



No. 29

Riverside Earns 'C' Grade for its Finances

January 2019
truthinaccounting.org



The Financial State of Riverside

A new analysis of the latest available audited financial report found Riverside has a Taxpayer Burden™ of \$3,700, earning it a "C" grade based on Truth in Accounting's grading scale.

Financial decisions made by the city's elected officials have left Riverside with a \$381.9 million shortfall, which equates to a \$3,700 burden for every taxpayer.

Most of the city's overall debt comes from retirement liabilities that have accumulated over many years. Of the \$2.4 billion in retirement benefits promised, the city has not funded \$627.8 million in pension and \$36.8 million in retiree health care benefits.

Here's the truth:

\$381.9
million
Money needed
to pay bills

-\$3,700
Taxpayer
Burden

C
Financial grade

Data included in this report is derived from the city of Riverside 2017 audited Comprehensive Annual Financial Report and retirement plans' reports.

RIVERSIDE

FINANCIAL BREAKDOWN

FAST FACTS

- + Riverside has \$778.8 million available in assets to pay \$1.2 billion worth of bills.
- + The outcome is a \$381.9 million shortfall and a \$3,700 Taxpayer Burden.
- + Riverside's reported net position is overstated by \$186.1 million, largely because the city delays recognizing losses incurred when the net pension liability increases.

THE CITY'S BILLS EXCEED ITS ASSETS

Assets	\$4,167,531,000
Minus: Capital assets	-\$3,190,285,000
Restricted assets	-\$198,423,000
Assets available to pay bills	\$778,823,000
Minus: Bills	-\$1,160,732,000
Money needed to pay bills	-\$381,909,000
Each taxpayer's share of this debt	-\$3,700

BILLS THE CITY HAS ACCUMULATED

Bonds	\$1,322,304,000
Other liabilities	\$558,897,000
Minus: Debt related to capital assets	-\$1,385,032,000
Unfunded pension benefits	\$627,777,000
Unfunded retiree health care	\$36,786,000
Bills	\$1,160,732,000

GRADE: C

Bottom line: Riverside's Taxpayer Burden is less than \$5,000, so it has received a "C" for its finances from Truth in Accounting. While better off than many other cities, Riverside still owes more than it owns.