.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Land	\$ 376,787	\$ 376,616	\$ 100,111	\$ 100,111	\$ 476,898	\$ 476,727
Construction in progress	52,051	30,820	128,123	126,187	180,174	157,007
Buildings	106,726	111,601	465,740	473,476	572,466	585,077
Improvements other than buildings	103,649	107,316	1,216,016	1,213,090	1,319,665	1,320,406
Machinery and equipment	32,060	33,113	32,994	32,712	65,054	65,825
Intangibles	-	-	31,838	30,788	31,838	30,788
Infrastructure	658,525	677,634	-	-	658,525	677,634
<b>Total</b>	<b>\$ 1,329,798</b>	<b>\$ 1,337,100</b>	<b>\$ 1,974,822</b>	<b>\$ 1,976,364</b>	<b>\$ 3,304,620</b>	<b>\$ 3,313,464</b>

**Right to Use Assets** - The City's investment in right to use assets for governmental and business-type activities as of June 30, 2022 amounted to \$1,830 (net of accumulated amortization). This investment includes right to use land, buildings and machinery and equipment, which were added due to the implementation of GASB issued Statement No. 87, Leases.

Additional information on the City's right to use assets can be found in Note 5 on page 47 of this report.

**City of Riverside's Right to Use Assets**  
(net of amortization)  
(in thousands)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Land - right to use	\$ -	\$ -	\$ 238	\$ -	\$ 238	\$ -
Buildings - right to use	617	-	273	-	890	-
Machinery and equipment - right to use	435	-	267	-	702	-
<b>Total</b>	<b>\$ 1,052</b>	<b>\$ -</b>	<b>\$ 778</b>	<b>\$ -</b>	<b>\$ 1,830</b>	<b>\$ -</b>

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$1,997,595 which includes bonded debt of \$1,779,938.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Lease revenue bonds	\$ 68,855	\$ 72,471	\$ 6,625	\$ 7,059	\$ 75,480	\$ 79,530
General obligation bonds	4,987	6,478	-	-	4,987	6,478
Pension obligation bonds	338,264	352,824	110,718	116,227	448,982	469,051
Certificates of participation	85,477	90,215	25,912	27,213	111,389	117,428
Revenue bonds	-	-	1,139,100	1,176,605	1,139,100	1,176,605
Loans payable	-	457	-	-	-	457
Notes payable	-	-	59,948	64,678	59,948	64,678
Contracts payable	-	-	933	1,067	933	1,067
Financed purchased	22,294	14,922	2,176	2,354	24,470	17,276
Compensated absences	29,994	30,901	11,855	12,005	41,849	42,906
Claims and judgments	78,790	76,603	-	-	78,790	76,603
Landfill capping	-	-	9,820	10,419	9,820	10,419
Lease liability	1,060	-	787	-	1,847	-
<b>Total</b>	<b>\$ 629,721</b>	<b>\$ 644,871</b>	<b>\$ 1,367,874</b>	<b>\$ 1,417,627</b>	<b>\$ 1,997,595</b>	<b>\$ 2,062,498</b>

The City's total debt decrease by \$64,903 or 3.2% 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 \$907,813 at June 30, 2022, which applies only to general obligation debt. At June 30, 2022, the City had \$4,987 of general obligation debt, resulting in available legal debt capacity of \$902,826.

Additional information on the City's long-term debt can be found in Note 9 beginning on page 52 of this report.

**Economic Factors and Next Year's Budget**

- Unemployment in the City of Riverside is 3.2% compared to 5.6% for the prior year as of September, 2022. Unemployment decreased mainly due to the end of COVID-19 shutdowns.
- The largest impact to the City's long-term financial stability relates to pension costs from CalPERS.

The cost increases are mainly due to investment losses by CalPERS during the Great Recession as well as demographic changes, which impacted all the California agencies' retirement plans managed by CalPERS. Additional factors causing cost increases, which impact all or many agencies include:



- Retroactive retirement benefit enhancements for City employees between 2001 and 2006.
- Long-term investment returns not meeting expectations.
- Increased contributions resulting from the CalPERS anticipated discount rate, or assumed rate of return, over the past 15 years.
- CalPERS expects retirees to live longer.

As of June 30, 2022, CalPERS reported a preliminary negative 6.1% net return on investment in the 12-month period, which is above the fiscal year total fund policy benchmark of negative 7.0%. This return was far below the prior year positive return of 21.3%.

Volatile global financial markets, geopolitical instability, domestic interest rate hikes, and inflation all have had an impact on public market returns. CalPERS' investments in global public stocks returned negative 13.1%, while fixed income investments returned negative 14.5%. Public market investments make up roughly 79% of the CalPERS' total fund. CalPERS' private market investments fared much better, with private equity and real assets sectors returning 21.3% and 24.1%, respectively.

With CalPERS' discount rate of 6.8% and this year's preliminary return of negative 6.1%, the estimated overall funded status stands at 72%.

As of June 30, 2022, total fund annualized returns for the 5-year period stood at 6.7%, the 10-year period at 7.7%, the 20-year period at 6.9%, and the 30-year period at 7.7%.

CalPERS began to collect employer contributions toward the plan's unfunded liability as dollar amounts instead of prior method of a contribution rate combined with the normal cost rate effective July 1, 2018. Additionally, in the fiscal year 2019-20, The City issued a pension obligation bond to help reduce future pension contributions. The following lists the required unfunded liability contribution component per plan for fiscal year 2022-23:

- Miscellaneous Plan – Unfunded Liability Payment of \$11,466
- Safety Plan – Unfunded Liability Payment of \$12,416

On June 21, 2022, the City Council adopted the City's Fiscal Year 2022-24 Biennial Budget comprised of \$1.4 billion in funding for citywide operations including \$163 million for capital projects for fiscal year 2022-23 and \$1.3 billion in funding for citywide operations including \$115 million for capital projects for fiscal year 2023-24.

The General Fund Budget for fiscal year 2022-23 and 2023-24 of approximately \$306 million and \$311 million, respectively, was adopted. The fiscal year 2022-23 budget represents an increase from the prior year of approximately 6.6%.

### **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, 2022**  
(amounts expressed in thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 442,633	\$ 443,553	\$ 886,186
Receivables, net of allowance for uncollectible	114,146	87,877	202,023
Lease receivable	7,501	97,294	104,795
Inventory	8,197	3,684	11,881
Prepaid items	2,256	18,029	20,285
Deposits	-	1,640	1,640
Other assets	-	3,225	3,225
Internal balances	(1,442)	1,442	-
Restricted assets:			
Cash and cash equivalents	-	77,945	77,945
Cash and investments with fiscal agent	40,083	58,456	98,539
Benefit/Conservation Programs receivable	-	1,657	1,657
Regulatory assets	-	13,324	13,324
Derivative instruments	-	269	269
Land and improvements held for resale	3,010	-	3,010
Advances to Successor Agency Trust Fund	-	2,454	2,454
Net pension asset	95,127	45,166	140,293
Capital assets, not depreciated	428,838	249,729	678,567
Capital assets, net of depreciation	900,960	1,725,093	2,626,053
Right to use assets, net of amortization	1,052	778	1,830
<b>Total assets</b>	<b>2,042,361</b>	<b>2,831,615</b>	<b>4,873,976</b>
<b>Deferred Outflows of Resources:</b>			
Changes in derivative values	4,574	8,719	13,293
Deferred charge on refunding	2,094	13,720	15,814
Pension related items	54,258	15,793	70,051
OPEB related items	6,504	3,416	9,920
<b>Total deferred outflows of resources</b>	<b>67,430</b>	<b>41,648</b>	<b>109,078</b>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and other current liabilities	46,558	35,269	81,827
Unearned revenue	86,911	8,709	95,620
Deposits	11,459	13,564	25,023
Accrued interest	1,856	14,154	16,010
Non-current liabilities:			
Due within one year:			
Long-term obligations	30,158	47,964	78,122
Compensated absences	16,600	8,402	25,002
Claims liability	15,304	-	15,304
Landfill capping	-	559	559
Decommissioning liability	-	8,813	8,813
Lease liability	443	223	666
Due in more than one year:			
Long-term obligations	489,719	1,297,448	1,787,167
Compensated absences	13,394	3,453	16,847
Claims and judgments	63,486	-	63,486
Landfill capping	-	9,261	9,261
Decommissioning liability	-	44,497	44,497
Regulatory liability	-	24,517	24,517
Derivative instruments	6,288	14,277	20,565
OPEB liability	28,435	20,335	48,770
Lease liability	617	564	1,181
<b>Total liabilities</b>	<b>811,228</b>	<b>1,552,009</b>	<b>2,363,237</b>
<b>Deferred Inflows of Resources</b>			
Change in derivative values	-	252	252
Deferred charges on refunding	-	616	616
Pension related items	191,492	75,950	267,442
OPEB related items	4,807	2,652	7,459
Lease related items	7,724	96,672	104,396
<b>Total deferred inflows of resources</b>	<b>204,023</b>	<b>176,142</b>	<b>380,165</b>
<b>Net Position:</b>			
Net investment in capital assets	1,176,215	774,469	1,950,684
Restricted:			
Housing	43,749	-	43,749
Debt service	22,971	31,824	54,795
Public works	36,384	-	36,384
Capital projects	60,373	-	60,373
Landfill capping	-	2,500	2,500
Programs and regulatory requirements	-	51,342	51,342
Economic development	16,556	-	16,556
Unfunded accrued liability	19,423	-	19,423
Nonspendable	3,582	-	3,582
Unrestricted/(deficit)	(284,713)	284,977	264
<b>Total net position</b>	<b>\$ 1,094,540</b>	<b>\$ 1,145,112</b>	<b>\$ 2,239,652</b>

See Notes to Financial Statements

**CITY OF RIVERSIDE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	Program Revenues					Net (Expenses) Revenues and Changes in Net Position		
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Primary Government		Total
						Governmental Activities	Business-Type Activities	
<b>Function/Programs</b>								
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 66,937	\$ (18,804)	\$ 13,721	\$ 39,006	\$ 784	\$ 5,378	\$ -	\$ 5,378
Public safety	169,742	12,496	14,491	10,386	-	(157,361)	-	(157,361)
Highways and streets	41,125	3,175	6,090	745	36,406	(1,059)	-	(1,059)
Culture and recreation	38,885	3,133	6,770	241	1,318	(33,689)	-	(33,689)
Interest on long-term debt and fiscal charges	19,806	-	-	-	-	(19,806)	-	(19,806)
<b>Total governmental activities</b>	<b>336,495</b>	<b>-</b>	<b>41,072</b>	<b>50,378</b>	<b>38,508</b>	<b>(206,537)</b>	<b>-</b>	<b>(206,537)</b>
Business-Type Activities:								
Electric	349,004	-	397,947	-	7,667	-	56,610	56,610
Water	69,303	-	80,535	-	5,693	-	16,925	16,925
Sewer	59,060	-	71,557	-	128	-	12,625	12,625
Airport	1,944	-	1,728	7	52	-	(157)	(157)
Refuse	28,449	-	29,768	-	-	-	1,319	1,319
Transportation	3,758	-	168	2,379	293	-	(918)	(918)
Public Parking	4,566	-	4,888	-	-	-	322	322
Civic Entertainment	21,804	-	11,883	3,480	6,694	-	253	253
<b>Total business-type activities</b>	<b>537,888</b>	<b>-</b>	<b>598,474</b>	<b>5,866</b>	<b>20,527</b>	<b>-</b>	<b>86,979</b>	<b>86,979</b>
<b>Total primary government</b>	<b>\$ 874,383</b>	<b>\$ -</b>	<b>\$ 639,546</b>	<b>\$ 56,244</b>	<b>\$ 59,035</b>	<b>\$ (206,537)</b>	<b>\$ 86,979</b>	<b>\$ (119,558)</b>
<b>General Revenues:</b>								
Taxes:								
						173,933	-	173,933
						79,790	-	79,790
						32,464	-	32,464
						5,955	-	5,955
						8,764	-	8,764
						661	-	661
						(7,613)	(13,324)	(20,937)
						3,880	12,639	16,519
						34,915	(34,915)	-
						-	(5,748)	(5,748)
<b>Total general revenues, extraordinary items, and transfers</b>						<b>332,749</b>	<b>(41,348)</b>	<b>291,401</b>
Change in net position						126,212	45,631	171,843
<b>Net Position:</b>								
Beginning of year, as previously stated						968,328	1,098,838	2,067,166
Prior period adjustments						-	643	643
Beginning of year, as restated						<b>\$ 968,328</b>	<b>\$ 1,099,481</b>	<b>\$ 2,067,809</b>
<b>End of year</b>						<b>\$ 1,094,540</b>	<b>\$ 1,145,112</b>	<b>\$ 2,239,652</b>

See Notes to Financial Statements

**CITY OF RIVERSIDE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022  
(amounts expressed in thousands)**

	General Fund	Capital Outlay Fund	General Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and investments	\$ 192,195	\$ 52,355	\$ 4,389	\$ 136,492	\$ 385,431
Cash and investments with fiscal agent	30,715	-	8,703	665	40,083
Receivables, net of allowance for uncollectible					
Interest	401	111	4	223	739
Property taxes	1,544	-	42	98	1,684
Sales taxes	30,395	-	-	-	30,395
Utility billed	3,350	-	-	-	3,350
Accounts	7,063	451	-	121	7,635
Intergovernmental	4,444	4,700	-	14,966	24,110
Notes	-	-	-	45,576	45,576
Lease receivable	7,501	-	-	-	7,501
Prepaid items	1,912	19	93	230	2,254
Due from other funds	870	-	-	-	870
Land and improvements held for resale	175	-	-	2,835	3,010
<b>Total assets</b>	<b>\$ 280,565</b>	<b>\$ 57,636</b>	<b>\$ 13,231</b>	<b>\$ 201,206</b>	<b>\$ 552,638</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 9,494	\$ 2,762	\$ 110	\$ 9,577	\$ 21,943
Accrued payroll	21,433	-	-	39	21,472
Retainage payable	2	348	-	1,025	1,375
Intergovernmental	153	-	-	1	154
Unearned revenue	-	1,502	-	85,409	86,911
Deposits	11,459	-	-	-	11,459
Due to other funds	-	-	-	831	831
Advances from other funds	-	-	1,442	-	1,442
<b>Total liabilities</b>	<b>42,541</b>	<b>4,612</b>	<b>1,552</b>	<b>96,882</b>	<b>145,587</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	3,082	520	-	49,832	53,434
Lease related items	7,724	-	-	-	7,724
<b>Total deferred inflows of resources</b>	<b>10,806</b>	<b>520</b>	<b>-</b>	<b>49,832</b>	<b>61,158</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Inventories, prepaids, and deposits	1,912	-	-	-	1,912
Land and improvements held for resale	175	-	-	-	175
Permanent fund principal	-	-	-	1,495	1,495
<b>Restricted:</b>					
Housing and redevelopment	-	-	-	12,292	12,292
Debt service	11,292	-	11,679	-	22,971
Transportation and public works	-	52,504	-	34,569	87,073
Other purposes	-	-	-	7,351	7,351
Unfunded accrued liability	19,423	-	-	-	19,423
<b>Committed:</b>					
Economic contingency	66,000	-	-	-	66,000
Other purposes	16,801	-	-	-	16,801
<b>Assigned:</b>					
General government	5,160	-	-	-	5,160
Public safety	12,319	-	-	-	12,319
Highways and streets	3,066	-	-	-	3,066
Culture and recreation	1,509	-	-	-	1,509
Continuing projects	19,653	-	-	-	19,653
<b>Unassigned</b>	<b>69,908</b>	<b>-</b>	<b>-</b>	<b>(1,215)</b>	<b>68,693</b>
<b>Total fund balances</b>	<b>227,218</b>	<b>52,504</b>	<b>11,679</b>	<b>54,492</b>	<b>345,893</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 280,565</b>	<b>\$ 57,636</b>	<b>\$ 13,231</b>	<b>\$ 201,206</b>	<b>\$ 552,638</b>

See Notes to Financial Statements

**CITY OF RIVERSIDE  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022  
(amounts expressed in thousands)**

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Total fund balances - governmental funds		\$ 345,893
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		1,322,679
Right to use asset, 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		1,029
Net pension asset		92,895
Deferred outflows on refunding charges are not available resources and, therefore, are not reported on the funds		2,094
Deferred outflows on pension related items		53,478
Deferred outflows on OPEB related items		6,293
Deferred inflows on pension related items		(187,739)
Deferred inflows on OPEB related items		(4,656)
Revenue not available to pay for current period expenditures are reported as unavailable revenue in the governmental funds		53,434
Accrued interest payable for the current portion of interest due on various debt issues has not been reported in the governmental funds		(1,856)
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	(4,987)	
Pension obligation bonds	(333,690)	
Certificates of participation	(85,477)	
Lease revenue bonds	(68,855)	
Financed purchase	(22,294)	
Compensated absences	(29,537)	
OPEB liability	(27,228)	
Lease liability	(1,039)	(573,107)
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	(6,288)	
Deferred amount related to the hedgeable portion of derivative instrument	4,574	(1,714)
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.		(14,183)
<b>Net position of governmental activities</b>		<b>\$ 1,094,540</b>

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, 2022  
(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>
<b>Revenues:</b>					
Taxes	\$ 298,986	\$ -	\$ 1,920	\$ -	\$ 300,906
Licenses and permits	11,304	-	-	3,546	14,850
Intergovernmental	4,463	13,830	-	69,707	88,000
Charges for services	15,311	-	-	1,627	16,938
Fines and forfeitures	2,096	-	-	-	2,096
Special assessments	316	538	1,234	5,100	7,188
Rental and investment income	(4,391)	(1,437)	(25)	(680)	(6,533)
Miscellaneous	1,232	742	-	1,729	3,703
<b>Total revenues</b>	<b>329,317</b>	<b>13,673</b>	<b>3,129</b>	<b>81,029</b>	<b>427,148</b>
<b>Expenditures:</b>					
Current:					
General government	8,197	-	-	16,132	24,329
Public safety	193,369	-	-	12,599	205,968
Highways and streets	17,935	-	-	870	18,805
Culture and recreation	30,882	-	-	2,183	33,065
Capital outlay	3,262	20,130	-	48,142	71,534
Debt service:					
Principal	675	-	27,389	62	28,126
Interest and fiscal charges	96	3	19,989	44	20,132
<b>Total expenditures</b>	<b>254,416</b>	<b>20,133</b>	<b>47,378</b>	<b>80,032</b>	<b>401,959</b>
Excess/(deficiency) of revenues over/(under) expenditures	74,901	(6,460)	(44,249)	997	25,189
<b>Other Financing Sources/(Uses):</b>					
Transfers in	58,586	11,651	44,636	2,018	116,891
Transfers out	(67,682)	(3,045)	(11,292)	(3,361)	(85,380)
Issuance of long-term debt	-	-	11,292	-	11,292
Proceeds from sale of capital assets	53	-	-	6	59
Proceeds from financing related to leases	1,713	-	-	1	1,714
<b>Total other financing sources/(uses)</b>	<b>(7,330)</b>	<b>8,606</b>	<b>44,636</b>	<b>(1,336)</b>	<b>44,576</b>
Net change in fund balances	67,571	2,146	387	(339)	69,765
<b>Fund Balances:</b>					
Beginning of year	159,647	50,358	11,292	54,831	276,128
<b>End of year</b>	<b>\$ 227,218</b>	<b>\$ 52,504</b>	<b>\$ 11,679</b>	<b>\$ 54,492</b>	<b>\$ 345,893</b>

**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, 2022  
(amounts expressed in thousands)**

Net change in fund balances - total governmental funds	\$	69,765
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	\$	45,413
Depreciation expense		(51,219)
Lease amortization expense		(682)
Gain/(Loss) on sale of capital assets		(670)
		<u>(7,158)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Whereas, issuance of long-term debt is a current financial resource in the governmental funds, but the issuance increase long-term debt in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and deferral on loss of refunding when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities		
Issuance of long-term debt		(13,003)
Principal repayments		
General obligation bonds		1,475
Pension obligation bonds		14,370
Certificates of participation		4,675
Lease revenue bonds		3,248
Loan payable		457
Financed purchase		3,920
Leases		672
Amortization of bond premium/discount		356
		<u>16,170</u>
The City uses derivative instruments to hedge its exposure to changing interest rates through the uses of interest swaps. The changes in the fair value of the interest swaps are only reflected on the Statement of Activities		
		296
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period		
		122
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
		842
Governmental funds report all contributions in relation to the annual required contribution (ARC) for the City retirement plan as expenditures; however, in the Statement of Activities only the ARC is an expense		
		46,943
Governmental funds report all contributions in relation to the annual required contribution (ARC) for OPEB as expenditures; however, in the Statement of Activities only the ARC is an expense		
		(1,757)
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		
		1,547
Internal service funds are used by management to charge the costs of insurance, central purchasing and fleet management to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities		
		<u>(558)</u>
<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>126,212</u></b>

See Notes to Financial Statements

**CITY OF RIVERSIDE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES, IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance to Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Taxes	\$ 252,040	\$ 275,737	\$ 298,986	\$ 23,249
Licenses and permits	9,955	10,391	11,304	913
Intergovernmental	1,413	1,463	4,463	3,000
Charges for services	15,139	13,991	15,311	1,320
Fines and forfeitures	1,608	1,608	2,096	488
Special assessments	551	551	316	(235)
Rental and investment income	2,726	2,726	(4,391)	(7,117)
Miscellaneous	1,867	2,413	1,232	(1,181)
<b>Total revenues</b>	<b>285,299</b>	<b>308,880</b>	<b>329,317</b>	<b>20,437</b>
<b>Expenditures:</b>				
General government:				
Mayor	1,021	1,037	1,036	1
Council	1,709	1,707	1,632	75
Manager	7,737	10,630	5,536	5,094
Attorney	6,338	6,354	5,921	433
Clerk	2,258	2,266	1,950	316
Community development	16,825	24,954	13,913	11,041
Human resources	4,502	4,724	3,868	856
General services	6,818	6,977	6,210	767
Finance	11,681	10,423	8,880	1,543
Innovation and technology	14,395	15,419	12,884	2,535
Subtotal	73,284	84,491	61,830	22,661
Allocated expenditures - General Government	(53,615)	(53,624)	(53,633)	9
Total general government	19,669	30,867	8,197	22,670
Public safety:				
Police	124,772	128,093	119,573	8,520
Fire	64,488	67,018	67,196	(178)
Animal regulation	3,307	3,818	3,315	503
Building and zoning inspection	3,682	3,698	3,285	413
Total public safety	196,249	202,627	193,369	9,258
Highways and streets	21,854	22,763	17,935	4,828
Culture and recreation:				
Library	8,282	8,578	7,399	1,179
Museum and cultural affairs	2,211	2,438	1,812	626
Parks, recreation and community services	24,777	24,027	21,671	2,356
Total culture and recreation	35,270	35,043	30,882	4,161
Capital outlay	3,630	20,301	3,262	17,039
Debt service:				
Principal	-	-	675	(675)
Interest and fiscal charges	-	-	96	(96)
<b>Total expenditures</b>	<b>276,672</b>	<b>311,601</b>	<b>254,416</b>	<b>57,185</b>
<b>Other Financing Sources/(Uses):</b>				
Transfers in	48,709	59,818	58,586	(1,232)
Transfers out	(56,102)	(78,243)	(67,682)	10,561
Proceeds from sale of capital assets	-	-	53	53
Proceeds from financing related to leases	-	-	1,713	1,713
<b>Total other financing sources/(uses)</b>	<b>(7,393)</b>	<b>(18,425)</b>	<b>(7,330)</b>	<b>11,095</b>
Net change in fund balance	1,234	(21,146)	67,571	88,717
<b>Fund Balance:</b>				
Beginning of year, as previously stated	159,647	159,647	159,647	-
<b>Ending of year</b>	<b>\$ 160,881</b>	<b>\$ 138,501</b>	<b>\$ 227,218</b>	<b>\$ 88,717</b>

See Notes to Financial Statements



**CITY OF RIVERSIDE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022  
(amounts expressed in thousands)**

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric	Water	Sewer	Non-Major Enterprise Funds		
<b>Assets:</b>						
Current assets:						
Cash and investments	\$ 274,172	\$ 49,076	\$ 108,145	\$ 12,160	\$ 443,553	\$ 57,202
Receivables, net of allowance for uncollectible						
Interest	663	248	225	38	1,174	117
Utility billed	26,920	6,260	6,710	3,458	43,348	-
Utility unbilled	16,601	3,649	2,527	1,053	23,830	-
Accounts	6,542	1,476	1,502	2,816	12,336	125
Property taxes	-	-	-	20	20	-
Intergovernmental	30	1,619	825	4,695	7,169	415
Lease receivable	990	425	30	940	2,385	-
Inventory	485	-	3,120	79	3,684	8,197
Prepaid items	5,446	199	29	38	5,712	2
Deposits	1,334	-	-	306	1,640	-
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	63,558	10,887	-	2,500	76,945	-
Benefit/Conservation Programs receivable	1,485	172	-	-	1,657	-
<b>Total current assets</b>	<b>398,226</b>	<b>74,311</b>	<b>124,113</b>	<b>28,103</b>	<b>624,753</b>	<b>66,058</b>
Noncurrent assets:						
Restricted assets:						
Cash and investments at fiscal agent	53,785	4,666	5	-	58,456	-
Lease receivable	7,099	82,983	27	4,800	94,909	-
Prepaid items noncurrent	12,317	-	-	-	12,317	-
Other noncurrent assets	-	2,925	-	-	2,925	-
Advances to other funds	-	-	1,442	-	1,442	-
Regulatory assets	1,665	880	1,191	9,588	13,324	-
Derivative instruments	-	-	-	269	269	-
Advances to Successor Agency Trust						
Fund	2,454	-	-	-	2,454	-
Net pension asset	26,219	8,809	6,021	4,117	45,166	2,232
Capital assets, net of accumulated depreciation	795,736	508,294	524,753	146,039	1,974,822	7,119
Right to use assets, net of amortization	491	16	16	255	778	23
<b>Total noncurrent assets</b>	<b>899,766</b>	<b>608,573</b>	<b>533,455</b>	<b>165,068</b>	<b>2,206,862</b>	<b>9,374</b>
<b>Total assets</b>	<b>1,297,992</b>	<b>682,884</b>	<b>657,568</b>	<b>193,171</b>	<b>2,831,615</b>	<b>75,432</b>
Deferred Outflows of Resources:						
Changes in derivative values	5,924	812	-	1,983	8,719	-
Deferred charge on refunding	8,046	5,028	-	646	13,720	-
Pension related items	9,168	3,080	2,105	1,440	15,793	780
OPEB related items	1,805	727	466	418	3,416	211
<b>Total deferred outflows of resources</b>	<b>24,943</b>	<b>9,647</b>	<b>2,571</b>	<b>4,487</b>	<b>41,648</b>	<b>991</b>

**CITY OF RIVERSIDE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022  
(amounts expressed in thousands)**

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric	Water	Sewer	Non-Major Enterprise Funds		
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable	21,111	3,492	2,256	4,203	31,062	1,531
Accrued payroll	1,010	377	214	154	1,755	77
Retainage payable	601	541	118	497	1,757	6
Unearned revenue	1,412	1,145	-	6,152	8,709	-
Deposits	11,888	1,022	6	648	13,564	-
Accrued interest	5,465	2,009	6,631	49	14,154	-
Due to other funds	-	-	-	-	-	39
Benefit/Conservation Programs payable	624	71	-	-	695	-
<b>Total current liabilities</b>	<b>42,111</b>	<b>8,657</b>	<b>9,225</b>	<b>11,703</b>	<b>71,696</b>	<b>1,653</b>
Noncurrent liabilities:						
Due within one year:						
Long-term obligations	21,356	10,195	10,619	5,794	47,964	288
Compensated absences	4,774	1,905	1,222	501	8,402	351
Claims and judgments	-	-	-	-	-	15,304
Landfill capping	-	-	-	559	559	-
Decommissioning liability	8,813	-	-	-	8,813	-
Lease liability	134	5	5	79	223	5
Due in more than one year:						
Long-term obligations	615,834	239,544	362,832	79,238	1,297,448	4,286
Compensated absences	2,426	668	255	104	3,453	106
Claims and judgments	-	-	-	-	-	63,486
Landfill capping	-	-	-	9,261	9,261	-
Decommissioning liability	44,497	-	-	-	44,497	-
Regulatory liability	4,220	4,096	16,167	34	24,517	-
Derivative instruments	8,905	2,646	-	2,726	14,277	-
OPEB liability	10,460	4,286	2,984	2,605	20,335	1,207
Lease liability	363	11	11	179	564	16
<b>Total noncurrent liabilities</b>	<b>721,782</b>	<b>263,356</b>	<b>394,095</b>	<b>101,080</b>	<b>1,480,313</b>	<b>85,049</b>
<b>Total liabilities</b>	<b>763,893</b>	<b>272,013</b>	<b>403,320</b>	<b>112,783</b>	<b>1,552,009</b>	<b>86,702</b>
<b>Deferred Inflows of Resources:</b>						
Change in derivative values	-	-	-	252	252	-
Deferred charges on refunding	-	-	616	-	616	-
Pension related items	44,089	14,814	10,125	6,922	75,950	3,753
OPEB related items	1,426	562	347	317	2,652	151
Lease related items	7,964	82,838	57	5,813	96,672	-
<b>Total deferred inflows of resources</b>	<b>53,479</b>	<b>98,214</b>	<b>11,145</b>	<b>13,304</b>	<b>176,142</b>	<b>3,904</b>
<b>Net position:</b>						
Net investment in capital assets	246,698	293,641	163,884	70,246	774,469	7,123
Restricted net position:						
Debt service	18,967	7,557	5,300	-	31,824	-
Landfill capping	-	-	-	2,500	2,500	-
Regulatory requirements	19,598	-	2,456	-	22,054	-
Public Benefit Programs	25,857	-	-	-	25,857	-
Water Conservation Program	-	3,431	-	-	3,431	-
Unrestricted/(deficit)	194,443	17,675	74,034	(1,175)	284,977	(21,306)
<b>Total net position</b>	<b>\$ 505,563</b>	<b>\$ 322,304</b>	<b>\$ 245,674</b>	<b>\$ 71,571</b>	<b>\$ 1,145,112</b>	<b>\$ (14,183)</b>

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, 2022**  
**(amounts expressed in thousands)**

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric	Water	Sewer	Non-Major Enterprise Funds		
<b>Operating Revenues:</b>						
Charges for services	\$ 397,947	\$ 80,535	\$ 71,557	\$ 48,435	\$ 598,474	\$ 28,410
<b>Total operating revenues</b>	<b>397,947</b>	<b>80,535</b>	<b>71,557</b>	<b>48,435</b>	<b>598,474</b>	<b>28,410</b>
<b>Operating Expenses:</b>						
Personnel services	32,356	10,856	8,928	6,305	58,445	3,706
Contractual services	6,466	2,527	1,017	15,559	25,569	1,576
Maintenance and operation	239,373	11,115	8,993	10,881	270,362	2,990
General	6,153	17,085	5,341	16,295	44,874	6,476
Materials and supplies	919	897	4,239	1,785	7,840	143
Claims/Insurance	1,848	1,162	1,121	650	4,781	14,887
Depreciation	36,718	16,179	14,931	5,382	73,210	741
Amortization	134	11	4	642	791	5
<b>Total operating expenses</b>	<b>323,967</b>	<b>59,832</b>	<b>44,574</b>	<b>57,499</b>	<b>485,872</b>	<b>30,524</b>
Operating income/(loss)	73,980	20,703	26,983	(9,064)	112,602	(2,114)
<b>Nonoperating Revenues/(Expenses):</b>						
Grant subsidies	-	-	-	5,866	5,866	-
Interest revenue	(10,330)	61	(2,782)	(273)	(13,324)	(1,376)
Interest expense and fiscal charges	(25,037)	(9,471)	(14,486)	(3,022)	(52,016)	(148)
Capital improvement fees	-	-	647	-	647	-
Other	6,589	3,957	150	74	10,770	173
Gain/(loss) on disposal of capital assets	505	709	8	-	1,222	105
<b>Total nonoperating revenues/(expenses)</b>	<b>(28,273)</b>	<b>(4,744)</b>	<b>(16,463)</b>	<b>2,645</b>	<b>(46,835)</b>	<b>(1,246)</b>
Income/(loss) before contributions and operating transfers	45,707	15,959	10,520	(6,419)	65,767	(3,360)
Capital contributions	7,667	5,693	128	7,039	20,527	92
Special item	-	-	-	(694)	(694)	-
Extraordinary item	(5,748)	-	-	-	(5,748)	-
Transfers in	-	-	-	13,273	13,273	2,714
Transfers out	(39,436)	(7,708)	(14)	(336)	(47,494)	(4)
<b>Change in net position</b>	<b>8,190</b>	<b>13,944</b>	<b>10,634</b>	<b>12,863</b>	<b>45,631</b>	<b>(558)</b>
<b>Net Position:</b>						
Beginning of year, as previously stated	497,373	308,360	234,397	58,708	1,098,838	(13,625)
Prior period adjustment	-	-	643	-	643	-
Beginning of year, as restated	497,373	308,360	235,040	58,708	1,099,481	(13,625)
<b>End of year</b>	<b>\$ 505,563</b>	<b>\$ 322,304</b>	<b>\$ 245,674</b>	<b>\$ 71,571</b>	<b>\$ 1,145,112</b>	<b>\$ (14,183)</b>

**CITY OF RIVERSIDE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Electric	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>Cash Flows from Operating Activities:</b>						
Cash received from customers and users	\$ 394,707	\$ 80,337	\$ 70,033	\$ 50,835	\$ 595,912	\$ -
Cash received from interfund services provided	-	-	-	-	-	28,302
Cash paid to suppliers for goods or services	(252,247)	(32,039)	(21,156)	(44,571)	(350,013)	(24,490)
Cash paid to employees for services	(47,823)	(15,499)	(11,516)	(7,916)	(82,754)	(4,789)
<b>Net cash provided/(used) by operating activities</b>	<b>94,637</b>	<b>32,799</b>	<b>37,361</b>	<b>(1,652)</b>	<b>163,145</b>	<b>(977)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>						
Transfers in	-	-	-	13,273	13,273	2,714
Transfers out	(39,436)	(7,708)	(14)	(1,030)	(48,188)	(4)
Payment made to other funds	-	-	-	(3,002)	(3,002)	39
Payment receipt from advances to other funds	471	-	322	-	793	-
Payments on pension obligation bonds	(3,310)	(1,075)	(671)	(452)	(5,508)	(227)
Grant subsidies	-	-	-	5,866	5,866	-
Other receipts/(payments) from non-operating revenue	6,463	1,496	150	146	8,255	172
<b>Net cash provided/(used) by non-capital financing activities</b>	<b>(35,812)</b>	<b>(7,287)</b>	<b>(213)</b>	<b>14,801</b>	<b>(28,511)</b>	<b>2,694</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Purchase of capital assets	(32,361)	(22,738)	(4,350)	(7,930)	(67,379)	(1,626)
Proceeds from sales of capital assets	535	713	8	-	1,256	105
Principal paid on long-term obligations	(16,581)	(6,867)	(9,295)	(1,727)	(34,470)	-
Interest paid on long-term obligations	(25,645)	(9,004)	(16,577)	(6,494)	(57,720)	(149)
Capital improvement fees	-	-	583	-	583	-
Contributions	5,445	3,590	128	7,733	16,896	92
Lease payments	(126)	(5)	(5)	(80)	(216)	(6)
<b>Net cash provided/(used) by capital and related financing activities</b>	<b>(68,733)</b>	<b>(34,311)</b>	<b>(29,508)</b>	<b>(8,498)</b>	<b>(141,050)</b>	<b>(1,584)</b>
<b>Cash Flows from Investing Activities:</b>						
Proceeds from investment securities	6,164	-	-	-	6,164	-
Interest from investments	(10,407)	(101)	(2,825)	(298)	(13,631)	(1,431)
<b>Net cash provided/(used) by investing activities</b>	<b>(4,243)</b>	<b>(101)</b>	<b>(2,825)</b>	<b>(298)</b>	<b>(7,467)</b>	<b>(1,431)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(14,151)</b>	<b>(8,900)</b>	<b>4,815</b>	<b>4,353</b>	<b>(13,883)</b>	<b>(1,298)</b>
Cash and cash equivalents at beginning of year (excluding \$59,949 in restricted investments for Electric)	351,881	73,529	104,335	10,307	540,052	58,500
<b>Cash and cash equivalents at end of year (excluding \$53,785 restricted investments for Electric)</b>	<b>\$ 337,730</b>	<b>\$ 64,629</b>	<b>\$ 109,150</b>	<b>\$ 14,660</b>	<b>\$ 526,169</b>	<b>\$ 57,202</b>

**CITY OF RIVERSIDE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	Business-Type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Electric	Water	Sewer	Non-Major Enterprise Funds		
<b>Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:</b>						
Operating income/(loss)	\$ 73,980	\$ 20,703	\$ 26,982	\$ (9,064)	\$ 112,601	\$ (2,114)
<b>Adjustments to Reconcile Operating Income/(Loss) Net Cash Provided/(Used) by Operating Activities:</b>						
Depreciation	36,718	16,179	14,931	5,382	73,210	741
Amortization	134	11	4	642	791	5
(Increase)/decrease in utility billed receivable	(3,908)	(242)	(678)	(1,196)	(6,024)	-
(Increase)/decrease in utility unbilled receivable	(931)	39	(57)	(64)	(1,013)	-
(Increase)/decrease in accounts receivable	(1,487)	(227)	(793)	(1,615)	(4,122)	11
(Increase)/decrease in property tax receivable	-	-	-	20	20	-
(Increase)/decrease in intergovernmental receivable	18	1,846	5	892	2,761	(122)
(Increase)/decrease in inventory	485	-	(168)	(38)	279	(779)
(Increase)/decrease in prepaid items	1,482	39	6	2	1,529	-
(Increase)/decrease in deposits	-	-	-	(6)	(6)	-
(Increase)/decrease in Benefit/Conservation Programs receivable	(283)	(20)	-	-	(303)	-
Increase/(decrease) in accounts payable	4,044	26	(152)	764	4,682	192
Increase/(decrease) in accrued payroll	407	180	94	67	748	31
Increase/(decrease) in retainage payable	134	240	(129)	474	719	(15)
Increase/(decrease) in unearned revenue	1,345	(1,202)	-	4,236	4,379	-
Increase/(decrease) in deposits payable	1,325	9	-	123	1,457	-
Increase/(decrease) in Benefit/Conservation Programs payable	385	43	-	-	428	-
Increase/(decrease) in compensated absences	18	(146)	26	(47)	(149)	(62)
Increase/(decrease) in claims and judgments	-	-	-	-	-	2,187
Increase/(decrease) in landfill capping liability	-	-	-	(599)	(599)	-
Increase/(decrease) in decommissioning liability	(3,334)	-	-	-	(3,334)	-
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(16,425)	(4,890)	(2,836)	(1,740)	(25,891)	(1,105)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	530	211	126	115	982	53
<b>Total adjustments</b>	<b>20,657</b>	<b>12,096</b>	<b>10,379</b>	<b>7,412</b>	<b>50,544</b>	<b>1,137</b>
<b>Net cash provided/(used) by operating activities</b>	<b>\$ 94,637</b>	<b>\$ 32,799</b>	<b>\$ 37,361</b>	<b>\$ (1,652)</b>	<b>\$ 163,145</b>	<b>\$ (977)</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>						
Capital contributions - capital assets	\$ 2,222	\$ 2,103	\$ -	\$ -	\$ 4,325	\$ -
Payment on note payable offset by rent credit	-	1,890	-	-	1,890	-

**CITY OF RIVERSIDE  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2022  
(amounts expressed in thousands)**

	<u>Private-Purpose Trust Fund</u>	<u>Successor Agency Trust Fund</u>	<u>Custodial Fund</u>
<b>Assets:</b>			
Cash and investments	\$ 27,851	\$ 537	
Cash and investments with fiscal agent	4,033		13,251
Receivables, net of allowance for uncollectible			
Interest	56		-
Property taxes	-		46
Accounts	475		-
Intergovernmental	795		-
Notes	1,989		-
Direct financing lease receivable	7,570		-
Lease receivable	826		-
Deposits	2		-
Land and improvements held for resale	7,361		-
Capital assets:			
Capital assets, not depreciated	185		-
<b>Total assets</b>	<u>51,143</u>		<u>13,834</u>
<b>Liabilities:</b>			
Accounts payable	392		-
Accrued interest	2,419		-
Advances from City	2,454		-
Noncurrent liabilities:			
Due within one year:			
Long-term obligations	7,143		-
Due in more than one year:			
Long-term obligations	171,467		-
<b>Total liabilities</b>	<u>183,875</u>		<u>-</u>
<b>Deferred Inflows of Resources:</b>			
Deferred charges on refunding	693		-
Lease related items	820		-
<b>Total deferred inflows of resources</b>	<u>1,513</u>		<u>-</u>
<b>Net Position:</b>			
Restricted for other governments	(134,245)		13,834
<b>Total net position</b>	<u>\$ (134,245)</u>	<u>\$</u>	<u>13,834</u>

**CITY OF RIVERSIDE  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	<u>Private-Purpose Trust Fund</u>		<u>Successor Agency Trust Fund</u>	<u>Custodial Fund</u>
<b>Additions:</b>				
Property taxes	\$ 16,012	\$		-
Special assessments	-			4,399
Rental and investment income	(87)			7
Miscellaneous	37			-
Issuance of long-term debt	-			4,805
<b>Total additions</b>	<b>15,962</b>			<b>9,211</b>
<b>Deductions:</b>				
Professional services and other deductions	2,133			143
Redevelopment projects	123			-
Principal	-			2,175
Interest and fiscal charges	6,173			2,103
<b>Total deductions</b>	<b>8,429</b>			<b>4,421</b>
Changes in Net Position	<b>7,533</b>			<b>4,790</b>
<b>Net Position:</b>				
Beginning of year, as previously stated	(141,778)			(29,921)
Prior period adjustment	-			38,965
Beginning of year, as restated	(141,778)			9,044
<b>End of year</b>	<b>\$ (134,245)</b>	<b>\$</b>		<b>13,834</b>

**CITY OF RIVERSIDE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

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**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](http://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, 2022  
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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.

Additionally, the government reports the following fund types:

Special Revenue funds account for proceeds of specific revenue sources

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
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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 \$1.5 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, 2022, the City had an allowance for doubtful account balance of \$9,669 for all accounts receivables.

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
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G. Land and Improvements Held of Resale

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

H. Inventory

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

I. Prepaid Items

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

J. Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets other than land are depreciated using the straight-line method. Estimated useful lives used to compute depreciation are as follows:

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

K. Leases

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 right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use 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

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between the Airport 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. Additional disclosures regarding regulated leases are in Note 9

**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.

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

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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, 2022, the Electric Utility has set aside \$42,082 in cash investments with the trustee and \$16,107 in a 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, 2022, the Electric Utility has paid to date \$40,539 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, 2022, 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.
- 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

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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, 2022 were calculated utilizing fiscal year 2022-2023 adopted General Fund expenditure budget of \$305,670.

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

#### R. Interfund Transactions

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

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

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

#### S. Unearned Revenue

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

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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.

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 2021-2022 audit:

GASB Statement No. 87, Leases - This Statement defines a lease as a contract that conveys control of the right to use another entity's nonfinancial asset (the

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underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. It requires recognition of certain lease assets and liabilities, for leases that were previously classified as operating leases, and establishes a single model for lease accounting. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period. - This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

The following GASB pronouncements are effective in the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal year 2023

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 right-to-use 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.

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



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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 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.

New Accounting Pronouncements In June 2017, the GASB issued Statement No. 87, “Leases”. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2019. The City has implemented GASB 87 in this annual report

**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.

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Per City Council direction, City intends to shift from an incremental budget methodology to a priority-based budgeting methodology in FY 2022/23. Therefore, the City adopted a one-year budget for FY 2021/22 following a public hearing on June 22, 2021.

**3. Cash and Investments**

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

Investments	\$ 846,451
Investments with fiscal agent	<u>101,800</u>
	<b>948,251</b>
Cash on hand and deposits with financial institutions	<u>160,091</u>
<b>Total</b>	<b><u>\$ 1,108,342</u></b>

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

Cash and investments	\$ 886,186
Restricted cash and cash equivalents	77,945
Restricted cash and investments with fiscal agent	<u>98,539</u>
<b>Total per statement of net position</b>	<b>1,062,670</b>
Fiduciary fund cash and investments	28,388
Fiduciary fund cash and investments with fiscal agent	<u>17,284</u>
<b>Total</b>	<b><u>\$ 1,108,342</u></b>

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:

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

Investments in Medium-Term Corporate Notes may be invested in securities rated "A" or its equivalent or better by at least one nationally recognized statistical rating organization at the time of purchase. No more than 5% of the portfolio may be invested in any single issuer.

Investments in Negotiable Certificates of Deposit exceeding federal deposit insurance limits shall be issued by institutions which have long-term debt obligations rated in a rating category of "A" (or the equivalent) or better and short-term debt obligations, if any, rated "A-1" (or the equivalent) or better by at least one nationally recognized statistical rating organization. No more than 5% of the portfolio may be invested in any single issuer of non-negotiable or negotiable certificates of deposit.

Investments in Commercial Paper may be invested in securities rated "A-1" (or the equivalent) or higher by at least one nationally recognized statistical rating organization. In addition, debt other than Commercial Paper, if any, issued by corporations in this category must be rated at least in a rating category of "A" (or the equivalent) or better by at least one nationally recognized statistical rating organization. No more than 5% of the portfolio may be invested in any single issuer. For purposes of this issuer limitation, holdings of Commercial Paper shall be combined with holdings of Medium-Term Corporate Notes. No more

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than 25% of the total portfolio may be invested in Commercial Paper. No more than 10% of the outstanding Commercial Paper of any single issuer may be purchased.

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 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 A2/A 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, 2022, the City had \$19,423 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 Conservative
- Risk Tolerance: Moderately Conservative
- Portfolio Type: Index Plus (passive)
- Strategic Asset Allocation:

	<b>Strategic Asset Allocation Ranges</b>	<b>Policy</b>
Cash	0% - 20%	5%
Fixed income	50% - 80%	65%
Equity	20% - 40%	30%

- 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

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follows:

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

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

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

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

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

The City has the following recurring fair value measurements as of June 30, 2022:

	<b>Total</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Joint Powers Authority Pools	\$ 131,756	\$ 131,756	\$ -	\$ -
Mortgage Pass-Through Securities	33,108	-	33,108	-
Asset-Backed Securities	66,956	-	66,956	-
U.S. Treasury Obligations	191,127	-	191,127	-
Federal Agency Obligations	113,001	-	113,001	-
Medium-Term Corporate Notes	148,472	-	148,472	-
Supranational Securities	34,458	-	34,458	-
Negotiable Certificates of Deposits	3,973	-	3,973	-
Held by Fiscal Agent:				
Asset-Backed Securities	3,503	-	3,503	-
U.S. Treasury Obligations	18,274	-	18,274	-
Federal Agency Obligations	3,208	-	3,208	-
Medium-Term Corporate Notes	10,745	-	10,745	-
Supranational Securities	3,566	-	3,566	-
<b>Total</b>	<b>762,147</b>	<b>\$ 131,756</b>	<b>\$ 630,391</b>	<b>\$ -</b>
<b>Investments not subject to fair value hierarchy:</b>				
Local Agency Investment Fund	101,362			
Mutual Funds	17,424			
Money Market Mutual Funds	56,557			
Investment Contracts	10,761			
<b>Total Investments</b>	<b>\$ 948,251</b>			

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.

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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:

	Remaining Maturity (in Months)				
	Total	12 Months or Less	13 to 36 Months	37 to 60 Months	More than 60 Months
Money Market Mutual Funds	\$ 23,482	\$ 23,482	\$ -	\$ -	\$ -
Joint Powers Authority Pools	131,756	131,756	-	-	-
Local Agency Investment Fund	100,118	100,118	-	-	-
Mortgage Pass-Through Securities	33,108	9,231	19,278	4,599	-
Asset-Backed Securities	66,956	-	35,914	31,042	-
U.S. Treasury Obligations	191,127	22,987	92,833	75,307	-
Federal Agency Obligations	113,001	17,616	70,818	24,567	-
Medium-Term Corporate Notes	148,472	6,807	66,728	74,937	-
Supranational Securities	34,458	-	11,966	22,492	-
Negotiable Certificates of Deposit Held by Fiscal Agent	3,973	3,973	-	-	-
Money Market Mutual Funds	33,075	33,075	-	-	-
Mutual Funds	17,424	17,424	-	-	-
Local Agency Investment Fund	1,244	1,244	-	-	-
Asset-Backed Securities	3,503	-	1,401	2,102	-
Investment Contracts	10,761	-	-	-	10,761
U.S. Treasury Obligations	18,274	5,994	4,938	7,342	-
Federal Agency Obligations	3,208	2,622	586	-	-
Medium-Term Corporate Notes	10,745	-	6,665	4,080	-
Supranational Securities	3,566	-	1,687	1,879	-
<b>Total</b>	<b>\$ 948,251</b>	<b>\$ 376,329</b>	<b>\$ 312,814</b>	<b>\$ 248,347</b>	<b>\$ 10,761</b>

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:

	Ratings as of Year End *				
	Total	AAA	AA	A	Unrated
Money Market Mutual Funds	\$ 23,482	\$ 18,309	\$ -	\$ -	\$ 5,173
Joint Powers Authority Pools	131,756	-	-	-	131,756
Local Agency Investment Fund	100,118	-	-	-	100,118
Mortgage Pass-Through Securities	33,108	33,108	-	-	-
Asset-Backed Securities	66,956	53,315	-	-	13,641
U.S. Treasury Obligations	191,127	191,127	-	-	-
Federal Agency Obligations	113,001	113,001	-	-	-
Medium-Term Corporate Notes	148,472	-	52,690	81,019	14,763
Supranational Securities	34,458	17,811	-	-	16,647
Negotiable Certificates of Deposit Held by Fiscal Agent	3,973	-	-	3,973	-
Money Market Mutual Funds	33,075	10,722	-	-	22,353
Mutual Funds	17,424	-	-	-	17,424
Local Agency Investment Fund	1,244	-	-	-	1,244
Asset-Backed Securities	3,503	2,869	-	-	634
Investment Contracts	10,761	-	-	-	10,761
U.S. Treasury Obligations	18,274	18,274	-	-	-
Federal Agency Obligations	3,208	3,208	-	-	-
Medium-Term Corporate Notes	10,745	-	2,754	6,656	1,335
Supranational Securities	3,566	1,879	-	-	1,687
<b>Total</b>	<b>\$ 948,251</b>	<b>\$ 463,623</b>	<b>\$ 55,444</b>	<b>\$ 91,648</b>	<b>\$ 337,536</b>

\*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, 2022, 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

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investment policy requires that a third-party bank trust department hold all securities owned by the City. All trades are settled on a delivery vs. payment basis through the City's safekeeping agent. The City has no deposits with financial institutions; bank balances are swept daily into a money market account.

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

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

Investment in State Investment Pool

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

**4. Direct Financing Lease Receivable**

The former Redevelopment Agency had a direct financing lease arrangement with the State of California (the State) for a twelve-story office building, which was transferred to the Successor Agency. The lease term is for thirty years and the State takes ownership of the facility at the conclusion of that term. The lease 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 lease payments to be received are as follows:

<u>Fiscal Year</u>	
2023	\$ 2,759
2024	2,786
2025	<u>2,823</u>
<b>Total due</b>	<b><u>8,368</u></b>
Less: amount applicable to interest	<u>(798)</u>
<b>Total direct financing lease receivable</b>	<b><u>\$ 7,570</u></b>

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**5. Capital Assets and Right to Use Assets**

The following is a summary of changes in the capital assets during the fiscal year ended June 30, 2022:

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Reclassifications</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
<b>Capital assets, not depreciated:</b>					
Land	\$ 376,616	\$ 413	\$ (242)	\$ -	\$ 376,787
Construction in progress	30,820	34,132	(748)	(12,153)	52,051
<b>Total capital assets, not depreciated</b>	<b>407,436</b>	<b>34,545</b>	<b>(990)</b>	<b>(12,153)</b>	<b>428,838</b>
<b>Capital assets, being depreciated:</b>					
Buildings	190,232	-	-	-	190,232
Improvements other than buildings	263,749	-	-	7,634	271,383
Machinery and equipment	116,082	6,598	(2,607)	270	120,343
Intangibles, depreciable	219	-	-	-	219
Infrastructure	1,161,554	4,674	(284)	4,249	1,170,193
<b>Total capital assets, being depreciated</b>	<b>1,731,836</b>	<b>11,272</b>	<b>(2,891)</b>	<b>12,153</b>	<b>1,752,370</b>
<b>Less: accumulated depreciation for:</b>					
Buildings	(78,631)	(4,875)	-	-	(83,506)
Improvements other than buildings	(156,433)	(11,301)	-	-	(167,734)
Machinery and equipment	(82,969)	(7,752)	2,438	-	(88,283)
Intangibles, depreciable	(219)	-	-	-	(219)
Infrastructure	(483,920)	(28,032)	284	-	(511,668)
<b>Total accumulated depreciation</b>	<b>(802,172)</b>	<b>(51,960)</b>	<b>2,722</b>	<b>-</b>	<b>(851,410)</b>
<b>Total capital assets being depreciated, net</b>	<b>929,664</b>	<b>(40,688)</b>	<b>(169)</b>	<b>12,153</b>	<b>900,960</b>
<b>Governmental Activities capital assets, net</b>	<b>\$ 1,337,100</b>	<b>\$ (6,143)</b>	<b>\$ (1,159)</b>	<b>\$ -</b>	<b>\$ 1,329,798</b>
<b>Right to use assets, being amortized</b>					
Buildings	-	1,159	-	-	1,159
Machinery and equipment	-	580	-	-	580
<b>Total right to use assets</b>	<b>-</b>	<b>1,739</b>	<b>-</b>	<b>-</b>	<b>1,739</b>
<b>Less accumulated amortization</b>					
Buildings	-	(542)	-	-	(542)
Machinery and equipment	-	(145)	-	-	(145)
<b>Total right to use lease accumulated amortization</b>	<b>-</b>	<b>(687)</b>	<b>-</b>	<b>-</b>	<b>(687)</b>
<b>Total right to use lease assets, net</b>	<b>-</b>	<b>1,052</b>	<b>-</b>	<b>-</b>	<b>1,052</b>
<b>Capital assets and right to use assets, net</b>	<b>\$ 1,337,100</b>	<b>\$ (5,091)</b>	<b>\$ (1,159)</b>	<b>\$ -</b>	<b>\$ 1,330,850</b>

	<u>Beginning Balance</u>	<u>Additions/ Transfers In</u>	<u>Deletions/ Transfers Out</u>	<u>Reclassifications</u>	<u>Ending Balance</u>
<b>Business-Type Activities:</b>					
<b>Capital assets, not depreciated:</b>					
Land	\$ 100,111	\$ -	\$ -	\$ -	\$ 100,111
Intangible assets	21,626	-	(131)	-	21,495
Construction in progress	126,187	58,404	(250)	(56,218)	128,123
<b>Total capital assets, not depreciated</b>	<b>247,924</b>	<b>58,404</b>	<b>(381)</b>	<b>(56,218)</b>	<b>249,729</b>
<b>Capital assets, being depreciated:</b>					
Buildings	671,789	99	-	6,681	678,569
Improvements other than buildings	1,966,396	11,099	(12,170)	41,692	2,007,017
Machinery and equipment	108,099	2,481	(941)	3,859	113,498
Intangibles, depreciable	26,277	-	-	3,986	30,263
<b>Total capital assets, being depreciated</b>	<b>2,772,561</b>	<b>13,679</b>	<b>(13,111)</b>	<b>56,218</b>	<b>2,829,347</b>
<b>Less: accumulated depreciation for:</b>					
Buildings	(198,313)	(14,517)	1	-	(212,829)
Improvements other than buildings	(753,306)	(49,832)	12,137	-	(791,001)
Machinery and equipment	(75,387)	(6,055)	938	-	(80,504)
Intangibles, depreciable	(17,115)	(2,806)	1	-	(19,920)
<b>Total accumulated depreciation</b>	<b>(1,044,121)</b>	<b>(73,210)</b>	<b>13,077</b>	<b>-</b>	<b>(1,104,254)</b>
<b>Total capital assets being depreciated, net</b>	<b>1,728,440</b>	<b>(59,531)</b>	<b>(34)</b>	<b>56,218</b>	<b>1,725,093</b>
<b>Business-Type activities capital assets, net</b>	<b>\$ 1,976,364</b>	<b>\$ (1,127)</b>	<b>\$ (415)</b>	<b>\$ -</b>	<b>\$ 1,974,822</b>
<b>Right to use assets, being amortized</b>					
Land	-	312	-	-	312
Buildings	-	348	-	-	348
Machinery and equipment	-	345	-	-	345
<b>Total right to use assets</b>	<b>-</b>	<b>1,005</b>	<b>-</b>	<b>-</b>	<b>1,005</b>
<b>Less accumulated amortization</b>					
Land	-	(74)	-	-	(74)
Buildings	-	(75)	-	-	(75)
Machinery and equipment	-	(78)	-	-	(78)
<b>Total right to use lease accumulated amortization</b>	<b>-</b>	<b>(227)</b>	<b>-</b>	<b>-</b>	<b>(227)</b>
<b>Total right to use lease assets, net</b>	<b>-</b>	<b>778</b>	<b>-</b>	<b>-</b>	<b>778</b>
<b>Capital assets and right to use assets, net</b>	<b>\$ 1,976,364</b>	<b>\$ (349)</b>	<b>\$ (415)</b>	<b>\$ -</b>	<b>\$ 1,975,600</b>

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Depreciation expense was charged to various functions as follows:

<b>Governmental Activities:</b>	
General government	\$ 3,953
Public safety	7,210
Highways and streets	28,686
Culture and recreation	11,370
Internal service funds	741
<b>Total depreciation expense - Governmental Activities</b>	<b>\$ 51,960</b>
<b>Business-Type Activities:</b>	
Electric	\$ 36,718
Water	16,179
Sewer	14,931
Airport	717
Refuse	837
Transportation	448
Public Parking	855
Civic Entertainment	2,525
<b>Total depreciation expense - Business-Type Activities</b>	<b>\$ 73,210</b>

Amortization expense was charged to various functions as follows:

<b>Governmental Activities:</b>	
General government	\$ 51
Public safety	328
Highways and streets	10
Culture and recreation	293
Internal service funds	5
<b>Total amortization expense - Governmental Activities</b>	<b>\$ 687</b>
<b>Business-type Activities:</b>	
Electric	\$ 134
Water	11
Sewer	4
Airport	1
Refuse	1
Transportation	2
Public Parking	74
<b>Total amortization expense - Governmental Activities</b>	<b>\$ 227</b>

**6. Leases**

Leases Receivable

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

The City of Riverside entered into 111 leases as a Lessor for the use of various pieces of land, building and equipment. The terms range from 2 to 110 years beginning on the contract commencement date. An initial lease receivable was recorded in the amount of \$108,894. As of June 30, 2022, the value of the lease receivable is \$104,795. The lessee was required to make monthly payments in fiscal year 2021-2022 ranging from \$0 to \$87. The leases have interest rates ranging from 0.52% to 1.79%. The various buildings and equipment estimated useful lives range from 3 to 50 years. The value of the deferred inflow of resources as of June 30, 2022 was \$104,396, and the City recognized lease revenue of \$4,497 during the fiscal year. The lessees have various extension options, ranging from 2 to 55 years.

Fiscal Year	Governmental Activities		
	Principal	Interest	Total Payments
2023	\$ 1,312	\$ 91	\$ 1,403
2024	1,261	76	1,337
2025	841	63	904
2026	768	53	821
2027	722	44	766
2028-2032	2,016	103	2,119
2033-2037	258	37	295
2038-2042	163	22	185
2043-2047	160	7	167
<b>Total</b>	<b>\$ 7,501</b>	<b>\$ 496</b>	<b>\$ 7,997</b>



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Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 2,385	\$ 1,670	\$ 4,055
2024	1,923	1,650	3,573
2025	1,687	1,624	3,311
2026	1,512	1,602	3,114
2027	1,492	1,581	3,073
2028-2032	4,546	7,662	12,208
2032-2037	3,547	7,329	10,876
2038-2042	3,052	7,037	10,089
2042-2047	3,223	6,766	9,989
2048-2052	3,826	6,454	10,280
2053-2057	4,495	6,077	10,572
2058-2062	4,948	5,655	10,603
2063-2067	5,639	5,183	10,822
2068-2072	3,391	4,763	8,154
2073-2077	3,007	4,488	7,495
2078-2082	3,272	4,207	7,479
2083-2087	3,578	3,900	7,478
2088-2092	3,911	3,567	7,478
2093-2097	4,279	3,198	7,477
2098-2102	4,681	2,796	7,477
2103-2107	5,118	2,358	7,476
2108-2112	5,596	1,880	7,476
2113-2117	6,121	1,354	7,475
2118-2122	6,694	780	7,474
2123-2127	5,031	198	5,229
2128-2132	340	2	342
Total	<b>\$ 97,294</b>	<b>\$ 93,781</b>	<b>\$ 191,075</b>

Lease Liability

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For

additional information, refer to the disclosures below.

The City of Riverside has entered into 163 leases as Lessee for the use of various pieces of land, building and equipment. The terms range from 4.5 to 14 years beginning on the contract commencement date. An initial lease liability was recorded in the amount of \$2,744. As of June 30, 2022, the value of the lease liability is \$1,847. The City of Riverside was required to make monthly payments in fiscal year 2021-2022 ranging from \$0 to \$24. The leases have an interest rate of 0.52%. The leases have various options to extend, ranging from 1 to 2 years. The value of the right-to-use asset as of June 30, 2022 of \$2,744 with accumulated amortization of \$914 and is included with Land, Building and Machinery and equipment on the Asset Class activities table found below.

Asset Class	Amount of Lease Assets by Major Classes of Underlying Asset	
	Lease Asset Value	Accumulated Amortization
Land	\$ 312	\$ (74)
Buildings	1,507	(617)
Machinery and equipment	925	(223)
	<b>\$ 2,744</b>	<b>\$ (914)</b>

Fiscal Year	Governmental Activities		
	Principal	Interest	Total Payments
2023	\$ 443	\$ 4	\$ 447
2024	380	2	382
2025	177	1	178
2026	60	-	60
Total	<b>\$ 1,060</b>	<b>\$ 7</b>	<b>\$ 1,067</b>

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Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 223	\$ 3	\$ 226
2024	226	2	228
2025	223	1	224
2026	115	-	115
Total	<b>\$ 787</b>	<b>\$ 6</b>	<b>\$ 793</b>

**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, 2022:

	Notional Amount	Fair Value as of 06/30/22	Change in Fair Value for Fiscal Year
<b>Governmental Activities</b>			
2008 Renaissance Certificates of Participation*	\$ 59,133	\$ (6,288)	\$ 6,830
<b>Business-Type Activities</b>			
2008 Renaissance Certificates of Participation*	26,567	(2,726)	2,961
2008 Electric Refunding/Revenue Bonds Series A	32,450	(1,885)	2,847
2008 Electric Refunding/Revenue Bonds Series C	32,150	(3,495)	4,025
2011 Electric Refunding/Revenue Bonds Series A	35,550	(3,525)	4,191
2011 Water Refunding/Revenue Bonds Series A	24,050	(2,646)	3,037
2012 Convention Center Financing	27,809	269	2,158

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

Objective: In order to lower borrowing costs as compared to fixed-rate bonds, the City entered into interest rate swap agreements in connection with its

\$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 BBVA Compass Bank.

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 BBVA Compass Bank will be paid in full on April 1, 2034.

As of June 30, 2022, rates were as follows:

	2008 Electric Refunding/Revenue Bonds Series A Rates	2008 Electric Refunding/Revenue Bonds Series C Rates	2011 Electric Refunding/Revenue Bonds Series A Rates
<b>Interest rate swap:</b>			
Fixed payment to counterparty	3.11100 %	3.20400 %	3.20100 %
Variable payment from counterparty	(0.56374)%	(0.56412)%	(0.57863)%
Net interest rate swap payments	<b>2.54726 %</b>	<b>2.63988 %</b>	<b>2.62237 %</b>
Variable rate bond coupon payments	0.46162 %	0.46205 %	0.54311 %
Synthetic interest rate on bonds	<b>3.00888 %</b>	<b>3.10193 %</b>	<b>3.16548 %</b>

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	2011 Water Refunding/ Revenue Bonds Series A	2008 Renaissance COPs	2012 Convention Center Financing
	Rates	Rates	Rates
<b>Interest rate swap:</b>			
Fixed payment to counterparty	3.20000 %	3.36200 %	3.24000 %
Variable payment from counterparty	(0.55160)%	(0.52389)%	(2.05664)%
Net interest rate swap payments	<b>2.64840 %</b>	<b>2.83811 %</b>	<b>1.18336 %</b>
Variable rate bond coupon payments	0.53877 %	0.48346 %	2.05664 %
Synthetic interest rate on bonds	<b>3.18717 %</b>	<b>3.32157 %</b>	<b>3.24000 %</b>

Fair Value: As of June 30, 2022, in connection with all swap arrangements, the transactions had a combined net negative fair value of \$20,296. 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, 2022, 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.

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, 2022, 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	
2023	\$ 8,468	\$ 1,677	\$ 6,296	\$ 16,441
2024	7,504	1,603	6,110	15,217
2025	7,677	1,530	5,927	15,134
2026	14,671	1,432	5,607	21,710
2027	15,351	1,321	5,228	21,900
2028-2032	95,712	4,678	19,343	119,733
2033-2037	92,212	1,113	5,599	98,924
<b>Total</b>	<b>\$ 241,595</b>	<b>\$ 13,354</b>	<b>\$ 54,110</b>	<b>\$ 309,059</b>

**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.	2023	0.470%
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.	2023	0.295%

To the extent that remarketing proceeds are insufficient or not available,

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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 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, 2022.

**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
<b>Governmental Activities:</b>						
General obligation bonds	\$ 6,478	\$ -	\$ -	\$ (1,491)	\$ 4,987	\$ 1,560
Pension obligation bonds	352,824	-	-	(14,560)	338,264	16,889
Certificates of participation	90,215	-	-	(4,738)	85,477	4,830
Lease revenue bonds	72,471	-	-	(3,616)	68,855	3,384
Direct borrowings:						
Loans payable	457	-	-	(457)	-	-
Financed purchase	14,922	11,292	(694)	(3,226)	22,294	3,495
	<u>\$ 537,367</u>	<u>\$ 11,292</u>	<u>\$ (694)</u>	<u>\$ (28,088)</u>	<u>\$ 519,877</u>	<u>\$ 30,158</u>

\* Unexpended lease proceeds were approved to be transferred from governmental activities to business-type activities for the purchase of vehicles

	Beginning Balance	Additions	Reclass*	Reductions	Ending Balance	Due Within One Year
<b>Business-Type Activities:</b>						
Revenue bonds	\$ 1,176,605	\$ -	\$ -	\$ (37,505)	\$1,139,100	\$ 33,445
Pension obligation bonds	116,227	-	-	(5,509)	110,718	7,010
Certificates of participation	27,213	-	-	(1,301)	25,912	1,330
Lease revenue bonds	7,059	-	-	(434)	6,625	457
Direct borrowings:						
Notes payable	64,678	-	-	(4,730)	59,948	4,873
Contracts payable	1,067	-	-	(134)	933	150
Financed purchase	2,354	-	694	(872)	2,176	699
	<u>\$ 1,395,203</u>	<u>\$ -</u>	<u>\$ 694</u>	<u>\$ (50,485)</u>	<u>\$1,345,412</u>	<u>\$ 47,964</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.	\$ 4,940
Add: unamortized bond premium	47
<b>Total general obligation bonds</b>	<b>\$ 4,987</b>

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:

Fiscal Year	Principal	Interest	Total
2023	\$ 1,560	\$ 229	\$ 1,789
2024	1,640	141	1,781
2025	1,740	48	1,788
Premium	47	-	47
<b>Total</b>	<b>\$ 4,987</b>	<b>\$ 418</b>	<b>\$ 5,405</b>

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<u>Pension Obligation Bonds - Governmental Activities:</u>	<u>Principal Outstanding</u>
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.	
\$89,540 California Statewide Community Development Authority (Public Safety) 2004 Taxable Pension Obligation Bond; 2.65% to 5.896%, due in annual installments from \$1,125 to \$10,715 through June 1, 2023.	\$ 10,715
\$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.	8,097
\$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	<u>319,644</u>
<b>Subtotal</b>	<b><u>338,456</u></b>
Less: unamortized bond discount	<u>(192)</u>
<b>Total pension obligation bonds</b>	<b><u>\$ 338,264</u></b>

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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 16,889	\$ 12,284	\$ 29,173
2024	7,623	11,523	19,146
2025	9,840	11,353	21,193
2026	9,884	11,123	21,007
2027	10,966	10,868	21,834
2028-2032	62,782	49,523	112,305
2033-2037	103,829	35,018	138,847
2038-2042	94,720	14,511	109,231
2043-2047	21,923	1,383	23,306
Discount	(192)	-	(192)
<b>Total</b>	<b><u>\$ 338,264</u></b>	<b><u>\$ 157,586</u></b>	<b><u>\$ 495,850</u></b>

<u>Certificates of Participation – Governmental Activities:</u>	<u>Principal Outstanding</u>
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.	59,788

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\$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.

	24,985
<b>Subtotal</b>	<b>84,778</b>
Plus: unamortized bond premium	699
<b>Total certificates of participation</b>	<b>\$ 85,477</b>

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

Fiscal Year	Principal	Interest	Total
2023	\$ 4,830	\$ 3,223	\$ 8,053
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
2028-2032	32,123	8,437	40,560
2033-2037	26,371	2,371	28,742
Premium	699	-	699
<b>Total</b>	<b>\$ 85,477</b>	<b>\$ 24,889</b>	<b>\$ 110,366</b>

**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. \$ 19,038

\$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. 13,960

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\$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.

	28,810
<b>Subtotal</b>	<b>61,808</b>
Add: unamortized bond premium	7,047
<b>Total lease revenue bonds</b>	<b>\$ 68,855</b>

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:

Fiscal Year	Principal	Interest	Total
2023	\$ 3,384	\$ 2,700	\$ 6,084
2024	3,539	2,542	6,081
2025	3,588	2,389	5,977
2026	3,733	2,242	5,975
2027	3,896	2,078	5,974
2028-2032	22,308	7,472	29,780
2033-2037	21,360	2,282	23,642
Premium	7,047	-	7,047
<b>Total</b>	<b>\$ 68,855</b>	<b>\$ 21,705</b>	<b>\$ 90,560</b>

**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.

<b>Revenue Bonds - Business-Type Activities:</b>	<b>Principal Outstanding</b>
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**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. 128,600

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\$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.

\$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.

\$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.

**Subtotal**  
Add: Unamortized bond premium  
**Subtotal - Electric**

**Water**

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

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

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

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

**Subtotal**  
Add: Unamortized bond premium  
**Subtotal - Water**

**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.

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

**Subtotal**

65,315



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Add: unamortized bond premium	<u>37,398</u>
<b>Subtotal - Sewer</b>	<b><u>360,253</u></b>
<b>Total revenue bonds</b>	<b><u>\$ 1,139,100</u></b>

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:

<b>Electric</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 16,760	\$ 24,174	\$ 40,934
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
2028-2032	114,035	89,670	203,705
2033-2037	134,560	61,860	196,420
2038-2042	145,000	26,022	171,022
2043-2047	27,800	5,888	33,688
2048-2052	10,735	543	11,278
Premium	45,055	-	45,055
<b>Total</b>	<b><u>\$ 569,185</u></b>	<b><u>\$ 296,329</u></b>	<b><u>\$ 865,514</u></b>

<b>Water</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 6,915	\$ 8,491	\$ 15,406
2024	7,215	8,167	15,382
2025	7,540	7,823	15,363
2026	7,875	7,463	15,338
2027	8,230	7,086	15,316
2028-2032	46,560	29,339	75,899
2033-2037	55,870	18,635	74,505
2038-2042	36,165	6,658	42,823
2043-2047	10,735	2,665	13,400
2048-2052	5,085	257	5,342
Premium	17,472	-	17,472
<b>Total</b>	<b><u>\$ 209,662</u></b>	<b><u>\$ 96,584</u></b>	<b><u>\$ 306,246</u></b>

<b>Fiscal Year</b>	<b>Sewer</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 9,770	\$ 15,669	\$ 25,439
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
2028-2032	77,560	55,443	133,003
2033-2037	99,540	33,468	133,008
2038-2042	86,485	7,850	94,335
Premium	37,398	-	37,398
<b>Total</b>	<b><u>\$ 360,253</u></b>	<b><u>\$ 169,336</u></b>	<b><u>\$ 529,589</u></b>

**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. \$ 8,818

\$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. 101,900

**Total pension obligation bonds** **\$ 110,718**

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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
2023	\$ 7,010	\$ 3,488	\$ 10,498
2024	8,457	3,342	11,799
2025	9,365	3,153	12,518
2026	9,636	2,932	12,568
2027	9,244	2,683	11,927
2028-2032	23,498	10,692	34,190
2033-2037	25,786	10,692	36,478
2038-2042	17,035	1,831	18,866
2043-2047	687	27	714
<b>Total</b>	<b>\$ 110,718</b>	<b>\$ 38,840</b>	<b>\$ 149,558</b>

**Certificates of Participation – Business Type Activities:**

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

\$128,300 2008 Riverside Renaissance Certificates of Participation are secured with collateral of the Andulka Park, Fairmount Park and Golf Course, Arlington Heights Sports Park, Orange Terrace Park, Orange Terrace Community Center, and Orange Terrace Library; issued at a variable rate; however, the City entered into an agreement to convert to a fixed rate of 3.4%. For information on the swap agreement see Note 6. Due in annual installments from \$2,900 to \$7,200 through March 1, 2037; \$30,841 relates to the Civic Entertainment Fund.

**Total certificates of participation**

**Principal  
Outstanding**

\$ 25,912

**\$ 25,912**

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
2023	\$ 1,330	\$ 860	\$ 2,190
2024	1,391	815	2,206
2025	1,421	768	2,189
2026	1,482	719	2,201
2027	1,542	669	2,211
2028-2032	8,557	2,525	11,082
2033-2037	10,189	965	11,154
<b>Total</b>	<b>\$ 25,912</b>	<b>\$ 7,321</b>	<b>\$ 33,233</b>

**Lease Revenue Bonds – Business Type Activities:**

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**

**Principal  
Outstanding**

\$ 6,625

**\$ 6,625**

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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:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 457	\$ 280	\$ 737
2024	480	256	736
2025	466	236	702
2026	481	220	701
2027	502	199	701
2028-2032	2,902	594	3,496
2033-2037	1,337	54	1,391
<b>Total</b>	<b>\$ 6,625</b>	<b>\$ 1,839</b>	<b>\$ 8,464</b>

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, 2022:

**Governmental Long-Term Obligations:**

Certificates of participation	\$ 7,423
<b>Total</b>	<b>\$ 7,423</b>

**Enterprise Funds:**

Electric	10,801
<b>Total</b>	<b>\$ 10,801</b>

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.

<b>Description of Pledge Revenue</b>	<b>Annual Amount of Pledge Revenue (net of expenses, where required)</b>	<b>Annual Debt Service Payments (all of debt secured by this revenue)</b>	<b>Coverage Ratio for FY 06/30/22</b>
Electric revenues	\$ 93,639 *	\$ 46,028	2.03
Water revenues	37,986 *	17,068	2.23
Sewer revenues	39,782	26,541	1.50

\*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 Hillwood Enterprises, L.P. 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 Fund will make payments to Hillwood in the form of a credit with Hillwood's rental payments to the Water Fund for the first 15 years of the leases.

\$ 16,639

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.

13,788

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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.

**Total notes payable** 29,521  
\$ 59,948

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		Total
	Principal	Interest	
2023	\$ 1,535	\$ 436	\$ 1,971
2024	1,624	392	2,016
2025	1,719	346	2,065
2026	1,818	296	2,114
2027	1,923	242	2,165
2028-2032	7,507	411	7,918
2033-2037	513	4	517
<b>Total</b>	<b>\$ 16,639</b>	<b>\$ 2,127</b>	<b>\$ 18,766</b>

Fiscal Year	Non-Major Enterprise Funds		
	Principal	Interest	Total
2023	\$ 3,338	\$ 1,439	\$ 4,777
2024	3,446	1,322	4,768
2025	3,568	1,200	4,768
2026	3,688	1,075	4,763
2027	3,811	945	4,756
2028-2032	20,209	2,623	22,832
2033-2037	5,249	149	5,398
<b>Total</b>	<b>\$ 43,309</b>	<b>\$ 8,753</b>	<b>\$ 52,062</b>

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

**Direct Borrowings: Financed Purchase**

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

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The assets acquired through financing arrangements are as follows:

<b>Asset</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Buildings and improvements	\$ 1	\$ -
Machinery and equipment	23,356	8,006
<b>Subtotal</b>	<b>23,357</b>	<b>8,006</b>
Less: Accumulated depreciation	(9,527)	(6,066)
<b>Total</b>	<b>\$ 13,830</b>	<b>\$ 1,940</b>

The future minimum obligations as of June 30, 2022 were as follows:

<b>Fiscal Year</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
2023	\$ 3,931	\$ 741
2024	3,838	375
2025	3,838	375
2026	2,742	375
2027	2,742	375
Thereafter	6,943	57
<b>Total minimum installments</b>	<b>24,034</b>	<b>2,298</b>
Less: Amount representing interest (rates ranging from 1.2% to 9%)	(1,740)	(122)
<b>Total financed purchase</b>	<b>\$ 22,294</b>	<b>\$ 2,176</b>

**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:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Compensated absences	\$ 30,899	\$ 16,205	\$ (17,110)	\$ 29,994	\$ 16,600

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-Type Activities:</b>					
Compensated absences	\$ 12,005	\$ 8,366	\$ (8,516)	\$ 11,855	\$ 8,402

**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:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
Claims and judgments	\$ 76,603	\$ 13,134	\$ (10,947)	\$ 78,790	\$ 15,304

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Unpaid claims, June 30,2020	\$ 53,828
Incurred claims (including IBNR's)	35,818
Claim payments and adjustments	<u>(13,043)</u>
Unpaid claims, June 30,2021	76,603
Incurred claims (including IBNR's)	13,134
Claim payments and adjustments	<u>(10,947)</u>
Unpaid claims, June 30,2022	<u><u>\$ 78,790</u></u>

\$5.7 million in fiscal year 2021/22. The offset of this liability increase has been recorded as an extraordinary item in fiscal year 2021/22. See Note 1 and 26 for additional information. 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.

**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 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, 2022 was 100%. The remaining post closure period is currently 20 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:

<b>Business-Type Activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Landfill capping	<u>\$ 10,419</u>	<u>\$ -</u>	<u>\$ (599)</u>	<u>\$ 9,820</u>	<u>\$ 559</u>

**13. Nuclear Decommissioning Liability**

As of June 30, 2022, decommissioning liability balance was \$53,310 with a portion reflected as current liabilities payable from restricted assets. As a result of the updated SCE decommissioning cost estimate and the increase in the Electric Utility's estimated share, the decommissioning liability was increased by

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

<b>Business-Type Activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Decommissioning liability	<u>\$ 50,896</u>	<u>\$ 6,555</u>	<u>\$ (4,141)</u>	<u>\$ 53,310</u>	<u>\$ 8,813</u>

**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

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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 60MW. The Second Amendatory Power Sales Contract became effective March 16, 2016.

On January 5, 2017, the Electric Utility executed the Renewal Power Sales Contract and the Electric Utility accepted an offer of 4.167 percent entitlement or 50 MW generation capacity in the IPP Repower Project based on the 1,200 MW designed capacity, which is within the maximum participation level approved by the City Council. The Electric Utility's corresponding Southern Transmission System allocation is 5.278 percent or approximately 127 MW. Further, under the Renewal Power Sales Contract, the Electric Utility had the right to exit from the Repower Project by no later than November 1, 2019, if it is determined that the Repower Project is not cost beneficial to its customers.

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

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

The Electric Utility is a member of 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:

<b>Project</b>	<b>Percent Share</b>	<b>Entitlement</b>	<b>Final Maturity</b>	<b>Contract Expiration</b>
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.

	<b>IPA<sup>1</sup></b>	<b>SCPPA</b>	<b>Total</b>
	<b>Intermountain Power Project</b>	<b>Southern Transmission System</b>	<b>All Projects</b>
<b>Debt Service Payment Year Ending June 30,</b>			
2023	\$ 7,285	\$ 7,083	\$ 14,368
2024	3,472	7,125	10,597
2025	2,990	3,261	6,251
2026	2,990	3,257	6,247
2027	4,800	6,508	11,308
<b>Total</b>	<b>\$ 21,537</b>	<b>\$ 27,234</b>	<b>\$ 48,771</b>

<sup>1</sup> 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, 2022 and 2021, are as follows:

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Fiscal Year	Intermountain Power Project*	Palo Verde Nuclear Generating Station*	Southern Transmission System	Mead-Phoenix Transmission	Mead-Adelanto Transmission	All Projects
2022	\$ 19,522	\$ 2,930	\$ 4,400	\$ 57	\$ 415	\$ 27,324
2021	20,648	2,951	5,126	44	424	29,193

\* Excludes variable costs

These costs are included in production and purchased power or transmission expense on the Statements of Revenues, Expenses, and Changes in Net Position.

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

Hoover Upgrading Project

The Electric Utility's initial entitlement in the Hoover project through 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 June 10, 2021, the Act limits liability from third-party claims to approximately \$13.7 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 \$20.5 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 \$1.3 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 2021, 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.



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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.

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:

<u>Supplier</u>	<u>Type</u>	<u>Maximum Contract<sup>1</sup></u>	<u>Contract Expiration</u>	<u>Estimated Annual Cost for 2022</u>
Wintec	Wind	1.3 MW	02/19/2024	\$ 150
WKN Wagner	Wind	6.0 MW	12/22/2032	1,344
Terraform Power - AP North Lake	Photovoltaic	20.0 MW	08/11/2040	4,905
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
Capital Dynamics - Tequesquite Landfill Solar	Photovoltaic	7.3 MW	12/31/2040	1,423
American Renewable Power - Loyalton	Biomass	0.8 MW	04/19/2023	615
Roseburg Forest Products	Biomass	0.5 MW	02/16/2026	179
CalEnergy - Salton Sea Portfolio	Geothermal	86.0 MW	12/31/2039	55,622
Atlantica - Coso Geothermal	Geothermal	10.0 MW	12/31/2042	6,050
<b>Total</b>		<b>241.0 MW</b>		<b>\$ 87,090</b>

<sup>1</sup> 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.

Long-term renewable PPAs with expected delivery:

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

<sup>1</sup> 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, 2022, the Electric Utility received \$14,960 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 \$16,366 as of June 30, 2022.

The Electric Utility also purchases GHG allowances which can be used in future periods for GHG compliance regulations. The balance of purchased GHG

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allowances was \$485 as of June 30, 2022 and is recorded as inventory in the Statement of Net Position.

Low Carbon Fuel Standard Program

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

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

The LCFS regulation was amended in 2018 and required that electric utilities that have opted into the LCFS Program participate in and manage a statewide point-of-sale rebate program for new electric vehicles. This program is called 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, 2022, the Electric Utility's proceeds from the sale of LCFS credits were \$1,047. 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, 2022 was \$210. The balance in the Regulatory Requirement reserve as of June 30, 2022 was \$3,233.

**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.

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Employees covered by benefit terms – At June 30, 2021, 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>
<b>Total</b>	<b><u>2,220</u></b>

**Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability**

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

Valuation Date:	June 30, 2021
Measurement Date:	June 30, 2021
Funding Policy:	Pay-as-you-go for implicit rate subsidy
Discount Rate:	2.16% per annum. This discount rate is the maximum of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index
Inflation Rate:	2.5% per annum
Salary Inflation:	2.75% per annum
Salary Increases:	The benefits are not payroll related but the City's cost for each individual's projected City contribution is allocated over their lifetime as a level-percentage of pay.
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>
<b>Total OPEB liability</b>	\$ 42,917	\$ 48,770	\$ 55,716

**Sensitivity analysis of total OPEB liability for discount rates**

The following presents the total OPEB liability, calculating using the discount rate of 2.16%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16%) or 1-percentage-point higher (3.16%) than the current rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>(1.16%)</u>	<u>Discount Rate</u>	<u>(3.16%)</u>
	<u>(1.16%)</u>	<u>(2.16%)</u>	<u>(3.16%)</u>
<b>Total OPEB liability</b>	\$ 52,938	\$ 48,770	\$ 44,908

**Change in total OPEB liability**

For fiscal year 2022, the City recognized total OPEB expense of \$2,790. The following table shows the change in the total OPEB liability for the year ended June 30, 2022:

	<u>2022</u>
Beginning total OPEB liability	\$ 52,276
Service cost	2,646
Interest	1,394
Differences between expected and actual experience	(2,267)
Changes of assumptions	(3,086)
Benefit of implied subsidy payments	(2,193)
Net changes	<u>(3,506)</u>
<b>Ending total OPEB liability</b>	<b><u>\$ 48,770</u></b>

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Deferred outflows/inflows of resources

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions subsequent to the measurement date	\$ 1,628	\$ -
Differences between expected and actual experience	195	3,860
Changes of assumptions	8,097	3,599
<b>Total</b>	<b>\$ 9,920</b>	<b>\$ 7,459</b>

Amounts reported as deferred outflows/(inflows) of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30,</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2023	\$ 377
2024	377
2025	377
2026	585
2027	624
Thereafter	(1,507)
<b>Total</b>	<b>\$ 833</b>

**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](http://www.calpersca.gov).

(B) Funding Policy - The City has contributed at the actuarially determined rate provided by CalPERS' actuaries. Participants are required to contribute 8% for miscellaneous employees and 9% for safety employees of their annual covered salary. 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):

- 1<sup>st</sup> 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; therefore in 2022, employees are contributing 4.5% pensionable income.
- 2<sup>nd</sup> 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.
- 3<sup>rd</sup> 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):

- 1<sup>st</sup> 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

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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.

- 2<sup>nd</sup> 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.
- 3<sup>rd</sup> 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:

- 1<sup>st</sup> 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 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 1<sup>st</sup>, 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.

- 2<sup>nd</sup> 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.
- 3<sup>rd</sup> 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.

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

(C) Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 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, 2021, the following employees were covered by the benefit terms of each Plan: Inactive employees or beneficiaries currently receiving benefits are 2,373 and 832 for the Miscellaneous and Safety Plans, respectively. Inactive employees entitled to but not yet receiving benefits

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are 1,422 and 186 for Miscellaneous and Safety Plans, respectively. Active employees were 1,508 and 579 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The liability for the governmental activities is primarily liquidated from the General Fund.

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, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Salary Increase	Varies by Entry Age and Service	
Mortality Rate Table <sup>1</sup>	Derived using CALPERS' membership data for all funds	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 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 December 2017 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 as well as the expected pension fund cash flows. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

<u>Asset Class<sup>1</sup></u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10<sup>2</sup></u>	<u>Real Return Years 11+<sup>3</sup></u>
Public Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92)%

<sup>1</sup> In the System’s CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup> An expected inflation of 2.00% used for this period

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<sup>3</sup> An expected inflation of 2.92% used for this period

Discount Rate - The discount rate used to measure the total pension liability was 7.15%. 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 – In 2021, there was no changes in assumptions.

**(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, 2020	\$ 1,492,113	\$ 1,372,046	\$ 120,067
Changes recognized for the measurement period:			
Service cost	26,168	-	26,168
Interest on total pension liability	105,017	-	105,017
Differences between expected and actual experience	873	-	873
Net Plan to Plan Resource Movement	-	(1)	1
Contributions - employer	-	26,274	(26,274)
Contributions - employees	-	10,358	(10,358)
Net investment income	-	305,548	(305,548)
Benefit payments, including refunds of employee contributions	(74,608)	(74,608)	-
Administrative expenses	-	(1,371)	1,371
<b>Net changes</b>	<b>57,450</b>	<b>266,200</b>	<b>(208,750)</b>
<b>Balance at June 30,2021</b>	<b>\$ 1,549,563</b>	<b>\$ 1,638,246</b>	<b>\$ (88,683)</b>

**Safety**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2020	\$ 1,195,893	\$ 1,086,394	\$ 109,499
Changes recognized for the measurement period:			
Service cost	23,160	-	23,160
Interest on total pension liability	84,654	-	84,654
Differences between expected and actual experience	6,361	-	6,361
Net Plan to Plan Resource Movement	-	1	(1)
Contributions - employer	-	22,931	(22,931)
Contributions - employees	-	10,492	(10,492)
Net investment income	-	242,945	(242,945)
Benefit payments, including refunds of employee contributions	(59,739)	(59,739)	-
Administrative expenses	-	(1,085)	1,085
<b>Net changes</b>	<b>54,436</b>	<b>215,545</b>	<b>(161,109)</b>
<b>Balance at June 30,2021</b>	<b>\$ 1,250,329</b>	<b>\$ 1,301,939</b>	<b>\$ (51,610)</b>

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**

	Current		
	Discount Rate -1% (6.15%)	Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's net pension liability/(asset)	\$ 118,863	\$ (88,683)	\$ (259,597)

**Safety**

	Current		
	Discount Rate -1% (6.15%)	Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's net pension liability/(asset)	\$ 116,434	\$ (51,610)	\$ (189,837)

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

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financial reports.

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

For the year ended June 30, 2022, the City recognized pension expense of \$(47,456) to Miscellaneous and \$(26,481) to Safety for a total of \$(73,937). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Miscellaneous</b>		
Pension contributions subsequent to measurement date, net	\$ 27,330	\$ -
Differences between expected and actual experience	3,680	-
Net differences between projected and actual earnings on plan investments	-	(149,129)
<b>Total</b>	<b>\$ 31,010</b>	<b>\$ (149,129)</b>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Safety</b>		
Pension contributions subsequent to measurement date, net	\$ 24,773	\$ -
Changes of assumptions	-	(221)
Differences between expected and actual experience	14,268	-
Net differences between projected and actual earnings on plan investments	-	(118,092)
<b>Total</b>	<b>\$ 39,041</b>	<b>\$ (118,313)</b>

\$52,103 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	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:

<u>Fiscal Year</u>	<u>Miscellaneous</u>	<u>Safety</u>
2023	\$ (34,425)	\$ (22,577)
2024	(33,631)	(22,494)
2025	(35,597)	(26,164)
2026	(41,796)	(32,810)
<b>Total</b>	<b>(145,449)</b>	<b>(104,045)</b>

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



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**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):

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Lease revenue bonds	\$ 11,641	\$ -	\$ (2,291)	\$ 9,350	\$ 2,399
Tax allocation bonds	171,416	-	(6,074)	165,342	4,710
Direct borrowings:					
Notes payable	3,918	-	-	3,918	34
	<u>\$ 186,975</u>	<u>\$ -</u>	<u>\$ (8,365)</u>	<u>\$ 178,610</u>	<u>\$ 7,143</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.

\$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.

**Principal Outstanding**

\$ 6,265

995

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.

**Subtotal**

Add: Unamortized bond premium

**Total lease revenue bonds**

1,941

9,201

149

**\$ 9,350**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,399	\$ 392	\$ 2,791
2024	2,556	267	2,823
2025	2,716	135	2,851
2026	141	64	205
2027	147	58	205
2028-2032	850	174	1,024
2033-2037	392	16	408
Premium	149	-	149
Total	<u>\$ 9,350</u>	<u>\$ 1,106</u>	<u>\$ 10,456</u>

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<u>Tax Allocation Bonds - Successor Agency:</u>	<u>Principal Outstanding</u>
On October 16, 2014, the Successor Agency to the Redevelopment Agency of the City of Riverside issued 2014 Subordinate Tax Allocation Refunding Bonds (Series A and B) in the amount of \$62,980. 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. \$	32,980
\$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.	114,815
<b>Subtotal</b>	<u><b>147,795</b></u>
Add: Unamortized bond premium	17,547
<b>Total tax allocation bonds</b>	<u><b>\$ 165,342</b></u>

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

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:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,710	\$ 6,823	\$ 11,533
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
2028-2032	48,915	16,512	65,427
2033-2037	44,435	5,835	50,270
2038-2042	6,835	137	6,972
Premium	17,547	-	17,547
<b>Total</b>	<u><b>\$ 165,342</b></u>	<u><b>\$ 51,921</b></u>	<u><b>\$ 217,263</b></u>

<u>Notes Payable – Successor Agency:</u>	<u>Principal Outstanding</u>
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
<b>Total notes payable</b>	<u><b>\$ 3,918</b></u>

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

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 34	\$ 307	\$ 341
2024	38	303	341
2025	42	300	342
2026	47	295	342
2027	51	291	342
2028-2032	349	1,360	1,709
2033-2037	576	1,134	1,710
2038-2042	948	761	1,709
2043-2047	1,833	807	2,640
<b>Total</b>	<b>\$ 3,918</b>	<b>\$ 5,558</b>	<b>\$ 9,476</b>

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

As of June 30, 2022, the City has several series of Assessment District and Community Facility District Bonds outstanding in the amount of \$41,595. Bonds were issued for improvements in certain districts and are long-term obligations of the property owners. The City Treasurer acts 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.

**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, 2022:

<b>Receivable Funds</b>	<b>Payable Funds</b>	<b>Amount</b>
General Fund	Non-Major Governmental Funds	\$ 831
	Internal Service Funds	39
<b>Total</b>		<b>\$ 870</b>

**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, 2022:

<b>Receivable Funds</b>	<b>Payable Funds</b>	<b>Amount</b>
Sewer	General Debt Service Fund	\$ 1,442

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

<b>Receivable Funds</b>	<b>Amount</b>
Electric	\$ 2,454

**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.

**CITY OF RIVERSIDE**  
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The following table shows amounts transferred to/from funds within the City for the year ended June 30, 2022:

<u>Transfers in Funds</u>	<u>Transfers Out Funds</u>	<u>Amount</u>
General Fund	Capital Outlay Fund	\$ 48
	General Debt Service Fund	11,292
	Non-Major Governmental Funds	102
	Electric Fund	39,436
	Water Fund	7,708
		<u>58,586</u>
Capital Outlay Fund	General Fund	11,325
	Non-Major Enterprise Funds	326
		<u>11,651</u>
General Debt Service Fund	General Fund	39,681
	Capital Outlay Fund	2,997
	Non-Major Governmental Funds	1,958
		<u>44,636</u>
Non-Major Governmental Funds	General Fund	<u>2,018</u>
Non-Major Enterprise Funds	General Fund	11,973
	Non-Major Governmental Funds	1,300
		<u>13,273</u>
Internal Service Fund	General Fund	2,685
	Non-Major Governmental Funds	1
	Sewer	14
	Non-Major Enterprise Funds	10
	Internal Service Funds	4
		<u>2,714</u>
	<b>Total</b>	<u><u>\$ 132,878</u></u>

**19. Deficit Net Position**

Deficit net position exists in the non-major governmental fund, Housing & Community Development (\$1,215). The deficit is primarily due to grant expenditures recognized in the current fiscal year while revenue cannot be recognized until completion of certain grant projects, which will occur beyond the revenue recognition period. Revenue will be recognized in subsequent fiscal

year and the fund should no longer be in a deficit.

Deficit net position exists in the non-major enterprise fund, Transportation (\$1,146). The deficit is primarily due to the net pension and OPEB liabilities.

Deficit net position exists in the Self-Insurance Internal Service Fund \$(34,578). 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 \$(134,245). 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.

**20. Construction Commitments**

As of June 30, 2022, the Electric Utility had commitments (encumbrances) of approximately \$19,409 with respect to ongoing capital projects, of which \$8,380 is expected to be funded by bonds, \$7,842 to be funded by unrestricted cash reserves, and \$3,187 to be funded by restricted cash reserves.

**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, 2022, the Electric Utility has net natural gas and electricity commitments for fiscal year 2023 and thereafter, of approximately \$70,840, with a market value of \$77,296.

**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 \$61,000 which equals to approximately 20% of the 2022-2023 General Fund adopted expenditure budget. For the General Fund Measure Z Fund, \$5,000 has been set aside.

**CITY OF RIVERSIDE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**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.

**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, 2022 is \$1,331.

**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

**CITY OF RIVERSIDE  
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FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

later than February 1, 2022. If voters did not approve the Ballot Measure, this litigation would then resume.

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

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.

**26. Special and Extraordinary Items**

The Refuse Fund, a non-major enterprise fund, reported a special item of \$694 related to a financed purchase liability transferred from governmental activities for the purchase of vehicles.

The Electric Fund reported an extraordinary item of \$5,748 in the Statement of Revenues, Expenses and Changes in Net Position as of June 30, 2022. In fiscal year 21/22, SCE provided the 2020 Decommissioning Cost Estimate report, which projected a material increase in costs for the Electric Utility over the life of the SONGS decommissioning project. As a result, it was determined that the decommissioning liability be increased. For additional information related to SONGS, see Note 1 and 13.

**27. Prior Period Adjustments**

Effective July 1, 2021, the City adopted GASB's No. 87 - Leases, using the facts and circumstances that existed at the beginning of the period of implementation. The standard requires that it is applied retroactively unless it is impractical to do so. Due to the sheer number of leases, the City considered it impractical to do so. As a result, there was no impact to the City's beginning net position upon adoption of the new accounting standard.

A prior period adjustment of \$643 was made to the Sewer Enterprise Fund for previously expensed items which should have been included on the balance sheet as inventory.

The restatement of beginning net position of the Sewer Fund is summarized as follows:

<b>Sewer Fund</b>	
Net position at July 1, 2021, as previously stated	\$ 234,398
Inventory adjustment	643
Net position at July 1, 2021 as restated	<b>\$ 235,041</b>

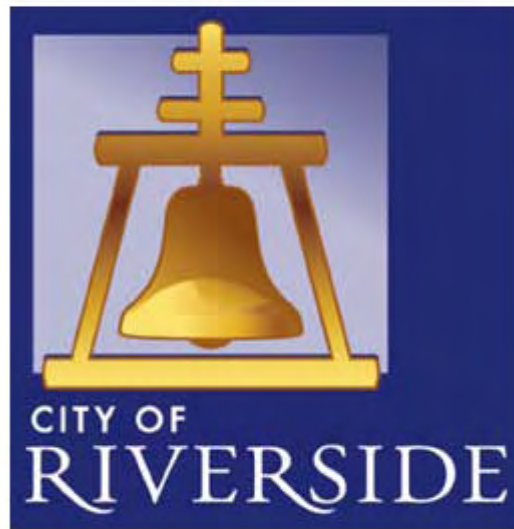
A prior period adjustment of \$38,965 was made to the Custodial Fund for the removal of the long-term debt based upon additional guidance and clarification received subsequent to the first year implementation of GASB Statement No. 84, Fiduciary Activities.

**CITY OF RIVERSIDE  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

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The restatement of beginning net position of the Custodial Fund is summarized as follows:

<b>Custodial Fund</b>	
Net position at July 1, 2021, as previously stated	\$ (29,922)
Long-term debt adjustment	<u>38,965</u>
Net position at July 1, 2021 as restated	<u><u>\$ 9,043</u></u>





## Required Supplementary Information

### Consists of the following:

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

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

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

(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 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

(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 2016-17, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent.

In fiscal year 2017-18, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Miscellaneous Plan</b>									
Actuarially determined contribution	\$ 20,505	\$ 21,063	\$ 24,885	\$ 26,955	\$ 29,948	\$ 34,486	\$ 38,889	\$ 26,274	\$ 27,330
Contribution in relation to the actuarially determined contribution	(27,584)	(25,997)	(29,426)	(30,477)	(29,948)	(34,486)	(239,220)	(26,274)	(27,330)
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>
Covered payroll	\$ 109,990	\$ 110,891	\$ 118,512	\$ 117,637	\$ 121,957	\$ 128,881	\$ 131,492	\$ 131,216	\$ 130,060
Contributions as a percentage of covered payroll	25.08 %	23.44 %	24.83 %	25.91 %	24.56 %	26.76 %	181.93 %	20.02 %	21.01 %
<b>Safety Plan</b>									
Actuarially determined contribution	\$ 17,341	\$ 18,452	\$ 21,886	\$ 23,076	\$ 25,289	\$ 29,047	\$ 32,785	\$ 22,925	\$ 24,773
Contribution in relation to the actuarially determined contribution	(23,156)	(23,384)	(26,483)	(26,775)	(25,289)	(29,047)	(263,016)	(22,925)	(24,773)
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>
Covered payroll	\$ 63,734	\$ 63,612	\$ 68,707	\$ 66,226	\$ 68,251	\$ 73,237	\$ 76,955	\$ 78,813	\$ 77,338
Contributions as a percentage of covered payroll	36.33 %	36.76 %	38.54 %	40.43 %	37.05 %	39.66 %	341.78 %	29.09 %	32.03 %

(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, 2019  
Actuarial cost method: Entry Age Normal

	Source					
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake	
Driver	Investment	Non- Investment				
Amortization of unfunded actuarial accrued liability:	Amortization period	30 Years	30 Years	20 Years	20 Years	5 Years
	Escalation rate					
	- Active plans	2.75%	2.75%	2.75%	2.75%	2.75%
	- Inactive plans	0%	0%	0%	0%	0%
	Ramp up	5	5	5	0	0
	Ramp down	5	5	5	0	0

Asset valuation method: Fair value of assets  
Discount rate: 7.0%  
Overall payroll growth: 2.75%  
Inflation: 2.5%  
Retirement age: 2019 CalPERS experience study  
Mortality: 2019 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)**

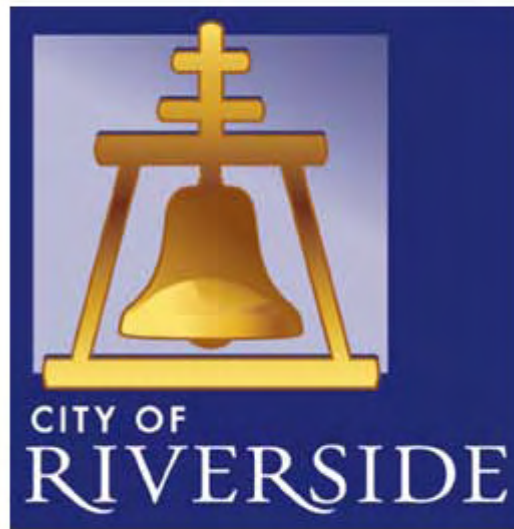
Reporting period June 30, Measurement period June 30,	2018	2019	2020	2021	2022
	2017	2018	2019	2020	2021
<b>Total OPEB liability</b>					
Service cost	\$ 2,554	\$ 2,403	\$ 2,435	\$ 2,569	\$ 2,646
Interest on the total OPEB liability	1,090	1,301	1,392	1,810	1,394
Differences between expected and actual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

(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, 2021, the discount rate was changed from 2.66 percent to 2.16 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, 2022  
(amounts expressed in thousands)**

	<b>Special Revenue Funds</b>								
	<b>Urban Areas Security Initiative</b>	<b>Grants and Restricted Programs</b>	<b>Gas Tax</b>	<b>Air Quality Improvements</b>	<b>Housing &amp; Community Development</b>	<b>NPDES Strom Drain</b>	<b>Special Districts</b>	<b>Housing</b>	<b>Total</b>
<b>Assets:</b>									
Cash and investments	\$ -	\$ 78,996	\$ 29,695	\$ 1,681	\$ 4,948	\$ 41	\$ 676	\$ 10,113	\$ 126,150
Cash and investments with fiscal agent	-	-	-	-	-	-	-	-	-
Receivables, net of allowance for uncollectible									
Interest	-	103	62	3	13	-	1	21	203
Property taxes	-	-	-	-	-	-	98	-	98
Accounts	-	91	-	-	17	-	-	13	121
Intergovernmental	2,129	5,063	1,327	104	5,777	566	-	-	14,966
Notes	-	-	-	-	14,119	-	-	31,457	45,576
Prepaid items	-	101	-	-	129	-	-	-	230
Land and improvements held for resale	-	-	-	-	443	-	-	2,392	2,835
<b>Total assets</b>	<b>\$ 2,129</b>	<b>\$ 84,354</b>	<b>\$ 31,084</b>	<b>\$ 1,788</b>	<b>\$ 25,446</b>	<b>\$ 607</b>	<b>\$ 775</b>	<b>\$ 43,996</b>	<b>\$ 190,179</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 1,298	\$ 5,263	\$ 385	\$ -	\$ 1,689	\$ -	\$ 33	\$ 228	\$ 8,896
Accrued payroll	-	6	-	-	9	6	-	18	39
Retainage payable	-	10	939	-	70	-	-	1	1,020
Intergovernmental	-	-	-	-	-	-	1	-	1
Unearned revenue	-	75,583	-	-	8,331	-	-	-	83,914
Due to other funds	831	-	-	-	-	-	-	-	831
<b>Total liabilities</b>	<b>2,129</b>	<b>80,862</b>	<b>1,324</b>	<b>-</b>	<b>10,099</b>	<b>6</b>	<b>34</b>	<b>247</b>	<b>94,701</b>
<b>Deferred Inflows of Resources:</b>									
Unavailable revenue	-	1,813	-	-	16,562	-	-	31,457	49,832
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,813</b>	<b>-</b>	<b>-</b>	<b>16,562</b>	<b>-</b>	<b>-</b>	<b>31,457</b>	<b>49,832</b>
<b>Fund Balances:</b>									
<b>Nonspendable:</b>									
Permanent fund principal	-	-	-	-	-	-	-	-	-
<b>Restricted:</b>									
Housing and redevelopment	-	-	-	-	-	-	-	12,292	12,292
Transportation and public works	-	1,679	29,760	1,788	-	601	741	-	34,569
Other purposes	-	-	-	-	-	-	-	-	-
<b>Unassigned:</b>	-	-	-	-	(1,215)	-	-	-	(1,215)
<b>Total fund balances</b>	<b>-</b>	<b>1,679</b>	<b>29,760</b>	<b>1,788</b>	<b>(1,215)</b>	<b>601</b>	<b>741</b>	<b>12,292</b>	<b>45,646</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,129</b>	<b>\$ 84,354</b>	<b>\$ 31,084</b>	<b>\$ 1,788</b>	<b>\$ 25,446</b>	<b>\$ 607</b>	<b>\$ 775</b>	<b>\$ 43,996</b>	<b>\$ 190,179</b>



**CITY OF RIVERSIDE  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2022  
(amounts expressed in thousands)**

	Capital Projects Funds				Permanent Fund	Total Non-Major Governmental Funds
	Special Capital Improvement	Storm Drain	Transportation	Total	Library Special	
<b>Assets:</b>						
Cash and investments	\$ 6,319	\$ 2,528	\$ -	\$ 8,847	\$ 1,495	\$ 136,492
Cash and investments with fiscal agent	665	-	-	665	-	665
Receivables, net of allowance for uncollectible						
Interest	13	7	-	20	-	223
Property taxes	-	-	-	-	-	98
Accounts	-	-	-	-	-	121
Intergovernmental	-	-	-	-	-	14,966
Notes	-	-	-	-	-	45,576
Prepaid items	-	-	-	-	-	230
Land and improvements held for resale	-	-	-	-	-	2,835
<b>Total assets</b>	<b>\$ 6,997</b>	<b>\$ 2,535</b>	<b>\$ -</b>	<b>\$ 9,532</b>	<b>\$ 1,495</b>	<b>\$ 201,206</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 31	\$ 650	\$ -	\$ 681	\$ -	\$ 9,577
Accrued payroll	-	-	-	-	-	39
Retainage payable	5	-	-	5	-	1,025
Intergovernmental	-	-	-	-	-	1
Unearned revenue	-	1,495	-	1,495	-	85,409
Due to other funds	-	-	-	-	-	831
<b>Total liabilities</b>	<b>36</b>	<b>2,145</b>	<b>-</b>	<b>2,181</b>	<b>-</b>	<b>96,882</b>
<b>Deferred Inflows of Resources:</b>						
Unavailable revenue	-	-	-	-	-	49,832
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,832</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Permanent fund principal	-	-	-	-	1,495	1,495
<b>Restricted:</b>						
Housing and redevelopment	-	-	-	-	-	12,292
Transportation and public works	-	-	-	-	-	34,569
Other purposes	6,961	390	-	7,351	-	7,351
<b>Unassigned:</b>						
	-	-	-	-	-	(1,215)
<b>Total fund balances</b>	<b>6,961</b>	<b>390</b>	<b>-</b>	<b>7,351</b>	<b>1,495</b>	<b>54,492</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 6,997</b>	<b>\$ 2,535</b>	<b>\$ -</b>	<b>\$ 9,532</b>	<b>\$ 1,495</b>	<b>\$ 201,206</b>

**CITY OF RIVERSIDE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

<b>Special Revenue Funds</b>									
	<b>Urban Areas Security Initiative</b>	<b>Grants and Restricted Programs</b>	<b>Gas Tax</b>	<b>Air Quality Improvements</b>	<b>Housing &amp; Community Development</b>	<b>NPDES Strom Drain</b>	<b>Special Districts</b>	<b>Housing</b>	<b>Total</b>
<b>Revenues:</b>									
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,572	16,490	14,120	419	27,678	-	-	-	61,279
Charges for services	-	1,580	-	47	-	-	-	-	1,627
Special assessments	-	-	-	-	-	980	4,120	-	5,100
Rental and investment income	-	442	(753)	(40)	(34)	(1)	1	(6)	(391)
Miscellaneous	-	789	-	10	232	-	-	539	1,570
<b>Total revenues</b>	<b>2,572</b>	<b>19,301</b>	<b>13,367</b>	<b>436</b>	<b>27,876</b>	<b>979</b>	<b>4,121</b>	<b>533</b>	<b>69,185</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General government	-	9,871	-	93	2,487	-	-	3,631	16,082
Public safety	2,572	5,391	-	-	-	-	4,636	-	12,599
Highways and streets	-	280	-	-	-	-	590	-	870
Culture and recreation	-	1,993	-	-	-	-	39	-	2,032
Capital outlay	-	222	8,479	-	29,660	982	-	-	39,343
<b>Debt service:</b>									
Principal	-	-	-	-	19	-	-	43	62
Interest and fiscal charges	-	-	-	-	14	-	-	30	44
<b>Total expenditures</b>	<b>2,572</b>	<b>17,757</b>	<b>8,479</b>	<b>93</b>	<b>32,180</b>	<b>982</b>	<b>5,265</b>	<b>3,704</b>	<b>71,032</b>
Excess/(deficiency) of revenues over/(under) expenditures	-	1,544	4,888	343	(4,304)	(3)	(1,144)	(3,171)	(1,847)
<b>Other Financing Sources/(Uses):</b>									
Transfers in	-	608	-	-	-	-	1,410	-	2,018
Transfers out	-	(1,610)	-	-	-	-	-	(1)	(1,611)
Proceeds from sale of capital assets	-	6	-	-	-	-	-	-	6
Proceeds from financing related to leases	-	-	-	-	-	1	-	-	1
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>(996)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1,410</b>	<b>(1)</b>	<b>414</b>
Net change in fund balances	-	548	4,888	343	(4,304)	(2)	266	(3,172)	(1,433)
<b>Fund Balances:</b>									
Beginning of year	-	1,131	24,872	1,445	3,089	603	475	15,464	47,079
<b>End of year</b>	<b>\$ -</b>	<b>\$ 1,679</b>	<b>\$ 29,760</b>	<b>\$ 1,788</b>	<b>\$ (1,215)</b>	<b>\$ 601</b>	<b>\$ 741</b>	<b>\$ 12,292</b>	<b>\$ 45,646</b>

**CITY OF RIVERSIDE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	Capital Projects Funds				Permanent Fund	Total Non-Major Governmental Funds
	Special Capital Improvement	Storm Drain	Transportation	Total	Library Special	
<b>Revenues:</b>						
Licenses and permits	\$ 3,393	\$ 153	\$ -	\$ 3,546	\$ -	\$ 3,546
Intergovernmental	-	8,428	-	8,428	-	69,707
Charges for services	-	-	-	-	-	1,627
Special assessments	-	-	-	-	-	5,100
Rental and investment income	(164)	(137)	-	(301)	12	(680)
Miscellaneous	-	2	-	2	157	1,729
<b>Total revenues</b>	<b>3,229</b>	<b>8,446</b>	<b>-</b>	<b>11,675</b>	<b>169</b>	<b>81,029</b>
<b>Expenditures:</b>						
Current:						
General government	50	-	-	50	-	16,132
Public safety	-	-	-	-	-	12,599
Highways and streets	-	-	-	-	-	870
Culture and recreation	-	-	-	-	151	2,183
Capital outlay	194	8,605	-	8,799	-	48,142
Debt service:						
Principal	-	-	-	-	-	62
Interest and fiscal charges	-	-	-	-	-	44
<b>Total expenditures</b>	<b>244</b>	<b>8,605</b>	<b>-</b>	<b>8,849</b>	<b>151</b>	<b>80,032</b>
Excess/(deficiency) of revenues over/(under) expenditures	2,985	(159)	-	2,826	18	997
<b>Other Financing Sources/(Uses):</b>						
Transfers in	-	-	-	-	-	2,018
Transfers out	(1,750)	-	-	(1,750)	-	(3,361)
Proceeds from sale of capital assets	-	-	-	-	-	6
Proceeds from financing related to leases	-	-	-	-	-	1
<b>Total other financing sources/(uses)</b>	<b>(1,750)</b>	<b>-</b>	<b>-</b>	<b>(1,750)</b>	<b>-</b>	<b>(1,336)</b>
Net change in fund balances	1,235	(159)	-	1,076	18	(339)
<b>Fund Balances:</b>						
Beginning of year	5,726	549	-	6,275	1,477	54,831
<b>End of year</b>	<b>\$ 6,961</b>	<b>\$ 390</b>	<b>\$ -</b>	<b>\$ 7,351</b>	<b>\$ 1,495</b>	<b>\$ 54,492</b>

**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, 2022  
(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)
<b>Revenues:</b>									
Intergovernmental	\$ 11,089	\$ 2,572	\$ (8,517)	\$ 94,511	\$ 16,490	\$ (78,021)	\$ 14,567	\$ 14,120	\$ (447)
Charges for services	-	-	-	1,598	1,580	(18)	-	-	-
Rental and investment income	-	-	-	-	442	442	150	(753)	(903)
Miscellaneous	-	-	-	897	789	(108)	-	-	-
<b>Total revenues</b>	<b>11,089</b>	<b>2,572</b>	<b>(8,517)</b>	<b>97,006</b>	<b>19,301</b>	<b>(77,705)</b>	<b>14,717</b>	<b>13,367</b>	<b>(1,350)</b>
<b>Expenditures:</b>									
Current:									
General government	-	-	-	46,680	9,871	36,809	-	-	-
Public safety	11,089	2,572	8,517	11,887	5,391	6,496	-	-	-
Highways and streets	-	-	-	1,410	280	1,130	-	-	-
Culture and recreation	-	-	-	26,115	1,993	24,122	-	-	-
Capital outlay	-	-	-	8,027	222	7,805	36,861	8,479	28,382
<b>Total expenditures</b>	<b>11,089</b>	<b>2,572</b>	<b>8,517</b>	<b>94,119</b>	<b>17,757</b>	<b>76,362</b>	<b>36,861</b>	<b>8,479</b>	<b>28,382</b>
Excess/(deficiency) of revenues over/(under) expenditures	-	-	-	2,887	1,544	(1,343)	(22,144)	4,888	27,032
<b>Other Financing Sources/(Uses):</b>									
Transfers in	-	-	-	1,036	608	(428)	-	-	-
Transfers out	-	-	-	(2,569)	(1,610)	959	-	-	-
Proceeds from sale of capital assets	-	-	-	-	6	6	-	-	-
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,533)</b>	<b>(996)</b>	<b>537</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	-	-	-	1,354	548	(806)	(22,144)	4,888	27,032
<b>Fund Balances:</b>									
Beginning of year	-	-	-	1,131	1,131	-	24,872	24,872	-
<b>End of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,485</b>	<b>\$ 1,679</b>	<b>\$ (806)</b>	<b>\$ 2,728</b>	<b>\$ 29,760</b>	<b>\$ 27,032</b>

**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, 2022  
(amounts expressed in thousands)**

	<u>Air Quality Improvements</u>			<u>Housing &amp; Community Development</u>			<u>NPDES Storm Drain</u>		
	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance to Final Budget Positive (Negative)</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance to Final Budget Positive (Negative)</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance to Final Budget Positive (Negative)</u>
<b>Revenues:</b>									
Intergovernmental	\$ 420	\$ 419	\$ (1)	\$ 58,362	\$ 27,678	\$ (30,684)	\$ -	\$ -	\$ -
Charges for services	130	47	(83)	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	1,716	980	(736)
Rental and investment income	-	(40)	(40)	54	(34)	(88)	-	(1)	(1)
Miscellaneous	-	10	10	1,268	232	(1,036)	-	-	-
<b>Total revenues:</b>	<b>550</b>	<b>436</b>	<b>(114)</b>	<b>59,684</b>	<b>27,876</b>	<b>(31,808)</b>	<b>1,716</b>	<b>979</b>	<b>(737)</b>
<b>Expenditures:</b>									
Current:									
General government	635	93	542	4,375	2,487	1,888	-	-	-
Capital outlay	242	-	242	71,777	29,660	42,117	1,925	982	943
Debt service:									
Principal	-	-	-	19	19	-	-	-	-
Interest and fiscal charges	-	-	-	14	14	-	-	-	-
<b>Total expenditures</b>	<b>877</b>	<b>93</b>	<b>784</b>	<b>76,185</b>	<b>32,180</b>	<b>44,005</b>	<b>1,925</b>	<b>982</b>	<b>943</b>
Excess/(deficiency) of revenues over/(under) expenditures	(327)	343	670	(16,501)	(4,304)	12,197	(209)	(3)	206
<b>Other Financing Sources/(Uses):</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Proceeds from financing related to leases	-	-	-	-	-	-	-	1	1
<b>Total other financing sources/(uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
Net change in fund balances	(327)	343	670	(16,501)	(4,304)	12,197	(209)	(2)	207
<b>Fund Balances:</b>									
Beginning of year	1,445	1,445	-	3,089	3,089	-	603	603	-
<b>End of year</b>	<b>\$ 1,118</b>	<b>\$ 1,788</b>	<b>\$ 670</b>	<b>\$ (13,412)</b>	<b>\$ (1,215)</b>	<b>\$ 12,197</b>	<b>\$ 394</b>	<b>\$ 601</b>	<b>\$ 207</b>

**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, 2022  
(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)
<b>Revenues</b>						
Special assessments	\$ 4,079	\$ 4,120	\$ 41	\$ -	\$ -	\$ -
Rental and investment income	-	1	1	-	(6)	(6)
Miscellaneous	-	-	-	-	539	539
<b>Total revenues</b>	<b>4,079</b>	<b>4,121</b>	<b>42</b>	<b>-</b>	<b>533</b>	<b>533</b>
<b>Expenditures:</b>						
Current:						
General government	-	-	-	4,887	3,631	1,256
Public safety	4,712	4,636	76	-	-	-
Highways and streets	764	590	174	-	-	-
Culture and recreation	314	39	275	-	-	-
Debt service:						
Principal	-	-	-	43	43	-
Interest and fiscal charges	-	-	-	30	30	-
<b>Total expenditures</b>	<b>5,790</b>	<b>5,265</b>	<b>525</b>	<b>4,960</b>	<b>3,704</b>	<b>1,256</b>
Excess/(deficiency) of revenues over/(under) expenditures	(1,711)	(1,144)	567	(4,960)	(3,171)	1,789
<b>Other Financing Sources/(Uses):</b>						
Transfers in	1,415	1,410	(5)	-	-	-
Transfers out	-	-	-	(1)	(1)	-
<b>Total other financing sources/(uses)</b>	<b>1,415</b>	<b>1,410</b>	<b>(5)</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>
Net change in fund balances	(296)	266	562	(4,961)	(3,172)	1,789
<b>Fund Balances:</b>						
Beginning of year	475	475	-	15,464	15,464	-
<b>End of year</b>	<b>\$ 179</b>	<b>\$ 741</b>	<b>\$ 562</b>	<b>\$ 10,503</b>	<b>\$ 12,292</b>	<b>\$ 1,789</b>

**CITY OF RIVERSIDE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(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)
<b>Revenues:</b>									
Licenses and permits	\$ -	\$ -	\$ -	\$ 2,560	\$ 3,393	\$ 833	\$ 195	\$ 153	\$ (42)
Intergovernmental	52,369	13,830	(38,539)	-	-	-	29,243	8,428	(20,815)
Special assessments	787	538	(249)	-	-	-	-	-	-
Rental and investment income	180	(1,437)	(1,617)	20	(164)	(184)	13	(137)	(150)
Miscellaneous	369	742	373	-	-	-	-	2	2
<b>Total revenues</b>	<b>53,705</b>	<b>13,673</b>	<b>(40,032)</b>	<b>2,580</b>	<b>3,229</b>	<b>649</b>	<b>29,451</b>	<b>8,446</b>	<b>(21,005)</b>
<b>Expenditures:</b>									
Current:									
General government	-	-	-	50	50	-	-	-	-
Capital outlay	105,622	20,130	85,492	1,365	194	1,171	29,892	8,605	21,287
Debt service:									
Interest and fiscal charges	2	4	(2)	-	-	-	-	-	-
<b>Total expenditures</b>	<b>105,624</b>	<b>20,134</b>	<b>85,490</b>	<b>1,415</b>	<b>244</b>	<b>1,171</b>	<b>29,892</b>	<b>8,605</b>	<b>21,287</b>
Excess/(deficiency) of revenues over/(under) expenditures	(51,919)	(6,461)	45,458	1,165	2,985	1,820	(441)	(159)	282
<b>Other Financing Sources/(Uses):</b>									
Transfers in	11,325	11,651	326	-	-	-	-	-	-
Transfers out	(3,045)	(3,045)	-	(1,750)	(1,750)	-	-	-	-
<b>Total other financing sources/(uses)</b>	<b>8,280</b>	<b>8,606</b>	<b>326</b>	<b>(1,750)</b>	<b>(1,750)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balance	(43,639)	2,145	45,784	(585)	1,235	1,820	(441)	(159)	282
<b>Fund Balances:</b>									
Beginning of year	50,359	50,359	-	5,726	5,726	-	549	549	-
<b>End of year</b>	<b>\$ 6,720</b>	<b>\$ 52,504</b>	<b>\$ 45,784</b>	<b>\$ 5,141</b>	<b>\$ 6,961</b>	<b>\$ 1,820</b>	<b>\$ 108</b>	<b>\$ 390</b>	<b>\$ 282</b>

**CITY OF RIVERSIDE  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022  
 (amounts expressed in thousands)**

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	<b>Transportation</b>		
	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance to Final Budget Positive (Negative)</b>
<b>Revenues:</b>			
Intergovernmental	\$ 268	\$ -	\$ (268)
<b>Total revenues</b>	<b>268</b>	<b>-</b>	<b>(268)</b>
<b>Expenditures:</b>			
Capital outlay	268	-	268
<b>Total expenditures</b>	<b>268</b>	<b>-</b>	<b>268</b>
<b>Other Financing Sources/(Uses):</b>			
Transfers in	-	-	-
<b>Fund Balances:</b>			
Beginning of year	-	-	-
<b>End of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



## 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, 2022  
(amounts expressed in thousands)**

	Business-Type Activities - Enterprise Funds					Total Non-Major Enterprise Funds
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	
<b>Assets:</b>						
Current assets:						
Cash and investments	\$ 1,610	\$ 3,097	\$ 3,279	\$ 1,994	\$ 2,180	\$ 12,160
Receivables, net of allowance for uncollectible						
Interest	7	13	7	5	6	38
Utility billed	-	3,458	-	-	-	3,458
Utility unbilled	-	1,053	-	-	-	1,053
Accounts	171	292	1	466	1,886	2,816
Property taxes	20	-	-	-	-	20
Intergovernmental	1	-	1,533	26	3,135	4,695
Lease receivable	371	-	-	569	-	940
Inventory	-	-	-	-	79	79
Prepaid items	-	3	-	-	35	38
Deposits	-	-	-	-	306	306
Restricted assets:						
Cash and cash equivalents	-	2,500	-	-	-	2,500
<b>Total current assets</b>	<b>2,180</b>	<b>10,416</b>	<b>4,820</b>	<b>3,060</b>	<b>7,627</b>	<b>28,103</b>
Noncurrent assets:						
Lease receivable	2,460	-	-	2,340	-	4,800
Regulatory assets	-	9,588	-	-	-	9,588
Derivative instruments	-	-	-	-	269	269
Net pension asset	302	2,089	1,192	534	-	4,117
Capital assets, net of accumulated depreciation	21,018	3,604	2,207	28,226	90,984	146,039
Right to use assets, net of amortization	6	3	6	240	-	255
<b>Total noncurrent assets</b>	<b>23,786</b>	<b>15,284</b>	<b>3,405</b>	<b>31,340</b>	<b>91,253</b>	<b>165,068</b>
<b>Total assets</b>	<b>25,966</b>	<b>25,700</b>	<b>8,225</b>	<b>34,400</b>	<b>98,880</b>	<b>193,171</b>
<b>Deferred Outflows of Resources:</b>						
Changes in derivative values	-	-	-	-	1,983	1,983
Deferred charge on refunding	-	-	-	-	646	646
Pension related items	105	731	417	187	-	1,440
OPEB related items	26	218	145	29	-	418
<b>Total deferred outflows of resources</b>	<b>131</b>	<b>949</b>	<b>562</b>	<b>216</b>	<b>2,629</b>	<b>4,487</b>

(Continued)

**CITY OF RIVERSIDE  
COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
JUNE 30, 2022  
(amounts expressed in thousands)**

	Business-Type Activities - Enterprise Funds					Total Non-Major Enterprise Funds
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	
<b>Liabilities:</b>						
Current liabilities:						
Accounts payable	69	2,458	7	663	1,006	4,203
Accrued payroll	12	85	35	22	-	154
Retainage payable	19	-	-	-	478	497
Unearned revenue	45	-	4,619	-	1,488	6,152
Deposits	-	-	-	-	648	648
Accrued interest	-	-	-	49	-	49
<b>Total current liabilities</b>	<b>145</b>	<b>2,543</b>	<b>4,661</b>	<b>734</b>	<b>3,620</b>	<b>11,703</b>
Noncurrent liabilities:						
Due within one year:						
Long-term obligations	52	394	148	1,180	4,020	5,794
Compensated absences	65	294	117	25	-	501
Landfill capping	-	559	-	-	-	559
Lease liability	1	1	2	75	-	79
Due in more than one year:						
Long-term obligations	684	4,630	2,144	13,858	57,922	79,238
Compensated absences	13	61	25	5	-	104
Landfill capping	-	9,261	-	-	-	9,261
Regulatory liability	-	-	-	-	34	34
Derivative instruments	-	-	-	-	2,726	2,726
OPEB liability	161	1,414	728	302	-	2,605
Lease liability	4	3	5	167	-	179
<b>Total noncurrent liabilities</b>	<b>980</b>	<b>16,617</b>	<b>3,169</b>	<b>15,612</b>	<b>64,702</b>	<b>101,080</b>
<b>Total liabilities</b>	<b>1,125</b>	<b>19,160</b>	<b>7,830</b>	<b>16,346</b>	<b>68,322</b>	<b>112,783</b>
<b>Deferred Inflows of Resources:</b>						
Change in derivative values	-	-	-	-	252	252
Pension related items	507	3,514	2,004	897	-	6,922
OPEB related items	19	167	99	32	-	317
Lease related items	2,866	-	-	2,947	-	5,813
<b>Total deferred inflows of resources</b>	<b>3,392</b>	<b>3,681</b>	<b>2,103</b>	<b>3,876</b>	<b>252</b>	<b>13,304</b>
<b>Net Position:</b>						
Net investment in capital assets	21,018	3,011	2,207	14,322	29,688	70,246
Landfill capping	-	2,500	-	-	-	2,500
Unrestricted/(deficit)	562	(1,703)	(3,353)	72	3,247	(1,175)
<b>Total net position</b>	<b>\$ 21,580</b>	<b>\$ 3,808</b>	<b>\$ (1,146)</b>	<b>\$ 14,394</b>	<b>\$ 32,935</b>	<b>\$ 71,571</b>

**CITY OF RIVERSIDE  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Total Non-Major Enterprise Funds</b>
	<b>Airport</b>	<b>Refuse</b>	<b>Transportation</b>	<b>Public Parking</b>	<b>Civic Entertainment</b>	
<b>Operating Revenues:</b>						
Charges for services	\$ 1,728	\$ 29,768	\$ 168	\$ 4,888	\$ 11,883	\$ 48,435
<b>Total operating revenues</b>	<b>1,728</b>	<b>29,768</b>	<b>168</b>	<b>4,888</b>	<b>11,883</b>	<b>48,435</b>
<b>Operating Expenses:</b>						
Personnel services	529	3,897	1,816	63	-	6,305
Contractual services	175	6,842	51	1,845	6,646	15,559
Maintenance and operation	193	9,604	433	581	70	10,881
General	252	4,740	696	414	10,193	16,295
Materials and supplies	12	1,623	145	5	-	1,785
Claims/Insurance	41	182	93	95	239	650
Depreciation	717	837	448	855	2,525	5,382
Amortization	1	565	2	74	-	642
<b>Total operating expenses</b>	<b>1,920</b>	<b>28,290</b>	<b>3,684</b>	<b>3,932</b>	<b>19,673</b>	<b>57,499</b>
Operating income/(loss)	(192)	1,478	(3,516)	956	(7,790)	(9,064)
<b>Nonoperating Revenues/(Expenses):</b>						
Grant subsidies	7	-	2,379	-	3,480	5,866
Interest revenue	4	(160)	(68)	(2)	(47)	(273)
Interest expense and fiscal charges	(24)	(159)	(74)	(634)	(2,131)	(3,022)
Other	23	1	-	(77)	127	74
<b>Total nonoperating revenues/(expenses):</b>	<b>10</b>	<b>(318)</b>	<b>2,237</b>	<b>(713)</b>	<b>1,429</b>	<b>2,645</b>
Income/(loss) before contributions and transfers	(182)	1,160	(1,279)	243	(6,361)	(6,419)
Capital contributions	52	-	293	-	6,694	7,039
Special item	-	(694)	-	-	-	(694)
Transfers in	-	694	-	1,300	11,279	13,273
Transfers out	(1)	(331)	(3)	(1)	-	(336)
Change in net position	(131)	829	(989)	1,542	11,612	12,863
<b>Net Position</b>						
Beginning of year, as previously stated	21,711	2,979	(157)	12,852	21,323	58,708
<b>End of year</b>	<b>\$ 21,580</b>	<b>\$ 3,808</b>	<b>\$ (1,146)</b>	<b>\$ 14,394</b>	<b>\$ 32,935</b>	<b>\$ 71,571</b>

**CITY OF RIVERSIDE  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	<b>Business-Type Activities - Enterprise Funds</b>					<b>Total Non-Major Enterprise Funds</b>
	<b>Airport</b>	<b>Refuse</b>	<b>Transportation</b>	<b>Public Parking</b>	<b>Civic Entertainment</b>	
<b>Cash Flows from Operating Activities:</b>						
Cash received from customers and users	\$ 1,818	\$ 28,568	\$ 3,293	\$ 5,083	\$ 12,073	\$ 50,835
Cash paid to suppliers for goods or services	(716)	(22,859)	(1,516)	(2,715)	(16,765)	(44,571)
Cash paid to employees for services	(668)	(4,730)	(2,232)	(286)	-	(7,916)
<b>Net cash provided/(used) by operating activities</b>	<b>434</b>	<b>979</b>	<b>(455)</b>	<b>2,082</b>	<b>(4,692)</b>	<b>(1,652)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>						
Transfers in	-	694	-	1,300	11,279	13,273
Transfers out	(1)	(1,025)	(3)	(1)	-	(1,030)
Payment made to other funds	-	-	-	-	(3,002)	(3,002)
Payment on pension obligation bonds	(43)	(231)	(117)	(61)	-	(452)
Other receipts/(payments) from non-operating revenue	58	1	-	(40)	127	146
Grant subsidies	7	-	2,379	-	3,480	5,866
<b>Net cash provided/(used) by non-capital financing activities</b>	<b>21</b>	<b>(561)</b>	<b>2,259</b>	<b>1,198</b>	<b>11,884</b>	<b>14,801</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Purchase of capital assets	(229)	(53)	(73)	(881)	(6,694)	(7,930)
Principal paid on long-term obligations	-	(101)	-	(410)	(1,216)	(1,727)
Interest paid on long-term obligations	(24)	(159)	(74)	(1,287)	(4,950)	(6,494)
Contributions	52	694	293	-	6,694	7,733
Lease payments	(1)	(1)	(2)	(76)	-	(80)
<b>Net cash provided/(used) by capital and related financing activities</b>	<b>(202)</b>	<b>380</b>	<b>144</b>	<b>(2,654)</b>	<b>(6,166)</b>	<b>(8,498)</b>
<b>Cash Flows from Investing Activities:</b>						
Interest from investments	(2)	(165)	(74)	(4)	(53)	(298)
<b>Net cash provided/(used) by investing activities</b>	<b>(2)</b>	<b>(165)</b>	<b>(74)</b>	<b>(4)</b>	<b>(53)</b>	<b>(298)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>251</b>	<b>633</b>	<b>1,874</b>	<b>622</b>	<b>973</b>	<b>4,353</b>
Cash and cash equivalents at beginning of year	1,359	4,964	1,405	1,372	1,207	10,307
<b>Cash and cash equivalents at end of year</b>	<b>\$ 1,610</b>	<b>\$ 5,597</b>	<b>\$ 3,279</b>	<b>\$ 1,994</b>	<b>\$ 2,180</b>	<b>\$ 14,660</b>

**CITY OF RIVERSIDE  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	Business-Type Activities - Enterprise Funds					Total Non-Major Enterprise Funds
	Airport	Refuse	Transportation	Public Parking	Civic Entertainment	
<b>Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:</b>						
Operating income/(loss)	\$ (192)	\$ 1,478	\$ (3,516)	\$ 956	\$ (7,790)	\$ (9,064)
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>						
Depreciation	717	837	448	855	2,525	5,382
Amortization	1	565	2	74	-	642
(Increase)/decrease in utility billed receivable	-	(1,196)	-	-	-	(1,196)
(Increase)/decrease in utility unbilled receivable	-	(64)	-	-	-	(64)
(Increase)/decrease in accounts receivable	3	59	2	199	(1,878)	(1,615)
(Increase)/decrease in property tax receivable	20	-	-	-	-	20
(Increase)/decrease in intergovernmental receivable	50	-	19	(5)	828	892
(Increase)/decrease in inventory	-	-	-	-	(38)	(38)
(Increase)/decrease in prepaid items	-	8	-	-	(6)	2
(Increase)/decrease in deposits	-	-	-	-	(6)	(6)
Increase/(decrease) in accounts payable	(39)	722	(99)	225	(45)	764
Increase/(decrease) in accrued payroll	5	37	12	13	-	67
Increase/(decrease) in retainage payable	(4)	-	-	-	478	474
Increase/(decrease) in unearned revenue	17	-	3,102	-	1,117	4,236
Increase/(decrease) in deposits payable	-	-	-	-	123	123
Increase/(decrease) in compensated absences	4	(16)	(18)	(17)	-	(47)
Increase/(decrease) in landfill capping liability	-	(599)	-	-	-	(599)
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(155)	(912)	(442)	(231)	-	(1,740)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	7	60	35	13	-	115
<b>Total adjustments</b>	<b>626</b>	<b>(499)</b>	<b>3,061</b>	<b>1,126</b>	<b>3,098</b>	<b>7,412</b>
<b>Net cash provided/(used) by operating activities</b>	<b>\$ 434</b>	<b>\$ 979</b>	<b>\$ (455)</b>	<b>\$ 2,082</b>	<b>\$ (4,692)</b>	<b>\$ (1,652)</b>

## **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, 2022  
(amounts expressed in thousands)**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Self Insurance Trust</b>	<b>Central Stores</b>	<b>Central Garage</b>	<b>Total Internal Service Funds</b>
<b>Assets:</b>				
Current assets:				
Cash and investments	\$ 45,191	\$ -	\$ 12,011	\$ 57,202
Receivables, net of allowance for uncollectible				
Interest	92	-	25	117
Accounts	29	-	96	125
Intergovernmental	185	-	230	415
Inventory	-	7,707	490	8,197
Prepaid items	-	-	2	2
<b>Total current assets</b>	<b>45,497</b>	<b>7,707</b>	<b>12,854</b>	<b>66,058</b>
Noncurrent assets:				
Net pension asset	452	301	1,479	2,232
Capital assets, net of accumulated depreciation	-	92	7,027	7,119
Right to use assets, net of amortization	17	-	6	23
<b>Total noncurrent assets</b>	<b>469</b>	<b>393</b>	<b>8,512</b>	<b>9,374</b>
<b>Total assets</b>	<b>45,966</b>	<b>8,100</b>	<b>21,366</b>	<b>75,432</b>
<b>Deferred Outflows of Resources:</b>				
Pension related items	158	105	517	780
OPEB related items	51	32	128	211
<b>Total deferred outflows of resources</b>	<b>209</b>	<b>137</b>	<b>645</b>	<b>991</b>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable	292	779	460	1,531
Accrued payroll	12	15	50	77
Retainage payable	-	-	6	6
Due to other funds	-	39	-	39
<b>Total current liabilities</b>	<b>304</b>	<b>833</b>	<b>516</b>	<b>1,653</b>
Noncurrent liabilities:				
Due within one year:				
Long-term obligations	38	40	210	288
Compensated absences	37	106	208	351
Claims and judgments	15,304	-	-	15,304
Lease liability	4	-	1	5
Due in more than one year:				
Long-term obligations	572	577	3,137	4,286
Compensated absences	12	32	62	106
Claims and judgments	63,486	-	-	63,486
OPEB liability	188	191	828	1,207
Lease liability	12	-	4	16
<b>Total noncurrent liabilities</b>	<b>79,653</b>	<b>946</b>	<b>4,450</b>	<b>85,049</b>
<b>Total liabilities</b>	<b>79,957</b>	<b>1,779</b>	<b>4,966</b>	<b>86,702</b>
<b>Deferred Inflows of Resources:</b>				
Pension related items	760	506	2,487	3,753
OPEB related items	36	28	87	151
<b>Total deferred inflows of resources</b>	<b>796</b>	<b>534</b>	<b>2,574</b>	<b>3,904</b>
<b>Net Position:</b>				
Net investment in capital assets	3	92	7,028	7,123
Unrestricted/(deficit)	(34,581)	5,832	7,443	(21,306)
<b>Total net position</b>	<b>\$ (34,578)</b>	<b>\$ 5,924</b>	<b>\$ 14,471</b>	<b>\$ (14,183)</b>

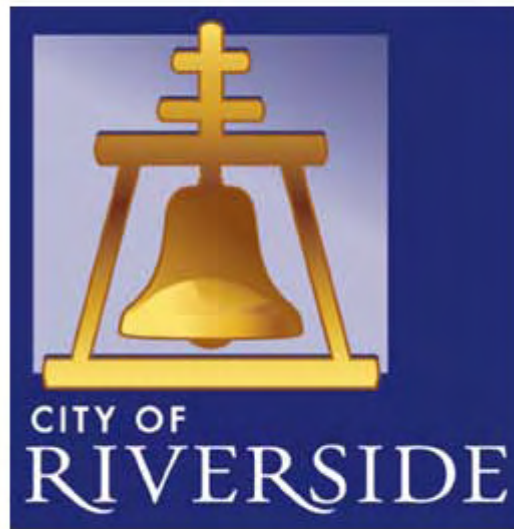


**CITY OF RIVERSIDE  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Self Insurance Trust</b>	<b>Central Stores</b>	<b>Central Garage</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues:</b>				
Charges for services	\$ 18,151	\$ 1,285	\$ 8,974	\$ 28,410
<b>Total operating revenues</b>	<b>18,151</b>	<b>1,285</b>	<b>8,974</b>	<b>28,410</b>
<b>Operating Expenses:</b>				
Personnel services	732	737	2,237	3,706
Contractual services	1,394	5	177	1,576
Maintenance and operation General	4	30	2,956	2,990
	5,205	237	1,034	6,476
Materials and supplies	1	14	128	143
Claims/Insurance	14,792	-	95	14,887
Depreciation	-	11	730	741
Amortization	4	-	1	5
<b>Total operating expenses</b>	<b>22,132</b>	<b>1,034</b>	<b>7,358</b>	<b>30,524</b>
Operating income (loss)	(3,981)	251	1,616	(2,114)
<b>Nonoperating Revenues/(Expenses):</b>				
Interest revenue	(1,031)	-	(345)	(1,376)
Interest expense and fiscal charges	(19)	(20)	(109)	(148)
Other	134	-	39	173
Gain/(loss) on disposal of capital assets	-	2	103	105
<b>Total nonoperating revenues/(expenses)</b>	<b>(916)</b>	<b>(18)</b>	<b>(312)</b>	<b>(1,246)</b>
Income/(loss) before contributions and operating transfers	(4,897)	233	1,304	(3,360)
Capital contributions	-	-	92	92
Transfers in	2,714	-	-	2,714
Transfers out	-	(1)	(3)	(4)
Change in net position	(2,183)	232	1,393	(558)
Beginning of year	(32,395)	5,692	13,078	(13,625)
<b>End of year</b>	<b>\$ (34,578)</b>	<b>\$ 5,924</b>	<b>\$ 14,471</b>	<b>\$ (14,183)</b>

**CITY OF RIVERSIDE  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Self Insurance Trust</b>	<b>Central Stores</b>	<b>Central Garage</b>	<b>Total Internal Service Funds</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from interfund services provided	\$ 18,124	\$ 1,285	\$ 8,893	\$ 28,302
Cash paid to suppliers for goods and services	(19,217)	(591)	(4,682)	(24,490)
Cash paid to employees for services	(1,017)	(808)	(2,964)	(4,789)
<b>Net cash provided/(used) by operating activities</b>	<b>(2,110)</b>	<b>(114)</b>	<b>1,247</b>	<b>(977)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Transfers in	2,714	-	-	2,714
Transfers out	-	(1)	(3)	(4)
Payments from other funds	-	39	-	39
Payments on pension obligation bonds	(30)	(32)	(165)	(227)
Other receipts/(payments) from non-operating revenue	133	-	39	172
<b>Net cash provided/(used) by non-capital financing activities</b>	<b>2,817</b>	<b>6</b>	<b>(129)</b>	<b>2,694</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Purchase of capital assets	-	(3)	(1,623)	(1,626)
Proceeds from sales of capital assets	-	2	103	105
Interest paid on long-term obligations	(20)	(20)	(109)	(149)
Contributions	-	-	92	92
Lease payments	(4)	-	(2)	(6)
<b>Net cash provided/(used) by capital and related financing activities</b>	<b>(24)</b>	<b>(21)</b>	<b>(1,539)</b>	<b>(1,584)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest from investments	(1,083)	-	(348)	(1,431)
<b>Net cash provided/(used) by capital and related financing activities</b>	<b>(1,083)</b>	<b>-</b>	<b>(348)</b>	<b>(1,431)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(400)</b>	<b>(129)</b>	<b>(769)</b>	<b>(1,298)</b>
Cash and cash equivalents at beginning of year	45,591	129	12,780	58,500
<b>Cash and cash equivalents at end of year</b>	<b>\$ 45,191</b>	<b>\$ -</b>	<b>\$ 12,011</b>	<b>\$ 57,202</b>
<b>Reconciliation of Operating Income to Net Cash Provided/(Used) by Operating Activities:</b>				
Operating income/(loss)	\$ (3,981)	\$ 251	\$ 1,616	\$ (2,114)
<b>Adjustments to Reconcile Operating Income/(Loss) Net Cash Provided/(Used) by Operating Activities:</b>				
Depreciation	-	11	730	741
Amortization	4	-	1	5
(Increase)/decrease in accounts receivable	-	-	11	11
(Increase)/decrease in intergovernmental receivable	(30)	-	(92)	(122)
(Increase)/decrease in inventory	-	(671)	(108)	(779)
Increase/(decrease) in accounts payable	(2)	366	(172)	192
Increase/(decrease) in accrued payroll	2	9	20	31
Increase/(decrease) in retainage payable	-	-	(15)	(15)
Increase/(decrease) in compensated absences	(71)	33	(24)	(62)
Increase/(decrease) in claims and judgments	2,187	-	-	2,187
Changes in net pension liability/(asset) and related deferred inflows/(outflows) of resources	(232)	(124)	(749)	(1,105)
Changes in OPEB liability and related deferred inflows/(outflows) of resources	13	11	29	53
<b>Total adjustments</b>	<b>1,871</b>	<b>(365)</b>	<b>(369)</b>	<b>1,137</b>
<b>Net cash provided/(used) by operating activities</b>	<b>\$ (2,110)</b>	<b>\$ (114)</b>	<b>\$ 1,247</b>	<b>\$ (977)</b>



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

**CITY OF RIVERSIDE  
BALANCE SHEET  
COMBINING GENERAL FUND SCHEDULE  
JUNE 30, 2022  
(amounts expressed in thousands)**

	<u>General Fund</u>	<u>Measure Z Fund</u>	<u>Total General Fund</u>
<b>Assets:</b>			
Cash and investments	\$ 127,536	\$ 64,659	\$ 192,195
Cash and investments with fiscal agent	19,423	11,292	30,715
Receivables, net of allowance for uncollectible			
Interest	273	128	401
Property taxes	1,544	-	1,544
Sales taxes	15,476	14,919	30,395
Utility billed	3,350	-	3,350
Accounts	7,062	1	7,063
Intergovernmental	4,444	-	4,444
Lease receivable	7,501	-	7,501
Prepaid items	1,726	186	1,912
Due from other funds	870	-	870
Land and improvements held for resale	175	-	175
<b>Total assets</b>	<b>\$ 189,380</b>	<b>\$ 91,185</b>	<b>\$ 280,565</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 8,114	\$ 1,380	\$ 9,494
Accrued payroll	21,075	358	21,433
Retainage payable	-	2	2
Intergovernmental	153	-	153
Deposits	11,459	-	11,459
<b>Total liabilities</b>	<b>40,801</b>	<b>1,740</b>	<b>42,541</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	3,082	-	3,082
Lease related items	7,724	-	7,724
<b>Total deferred inflows of resources</b>	<b>10,806</b>	<b>-</b>	<b>10,806</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Inventories, prepaids, and deposits	1,726	186	1,912
Land and improvements held for resale	175	-	175
<b>Restricted:</b>			
Debt service	-	11,292	11,292
Unfunded accrued liability	19,423	-	19,423
<b>Committed:</b>			
Economic contingency	61,000	5,000	66,000
Other purposes	16,801	-	16,801
<b>Assigned:</b>			
General government	3,329	1,831	5,160
Public safety	773	11,546	12,319
Highways and streets	1,049	2,017	3,066
Culture and recreation	1,344	165	1,509
Continuing projects	3,333	16,320	19,653
<b>Unassigned</b>	<b>28,820</b>	<b>41,088</b>	<b>69,908</b>
<b>Total fund balances</b>	<b>137,773</b>	<b>89,445</b>	<b>227,218</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 189,380</b>	<b>\$ 91,185</b>	<b>\$ 280,565</b>

**CITY OF RIVERSIDE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
COMBINING GENERAL FUND SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	<u>General Fund</u>	<u>Measure Z Fund</u>	<u>Total General Fund</u>
<b>Revenues:</b>			
Taxes	\$ 215,829	\$ 83,157	\$ 298,986
Licenses and permits	11,304	-	11,304
Intergovernmental	4,463	-	4,463
Charges for services	15,311	-	15,311
Fines and forfeitures	2,096	-	2,096
Special assessments	316	-	316
Rental and investment income	(4,942)	551	(4,391)
Miscellaneous	1,231	1	1,232
<b>Total revenues</b>	<b>245,608</b>	<b>83,709</b>	<b>329,317</b>
<b>Expenditures:</b>			
Current:			
General government	6,274	1,923	8,197
Public safety	170,341	23,028	193,369
Highways and streets	16,952	983	17,935
Culture and recreation	29,896	986	30,882
Capital outlay	1,950	1,312	3,262
Debt service:			
Principal	675	-	675
Interest and fiscal charges	96	-	96
<b>Total expenditures</b>	<b>226,184</b>	<b>28,232</b>	<b>254,416</b>
Excess/(deficiency) of revenues over/(under) expenditures	19,424	55,477	74,901
<b>Other Financing Sources/(Uses):</b>			
Transfers in	47,294	11,292	58,586
Transfers out	(49,252)	(18,430)	(67,682)
Transfers in/(out) to General Fund *	18,266	(18,266)	-
Proceeds from sale of capital assets	53	-	53
Proceeds from financing related to leases	1,713	-	1,713
<b>Total other financing sources/(uses)</b>	<b>18,074</b>	<b>(25,404)</b>	<b>(7,330)</b>
Net change in fund balance	37,498	30,073	67,571
<b>Fund Balances:</b>			
Beginning of year	100,275	59,372	159,647
<b>End of year</b>	<b>\$ 137,773</b>	<b>\$ 89,445</b>	<b>\$ 227,218</b>

\* 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, 2022  
(amounts expressed in thousands)

	Capital Outlay Fund	Measure Z Capital Outlay Fund	Total Capital Outlay Fund
<b>Assets:</b>			
Cash and investments	\$ 34,576	\$ 17,779	\$ 52,355
Receivables, net of allowance for uncollectible			
Interest	72	39	111
Accounts	451	-	451
Intergovernmental	4,700	-	4,700
Prepaid items	19	-	19
<b>Total assets</b>	<b>\$ 39,818</b>	<b>\$ 17,818</b>	<b>\$ 57,636</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,314	\$ 1,448	\$ 2,762
Retainage payable	29	319	348
Unearned revenue	1,502	-	1,502
<b>Total liabilities</b>	<b>2,845</b>	<b>1,767</b>	<b>4,612</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenue	520	-	520
<b>Total deferred inflows of resources</b>	<b>520</b>	<b>-</b>	<b>520</b>
<b>Fund Balances:</b>			
<b>Restricted:</b>			
Transportation and public works	36,453	16,051	52,504
<b>Total fund balances</b>	<b>36,453</b>	<b>16,051</b>	<b>52,504</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 39,818</b>	<b>\$ 17,818</b>	<b>\$ 57,636</b>

**CITY OF RIVERSIDE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
COMBINING CAPITAL OUTLAY FUND SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2022  
(amounts expressed in thousands)**

	<b>Capital Outlay Fund</b>	<b>Measure Z Capital Outlay Fund</b>	<b>Total Capital Outlay Fund</b>
<b>Revenues:</b>			
Intergovernmental	\$ 13,830	\$ -	\$ 13,830
Special assessments	538	-	538
Rental and investment income	(873)	(564)	(1,437)
Miscellaneous	742	-	742
<b>Total revenues</b>	<b>14,237</b>	<b>(564)</b>	<b>13,673</b>
<b>Expenditures:</b>			
Capital outlay	5,248	14,881	20,129
Debt service:			
Interest and fiscal charges	4	-	4
<b>Total expenditures</b>	<b>5,252</b>	<b>14,881</b>	<b>20,133</b>
Excess/(deficiency) of revenues over/(under) expenditures	8,985	(15,445)	(6,460)
<b>Other Financing Sources/(Uses):</b>			
Transfers in	826	10,825	11,651
Transfers out	(3,045)	-	(3,045)
<b>Total other financing sources/(uses)</b>	<b>(2,219)</b>	<b>10,825</b>	<b>8,606</b>
Net change in fund balances	6,766	(4,620)	2,146
<b>Fund Balances:</b>			
Beginning of year	29,687	20,671	50,358
<b>End of year</b>	<b>\$ 36,453</b>	<b>\$ 16,051</b>	<b>\$ 52,504</b>



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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>111</b>
<b>Revenue Capacity</b> These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	<b>116</b>
<b>Debt Capacity</b> 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.	<b>126</b>
<b>Demographic and Economic Information</b> 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.	<b>132</b>
<b>Operating Information</b> 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.	<b>135</b>

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>2013</u>	<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>
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 1,083,485	\$ 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
Restricted	80,712	96,587	105,847	106,488	104,853	112,183	126,551	153,806	164,809	203,038
Unrestricted	17,989	(2,049)	(406,388)	(389,278)	(362,146)	(364,500)	(356,340)	(369,222)	(366,713)	(284,713)
<b>Total governmental activities net position</b>	<b>\$ 1,182,186</b>	<b>\$ 1,200,922</b>	<b>\$ 825,679</b>	<b>\$ 841,120</b>	<b>\$ 845,116</b>	<b>\$ 841,579</b>	<b>\$ 873,048</b>	<b>\$ 866,575</b>	<b>\$ 968,328</b>	<b>\$ 1,094,540</b>
<b>Business-Type Activities</b>										
Net investment in capital assets	\$ 609,691	\$ 616,844	\$ 626,166	\$ 654,870	\$ 702,844	\$ 800,227	\$ 867,206	\$ 751,865	\$ 756,116	\$ 774,469
Restricted	69,068	68,507	75,660	85,526	93,570	80,717	67,057	75,170	78,885	85,666
Unrestricted	330,833	359,698	209,469	235,144	245,116	199,143	155,468	272,776	263,837	284,977
<b>Total business-type activities net position</b>	<b>\$ 1,009,592</b>	<b>\$ 1,045,049</b>	<b>\$ 911,295</b>	<b>\$ 975,540</b>	<b>\$ 1,041,530</b>	<b>\$ 1,080,087</b>	<b>\$ 1,089,731</b>	<b>\$ 1,099,811</b>	<b>\$ 1,098,838</b>	<b>\$ 1,145,112</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 1,693,176	\$ 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
Restricted	149,780	165,094	181,507	192,014	198,423	192,900	193,608	228,976	243,694	288,704
Unrestricted	348,822	357,649	(196,919)	(154,134)	(117,030)	(165,357)	(200,872)	(96,446)	(102,876)	264
<b>Total primary government net position</b>	<b>\$ 2,191,778</b>	<b>\$ 2,245,971</b>	<b>\$ 1,736,974</b>	<b>\$ 1,816,660</b>	<b>\$ 1,886,646</b>	<b>\$ 1,921,666</b>	<b>\$ 1,962,779</b>	<b>\$ 1,966,386</b>	<b>\$ 2,067,166</b>	<b>\$ 2,239,652</b>

**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									
	2013 <sup>1</sup>	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General government	\$ 54,808	\$ 39,331	\$ 26,587	\$ 24,483	\$ 44,510	\$ 45,360	\$ 51,139	\$ 63,651	\$ 97,927	\$ 66,937
Public safety	147,652	149,555	154,123	161,284	160,665	216,772	201,942	222,061	219,136	169,742
Highways and streets	35,072	36,564	36,563	38,836	38,585	42,544	43,770	46,983	42,034	41,125
Cultural and recreation	40,077	42,252	45,594	47,762	49,406	38,362	31,200	37,400	37,693	38,885
Interest on long-term debt and fiscal charges	16,627	17,741	17,025	16,387	16,028	12,414	10,045	13,181	19,083	19,806
<b>Total governmental activities</b>	<b>294,236</b>	<b>285,443</b>	<b>279,892</b>	<b>288,752</b>	<b>309,194</b>	<b>355,452</b>	<b>338,096</b>	<b>383,276</b>	<b>415,873</b>	<b>336,495</b>
<b>Business-Type Activities:</b>										
Electric	292,175	304,416	309,874	307,925	317,335	333,061	347,804	350,667	366,165	349,004
Water	58,768	60,030	62,792	57,769	62,189	68,281	70,912	73,742	71,738	69,303
Sewer	43,945	40,385	35,593	39,978	38,305	54,136	70,137	62,961	61,029	59,060
Airport	2,029	1,662	1,809	1,799	1,998	2,179	1,972	2,304	2,326	1,944
Refuse	20,581	20,831	20,007	21,652	21,953	22,082	24,205	26,549	28,428	28,449
Transportation	3,745	4,067	4,385	4,113	4,221	4,782	4,493	4,607	4,623	3,758
Public Parking	5,051	4,610	5,604	5,141	5,448	6,186	5,151	4,628	4,684	4,566
Civic Entertainment	-	-	-	-	-	19,995	24,151	21,584	11,885	21,804
<b>Total business-type activities</b>	<b>426,294</b>	<b>436,001</b>	<b>440,064</b>	<b>438,377</b>	<b>451,449</b>	<b>510,702</b>	<b>548,825</b>	<b>547,042</b>	<b>550,878</b>	<b>537,888</b>
<b>Total primary government expenses</b>	<b>\$ 720,530</b>	<b>\$ 721,444</b>	<b>\$ 719,956</b>	<b>\$ 727,129</b>	<b>\$ 760,643</b>	<b>\$ 866,154</b>	<b>\$ 886,921</b>	<b>\$ 930,318</b>	<b>\$ 966,751</b>	<b>\$ 874,383</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges for services:										
General government	\$ 13,338	\$ 13,775	\$ 17,600	\$ 24,944	\$ 27,441	\$ 24,605	\$ 29,281	\$ 25,698	\$ 11,485	\$ 13,721
Public safety	7,793	7,444	7,256	3,243	1,167	1,880	2,443	2,138	7,649	14,491
Highways and streets	15,825	17,487	13,868	5,709	5,930	5,554	6,036	5,174	11,278	6,090
Cultural and recreation	5,237	7,406	16,319	12,458	22,802	6,078	7,465	5,050	3,694	6,770
Operating grants and contributions	21,485	14,341	12,869	16,321	19,374	22,548	23,966	21,779	64,405	50,378
Capital grants and contributions	32,202	48,433	43,904	31,216	7,617	18,039	27,450	19,945	28,284	38,508
<b>Total governmental activities</b>	<b>95,880</b>	<b>108,886</b>	<b>111,816</b>	<b>93,891</b>	<b>84,331</b>	<b>78,704</b>	<b>96,641</b>	<b>79,784</b>	<b>126,795</b>	<b>129,958</b>
<b>Business-Type Activities:</b>										
Charges for services:										
Electric	347,933	344,037	347,621	354,530	366,066	364,516	363,570	368,969	376,101	397,947
Water	68,489	68,691	66,051	57,250	62,627	66,828	65,177	70,167	80,252	80,535
Sewer	43,772	46,162	50,336	52,664	59,735	65,081	64,282	64,114	66,323	71,557
Airport	1,396	1,100	1,260	1,549	1,578	1,562	1,618	1,743	1,709	1,728
Refuse	20,829	20,677	21,360	21,806	22,567	23,085	23,004	25,109	26,468	29,768
Transportation	344	413	385	377	359	441	444	309	65	168
Public Parking	4,777	4,382	4,609	4,918	5,009	6,258	4,604	4,301	2,968	4,888
Civic Entertainment	-	-	-	-	-	16,393	16,977	12,233	1,381	11,883
Operating grants and contributions	2,718	2,524	3,869	2,322	3,751	3,374	3,093	3,473	3,976	5,866
Capital grants and contributions	11,734	11,486	8,027	18,868	24,151	26,957	10,607	13,979	12,273	20,527
<b>Total business-type activities</b>	<b>501,992</b>	<b>499,472</b>	<b>503,518</b>	<b>514,284</b>	<b>545,843</b>	<b>574,495</b>	<b>553,376</b>	<b>564,397</b>	<b>571,516</b>	<b>624,867</b>
<b>Total primary government program revenues</b>	<b>\$ 597,872</b>	<b>\$ 608,358</b>	<b>\$ 615,334</b>	<b>\$ 608,175</b>	<b>\$ 630,174</b>	<b>\$ 653,199</b>	<b>\$ 650,017</b>	<b>\$ 644,181</b>	<b>\$ 698,311</b>	<b>\$ 754,825</b>

**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									
	2013 <sup>1</sup>	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Net Revenues/(Expenses)</b>										
Governmental Activities	\$ (198,356)	\$ (176,557)	\$ (168,076)	\$ (194,861)	\$ (224,863)	\$ (276,748)	\$ (241,455)	\$ (303,492)	\$ (289,078)	\$ (206,537)
Business-Type Activities	75,698	63,471	63,454	75,907	94,394	63,793	4,551	17,355	20,638	86,979
<b>Total primary government net revenues/(expenses)</b>	<b>\$ (122,658)</b>	<b>\$ (113,086)</b>	<b>\$ (104,622)</b>	<b>\$ (118,954)</b>	<b>\$ (130,469)</b>	<b>\$ (212,955)</b>	<b>\$ (236,904)</b>	<b>\$ (286,137)</b>	<b>\$ (268,440)</b>	<b>\$ (119,558)</b>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities:</b>										
Taxes:										
Sales taxes	\$ 50,222	\$ 55,096	\$ 59,437	\$ 60,976	\$ 75,883	\$ 120,338	\$ 130,645	\$ 128,653	\$ 150,321	\$ 173,933
Property taxes	52,904	51,323	54,864	55,545	59,526	63,515	69,478	72,609	71,986	79,790
Utility users' taxes	28,206	28,092	28,076	27,828	27,958	27,498	28,009	29,044	30,577	32,464
Franchise taxes	4,959	5,046	5,543	5,730	4,814	4,972	5,256	5,443	5,527	5,955
Transient occupancy taxes	3,703	4,189	5,280	6,093	6,622	6,793	7,163	5,959	5,801	8,764
Intergovernmental, unrestricted	337	263	3,153	477	145	172	156	656	499	661
Investment Income	2,786	2,759	3,233	729	6,145	5,187	7,500	10,185	4,969	(7,613)
Miscellaneous	9,208	5,425	12,395	11,708	2,050	4,278	-	9,146	5,988	3,880
Transfers	42,262	43,100	42,681	41,216	45,716	41,459	37,115	35,324	34,879	34,915
<b>Total governmental activities</b>	<b>194,587</b>	<b>195,293</b>	<b>214,662</b>	<b>210,302</b>	<b>228,859</b>	<b>274,212</b>	<b>285,322</b>	<b>297,019</b>	<b>310,547</b>	<b>332,749</b>
<b>Business-Type Activities:</b>										
Investment income	4,744	8,005	5,319	6,888	2,650	3,939	19,488	19,838	681	(13,324)
Miscellaneous	5,767	7,081	7,652	22,666	14,662	12,901	10,322	8,211	11,986	12,639
Extraordinary items	(41,259)	-	-	-	-	-	-	-	-	(5,748)
Transfers	(42,262)	(43,100)	(42,681)	(41,216)	(45,716)	(41,459)	(37,115)	(35,324)	(34,278)	(34,915)
<b>Total business-type activities</b>	<b>(73,010)</b>	<b>(28,014)</b>	<b>(29,710)</b>	<b>(11,662)</b>	<b>(28,404)</b>	<b>(24,619)</b>	<b>(7,305)</b>	<b>(7,275)</b>	<b>(21,611)</b>	<b>(41,348)</b>
<b>Total primary government</b>	<b>121,577</b>	<b>167,279</b>	<b>184,952</b>	<b>198,640</b>	<b>200,455</b>	<b>249,593</b>	<b>278,017</b>	<b>289,744</b>	<b>288,936</b>	<b>291,401</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ (3,769)	\$ 18,736	\$ 46,586	\$ 15,441	\$ 3,996	\$ (2,536)	\$ 43,867	\$ (6,473)	\$ 21,469	\$ 126,212
Business-Type Activities	2,688	35,457	33,744	64,245	65,990	39,174	(2,754)	10,080	(973)	45,631
<b>Total primary government</b>	<b>\$ (1,081)</b>	<b>\$ 54,193</b>	<b>\$ 80,330</b>	<b>\$ 79,686</b>	<b>\$ 69,986</b>	<b>\$ 36,638</b>	<b>\$ 41,113</b>	<b>\$ 3,607</b>	<b>\$ 20,496</b>	<b>\$ 171,843</b>

<sup>1</sup> 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)**

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>General Fund</b>										
Nonspendable	\$ 26,421	\$ 24,419	\$ 23,642	\$ 23,094	\$ 26,168	\$ 1,947	\$ 949	\$ 1,446	\$ 1,870	\$ 2,087
Restricted	2,196	2,204	2,985	3,067	2,651	2,991	3,411	10,699	10,697	30,715
Committed	-	-	-	-	-	53,800	65,916	59,280	62,400	82,801
Assigned	10,711	14,505	13,965	9,922	14,968	23,242	26,984	21,260	24,890	41,707
Unassigned	37,763	37,732	39,059	29,495	39,283	7,644	23,907	41,184	59,790	69,908
<b>Total general fund</b>	<b>\$ 77,091</b>	<b>\$ 78,860</b>	<b>\$ 79,651</b>	<b>\$ 65,578</b>	<b>\$ 83,070</b>	<b>\$ 89,624</b>	<b>\$ 121,167</b>	<b>\$ 133,869</b>	<b>\$ 159,647</b>	<b>\$ 227,218</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 1,441	\$ 1,460	\$ 1,625	\$ 1,619	\$ 1,601	\$ 4,855	\$ 1,560	\$ 1,510	\$ 1,477	\$ 1,495
Restricted for:										
Housing and redevelopment	26,410	26,223	25,523	24,746	24,098	18,827	16,668	16,611	18,553	12,292
Debt service	25,884	26,177	26,203	26,221	6,455	11,509	6,825	11,210	11,292	11,679
Transportation and public works	16,487	54,876	36,347	36,876	34,178	43,499	91,379	84,413	78,884	87,073
Other purposes	2,003	321	2,326	3,628	4,145	3,451	5,505	5,984	6,275	7,351
Unassigned	-	-	-	-	(24)	-	-	(27)	-	(1,215)
<b>Total all other governmental funds</b>	<b>\$ 72,225</b>	<b>\$ 109,057</b>	<b>\$ 92,024</b>	<b>\$ 93,090</b>	<b>\$ 70,453</b>	<b>\$ 82,141</b>	<b>\$ 121,937</b>	<b>\$ 119,701</b>	<b>\$ 116,481</b>	<b>\$ 118,675</b>

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Taxes	\$ 139,994	\$ 143,748	\$ 153,200	\$ 156,172	\$ 174,803	\$ 223,116	\$ 240,416	\$ 241,708	\$ 267,714	\$ 300,906
Licenses and permits	10,173	9,244	11,168	11,611	14,455	12,442	14,317	13,023	12,778	14,850
Intergovernmental	50,734	59,348	49,892	51,896	31,440	42,454	44,950	42,296	87,226	88,000
Charges for services	12,062	15,734	24,737	26,443	31,384	17,438	16,927	15,968	14,578	16,938
Fines and forfeitures	6,234	7,283	3,957	1,941	1,976	3,717	2,078	1,887	2,100	2,096
Special assessments	6,669	6,272	6,757	7,039	7,578	7,113	7,973	6,950	7,674	7,188
Rental and investment income	3,878	4,315	5,112	4,370	4,718	3,446	6,548	8,441	4,437	(6,533)
Miscellaneous	14,933	6,957	6,939	12,578	7,252	8,716	5,370	7,845	5,962	3,703
<b>Total revenues</b>	<b>\$ 244,677</b>	<b>\$ 252,901</b>	<b>\$ 261,762</b>	<b>\$ 272,050</b>	<b>\$ 273,606</b>	<b>\$ 318,442</b>	<b>\$ 338,579</b>	<b>\$ 338,118</b>	<b>\$ 402,469</b>	<b>\$ 427,148</b>
<b>Expenditures:</b>										
General government	\$ 15,713	\$ 13,558	\$ 17,799	\$ 19,900	\$ 20,650	\$ 21,135	\$ 18,880	\$ 107,779	\$ 30,887	\$ 24,329
Public safety	150,290	151,721	157,660	164,800	163,712	190,916	198,363	434,208	200,733	205,968
Highways and streets	16,294	16,944	16,594	17,416	17,504	19,207	20,927	22,254	16,897	18,805
Culture and recreation	45,356	34,275	37,527	39,583	40,643	29,382	30,528	28,825	28,391	33,065
Capital outlay	73,581	72,365	60,060	53,208	31,000	33,504	41,585	55,178	69,248	71,534
Debt service:										
Principal	45,006	45,500	49,101	51,987	72,700	21,904	37,867	23,761	24,475	28,126
Interest and fiscal charges	15,116	16,787	17,048	16,451	16,115	12,746	10,493	10,773	20,372	20,134
Bond issuance cost	581	843	172	180	29	24	854	1,185	-	-
Payment for advance refunding	3,521	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>\$ 365,458</b>	<b>\$ 351,993</b>	<b>\$ 355,961</b>	<b>\$ 363,525</b>	<b>\$ 362,353</b>	<b>\$ 328,818</b>	<b>\$ 359,497</b>	<b>\$ 683,963</b>	<b>\$ 391,003</b>	<b>\$ 401,961</b>
Excess/(deficiency) of revenue over/(under) expenditures	\$ (120,781)	\$ (99,092)	\$ (94,199)	\$ (91,475)	\$ (88,747)	\$ (10,376)	\$ (20,918)	\$ (345,845)	\$ 11,466	\$ 25,187
<b>Other Financing Sources/(Uses):</b>										
Transfers in	\$ 56,572	\$ 58,469	\$ 61,510	\$ 61,384	\$ 94,521	\$ 102,774	\$ 94,771	\$ 95,932	\$ 112,907	\$ 116,891
Transfers out	(14,178)	(15,369)	(18,829)	(20,168)	(48,805)	(66,021)	(58,688)	(60,608)	(102,028)	(85,380)
Issuance of long-term debt	99,753	87,037	30,940	31,145	31,578	14,500	49,485	320,131	-	11,292
Proceeds from sale of capital assets	82	931	(114)	261	4,199	461	149	856	213	59
Proceeds from financing related to leases	-	-	-	-	-	-	-	-	-	1,714
Capital lease financing	7,203	6,625	4,450	5,846	2,109	-	-	-	-	-
Bond premium/(discounts)	(43,591)	-	-	-	-	-	6,540	-	-	-
<b>Total other financing sources/(uses)</b>	<b>105,841</b>	<b>137,693</b>	<b>77,957</b>	<b>78,468</b>	<b>83,602</b>	<b>51,714</b>	<b>92,257</b>	<b>356,311</b>	<b>11,092</b>	<b>44,576</b>
Net changes in fund balances	\$ (14,940)	\$ 38,601	\$ (16,242)	\$ (13,007)	\$ (5,145)	\$ 41,338	\$ 71,339	\$ 10,466	\$ 22,558	\$ 69,763
Debt services as a percentage of non-capital expenditures	21.039 %	21.803 %	22.360 %	21.714 %	26.625 %	11.999 %	15.143 %	5.428 %	13.383 %	13.535 %

(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)

<b>Fiscal Year</b>	<b>Residential Sales</b>	<b>Commercial Sales <sup>1</sup></b>	<b>Industrial Sales <sup>1</sup></b>	<b>Wholesale Sales</b>	<b>Other Sales</b>	<b>Transmission Revenue</b>	<b>Other Operating Revenue</b>	<b>Total Revenues</b>
2013	\$ 118,173	\$ 66,632	\$ 110,680	\$ 638	\$ 5,712	\$ 32,688	\$ 13,410	\$ 347,933
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

<sup>1</sup> 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)

<b>Fiscal Year</b>	<b>Sales Tax<sup>1</sup></b>	<b>Property Tax<sup>2</sup></b>	<b>Utility Users' Tax</b>	<b>Franchise Tax</b>	<b>Transient Occupancy Tax</b>	<b>Total Taxes</b>
2013	\$ 50,222	\$ 52,904	\$ 28,206	\$ 4,959	\$ 3,703	\$ 139,994
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

<sup>1</sup> 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.

<sup>2</sup> 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)

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Apparel stores	\$ 175,320	\$ 178,349	\$ 188,670	\$ 203,001	\$ 214,852	\$ 210,158	\$ 212,036	\$ 210,439	\$ 147,176	\$ 249,034
General merchandise	450,988	463,355	475,147	477,903	478,538	465,490	470,386	465,234	426,500	617,257
Food stores	181,719	193,368	209,022	217,902	168,854	169,922	184,278	185,859	202,647	208,060
Eating and drinking places	422,153	447,841	483,901	533,317	582,262	609,705	639,995	677,763	587,403	788,765
Building materials	376,011	454,468	514,993	567,790	636,415	666,907	738,178	761,881	813,584	1,010,364
Auto dealers and supplies	1,118,907	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
Service stations	430,322	418,110	413,128	370,257	338,762	360,830	432,991	434,162	327,119	527,973
Other retail stores	535,945	550,157	595,305	633,089	692,375	677,850	666,659	636,043	609,428	764,854
All other outlets	1,008,206	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
<b>Total</b>	<b>\$ 4,699,571</b>	<b>\$ 5,140,773</b>	<b>\$ 5,653,990</b>	<b>\$ 6,013,626</b>	<b>\$ 6,194,449</b>	<b>\$ 6,230,735</b>	<b>\$ 6,666,567</b>	<b>\$ 6,745,092</b>	<b>\$ 6,838,115</b>	<b>\$ 8,350,962</b>

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)

<b>Fiscal Year Ended June 30</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Less: Exemptions</b>	<b>Taxable Assessed Value</b>	<b>Total Direct Rate<sup>1</sup></b>
2013	\$ 22,313,665	\$ 1,244,448	\$ (7,142,401)	\$ 16,415,712	0.348
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 <sup>2</sup>	31,856,912	1,466,408	(10,946,897)	22,376,423	0.124
2021	33,717,485	1,482,535	(11,915,468)	23,284,552	0.123
2022	35,353,418	1,736,131	(12,881,213)	24,208,336	0.123

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.

<sup>1</sup> 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.

<sup>2</sup> 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**

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
Basic Levy <sup>1</sup>	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 <sup>2</sup>	0.325	0.390	0.377	0.487	0.495	0.517	0.521	0.535	0.529	0.535
City of Riverside Debt Service	0.006	0.007	0.006	0.006	0.006	0.006	0.006	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	0.017	0.018	0.018	0.017	0.016	0.016	0.015	0.015	0.015	0.015
<b>Total direct &amp; overlapping<sup>3</sup> tax rates</b>	<b>1.352</b>	<b>1.419</b>	<b>1.405</b>	<b>1.514</b>	<b>1.521</b>	<b>1.543</b>	<b>1.546</b>	<b>1.559</b>	<b>1.553</b>	<b>1.559</b>
<b>City's share of 1% levy per prop 13<sup>4</sup></b>	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113	0.113
<b>General obligation debt rate</b>	0.006	0.007	0.006	0.006	0.006	0.006	0.006	0.005	0.005	0.005
<b>Total direct rate<sup>5</sup></b>	0.348	0.125	0.124	0.124	0.124	0.124	0.124	0.124	0.123	0.123

Notes:

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

<sup>1</sup> 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.

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

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> 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 2012/13 - 2021/22 Tax Rate Table.

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

(in thousands)

Property Owner	2022			2013		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Tyler Mall LP	\$ 230,416	1	0.65 %	\$ 190,480	1	0.85 %
Nordstrom Inc	196,794	2	0.56 %	-		
CPT Riverside Plaza LLC	167,317	3	0.47 %	-		
Rohr Inc	155,703	4	0.44 %	112,325	3	0.50 %
La Sierra University	142,538	5	0.40 %	104,729	4	0.47 %
TA Lance Drive LLC	133,054	6	0.38 %	-		
490 Columbia	128,033	7	0.36 %	-		
Corona Pointe Resort LLC	127,164	8	0.36 %	-		
Riverside Healthcare System	111,349	9	0.32 %	117,031	2	0.52 %
Smiths Food and Drug Centers Inc	106,267	10	0.30 %	-		
Cole ID Riverside California	-			91,500	5	0.41 %
State Street Bank and Trust Co of CA	-			89,839	6	0.40 %
JSP Corona Pointe LLC	-			76,159	7	0.34 %
Vestar Riverside Plaza LLC	-			69,554	8	0.31 %
BRE Properties Inc	-			69,277	9	0.31 %
Canyon Springs Marketplace Corporation	-			69,000	10	0.31 %
<b>Totals</b>	<b>\$ 1,498,635</b>		<b>4.25 %</b>	<b>\$ 989,894</b>		<b>4.41 %</b>

Notes:

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

Source: Riverside County Assessor 2021/2022 and 2012/13 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
2013	\$ 43,333	\$ 42,447	97.96%	\$ 886	\$ 43,333	100.00%
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%	-	71,573	99.56%

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>2013</u>	<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>
<b>Type of Customer:</b>										
Residential	726	700	711	726	730	727	722	722	783	759
Commercial <sup>1</sup>	419	421	428	438	448	476	460	442	430	443
Industrial <sup>1</sup>	1,003	997	995	982	996	970	947	931	890	923
Wholesale sales <sup>2</sup>	14	4	2	-	1	-	-	1	-	2
Other	31	30	31	23	23	22	21	18	18	19
<b>Total</b>	<b><u>2,193</u></b>	<b><u>2,152</u></b>	<b><u>2,167</u></b>	<b><u>2,169</u></b>	<b><u>2,198</u></b>	<b><u>2,195</u></b>	<b><u>2,150</u></b>	<b><u>2,114</u></b>	<b><u>2,121</u></b>	<b><u>2,146</u></b>
<b>Total direct rate</b>										
Monthly base rate *	18.06	18.06	18.06	18.06	18.06	18.06	19.41	20.63	21.84	23.20

\* Includes a Reliability Charge

<sup>1</sup> 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.

<sup>2</sup> 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)**

<b>Fiscal Year Ended June 30</b>	<b>Residential</b>	<b>Commercial<sup>1</sup></b>	<b>Industrial<sup>1</sup></b>	<b>Other</b>
2013	0.16274	0.15913	0.11030	0.18375
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 *

<sup>1</sup> 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	2022			2013		
	Electricity Charges	Rank	Percent of Total Electric Revenues	Electricity Charges	Rank	Percent of Total Electric Revenues
Local University	\$ 12,258,825	1	3.63 %	\$ 10,828,940	1	3.60 %
Local Government	8,259,542	2	2.44 %	7,920,390	2	2.63 %
Local Government	7,243,247	3	2.14 %	-		0.00 %
Local School District	4,813,893	4	1.42 %	4,199,138	4	1.39 %
Corporation	4,190,792	5	1.24 %	-		0.00 %
Corporation	3,844,085	6	1.14 %	3,337,147	6	1.11 %
Corporation	3,365,138	7	1.00 %	-		0.00 %
Hospital	3,201,349	8	0.95 %	2,457,850	7	0.82 %
Corporation	3,103,067	9	0.92 %	-		0.00 %
Local University	3,016,527	10	0.89 %	-		0.00 %
Local Government	-		0.00	7,447,872	3	2.47
Corporation	-		0.00 %	3,386,525	5	1.12 %
Corporation	-		0.00 %	2,428,008	8	0.81 %
Local School District	-		0.00	2,091,371	9	0.69
Corporation	-		0.00 %	2,087,427	10	0.69 %
<b>Total</b>	<b>\$ 53,296,464</b>		<b>15.77 %</b>	<b>\$ 46,184,669</b>		<b>15.33 %</b>

Retail sales per financial statements \*

\$ 337,876,146

\$ 301,196,912

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)

<b>Governmental Activities</b>									
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Lease Revenue Bonds</b>	<b>Pension Obligation Bonds<sup>2</sup></b>	<b>Certificates of Participation</b>	<b>Financed Purchase</b>	<b>Notes/Loans Payable</b>			
2013	\$ 15,314	\$ 43,762	\$ 122,005	\$ 158,697	\$ 8,424	\$ 28,652			
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	-			

<b>Business-Type Activities</b>									
<b>Fiscal Year</b>	<b>Revenue Bonds</b>	<b>Notes/Loans Payable</b>	<b>Financed Purchase</b>	<b>Pension Obligation Bonds<sup>2</sup></b>	<b>Certificates of Participation<sup>3</sup></b>	<b>Lease Revenue Bonds<sup>4</sup></b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>1</sup></b>	<b>Debt Per Capita<sup>1</sup></b>
2013	\$ 1,031,839	\$ 70,798	\$ 2,558	\$ -	\$ -	\$ -	\$ 1,482,049	21.41%	4.75
2014	1,094,290	36,030	2,266	-	-	-	1,557,390	22.54%	4.96
2015	1,239,634	37,225	1,720	-	-	-	1,689,493	24.64%	5.38
2016	1,208,851	37,793	4,694	-	-	-	1,641,220	23.60%	5.05
2017	1,180,345	35,255	6,209	-	-	-	1,578,802	22.11%	4.83
2018	1,139,864	78,583	6,821	18,324	-	-	1,529,302	20.81%	4.69
2019	1,241,743	73,673	5,192	14,775	29,692	7,867	1,634,952	21.30%	4.98
2020	1,212,914	69,519	3,633	119,625	28,483	7,473	2,004,026	24.73%	6.11
2021	1,176,605	64,678	2,354	116,227	27,213	7,059	1,931,503	22.73%	5.96
2022	1,139,100	59,948	2,176	110,718	25,912	6,625	1,864,356	20.97%	5.87

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

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

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

<sup>4</sup> 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)

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Pension Bonds</b>	<b>Certificates of Participation</b>	<b>Total Obligated Debt Outstanding</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Net Obligated Debt Outstanding</b>	<b>Percent of Assessed Value<sup>1</sup></b>	<b>Per Capita<sup>2</sup></b>
2013	\$ 15,314	\$ 122,005	\$ 158,697	\$ 296,016	\$ (27,676)	\$ 268,340	1.63 %	860
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

Notes:

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

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

<sup>2</sup> 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, 2022**

2021-22 Assessed Valuation:	\$ 35,176,762,701
Less Dissolved Redevelopment Agency Incremental Valuation:	<u>10,968,426,072</u>
Adjusted Assessed Valuation:	<u><u>\$ 24,208,336,629</u></u>

	<u>Total Debt</u>	<u>% Applicable</u>	<u>City's Share of Debt<sup>1</sup></u>
<b>Overlapping debt repaid with property taxes<sup>2</sup></b>			
Metropolitan Water District	\$ 20,175,000	1.045 %	\$ 210,829
Riverside County Flood Control, Zone 4	7,880,000	1.833	144,440
Riverside City Community College District	300,457,165	27.860	83,707,366
Alvord Unified School District	197,211,602	72.108	142,205,342
Riverside Unified School District	321,490,000	84.218	270,752,448
Corona-Norco Unified School District	498,729,283	0.001	4,987
Jurupa Unified School District	151,897,972	0.002	3,038
Moreno Valley Unified School District	215,367,791	10.231	22,034,279
Alvord Unified School District Community Facilities District No.2006-1	6,235,000	80.759	5,035,324
Riverside Unified School District Community Facilities Districts	63,130,000	88.076-100	63,025,665
City of Riverside Community Facilities Districts	25,280,000	100.000	25,280,000
City of Riverside 1915 Act Bonds	16,315,000	100.000	16,315,000
<b>Total overlapping debt repaid with property taxes</b>			<b><u>\$ 628,718,718</u></b>

(Continued)

**CITY OF RIVERSIDE  
TABLE 17  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30 2022**

**Other overlapping debt<sup>2</sup>**

Riverside County General Fund Obligations	\$ 720,218,351	10.712 %	\$ 77,149,790
Riverside County Pension Obligations	820,060,000	10.712	87,844,827
Corona-Norco Unified School District General Fund Obligations	21,677,172	0.001	217
Jurupa Unified School District Certificates of Participation	50,480,800	0.002	1,010
Moreno Valley Unified School District Certificates of Participation	5,985,000	10.231	612,325
Riverside Unified School District General Fund Obligations	12,284,000	84.218	10,345,339
Western Municipal Water District General Fund Obligations	5,461,361	32.509	<u>1,775,434</u>
Total other overlapping debt			<u>177,728,942</u>
Overlapping tax increment debt			<u>179,597,480</u>
Total overlapping debt			986,045,140
City direct debt			<u>519,877,000</u> (3)
<b>Combined total direct and overlapping debt</b>			<u><u>\$ 1,505,922,140</u></u>

(1) Debt balances are as of June 30, 2022.

(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 2021-22 Assessed Valuation:

Total debt repaid with property taxes.....	1.79 %
City direct debt \$519,877,000 .....	1.48 %
Combined total direct and overlapping debt.....	4.28 %

Ratios to dissolved redevelopment incremental valuation \$(10,968,426,072):

Total overlapping tax increment debt.....	1.64 %
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Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

Source: California Municipal Statistics, Inc., Riverside County Auditor-Controller, City Finance Department, and Statistical Table 8.

**CITY OF RIVERSIDE  
TABLE 18  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

(in thousands)

	<u>2013</u>	<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>
Assessed valuation	\$ 16,415,712	\$ 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
Conversion percentage	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %	25 %
Adjusted assessed valuation	4,103,928	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
Debt limit percentage	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %	15 %
Debt limit	615,589	631,942	670,013	693,844	720,357	747,624	779,945	839,116	873,171	907,813
Total net debt applicable to limit	15,314	14,460	13,546	12,567	11,513	10,388	9,179	7,874	6,478	4,987
Legal debt margin	<u>\$ 600,275</u>	<u>\$ 617,482</u>	<u>\$ 656,467</u>	<u>\$ 681,277</u>	<u>\$ 708,844</u>	<u>\$ 737,236</u>	<u>\$ 770,766</u>	<u>\$ 831,242</u>	<u>\$ 866,693</u>	<u>\$ 902,826</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	<u>2.5 %</u>	<u>2.3 %</u>	<u>2.0 %</u>	<u>1.8 %</u>	<u>1.6 %</u>	<u>1.4 %</u>	<u>1.2 %</u>	<u>0.9 %</u>	<u>0.7 %</u>	<u>0.5 %</u>

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 <sup>1</sup>	Operating Expenses <sup>1</sup>	Available Revenue	Principle	Interest	Revenue		Revenue <sup>1</sup>	Operating Expenses <sup>1</sup>	Available Revenue	Principal	Interest	Revenue	
2013	\$ 348,187	\$ 226,997	\$ 121,190	\$ 18,486	\$ 25,941	2.73	\$ 72,700	\$ 35,940	\$ 36,760	\$ 5,395	\$ 8,700	2.61		
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		

Sewer Revenue Bonds							
Fiscal	Pledged	Less:	Net	Debt Service			Coverage
Year	Revenue <sup>1</sup>	Operating Expenses <sup>1</sup>	Available Revenue	Principal	Interest	Revenue	
2013	52,944	29,999	22,945	7,465	10,891	1.25	
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	

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.

<sup>1</sup> 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**

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<b>Calendar Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup> (in thousands)</b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Unemployment Rate<sup>3</sup></b>
2012	311,955	6,923,217	22,193	9.7
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

Sources:

<sup>1</sup> California State Department of Finance.

<sup>2</sup> 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.

<sup>3</sup> State of California Employment Development Department.

**CITY OF RIVERSIDE  
TABLE 21  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
County of Riverside	24,290	1	20.1%	11,187	1	7.6%
University of California, Riverside	8,593	2	7.1%	5,497	3	3.7%
March Air Force Reserve	9,600	3	8.0%			
Kaiser Permanente	5,846	4	4.8%	4,500	4	3.1%
Riverside Unified School District	5,003	5	4.1%	5,580	2	3.8%
City of Riverside	2,336	6	1.9%	2,687	5	1.8%
Riverside Community Hospital	2,200	7	1.8%	1,880	7	1.3%
Riverside Community College District	2,100	8	1.7%	2,087	6	1.4%
Alvord Unified School District	1,898	9	1.6%	1,445	9	1.0%
California Baptist University	1,442	10	1.2%			
Riverside County Office of Education				1,765	8	1.2%
Parkview Community Hospital				1,350	10	0.9%
<b>Total</b>	<b>63,308</b>		<b>52.3%</b>	<b>37,978</b>		<b>25.8%</b>

Source: City of Riverside, Economic Development Department



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

	<b>2013</b>	<b>2014<sup>1</sup></b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Function</b>										
General government	413.90	356.25	361.25	394.24	417.55	430.05	453.80	458.30	460.30	462.05
Public safety (sworn and non-sworn personnel)										
Police	596.75	551.75	553.75	554.75	512.00	543.00	557.00	571.00	585.00	604.00
Fire	255.46	255.00	255.00	251.00	239.00	242.00	245.00	248.00	251.00	250.00
Highways and streets	362.11	333.48	308.00	308.00	272.00	273.00	271.00	271.00	270.00	271.00
Sanitation	57.00	59.00	57.00	59.00	59.00	59.00	59.00	59.00	62.00	62.00
Culture and recreation	351.48	269.98	274.45	286.75	276.23	276.98	276.07	284.07	283.60	287.86
Airport	9.50	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Water	181.15	182.15	181.15	181.15	174.15	158.65	158.65	158.65	164.50	164.50
Electric	459.50	462.50	464.50	466.50	471.75	489.25	475.25	475.25	466.25	468.50
<b>Total</b>	<u>2,686.85</u>	<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>

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

Source: City of Riverside, Finance Department, FY 2021/22 Budget Master Personnel Detail

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

<b>Function/Program</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Police:</b>										
Arrests	8,362	9,321	10,310	9,242	8,358	8,423	8,295	7,738	8,089	7,667
<b>Fire:</b>										
Number of calls answered	29,988	30,668	32,943	35,905	36,150	38,501	37,739	37,999	31,918	38,801
Inspections	10,151	12,476	8,770	6,636	6,482	6,519	5,584	7,987	7,175	9,244
<b>Public Works:</b>										
Street resurfacing (miles)	16.50	35.38	38.75	39.01	27.09	17.37	16.50	18.80	7.30	17.35
<b>Parks and Recreation:</b>										
Number of recreation classes	41,364	45,707	43,007	53,907	53,308	54,025	54,069	34,366	525 <sup>1</sup>	856 <sup>1</sup>
Number of facility rentals	43,358	46,432	44,363	47,772	48,097	46,904	66,846	45,741	324 <sup>1</sup>	374 <sup>1</sup>
<b>Water:</b>										
Number of accounts	64,591	64,829	65,102	65,094	65,428	65,640	65,803	66,031	66,198	66,372
Annual consumption (ccf)	28,186,178	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
<b>Electric:</b>										
Number of accounts	107,525	108,358	108,388	108,776	109,274	109,619	110,480	111,161	111,711	112,328
Annual consumption (millions of kwh)	2,193	2,152	2,167	2,170	2,197	2,195	2,150	2,115	2,122	2,145
<b>Sewer:</b>										
New connections	17,607	17,274	17,553	17,669	17,654	17,551	17,540	17,593	17,602	17,588
Average daily sewage treatment (millions of gallons)	29.57	28.49	27.15	26.35	27.19	26.16	26.86	25.22	25.30	26.01

<sup>1</sup> Reduction is due to the affects of the COVID-19 pandemic.

Source: City of Riverside, various departments

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

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Function:</b>										
<b>Public Safety:</b>										
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	32
Reserve apparatus	11	11	8	9	9	9	13	9	10	10
Training facilities	1	1	1	1	1	1	1	1	1	1
<b>Highways and streets:</b>										
Streets (miles)	868.89	871.19	872.16	872.22	872.01	872.24	872.10	872.35	891.28	891.17
Streetlights	29,949	29,968	299,986	30,427	30,467	30,479	30,445	30,489	30,489	30,489
Signalized intersections	365	367	386	381	382	384	392	397	408	408
<b>Culture and Recreation:</b>										
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	2,988.0
Community centers	11	11	11	11	11	11	11	11	12	12
Playgrounds	43	44	44	46	46	46	46	46	46	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	- <sup>1</sup>	1 <sup>1</sup>	0 <sup>1</sup>	- <sup>1</sup>	1
Museum exhibit-special	4	4	5	6	6	1 <sup>1</sup>	4 <sup>1</sup>	3 <sup>1</sup>	1 <sup>1</sup>	5
<b>Water:</b>										
Fire hydrants	7,726	7,754	7,758	7,908	7,952	8,173	8,192	9,304	8,012	8,019
<b>Sewer:</b>										
Sanitary sewers (miles)	829	829	820	829	827	820	820	820	820	853
<b>Electric:</b>										
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	838.0

<sup>1</sup> 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*

**3900 Main Street  
Riverside, CA 92522**

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