

# COUNTY OF RIVERSIDE, CALIFORNIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### FISCAL YEAR ENDED JUNE 30, 2016

SUNNYLANDS CENTER & GARDENS, RANCHO MIRAGE



PAUL ANGULO, CPA, MA  
COUNTY AUDITOR-CONTROLLER



COUNTY OF RIVERSIDE, CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2016



PREPARED BY THE OFFICE OF:  
**PAUL ANGULO, CPA, MA**  
COUNTY AUDITOR-CONTROLLER



**COUNTY OF RIVERSIDE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**June 30, 2016**

**TABLE OF CONTENTS**

<b>INTRODUCTORY SECTION:</b>	<b>Page</b>
Letter of Transmittal.....	v
Principal County Officials.....	xii
Organization Chart .....	xiii
GFOA Certificate of Achievement for Excellence in Financial Reporting for 2015 .....	xiv
 <b>FINANCIAL SECTION:</b>	
Independent Auditor's Report.....	1
Management's Discussion and Analysis (Required Supplementary Information).....	3
Basic Financial Statements:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position.....	27
Statement of Activities.....	28
<u>Fund Financial Statements:</u>	
<u>Governmental Funds:</u>	
Balance Sheet.....	32
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position .....	35
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	36
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances	
of Governmental Funds to the Statement of Activities .....	39
<u>Budgetary Comparison Statements:</u>	
General Fund.....	40
Transportation Special Revenue Fund .....	42
Flood Control Special Revenue Fund .....	43
<u>Proprietary Funds:</u>	
Statement of Net Position.....	44
Statement of Revenues, Expenses, and Changes in Net Position .....	45
Statement of Cash Flows.....	46
<u>Fiduciary Funds:</u>	
Statement of Fiduciary Net Position .....	48
Statement of Changes in Fiduciary Net Position .....	49

**COUNTY OF RIVERSIDE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**June 30, 2016**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION (CONTINUED):</b>	<b>Page</b>
Notes to the Basic Financial Statements:	
( 1) Summary of Significant Accounting Policies .....	51
( 2) Stewardship, Compliance and Accountability.....	64
( 3) Restatements of Beginning Fund Balances/Net Position .....	65
( 4) Cash and Investments .....	66
( 5) Restricted Cash and Investments .....	70
( 6) Receivables.....	71
( 7) Interfund Transactions.....	72
( 8) Capital Assets .....	76
( 9) Service Concession Arrangements .....	79
(10) Landfill Closure and Post-Closure Care Costs .....	81
(11) Operating Leases .....	82
(12) Advances from Grantors and Third Parties .....	83
(13) Short-Term Debt.....	84
(14) Long-Term Obligations.....	85
(15) Deferred Outflows and Inflows of Resources .....	95
(16) Fund Balances .....	98
(17) Risk Management.....	102
(18) Medi-Cal and Medicare Programs.....	103
(19) Jointly Governed Organizations .....	104
(20) Retirement Plan .....	106
(21) Defined Benefit Pension Plan.....	113
(22) Post Employment Benefits Other than Pensions .....	118
(23) Commitments and Contingencies.....	121
(24) Subsequent Events.....	124
Required Supplementary Information (other than MD&A):	
Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period - Agent Multiple Employer Plan .....	127
Schedule of Plan Contributions - Agent Multiple Employer Plan .....	128
Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios- Cost Sharing Multiple Employer Plan .....	129
Schedule of Plan Contributions – Cost Sharing Multiple Employer Plan .....	129
Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period - Riverside County – Part-time and Temporary Help Retirement.....	130
Schedule of Plan Contributions - Riverside County – Part-time and Temporary Help Retirement .....	131



**COUNTY OF RIVERSIDE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**June 30, 2016**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION (CONTINUED):</b>	<b>Page</b>
Required Supplementary Information (other than MD&A):	
OPEB – Schedules of Funding Progress .....	132
Combining and Individual Fund Statements and Budgetary Schedules:	
Budgetary Comparison Schedule – Teeter Debt Service Fund .....	135
Budgetary Comparison Schedule – Public Facilities Improvements Capital Projects Fund .....	136
<u>Nonmajor Governmental Funds:</u>	
Combining Balance Sheet .....	137
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	138
<i>Special Revenue Funds:</i> .....	139
Combining Balance Sheet .....	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	142
Budgetary Comparison Schedule – Community Services .....	144
Budgetary Comparison Schedule – County Service Areas .....	145
Budgetary Comparison Schedule – Regional Park and Open-Space .....	146
Budgetary Comparison Schedule – Air Quality Improvement .....	147
Budgetary Comparison Schedule – In-Home Support Services .....	148
Budgetary Comparison Schedule – Perris Valley Cemetery District .....	149
Budgetary Comparison Schedule – Other Special Revenue Fund .....	150
<i>Debt Service Funds:</i> .....	151
Combining Balance Sheet .....	152
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	154
Budgetary Comparison Schedule – Pension Obligation Bond .....	156
<i>Capital Projects Funds:</i> .....	157
Combining Balance Sheet .....	158
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	160
Budgetary Comparison Schedule – Flood Control .....	162
Budgetary Comparison Schedule – Regional Park and Open-Space District .....	163
Budgetary Comparison Schedule – CREST .....	164
<i>Permanent Fund:</i> .....	165
Balance Sheet .....	166
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	167

**COUNTY OF RIVERSIDE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**June 30, 2016**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION (CONTINUED):</b>	<b>Page</b>
<u>Nonmajor Enterprise Funds:</u> .....	169
Combining Statement of Net Position .....	170
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	171
Combining Statement of Cash Flows.....	172
<u>Internal Service Funds:</u> .....	173
Combining Statement of Net Position .....	174
Combining Statement of Revenues, Expenses, and Changes in Net Position .....	176
Combining Statement of Cash Flows.....	178
<u>Fiduciary Funds:</u> .....	181
<u>Agency Funds:</u>	
Combining Statement of Fiduciary Assets and Liabilities.....	182
Combining Statement of Changes in Fiduciary Assets and Liabilities.....	183
 <b>STATISTICAL SECTION (Unaudited):</b>	
Statistical Section Table Index .....	185
Table 1 Net Position by Component.....	186
Table 2 Changes in Net Position .....	188
Table 3 Governmental Activities Tax Revenues by Source .....	192
Table 4 Fund Balances of Governmental Funds.....	194
Table 5 Changes in Fund Balances of Governmental Funds.....	196
Table 6 General Government Tax Revenues by Source.....	198
Table 7 Assessed Value and Estimated Actual Value of Taxable Property .....	200
Table 8 Property Tax Rates – Direct and Overlapping Governments .....	202
Table 9 Principal Property Tax Payers .....	203
Table 10 Property Tax Levies and Collections.....	204
Table 11 Ratios of Outstanding Debt by Type .....	206
Table 12 Ratios of General Bonded Debt Outstanding .....	208
Table 13 Direct and Overlapping Governmental Activities Debt .....	210
Table 14 Legal Debt Margin Information .....	212
Table 15 Pledged-Revenue Coverage.....	214
Table 16 Demographic and Economic Statistics .....	216
Table 17 Principal Employers .....	217
Table 18 Full-time Equivalent County Government Employees by Function/Program.....	218
Table 19 Operating Indicators by Function .....	220
Table 20 Capital Asset Statistics by Function .....	226



# INTRODUCTORY SECTION





COUNTY OF RIVERSIDE  
OFFICE OF THE  
AUDITOR-CONTROLLER  
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Paul Angulo, CPA, MA  
Auditor-Controller

December 15, 2016

The Honorable Board of Supervisors  
Citizens of the County of Riverside  
4080 Lemon Street, 5th Floor  
Riverside, California 92501

Members of the Board and Citizens of Riverside County:

The Comprehensive Annual Financial Report (CAFR) of the County of Riverside (the County) for the fiscal year ended June 30, 2016, is hereby submitted in accordance with the provisions of Section 25253 of the Government Code of the State of California (the State). The report contains financial statements that have been prepared in conformity with the United States generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data, the completeness, and fairness of the presentation, including all disclosures, rests with the management of the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The management's discussion and analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative, overview, and analysis of the basic financial statements. The MD&A was designed to complement this letter of transmittal and should be read in conjunction with it.

The financial reporting entity for the County includes all the funds of the primary government--the County of Riverside as legally defined--as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable.

The County has twelve independent fiscal entities that are considered blended component units and two discretely presented component units. These entities vary widely in function and provide essential services.

For a more detailed overview of the County's component units see the MD&A and the notes to the basic financial statements.

## **PROFILE OF THE GOVERNMENT**

The County is the fourth largest county by area in the State. It encompasses 7,295 square miles and extends nearly 184 miles across Southern California, from the Arizona border west to within 10 miles of the Pacific Ocean. It is situated east of Los Angeles and Orange Counties, south of San Bernardino County, and north of San Diego and Imperial Counties.

There are 28 incorporated cities located within the County. The latest city to be incorporated was Jurupa Valley on July 1, 2011. The largest cities in the County are Riverside (the County seat) with a population of 324,696, Moreno Valley 205,383, Corona 164,659, Temecula 109,064, and Murrieta 113,795. Estimated population figures are developed by the California State Department of Finance, and each year it is revised on January 1, with a revised estimate for the prior year. The total County population as of January 1, 2016, was reported as 2,347,828, an increase of 1.3 percent as compared to the revised estimate for January 1, 2015. Approximately 15.5 percent of the residents live in unincorporated areas.

All legislative and policy making powers are vested in the County Board of Supervisors (the Board), which consists of an elected supervisor from each of the five districts. The Board Supervisors serve four-year terms, and annually elect a Chairman and Vice-Chairman. The Board is responsible for, among other duties, passing ordinances; adopting budgets; and appointing committees, the County Executive Officer (CEO), and non-elected department directors. The County has five elected department heads responsible for the offices of the Treasurer-Tax Collector, Auditor-Controller, District Attorney, Sheriff, and Assessor-County Clerk-Recorder.

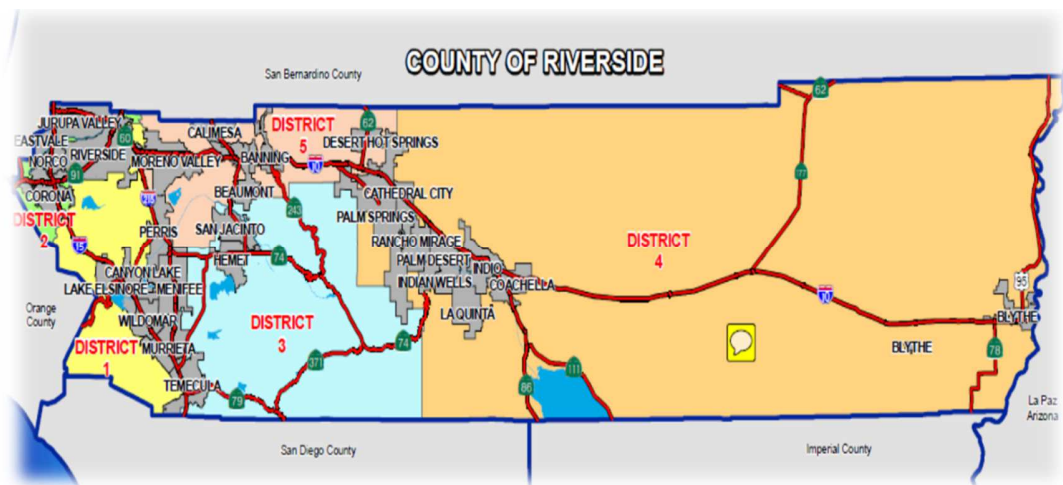
The First District includes areas within the cities of Riverside, Canyon Lake, Lake Elsinore, Wildomar and the unincorporated communities of DeLuz, Gavilan Hills, Good Hope, Lake Hills, Lake Mathews, LaCresta, Mead Valley, Meadowbrook, Spring Hills, Temescal Valley, Tenaja, Warm Springs, and Woodcrest.

The Second District includes the cities of Corona, Norco, approximately one-third of the City of Riverside, Eastvale, and Jurupa Valley. The unincorporated communities consist of Home Gardens, El Cerrito, Coronita, and Highgrove.

District Three includes the cities of Hemet, Murrieta, San Jacinto, and Temecula. Major unincorporated areas in the District include Aguanga, Anza, Idyllwild, Valle Vista, Winchester, Wine Country, and Pinyon Pines.

District Four is the largest district, covering the eastern two-thirds of the County. Within this District are the cities of Palm Springs (except the northern portion, which resides in District 5), Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Desert Hot Springs, and Blythe. Major unincorporated areas include Bermuda Dunes, Thousand Palms, Sky Valley, Indio Hills, Desert Edge, Mecca, Thermal, Oasis, Vista Santa Rosa, North Shore, Chiriaco Summit, Desert Center, Lake Tamarisk, Eagle Mountain, Mesa Verde, Colorado River Communities, and Ripley.

The Fifth District includes the cities of Banning, Beaumont, Calimesa, Menifee, Moreno Valley, Perris, and the northern portion of Palm Springs. The unincorporated areas include Banning Bench, Cabazon, Cherry Valley, Desert Hills, Desert Hot Springs, El Nido area, Juniper Flats, Lake Perris, Lakeview, Lakeview Mountains, Mission Lakes, Mission Springs, Morongo Badlands, Nuevo, Painted Hills, Quail Lake, Reche Canyon, San Jacinto Wildlife Reserve, San Timoteo Canyon, Snow Creek, The Sovereign Nation of the Morongo Band of Mission Indians, Twin Pines, West Garnet, Whitewater and Windy Point.



Source: Riverside County GIS

The County has over 21,000 employees, and provides a variety of services and programs to its residences as the table below depicts.

**The County provides a full range of services. These services are outlined in the table below:**

<b>Certificates, Licenses and Permits</b>	<b>Human Services</b>
Birth, marriage, and death certificates; animal licensing; and building permits.	Assistance for families, custody issues, and veterans' services.
<b>Children's Services</b>	<b>Libraries and Museums</b>
Child Support Services, Mentor programs, Children Medical Services, CalWORKS, Child Health and Disability Prevention.	Edward Dean Museum and Riverside County Law Library.
<b>Criminal Justice</b>	<b>Parks and Recreation</b>
Departments dealing with criminal justice. District Attorney, Probation, Public Defender, and Sheriff. Legal resources, and Online Crime Report Form.	Park & Open Space District, Golf Courses in Riverside County, and Riverside Bicycle Cub.
<b>Education</b>	<b>Pets and Animal Services</b>
Office of Education.	Animal Control, Animal Shelters, Animal License Inspection, Animal Rescue, Report Animal-Control Violations, and Dog License Fee.
<b>Emergency Services</b>	<b>Property Information</b>
Office of Emergency Services, Early Warning Notification System, Shelter Grant program, and Homeless programs.	Assessment appeals, building permit report, obtain property information via GIS, pay property taxes online, track your property taxes online, record map inquiry, information for new homeowners, and Riverside County land information.
<b>Environment</b>	<b>Public and Official Records</b>
Solid waste, liquid waste, medical waste, sewage disposal, water systems, wells, backflow devices, food services, public pools and mobile home parks, vector control, hazardous materials services, fire protection services, waste reduction, and recycling.	Official recorded documents, fictitious business names search, grantor/grantee search, vital records, and court records search.
<b>Flood Control</b>	<b>Roads and Highways</b>
Flood Control and water conservation.	Road maintenance, land development, engineering services, and survey.
<b>Health</b>	<b>Taxes</b>
Family health centers, disease control, nutrition services, family planning, health education, injury prevention, emergency medical services, mental health services, industrial hygiene, laboratory, Epidemiology, and medical marijuana identification cards.	Property tax portal, tax bills, Assessor-County Clerk Recorder, Treasurer-Tax Collector, and Auditor-Controller.

<b>Housing</b>	<b>Voting</b>
First time home buyer programs, low income housing, rental assistance program, homeless shelter, and neighborhood stabilization program.	Polling locations, vote by mail.
<b>Senior and Retirement</b>	
Aging & disability resource connection program, community outreach, community elderly abuse education, legal assistance, and senior employment.	

## **FACTORS AFFECTING ECONOMIC CONDITION**

### **State Economy**

Statewide local sales and use tax receipts were up 1.9% over last year's spring quarter after adjusting for payment aberrations. The largest gains were for building supplies, restaurants, utility/energy projects and countywide use tax pool allocations. Tax revenues from general consumer goods and business investment categories rose slightly while auto sales leveled off.

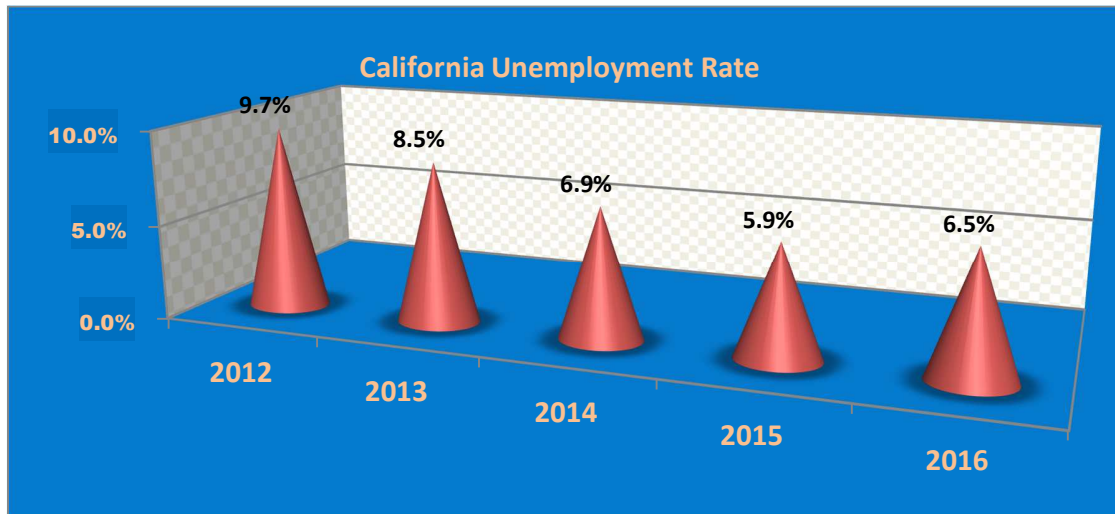
The Governor's Budget Revision was issued in May 2016. The May Revision estimates that tax revenues will be \$1.9 billion lower than estimated in the 2016-17 Proposed Budget Act, and as a result of the reduced tax estimates, the requirement for diverting funds to the Rainy Day Fund has also declined. May Revision projects sales and use tax receipts to the General Fund will decrease by \$218 million in fiscal year 2015-16 and \$215 million in 2016-17, due to the Proposition 30 sales tax sunset that occurs in fiscal year 2016-17. However, the May Revision estimates that statewide property tax revenue will increase by 5.9 percent and 6.2 percent in fiscal years 2015-16 and 2016-17, respectively.

The May Revision includes an additional \$45.4 million to provide full-scope Medi-Cal benefits to undocumented children (bringing the total to \$188.2 million in General Fund moneys). The May Revision provides that the Governor will reimburse \$177.4 million to counties that chose the formula option under the Affordable Care Act Assembly Bill (AB) 85. The May Revision includes a few additional funding proposals for drought and water related issues, which include: additional funding to help state and local governments deal with the tree mortality crisis and an additional \$11.4 million (for a total of \$334.5 million) in drought response funding.

March 2016 marked the 48<sup>th</sup> consecutive month that California outpaced the United States overall in terms of nonfarm job growth.

Nonfarm employment is projected to grow by more than 2% per year in the near term, home sales should gain momentum, and job growth will likely occur in both low- and high-skilled industries.





## Local Economy

Beacon Economics' latest revenue forecast for Riverside County maintains an optimistic tone, and for good reason. The underlying fundamentals of the local real estate market are strong and are expected to maintain an upward trajectory for the life of the forecast. Price growth is expected to accelerate, and sales volumes are finally turning around. Overall economic activity is also heading in the right direction as businesses continue to hire, which will help boost future spending. Over the next five fiscal years, with nothing in the latest data that points to trouble on the immediate horizon, expect positive revenue growth in Riverside County.

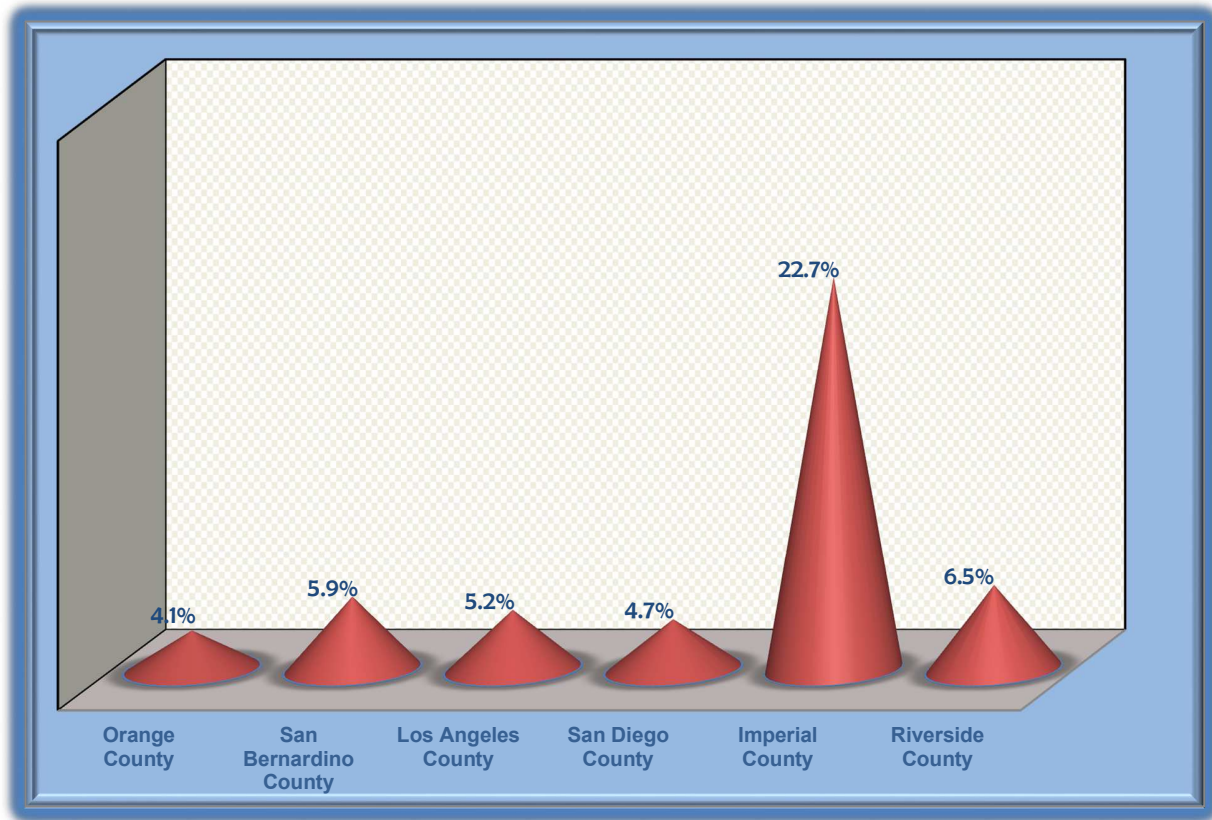
Over the last year, the local real estate market has moved forward much in line with expectations. Beacon Economics' prior forecast for Assessed Value (AV) in the County was very close to the latest data released by the County Assessor for the 2015–16 fiscal year, 6.3% forecasted compared to 5.8% actual. Prices are rising and sales volumes are beginning to trend higher as well.

Spending activity in the broader Riverside County region has continued to move forward at healthy pace, and County revenues that are tied to consumer and business spending are expected to enjoy positive growth over the next five fiscal years. Sales tax revenues for the unincorporated portion of the County have been disappointing, but this is due primarily to a pullback in overall spending tied to solar power projects that have been underway for the last few years. In the coming years, expect these revenues to resume positive growth as the local economy moves forward.

The Inland Empire labor market remains on an upward trajectory, setting new record highs virtually each month and indicating that businesses in the area are confident enough about the current economic climate to continue adding to their payrolls. In March 2016, total nonfarm employment in the Inland Empire stood at 1.37 million, a 3.3% increase over March 2015 levels. This growth stands in contrast to the state overall, which saw 2.6% year-over-year growth.

The fiscal year 2015-16 County budget includes \$3.1 billion in general fund appropriations, comprising 58 percent of the overall budget. General fund discretionary revenue continues to show modest growth. Estimated discretionary revenue is projected to increase from \$678.8 million in fiscal year 2014-15 to \$735.2 million in fiscal year 2015-16, an increase of \$56.4 million, or 8.3 percent. Discretionary spending is \$785.9 million, with the balance assuming \$50.7 million in available fund balance.

### Unemployment Comparison of Neighboring Counties



Source: Employment Development Department, Labor Market Division, September 2016

#### Relevant Financial Policies

To achieve the goal of providing outstanding and cost-effective public services, the County of Riverside applies sound management practices and policies that enhance the quality of life of its citizens. Such financial management practices have been identified by the Government Finance Officers Association and recognized as best practices that promotes financial soundness, efficiency in government and solvency in public finance. The following committees have been established to aid in the implementation of oversight and transparency of such relevant financial policies:

*Debt Advisory Committee* provides advice to the Board on debt issuance and management.

*Pension Advisory Committee* provides an institutional framework to help guide policy decisions about retirement benefits.

*Deferred Compensation Advisory Committee* provides assurance of the financial stability of the deferred compensation plan through prudent monitoring of investments and costs.

*Investment Oversight Committee* reviews the County's investment policies.

#### Financial Reporting Awards

The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the County for its CAFR for the fiscal year ended June 30, 2015. This was the twenty-eighth consecutive year the County has achieved this prestigious award. In order to be

awarded a *Certificate of Achievement*, a government entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

The County has also been awarded for *Outstanding Achievement* in the preparation of the Popular Annual Financial Report (PAFR), which is also referred to as Financial Highlights for the fiscal year ended June 30, 2015. This was the tenth consecutive year the County has achieved this award. In order to receive an award for *Outstanding Achievement in Popular Annual Financial Reporting*, a government entity must publish a PAFR, with contents conforming to program standards of creativity, presentation, understandability and reader appeal. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR and PAFR continue to meet the Certificate of Achievement Program's requirements and we are submitting both reports to the GFOA to determine the eligibility for new certificates.

### **Acknowledgments**

The preparation of this CAFR could not have been accomplished without the dedicated service of the entire staff of the Auditor-Controller's Office, especially the staff members of the General Accounting Division who consistently produce award winning financial reports. Special recognition goes to the staff members of the contributing component units and the County departments for their participation in the preparation of this report.

Additionally, I would like to extend my gratitude to the Board of Supervisors and County Executive Office for their leadership in making the County a great place to live, work, and to conduct business. Finally, I would like to thank our independent auditors, Brown Armstrong Accountancy Corporation, for their efforts throughout this audit engagement.

*Respectfully,*



---

**PAUL ANGULO, CPA, MA**  
**RIVERSIDE COUNTY AUDITOR-CONTROLLER**

# COUNTY OF RIVERSIDE

## List of Principal Officials As of June 30, 2016

### ELECTED OFFICIALS

#### Board of Supervisors



KEVIN JEFFRIES  
First District



JOHN F.  
TAVAGLIONE  
Second District



CHUCK  
WASHINGTON  
Third District



JOHN BENOIT  
Chairman  
Fourth District



MARION ASHLEY  
Fifth District

### COUNTYWIDE ELECTED OFFICIALS



MICHAEL HESTRIN  
District Attorney



STANLEY SNIFF  
Sheriff  
Coroner  
Public Administrator



PAUL ANGULO  
Auditor  
Controller



PETER ALDANA  
Assessor  
Clerk  
Recorder



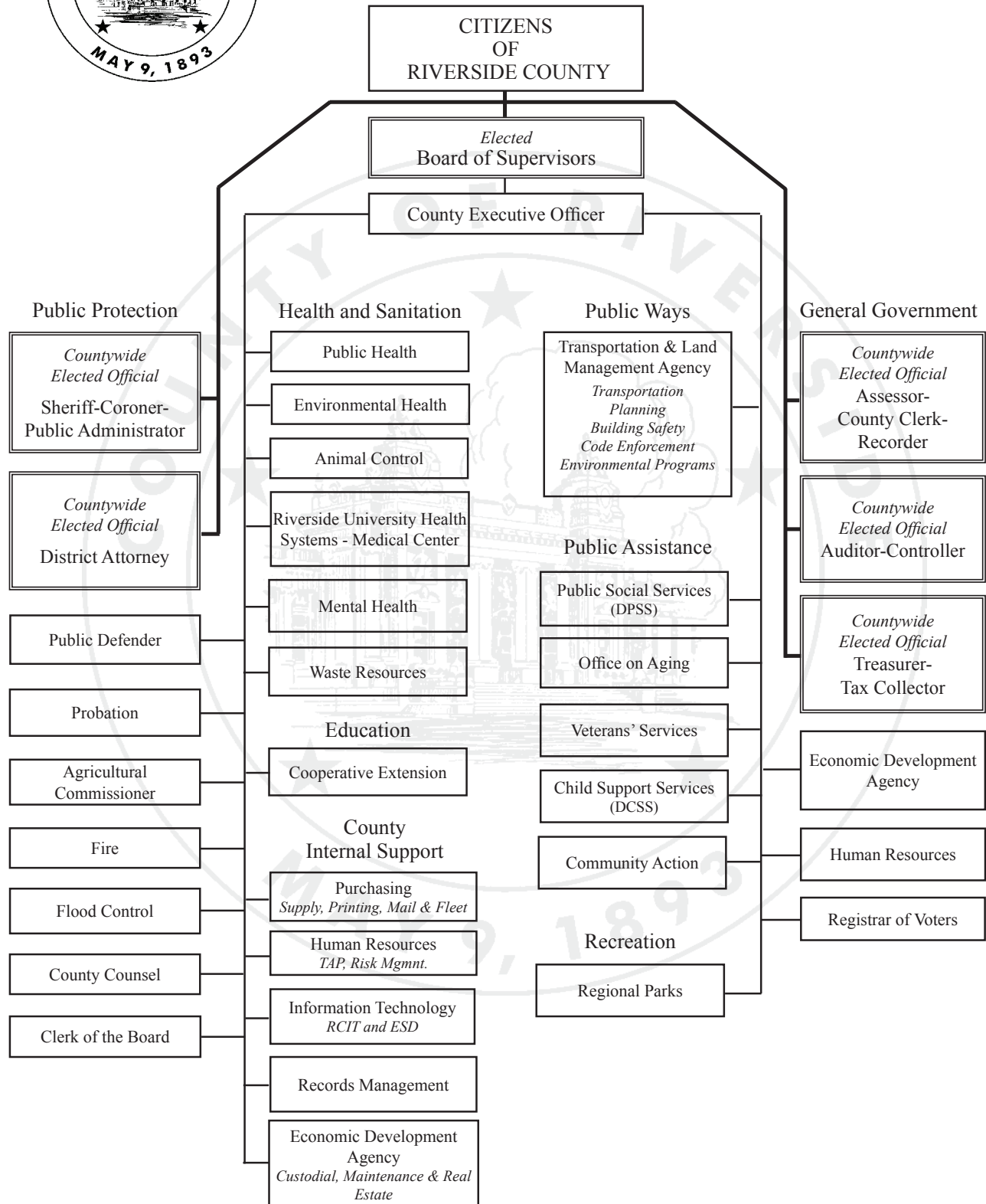
DON KENT  
Treasurer  
Tax Collector

### APPOINTED OFFICIALS

JAY ORR  
County Executive Officer

GREGORY P. PRIAMOS  
County Counsel

# COUNTY OF RIVERSIDE ORGANIZATION CHART





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Riverside  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

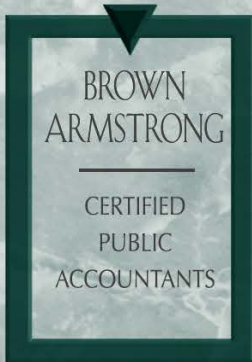
**June 30, 2015**

Executive Director/CEO



# FINANCIAL SECTION





# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors  
County of Riverside, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Riverside, California, (the County) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility 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; this includes 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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Riverside County Flood Control and Water Conservation District (the Flood Control), Housing Authority of the County of Riverside (the Housing Authority), Riverside County Regional Park and Open-Space District (the Park District), Perris Valley Cemetery District (the Cemetery District), Riverside County Redevelopment Successor Agency (the Successor Agency), and Riverside County Children and Families Commission (the Commission), which represent the following percentages, respectively, of the assets and revenues of the following opinion units:

Opinion Unit	Assets	Revenues
Governmental Activities	19%	3%
Business-Type Activities	20%	13%
Aggregate Remaining Fund Information	2%	0%
Discretely Presented Component Units	47%	72%

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Flood Control, the Housing Authority, the Park District, the Cemetery District, the Successor Agency, and the Commission, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements 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 County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### BAKERSFIELD OFFICE (MAIN OFFICE)

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FAX 661.324.4997  
EMAIL [info@bacpas.com](mailto:info@bacpas.com)

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FAX 559.476.3593

#### PASADENA OFFICE

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PASADENA, CA 91101  
TEL 626.204.6542  
FAX 626.204.6547

#### STOCKTON OFFICE

5250 CLAREMONT AVENUE  
SUITE 150  
STOCKTON, CA 95207  
TEL 209.451.4833

## Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund, the Transportation Special Revenue Fund, and the Flood Control Special Revenue Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Emphasis of Matters

As disclosed in the Note 1 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68*, and *Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*, GASB Statement No. 76, *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants* during the fiscal year ended June 30, 2016. Our opinion is not modified with respect to the matter.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-25; the County's Retirement Plans schedules relating to net pension liabilities, changes in net pension liabilities, and pension contributions on pages 127-132; and the schedule of funding progress for the County's Other Post-Employment Benefit (OPEB) plans on pages 132-133 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, 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.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and respective budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and respective budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financial statements and respective budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2016, on our consideration of the County'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 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 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 County's internal control over financial reporting and compliance.

Bakersfield, California  
December 15, 2016

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

# **MANAGEMENT'S DISCUSSION AND ANALYSIS**





# **MANAGEMENT'S**

## **DISCUSSION AND ANALYSIS**

It is presented as required supplementary information for the benefit of the readers of the Comprehensive Annual Financial Report.

## Management's Discussion & Analysis (*Unaudited*)

This section of the County of Riverside's (the County) Comprehensive Annual Financial Report presents a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal beginning on page v and the County's basic financial statements which begin on page 27.

### FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2015-16, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.7 billion (*net position*). The net position included \$3.4 billion of net investment in capital assets, \$716.9 million of restricted resources for the County's ongoing obligations related to programs with external restrictions, and \$1.4 billion deficit of unrestricted resources.
- As of June 30, 2016, the County's governmental funds reported combined fund balances of \$1.2 billion, a decrease of \$124.8 million in comparison with the prior year. Approximately 17.6% of this amount (\$217.3 million) is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of the fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$269.5 million, or approximately 9.7% of total general fund expenditures.
- The significant change in capital assets net of accumulated depreciation resulted from acquisition of building and land, building improvement, equipment and leased vehicle purchases and completion of various projects related to roads, storm water drains, and other infrastructures.
- The decrease in outstanding long-term debt resulted mainly from three outstanding certificates of participation that were refunded by the Lease Revenue Refunding Bond and scheduled retirement payments.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements which are comprised of the following three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

In addition to the basic financial statements, *Required Supplementary Information* is included to provide additional detail to support the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of County finances in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the County'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 County is improving or declining. The statement of net position in summary can be found on page 7, and in more detail on page 27.

The *statement of activities*, presented on page 9 in summary and on pages 28-29 in detail, provides information showing how the County'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 the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. For example, property tax revenues are recorded when accrued but not yet collected, and when expenditures for compensated absences are accrued, but not yet paid.

## Management's Discussion & Analysis (Unaudited)

Both of these government-wide financial statements distinguish functions of the County 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 County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. Governmental activities include six major funds, nineteen nonmajor funds, and a representative allocation of the County's internal service funds. The six major governmental funds are the general fund, flood control special revenue fund, transportation special revenue fund, teeter debt service fund, public facilities improvements capital projects fund, and public financing authority capital projects fund. The business-type activities of the County include three major enterprise funds, and two nonmajor funds. The major enterprise funds are the Riverside University Health Systems-Medical Center (RUHS-MC), Waste Resources, and the Housing Authority.

The government-wide financial statements also provide information regarding the County's component units, entities for which the County (the primary government) is considered to be financially accountable. Although blended component units are legally separate entities, they are, in substance, part of the County's operations. Accordingly, the financial information from these units is combined with financial information of the primary government.

The financial information for the Palm Desert Financing Authority (PDFA) and the Children and Families Commission (the Commission), both legally separate component units whose governing bodies are appointed by and serve at the will of the County, are presented separately from the financial information of the primary government.

The blended component units are:

- County of Riverside Asset Leasing Corporation (CORAL)
- County of Riverside District Court Financing Corporation
- County of Riverside Bankruptcy Court Corporation
- Housing Authority of the County of Riverside
- In-Home Supportive Services Public Authority
- Riverside County Flood Control and Water Conservation District (Flood Control)
- Riverside County Infrastructure Financing Authority (IFA)
- Riverside County Regional Park and Open-Space District
- Riverside County Public Financing Authority
- Riverside County Service Areas
- Inland Empire Tobacco Securitization Authority
- Perris Valley Cemetery District

**Fund Financial Statements**, illustrated on pages 32-49, provide information regarding the three major categories of County funds – governmental, proprietary, and fiduciary. The focus of governmental and proprietary fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Government Accounting Standard Board (GASB) Statement No. 34, as amended. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Governmental Funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements often have a budgetary orientation; are prepared on the modified accrual basis of accounting; and focus primarily on the sources, uses, and balances of current financial resources. 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 unlike government-wide financial statements. Such information may be useful in assessing a government's near-term financing requirements.

## Management's Discussion & Analysis (Unaudited)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. The governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances provided are accompanied by reconciliations to the government-wide financial statements in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains several individual governmental funds organized according to their type (general, special revenue, debt service, capital projects, and permanent funds). The governmental fund financial statements present the financial information of each major fund (the general fund, transportation special revenue fund, flood control special revenue fund, teeter debt service fund, public facilities improvements capital projects fund, and public financing authority capital projects fund) in separate columns.

Financial information for the remaining governmental funds (nonmajor funds) is combined into a single, aggregated presentation. Financial information for each of these nonmajor governmental funds is presented in the supplementary information section.

Budgetary comparison statements are also included in the fund financial statements. The statements present the County's annual estimated revenue and appropriation budgets for all governmental fund budgets except for CORAL, District Court Financing Corporation, Bankruptcy Court, Inland Empire Tobacco Securitization Authority, Public Financing Authority, and Perris Valley Cemetery Endowment Fund. The budgetary comparison statements have been provided to demonstrate compliance with their respective budgets.

**Proprietary Funds** are used to account for services for which the County charges customers, either outside customers or internal departments of the County. Proprietary funds statements, found on pages 44-47, provide the same type of information as shown in the government-wide financial statements with more detail. The County maintains the following two types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the RUHS-MC, Waste Resources, Housing Authority, County Service Areas, and Flood Control. RUHS-MC, Waste Resources, and Housing Authority financial statements are reported in separate columns of the proprietary fund statements due to the materiality criteria defined by GASB Statement No. 34. Financial information for the remaining enterprise funds (nonmajor funds) is combined into a single, aggregated presentation. Individual fund statements for County Service Areas and Flood Control are presented in the supplementary information section.
- *Internal service funds* are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its records and archive management, fleet services, information services, printing and mail services, supply services, enterprise solution division (accounting and human resources information technology system), risk management, temporary assistance pool, economic development agency (facilities management), and flood control equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund financial information for each internal service fund is provided in the supplementary information section.

**Fiduciary Funds** report assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's programs nor be reflected in the government-wide financial statements. Fiduciary funds maintained by the County include a pension trust fund, investment trust funds, private-purpose trust funds, and agency funds. The fiduciary fund financial statements, on pages 48-49, are presented on the economic resources measurement focus and the accrual basis of accounting.

## Management's Discussion & Analysis (Unaudited)

**Notes to the Basic Financial Statements** provide additional information other than that displayed on the face of the financial statements and are essential for fair presentation of the financial information in the government-wide and fund financial statements. The notes can be found on pages 51-125 of this report.

**Required Supplementary Information** provides changes in net pension liability and related ratios, employer contributions to the pension plan, and funding progress in post employment benefits other than pensions. Required supplementary information can be found on pages 127-133 of this report.

**Combining and individual fund statements and budgetary schedules** provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds, and are presented immediately following the required supplementary information. Combining and individual fund statements and budgetary schedules can be found on pages 135-184 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. The table below focuses on the net position and changes in net position in the County's governmental and business-type activities. It presents an analysis of the County's net position as of June 30, 2016, in comparison to the prior fiscal year 2014-15. At the end of current fiscal year, the County reported positive net position in two of the three categories: net investment in capital assets and restricted net position. Total assets and deferred outflows of resources, as indicated below, exceeded liabilities and deferred inflows of resources by \$2.7 billion, representing an increase of \$158.9 million (\$205.2 million changes in net position and a restatement of \$46.3 million, see Note 3), or 6.2%. A more detailed statement can be found on page 27 in the government-wide financial statements.

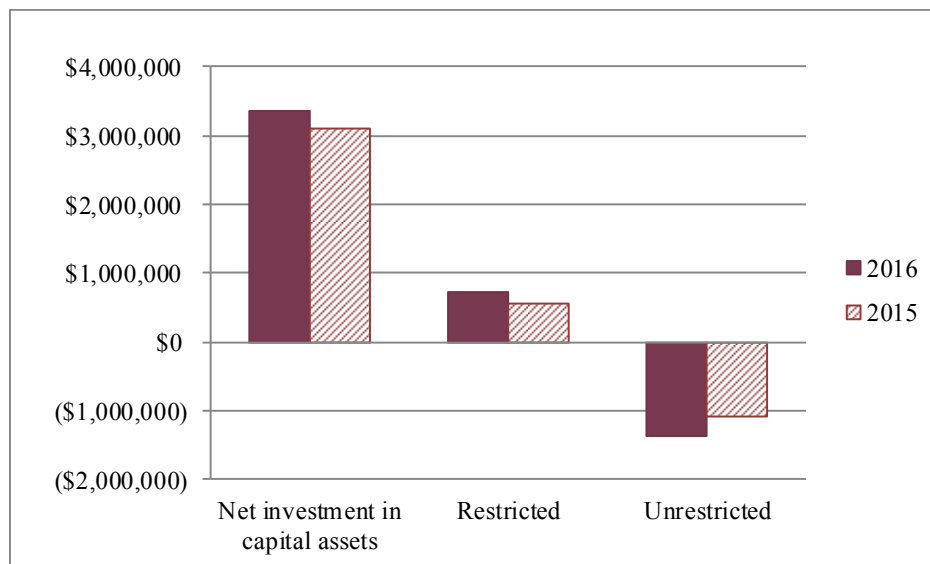
STATEMENT OF NET POSITION							
June 30, 2016 and 2015							
(In thousands)							
	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2016	2015	2016	2015	2016	2015	%
<b>Assets:</b>							
Current and other assets	\$ 2,307,959	\$ 2,366,793	\$ 541,301	\$ 458,916	\$ 2,849,260	\$ 2,825,709	0.8%
Capital assets	4,568,518	4,355,657	302,735	293,375	4,871,253	4,649,032	4.8%
Total assets	6,876,477	6,722,450	844,036	752,291	7,720,513	7,474,741	3.3%
<b>Deferred outflows of resources:</b>	545,416	209,599	68,035	25,452	613,451	235,051	161.0%
Total deferred outflows of resources	545,416	209,599	68,035	25,452	613,451	235,051	161.0%
<b>Liabilities:</b>							
Current liabilities	713,844	689,679	234,400	156,747	948,244	846,426	12.0%
Long-term liabilities	3,594,751	3,292,882	559,148	524,317	4,153,899	3,817,199	8.8%
Total liabilities	4,308,595	3,982,561	793,548	681,064	5,102,143	4,663,625	9.4%
<b>Deferred inflows of resources:</b>	447,619	423,050	69,500	67,291	517,119	490,341	5.5%
Total deferred inflows of resources	447,619	423,050	69,500	67,291	517,119	490,341	5.5%
<b>Net position:</b>							
Net investment in capital assets	3,240,888	3,009,048	112,906	95,160	3,353,794	3,104,208	8.0%
Restricted	667,696	489,359	49,241	56,569	716,937	545,928	31.3%
Unrestricted	(1,242,905)	(971,969)	(113,124)	(122,341)	(1,356,029)	(1,094,310)	23.9%
Total net position	\$ 2,665,679	\$ 2,526,438	\$ 49,023	\$ 29,388	\$ 2,714,702	\$ 2,555,826	6.2%

## Management's Discussion & Analysis (*Unaudited*)

Below are the three components of net position and their respective balances as of June 30, 2016:

- Net investment in capital assets was \$3.4 billion, or 123.6%, of the County's total net position compared to \$3.1 billion, or 121.5%, for fiscal year 2014-15. This component consists of capital assets such as land and easements, structures and improvements, infrastructure, and equipment, net of accumulated depreciation. The amount is further reduced by any debt attributable to the acquisition, construction, or improvement of the assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- \$716.9 million, or 26.4%, of the County's total restricted net position compared to \$545.9 million, or 21.4%, for fiscal year 2014-15. This component represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- \$1.4 billion deficit, or 50.0%, of the County's total net position is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors. Of this amount, \$1.2 billion deficit is from governmental activities and \$113.1 million deficit is from business-type activities, compared to prior year when \$972.0 million deficit was from governmental activities and a \$122.3 million deficit was from business-type activities.

### Statement of Net Position June 30, 2016 and 2015 (In thousands)



## Management's Discussion & Analysis (Unaudited)

The following table provides information from the Statement of Activities of the County as of June 30, 2016 as compared to the prior year:

STATEMENT OF ACTIVITIES							
For the fiscal years ended June 30, 2016 and 2015							
(In thousands)							
	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2016	2015	2016	2015	2016	2015	%
Revenues:							
Program revenues:							
Charges for services	\$ 734,769	\$ 645,840	\$ 676,526	\$ 665,819	\$ 1,411,295	\$ 1,311,659	7.6%
Operating grants and contributions	1,907,919	1,800,158	-	-	1,907,919	1,800,158	6.0%
Capital grants and contributions	54,134	31,579	2,234	536	56,368	32,115	75.5%
General revenues:							
Property taxes	346,851	327,504	-	-	346,851	327,504	5.9%
Sales and use taxes	29,573	32,851	-	-	29,573	32,851	-10.0%
Unrestricted intergovernmental revenue	232,453	244,003	-	-	232,453	244,003	-4.7%
Investment earnings	12,948	8,700	2,720	895	15,668	9,595	63.3%
Other	182,526	182,809	-	-	182,526	182,809	-0.2%
Total revenues	3,501,173	3,273,444	681,480	667,250	4,182,653	3,940,694	6.1%
Expenses:							
General government	283,081	179,575	-	-	283,081	179,575	57.6%
Public protection	1,328,608	1,217,731	-	-	1,328,608	1,217,731	9.1%
Public ways and facilities	149,768	177,870	-	-	149,768	177,870	-15.8%
Health and sanitation	468,382	499,669	-	-	468,382	499,669	-6.3%
Public assistance	980,550	970,415	-	-	980,550	970,415	1.0%
Education	23,283	23,409	-	-	23,283	23,409	-0.5%
Recreation and cultural services	20,758	18,335	-	-	20,758	18,335	13.2%
Interest on long-term debt	46,306	45,904	-	-	46,306	45,904	0.9%
Riverside University Health Systems - Medical Center	-	-	506,338	468,562	506,338	468,562	8.1%
Waste Resources	-	-	75,358	56,299	75,358	56,299	33.9%
Housing Authority	-	-	88,166	90,903	88,166	90,903	-3.0%
Flood Control	-	-	3,591	3,056	3,591	3,056	17.5%
County Service Areas	-	-	413	390	413	390	5.9%
Total expenses	3,300,736	3,132,908	673,866	619,210	3,974,602	3,752,118	5.9%
Excess (deficiency) before transfers	200,437	140,536	7,614	48,040	208,051	188,576	10.3%
Transfer in (out)	(22,478)	(11,250)	22,478	11,250	-	-	0.0%
Change in net position, before special items	177,959	129,286	30,092	59,290	208,051	188,576	10.3%
Special items	-	-	(2,803)	(905)	(2,803)	(905)	209.7%
Change in net position	177,959	129,286	27,289	58,385	205,248	187,671	9.4%
Net position, beginning of year, as restated	2,487,720	2,397,152	21,734	(28,997)	2,509,454	2,368,155	6.0%
Net position, end of year	\$ 2,665,679	\$ 2,526,438	\$ 49,023	\$ 29,388	\$ 2,714,702	\$ 2,555,826	6.2%

## Management's Discussion & Analysis (Unaudited)

The following are specific major factors that resulted in the net position changes in governmental activities between fiscal years 2014-15 and 2015-16 as shown in the table on page 9.

### *Revenues for governmental activities*

Revenues from *Charges for services* increased by \$88.9 million, or 13.8%. Charges for services are revenues that arise from charges to external customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Contractual Law Enforcement revenue increased due to additional patrolling services in the unincorporated areas of Riverside County. In addition, health service fees increased due to the growth of Capitated Medi-Cal and Medi-Cal patients as a result of the new health care reform act.

Revenues from *Operating grants and contributions* increased by \$107.8 million, or 6.0%, due to significant changes in the following state and federal sources:

- There was an increase of \$86.7 million in federal and state funds for major public assistance programs including Medi-Cal, adult protective services, in-home support services, child welfare services, CalFresh, CalWorks, adoptions, and foster care programs due to ongoing program growth. \$40.3 million contribution from federal and state funds for several large highway inter-change improvement and grade separation projects. \$32.6 million was recognized as revenue from Behavioral Health Funds distributed by Local Revenue Fund 2011 for supporting the Early and Periodic Screening, Diagnosis, and Treatment (EPDST) program. \$11.8 million was recognized as revenue from Local Revenue Funds Sales and Use Tax Growth Fund for supporting mental health treatment, detention health, and juvenile justice programs. \$5.7 million received from community corrections performance incentive fund for implementing an enhanced aftercare program for juveniles with intensive supervision following release from treatment. The overall increase was offset by \$69.5 million in State reimbursements and Mental Health Service Act funds received in the prior year for previously implemented Senate Bill (SB) 90 Mandated Programs and building purchase.

Revenues from *Capital grants and contributions* increased by \$22.6 million, or 71.4%. \$24.7 million was awarded from SB81 State Financing Program for the new East County Detention Center and Van Horn Youth Treatment and Education Center.

Revenues from *Property taxes* increased by \$19.3 million, or 5.9%. The fiscal year 2015-16 assessment roll value increased by 5.8%. The contributing factors to the assessment roll value increase were year-over-year growth in sales price, increased new construction, and additional properties climbing out of reduced or "decline-in-value" assessment, also called Proposition 8.

Revenues from *Sales and use taxes* decreased by \$3.3 million, or 10.0%. The decrease was due to the decline of solar power plant construction and falling gasoline prices.

Revenues from *Unrestricted intergovernmental revenue* decreased by \$11.6 million, or 4.7%, in the vehicle license fee realignment fund due to a portion of the fund being redirect to family support service programs.

The increase in *Investment earnings* was due to higher interests earned in the County Treasurer's pooled investment fund from economic growth. The earnings fluctuate according to several factors including cash balances in the Treasurer's pooled investment fund, current interest rates, and the continuation of accommodative U.S. Federal Reserve monetary policy.



## Management's Discussion & Analysis (Unaudited)

### *Expenses for governmental activities*

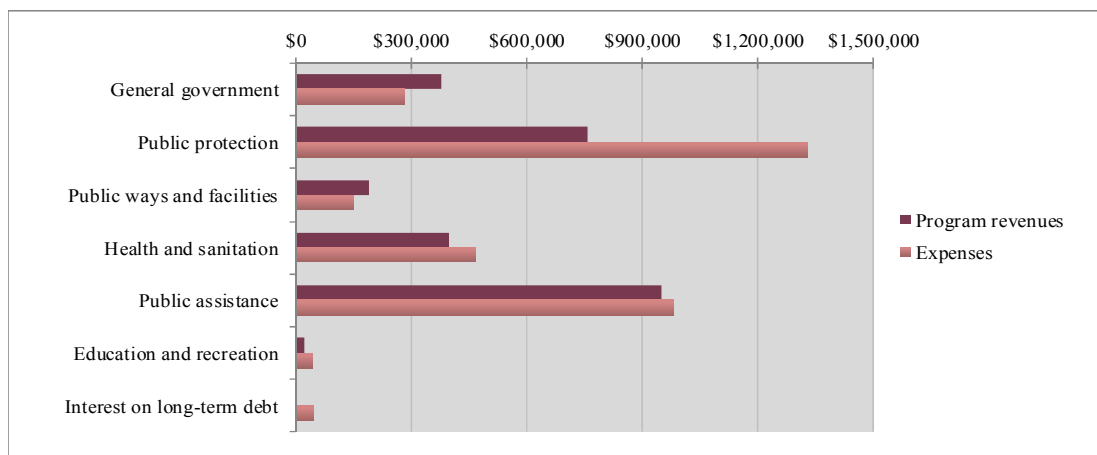
Total expenses for governmental activities were \$3.3 billion for the current fiscal year, an increase of \$167.8 million, or 5.4%, as compared to prior fiscal year. The following are the key components accounting for the variances:

- *General government* represents \$283.1 million, or 8.6%, of the total governmental activities expenses and increased by \$103.5 million, or 57.6%, from prior year due to contributions made to support several building construction projects.
- *Public protection* represents \$1.3 billion, or 40.3%, of the total governmental activities expenses and increased by \$110.9 million, or 9.1%. The majority of the increase is caused by negotiated labor increases, raising liability coverage, correction health increases, and the ongoing impact of Assembly Bill (AB) 109 public safety realignment and Proposition 47 re-sentencing cases. The new Emergency Management department was established to consolidate the Office of Emergency Services (OES) division, Public Health Emergency Preparedness and Response (PHEPR) and Riverside County Emergency Medical Services Agency (REMSA) into a single entity.
- *Public ways and facilities* represents \$149.8 million, or 4.5%, of the total governmental activities expenses and decreased by \$28.1 million, or 15.8%, due to several large inter-change improvement and grade separation projects costs incurred in prior year for eliminating conflicts between railroad operations and vehicular traffic.
- *Health and sanitation* represents \$468.4 million, or 14.2%, of the total expenses and decreased by \$31.3 million, or 6.3%, from prior year due to the Riverside University Health Systems – Behavioral Health expansion of its clinics and services throughout the County with funding received from the Mental Health Services Act (MHSA). As a result, health care and treatment services are offered at the joint location.
- *Public assistance* represents \$980.6 million, or 29.7%, of the total expenses and increased by \$10.1 million, or 1.0%, from prior year. In fiscal year 2015-16, In-Home Supportive Services (IHSS) individual provider (IP) service hours were increased by approximately 13.0% from prior year due to ongoing program growth with a small percentage increase associated with the transition of IHSS contract cases to IHSS IP cases.
- The remaining 2.7% represents *education* for \$23.3 million, or 0.7%; *recreation and culture* for \$20.8 million, or 0.6%, and *interest on long-term debt* for \$46.3 million, or 1.4%.

### Program Revenues and Expenses - Governmental Activities

For the fiscal year ended June 30, 2016

(In thousands)



## Management's Discussion & Analysis (Unaudited)

### Business-type Activities

The following are specific major factors that resulted in the net position changes in business-type activities between fiscal years 2014-15 and 2015-16 as shown in the previous table of page 9.

**Revenues:** The County has three major business-type activity funds: RUHS-MC, Waste Resources, and Housing Authority. In addition, Flood Control and County Service Areas are included in the business-type activities of the County. Business-type activities recover all or a significant portion of their costs through user fees and charges and provide services primarily to non-County entities.

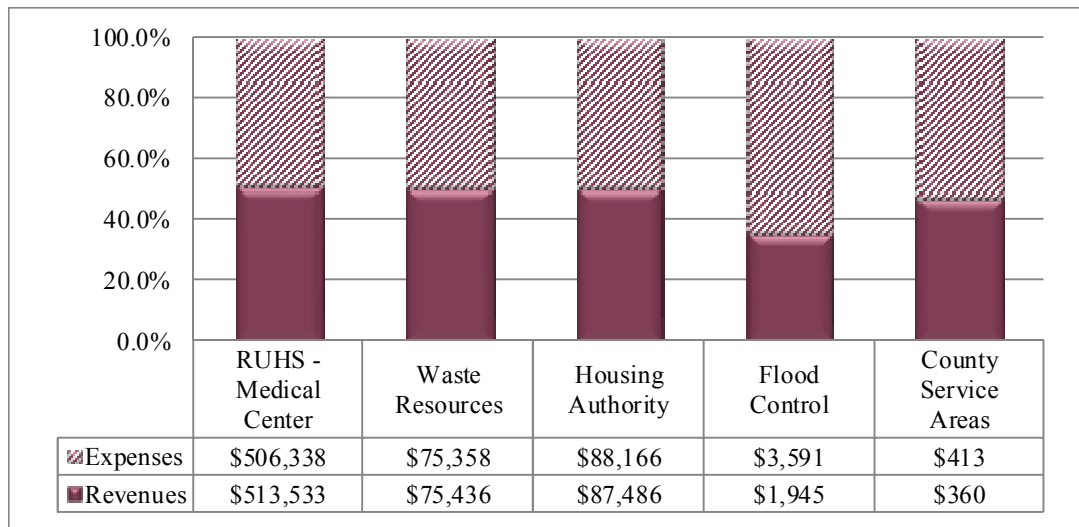
For the current year, \$676.5 million, or 99.3%, of business-type activities program revenue was received from charges for services, a percentage consistent with the prior fiscal year. The majority of this revenue, \$511.7 million, was received by RUHS-MC as compared to \$504.8 million for the prior fiscal year. The increase was mainly attributed to improvements in patient care service delivery through new technologies and premium revenue earned from Medi-Cal Managed Care Plans according to number of participants who are entitled to health care services.

**Expenses:** Total expenses for business-type activities were \$673.9 million for the fiscal year compared to \$619.2 million for the prior fiscal year. This represents an increase of \$54.7 million, or 8.8%. Expenses of \$506.3 million, or 75.1%, were incurred by RUHS-MC in the current fiscal year, as compared to \$468.6 million, or 75.7%, for the prior fiscal year. In addition, expenses for Waste Resources were \$75.4 million, or 11.2%, compared to \$56.3 million, or 9.1%, from prior fiscal year; Housing Authority expenses were \$88.2 million, or 13.1%, of total expenses for business-type activities, compared to prior fiscal year's expenses of \$90.9 million, or 14.7%; Flood Control and County Service Areas account for the remaining 0.6% of expenses consistent with the prior fiscal year.

### Revenues and Expenses - Business Type Activities

For the fiscal year ended June 30, 2016

(In thousands)



## Management's Discussion & Analysis (*Unaudited*)

### FINANCIAL ANALYSIS OF FUND STATEMENTS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the County's governmental funds is to provide information on the sources, uses, and balances of spendable resources. Such information is useful in assessing the County's short-term financial requirements. In particular, the total fund balance less the nonspendable amount may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the County include the general fund, special revenue funds, capital projects funds, debt service funds, and the permanent fund.

As of June 30, 2016, the County's governmental funds reported combined fund balances of \$1.2 billion, a decrease of \$124.8 million in comparison with the prior year. The components of total fund balance are as follows (See Note 16 - Fund Balances for additional information):

- Nonspendable fund balance – \$7.6 million, amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance – \$893.3 million, amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance – \$50.9 million, amounts that are committed for a specific purpose. These funds require action from the Board of Supervisors to remove or change the specified use.
- Assigned fund balance – \$63.0 million, amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. Assigned amounts cannot cause a deficit in unassigned fund balance.
- Unassigned fund balance – \$217.3 million, funds that are not reported in any other category and are available for any purpose within the general fund.

Total governmental fund revenue increased by \$145.0 million, or 4.5%, from the prior fiscal year with \$3.4 billion being recognized for the fiscal year ended June 30, 2016. Expenditures increased by \$122.5 million, or 3.6%, from the prior fiscal year with \$3.5 billion being expended for governmental functions during fiscal year 2015-16. Overall, governmental fund balance decreased by \$124.8 million, or 9.2%. In comparison, fiscal year 2014-15 had an increase in governmental fund balance of \$294.4 million, or 27.6%, over fiscal year 2013-14.

The general fund is the primary operating fund of the County. At the end of fiscal year 2015-16, the general fund's total fund balance was \$371.5 million, as compared to \$395.4 million in fiscal year 2014-15. As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The nonspendable portion of fund balance was \$2.4 million, and the spendable portion was \$369.1 million. The current year unassigned fund balance is 7.8% of the total general fund expenditures of \$2.8 billion, as compared to 8.3% of the prior year expenditures total of \$2.7 billion. The total fund balance of the general fund for the current year is 13.3% of the total general fund expenditures as compared to 14.6% for the prior year.

Transportation fund balance increased by \$16.1 million, or 22.7%, due to an increase in federal and state aid for financing several large highway inter-change improvement and grade separation projects.

Flood control fund balance decreased by \$34.3 million, or 14.3%, due to the planning, design and maintenance costs of flood control and drainage infrastructure projects incurred in current year for the Riverside County Flood Control and Water Conservation District's Zone 4 financed by property tax, developer fees, and the promissory note proceeds issued in prior year.

Public facilities improvements capital projects fund balance decreased from \$138.6 million to \$133.6 million, 3.6% or \$5.0 million. The decrease was caused by several major capital projects in progress during fiscal year 2015-16. The projects were financed by bond proceeds and state aid.

## Management's Discussion & Analysis (Unaudited)

Public financing authority fund balance decreased by \$71.3 million, or 23.6%. The decrease was primarily due to the construction costs incurred in several major capital projects including the new detention center, parking structures, and courtrooms.

### Other Governmental Funds

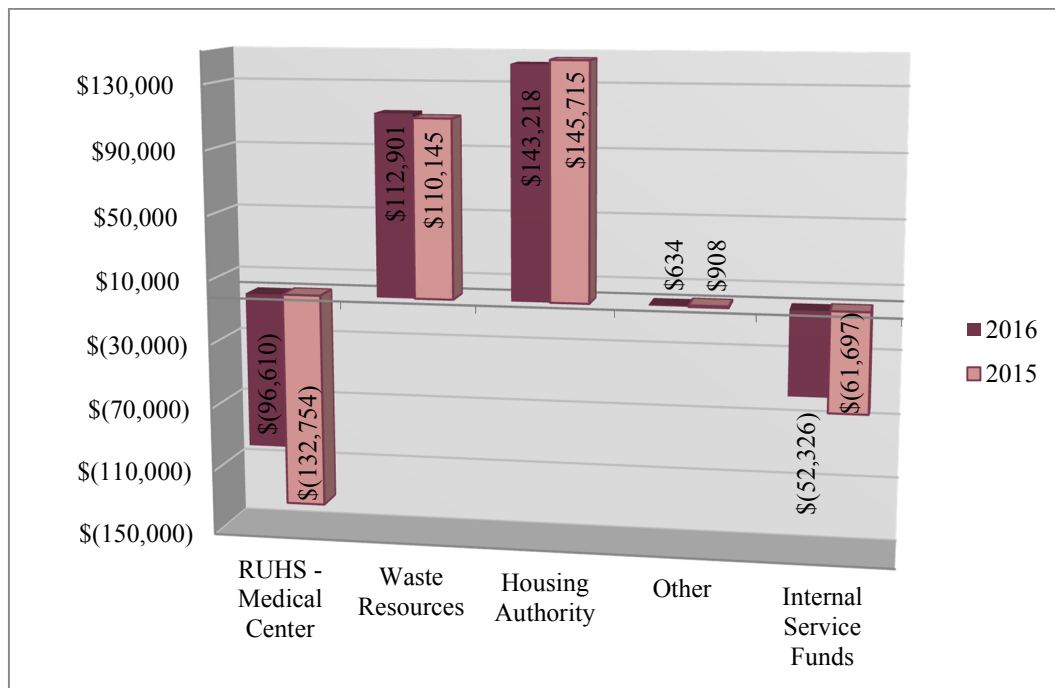
The \$7.0 million, or 3.1%, decrease in nonmajor governmental funds fund balance was essentially from the scheduled annual principal payments of outstanding debts in debt service funds and the new integrated property tax management system that required additional testing prior to the implementation.

### Proprietary Funds

The County's proprietary funds financial statements provide the same type of information as the government-wide financial statements, but in more detail. The RUHS-MC, Waste Resources, and Housing Authority are shown in separate columns of the fund statements due to materiality criteria as defined by GASB Statement No. 34. In addition, the internal service funds are combined into a single, aggregated presentation in the proprietary fund statements with the individual fund data provided in the combining statements, which can be found in the supplemental information section.

At the end of the fiscal year, total proprietary fund net position was \$107.8 million, compared to \$62.3 million for prior fiscal year; this represents an increase of \$45.5 million, or 73.0%. The significant change was RUHS-MC's improved efficiencies and better revenue cycle management with the assistance of a consulting company Huron Consulting Group Inc.

**Proprietary Funds Net Position**  
For the fiscal year ended June 30, 2016  
(In thousands)



## Management's Discussion & Analysis (*Unaudited*)

### GENERAL FUND FINANCIAL ANALYSIS

Revenues and other financing sources for the general fund, including comparative amounts from the preceding year, are shown in the following tabulation:

**General Fund - Revenues by Source**  
For the fiscal years ended June 30, 2016 and 2015  
(In thousands)

Revenues by Sources	2016		2015		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
Taxes	\$ 279,945	9.6%	\$ 267,708	9.4%	\$ 12,237	4.6%
Intergovernmental revenues	1,908,447	65.6%	1,861,246	65.4%	47,201	2.5%
Charges for services	465,333	16.0%	431,323	15.2%	34,010	7.9%
Other revenue	129,586	4.5%	142,580	5.0%	(12,994)	-9.1%
Other financing sources	126,014	4.3%	142,453	5.0%	(16,439)	-11.5%
Total	<u>\$ 2,909,325</u>	<u>100.0%</u>	<u>\$ 2,845,310</u>	<u>100%</u>	<u>\$ 64,015</u>	<u>2.2%</u>

General fund revenues had an overall increase of \$64.0 million, or 2.2%, from the prior year. The increase was due primarily to the changes in the following:

- The changes in *Taxes* during the current fiscal year were due to the 5.8% increase in assessment roll value, yielding a total property tax roll of \$242.7 billion, compared to \$229.4 billion in fiscal year 2014-15. The main factors of the roll increase were the year-over-year growth in sales prices in all sectors of the real estate market and increased new construction.
- The increase in *Intergovernmental revenues* was primarily attributed to allocation and realignment revenue from the state and federal aid. See explanation previously discussed on page 10.
- *Charges for services* increased by \$34.0 million, or 7.9%, primarily due to additional patrolling services, increased rates approved for contract city law enforcement services, and increased Capitated Medi-Cal and Medi-Cal patients in health clinics run by Riverside University Health Systems – Public Health resulting from the new health reform act.
- The significant change in *Other revenue* was due to a decrease in court fines and penalties revenue. Senate Bill 85 established an 18-month amnesty program effective on October 1, 2015 to allow individuals with past-due court-ordered debt to receive a reduction in the amount owed if they meet certain eligibility criteria and insurance proceeds received in fiscal year 2014-15 for the loss of a helicopter.
- The decrease in *Other financing sources* was due to capital leases that were issued in fiscal year 2014-15 for office building and equipment purchases.

## Management's Discussion & Analysis (*Unaudited*)

Expenditures and other financing uses for the general fund, including comparative amounts from the preceding year, are shown in the following tabulation:

### General Fund - Expenditures by Function For the fiscal years ended June 30, 2016 and 2015 (In thousands)

Expenditures by Function	2016		2015		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
General government	\$ 113,779	3.9%	\$ 109,900	3.9%	\$ 3,879	3.5%
Public protection	1,256,765	42.8%	1,189,466	42.3%	67,299	5.7%
Public ways and facilities	-	0.0%	8	0.0%	(8)	-100.0%
Health and sanitation	468,272	16.0%	478,047	17.0%	(9,775)	-2.0%
Public assistance	918,963	31.3%	865,309	30.7%	53,654	6.2%
Other expenditures	33,578	1.1%	68,313	2.4%	(34,735)	-50.8%
Other financing uses	141,847	4.8%	103,554	3.7%	38,293	37.0%
Total	<u>\$ 2,933,204</u>	<u>100.0%</u>	<u>\$ 2,814,597</u>	<u>100.0%</u>	<u>\$ 118,607</u>	<u>4.2%</u>

Total expenditures for the general fund were \$2.9 billion, an increase of \$118.6 million, or 4.2%, from the prior year. Significant changes are as follows:

- In *General government*, the main factors to the increase in fiscal year 2015-16 were a comprehensive review of practices within the criminal justice departments that was conducted for a cost saving plan and printing costs related to local government official members and presidential elections.
- The increase in *Public protection* was mainly caused by returning public safety staffing to previous levels for patrolling services according to the Board of Supervisor's direction, and additional costs in addressing caseloads resulting from Proposition 47 that voters approved in November 2014 for reducing most non-serious and non-violent property and drug crimes from felonies to misdemeanors.
- The decrease in *Health and sanitation* was mainly due to the reduction in contribution to health and mental health service programs funded by the State Health Realignment Fund. The funding was modified significantly by Assembly Bill (AB) 85 which redirected a portion of the funding to social service programs as a result of the implementation of federal health care reform.
- The increase in *Public assistance* was due to a growth in Adult Service Division caseloads as the County's elderly population increased significantly, continued caseload growth in CalFresh and Medi-Cal programs as expanded under the Affordable Care Act, and foster care cases increased as Assembly Bill (AB) 12 California Fostering Connections to Success Act was signed into law for the extension of federal funding for foster care services for eligible non-minors from ages 18 to 21.
- The significant decrease in *Other expenditures* was mainly due to office building and equipment purchases that were made in fiscal year 2014-15 and financed by capital lease obligations.
- The main factors to the increase in *Other financing uses* were contributions to other County funds for financing debt service payments according to the debt service schedule, construction costs of capital projects, and County program activities.

## **Management's Discussion & Analysis (*Unaudited*)**

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

This section provides a summary of the primary factors contributing to the General Fund variances between 1) the original adopted and the final amended budget, and 2) the final amended budget and the actual revenue and expenditure amounts. The budgetary comparison statement displays the details of the comparison and is included in the governmental fund financial statements section.

#### **Variance between General Fund Original Adopted and Final Amended Budget**

##### **Estimated Revenue Variances**

The original adopted General Fund estimated revenue budget decreased by \$76.6 million, or 2.5%, from \$3.1 billion to the final amended revenue budget of \$3.0 billion. The major changes in appropriations are as follows:

Interest: Decreased by \$6.8 million, or 62.7%, from \$10.8 million to \$4.0 million. Variance of \$6.8 million was the net of a \$7.7 million decrease in the Auditor-Controller's budget and an increase of \$0.9 million in the Treasurer's Office budget. The Auditor's Office budgeted \$7.7 million for interest due on outstanding SB90 payments in two different accounts during its regular budget process. During first quarter, the error was identified and the correction was processed resulting in a decrease of appropriations. In the Treasurer's budget, revenue was increased by \$0.9 million to reflect the increased of 25 basis points in the federal funds rate by the Federal Open Market Committee (FOMC).

Rents and concessions: Increased by \$6.7 million, or 22.4%, from \$29.8 million to \$36.5 million. The general fund received \$6.7 million of additional prior year revenue allocated from the landfill lease agreement with the Waste Resources department.

Charges for services: Decreased by \$54.9 million, or 10.2%, from \$540.1 million to \$485.2 million. The majority of the variance was due to a \$73.4 million decrease in appropriations due to intergovernmental activities, related to operating transfers in and out and the elimination of transfers in and out within same fund group. Decrease was offset by various increases which included a \$10.2 million increase that was due to the Sheriff's department increasing its contractual revenue as the level of law enforcement services was modified for several cities and school districts. \$6.2 million increase was due to changes in the Economic Development Agency - Energy Division budget to meet operational demands as annual electricity and water charges have risen significantly, additional services are being provided with new buildings: Riverside County Information Technology (RCIT) data center, Riverside County Innovation Center and the Mental Health Complex on Rustin Ave, and to administer the Opterra solar project. \$1.0 million increase in the Behavioral Health Department was a result of a memorandum of understanding between the Riverside University Health Systems – Behavioral Health and Inland Empire Health Plan to provide behavioral health and primary care services. \$0.8 million increase in the Planning Department budget resulted from an increase in contract amounts to provide project activities required for efficient and timely environment analysis. During this fiscal year, the Emergency Management Department was created to support the Office of Emergency Systems, Public Health Emergency Preparedness and Response, and Regional Emergency Medical Services Authority. Balances were transferred from the Fire Department, Riverside University Health Systems and Public Health but the overall budget needed additional revenues of \$0.5 million in charges for current services.

Other revenue: Decreased by \$36.0 million, or 36.7%, from \$98.2 million to \$62.1 million. \$40.8 million of this variance is a result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within the same fund group. Treasurer's budget increased by \$2.4 million due to a recent change in Revenue and Taxation Code Section 4674 allowing unclaimed excess proceeds from sales of tax defaulted properties to be transferred into the general fund. \$0.8 million increase was due the Board of Supervisors approving the transfer of property tax overpayments to the County general fund. \$0.7 million increase in Tax Revenue Anticipation Notes budget was increased for additional premium on bonds issued received.



## Management's Discussion & Analysis (*Unaudited*)

### Expenditure Appropriation Variances

The original adopted General Fund appropriation budget decreased by \$92.8 million, or 2.9%, from \$3.2 billion to the final amended appropriation budget of \$3.1 billion. The major appropriation variances are described below.

General Government: The appropriation budget decreased by \$49.7 million, or 19.8%.

- Services and supplies increased by \$9.8 million, or 13.1%. Variances in services and supplies were due to changes in appropriations for the Executive Office, Legislative-Administrative Support Department, Assessor, Registrar of Voters and Economic Development Agency. Economic Development Agency-Energy division appropriations increased by \$6.2 million to ensure sufficient funding was available to pay electricity, sewer and water bills as charges are significantly increasing with new buildings being operated by the County and also due to the operation and monitoring of the Opterra solar project. Executive Office appropriations increased by \$2.9 million due to the consulting agreement signed with KPMG to perform an organizational and operational financial review of the County's public safety departments to provide cost saving strategies. Legislative-Administrative Support Department appropriations increased by \$1.3 million to allow payment of attorney fees to the Prison Law Office for the settlement of a lawsuit case with the County. Registrar of Voters appropriations increased by \$0.8 million in its printing and binding costs related to the statewide initiative of signature verification and the June Presidential Primary Election. Increases were offset with a decrease of appropriations of \$3.4 million in the Assessors Department. The department had to decrease its computer equipment and professional services appropriations to reallocate funds to operating transfers to facilitate a journal to demonstrate County match to state grant received for the State-County Assessors' Partnership Agreement Program (SCAPAP) and to salaries and benefits to cover structural deficit.
- Other charges decreased by \$36.7 million, or 38.1%. \$48.6 million decrease was mainly due to intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within same fund group. Decrease is offset by a \$10.7 million increase in appropriations in departments such as Board of Supervisors, Contribution to Other Funds, Court Facilities and Assessor. Contributions to Other Funds budget was increased by a total of \$6.2 million. Of this amount, \$3.3 million was allocated from the passage of SB107 to reimburse non-general fund departments for their upfront costs incurred during the transition year of three cities, Jurupa Valley, Menifee and Wildomar. \$2.0 million was allocated to transfer to the capital projects fund to pay worker's compensation fund loan obtained to contribute towards sewer improvements for the growth and sustainability of the Temecula Valley Wine County. \$0.6 million was allocated to Economic Development Agency (EDA) to purchase equity interests in real property located in the City of Banning from the Judicial Council of California. \$0.5 million was allocated to Parks to continue operating the community centers at their current levels of service to the public. Assessors' appropriations increased by \$1.9 million which was a result of a transfer from professional services to facilitate a journal to demonstrate County match to state grant received for the State-County Assessor's Partnership Agreement Program (SCAPAP). Board of Supervisors Department increased its contributions to other non-County agencies by \$1.6 million to assist organizations within the County with carrying out programs that benefit County residents. Court Facilities Department increase its appropriations by \$1.0 million to cover invoices related to the County's court facilities.
- Appropriation for contingencies decreased by \$22.1 million, or 62.1%. During the third quarter, the Executive Office worked with many departments to address expected budget shortfalls by year-end. At that time, it was decided to use monies from appropriation for contingency to assist those departments with major shortfalls. The Sheriff's department was the main department that received \$25.0 million to close an ongoing structural deficit.

Debt Service: The appropriation budget decreased by \$52.8 million, or 56.9%.

- Principal in long-term debt decreased by \$53.4 million, or 60.8%. The variance is a result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within same fund group.



## **Management's Discussion & Analysis (Unaudited)**

### **Variance between General Fund Actual Revenues and Expenditures and Final Amended Budget**

During the year, the General Fund had a positive budget variance of approximately \$53.2 million resulting from unexpended appropriations of \$304.7 million, or 9.8%, and overestimated revenue of \$251.5 million, or 8.3%. The following contributed to the variance:

#### **Revenue Variances**

General Fund actual revenues of \$2.8 billion were 8.3%, or \$251.5 million, less than the final amended revenue budget of \$3.0 billion.

Interest: Actual revenues were more than the final amended budget by \$2.7 million, or 67.2%. The primary variance was due to the Treasurer-Tax Collector department optimizing the investment selections and strategies which resulted in additional interest earnings.

Rents and concessions: Actual revenues were less than the final amended budget by \$26.0 million, or 71.3%. The primary variance is due to \$18.7 million being transferred from the general fund to the CORAL debt service fund. \$2.1 million of the variance was for landfill lease revenue from prior fiscal years budgeted by the general fund this fiscal year but recognized and accrued during fiscal year 2015.

Federal aid: Actual revenues were less than the final amended budget by \$50.4 million, or 8.1%. Department of Social Services revenue from public assistance programs was \$54.5 million lower than budgeted. Revenue received is driven by expenditures in the programs which were decreased for the year. Probation's federal reimbursement claims of Title IV-E Funding was \$2.7 million lower than anticipated. Fire Department operating grants revenue was \$2.1 million lower than budgeted as this revenue is full reimbursement for grant expenditures, lower expenditures, lower revenue received. Public Health's federal SB910 County Based Medi-Cal Administrative Activities (CMAA) revenue of \$1.0 million was not received during the fiscal year as funds were being held due to state audit of the program. Mental Health actual revenue was higher than budgeted due to servicing more Medi-Cal clients.

State aid: Actual revenues were less than the final amended budget by \$126.3 million, or 9.26%. Revenue received for Proposition 172 and realignment for Vehicle License Fees was \$53.0 million lower than budgeted. Per information received from our HdL advisors, the Board of Equalization (BOE) has suspended all true up payments until procedures are reviewed. BOE believes counties have been getting overpaid for the last 18 months. Mental Health Department-Mental Health Service Act program revenue was \$4.6 million lower than budgeted. The department gets reimbursed from the state for services provided through its Mental Health Service Act program. Revenue fluctuates with expenditures and other revenue levels. During this fiscal year, the program provided less services than projected, decreasing actual revenue by \$46.4 million. Department of Public Social Services revenues from Public Assistance programs have decreased by \$15.0 million. Revenue from AB118 Local Revenue was \$12.0 million lower than budgeted.

Charges for services: Actual revenues were less than the final amended budget by \$19.9 million, or 4.1%. Revenue budgeted for charges for current services is based on projected services that will be provided to taxpayers, clients, departments, school districts and cities. Therefore, if services are not provided at the level projected, budgeted amount will not be met. Fire Department fire protection revenue with contracted cities was \$6.9 million lower than budgeted. Riverside University Health Systems-Federal Qualified Health Centers actual revenue received was \$6.4 million lower than budgeted due to less Medi-Cal patients being served. Economic Development Agency-Energy division utilities reimbursements from proprietary fund departments were \$5.8 million less than anticipated due to lower utility costs. Utility costs include electric, water, fuel, trash, and sewer. Fire Department weed abatement revenue was \$1.1 million lower than budgeted.

Other revenue: Actual revenues were less than the final amended budget by \$42.1 million, or 67.7%. \$40.8 million of the variance is the result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within the same fund group.

## Management's Discussion & Analysis (*Unaudited*)

### Expenditure Variances

General Fund actual expenditures of \$2.8 billion were 9.8%, or \$304.7 million, less than the final amended appropriation budget of \$3.1 billion. The major appropriation variances are described below.

General government: Actual expenditures were less than the final amended budget by \$88.1 million, or 43.6%.

- Salaries and benefits were \$4.9 million, or 5.0%, less than budgeted. \$1.8 million of the variance was the result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within the same fund group. The remaining of the variance is noted in the Assessor Department by \$1.0 million, Treasurer-Tax Collector by \$0.8 million and Economic Development Agency-Energy division by \$0.8 million.
- Services and supplies were \$13.3 million, or 15.7%, less than budgeted. \$5.6 million of the variance is primarily related to EDA Divisions. The EDA-Energy division electricity and water expenditures were \$4.2 million lower than budgeted. Electricity costs were \$3.2 million lower than budgeted due to solar savings from unforeseen delays in the installation of Opterra photovoltaic project and water costs were \$1.1 million lower due to state mandated water restriction. The EDA-Project Management division expenditures were \$1.4 million lower than budgeted as a result of overall projects being evaluated and reclassified resulting in a decreased in expenditures. Executive Office budgeted \$3.4 million for Sales Tax Sharing Agreement Escrow to be paid out for the Vail Ranch settlement but payment was delayed until next fiscal year.
- Other charges were \$51.5 million, or 86.6%, less than budgeted. \$48.6 million of the variance was the result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within the same fund group.
- Capital assets were \$3.0 million, or 82.9%, less than budgeted. \$2.8 million was budgeted for Public Safety Enterprise Communication (PSEC) radio replacement expenditures but not expended by the Executive Office.
- Intrafund transfers were \$1.9 million, or 3.2%, more than budgeted. Economic Development Agency-Energy division spent \$0.9 million more than budgeted in intra-utilities and Human Resources spent \$0.8 million more than budgeted in intra-personnel.
- Appropriations for contingencies were \$13.4 million, or 100%, less than budgeted. This budget is established to assist general fund departments with unforeseen shortfalls but the transactions are recorded under the actual general fund department.

Public protection: Actual expenditures were less than the final amended budget by \$48.9 million, or 3.7%.

- Salaries and employee benefits were \$15.6 million, or 1.8%, less than budgeted. \$12.3 million of the variance was the result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within the same fund group. The remaining of the variance is noted primarily in the Sheriff's Department by \$7.8 million, Probation's Department by \$6.9 million, District Attorney's Department by \$1.9 million, and Fire Department \$1.5 million.
- Services and supplies were \$26.2 million, or 6.9%, less than budgeted. The variance was mainly due to \$5.8 million in the Sheriff Department and \$3.8 million in Fire Protection. \$4.7 million of the Sheriff Department's variance is due to budgeted purchases of vehicles and helicopter engine overhaul not being completed by year-end. The remaining \$1.1 million is due to Sheriff-Corrections professional services decreasing as anticipated costs for contracted bids did not materialize to the contracted level due to qualification challenge. \$1.6 million of the Fire Protection variance is due to special program expenses being \$1.6 million less than budgeted as, when the Office of Emergency System split off to the Emergency Management Department, the Fire Department utilized less grant expenses for the year. Fire Protection

## **Management's Discussion & Analysis (Unaudited)**

weed abatement costs were \$1.1 million less than budgeted as there were no abated non-compliant properties within the unincorporated County area. Fire Protection professional services were \$1.1 million less than budgeted as its fire protection agreement with CalFire is based on top step with full benefits with no salary savings component and there was a 1% salary savings due to staff not at top step.

- Other Charges were \$3.6 million, or 6.6%, less than budgeted. \$6.6 million of the variance was the result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within the same fund group. The remaining of the variance is noted primarily in the Sheriff's Department by \$4.7 million and District Attorney's Department by \$1.9 million.
- Capital assets were \$3.3 million, or 50.6%, less than budgeted. County Clerk-Recorder \$1.5 million expenditures were less than budgeted because milestone for capitalized software was not reached. Fire Protection expenditures were \$0.7 million less than budgeted.

Health and sanitation: Actual expenditures were less than the final amended budget by \$83.2 million, or 15.1%.

- Salaries and employee benefits were \$31.3 million, or 10.6%, less than budgeted amounts. \$18.6 million of the variance was in Mental Health, as with new programs and jail expansion, the department is struggling to retain qualified candidates. \$8.6 million was in Riverside University Health Systems-Federally Qualified Health Centers. In order to comply with the health resources and services administration, the department was anticipating to add providers. However, it was only able to fill some of the positions but not the expected number of full time employees which were budgeted. \$5.1 million of the variance is the result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within the same fund group. Public Health Department noted savings of \$1.8 million as the department had a variety of vacancies that could not be filled during the fiscal year.
- Services and supplies were \$14.1 million, or 10.8%, less than budgeted. Mental Health noted savings of \$6.2 million as the program expansion is ongoing and it acquires owned properties resulting in a decrease in rent lease expenditure. \$1.9 million of expenditures were less than budgeted for Public Health as administrative support expenditures were allocated to California Children Services department. Correctional Health Systems health/hospital services expenditures were \$1.6 million less than budget.
- Other charges were \$52.7 million, or 25.2%, less than budgeted. \$23.4 million of the variance was due to expenditures for County match realignment being less as lower revenue was received from the state. \$20.5 million expenditures were less than budgeted in Medical Indigent Services Program due to AB 85; the County had a portion of its 1991 health realignment funds re-directed to the state due to Affordable Care Act expansion of coverage and a corresponding reduction in uninsured individuals for which the County is responsible. \$5.6 million savings in Mental Health was a result of contracted services for placement, psychological, private care and client housing being lower than expected. \$3.6 million of the variance is the result of intergovernmental activities, related to operating transfers in and out and elimination of transfers in and out within the same fund group.
- Capital assets were \$12.9 million, or 97.1%, less than budgeted primary due to Mental Health not performing the planned building improvements budgeted at \$12.0 million as the department is focusing on program expansion.
- Intrafund Transfers were \$27.8 million, or 29.2%, less than budgeted. Medical Indigent Services Program expenditures resulted in a decrease of \$18.7 million due to AB 85 as the County had a portion of its 1991 health realignment funds re-directed to the state due to Affordable Care Act expansion of coverage and a corresponding reduction in uninsured individuals for which the County is responsible. \$2.8 million in savings was also noted in Mental Health as contracted services with internal departments decreased resulting in lower expenditures and lower administrative costs.

## **Management's Discussion & Analysis (Unaudited)**

Public assistance: Actual expenditures were less than the final amended budget by \$77.1 million, or 7.7%.

- Salaries and employee benefits were \$15.7 million, or 4.6%, less than budgeted primarily due to Department of Public Social Services not hiring to the funded full-time employee levels.
- Services and supplies were \$34.1 million, or 23.1%, less than budgeted primarily due to Department of Public Social Services postponement of several new projects that had been budgeted and the cancellation of several information technology contracts.
- Other charges were \$26.7 million, or 5.3%, less than budgeted mainly due to the decrease in CalWorks Federal caseload by approximately 10%, or \$20 million.

Debt service: Actual expenditures were less than budgeted by \$19.2 million, or 48.0%.

- Principal on long-term debt was \$19.1 million, or 55.4%, less than budgeted. Primary variance is due to \$18.7 million being transferred from the general fund to the CORAL debt service fund.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

#### **Capital Assets**

As of June 30, 2016, the County's capital assets for both its governmental and business-type activities amounted to \$4.9 billion (net of accumulated depreciation). The capital assets include land easements, land improvements, structures and improvements, equipment, construction in progress, concession arrangements and infrastructure. The County's infrastructure is comprised of channels, storm drains, levees, basins, roads, traffic signals, bridges, runways, parks, park trails, and landfill liners. The County's capital assets increased by 4.8%, or \$222.2 million, from \$4.6 billion in fiscal year 2014-15 to \$4.9 billion in fiscal year 2015-16.

Major capital asset events during the current fiscal year included the following:

- Infrastructure increased approximately \$179.1 million which consisted of donated roads valued at \$13.1 million, \$40.4 million in flood storm drains and channels, and \$125.6 million in roads, traffic signals, bridges and other infrastructures transferred out of construction in progress.
- Additions of \$7.9 million in land were processed this fiscal year due to the following acquisitions: the Flood Control District had land additions of \$5.7 million related to the Wildomar Master Drainage Plan for \$3.3 million for the preservation of the floodplain, flood and storm waters and the purchase of approximately 6.65 acres of vacant unimproved land for \$1.5 million located between Glen Ivy Road and Squaw Mountain Road to protect the floodplain from development encroachment. The Economic Development Agency purchased various land parcels for approximately \$2.0 million for the Perris Fire Department, Lake Riverside Fire Station #77, and the land acquired equity interests from the Judicial Council of California for the Banning County Administrative Center/Courthouse property. The major retirement of land was due to Housing Authority selling Coachella land for \$3.0 million. Overall land & easement increased by \$4.7 million.
- Land improvements increased approximately \$7.0 million as a result of the completion of the parking lot expansion at the RUHS-MC.
- Structures and improvements increased approximately \$66.8 million as a result of the completion of major projects and acquisition of properties/structures. Major projects completed were as follows: Perris Aquatic Center for \$25.0 million and Jurupa Valley Aquatic Center Buildings A to D for \$21.3 million. The newly acquired properties were as follows: Coachella Valley Volunteer in Medicine Clinic for \$2.8 million; several housing assistance units related to the Housing Assistance Program for approximately \$1.5 million;

## Management's Discussion & Analysis (Unaudited)

the Banning County Administrative Center/Courthouse for \$1.2 million and the Perris Fire Administrative Building for approximately \$1.0 million.

- Equipment increased approximately \$21.3 million. The primary increase of \$11.1 million was due to the Fire and Fleet departments' acquisition of leased vehicles. The remaining balance of \$10.2 million was due to increases in communication and office equipment, software, equipment vehicles and other miscellaneous equipment throughout the County.
- During the current fiscal year, construction in progress experienced additions in the amount of \$319.7 million related to existing and new projects. The major increases were noted as follows: the Transportation and Land Management Agency incurred an additional \$176.6 million for projects related to streets, bridges, sidewalks and signal lights; the Flood Control District incurred \$49.1 million for storm drains and channels; the Economic Development Agency incurred \$57.4 million in costs for projects such as the East County Detention Center, the new secured Youth Rehabilitative Facility, and the remodeling of Public Defender Building; the RUHS-MC incurred \$21.9 million in cost for projects such as the new EPIC Software and the remodel of Spine Clinic Lower Level, the Nurse Education Building and the Emergency Room Expansion; the Crest project incurred an additional \$6.7 million towards the new integrated property management system. During the current year approximately \$376.4 million of completed projects were transferred out of construction in progress to other capital asset classifications which resulted in an overall decrease in construction in progress of approximately \$56.7 million.

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

<b>CAPITAL ASSETS (Net of Accumulated Depreciation)</b>							
<b>(In thousands)</b>							
	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2016	2015	2016	2015	2016	2015	%
Infrastructure	\$ 1,869,290	\$ 1,686,877	\$ 45,887	\$ 49,162	\$ 1,915,177	\$ 1,736,039	10.3%
Land and easements	537,586	529,885	21,359	24,359	558,945	554,244	0.8%
Land improvements	84	85	8,905	1,916	8,989	2,001	349.2%
Structures and improvements	1,218,915	1,168,032	128,610	112,646	1,347,525	1,280,678	5.2%
Equipment	233,044	213,558	32,764	30,998	265,808	244,556	8.7%
Construction in progress	709,599	757,220	56,380	65,464	765,979	822,684	-6.9%
Concession arrangements	-	-	8,830	8,830	8,830	8,830	0.0%
Total outstanding	\$ 4,568,518	\$ 4,355,657	\$ 302,735	\$ 293,375	\$ 4,871,253	\$ 4,649,032	4.8%

Additional information on the County's capital assets can be found in Note 8 on pages 76-78 of this report.

### Debt Administration

Per Board of Supervisors policy, the County's Debt Advisory Committee reviews all debt issuances of the County and its financing component unit organizations and advises the Board of Supervisors accordingly. Net bonded debt per capita equaled \$525.0 million as of June 30, 2016. The calculated legal debt limit for the County is \$3.0 billion.

## Management's Discussion & Analysis (Unaudited)

The following are credit ratings maintained by the County:

	<u>Moody's Investors Services, Inc.</u>	<u>Standard &amp; Poor's Corp.</u>	<u>Fitch</u>
Short-term notes	MIG1	SP-1+	F1+
Long-term general obligations	Aa3	AA	AA-

The table below provides summarized information (including comparative amounts from the preceding year) for the County's outstanding long-term liabilities as of June 30, 2016.

<b>COUNTY'S OUTSTANDING DEBT OBLIGATIONS</b>							
<b>(In thousands)</b>							
	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2016	2015	2016	2015	2016	2015	%
Loan payable	\$ 2,790	\$ 3,350	\$ -	\$ -	\$ 2,790	\$ 3,350	-16.7%
Bonds payable	1,195,027	1,141,497	106,428	119,917	1,301,455	1,261,414	3.2%
Certificates of participation	108,937	211,688	-	-	108,937	211,688	-48.5%
Capital leases	160,110	147,278	7,438	5,878	167,548	153,156	9.4%
Total outstanding	\$ 1,466,864	\$ 1,503,813	\$ 113,866	\$ 125,795	\$ 1,580,730	\$ 1,629,608	-3.0%

The County's total long-term debt decreased by 3.0%, or \$48.9 million, during the current fiscal year primarily due to three outstanding certificates of participation that were refunded by Lease Revenue Refunding Bond 2015 Series A. Additional information on the County's long-term debt can be found in Note 14 on pages 85-95 of this report.

### ECONOMIC FACTORS AND THE FISCAL YEAR 2016-17 BUDGET OUTLOOK

Beacon Economists' forecasts for long-term growth in Riverside County remain optimistic. The residential and nonresidential property markets continue to improve while unemployment rates continue to decline.

Decisions by the state in recent years to realign criminal justice funding and responsibilities shape essential public safety services. The adopted budget continues Board-approved initiatives related to the direct impacts of these decisions, as well as the costs of labor and pension increases. These initiatives are funded by a combination of general fund discretionary revenue and Proposition 172 public safety sales tax allocations. The County continues working closely with KPMG accounting and consulting firm and California Forward (a bipartisan governance reform organization) to analyze and implement cost-saving efficiencies in the County's criminal justice system, as well as internal services and other areas.

Fiscal year 2016-17 discretionary revenue is expected to increase by approximately 3.8% (\$28.0 million) when compared to the fiscal year 2015-16 adopted budget. The increase is primarily due to growth in assessed valuation for property values, which increase the amount of fiscal year 2016-17 estimated property tax revenue projection including redevelopment tax increment pass-through funds by \$25.1 million over fiscal year 2015-16.

## Management's Discussion & Analysis (Unaudited)

The following table reflects anticipated discretionary revenue totals and sources for fiscal year 2016-17.

Source	Final Budget Estimate (In millions)
Taxes	\$ 343,700
Other taxes	70,264
Licenses, permits, franchise taxes	4,408
Fines, forfeitures, penalties	20,909
Use of money and property	4,089
State	271,715
Federal	3,033
Miscellaneous	45,059
Total	<u>\$ 763,177</u>

The County's employee retirement benefit contribution rate for fiscal year 2016-17 for miscellaneous members is 16.5% and the safety contribution rate is 26.6%. The employer rate for both plans is subject to changes in future years, as it continues to reflect changes in investment return and the County's growth rate, among other factors. Fiscal year 2017-18 rates are projected at 17.7% (Miscellaneous) and 28.8% (Safety). Additional information regarding the County's retirement plans is included in Notes 20, 21, and 22 of the financial statements and schedules of changes in net pension liability and related ratios, contributions, and funding progress which are included in the required supplementary information section.

### Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Riverside, Office of the Auditor-Controller, County Administrative Center, 4080 Lemon Street - 11<sup>th</sup> Floor, P.O. Box 1326, Riverside, CA 92502-1326 Phone: (951) 955-3800; Fax: (951) 955-3802; website: [www.auditorcontroller.org/ReportsPublications](http://www.auditorcontroller.org/ReportsPublications).





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# **BASIC FINANCIAL STATEMENTS- GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**COUNTY OF RIVERSIDE**

Statement of Net Position

June 30, 2016

(Dollars in Thousands)

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Children and Families Commission	Palm Desert Financing Authority
<b>ASSETS:</b>					
Cash and investments (Note 4)	\$ 1,006,393	\$ 180,902	\$ 1,187,295	\$ 42,093	\$ -
Receivables, net (Notes 1 and 6)	432,053	197,611	629,664	4,041	1
Internal balances (Note 7)	109,711	(109,711)	-	-	-
Inventories	6,046	8,351	14,397	3	-
Prepaid items and deposits	4,310	4,400	8,710	3	-
Restricted cash and investments (Notes 4 and 5)	693,232	127,616	820,848	-	11,407
Other noncurrent receivables (Note 6)	23,434	-	23,434	-	31,141
Loans receivable (Note 6)	-	92,638	92,638	-	-
OPEB asset, net (Note 22)	32,780	-	32,780	-	-
Land held for resale	-	39,494	39,494	-	-
Capital assets (Note 8):					
Nondepreciable assets	1,247,185	86,569	1,333,754	373	-
Depreciable assets, net	3,321,333	216,166	3,537,499	1,834	-
Total assets	<u>6,876,477</u>	<u>844,036</u>	<u>7,720,513</u>	<u>48,347</u>	<u>42,549</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	545,416	68,035	613,451	416	-
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	136,111	24,863	160,974	2,789	84
Salaries and benefits payable	115,275	19,990	135,265	153	-
Due to other governments	53,165	157,967	211,132	-	-
Interest payable	7,762	247	8,009	-	397
Deposits payable	856	97	953	-	-
Advances from grantors and third parties (Note 12)	282,015	-	282,015	-	-
Notes payable (Note 13)	88,507	-	88,507	-	-
Other liabilities	1,062	31,236	32,298	-	-
Interest rate swap (Note 14)	29,091	-	29,091	-	-
Long-term liabilities (Note 14):					
Due within one year	289,780	35,343	325,123	74	5,880
Due beyond one year	3,304,971	523,805	3,828,776	1,819	34,521
Total liabilities	<u>4,308,595</u>	<u>793,548</u>	<u>5,102,143</u>	<u>4,835</u>	<u>40,882</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)	447,619	69,500	517,119	194	-
<b>NET POSITION:</b>					
Net investment in capital assets	3,240,888	112,906	3,353,794	2,207	-
Restricted for:					
Children's programs	-	-	-	41,527	-
Community development	147,900	-	147,900	-	-
Debt service	87,678	36,220	123,898	-	-
Health and sanitation	29,125	10,969	40,094	-	-
Public protection	91,694	-	91,694	-	-
Public ways and facilities	309,773	-	309,773	-	-
Other programs	1,526	2,052	3,578	-	-
Unrestricted	(1,242,905)	(113,124)	(1,356,029)	-	1,667
Total net position	<u>\$ 2,665,679</u>	<u>\$ 49,023</u>	<u>\$ 2,714,702</u>	<u>\$ 43,734</u>	<u>\$ 1,667</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

FUNCTION/PROGRAM ACTIVITIES:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 283,081	\$ 201,495	\$ 151,956	\$ 24,673
Public protection	1,328,608	398,070	358,299	-
Public ways and facilities	149,768	49,707	110,578	29,461
Health and sanitation	468,382	70,191	327,183	-
Public assistance	980,550	1,759	950,134	-
Education	23,283	1,357	8,752	-
Recreation and cultural	20,758	12,190	1,017	-
Interest on long-term debt	46,306	-	-	-
Total governmental activities	3,300,736	734,769	1,907,919	54,134
Business-type activities:				
Riverside University Health Systems -				
Medical Center	506,338	511,666	-	1,867
Waste Resources Department	75,358	75,436	-	-
Housing Authority	88,166	87,119	-	367
Flood Control	3,591	1,945	-	-
County Service Areas	413	360	-	-
Total business-type activities	673,866	676,526	-	2,234
Total primary government	\$ 3,974,602	\$ 1,411,295	\$ 1,907,919	\$ 56,368
Component units:				
Children and Families Commission	\$ 21,101	\$ -	\$ 21,309	\$ -
Palm Desert Financing Authority	6,972	8,239	-	-
Total component units	\$ 28,073	\$ 8,239	\$ 21,309	\$ -
General revenues:				
Taxes:				
Property taxes				
Sales and use taxes				
Other taxes				
Unrestricted intergovernmental revenue				
Investment earnings (loss)				
Other				
Transfers				
Total general revenues and transfers				
Changes in net position before extraordinary items				
Extraordinary items				
Extraordinary item				
Changes in net position				
NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)				
NET POSITION, END OF YEAR				

The notes to the basic financial statements are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Children and Families Commission	Palm Desert Financing Authority
\$ 95,043	\$ -	\$ 95,043		
(572,239)	-	(572,239)		
39,978	-	39,978		
(71,008)	-	(71,008)		
(28,657)	-	(28,657)		
(13,174)	-	(13,174)		
(7,551)	-	(7,551)		
(46,306)	-	(46,306)		
(603,914)	-	(603,914)		
-	7,195	7,195		
-	78	78		
-	(680)	(680)		
-	(1,646)	(1,646)		
-	(53)	(53)		
-	4,894	4,894		
(603,914)	4,894	(599,020)		
			\$ 208	\$ -
			-	1,267
			208	1,267
346,851	-	346,851	-	-
29,573	-	29,573	-	-
22,005	-	22,005	-	-
232,453	-	232,453	-	-
12,948	2,720	15,668	268	36
160,521	-	160,521	3	-
(22,478)	22,478	-	-	-
781,873	25,198	807,071	271	36
177,959	30,092	208,051	479	1,303
-	(2,803)	(2,803)	-	-
177,959	27,289	205,248	479	1,303
2,487,720	21,734	2,509,454	43,255	364
\$ 2,665,679	\$ 49,023	\$ 2,714,702	\$ 43,734	\$ 1,667

FUNCTION/PROGRAM ACTIVITIES:

Primary government:

Governmental activities:

General government  
Public protection  
Public ways and facilities  
Health and sanitation  
Public assistance  
Education  
Recreation and cultural  
Interest on long-term debt

Total governmental activities

Business-type activities:

Riverside University Health Systems -  
Medical Center  
Waste Resources Department  
Housing Authority  
Flood Control  
County Service Areas

Total business-type activities

Total primary government

Component units:

Children and Families Commission  
Palm Desert Financing Authority  
Total component units

General revenues:

Taxes:

Property taxes  
Sales and use taxes  
Other taxes  
Unrestricted intergovernmental revenue  
Investment earnings (loss)  
Other

Transfers

Total general revenues and transfers

Changes in net position before extraordinary items

Extraordinary items

Extraordinary item

Changes in net position

NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)

NET POSITION, END OF YEAR

The notes to the basic financial statements are an integral part of this statement.



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# **BASIC FINANCIAL STATEMENTS- FUND FINANCIAL STATEMENTS**







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**COUNTY OF RIVERSIDE**

Balance Sheet

Governmental Funds

June 30, 2016

(Dollars in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	General	Transportation	Flood Control	Teeter Debt Service
Assets:				
Cash and investments (Note 4)	\$ 135,255	\$ 134,567	\$ 215,355	\$ -
Accounts receivable (Notes 1 and 6)	14,674	308	196	-
Interest receivable (Note 6)	2,002	115	272	30
Taxes receivable (Note 6)	9,772	12	1,047	52,114
Due from other governments (Note 6)	345,183	6,494	1,038	-
Due from other funds (Note 7)	9,355	542	-	35
Inventories	2,006	1,041	-	-
Prepaid items and deposits	-	2,600	365	-
Restricted cash and investments (Notes 4 and 5)	332,543	-	2,174	44,255
Advances to other funds (Note 7)	7,369	-	-	-
Total assets	858,159	145,679	220,447	96,434
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 858,159	\$ 145,679	\$ 220,447	\$ 96,434
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 28,234	\$ 33,980	\$ 10,380	\$ -
Salaries and benefits payable	99,724	3,040	1,375	-
Due to other governments	51,497	1	754	-
Due to other funds (Note 7)	3,247	260	68	7,927
Deposits payable	52	421	-	-
Advances from grantors and third parties (Note 12)	253,740	20,707	500	-
Teeter notes payable (Note 13)	-	-	-	88,507
Advances from other funds (Note 7)	-	-	-	-
Total liabilities	436,494	58,409	13,077	96,434
Deferred inflows of resources (Note 15)	50,155	-	1,047	-
Fund balances (Note 16):				
Nonspendable	2,369	3,654	366	-
Restricted	99,639	68,191	205,957	-
Committed	40,310	2,847	-	-
Assigned	11,870	12,578	-	-
Unassigned	217,322	-	-	-
Total fund balances	371,510	87,270	206,323	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 858,159	\$ 145,679	\$ 220,447	\$ 96,434

The notes to the basic financial statements are an integral part of this statement.

Public Facilities Improvements Capital Projects	Public Financing Authority	Other Governmental Funds	Total Governmental Funds	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
\$ 140,970	\$ -	\$ 144,207	\$ 770,354	Assets:
-	-	2,516	17,694	Cash and investments (Note 4)
132	3	121	2,675	Accounts receivable (Notes 1 and 6)
-	-	1,381	64,326	Interest receivable (Note 6)
-	-	11,114	363,829	Taxes receivable (Note 6)
6,634	-	667	17,233	Due from other governments (Note 6)
-	-	-	3,047	Due from other funds (Note 7)
-	-	1,004	3,969	Inventories
-	252,179	62,081	693,232	Prepaid items and deposits
-	-	-	7,369	Restricted cash and investments (Notes 4 and 5)
147,736	252,182	223,091	1,943,728	Advances to other funds (Note 7)
-	-	-	-	Total assets
\$ 147,736	\$ 252,182	\$ 223,091	\$ 1,943,728	Deferred outflows of resources
				Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 9,667	\$ 19,582	\$ 6,078	\$ 107,921	Accounts payable
-	-	3,670	107,809	Salaries and benefits payable
-	-	856	53,108	Due to other governments
11	1,371	3,331	16,215	Due to other funds (Note 7)
-	-	383	856	Deposits payable
409	-	6,659	282,015	Advances from grantors and third parties (Note 12)
-	-	-	88,507	Teeter notes payable (Note 13)
4,000	-	-	4,000	Advances from other funds (Note 7)
14,087	20,953	20,977	660,431	Total liabilities
-	-	5	51,207	Deferred inflows of resources (Note 15)
				Fund balances (Note 16):
-	-	1,225	7,614	Nonspendable
119,441	231,229	168,868	893,325	Restricted
4,877	-	2,830	50,864	Committed
9,331	-	29,186	62,965	Assigned
-	-	-	217,322	Unassigned
133,649	231,229	202,109	1,232,090	Total fund balances
\$ 147,736	\$ 252,182	\$ 223,091	\$ 1,943,728	Total liabilities, deferred inflows of resources, and fund balances

The notes to the basic financial statements are an integral part of this statement.



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**COUNTY OF RIVERSIDE**

Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position  
June 30, 2016  
(Dollars in Thousands)

Fund balances - total governmental funds (page 33) \$ 1,232,090

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. 4,482,236

Net other post employment benefits (OPEB) assets, net pension liabilities, and deferred outflows and deferred inflows of resources related to pensions are not current financial resources and, therefore, are not reported in the governmental funds. (1,349,042)

Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements. 29,492

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable	\$ 1,195,027	
Capital lease obligations	97,807	
Certificates of participation	108,937	
Loans payable	2,790	
Accrued interest payable	7,762	
Accreted interest payable	147,804	
Accrued remediation cost	1,862	
Compensated absences	<u>225,902</u>	(1,787,891)

Internal service funds are used by management to charge the costs of equipment, fleet management, printing, information technology, supply services, risk management, and temporary assistance to individual funds. Since internal service funds predominantly service governmental activities, the assets and liabilities of these funds are included as governmental activities in the statement of net position.

58,794

Net position of governmental activities (page 27) \$ 2,665,679

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

	General	Transportation	Flood Control	Teeter Debt Service
<b>REVENUES:</b>				
Taxes	\$ 279,945	\$ 8,100	\$ 49,792	\$ -
Licenses, permits, and franchise fees	19,100	2,985	-	-
Fines, forfeitures, and penalties	73,198	21	-	-
Use of money and property:				
Investment earnings	6,728	566	1,317	159
Rents and concessions	10,491	-	269	-
Aid from other governmental agencies:				
Federal	572,267	53,808	-	-
State	1,238,292	75,143	602	-
Other	97,888	10,351	-	-
Charges for services	465,333	37,648	4,869	-
Other revenue	20,069	964	11,850	295
Total revenues	<u>2,783,311</u>	<u>189,586</u>	<u>68,699</u>	<u>454</u>
<b>EXPENDITURES:</b>				
Current:				
General government	113,779	-	-	-
Public protection	1,256,765	5,975	-	-
Public ways and facilities	-	183,905	101,388	-
Health and sanitation	468,272	-	-	-
Public assistance	918,963	-	-	-
Education	669	-	-	-
Recreation and culture	325	-	-	-
Debt service:				
Principal	15,386	-	-	-
Interest	5,369	-	-	-
Cost of issuance	-	-	-	373
Capital outlay	11,829	-	-	-
Total expenditures	<u>2,791,357</u>	<u>189,880</u>	<u>101,388</u>	<u>373</u>
Excess (deficiency) of revenues over (under) expenditures	(8,046)	(294)	(32,689)	81
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	114,185	20,193	-	-
Transfers out	(141,847)	(3,781)	(1,299)	(81)
Issuance of refunding bonds	-	-	-	-
Premium on long-term debt	-	-	-	-
Redemption of refunded debt	-	-	-	-
Capital leases	11,829	-	-	-
Total other financing sources (uses)	<u>(15,833)</u>	<u>16,412</u>	<u>(1,299)</u>	<u>(81)</u>
NET CHANGE IN FUND BALANCES	(23,879)	16,118	(33,988)	-
Fund balances, beginning of year, as previously reported	395,389	71,152	240,654	-
Adjustments to beginning fund balances (Note 3)	-	-	(343)	-
Fund balances, beginning of year, as restated	<u>395,389</u>	<u>71,152</u>	<u>240,311</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 371,510</u>	<u>\$ 87,270</u>	<u>\$ 206,323</u>	<u>\$ -</u>

The notes to the basic financial statements are an integral part of this statement.

Public Facilities Improvements Capital Projects	Public Financing Authority	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 60,302	\$ 398,139
-	-	697	22,782
-	-	1,130	74,349
703	676	1,587	11,736
352	-	40,583	51,695
-	-	60,889	686,964
24,673	-	6,634	1,345,344
29,264	-	25,662	163,165
38,455	-	39,672	585,977
2,030	-	14,726	49,934
95,477	676	251,882	3,390,085
78,792	-	26,762	219,333
-	-	8,381	1,271,121
224	-	13,914	299,431
-	-	1,750	470,022
-	-	65,000	983,963
-	-	19,334	20,003
-	-	23,907	24,232
-	-	53,565	68,951
-	-	38,722	44,091
-	-	522	895
-	70,574	10,397	92,800
79,016	70,574	262,254	3,494,842
16,461	(69,898)	(10,372)	(104,757)
21,052	-	194,805	350,235
(42,485)	(1,371)	(182,520)	(373,384)
-	-	72,825	72,825
-	-	7,612	7,612
-	-	(89,345)	(89,345)
-	-	-	11,829
(21,433)	(1,371)	3,377	(20,228)
(4,972)	(71,269)	(6,995)	(124,985)
138,621	302,498	208,607	1,356,921
-	-	497	154
138,621	302,498	209,104	1,357,075
\$ 133,649	\$ 231,229	\$ 202,109	\$ 1,232,090

#### REVENUES:

Taxes
Licenses, permits, and franchise fees
Fines, forfeitures, and penalties
Use of money and property:
Investment earnings
Rents and concessions
Aid from other governmental agencies:
Federal
State
Other
Charges for services
Other revenue
Total revenues

#### EXPENDITURES:

##### Current:

General government
Public protection
Public ways and facilities
Health and sanitation
Public assistance
Education
Recreation and culture

##### Debt service:

Principal
Interest
Cost of issuance

##### Capital outlay

Total expenditures
Excess (deficiency) of revenues over (under) expenditures

#### OTHER FINANCING SOURCES (USES):

Transfers in
Transfers out
Issuance of refunding bonds
Premium on long-term debt
Redemption of refunded debt
Capital leases
Total other financing sources (uses)

#### NET CHANGE IN FUND BALANCES

Fund balances, beginning of year, as previously reported
Adjustments to beginning fund balances (Note 3)
Fund balances, beginning of year, as restated
FUND BALANCES, END OF YEAR

The notes to the basic financial statements are an integral part of this statement.



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**COUNTY OF RIVERSIDE**  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

Net change in fund balances - total governmental funds (page 37) \$ (124,985)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay and other capital projects as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	\$ 383,418	
Less loss on disposal of capital assets	(768)	
Less current year depreciation	<u>(183,824)</u>	198,826

Pension expense is not recorded on the governmental funds but is recognized on the statement of net position and Other Post Employment Benefit (OPEB) costs are expended in the governmental funds when paid but are recognized as a financial resource in the statement of net position. 55,238

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Proceeds in excess of principal payments 47,809

Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Also, any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements. (660)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in accrued interest	1,022	
Change in accreted interest	(17,970)	
Change in long-term compensated absences	<u>(10,654)</u>	(27,602)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.

	<u>29,333</u>	
Change in net position of governmental activities (page 29)	<u>\$ 177,959</u>	

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Statement  
 General Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 280,250	\$ 277,739	\$ 279,945	\$ 2,206
Licenses, permits, and fees	17,498	17,526	19,100	1,574
Fines, forfeitures, and penalties	69,429	70,348	73,198	2,850
Use of money and property:				
Investment earnings	10,794	4,024	6,728	2,704
Rents and concessions	29,817	36,507	10,491	(26,016)
Aid from other governmental agencies:				
Federal	615,195	622,645	572,267	(50,378)
State	1,356,107	1,364,597	1,238,292	(126,305)
Other	94,097	94,097	97,888	3,791
Charges for services	540,130	485,237	465,333	(19,904)
Other revenue	98,170	62,128	20,069	(42,059)
Total revenues	<u>3,111,487</u>	<u>3,034,848</u>	<u>2,783,311</u>	<u>(251,537)</u>
<b>EXPENDITURES:</b>				
Current:				
General government:				
Salaries and employee benefits	98,076	98,875	93,944	(4,931)
Services and supplies	75,150	84,961	71,662	(13,299)
Other charges	96,178	59,505	7,989	(51,516)
Capital assets	3,698	3,671	626	(3,045)
Intrafund transfers	(56,988)	(58,575)	(60,442)	(1,867)
Appropriation for contingencies	35,515	13,448	-	(13,448)
Total general government	<u>251,629</u>	<u>201,885</u>	<u>113,779</u>	<u>(88,106)</u>
Public protection:				
Salaries and employee benefits	839,256	871,279	855,692	(15,587)
Services and supplies	389,958	381,556	355,381	(26,175)
Other charges	47,861	54,903	51,295	(3,608)
Capital assets	5,423	6,605	3,263	(3,342)
Intrafund transfers	(6,303)	(8,657)	(8,866)	(209)
Total public protection	<u>1,276,195</u>	<u>1,305,686</u>	<u>1,256,765</u>	<u>(48,921)</u>
Health and sanitation:				
Salaries and employee benefits	299,942	293,711	262,448	(31,263)
Services and supplies	128,285	130,205	116,092	(14,113)
Other charges	205,550	209,469	156,737	(52,732)
Capital assets	13,748	13,228	378	(12,850)
Intrafund transfers	(85,005)	(95,150)	(67,383)	27,767
Total health and sanitation	<u>562,520</u>	<u>551,463</u>	<u>468,272</u>	<u>(83,191)</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Statement  
 General Fund (Continued)  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Public assistance:				
Salaries and employee benefits	\$ 346,835	\$ 340,558	\$ 324,818	\$ (15,740)
Services and supplies	150,789	148,125	113,989	(34,136)
Other charges	506,332	505,601	478,950	(26,651)
Capital assets	1,090	2,027	1,610	(417)
Intrafund transfers	(240)	(240)	(404)	(164)
Total public assistance	1,004,806	996,071	918,963	(77,108)
Education:				
Salaries and employee benefits	338	334	334	-
Services and supplies	336	335	335	-
Total education	674	669	669	-
Recreation and culture:				
Salaries and employee benefits	126	127	115	(12)
Services and supplies	192	221	208	(13)
Other charges	3	3	2	(1)
Intrafund transfers	(1)	(1)	-	1
Total recreation and culture	320	350	325	(25)
Debt service:				
Principal	87,967	34,518	15,386	(19,132)
Interest	4,704	5,396	5,369	(27)
Total debt service	92,671	39,914	20,755	(19,159)
Capital outlay	-	-	11,829	11,829
Total expenditures	3,188,815	3,096,038	2,791,357	(304,681)
Excess (deficiency) of revenues over (under) expenditures	(77,328)	(61,190)	(8,046)	53,144
OTHER FINANCING SOURCES (USES):				
Transfers in	-	114,185	114,185	-
Transfers out	-	(141,847)	(141,847)	-
Capital leases	-	-	11,829	11,829
Total other financing sources (uses)	-	(27,662)	(15,833)	11,829
NET CHANGE IN FUND BALANCE	(77,328)	(88,852)	(23,879)	64,973
Fund balance, beginning of year	395,389	395,389	395,389	-
FUND BALANCE, END OF YEAR	\$ 318,061	\$ 306,537	\$ 371,510	\$ 64,973

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Statement  
 Transportation Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 7,945	\$ 7,945	\$ 8,100	\$ 155
Licenses, permits, and franchise fees	3,025	3,175	2,985	(190)
Fines, forfeitures, and penalties	21	21	21	-
Use of money and property:				
Investment earnings	155	155	566	411
Aid from other governmental agencies:				
Federal	41,116	41,116	53,808	12,692
State	52,886	52,886	75,143	22,257
Other	15,359	15,359	10,351	(5,008)
Charges for services	80,836	65,633	37,648	(27,985)
Other revenue	12,522	11,456	964	(10,492)
Total revenues	<u>213,865</u>	<u>197,746</u>	<u>189,586</u>	<u>(8,160)</u>
EXPENDITURES:				
Current:				
Public protection	7,555	7,909	5,975	(1,934)
Public ways and facilities	210,531	207,856	183,905	(23,951)
Total expenditures	<u>218,086</u>	<u>215,765</u>	<u>189,880</u>	<u>(25,885)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,221)	(18,019)	(294)	17,725
OTHER FINANCING SOURCES (USES):				
Transfers in	-	20,193	20,193	-
Transfers out	-	(3,781)	(3,781)	-
Total other financing sources (uses)	<u>-</u>	<u>16,412</u>	<u>16,412</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,221)	(1,607)	16,118	17,725
Fund balance, beginning of year	71,152	71,152	71,152	-
FUND BALANCE, END OF YEAR	<u>\$ 66,931</u>	<u>\$ 69,545</u>	<u>\$ 87,270</u>	<u>\$ 17,725</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Statement  
 Flood Control Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 47,910	\$ 47,910	\$ 49,792	\$ 1,882
Use of money and property:				
Investment earnings	798	798	1,317	519
Rents and concessions	104	104	269	165
Aid from other governmental agencies:				
State	577	577	602	25
Charges for services	3,857	3,857	4,869	1,012
Other revenue	31,877	31,877	11,850	(20,027)
Total revenues	<u>85,123</u>	<u>85,123</u>	<u>68,699</u>	<u>(16,424)</u>
EXPENDITURES:				
Current:				
Public ways and facilities	170,042	169,753	101,388	(68,365)
Total expenditures	<u>170,042</u>	<u>169,753</u>	<u>101,388</u>	<u>(68,365)</u>
Excess (deficiency) of revenues over (under) expenditures	(84,919)	(84,630)	(32,689)	51,941
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,299)	(1,299)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,299)</u>	<u>(1,299)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(84,919)	(85,929)	(33,988)	51,941
Fund balance, beginning of year, as previously reported	240,654	240,654	240,654	-
Adjustments to beginning fund balance	-	-	(343)	(343)
Fund balance, beginning of year, as restated	<u>240,654</u>	<u>240,654</u>	<u>240,311</u>	<u>(343)</u>
FUND BALANCE, END OF YEAR	<u>\$ 155,735</u>	<u>\$ 154,725</u>	<u>\$ 206,323</u>	<u>\$ 51,598</u>

The notes to the basic financial statements are an integral part of this statement.

# COUNTY OF RIVERSIDE

## Statement of Net Position

### Proprietary Funds

June 30, 2016

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
<b>ASSETS:</b>						
Current assets:						
Cash and investments (Note 4)	\$ 95,754	\$ 77,735	\$ 5,248	\$ 2,165	\$ 180,902	\$ 236,039
Accounts receivable - net (Notes 1 and 6)	47,814	5,537	303	232	53,886	5,913
Interest receivable (Note 6)	-	182	-	11	193	236
Taxes receivable (Note 6)	-	-	-	12	12	-
Due from other governments (Note 6)	141,882	178	1,450	10	143,520	814
Due from other funds (Note 7)	247	-	-	2	249	276
Advances to other funds (Note 7)	-	26,163	-	-	26,163	-
Inventories	8,091	260	-	-	8,351	2,999
Land held for sale	-	-	39,494	-	39,494	-
Prepaid items and deposits	4,400	-	-	-	4,400	341
Restricted cash and investments (Notes 4 and 5)	36,414	69,538	18,555	3,109	127,616	-
Total current assets	334,602	179,593	65,050	5,541	584,786	246,618
Noncurrent assets:						
Loans receivable (Note 6)	-	5,000	87,638	-	92,638	-
Capital assets (Note 8):						
Nondepreciable assets	52,962	29,547	4,060	-	86,569	979
Depreciable assets	151,885	56,720	7,548	13	216,166	85,303
Total noncurrent assets	204,847	91,267	99,246	13	395,373	86,282
Total assets	539,449	270,860	164,296	5,554	980,159	332,900
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	59,241	5,796	2,681	317	68,035	27,447
<b>LIABILITIES:</b>						
Current liabilities:						
Accounts payable	18,145	2,784	699	3,235	24,863	28,190
Salaries and benefits payable	18,821	1,116	-	53	19,990	7,466
Due to other governments	157,950	15	-	2	157,967	57
Due to other funds (Note 7)	1,310	-	-	3	1,313	230
Interest payable	244	-	3	-	247	-
Deposits payable	-	38	-	59	97	-
Other liabilities	28,405	636	2,074	121	31,236	1,062
Accreted interest payable (Note 14)	231	-	-	-	231	-
Accrued closure and post-closure costs (Notes 10 and 23)	-	799	-	-	799	-
Accrued remediation costs (Note 23)	-	805	-	-	805	-
Compensated absences (Notes 1 and 14)	16,516	1,186	220	13	17,935	11,509
Capital lease obligations (Note 14)	1,763	-	-	-	1,763	18,557
Bonds payable (Note 14)	13,635	-	175	-	13,810	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	43,073
Total current liabilities	257,020	7,379	3,171	3,486	271,056	110,144
Noncurrent liabilities:						
Compensated absences (Note 2)	8,135	1,779	1,976	92	11,982	3,710
Advances from other funds (Note 7)	22,163	-	1,527	-	23,690	5,842
Accreted interest payable (Note 14)	69,257	-	-	-	69,257	-
Accrued closure and post-closure care costs (Note 10)	-	79,132	-	-	79,132	-
Accrued remediation costs (Note 10 and 23)	-	39,439	-	-	39,439	-
Capital lease obligations (Notes 1 and 2)	5,675	-	-	-	5,675	43,746
Bonds payable (Note 14)	92,228	-	390	-	92,618	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	134,908
OPEB obligation, net (Notes 14 and 22)	-	116	-	-	116	-
Net pension liability (Note 20)	186,747	22,978	7,675	1,391	218,791	88,576
Other long-term liabilities (Note 14)	-	-	6,795	-	6,795	-
Total noncurrent liabilities	384,205	143,444	18,363	1,483	547,495	276,782
Total liabilities	641,225	150,823	21,534	4,969	818,551	386,926
DEFERRED INFLOWS OF RESOURCES (Note 15)	54,075	12,932	2,225	268	69,500	25,747
<b>NET POSITION:</b>						
Net investment in capital assets	21,814	86,267	4,812	13	112,906	23,979
Restricted for debt service	36,220	-	-	-	36,220	-
Restricted for health and sanitation	-	10,969	-	-	10,969	-
Restricted other	193	-	1,859	-	2,052	-
Unrestricted	(154,837)	15,665	136,547	621	(2,004)	(76,305)
Total net position	\$ (96,610)	\$ 112,901	\$ 143,218	\$ 634	160,143	\$ (52,326)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(111,120)	
Net position of business-type activities					\$ 49,023	

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University					Internal Service Funds
	Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	
OPERATING REVENUES:						
Net patient revenue (Notes 1 and 18)	\$ 415,335	\$ -	\$ -	\$ -	\$ 415,335	\$ -
Charges for services	42,426	73,734	1,848	2,130	120,138	315,043
Other revenue	53,905	1,702	85,271	175	141,053	42,442
Total operating revenues	511,666	75,436	87,119	2,305	676,526	357,485
OPERATING EXPENSES:						
Cost of materials used	-	213	-	-	213	1,527
Personnel services	279,010	17,910	11,515	999	309,434	112,285
Communications	2,825	248	108	2	3,183	8,874
Insurance	7,695	535	-	1	8,231	19,516
Maintenance of building and equipment	16,718	5,226	2,790	59	24,793	31,212
Insurance claims	-	41	-	-	41	156,078
Supplies	57,288	1,398	-	17	58,703	37,558
Purchased services	80,282	3,627	499	1,382	85,790	24,036
Depreciation and amortization	19,189	6,029	1,265	6	26,489	15,280
Rents and leases of equipment	3,696	2,179	-	9	5,884	53,692
Public assistance	-	5	70,179	-	70,184	-
Utilities	4,410	268	474	94	5,246	2,669
Remediation costs	-	554	-	-	554	-
Other	11,909	35,060	1,223	41	48,233	5,151
Total operating expenses	483,022	73,293	88,053	2,610	646,978	467,878
Operating income (loss)	28,644	2,143	(934)	(305)	29,548	(110,393)
NONOPERATING REVENUES (EXPENSES):						
Investment income	519	1,352	796	52	2,719	1,213
Interest expense	(10,381)	-	(113)	-	(10,494)	(3,236)
Gain (loss) on disposal of capital assets	-	101	-	-	101	1,007
Total nonoperating revenues (expenses)	(9,862)	1,453	683	52	(7,674)	(1,016)
Income (loss) before capital contributions and transfers	18,782	3,596	(251)	(253)	21,874	(111,409)
Capital contributions	1,867	-	367	-	2,234	123,577
Transfers in (Note 7)	26,500	-	-	-	26,500	4,999
Transfers out (Note 7)	(3,522)	(277)	(202)	(21)	(4,022)	(4,328)
Change in net position before extraordinary item	43,627	3,319	(86)	(274)	46,586	12,839
Extraordinary item	-	-	2,803	-	2,803	-
CHANGE IN NET POSITION	43,627	3,319	(2,889)	(274)	43,783	12,839
Net position, beginning of the year, as previously reported	(132,754)	110,145	145,715	908		(61,697)
Adjustments to beginning net position (Note 3)	(7,483)	(563)	392	-		(3,468)
Net position, beginning of the year, as restated	(140,237)	109,582	146,107	908		(65,165)
NET POSITION, END OF YEAR	\$ (96,610)	\$ 112,901	\$ 143,218	\$ 634		\$ (52,326)

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds (16,494)

Change in net position of business-type activities \$ 27,289

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
Cash flows from operating activities						
Cash receipts from customers / other funds	\$ 447,690	\$ 74,734	\$ 86,749	\$ 2,339	\$ 611,512	\$ 360,518
Cash paid to suppliers for goods and services	(110,315)	(52,140)	(75,184)	(1,603)	(239,242)	(328,968)
Cash paid to employees for services	(280,189)	(18,443)	(11,047)	(1,020)	(310,699)	(114,113)
Net cash provided by (used in) operating activities	57,186	4,151	518	(284)	61,571	(82,563)
Cash flows from noncapital financing activities						
Advances to (from) other funds	(3,693)	3,693	(73)	-	(73)	2,000
Transfers received	26,500	-	-	-	26,500	4,999
Transfers paid	(3,522)	(277)	(202)	(21)	(4,022)	(4,328)
Net cash provided by (used in) noncapital financing activities	19,285	3,416	(275)	(21)	22,405	2,671
Cash flows from capital and related financing activities						
Proceeds from sale of capital assets	-	101	-	1	102	1,109
Acquisition and construction of capital assets	(28,890)	(5,550)	(1,180)	-	(35,620)	(5,142)
Principal paid on capital leases	(2,142)	-	-	-	(2,142)	(13,570)
Capital contributions	1,867	-	367	-	2,234	123,577
Principal paid on bonds payable	(9,952)	-	(165)	-	(10,117)	-
Interest paid on long-term debt	(10,378)	-	(45)	-	(10,423)	(3,236)
Net cash provided by (used in) capital and related financing activities	(49,495)	(5,449)	(1,023)	1	(55,966)	102,738
Cash flows from investing activities						
Loans made to others	-	-	(2,278)	-	(2,278)	-
Investment Income	519	1,235	796	46	2,596	1,067
Net cash provided by (used in) investing activities	519	1,235	(1,482)	46	318	1,067
Net increase (decrease) in cash and cash equivalents	27,495	3,353	(2,262)	(258)	28,328	23,913
Cash and cash equivalents, beginning of year	104,673	143,920	26,065	5,532	280,190	212,126
Cash and cash equivalents, end of year	<u>\$ 132,168</u>	<u>\$ 147,273</u>	<u>\$ 23,803</u>	<u>\$ 5,274</u>	<u>\$ 308,518</u>	<u>\$ 236,039</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	\$ 95,754	\$ 77,735	\$ 5,248	\$ 2,165	\$ 180,902	\$ 236,039
Restricted cash and investments per Statement of Net Position	36,414	69,538	18,555	3,109	127,616	-
Total cash and cash equivalents per Statement of Net Position	<u>\$ 132,168</u>	<u>\$ 147,273</u>	<u>\$ 23,803</u>	<u>\$ 5,274</u>	<u>\$ 308,518</u>	<u>\$ 236,039</u>

The notes to the basic financial statements are an integral part of this statement.



**COUNTY OF RIVERSIDE**  
**Statement of Cash Flows**  
**Proprietary Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2016**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University					Internal
	Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ 28,644	\$ 2,143	\$ (934)	\$ (305)	\$ 29,548	\$ (110,393)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	19,189	6,029	1,265	6	26,489	15,280
Decrease (Increase) accounts receivable	9,288	(579)	(258)	35	8,486	3,480
Decrease (Increase) taxes receivable	-	-	-	(1)	(1)	-
Decrease (Increase) due from other funds	1,646	-	-	-	1,646	(159)
Decrease (Increase) due from other governments	(74,910)	(123)	(112)	-	(75,145)	(288)
Decrease (Increase) inventories	(172)	(11)	-	-	(183)	(85)
Decrease (Increase) prepaid items and deposits	(527)	-	-	-	(527)	(8)
Increase (Decrease) accounts payable	1,164	63	(4)	52	1,275	(695)
Increase (Decrease) due to other funds	879	(2,137)	(35)	1	(1,292)	63
Increase (Decrease) due to other governments	44,896	(5)	-	2	44,893	-
Increase (Decrease) deposits payable	-	-	-	2	2	-
Increase (Decrease) accrued closure costs	-	(827)	-	-	(827)	-
Increase (Decrease) accrued remediation costs	-	554	-	-	554	-
Increase (Decrease) other liabilities	28,268	12	128	(55)	28,353	(6,959)
Increase (Decrease) estimated claims liability	-	-	-	-	-	19,029
Increase (Decrease) net pension liability	28,520	3,371	1,409	206	33,506	13,210
Increase (Decrease) deferred pensions	(36,218)	(4,087)	(1,515)	(218)	(42,038)	(16,479)
Increase (Decrease) service concession arrangement	-	(435)	-	-	(435)	-
Increase (Decrease) salaries and benefits payable	2,947	204	-	(23)	3,128	934
Increase (Decrease) compensated absences	3,572	3	574	14	4,163	507
Increase (Decrease) OPEB obligation, net	-	(24)	-	-	(24)	-
Net cash provided by (used in) operating activities	<u>\$ 57,186</u>	<u>\$ 4,151</u>	<u>\$ 518</u>	<u>\$ (284)</u>	<u>\$ 61,571</u>	<u>\$ (82,563)</u>
Noncash investing, capital, and financing activities:						
Capital lease obligations	<u>\$ 3,702</u>				<u>\$ 3,702</u>	<u>\$ 29,820</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2016  
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust	Agency Funds
<b>ASSETS:</b>				
Cash and investments (Note 4)	\$ -	\$ -	\$ 109,026	\$ 302,921
Federal agency	-	3,264,196	-	-
Cash and cash equivalents	390	424,228	-	-
Mutual funds	31,556	-	-	-
Commercial paper	-	407,938	-	-
Municipal bonds	-	229,017	-	-
Bond - U.S. Treasury	-	303,531	-	-
Local agency obligation	-	213	-	-
Accounts receivable	177	3,861	916	388
Interest receivable	-	5,644	72	141
Taxes receivable	-	-	-	33,114
Due from other governments	-	-	2,813	-
Land held for sale	-	-	25,480	-
Total assets	<u>32,123</u>	<u>4,638,628</u>	<u>138,307</u>	<u>336,564</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	<u>-</u>	<u>-</u>	<u>6,457</u>	<u>-</u>
<b>LIABILITIES:</b>				
Accounts payable	-	-	11,285	191,628
Due to other governments	-	-	3	144,936
Note payable	-	-	744,318	-
Interest payable	-	-	8,941	-
Accreted interest payable	-	-	10,261	-
Other long-term liabilities	<u>-</u>	<u>-</u>	<u>1,039</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>775,847</u>	<u>\$ 336,564</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,042</u>	
<b>NET POSITION:</b>				
Held in trust for pension benefits, external pool participants, and other purposes	<u>\$ 32,123</u>	<u>\$ 4,638,628</u>	<u>\$ (633,125)</u>	

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF RIVERSIDE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2016**  
**(Dollars in Thousands)**

	Pension Trust	Investment Trust	Private- Purpose Trust
ADDITIONS:			
Employer contributions	\$ 639	\$ -	\$ -
Employee contributions	1,514	-	-
Contributions to pooled investments	-	26,773,837	-
Contributions to private-purpose trust	-	-	44,294
Investment income	205	-	(7,871)
Total additions	<u>2,358</u>	<u>26,773,837</u>	<u>36,423</u>
DEDUCTIONS:			
Distributions from pooled investments	-	26,437,164	-
Distributions from private-purpose trust	-	-	48,424
Administrative and other expenses	<u>2,028</u>	<u>-</u>	<u>-</u>
Total deductions	<u>2,028</u>	<u>26,437,164</u>	<u>48,424</u>
Change in net position	330	336,673	(12,001)
Net position held in trust, beginning of the year	<u>31,793</u>	<u>4,301,955</u>	<u>(621,124)</u>
Net position held in trust, end of the year	<u>\$ 32,123</u>	<u>\$ 4,638,628</u>	<u>\$ (633,125)</u>

The notes to the basic financial statements are an integral part of this statement.



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**BASIC FINANCIAL STATEMENTS-  
NOTES TO THE BASIC FINANCIAL  
STATEMENTS**



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The County of Riverside (the County) is a legal subdivision of the State of California charged with general governmental powers. The County's powers are exercised through a five member Board of Supervisors (the Board), which, as the governing body of the County, is responsible for the legislative and executive control of the County. Services provided by the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and culture services.

**Component Units**

While each of these component units is legally separate from the County, the County is financially accountable for these entities. Financial accountability is primarily demonstrated by the County's Board acting as, or appointing, the governing board for each of the component units and its ability to impose its will. Because of their relationship with the County and the nature of their operations, component units are, in substance, part of the County's operations and, accordingly, the activities of these component units are combined, or blended, with the activities of the County for purposes of reporting in the accompanying basic financial statements. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the County.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of fourteen component units have been included and combined with financial data of the County. Twelve component units have an integral relationship with and serve as an extension of the County. Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, management has determined that each entity is presented as a blended component unit due to the composition of each governing board and the control of the day-to-day activities through the budget process. Two component units are presented discretely. Each blended and discretely presented component unit has a June 30 fiscal year-end.

**Blended Component Units**

*Housing Authority of the County of Riverside (Housing Authority).* The Board is the governing body of the Housing Authority. Among its duties, it approves the Housing Authority's budget, rates and charges for the use of facilities, and appoints the management. The County is responsible for all financial debt. The Housing Authority is reported as a proprietary fund type.

*Riverside County Flood Control and Water Conservation District (Flood Control).* The Board is the governing body of Flood Control. Among its duties, it approves Flood Control's budget, tax rates, contracts, and appoints the management. The County is responsible for all financial debt. Flood Control is reported as both governmental and proprietary fund types.

*Riverside County Regional Park and Open-Space District (Park District).* The Board is the governing board of the Park District. Among its duties, it approves the Park District's budget, contracts, fees and charges for park use, and appoints the management. The County is responsible for all financial debt and management has operational responsibility. The Park District is reported as both governmental and fiduciary fund types.

*County of Riverside Asset Leasing Corporation (CORAL).* The Board appoints the governing board of CORAL and CORAL provides services entirely to the County through the purchase of land and construction of facilities, which are then leased back to the County. The County is responsible for all financial debt, and management has operational responsibility. CORAL is reported as a governmental fund type.

*Riverside County Service Areas (CSAs).* The Board is the governing body of the CSAs. Among its duties, it approves the CSAs' budgets, approves parcel fees, and appoints the management. The County is responsible for all financial debt and management has operational responsibility. The CSAs are reported as either governmental or proprietary fund types.

*Riverside County Public Financing Authority (Public Financing Authority).* The Board is the governing body of the Public Financing Authority. The Public Financing Authority was formed for the purpose of assisting in financing public improvements of the County, the Riverside County Redevelopment Successor Agency and other local agencies. The County is responsible for all financial debt and management has operational responsibility. The Public Financing Authority is reported as a governmental fund type.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Blended Component Units (Continued)**

*Riverside County Infrastructure Financing Authority (IFA).* The Board is the governing body of the IFA and the County is responsible for all its financial debt. The Riverside County Infrastructure Financing Authority (IFA) is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated September 15, 2015 by and between the County of Riverside and the Riverside County Flood Control and Water Conservation District. The IFA is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County. The Infrastructure Financing Authority is reported as a governmental fund type.

*County of Riverside District Court Financing Corporation (District Corporation).* The Board is the governing body of the District Corporation. The District Corporation assists the County by providing for the acquisition, construction and renovation of U.S. District Court facilities. The County is responsible for all financial debt, and management has operational responsibility. The District Corporation is reported as a governmental fund type.

*County of Riverside Bankruptcy Court Corporation (Bankruptcy Court).* The Board is the governing body of the Bankruptcy Court. The Bankruptcy Court assists the County by providing for the acquisition, construction and renovation of public facilities and improvements. The County is responsible for all financial debt, and management has operational responsibility. The Bankruptcy Court is reported as a governmental fund type.

*In-home Support Services Public Authority (IHSS PA).* The Board is the governing body of the IHSS PA. The IHSS PA acts as the employer of record for purposes of collective bargaining for Riverside In-home Supportive Services providers and performs other IHSS PA functions as required and retained by the County. Management has operational responsibility. The IHSS PA is reported as a governmental fund type.

*Perris Valley Cemetery District (the District).* The Board is the governing body of the District. The District is a public cemetery district operating under the provisions of the Health and Safety Code of the State of California. The District was created in July 1927 for the purpose of operating a public cemetery for the residents of Perris Valley. Management has operational responsibility. The District is reported as a governmental fund type.

*Inland Empire Tobacco Securitization Authority (the Authority).* The Board appoints two of the three members of the governing board of the Authority. The San Bernardino County Board of Supervisors appoints the third member. The Authority was created by a Joint Exercise of Powers Agreement (the Agreement) effective as of July 18, 2007, between Riverside County and San Bernardino County. The Authority was created for the purpose of securitizing the payments to be received by the County from the nation-wide Tobacco Settlement Agreement (the Payments) for such purposes, but not limited to, issuance, sale, execution and delivery of bonds secured by those Payments or the lending of money based on thereof, or to securitize, sell, purchase or otherwise dispose of some or all of such Payments of the County. The Authority is a blended component unit of the County because the Authority is providing services solely to the County and the County's Board has the ability to impose its will by removing the Authority's governing board at will. The County is responsible for all financial debt. The Authority is reported as a governmental fund type.

**Discretely Presented Component Units**

*Riverside County Children and Families Commission (the Commission).* The County Board established First 5 Riverside, also known as Riverside County Children and Families Commission, in 1999 under the provisions of the California Children and Families Act of 1998. The Commission was formed to develop, adopt, promote, and implement early childhood development programs.

A governing board of nine members, that administers the Commission, is appointed by the County Board. The Commission includes one member of the County Board. The Commission is a component unit of the County because the County's Board has the ability to remove some of the Commission's governing board at will. It is discretely presented because its governing board is not substantially the same as the County's governing board and it does not provide services entirely or exclusively to the County.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Discretely Presented Component Units (Continued)**

*Palm Desert Financing Authority (PDFA).* Is a joint powers authority between the County and Palm Desert Successor Agency (the Agency) established on January 1, 2002, under Section 6502 of the Joint Powers Act, California Government Code Section 6500. The County and the Agency agreed to create the PDFA for the purpose of establishing a vehicle to reduce local borrowing costs, promote greater use of existing and new financial instruments and mechanisms, and assist local agencies in the financing of public capital improvements. Although the PDFA is a legally separate entity, in substance under GASB Statement No. 61, the County is financially accountable for the PDFA's issuance of the lease revenue bond that is under the PDFA's management (2008 Series A).

The PDFA's commission is the governing body of the PDFA, which consists of the County Executive Officer, one member of the County Board, the Executive Director of the Agency and a member of the governing board. It is discretely presented because its governing board is not substantially the same as the County's governing board.

Additional detailed financial information for each of the discretely presented component units can be obtained from the Auditor-Controller's Office at the Robert T. Anderson Administrative Center, 4080 Lemon Street - 11<sup>th</sup> Floor, P.O. Box 1326, Riverside, CA 92502-1326.

**Presentation of Financial Information Related to County Fiduciary Responsibilities**

The basic financial statements also include an Investment Trust fund to account for cash and investments held by the County Treasurer for numerous self-governed school and special districts. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and other assets. School and special district boards that are separately elected and that are independent of the County Board, administer activities of the school districts and special districts. The County Auditor-Controller makes disbursements upon the request of the responsible self-governed special district officers. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County. Twenty-eight cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements since each entity conducts its own day-to-day operations and is controlled by its own governing board.

**Basis of Presentation**

*Government-wide Financial Statements*

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, excluding fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the County, and between the County and its discretely presented component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely, to a significant extent, on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Expenses by function have been adjusted for any internal service profit/loss existing at fiscal year-end. In addition, 40.07%, or \$21.1 million, of the County's \$52.6 million indirect costs, allocated through the Countywide Cost Allocation Program (COWCAP), have been included in the expenses of those functions, which can obtain reimbursement through State and Federal Programs or other charges. Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

*Fund Financial Statements*

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as *nonoperating* expenses.

The County reports the following major governmental funds:

*General fund* is the County's primary operating fund. It is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the general fund includes such activities as general government, public protection, health and sanitation, public assistance, education, and recreation and culture services.

*Transportation fund* accounts for revenue consisting primarily of the County's share of highway user taxes which are supplemented by Federal funds, vehicle code fines, and fees and reimbursements for engineering services provided. The fund was established to provide for maintenance and construction of roadways and for specialized engineering services to other governmental units and the public.

*Flood Control special revenue fund* accounts for revenues and expenditures related to providing flood control in various geographical zones. The fund is primarily financed by ad valorem property taxes, developer fees, and local cooperative agreements.

*Teeter debt service fund* accounts for revenue from the collection of delinquent taxes, which is then used to pay principal of the debt issued to finance the teeter plan.

*Public facilities improvements capital project fund* accounts for revenues and expenditures related to the acquisition and construction of public buildings and park or recreational facilities. Revenues are obtained from State funding, sale of capital assets, contributions, and from other funds when allocated by the Board.

*Public financing authority capital project fund* accounts for revenues and expenditures related to the acquisition and construction of the East County Detention Center. Revenues are obtained from State funding, and bond proceed.

The County reports the following major enterprise funds:

*Riverside University Health Systems - Medical Center (RUHS-MC)* accounts for the maintenance of physical plant facilities and quality care to all patients in accordance with accreditation standards; the bylaws, rules and regulations of the medical staff; and the RUHS-MC. Revenue for this fund is primarily from charges for services, and secondarily from the County's general fund.

*Waste Resources department (Waste Resources)* accounts for solid waste revenues, expenses, and the allocation of net income for solid waste projects initiated for the public's benefit. The fund facilitates management and accounting of solid waste projects. Waste Resources prepares and maintains the County's solid waste management plan, provides environmental monitoring in accordance with state and federal mandates, and administers landfill closure and acquisition.

*Housing Authority* was established to provide affordable, decent, safe housing opportunities to low and moderated income families including elderly and handicapped persons, while supporting programs to foster economic self-sufficiency.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

The County reports the following additional fund types:

*Internal service funds* account for the County's records management and archives, fleet services, central mail, printing services, supply services, purchasing, Riverside County Information Technology (RCIT) enterprise solutions division project (accounting, purchasing, and human resources information system), risk management, temporary assistance pool, custodial services, maintenance services, real estate, and flood control equipment on a cost-reimbursement basis. Internal service funds are presented in summary form as part of the proprietary fund financial statements. In the government-wide financial statements, the changes in net position at the end of the fiscal year, as presented in the statements of activities, were allocated to the functions of both the governmental and business-type activities, to reflect the entire activity for the year. Since the predominant users of the internal services are the County's governmental activities, the asset and liability balances of the internal service funds are consolidated into the governmental activities column at the government-wide level.

*Pension trust fund* accounts for resources held in trust for the members and beneficiaries of a defined benefit pension plan for County employees not eligible for social security or California Public Employees' Retirement System (CalPERS) participation. The County's pension trust fund uses the economic resources measurement focus and accrual basis of accounting.

*Investment trust fund* accounts for the external portion of the County Treasurer's investment pool. External investment pool participants include entities legally separate from the County, such as school and special districts governed by local boards, regional boards, and authorities. This fund accounts for assets, primarily cash and investments, held or invested by the County Treasurer and the related County liability to disburse these monies on demand to the related external entities. The County's investment trust fund uses the economic resources measurement focus and accrual basis of accounting.

*Private-purpose trust fund* accounts for resources held and administered by the County in a fiduciary capacity for individuals, private organizations, or other governments based on trust arrangements. The fund includes the Redevelopment Successor Agency, public guardian conservatorship, public social service foster care, and maintenance and children's trust. The County's private-purpose trust fund uses the economic resources measurement focus and accrual basis of accounting.

*Agency funds* account for assets held by the County in a custodial capacity. These funds only involve the receipt, temporary investment, and remittance to individuals, private organizations, or other governments and include property taxes and special assessments collected on behalf of cities, special districts, and other taxing agencies. The County's agency funds have an accrual basis of accounting but no measurement focus.

The government-wide, proprietary, pension trust, investment trust, and private-purpose trust fund 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 at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On an accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions occur. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental fund type financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues and other governmental fund type financial resources (e.g., bond issuance proceeds) are recognized when they become both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property and sales taxes are considered available for the year levied and are accrued when received within sixty days after fiscal year-end. Revenue received from expenditure driven (cost-reimbursement) grants, as defined by GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions, are considered available and accrued if expected to be received within twelve months after fiscal year-end. All other revenue streams are considered available and accrued if they are expected to be received within ninety days after the fiscal year-end. Since revenue from these sources are not available to meet current period liabilities, these sources are financed through proceeds received from Tax and Revenue Anticipation Notes

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

(TRANs) which are outstanding for a twelve month period. General capital assets acquisitions are reported as expenditures in governmental fund financial statements. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Reconciliations are presented to explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide financial statements. These reconciliations are presented because governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements for governmental activities.

*Cash and Investments*

The County pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance of the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the County's pooled investments.

For purposes of the statement of cash flows, the County considers all highly liquid investments (including restricted cash and investments) with an original maturity of three months or less when purchased to be cash equivalents.

Securities, including U.S. Treasury and Agency securities, are carried at fair value/cost based on current market prices on a monthly basis. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within ninety days of June 30, 2016, which are carried at cost. Bond anticipation notes are carried at fair value/cost. Commercial paper is carried at amortized cost/cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value. Mutual funds are carried at fair value based on the funds' share price. Local Agency Obligations are carried at cost based on the value of each participating dollar.

The fair value of a participant's position in the pool is not the same as the value of the pooled shares. The method used to determine the value of participants' equity withdrawn is based on the book value, amortized cost, and accrued interest of the participants' percentage participation at the date of such withdrawal.

State law requires that the County Treasurer hold all operating monies of the County, school districts, and certain special districts. Collectively, these mandatory deposits constituted approximately 77.9% of the funds on deposit in the County treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 22.1% of the total funds on deposit in the County treasury represented discretionary deposits.

*Receivables*

The RUHS-MC accounts receivable are reported at their gross value and, where appropriate, are reduced by contractual allowances and the estimated uncollectible amounts. The estimated allowance for uncollectibles and allowance for contractals are \$44.9 million and \$178.1 million, respectively. The RUHS-MC has contracted with a Medi-Cal managed care plan to provide services to patients enrolled with Medicare and Medi-Cal programs. The RUHS-MC receives a fixed monthly premium payment for each patient enrolled. Revenue under this agreement is recognized in the period in which the RUHS-MC is required to provide services.

*Property Taxes*

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and the Revenue and Taxation Code. Property is assessed by the County Assessor and State Board of Equalization at 100.0% of full cash or market value (with some exceptions) pursuant to Article XIII A of the California State Constitution and statutory provisions. The total for fiscal year 2015-16 gross assessed valuation (for tax purposes) of the County was \$243.0 billion.

The property tax levy to support general operations of the various local government jurisdictions is limited to 1.0% of the full cash value of taxable property and distributed in accordance with statutory formulas.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

Amounts needed to finance the annual requirements of voter-approved debt (approved by the electorate prior to June 30, 1978) are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

The County is divided into tax rate areas, which are unique combinations of various jurisdictions servicing a specific geographic area. The rates levied within each tax rate area vary only in relation to levies assessed as a result of voter-approved indebtedness.

Property taxes are levied on both real and personal property and are recorded as receivables at the date of levy. Secured property taxes are levied on or before the first business day of September of each year. These taxes become a lien on real property on January 1 proceeding the fiscal year for which taxes are levied. Tax payments can be made in two equal installments; the first is due November 1 and are delinquent with penalties after December 10; the second is due February 1 and are delinquent with penalties after April 10. Secured property taxes that are delinquent and unpaid as of June 30 are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due and any excess is remitted, if claimed, to the taxpayer.

Supplemental tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill.

Unsecured personal property taxes are not a lien against real property. These taxes are due on January 1, and become delinquent, if unpaid, on August 31.

During fiscal year 1993-94, the County authorized an alternative property tax distribution method referred to as the “teeter plan.” This method allows for a 100.0% distribution of the current secured property tax levy to entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes was distributed. This results in the general fund receiving distributions of approximately 50.0-55.0% in December, 40.0-45.0% in April and the remaining balance in the fall of each year. The teeter plan also provides that all of the payments of redemption penalties and interest on delinquent secured property taxes of participating agencies flow to a Tax Loss Reserve Fund (TLRF). Any amounts on deposit in the TLRF greater than 1.0% of the tax levy for participating entities may flow to the County general fund. For fiscal year 2015-16, \$7.0 million was transferred from the TLRF to the general fund.

*Prepaid Items and Inventories*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The prepaid assets recorded in the governmental funds do not reflect current appropriable resources and thus, an equivalent portion of fund balance is nonspendable. The consumption method is used to account for prepaid items. Under the consumption method, prepaid items are recorded as expenditures during the period benefited by the prepayment.

Inventories, which consist of materials and supplies held for consumption, are valued at the lower of cost (on a first-in, first-out basis) or market value in the proprietary funds. Inventories for all governmental funds are valued at average cost. The consumption method is used to account for inventories. Under the consumption method of accounting, inventories are recorded as expenditures when consumed rather than when purchased. Material amounts of inventory are reported as assets of the respective fund. Reported inventories of governmental funds are equally offset by a nonspendable fund balance reservation to indicate that portion of fund balance not available for future appropriation.

*Capital Assets*

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, traffic signals, park trails, and improvements, flood control channels,



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

storm drains, dams, and basins. The capitalization threshold for equipment is \$5.0 thousand; buildings, land and land improvements are \$1.0 thousand; and, infrastructure and intangibles are \$150.0 thousand. Betterments result in more productive, efficient, or long-lived assets. Significant betterments are considered capital assets when they result in an improvement of \$2.5 thousand or more.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide financial statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure	
Flood channels	99 years
Flood storm drains	65 years
Flood dams and basins	99 years
Roads	20 years
Traffic signals	10 years
Parks trails and improvements	20 years
Bridges	50 years
Buildings	25-50 years
Improvements	10-20 years
Equipment	2-20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities, or extend useful lives, are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the changes in financial position.

*Leases*

The County leases various assets under both operating and capital lease agreements. For governmental funds, assets under capital leases and the related lease obligations are reported in the government-wide financial statements. For proprietary funds, the assets and related lease obligations are recorded in the appropriate enterprise or internal service fund and the government-wide financial statements.

*Restricted Assets*

The County maintains various restricted asset accounts as a result of debt agreements and certain state statutes. The agreements authorizing the issuance of CORAL and Housing Authority obligations include certain covenants pertaining to the disposition of bond proceeds for construction, acquisition, and bond redemption purposes. Waste Resources has restricted assets to meet requirements of state and federal laws and regulations to finance closure and post-closure maintenance activities at landfill sites. The general fund has restricted assets for program money where use is legally or contractually restricted.

*Employee Compensated Absences*

County policy permits employees in some bargaining units to accumulate earned, but unused vacation, holiday, and sick pay benefits. Vacation and holiday pay are accrued when incurred. For other bargaining units, annual leave is earned and accrued, but not vacation or sick leave. Proprietary funds report accrued vacation and holiday pay as a liability of the individual fund while governmental funds record amounts that are due and payable at year-end as a liability of the fund and amounts due in the future as a liability in the government-wide financial statements. At June 30, 2016, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net position was \$271.0 million.

The County allows unlimited accumulation of sick leave. Upon service retirement, disability retirement, or death of an employee or officer, and subject to the provisions of any applicable agreement between the employing agency and CalPERS, unused accumulated sick leave for most employees with at least 5 but less than 15 years of service

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

shall be credited at the rate of 50.0% of current salary value thereof provided however, that the total payment shall not exceed a sum equal to 960 hours of full pay.

Unused accumulated sick leave for employees with more than 15 or more years of service shall be credited at the rate of the current salary value provided however, that the total payment shall not exceed a sum equal to 960 hours of full pay. In addition, the employee may also elect to place the payable amount of sick leave into a VEBA (Voluntary Employee Beneficiary Association) account, which may be used for future health care costs.

*Deferred Outflows and Inflows of Resources*

Pursuant to GASB Statement No. 63 and GASB Statement No. 65, the County recognizes deferred outflows of resources and inflows of resources. The deferred outflow of resources is defined as a consumption of net position by the government that is applicable to the future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. Refer to Note 15 for a detailed listing of the deferred inflows and outflows of resources the County has recognized.

*Long-term Debt*

The County reports long-term debt of governmental funds in the government-wide statement of net position. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide statement of net position. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary fund and the government-wide statement of net position.

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts, bond issuance costs, and deferred losses on refundings 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, and deferred losses on refundings.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Issuance costs are reported as debt service expenditures whether or not withheld from the actual debt proceeds received.

*Pensions*

For purposes of measuring the net pensions liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. 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.

*Landfill Closure and Post-Closure Care Costs*

Waste Resources provides for closure and post-closure care costs over the life of the operating landfills as the permitted airspace of the landfill is used. Accordingly, the entire closure and post-closure care cost is recognized as expense by the time the landfills are completely filled. Waste Resources also recognizes expense closure and post-closure care costs for inactive landfills that have been closed under state and federal regulations.

Waste Resources, under state and federal regulations, may be required to perform corrective action for contaminate releases at any of its active or inactive landfills. Waste Resources provides for remediation costs for landfills upon notification from the local water quality board that a specific landfill is considered to be in the evaluation monitoring phase. Upon notification, Waste Resources provides for these costs based on the most recent cost study information available.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

*Interfund Transactions*

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate. These transactions are subject to elimination upon consolidation and are referred to as either “due to/due from other funds” (the current portion of interfund loans) or “advances to/advances from other funds” (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the governmental fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are neither available for appropriation nor available as financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

*Net Position*

The government-wide financial statements and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted net position, or unrestricted net position.

*Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

*Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

*Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

*Fund Balance*

In the fund financial statements, fund balance may be categorized as nonspendable, restricted, committed, assigned, and unassigned. All of the County’s governmental fund balances will be comprised of the following categories:

- Nonspendable fund balance – amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.
- Restricted fund balance – amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance – amounts that are committed can only be used for specific purposes determined by formal action from the Board, the County’s highest level of decision-making authority. Commitments may be changed or lifted only by the County’s Board taking the same formal action that imposed the constraint originally.
- Assigned fund balance – amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. The Board delegates the County Executive Officer or an Executive Officer designee for the establishment of assignments within the general fund. Assigned amounts cannot cause a deficit in unassigned fund balance.
- Unassigned fund balance – funds that are not reported in any other category and are available for any purpose within the general fund.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

*Fund Balance Policy*

On September 13, 2011, the Board approved Policy B-30, Governmental fund balance policy to ensure fund balance is accurately classified and reported on the annual financial statements per GASB Statement No. 54. This policy applies to governmental fund types which include the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

The purpose of this policy is to establish the guidelines for:

- The use of reserves with a restricted purpose versus an unrestricted purpose when both are available for expenditures.
- The establishment of stabilization arrangements for governmental funds.
- The minimum fund balance allowable for governmental funds.

The Board establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution (ordinances and resolutions are considered of equal authority with respect to fund balance). This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

*Spending Prioritization for Fund Categories*

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Board to consider restricted amounts to be reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Board that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

*Minimum Fund Balance Policy for Governmental Funds*

Establishing guidelines for minimum fund balance for governmental funds is essential to ensuring a prudent level of fund balance is maintained for unanticipated expenditures, delays in revenue receipt, or revenue shortfalls.

The County shall commit a portion of the general fund for disaster relief. The use of these funds will be restricted to one-time or short-term expenditures that are the result of a natural disaster or act of terrorism. The funds restricted for this purpose shall be at least 2.0% of discretionary revenue or \$15.0 million, whichever is greater.

No formal action is required to remove an assignment. Assignments within the general fund must be established by the County Executive Officer or an Executive Officer designee.

Special revenue fund balances shall be kept at the higher of the minimum level dictated by the funding source or an amount that does not fall below zero. In the event that the fund balance drops below the established minimum levels, the department with primary responsibility for expending the special revenue will develop a plan to replenish the balance to established minimum levels within 2 years and submit the plan to the Board for approval.

The County shall maintain a minimum unassigned fund balance in its general fund of at least 25.0% of the fiscal year's estimated discretionary revenue. A significant portion of the minimum unassigned fund balance may be used for one-time or short-term expenditures caused by an economic crisis and should be designated within an "Economic Uncertainty" account. Use of these stabilization funds should be as the last resort in balancing the County budget. In the general fund unassigned fund balance, commitments for economic uncertainty are \$124.7 million and budget stabilization of \$50.6 million, which is 25.0% of discretionary revenue.

*Use of Estimates*

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Current Governmental Accounting Standards Board Statements**

*Governmental Accounting Standards Board Statement No. 72*

In February of 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. The objective of this statement is to address accounting and financial reporting issues related to fair value measurements. The statement provides guidance for determining a fair value measurement for financial reporting purposes. The statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. GASB Statement No. 72 is effective for periods reporting beginning after June 15, 2015.

*Governmental Accounting Standards Board Statement No. 73*

In June of 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. GASB Statement No. 73 is effective for reporting periods beginning after June 15, 2015.

*Governmental Accounting Standards Board Statement No. 76*

In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to identify in the context of current governmental financial reporting environment the hierarchy of generally accepted accounting principles. The “generally accepted accounting principles hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with accounting principles generally accepted in the United States of America and the framework for selecting those principles. GASB Statement No. 76 is effective for reporting periods beginning after June 15, 2015.

*Governmental Accounting Standards Board Statement No. 79*

In December of 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The objective of this statement is to address accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. GASB Statement No. 79 is effective for reporting periods beginning after December 15, 2015.

**Future Governmental Accounting Standards Board Statements**

*Governmental Accounting Standards Board Statement No. 74*

In June of 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. GASB Statement No. 74 is effective for reporting periods beginning after June 15, 2015. The County has elected not to early implement this statement

*Governmental Accounting Standards Board Statement No. 75*

In June of 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. GASB Statement No. 75 is effective for reporting periods beginning after June 15, 2015. The County has elected not to early implement this statement

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Future Governmental Accounting Standards Board Statements (Continued)**

*Governmental Accounting Standards Board Statement No. 77*

In August of 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this statement is to assure financial statements prepared by state and local governments in conformity with accounting principles generally accepted in the United States of America provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. GASB Statement No. 77 is effective for reporting periods beginning after December 15, 2015. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 78*

In December of 2015, GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this statement is to address a practice issue regarding the scope and the applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue is associated with pensions provided through certain multiple-employers defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. GASB Statement No. 78 is effective for reporting periods beginning after December 15, 2015. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 80*

In January of 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This statement amends the blending requirements established in paragraph 53 of Statement No. 14. GASB Statement No. 80 is effective for reporting periods beginning after June 15, 2016. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 81*

In March of 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situation in which a government is a beneficiary of the agreement. GASB Statement No. 81 is effective for reporting periods beginning after December 15, 2016. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 82*

In March 2016, GASB issued Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, No. 68 and No. 73*. The objective of this statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No.68*. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. GASB Statement No. 82 is effective for reporting periods beginning after June 15, 2016. The County has elected not to early implement this statement.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Data**

On or before October 2 of each fiscal year, after conducting public hearings concerning the proposed budget, the County Board adopts a budget in accordance with the provisions of Sections 29000-29144 and 30200 of the Government Code of the State of California (the Government Code), commonly known as the County Budget Act, and Board Resolution No. 90-338. Annual budgets are adopted on the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Budgeted governmental funds consist of the general fund, major funds, and some nonmajor funds (all special revenue funds, certain debt service funds, and certain capital projects funds). Annual budgets are not adopted for the following funds: CORAL, District Court Financing Corporation, the CORAL Capital Projects Fund, Redevelopment Agency (RDA) Housing Successor Agency, Public Financing Authority and the Perris Valley Cemetery Permanent Fund.

As adopted by the Board, expenditures are controlled by the County at the budgetary unit level, which is the organization level, for each appropriation (object) class. The appropriation classes are salaries and benefits, services and supplies, other charges, capital assets, transfers out, and intrafund transfers. The separately prepared Expenditure by Appropriation – Budget and Actual report, showing budgetary comparisons at the object level of control, is available in the Auditor-Controller's Office.

Each year the original budget, as published in a separate report titled the "Adopted Budget," is adjusted to reflect increases or decreases in revenues and changes in fund balance. These changes are offset by an equal change in available appropriations. The County Executive Officer is authorized by the Board to transfer appropriations between appropriation classes within the same budgetary unit. Transfers of appropriations between budgetary units require approval of the Board (legal level of control). Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act. All annual appropriations lapse at year-end.

Budgetary comparison statements are prepared for the general fund, special revenue funds, certain debt service funds, and certain capital projects funds. The budgetary comparison statements are a part of the basic financial statements. Each budgetary comparison statement provides three separate types of information: (1) the original budget; (2) the final amended budget, which included legally authorized changes regardless of when they occurred; and (3) the actual amount of inflows and outflows in the budget-to-actual comparison.

**Individual Fund Deficits**

For the year ended June 30, 2016, Enterprise funds (EF) and Internal Service Funds (ISF) individual Fund Deficits are as follows (In thousands):

Proprietary Funds:

EF - Riverside University Health Systems - Medical Center	\$	96,610
ISF - Information Services	\$	41,841
ISF - Risk Management	\$	30,807
ISF - EDA Facilities Management	\$	20,501

The primary reason for the fund deficits in all funds listed is due to net pension liability related to GASB Statement No. 68 Pension Statement.

**Excess of Expenditures over Appropriations**

For the year ended June 30, 2016, expenditures exceeded appropriations in capital outlay by \$11.8 million in the general fund. This excess of expenditures resulted from the acquisition of \$11.8 million of capital leases. Accordingly, this is being funded by other financing sources-capital leases.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 3 – RESTATEMENTS OF BEGINNING FUND BALANCES / NET POSITION**

The County's beginning net position has been restated to reflect the cumulative effect of prior year adjustments. A summary of the restatements as of June 30, 2016 is as follows (In thousands):

**Government-wide:**

Description	Primary Government	
	Governmental Activities	Business-type Activities
Government-wide net position as of June 30, 2015, as previously reported	\$ 2,526,438	\$ 29,388
Fund financial statements:		
Prior period adjustments:		
Lease revenue adjustment (1)	(343)	-
Prepaid item adjustment (2)	497	-
Correction of notes receivable (3)	-	392
Deferred inflows of resources adjustment (4)	(876)	(2,029)
Net pension liability adjustment (4)	(2,592)	(6,017)
Government-wide financial statements:		
Prior period adjustments:		
Deferred inflows of resources adjustment (4)	(8,931)	-
Net pension liability adjustment (4)	(26,473)	-
Net position as of June 30, 2015, as restated	<u>\$ 2,487,720</u>	<u>\$ 21,734</u>

**Fund Financials:**

	Governmental Funds		Proprietary Funds			
	Major Funds	Nonmajor Fund	Enterprise Funds			Internal Service Funds
		Regional Park and Open-Space Capital Projects	Riversity University Health Systems - Medical Center	Waste Resources	Housing Authority	Internal Service Funds
Description	Flood Control Special Revenue					
Fund balances as of June 30, 2015, as previously reported	\$ 240,654	\$ 6,966	\$ (132,754)	\$ 110,145	\$ 145,715	\$ (61,697)
Prior Period Adjustments:						
Lease revenue adjustment (1)	(343)	-	-	-	-	-
Prepaid item adjustment (2)	-	497	-	-	-	-
Correction of notes receivable (3)	-	-	-	-	392	-
Deferred inflows of resources (4)	-	-	(1,887)	(142)	-	(875)
Net pension liability adjustment (4)	-	-	(5,596)	(421)	-	(2,593)
Fund balances as of June 30, 2015, as restated	\$ 240,311	\$ 7,463	\$ (140,237)	\$ 109,582	\$ 146,107	\$ (65,165)

- (1) The adjustment was made due to the current year lease revenue being recorded in the prior fiscal year.
- (2) The adjustment was made to reflect various department numbers were linked to the incorrect fund.
- (3) The adjustment was made due to notes receivable not recording interest receivable in prior years.
- (4) The adjustment was made to reflect the prior period costs related to the implementation of the net pension liability.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 4 – CASH AND INVESTMENTS**

As of June 30, 2016, cash and investments are classified in the accompanying financial statements as follows (In thousands):

	Governmental	Business-type	Discretely Presented Component Units	Fiduciary Funds	Total
	Activities	Activities			
Cash and investments	\$ 1,006,393	\$ 180,902	\$ 42,093	\$ 5,073,016	\$ 6,302,404
Restricted cash and investments	693,232	127,616	11,407	-	832,255
Total cash and investments	\$ 1,699,625	\$ 308,518	\$ 53,500	\$ 5,073,016	\$ 7,134,659

As of June 30, 2016, cash and investments consist of the following (In thousands):

Deposits	\$ 416,739
Investments	6,717,920
Total cash and investments	<u>\$ 7,134,659</u>

**Investment in State Investment Pool**

The County 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 State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio and a monthly fair market valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's prorated 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. As of June 30 2016, CORAL has \$2.5 million, Housing Authority has \$3.2 million and RUHS-MC has \$0.7 million in LAIF.

Statement No. 79 establishes specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. The statement also establishes additional note disclosures for qualifying external investment pools. There was no material impact on the County's financial statement as a result of the implementation of Statement No. 79.

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements of the respective component units, rather than the general provisions of the California Government Code or the County's investment policy. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive to changes in market interest rates is its fair value. One of the ways the County Treasurer manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so a portion of the portfolio is maturing or coming close to maturity to ensure the cash flow and liquidity required for operations.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 4 – CASH AND INVESTMENTS (Continued)**

**Concentration of Credit Risk**

The investment policy of the County contains certain limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. In accordance with GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, the County should provide information about the concentration of credit risk associated with their investments in any one issuer that represent 5% or more of total County investments. These investments are identified on the investment table on page 66.

**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 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 California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. GASB Statement No. 40 requires that a disclosure is made with respect to custodial credit risks relating to deposits. The County has cash deposits with fiscal agents in excess of federal depository insurance limits held in collateralized accounts with securities held by Union Bank in the amount of \$265.0 million. Investment securities are registered and held in the name of the County.

**Credit Risk**

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.

**Investments Authorized by the California Government Code and the County's Investment Policy**

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, whichever is more restrictive. The table also identifies certain provisions that address interest rate, credit risk, and concentration of credit risk. A copy of the County's investment policy can be found at [www.treasurer-tax.co.riverside.ca.us](http://www.treasurer-tax.co.riverside.ca.us).

Authorized investment type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Municipal bonds (MUNI)	3 Years	15%	5% **
U.S. treasuries	5 Years	100%	N/A
Local agency obligations (LAO)	3 Years	2.5%	2.5%
Federal agencies	5 Years	100%	N/A
Commercial paper (CP)	270 Days	40%	5% *
Certificate & time deposits (NCD & TCD)	1 Year	25%	5% *
Repurchase agreements (REPO)	45 Days	40% / 25%	20%
Reverse REPOS	60 Days	10%	10%
Medium term notes (MTNO)	3 Years	20%	5% *
CalTRUST short term fund	Daily Liquidity	1%	1%
Money market mutual funds (MMF)	Daily Liquidity	20%	None
Local agency investment fund (LAIF)	Daily Liquidity	Max \$50M	N/A
Cash/deposit account	N/A	N/A	N/A

\* Maximum of 5% per issuer in combined commercial paper, certificate & time deposits, and medium term notes.

\*\* For credit rated below AA-/Aa3, 2% maximum in one issuer only for State of California debt.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 4 – CASH AND INVESTMENTS (Continued)**

**Investments Authorized by the California Government Code and the County's Investment Policy (Continued)**

As of June 30, 2016, the County and Component Units had the following investments (In thousands):

	Fair Value	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating
County treasurer investments					
Investments by fair value level					
Federal home loan bank	\$ 1,191,539	0.200 - 1.750%	07/16 - 04/21	0.65	N/A
Federal national mortgage association	653,011	0.145 - 1.800%	07/16 - 06/21	1.70	N/A
Federal home loan mortgage corp.	1,262,591	0.170 - 1.900%	07/16 - 06/21	2.57	N/A
U.S. treasuries	427,149	0.250 - 1.625%	07/16 - 10/19	1.13	N/A
Federal farm credit bonds	1,247,769	0.200 - 1.110%	07/16 - 05/21	1.03	N/A
Commercial paper	574,077	0.180 - 0.570%	07/16 - 11/16	0.16	A 1/P1
Municipal bonds zero coupon	72,937	0.180 - 0.260%	07/16 - 09/16	0.17	AA- <sup>(2)</sup>
Municipal bonds	249,350	0.300 - 2.250%	07/16 - 05/20	1.19	AA- <sup>(2)</sup>
Farmer mac	238,673	0.321 - 1.700%	07/16 - 07/19	0.65	N/A
Total county treasurer investments by fair value level	5,917,096				
Investments measured at amortized cost					
UB Managed Rate	70,000	0.093%	07/16	0.00	N/A
Money market mutual funds (3)	473,000	0.183 - 0.267%	07/16	0.00	AAA/Aaa
CalTRUST short term fund	54,000	0.552%	07/16	0.00	N/A
Local agency obligations	300	0.975%	06/20	3.96	N/A
Total investments measured at amortized cost	597,300				
Total county treasurer investments	6,514,396				
Investments outside the county treasury					
Blended component unit investments					
Investments by fair value level					
Money market funds	9,443	0.000%	N/A	0.00	Aaa
Money market funds	16,578	0.000%	N/A	0.00	AAA/Aaa
Money market funds	21,931	0.000%	N/A	0.00	N/A
U.S. treasury bond	894	0.000%	N/A	0.00	N/A
Total blended component unit investments by fair value level	48,846				
Investments measured at the net asset value (NAV)					
Trustee indenture funds	15,724	0.000%	N/A	0.00	N/A
Mutual funds	31,546	0.000%	N/A	0.00	N/A
Total blended component unit investments measured at the net asset value (NAV)	47,270				
Investments measured at amortized cost					
Money market funds	70,327	0.000%	N/A	0.00	AAA
Money market funds	583	0.000%	N/A	0.00	N/A
Cash held in trust	19	0.000%	N/A	0.00	N/A
Local agency investment funds	6,405	0.000%	N/A	0.00	N/A
Investment agreements	18,667	0.000%	N/A	0.00	N/A
Total blended component unit investments measured at amortized cost	96,001				
Total blended component unit investments	192,117				
Discretely presented component unit investments					
Palm desert financing authority					
Investments by amortized costs					
Money market funds	11,407	0.000%	N/A	0.45	AAA
Total discretely presented component unit investments by amortized cost	11,407				
Total investments outside the county treasury	203,524				
Total investments	\$ 6,717,920				

(1) Investment ratings are from Standard and Poor's Corporation (S&P) and Moody's Investors Services, Inc. (Moody's)

(2) A rating permitted for the State of California securities.

(3) Government Code requires money market mutual funds to be rated.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 4 – CASH AND INVESTMENTS (Continued)**

**Fair Value Measurements**

The County has the following recurring fair value measurements as of June 30, 2016 (In thousands):

Rating (1) June 30, 2016	% of Portfolio	Fair Value Measurements Using			June 30, 2016	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
						Investments at by fair value level
						County treasurer investments
						Investments by fair value level
AA+/Aaa	18.29%	\$ 397,802	\$ 793,737	\$ -	\$ 1,191,539	Federal home loan bank
AA+/Aaa	10.02%	653,011			653,011	Federal national mortgage association
AA+/Aaa	19.38%	1,262,591			1,262,591	Federal home loan mortgage corp.
AA+/Aaa	6.56%	427,149			427,149	U.S. treasuries
AA+/Aaa	19.15%	1,247,769			1,247,769	Federal farm credit bonds
A1/P1	8.81%		574,077		574,077	Commercial paper
AA/Aa2	1.12%		72,937		72,937	Municipal bonds zero coupon
AAA/Aaa	3.83%		249,350		249,350	Municipal bonds
N/R	3.66%	238,673			238,673	Farmer mac
	90.83%	4,226,995	1,690,101	-	5,917,096	Total county treasurer investments by fair value level
						Investments measured at amortized cost
N/R	1.07%				70,000	UB Managed Rate
AAA/Aaa	7.26%				473,000	Money market mutual funds (3)
AAA/Aaa	0.83%				54,000	CalTRUST short term fund
N/R	0.00%				300	Local agency obligations
	9.17%				597,300	Total investments measured at amortized cost
	100.00%				6,514,396	Total county treasurer investments
						Investments outside the county treasury
						Blended component unit investments
						Investments by fair value level
Aaa	4.92%		9,443		9,443	Money market funds
AAA/Aaa	8.63%	16,578			16,578	Money market funds
N/R	11.42%	21,931			21,931	Money market funds
N/R	0.47%	894			894	U.S. treasury bond
	25.43%	39,403	9,443	-	48,846	Total blended component unit investments by fair value level
						Investments measured at the net asset value (NAV)
N/R	8.18%				15,724	Trustee indenture funds
N/R	16.42%				31,546	Mutual funds
	24.60%				47,270	Total blended component unit investments measured at the net asset value (NAV)
						Investments measured at amortized cost
AAA	36.61%				70,327	Money market funds
N/R	0.30%				583	Money market funds
N/R	0.01%				19	Cash held in trust
N/R	3.33%				6,405	Local agency investment funds
AAA	9.72%				18,667	Investment agreements
	49.97%				96,001	Total blended component unit investments measured at amortized cost
	100.00%				192,117	Total blended component unit investments
						Discretely presented component unit investments
						Palm desert financing authority
						Investments by amortized costs
AAA	100.00%				11,407	Money market funds
	100.00%				11,407	Total discretely presented component unit investments by amortized cost
		39,403	9,443	-	203,524	Total investments outside the county treasury
		\$ 4,266,398	\$ 1,699,544	\$ -	\$ 6,717,920	Total investments

The County and its Component Units categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets for identical assets; • Level 2: Investments reflect prices quoted similar observable assets; and,
- Level 3: Investments reflect process based upon unobservable resources.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 5 – RESTRICTED CASH AND INVESTMENTS**

The amount of assets restricted by legal and contractual requirements at June 30, 2016 is as follows (In thousands):

**Governmental Activities**

<b>General Fund Restricted Program Money</b>		\$ 332,543
<b>Flood Control Restricted Program Money</b>		2,174
<b>Teeter Debt Service Commercial Paper Notes</b>		44,255
<b>Public Financing Authority</b>		252,179
<b>Other Governmental Funds</b>		
1990 Monterey Avenue	117	
2006 A Capital Improvements	8	
2007 A Public Safety & Refunding	5,836	
2008 A Southwest Justice Center	2,049	
2009 Larson Justice Center	2,761	
2009 Public Safety & Woodcrest Lib Refunding	1,185	
2012 CAC Annex	2,549	
2013A PD/ Probation and Bldg & Technology	11,598	
2014 A/B Court Facilities Projects	2,455	
District Court Financing Corporation	1,964	
Infrastructure Financing Authority	94	
Inland Empire Tobacco Securitization	19,537	
Public Financing Authority	11,928	62,081
<b>Total Governmental Activities</b>		<b><u>693,232</u></b>

**Business-type Activities**

<b>Riverside University Health Systems - Medical Center</b>		
Hospital Bonds	35,540	
Restricted Program Money	874	36,414
<b>Waste Resources</b>		
Remediation costs	30,894	
Closure and post-closure care costs	30,430	
Customer deposits	481	
Advances from grantors & 3rd parties	591	
Deposit payable	38	
Deferred inflow of resources	7,104	69,538
<b>Housing Authority</b>		18,555
<b>Other Enterprise Funds Restricted Program Money - Flood</b>		3,109
<b>Total Business-type Activities</b>		<b><u>127,616</u></b>

**Discretely Presented Component Unit**

<b>Palm Desert Financing Authority Investments</b>	11,407	
<b>Total Discretely Presented Component Unit</b>	<b><u>11,407</u></b>	
<b>Total Restricted Cash and Investments</b>		<b><u>\$ 832,255</u></b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 6 – RECEIVABLES**

Receivables at year-end of major individual funds, nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows (In thousands):

<b>Receivables</b>					Total
<b>Governmental activities:</b>					Governmental
	Accounts	Interest	Taxes	Due From Other Govts	Activities
General fund	\$ 14,674	\$ 2,002	\$ 9,772	\$ 345,183	\$ 371,631
Transportation	308	115	12	6,494	6,929
Flood Control	196	272	1,047	1,038	2,553
Teeter debt service	-	30	52,114	-	52,144
Public facilities improvements	-	132	-	-	132
Public Financing Authority	-	3	-	-	3
Nonmajor governmental funds	2,516	121	1,381	11,114	15,132
Internal service funds	5,913	236	-	814	6,963
Total receivables	<u>\$ 23,607</u>	<u>\$ 2,911</u>	<u>\$ 64,326</u>	<u>\$ 364,643</u>	<u>\$ 455,487</u>

<b>Receivables</b>					Due From	Allowance for	Total
<b>Business-type activities:</b>					Other Govts	Uncollectibles	Business-type
	Accounts	Interest	Taxes	Loans			Activities
Riverside University Health Systems -							
Medical Center	\$ 270,835	\$ -	\$ -	\$ -	\$ 141,882	\$ (223,021)	\$ 189,696
Waste Resources	5,537	182	-	5,000	178	-	10,897
Housing Authority	257,122	-	-	87,638	1,450	(256,819)	89,391
Nonmajor funds	232	11	12	-	10	-	265
Total receivables	<u>\$ 533,726</u>	<u>\$ 193</u>	<u>\$ 12</u>	<u>\$ 92,638</u>	<u>\$ 143,520</u>	<u>\$ (479,840)</u>	<u>\$ 290,249</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 7 – INTERFUND TRANSACTIONS**

**(a) Interfund Receivables/ Payables**

The composition of interfund balances as of June 30, 2016 is as follows (In thousands):

<i>Due to/from other funds :</i>	<u>Receivable Fund</u>			
Payable Fund	General Fund	Transportation	Teeter Debt Service	Public Facilities Improvements Capital Projects
General Fund				
Capital projects	\$ -	\$ -	\$ -	\$ 2,846
Delinquent property tax	-	-	35	-
Interfund activity	-	3	-	-
<b>Total General Fund</b>	-	-	-	-
Transportation				
Interfund activity	258	-	-	-
<b>Total Transportation</b>	-	-	-	-
Flood Control				
Interfund activity	-	-	-	-
<b>Total Flood Control</b>	-	-	-	-
Teeter Debt Service				
Interfund activity	7,927	-	-	-
<b>Total Teeter Debt Service</b>	-	-	-	-
Public Facilities Improvements Capital Projects				
Capital projects	11	-	-	-
<b>Total Public Facilities Imprv Cap Proj</b>	-	-	-	-
Public Financing Authority				
Capital projects	-	-	-	1,371
<b>Total Public Financing Authority</b>	-	-	-	-
Other Governmental Funds				
Capital projects	560	280	-	1,556
Interfund activity	11	259	-	-
<b>Total Other Governmental Funds</b>	-	-	-	-
Riverside University Health Systems-Medical Center				
Capital projects	-	-	-	860
Interfund activity	-	-	-	-
Law Enforcement	422	-	-	-
<b>Total Riverside University Health Systems-Medical Center</b>	-	-	-	-
Other Enterprise Funds				
Interfund activity	-	-	-	-
<b>Total Other Enterprise Funds</b>	-	-	-	-
Internal Service Funds				
Interfund activity	166	-	-	1
<b>Total Internal Service Funds</b>	-	-	-	-
<b>Total Receivable</b>	<u>\$ 9,355</u>	<u>\$ 542</u>	<u>\$ 35</u>	<u>\$ 6,634</u>

These interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, and (2) payments between funds are made.

*Advances to/from other funds:*

The General Fund advanced \$3.4 million to the Economic Development Agency for the internal service fund start up costs.  
The General Fund advanced Housing Authority \$1.5 million to pay off the principal and interest on predevelopment loans.  
The General Fund advanced \$2.5 million to Riverside County Information Technology for technology initiative costs.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 7 – INTERFUND TRANSACTIONS (Continued)**

**(a) Interfund Receivables/ Payables (Continued)**

Receivable Fund					
Other Governmental Funds	Riverside University Health Systems-Medical Center	Other Enterprise Funds	Internal Service Funds	Total Payable	
					General Fund
\$ -	\$ -	\$ -	\$ -	\$ 2,846	Capital projects
-	-	-	-	35	Delinquent property tax
-	247	-	116	366	Interfund activity
-	-	-	-	3,247	<b>Total General Fund</b>
					Transportation
2	-	-	-	260	Interfund activity
-	-	-	-	260	<b>Total Transportation</b>
					Flood Control
-	-	2	66	68	Interfund activity
-	-	-	-	68	<b>Total Flood Control</b>
					Teeter Debt Service
-	-	-	-	7,927	Interfund activity
-	-	-	-	7,927	<b>Total Teeter Debt Service</b>
					Public Facilities Improvements Capital Projects
-	-	-	-	11	Capital projects
-	-	-	-	11	<b>Total Public Facilities Imprv Cap Proj</b>
					Public Financing Authority
-	-	-	-	1,371	Capital projects
-	-	-	-	1,371	<b>Total Public Financing Authority</b>
					Other Governmental Funds
-	-	-	-	2,396	Capital projects
665	-	-	-	935	Interfund activity
-	-	-	-	3,331	<b>Total Other Governmental Funds</b>
					Riverside University Health Systems-Medical Center
-	-	-	-	860	Capital projects
-	-	-	28	28	Interfund activity
-	-	-	-	422	Law Enforcement
-	-	-	-	1,310	<b>Total Riverside University Health Systems-Medical Center</b>
					Other Enterprise Funds
-	-	-	3	3	Interfund activity
-	-	-	-	3	<b>Total Other Enterprise Funds</b>
					Internal Service Funds
-	-	-	63	230	Interfund activity
-	-	-	-	230	<b>Total Internal Service Funds</b>
<b>\$ 667</b>	<b>\$ 247</b>	<b>\$ 2</b>	<b>\$ 276</b>	<b>\$ 17,758</b>	<b>Total Receivable</b>

*Advances to/from other funds (Continued):*

Waste Management advanced \$4.0 million to Public Facilities Capital Project Improvement Fund for East County Detention Center.  
Waste Management advanced \$22.2 million to RUHS-MC for Huron Consulting Services.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 7 – INTERFUND TRANSACTIONS (Continued)**

**Transfers**

(b) Between Funds within the Governmental Activities:<sup>1</sup>

Transfer Out	Transfer In		
	General Fund	Transportation	Public Facilities Improvements Capital Projects
General Fund			
*To finance capital projects	\$ -	\$ -	\$ 17,469
*For debt service payments	-	-	-
*Operating contribution	-	4,517	-
*For professional services	-	3,388	-
*To fund pension obligation	-	-	-
<b>Total general fund</b>	-	-	-
Transportation			
*To finance capital projects	-	-	177
*For professional services	2,180	-	-
*To fund pension obligation	-	-	-
<b>Total transportation</b>	-	-	-
Flood Control			
*For debt service payments	-	-	-
*Operating contribution	-	-	-
<b>Total Flood Control</b>	-	-	-
Teeter Debt Service			
*For debt service payments	81	-	-
<b>Total teeter debt service</b>	-	-	-
Public Facilities Improvements Capital Projects			
*To finance capital projects	24,121	9,602	-
*For professional services	3	74	-
<b>Total public facilities imprv cap proj</b>	-	-	-
Public Financing Authority			
*For debt service payments	-	-	1,371
<b>Total public financing authority</b>	-	-	-
Other Governmental Funds			
*To finance capital projects	-	90	1,723
*For debt service payments	28,367	-	-
*For Fire protection services	48,125	-	-
*For professional services	9,560	2,522	-
*Operating contribution	870	-	312
*To fund pension obligation	178	-	-
<b>Total other governmental funds</b>	-	-	-
RUHS - MC			
*To fund pension obligation	-	-	-
<b>Total RUHS - MC</b>	-	-	-
Waste Resources			
*To fund pension obligation	-	-	-
<b>Total Waste Resources</b>	-	-	-
Housing Authority			
*To fund pension obligation	-	-	-
<b>Total Housing Authority</b>	-	-	-
Other Enterprise Funds			
*Reimbursement	-	-	-
<b>Total other enterprise funds</b>	-	-	-
Internal Service Funds			
*For business services	-	-	-
*Operating contribution	700	-	-
*To fund pension obligation	-	-	-
<b>Total internal service funds</b>	-	-	-
<b>Total transfers in</b>	<b>\$ 114,185</b>	<b>\$ 20,193</b>	<b>\$ 21,052</b>

1) These transfers were eliminated in the consolidation, by column, for the Governmental and Business-type Activities.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 7 – INTERFUND TRANSACTIONS (Continued)**

**Transfers (Continued)**

(b) Between Governmental and Business-type Activities:

Transfers In				
Other Governmental Funds	Riverside University Health Systems-Medical Center	Internal Service Funds	Total Transfers Out	*Principal purpose for transfer
General Fund				
\$ -	\$ -	\$ -	\$ 17,469	*To finance capital projects
53,524	10,000	-	63,524	*For debt service payments
10,686	10,000	3,234	28,437	*Operating contribution
3,591	-	-	6,979	*For professional services
25,438	-	-	25,438	*To fund pension obligation
-	-	-	141,847	<b>Total general fund</b>
Transportation				
-	-	-	177	*To finance capital projects
482	-	-	2,662	*For professional services
942	-	-	942	*To fund pension obligation
-	-	-	3,781	<b>Total transportation</b>
Flood Control				
1,010	-	-	1,010	*For debt service payments
-	-	289	289	*Operating contribution
-	-	-	1,299	<b>Total Flood Control</b>
Teeter Debt Service				
-	-	-	81	*For debt service payments
-	-	-	81	<b>Total teeter debt service</b>
Public Facilities Improvements Capital Projects				
2,174	6,500	-	42,397	*To finance capital projects
11	-	-	88	*For professional services
-	-	-	42,485	<b>Total public facilities imprv cap proj</b>
Public Financing Authority				
-	-	-	1,371	*For debt service payments
-	-	-	1,371	<b>Total public financing authority</b>
Other Governmental Funds				
-	-	-	1,813	*To finance capital projects
79,929	-	-	108,296	*For debt service payments
-	-	-	48,125	*For Fire protection services
8,375	-	-	20,457	*For professional services
1,862	-	-	3,044	*Operating contribution
607	-	-	785	*To fund pension obligation
-	-	-	182,520	<b>Total other governmental funds</b>
RUHS - MC				
3,522	-	-	3,522	*To fund pension obligation
-	-	-	3,522	<b>Total RUHS - MC</b>
Waste Resources				
277	-	-	277	*To fund pension obligation
-	-	-	277	<b>Total Waste Resources</b>
Housing Authority				
202	-	-	202	*To fund pension obligation
-	-	-	202	<b>Total Housing Authority</b>
Other Enterprise Funds				
-	-	21	21	*Reimbursement
-	-	-	21	<b>Total other enterprise funds</b>
Internal Service Funds				
-	-	1,455	1,455	*For business services
-	-	-	700	*Operating contribution
2,173	-	-	2,173	*To fund pension obligation
-	-	-	4,328	<b>Total internal service funds</b>
\$ 194,805	\$ 26,500	\$ 4,999	\$ 381,734	<b>Total transfers in</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows (In thousands):

	Balance July 1, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
<b>Governmental activities:</b>					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 529,885	\$ 7,889	\$ (188)	\$ -	\$ 537,586
Construction in progress	757,220	295,880	(221)	(343,280)	709,599
Total capital assets, not being depreciated	1,287,105	303,769	(409)	(343,280)	1,247,185
<i>Capital assets, being depreciated:</i>					
Infrastructure					
Flood channels	266,840	-	-	1,656	268,496
Flood storm drains	423,741	1,094	-	27,064	451,899
Flood dams and basins	33,968	-	-	10,559	44,527
Roads	1,886,995	29,398	-	217,937	2,134,330
Traffic signals	38,113	197	-	4,496	42,806
Bridges	202,814	2,285	-	5,191	210,290
Runways	24,179	-	-	-	24,179
Sewer systems	-	-	-	2,924	2,924
Communication towers	16,146	-	-	-	16,146
Parks trails and improvements	15,562	-	-	1,578	17,140
Land improvements	110	-	-	-	110
Structures and improvements	1,592,498	22,642	(1,089)	67,735	1,681,786
Equipment	524,781	54,434	(26,963)	4,116	556,368
Total capital assets, being depreciated	5,025,747	110,050	(28,052)	343,256	5,451,001
Less accumulated depreciation for:					
Infrastructure	(1,221,481)	(121,966)	-	-	(1,343,447)
Land improvements	(25)	(1)	-	-	(26)
Structures and improvements	(424,466)	(39,587)	882	300	(462,871)
Equipment	(311,223)	(37,550)	25,725	(276)	(323,324)
Total accumulated depreciation	(1,957,195)	(199,104)	26,607	24	(2,129,668)
Total capital assets, being depreciated, net	3,068,552	(89,054)	(1,445)	343,280	3,321,333
Governmental activities capital assets, net	\$ 4,355,657	\$ 214,715	\$ (1,854)	\$ -	\$ 4,568,518



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 8 – CAPITAL ASSETS (Continued)**

Capital asset activity for the year ended June 30, 2016 was as follows (In thousands):

	Balance July 1, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
<b>Business-type activities:</b>					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 24,359	\$ -	\$ (3,000)	\$ -	\$ 21,359
Construction in progress	65,464	24,124	(126)	(33,082)	56,380
Concession arrangements	8,830	-	-	-	8,830
Total capital assets, not being depreciated	98,653	24,124	(3,126)	(33,082)	86,569
<i>Capital assets, being depreciated:</i>					
Land improvements	11,662	-	-	9,461	21,123
Infrastructure-landfill liners	67,056	-	-	-	67,056
Infrastructure-other	24,982	45	(80)	1,012	25,959
Structures and improvements	223,598	456	(25)	21,776	245,805
Equipment	115,015	14,364	(1,125)	857	129,111
Total capital assets, being depreciated	442,313	14,865	(1,230)	33,106	489,054
Less accumulated depreciation for:					
Land improvements	(9,746)	(2,472)	-	-	(12,218)
Infrastructure-landfill liners	(32,532)	(3,081)	-	-	(35,613)
Infrastructure-other	(10,344)	(1,251)	80	-	(11,515)
Structures and improvements	(110,952)	(6,268)	25	-	(117,195)
Equipment	(84,017)	(13,417)	1,111	(24)	(96,347)
Total accumulated depreciation	(247,591)	(26,489)	1,216	(24)	(272,888)
Total capital assets, being depreciated, net	194,722	(11,624)	(14)	33,082	216,166
Business-type activities capital assets, net	\$ 293,375	\$ 12,500	\$ (3,140)	\$ -	\$ 302,735

**Depreciation**

Depreciation expense was charged to governmental functions as follows (In thousands):

General government	\$ 42,152
Public protection	11,415
Health and sanitation	1,323
Public assistance	1,097
Public ways and facilities	123,347
Recreation and cultural services	1,174
Education	3,316
Depreciation on capital assets held by the County's internal service funds is charged to the various functions based on their use of the assets	15,280
Total depreciation expense – governmental functions	<u>\$ 199,104</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 8 – CAPITAL ASSETS (Continued)**

Depreciation expense was charged to the business-type functions as follows (In thousands):

Riverside University Health Systems-Medical Center	\$ 19,189
Waste Resources	6,029
Housing Authority	1,265
County Service Areas	3
Flood Control	3
Total depreciation expense – business-type functions	<u>\$ 26,489</u>

**Capital Leases**

Leased property under capital leases by major class (In thousands):

	<u>Governmental</u>	<u>Business-type</u>
Land	\$ 2,223	\$ -
Structures and improvements	125,576	-
Equipment	139,329	10,489
Less: Accumulated amortization	<u>(61,660)</u>	<u>(4,025)</u>
Total leased property, net	<u>\$ 205,468</u>	<u>\$ 6,464</u>

**Discretely Presented Component Unit**

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2016 was as follows (In thousands):

	Balance July 1, 2015	Additions	Retirements	Transfers	Balance June 30, 2016
Capital assets, not being depreciated:					
Land	\$ 373	\$ -	\$ -	-	\$ 373
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>373</u>	<u>-</u>	<u>-</u>		<u>373</u>
Capital assets, being depreciated					
Building and improvements	1,898	-	-	-	1,898
Machinery and equipment	89	11	-	-	100
Total capital assets, being depreciated	<u>1,987</u>	<u>11</u>	<u>-</u>		<u>1,998</u>
Less accumulated depreciation for:					
Building and improvements	(115)	(54)	-	56	(113)
Machinery and equipment	18	(13)	-	(56)	(51)
Total accumulated depreciation	<u>(97)</u>	<u>(67)</u>	<u>-</u>		<u>(164)</u>
Total capital assets, being depreciated, net	<u>1,890</u>	<u>(56)</u>	<u>-</u>	<u>-</u>	<u>1,834</u>
Total capital assets, net	<u>\$ 2,263</u>	<u>\$ (56)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,207</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 9 – SERVICE CONCESSION ARRANGEMENTS (SCA)**

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA)* defines an SCA as a type of public-private or public-public partnership. As used in GASB Statement No. 60, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

- a) The transferor conveys to the operator the right and related obligation to provide public service through the use and operation of a capital asset (referred to in the statement as a “facility”) in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility.
- b) The operator collects and is compensated by fees from third parties.
- c) The transferor determines or has the ability to modify or approve what 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.

The County has determined that the following arrangements meet the criteria set forth above (where the County is the transferor) and therefore included these SCAs in the County’s financial statements. GASB Statement No. 60 also provides guidance on accounting treatment if the County were acting as an operator of another government’s facility. The County has determined that there are no incidences where the County would qualify as such an operator.

**McIntyre Park Campground**

On October 15, 1985, and as later amended, the Park District (the Park) entered into an agreement with California East Coast, Inc. (the “Company”), under which the Company will operate and collect user fees from a campground, camp store, boat launch and recovery ramp, day-use area and marina fuel station through a lease with the Park at McIntyre County Park through the year 2047. The Company will pay the Park between ten and seventeen percent of the revenues it earns from the operation of the campground. The Company is required to operate and maintain the campground in accordance with the Lease Contract. The Park reports the campground as a capital asset with a carrying amount of \$51.6 thousand at year-end. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.

**Riviera RV Resort**

On or about January 1, 1970, and as later amended, the County and later the Park entered into an agreement with Cavan Inc., now Destiny RV, LLC who assigned its lease rights to Riviera-Reynolds (the “Company”). Under the terms of the agreement, the Company is permitted to engage in the operation of a travel trailer park, rental of spaces in the park, food service operations including a grocery store, boat launching ramp and other associated camping functions through June 2044. The Company will pay the Park the greater of \$3.0 hundred or seven percent of gross receipts earned from operation of the RV Park. The Park reports the RV Park as a capital asset with a carrying amount of \$131.4 thousand at year-end. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.

**Lake Skinner Recreation Area**

On or about November 2007, the Park entered into an agreement with Pyramid Enterprise, Inc. d.b.a. Rocky Mountain Recreation Company of Piru, California (the “Company”) to sublease its rights to Lake Skinner Recreation Area Concessionaire. Under the provisions of the agreement, the Company is permitted to engage in the operation of a marina, camp store, cafe, parking lots, laundry facility, fueling station, and bike shop. The monthly payment from the Company to the Park will be the greater of the combination of 7% of all retail gross sales, 9% of all rental gross sales, and 2% of all fuel gross sales or \$2.5 thousand. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability. The term of the agreement is 10 years, renewable in 5 year increments.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 9 – SERVICE CONCESSION ARRANGEMENTS (SCA) (Continued)**

**Edom Hill Transfer Station**

On November 2, 2002, the Department of Waste Resources entered into a 30-year agreement with Burrtec Recovery and Transfer LLC (Burrtec), under which Burrtec has the rights to construct the Edom Hill Transfer Station in order to serve the traditional users/wasteshed of the closed Edom Hill Landfill and operate the transfer station.

A summary of the important details and capital assets pertaining to the SCAs are described below. (In thousands)

	<b>Date SCA Entered Into</b>	<b>Term of SCA</b>	<b>Expiration of SCA</b>	<b>Revenue Sharing</b>	<b>Minimum Rent Payment (per month)</b>
McIntyre Park Campground	10/15/1985	62 years	10/15/2047	Between 10.0% and 17.0% of the revenues it earns from the operation of the campground.	\$ -
Riviera RV Resort	1/1/1970	74 years	6/30/2044	Greater of \$3 hundred or 7.0% of gross receipts earned from operation of the RV park.	-
Lake Skinner Recreation Area	11/1/2007	10 years	10/31/2017	Greater of the combination of 7% of all retail gross sales, 9% of all rental gross sales, and 2% of all fuel gross sales or \$2.5 thousand.	-
Edom Hill Transfer Station	11/2/2002	30 years	11/2/2032	Service Fee ranging from \$4.41 to \$4.13 per ton, Disposal fee of \$23.00 per ton, and City Mitigation Fee of \$1 per ton for all incoming solid waste	-
					<u>\$ -</u>

Capital assets balance for the SCAs for the fiscal year ended June 30, 2016, and over the terms of the agreements are as follows: (In thousands)

	<b>Structures &amp; Structure Improvements</b>
McIntyre Park Campground	\$ 52
Riviera RV Resort	131
Lake Skinner Recreation Area	-
Edom Hill Transfer Station	8,830
	<u>\$ 9,013</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 9 – SERVICE CONCESSION ARRANGEMENTS (SCA) (Continued)**

The deferred inflows of resources activity for the SCA for the year ended June 30, 2016 are as follows: (In thousands)

<b>SCA Capital Assets</b>	<b>Balance July 1, 2015</b>	<b>Additions/ Restatements</b>	<b>Amortization<sup>1</sup></b>	<b>Balance June 30, 2016</b>
McIntyre Park Campground <sup>2</sup>	\$ -	\$ -	\$ -	\$ -
Riviera RV Resort <sup>2</sup>	-	-	-	-
Lake Skinner Recreation Area <sup>2</sup>	-	-	-	-
Edom Hill Transfer Station	7,528	-	(435)	7,093
Total Deferred inflows	<u>\$ 7,528</u>	<u>\$ -</u>	<u>\$ (435)</u>	<u>\$ 7,093</u>

<sup>1</sup> Amortization calculated using the straight-line method for the term of the agreement for the SCA.

<sup>2</sup> No upfront payments received or installment payments that are required to be reported as a deferred inflow of resources.

**NOTE 10 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

State and federal laws and regulations require Waste Resources 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. Waste Resources will recognize the remaining estimated cost of \$12.0 million as the remaining estimated capacity of 20.1 million tons is filled. Waste Resources expects all currently permitted landfill capacities to be filled by 2098. The total estimated closure liability of \$19.4 million and post-closure care cost of \$28.9 million is based on what it would cost to perform all closure and post-closure care costs at present value. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

In addition to the liability amounts calculated per CalRecycle regulations that are designated to the Escrow Funds, Waste Resources is also responsible for the post-closure care costs related to twenty-six (26) other landfill sites that have been inactive or closed since before 1988. Liability for these sites fluctuates dependent on the needs of each site and changes to or the implementation of laws and regulations. As of June 30, 2016 the post-closure liability is estimated at \$31.6 million.

Cumulative expenses, percentage of landfill capacity used to date, outstanding recognized liability, and the estimated remaining landfill life by operating landfill are as follows (In thousands):

**Closure Escrow Fund Landfill Sites**

<b>Facility Name (City)</b>	<b>Total Estimate</b>	<b>Capacity Used as of June 30, 2016 %</b>	<b>Outstanding Recognized Liability</b>	<b>Estimated Years Remaining</b>
Badlands (Moreno Valley)	\$ 10,077	60.1	\$ 6,058	6
Blythe (Blythe)	6,174	38.9	2,400	31
Edom Hill (Cathedral City)	5,413	100.0	5,413	-
Lamb Canyon (Beaumont)	7,857	48.2	3,788	13
Desert Center (Desert Center)	392	69.7	273	71
Mecca II (Mecca)	857	98.8	847	82
Oasis (Oasis)	710	93.3	663	47
Total Closure Estimate	<u>\$ 31,480</u>		<u>\$ 19,442</u>	

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 10 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS (Continued)**

**Post-Closure Escrow Fund Landfill Sites**

Facility Name (City)	Estimated Liability
Badlands (Moreno Valley)	\$ 8,012
Blythe (Blythe)	2,328
Coachella (Coachella)	1,377
Double Butte (Winchester)	2,101
Edom Hill (Cathedral City)	2,581
Highgrove (Riverside)	1,720
Lamb Canyon (Beaumont)	4,096
Mead Valley (Perris)	1,338
Anza (Anza)	1,564
Desert Center (Desert Center)	1,206
Mecca II (Mecca)	1,315
Oasis (Oasis)	1,265
Total Post-Closure Estimate	<u>\$ 28,903</u>

Waste Resources is required by state and federal laws and regulations to make annual contributions to a trust fund to finance closure and post-closure care. Title 27 of the California Code of Regulations (CCR) requires solid waste landfill operators to demonstrate the availability of financial resources to conduct closure and post-closure maintenance activities. Waste Resources expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional closure and post-closure requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future landfill users.

In accordance with Sections 22228 and 22245 of the CCR, the County has implemented Pledge of Revenue agreements between the County and the California Department of Resources, Recycling and Recovery (CalRecycle) for six active landfills and six closed landfills to demonstrate financial responsibility for post-closure maintenance costs. Waste Resources has determined that the projected net revenues, after current operating costs, from tipping fees during the 30 year period of post-closure care maintenance will, during each year of this period, be greater than the yearly monitoring and post-closure care maintenance costs for each landfill. It is agreed that the amount of these Pledge of Revenue agreements may increase or decrease to match any adjustments to the identified cost estimates, which is mutually agreed to by the Waste Resources and the CalRecycle.

**NOTE 11 – OPERATING LEASES**

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2016. (In thousands):

**Year Ending June 30**

2017	\$ 50,694
2018	41,708
2019	29,347
2020	19,961
2021	16,102
2022-2026	44,138
2027-2031	1,469
2032-2036	1,569
2037-2041	1,032
2042-2046	<u>721</u>
Total Minimum Payments	<u>\$ 206,741</u>

Total rental expenditure/expense for the year ended June 30, 2016 was \$105 million, of which \$5.9 million was recorded in the enterprise funds.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 12 – ADVANCES FROM GRANTORS AND THIRD PARTIES**

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net position as well as governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for advances from grantors and third parties.

The balance as of June 30, 2016 of advances from grantors and third parties are as follows (In thousands):

	Balance June 30, 2016
<b>General Fund:</b>	
Advances on state and federal grants for mental health services	\$ 114,816
Advances on state funding for social services	80,655
Advances on state grants for probation services	30,486
Advances on state grants and other 3rd party advances for public health services	10,523
Advances on state and federal grants for sheriff services	7,535
Advances on state grants and other 3rd party advances for emergency management services	3,525
Advances on state grants for Citizen's Option for Public Safety Program	1,986
Advances on state grants and other federal grants for environmental health services	1,892
Advances on state grants for district attorney services	1,413
Advances from flood control and water conservation district for permits	451
Advances on state grants for veteran services	284
Other advances	174
Total general fund	<u>253,740</u>
<b>Transportation Special Revenue Fund:</b>	
Developer fees	10,338
Advances from developers for median projects	5,068
Federal exchange and state match	2,996
Survey fees	860
Utility relocation	800
Deposit based fees	273
Advances for community facilities districts improvement projects	215
Road deposits	99
Transportation Uniform Mitigation Fee (TUMF) credit	58
Total transportation special revenue fund	<u>20,707</u>
<b>Flood Special Revenue Fund:</b>	
Advances for flood control projects	500
Total flood special revenue fund	<u>500</u>
<b>Public Facilities Improvements Capital Projects Fund:</b>	
Advance for emergency facility repairs and maintenance	385
Advance for construction of law building	24
Total public facilities improvements capital projects fund	<u>409</u>
<b>Other Governmental Funds:</b>	
Advances on federal grants for RUHS-MC capital improvements	3,989
Camping and recreation fees	719
Advance from state for elderly citizens programs	612
Advance from state for the community recidivism reduction grant program	589
Advance from state for bio-terrorism programs	351
Advance from state for community service block grant	337
Advance for the Regional Access Project	26
Advances for aviation projects	20
Advance from 3rd parties for recreational events	16
Total other governmental funds	<u>6,659</u>
<b>Grand total of advances from grantors and third parties</b>	<u><u>\$ 282,015</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 13 – SHORT-TERM DEBT**

**Tax and Revenue Anticipation Notes (TRANs)**

In July 1, 2015, the County issued \$250.0 million of tax exempt TRANs, which were repaid by June 30, 2016. The notes were issued with a yield rate of 0.3 % and a stated interest rate of 2.0%. The notes were issued to provide needed cash to cover the projected intra-period cash-flow deficits of the County's general fund during the fiscal year July 1 through June 30.

**Tax-Exempt Obligation Notes (Teeter)**

In December 1993, the County adopted the teeter plan, the alternative method for the distribution of secured property taxes and other assessments. In order to fulfill the requirements of the plan, the County obtained cash for the "buyout" of delinquent secured property taxes and the annual advance of current unpaid taxes to all entities that elected to participate in the teeter plan. The current financing takes place through the sale of Tax-Exempt Obligation Notes (Teeter). During fiscal year 2015-16, the County retired \$101.5 million and issued \$88.5 million, 2015 Series D teeter obligation notes (tax-exempt), leaving an outstanding balance of \$88.5 million at June 30, 2016.

Short-term debt activity for the year ended June 30, 2016, was as follows (In thousands):

	Balance		Balance	
	June 30, 2015	Additions	Reductions	June 30, 2016
TRANs	\$ -	\$ 250,000	\$ (250,000)	\$ -
Teeter notes	101,520	88,507	(101,520)	88,507
Total	\$ 101,520	\$ 338,507	\$ (351,520)	\$ 88,507



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS**

Long-term obligations of the County consist of capital lease obligations, bonds, notes, and other liabilities that are payable from the general, debt service, enterprise, and internal service funds. The calculated legal debt limit for the County is \$3.0 billion.

**Capital Leases**

Capital leases for governmental funds are recorded both as capital expenditures and as other financing sources at inception in the fund financial statements, with the liability and the asset recorded in the government-wide statement of net position. Capital leases are secured by a pledge of the leased equipment.

See Note 8 (Capital Assets) for assets under capital leases and related disclosure information by major asset class.

The following is a schedule by year of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2016 (In thousands):

<b>Year Ending June 30</b>	<b>Palm Desert Financing Authority</b>	<b>Other Governmental Activities</b>	<b>Total Governmental Activities</b>	<b>Business-type Activities</b>
2017	\$ 6,323	\$ 27,972	\$ 34,296	\$ 1,882
2018	6,321	25,449	31,770	1,617
2019	6,320	20,815	27,135	1,458
2020	6,318	15,571	21,889	1,339
2021	6,314	8,205	14,519	925
2022-2026	6,321	21,211	27,532	613
2027-2031	-	15,694	15,694	-
2032-2036	-	15,396	15,396	-
2037-2041	-	15,312	15,312	-
2042-2046	-	12,189	12,189	-
Total minimum payments	37,917	177,814	215,731	7,834
Less amount representing interest	(6,776)	(48,845)	(55,621)	(396)
Present value of net minimum lease payments	\$ 31,141	\$ 128,969	\$ 160,110	\$ 7,438

The statement of net position includes the PDFA capital lease of \$31.1 million for the construction and acquisition of certain public facilities within the County, including the Palm Desert Sheriff's Station, community centers, the Blythe County Administrative Center, an animal shelter and a clinic facility.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

The following schedules provide details of all certificates of participation, bonds payable, and notes payable for the County that are outstanding as of June 30, 2016 (In thousands):

<u>Type of Indebtedness</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding at June 30, 2016</u>
<b>Governmental activities:</b>				
<b>Certificates of Participation</b>				
<b><u>CORAL</u></b>				
1990 Monterey Avenue: Serial Certificates	\$ 8,800	Variable	2020	\$ 3,400
2007 Series A - Public Safety Communication and Refunding Projects	73,775	4.00% - 5.00%	2017	21,280
2009 Series A - Public Safety Communication and Woodcrest Library Refunding Projects	45,685	Variable	2039	43,909
2009 Larson Justice Center Refunding: Serial Certificates	24,680	2.00% - 5.00%	2021	15,451
Total CORAL	152,940			84,040
<b><u>District Court Financing Corporation</u></b>				
U.S. District Court Project: Term/Series 1999	2,165	7.59%	2017	1,786
U.S. District Court Project: Term/Series 2002	925	3.00%	2020	280
Total District Court Financing Corporation	3,090			2,066
<b><u>Flood Control</u></b>				
Zone 4 - 2015 Negotiable Promissory Note	21,000	2.00% - 5.00%	2025	22,831
Total Flood Control	21,000			22,831
<b>Total certificates of participations</b>	<b>\$ 177,030</b>			<b>\$ 108,937</b>
<b>Bonds payable</b>				
<b><u>CORAL</u></b>				
2012 CAC Annex Refunding Project	\$ 33,360	2.00% - 5.00%	2031	\$ 30,571
2008 A Southwest Justice Center: Term Certificates	78,895	5.16%	2032	73,830
1997 B & C (Hospital): Term Bonds (Series C)	1,733	5.81%	2019	1,733
2013 Probation & RCIT: Term Bonds (Series A)	66,015	3.00% - 5.25%	2043	64,427
2014 Lease Refunding Court Facilities Project, Series A	10,890	2.00% - 5.00%	2033	10,170
2014 Lease Refunding Court Facilities Project, Series B	7,605	0.55% - 2.73%	2019	5,175
Total CORAL	198,498			185,906
<b><u>Taxable Pension Obligation Bonds</u></b>				
Pension Obligation Bonds (Series 2005-A)	400,000	4.91% - 5.04%	2035	304,520
Total Taxable Pension Obligation Bonds	400,000			304,520

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

<u>Type of Indebtedness</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding at June 30, 2016</u>
<b>Bonds payable (continued)</b>				
<b><u>Inland Empire Tobacco Securitization Authority</u></b>				
Series 2007 A	\$ 87,650	5.10%	2021	\$ 52,550
Series 2007 B	53,758	5.75%	2026	53,758
Series 2007 C-1	53,542	6.63%	2036	53,542
Series 2007 C-2	29,653	6.75%	2045	29,653
Series 2007 D	23,457	7.00%	2057	23,457
Series 2007 E	18,948	7.63%	2057	18,948
Series 2007 F	27,076	8.00%	2057	27,076
Total Inland Empire Tobacco Securitization Authority	<u>294,084</u>			<u>258,984</u>
<b><u>Riverside County Public Financing Authority</u></b>				
Series 2012	17,640	3.00% - 5.00%	2021	14,780
Series 2015	<u>325,000</u>	2.00% - 5.00%	2046	<u>350,400</u>
Total Riverside County Public Financing Authority	<u>342,640</u>			<u>365,180</u>
<b><u>Riverside County Infrastructure Financing Authority</u></b>				
Series 2015 A	<u>72,825</u>	2.00% - 5.00%	2037	<u>80,437</u>
Total Riverside Infrastructure Financing Authority	<u>72,825</u>			<u>80,437</u>
<b>Total bonds payable</b>	<u>\$ 1,308,047</u>			<u>\$ 1,195,027</u>
<b>Loans payable</b>				
<b><u>CORAL</u></b>				
2011 Monroe Park Building Refunding	\$ 5,535	3.54%	2021	\$ 2,790
Total 2011 Monroe Park Building Refunding	<u>5,535</u>			<u>2,790</u>
<b>Total loans payable</b>	<u>\$ 5,535</u>			<u>\$ 2,790</u>
<b>Total governmental activities</b>	<u>\$ 1,490,612</u>			<u>\$ 1,306,754</u>
<b>Business-Type Activities</b>				
<b>Bonds payable</b>				
<b><u>Riverside University Health Systems - Medical Center (RUHS-MC)</u></b>				
1997 A Serial Capital Appreciation Bonds (net of future capital appreciation of \$130.5 million)	\$ 41,170	5.70% - 6.01%	2026	\$ 32,581
1997 Term bond (Series C)	1,532	5.81%	2019	1,263
2012 Term bond (Series A)	87,510	2.00% - 5.00%	2029	69,055
2012 Term bond (Series B)	<u>3,020</u>	3.25%	2019	<u>2,964</u>
Total RUHS-MC	<u>133,232</u>			<u>105,863</u>
<b><u>Housing Authority</u></b>				
1998 Series A: Term Bonds	<u>2,405</u>	6.85%	2018	<u>565</u>
Total Housing Authority	<u>2,405</u>			<u>565</u>
<b>Total bonds payable</b>	<u>\$ 135,637</u>			<u>\$ 106,428</u>
<b>Total business-type activities</b>	<u>\$ 135,637</u>			<u>\$ 106,428</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

<u>Type of Indebtedness</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding at June 30, 2016</u>
<b>Discretely Presented Component Unit:</b>				
<b>Bonds payable</b>				
<b><u>Palm Desert Financing Authority</u></b>				
2008 Lease Revenue Bond Series A	\$ 72,445	4.00% - 6.20%	2022	\$ 40,401
Total Palm Desert Financing Authority	72,445			40,401
<b>Total bonds payable</b>	<b>\$ 72,445</b>			<b>\$ 40,401</b>
<b>Total discretely presented component unit</b>	<b>\$ 72,445</b>			<b>\$ 40,401</b>

As of June 30, 2016, annual debt service requirements of governmental activities to maturity are as follows (In thousands):

<b>Governmental</b> Fiscal Year Ending June 30	Loans Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2017	\$ 585	\$ 94	\$ 15,330	\$ 4,537
2018	605	73	16,022	4,304
2019	620	51	17,581	3,371
2020	650	29	18,323	2,399
2021	330	6	28,830	2,738
2022-2026	-	-	7,430	1,064
2027-2031	-	-	1,120	724
2032-2036	-	-	1,490	465
2037-2040	-	-	1,545	128
Total requirements	2,790	253	107,671	19,730
Bond discount/premium, net	-	-	2,503	-
Loss on refunding	-	-	(1,237)	-
<b>Total</b>	<b>\$ 2,790</b>	<b>\$ 253</b>	<b>\$ 108,937</b>	<b>\$ 19,730</b>

<b>Governmental</b> Fiscal Year Ending June 30	Bonds Payable	
	Principal	Interest
2017	\$ 43,025	\$ 48,625
2018	101,865	46,567
2019	60,183	42,703
2020	49,403	38,394
2021	44,540	36,445
2022-2026	227,330	147,561
2027-2031	145,495	101,322
2032-2036	136,810	64,130
2037-2041	147,262	40,929
2042-2046	103,685	13,497
2047-2051	29,653	1,945
2052-2056	-	-
2057-2061	69,481	4,671
Total requirements	1,158,732	586,789
Bond discount/premium, net	36,295	-
<b>Total</b>	<b>\$ 1,195,027</b>	<b>\$ 586,789</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

As of June 30, 2016, annual debt service requirements of business-type activities and discretely presented component unit to maturity are as follows (In thousands):

<b>Business-type</b>		<b>Bonds Payable</b>		<b>Other Long-term Liabilities</b>	
Fiscal Year Ending June 30		Principal	Interest	Principal	Interest
2017		\$ 13,810	\$ 5,922	\$ -	\$ -
2018		15,840	5,317	-	-
2019		11,650	8,082	-	-
2020		4,981	15,769	-	-
2021		4,664	16,086	-	-
2022-2026		19,477	84,275	6,795	-
2027-2030		31,136	2,452	-	-
Total requirements		101,558	137,903	6,795	-
Bond discount/premium, net		4,870	-	-	-
Loss on defeasance, net		-	-	-	-
<b>Total</b>		<b>\$ 106,428</b>	<b>\$ 137,903</b>	<b>\$ 6,795</b>	<b>\$ -</b>

<b>Discretely Presented Component Unit</b>		<b>Bonds Payable</b>	
Fiscal Year Ending June 30		Principal	Interest
2017		\$ 5,880	\$ 2,380
2018		6,200	2,057
2019		6,540	1,716
2020		6,930	1,324
2021		7,340	908
2022		7,790	467
Total requirements		40,680	8,851
Bond discount/premium, net		(279)	-
<b>Total</b>		<b>\$ 40,401</b>	<b>\$ 8,851</b>

**Accreted Interest Payable**

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2016 (In thousands):

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016
<b><u>Governmental Activities:</u></b>				
<i><b>Certificates of Participation:</b></i>				
Court Financing (U.S. District Court Project)	\$ 5,033	\$ -	\$ (1,007)	\$ 4,026
<i><b>Bonds:</b></i>				
Inland Empire Tobacco Securitization Authority	124,801	18,977	-	143,778
Total governmental-type activities	<u>\$ 129,834</u>	<u>\$ 18,977</u>	<u>\$ (1,007)</u>	<u>\$ 147,804</u>
<b><u>Business-type Activities:</u></b>				
<i><b>Lease Revenue Bonds:</b></i>				
Riverside University Health Systems - Medical Center (1997A Hosp)	\$ 66,116	\$ 6,053	\$ (2,681)	\$ 69,488
Total business-type activities	<u>\$ 66,116</u>	<u>\$ 6,053</u>	<u>\$ (2,681)</u>	<u>\$ 69,488</u>

The accreted interest payable balances at June 30, 2016 represent accreted interest on the U.S. District Court project, the 2007 Inland Empire Tobacco Securitization Authority Bonds, and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were \$2.2 million for the U.S. District Court Project, \$294.1 million for the 2007 Inland Empire Tobacco Securitization Authority Bonds, and \$41.2 million for the 1997 A Hospital Serial Capital Appreciation Bonds. The total accreted value on the bonds and certificates upon maturity will be \$7.2 million for the U.S. District Court Project, \$171.6 million for the 1997 A Hospital Serial Capital Appreciation Bonds and \$3.5 billion for the 2007 Inland Empire Tobacco Securitization Authority Bonds. The County is under no obligation to make payments of accreted value of or redemption premiums, if any, or interest on the Series 2007 Bonds.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

**Accreted Interest Payable (Continued)**

The increases of \$19.0 million and \$6.0 million represent current year's accretion for governmental activities and business-type activities, respectively. The accumulated accretion for business-type activities is \$69.5 million at June 30, 2016. The accumulated accretion for U.S. District Court Financing and the Authority in governmental activities is \$147.8 million. The un-accreted balances at June 30, 2016 are \$46.4 million for the 1997-A Hospital RUHS-MC project, \$3.2 million for the U.S. District Court, and \$3.3 billion for the Authority Capital Appreciation Bonds.

**Bonds, Certificates of Participation / Refunding**

In November 2015, the County Infrastructure Financing Authority lease revenue refunding bonds, Series 2015 A (Capital Improvement Project) issued \$72.8 million in lease revenue bonds. The Series 2015 bonds are being issued for the purpose of (a) refunding a portion of the 2005 A Capital and Family Refunding Bond, and 2005 B Historic Courthouse Refunding Bond, and (b) defeased 2006 A Capital Improvement Project, in the aggregate principal of \$89.3 million. The new bonds have an interest rate of 2% to 5%.

**Defeasance of Debt**

In April 2005, CORAL issued \$22.6 million of certificates of participation, Series B (2005 Series B – Historic Courthouse Refunding). The proceeds from the sale of the certificates were used to advance refund \$21.1 million of the 1997 Historic Courthouse certificates of participation. The advance refunding resulted in a loss on refunding of \$1.6 million. Accordingly, the refunded certificates have been eliminated and the advance refunding certificates of participation have been included in the financial statements. The amount of the defeased debt outstanding at June 30, 2016, was \$591.4 thousand.

In December 2009, CORAL issued \$24.7 million of certificates of participation (2009 Larson Justice Center Project Refunding Certificate of Participation) to provide funds to refund and prepay the certificates of participation relating to the 1998 Larson Justice Center Project with an outstanding principal amount of \$23.7 million; to fund the reserve fund; and to pay certain costs of issuance incurred in connection with this refunding. The requisition price exceeded the net carry amount of the old debt by \$1.0 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$3.7 million and a reduction of \$1.5 million in future debt service payments.

In December 2009, CORAL also issued \$45.7 million of certificates of participation (2009 Public Safety Communication and Woodcrest Library Projects Refunding Certification of Participation) to provide funds to refund and redeem the certificates of participation relating to 2007 Series B Public Safety Communication Project with an outstanding principal amount of \$37.4 million; to provide funds to refund and retire the series 2006 Certificates of Participation Anticipation Note relating to Woodcrest Library Project with an outstanding principal amount of \$6.0 million; to fund capitalized interest on a portion of the certificates of participation through July 1, 2012; to fund a security deposit with respect to base rental payable under the sublease; and to pay certain costs of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carry amount of the old debts by \$2.3 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$3.3 million and an addition of \$6.9 million in future debt service payments.

On February 28, 2011, CORAL issued \$5.5 million in private placement bonds (2011 Monroe Building) to provide funds to refund and redeem the notes payable relating to the 2007 Monroe Park Building loan with an outstanding principal amount of \$5.4 million and to pay certain costs of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carrying amount of the old debt by \$140.0 thousand. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$527.2 thousand and a reduction of \$339.2 thousand in future debt service payments.

In February 2012, CORAL issued \$33.4 million in lease revenue bonds (2012 County Administrative Center Refunding Projects) to provide funds to refund and prepay the certificates of participation relating to 2001 County Administrative Center (CAC) Annex with an outstanding principal amount of \$31.4 million; to fund the reserve fund; to pay certain costs of issuance incurred in connection with this refunding; and to acquire two office buildings located in Indio, California. The requisition price exceeded the net carry amount of the old debt by \$2.0 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$5.0 million and a reduction of \$3.6 million in future debt service payments.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

**Defeasance of Debt (Continued)**

In July 2012, CORAL issued \$90.0 million in lease revenue bonds (2012 Series A and Taxable Series B County of Riverside Capital Projects) to provide funds to refund and prepay CORAL's Leasehold Revenue Bonds, 1997 Series B with an outstanding principal amount of \$64.4 million; to provide funds (\$30.0 million) for improvements to the Medical Center Campus; deposit funds into the debt service reserve fund; and pay certain costs of issuance incurred in connection with this refunding. The refunding resulted in a redemption premium of \$639.4 thousand for the 1997 Series B lease revenue bonds and a net premium of \$6.9 million for the 2012 Series A and Taxable Series B. The reacquisition price exceeded the net carry amount of the old debt by \$26.6 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$8.0 million and a reduction of \$7.1 million in future debt service payments.

On June 2014, CORAL issued \$18.5 million in lease revenue bonds (2014 A & B Court Facilities Project) to provide funds mainly to refund the 2003 A Historic Courthouse Projects, 2003 B Capital Facilities Project Refunding, and 2003 Bankruptcy Court Project (a County bond) with a total outstanding principal amount of \$20.0 million; and to pay certain costs of issuance incurred in connection with this refunding. The refunding resulted in a premium of \$756.0 thousand for the 2014 A and B Court Facilities Project. The reacquisition price exceeded the net carry amount of the old debt by \$1.5 million. This amount is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic gain of \$4.2 million and a reduction of \$3.3 million in future debt service payments.

On November 2015, CORAL paid off the 2005 A Capital and Family Refunding Bond, 2005 B Historic Refunding Bond and defeased the 2006 A Capital Improvement Project, which had outstanding principal balances of \$42.0 million, \$17.3 million, and \$30.0 million, respectively, as a result of a refunding from a related agency in the County, the Infrastructure Financing Authority.

**Single Family and Multi-Family Mortgage Revenue Bonds**

Single Family Mortgage Revenue Bonds have been issued to provide funds to purchase mortgage loans secured by first trust deeds on newly constructed single-family residences. The purpose of this program is to provide low interest rate home mortgage loans to persons who are unable to qualify for conventional mortgages at market rates. Multi-Family Mortgage Revenue Bonds are issued to provide permanent financing for apartment projects located in the County to be partially occupied by persons of low or moderate income.

A total of \$24.0 million of Mortgage Revenue Bonds have been issued and \$20.1 million is outstanding as of June 30, 2016. These bonds do not constitute an indebtedness of the County. The bonds are payable solely from payments made on and secured by a pledge of the acquired mortgage loans and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. In the opinion of the County officials, these bonds are not payable from any revenues or assets of the County, and neither the full faith and credit nor the taxing authority of the County, the State, or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded in the basic financial statements.

**Special Assessment Bonds**

Various special districts in the County reporting entity have issued special assessment bonds, totaling \$86.8 million at June 30, 2016, to provide financing or improvements benefiting certain property owners. Special assessment bonds consist of Community Facilities District Bonds and Assessment District Bonds.

The County, including its special districts, is not liable for the payment of principal or interest on the bonds, which are obligations solely of the benefited property owners. Certain debt service transactions relating to certain special assessment bonds are accounted for in the agency funds.

The County is not obligated and does not expect to advance any available funds from the County general fund to the Community Facilities Districts or the Assessment Districts for any current or future delinquent debt service obligations. The County Special Districts continue to use all means available to bring current any delinquent special assessment taxes, including workouts, settlement agreements, and foreclosure actions when necessary.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

**Special Assessment Bonds (Continued)**

The Flood Control has issued special assessment bonds, totaling \$915.0 thousand as June 30, 2016, for the construction of flood control facilities. The bonds are to be repaid through special assessment revenue and are not considered obligations of Flood Control. In accordance with bond covenants, Flood Control has established a reserve for potential delinquencies. If a delinquency occurs in the payment of any assessment installment, Flood Control has the duty to transfer the amount of such delinquent installment from the reserve fund into the redemption fund assessment installment. Flood Control's liability to advance funds for bond redemption in the event of delinquent assessment installments is limited to the reserves established.

**State Appellate Court Financing**

In November 1997, the Public Financing Authority of the County issued \$13.5 million of Lease Revenue Bonds for the State of California Court of Appeal Fourth Appellate District, Division Two Project. The State of California executed a lease coincident with the term of the financing and those lease payments are the sole security for the financing. The State is the ultimate obligor under the terms of the financing and neither the County nor the Public Financing Authority will have any ongoing payment obligation. The State has committed to indemnify the County in the lease.

**Interest Rate Swap**

*Objective of the Interest Rate Swap:* As a means to lower financing costs and to reduce the risks to CORAL associated with the fluctuation in market interest rates, CORAL entered into an amended and restated interest rate swap in connection with the Southwest Justice Center Series 2008 Series A Leasehold Revenue Bonds in the notional amount of \$76.3 million. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 5.2%.

*Terms:* The bonds and the related swap agreement mature on November 1, 2032, and the swap's notional amount of \$76.3 million approximately matches a portion of \$78.9 million variable-rate bonds. The swap was effective at the same time the bonds were issued on May 24, 2000, and was amended and restated as of December 10, 2008. The interest rate swap agreement was novated in January 2012 to substitute Wells Fargo Bank, N.A. as the new counterparty. The notional value of the swap and the principal amount of the associated debt decline starting in fiscal year 2014-15. Under the amended and restated swap agreement, CORAL pays Wells Fargo Bank, N.A. a fixed payment rate of 5.2%.

CORAL receives an interest rate equal to an amount not to exceed the maximum interest rate payable on the bonds, expressed as a decimal, equal to 64.0% of the monthly London Interbank Offered Rate (LIBOR) in the relevant calculation period. Conversely, the bonds' variable-rate coupons have historically been similar to the Bond Market Association Municipal Swap Index (BMA). Under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the interest rate swap contract qualifies as a derivative financial instrument and a cash flow hedging. CORAL's net cash outflow or payment under the interest rate swap contract was \$289.3 thousand for the year ended June 30, 2016.

*Fair Value:* As of June 30, 2016 and 2015, the swap had a negative fair value of \$29.1 million and \$25.7 million, respectively, a decrease in fair value of \$3.7 million occurred during the fiscal year 2015-16. The fair value was recorded in the CORAL's statement of net position as interest rate swap liability and deferred outflows of resources in the assets section. Because the coupons on the Southwest Justice Center Series 2008 A Leasehold Revenue Refunding Bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was the quoted market price from Wells Fargo Bank, N.A. at June 30, 2016.

*Credit Risks:* The swap counterparty was rated Aa3 by Moody's, and AA- by Standard & Poor's and Fitch as of February 2013. The swap agreement specifies that if the long-term senior unsecured debt rating of Wells Fargo, N.A. is withdrawn, suspended or falls below BBB (Standard & Poor) or Baa2 (Moody's), a collateral agreement will be executed within 30 days or the fair value of the swap will be fully collateralized by the counterparty.

*Basis Risks:* The swap exposes CORAL to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2016, CORAL's rate was 64.0% of LIBOR, or 0.1%, whereas BMA or the reset rate on bonds was 0.1%. The synthetic rate on the bonds at June 30, 2016 was 5.2%.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

**Interest Rate Swap (Continued)**

*Termination Risks:* CORAL always has the right to terminate the swap. Wells Fargo Bank, N.A. is limited in so far as both CORAL and the insurer are not performing. The swap may be terminated by CORAL if Wells Fargo Bank, N.A.'s credit quality rating falls below A- as issued by Standard & Poor's or A3 by Moody's. Additionally, the swap may be terminated by Wells Fargo, N.A. if CORAL's credit quality rating falls below BBB+ as issued by Standard & Poor's or Baa1 as issued by Moody's or if the bonds credit quality ratings fall below BBB+ as issued by Standard & Poor's or Baa1 as issued by Moody's. If the swap is terminated, the variable rate bonds would no longer carry synthetic interest rates. Also, if at the time of termination the swap had a negative fair value, CORAL would be liable to Wells Fargo Bank, N.A. for a payment equal to the swap's fair value.

*Swap Payment and Associated Debt:* Using rates as of June 30, 2016, debt service requirements of the variable-rate debt and net swap payments, *assuming current interest rates remain the same* for their term, were as follows (In thousands):

<b>Fiscal Year Ending</b> <b>June 30,</b>	<b>Variable Rate Bonds</b>		<b>Net Swap</b> <b>Payments</b>	<b>Total</b> <b>Interest</b>
	<b>Principal</b>	<b>Interest</b>		
2017	\$ 2,690	\$ 1,040	\$ 2,685	\$ 3,725
2018	2,895	1,000	2,580	3,580
2019	3,000	958	2,470	3,428
2020	3,205	913	2,354	3,267
2021	3,410	865	2,231	3,096
2022-2026	16,440	3,503	9,038	12,541
2027-2031	21,405	1,848	4,767	6,615
2032-2034	6,410	167	426	593
	<u>\$ 59,455</u>	<u>\$ 10,294</u>	<u>\$ 26,551</u>	<u>\$ 36,845</u>

As rates vary, variable-rate bond interest payments and net swap payments will vary.

**Changes in long-term liabilities**

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2016 (In thousands):

	<b>Balance</b> <b>June 30, 2015</b>	<b>New</b> <b>Additions</b>	<b>Payments</b> <b>/ Reclass</b>	<b>Balance</b> <b>June 30, 2016</b>	<b>Amounts Due</b> <b>Within</b> <b>One Year</b>
<b><u>Governmental activities:</u></b>					
Debt long-term liabilities:					
Bonds payable	\$ 1,141,497	\$ 80,437	\$ (26,907)	\$ 1,195,027	\$ 43,025
Capital lease obligations	147,278	41,649	(28,817)	160,110	28,659
Certificates of participation	211,688	-	(102,751)	108,937	15,330
Loans payable	3,350	-	(560)	2,790	585
Total debt long-term liabilities	<u>1,503,813</u>	<u>122,086</u>	<u>(159,035)</u>	<u>1,466,864</u>	<u>87,599</u>
Other long-term liabilities:					
Accreted interest payable	129,834	18,977	(1,007)	147,804	-
Compensated absences (a)	229,960	11,381	(220)	241,121	158,951
Estimated claims liabilities (b)	158,952	82,155	(63,126)	177,981	43,073
Net pension liabilities	1,268,304	290,815	-	1,559,119	-
Accrued remediation costs (c)	2,019	-	(157)	1,862	157
Total other long-term liabilities	<u>1,789,069</u>	<u>403,328</u>	<u>(64,510)</u>	<u>2,127,887</u>	<u>202,181</u>
Total governmental activities – long-term liabilities	<u>\$ 3,292,882</u>	<u>\$ 525,414</u>	<u>\$ (223,545)</u>	<u>\$ 3,594,751</u>	<u>\$ 289,780</u>

(a) General Fund, Special Revenue Funds, and Internal Service Funds are used to liquidate the compensated absences.

(b) Internal Service Funds are used to liquidate the estimated claims liabilities.

(c) General Fund is used to liquidate the remediation costs.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

**Changes in long-term liabilities (Continued)**

The following is a summary of business-type activities long-term liabilities transactions for the year ended June 30, 2016 (In thousands):

	Balance	New	Payments	Balance	Amounts Due
	June 30, 2015	Additions	/ Reclass	June 30, 2016	Within One Year
<b><u>Business-type activities:</u></b>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses	\$ 119,917	\$ 4,870	\$(18,359)	\$ 106,428	\$ 13,810
Capital lease (RUHS - MC)	5,878	3,702	(2,142)	7,438	1,763
Total debt long-term liabilities	125,795	8,572	(20,501)	113,866	15,573
Other long-term liabilities:					
Accreted interest payable	66,116	6,053	(2,681)	69,488	231
Accrued closure and post-closure costs	80,758	-	(827)	79,931	799
Compensated absences	25,755	4,162	-	29,917	17,935
Accrued remediation costs	39,690	554	-	40,244	805
OPEB obligation, net	140	-	(24)	116	-
Net pension liabilities	185,286	33,505	-	218,791	-
Other long-term liabilities (a)	6,795	-	-	6,795	-
Total other long-term liabilities	404,540	44,274	(3,532)	445,282	19,770
Total business-type activities – long-term liabilities	\$ 530,335	\$ 52,846	\$(24,033)	\$ 559,148	\$ 35,343
<b><u>Discretely Presented Component Unit</u></b>					
Debt long-term liabilities:					
Bonds payable	\$ 45,937	\$ -	\$(5,536)	\$ 40,401	\$ 5,880
Other long-term liabilities:					
Compensated absences	178	102	(164)	116	74
Net pension liability	1,340	437	-	1,777	-
Total discretely presented component unit – long-term liabilities	\$ 47,455	\$ 539	\$(5,700)	\$ 42,294	\$ 5,954

(a) The Housing Authority (Business-type Activity) has two notes payable, totaling \$6.8 million, under "Other long-term liabilities."

**Disclosure of Pledged Revenues**

*Inland Empire Tobacco Securitization Authority*, a blended component unit of the County, issued \$294.1 million of tobacco asset-backed bonds. The bonds are solely secured by pledging a portion of County tobacco assets\*\*\* made payable to the County pursuant to agreements with the State and other parties. The portion of revenues that will be used to pay the debt service are (i) the County tobacco assets to the extent consisting of or relating to amounts due to the County after the first \$10.0 million has been paid to the County in each year beginning on January 1, 2008 and ending on December 31, 2020, (ii) the County tobacco assets to the extent consisting of or relating to amounts due to the County after the first \$11.5 million has been paid to the County in each year beginning on January 1, 2021 and ending on December 31, 2026, (iii) the County tobacco assets to the extent consisting of or relating to amounts due to the County from and after January 1, 2027, and (iv) the County tobacco assets to the extent consisting of or relating to the applicable percentage of a lump sum payment of 14.1% to the County and 85.9% to the Inland Empire Tobacco Securitization Authority for calendar year 2016. During the fiscal year ended June 30, 2016, \$18.9 million was received by the Inland Empire Tobacco Securitization Authority; \$10.0 million, or 53.0%, was distributed to the County per the above agreement, leaving \$8.9 million, or 47.0%, of the specific tobacco settlement revenues available to be pledged (see page 155). The County is under no obligation to make payments of the principal or accreted value or redemption premiums, if any, or interest on the Series 2007 bonds in the event that revenues are insufficient for the payment thereof.

\*\*\* Tobacco settlement revenue required to be paid to the State of California under the Master Settlement Agreement entered into by participating cigarette manufacturers, 46 states, California, and six other U.S. jurisdictions, in November 1998 in settlement of certain cigarette smoking-related litigation.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 14 – LONG-TERM OBLIGATIONS (Continued)**

**Disclosure of Pledged Revenues (Continued)**

*The Housing Authority* 1998 bonds are secured by an agreement with the City of Corona, which has pledged to pay \$218.0 thousand to the Housing Authority each year until the bonds are redeemed in their entirety on December 1, 2018. The bond indenture requires the Housing Authority to remit the entire \$218.0 thousand received each year to the bond trustee to pay for the bond's annual debt service payments.

The Housing Authority reports the \$218.0 thousand received each year as revenue. MBIA Insurance Corporation has issued a surety bond in lieu of a cash funded reserve. The outstanding balance as of June 30, 2016, before applying the deferred charge, was \$565.0 thousand.

**NOTE 15 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred outflows of resources in the government-wide and proprietary fund financial statements. These items are a consumption of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The County has two items that are reportable on the government-wide statement of net position: the first item relates to outflows from charges in the net pension liability (Notes 20 and 21) and the second item relates to the interest rate swap (Note 14) that have met all requirements other than timing. Deferred outflows of resources that are reported in the proprietary funds are included in the government-wide statement of net position.

Deferred outflows of resources balances for the year ended June 30, 2016 were as follows (In thousands):

	Balance June 30, 2016
<b>Government-wide deferred outflows of resources:</b>	
Governmental activities	
Interest rate swap	\$ 29,091
Pension	516,325
Total governmental activities	<u>545,416</u>
Business-type activities:	
Defeasance of debt	139
Pension	67,896
Total business-type activities	<u>68,035</u>
Total government-wide deferred outflows of resources	<u><u>\$ 613,451</u></u>
<b>Discretely presented component unit</b>	
<b>deferred outflows of resources:</b>	
Pension	\$ 416
Total discretely presented component unit	
deferred outflows of resources	<u><u>\$ 416</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 15 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)**

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred inflows of resources in the governmental fund and government-wide financial statements. These items are an acquisition of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The largest portions of the County's deferred inflows of resources are pensions, Senate Bill (SB) 90 and Teeter tax loss reserve. Pensions are related to GASB Statement No. 68, which can be found in Notes 20 and 21. SB90 is California SB90 of 1972, which established a requirement that the State of California reimburse local government agencies for the costs of new programs or increased levels of service on programs mandated by the State. Teeter tax loss reserve pursuant to California Revenue and Taxation Code Section 4703 was established as a tax loss reserve fund for covering losses that may occur in the amount of tax liens as a result of special sales of tax defaulted property.

Deferred inflows of resources balances for the year ended June 30, 2016 were as follows (In thousands):

	<u>Balance June 30, 2016</u>
<b>Government-wide deferred inflows of resources:</b>	
Governmental activities	
Teeter tax loss reserve	\$ 21,715
Pension	<u>425,904</u>
Total governmental activities	<u>447,619</u>
Business-type activities	
Service concession arrangement	7,093
Pension	<u>62,407</u>
Total business-type activities	<u>69,500</u>
Total government-wide deferred inflows of resources	<u><u>\$ 517,119</u></u>
<b>Governmental funds deferred inflows of resources:</b>	
General Fund:	
SB 90	\$ 23,434
Teeter tax loss reserve	21,715
Property tax	<u>5,006</u>
Total general fund	<u>50,155</u>
Flood Control Special Revenue Fund:	
Property tax	995
Special assessments	<u>52</u>
Total flood control special revenue fund	<u>1,047</u>
Other Governmental Funds:	
Property tax	<u>5</u>
Total other governmental funds	<u>5</u>
Total governmental funds deferred inflows of resources	<u><u>\$ 51,207</u></u>
<b>Discretely presented component unit deferred inflows of resources:</b>	
Pension	<u>\$ 194</u>
Total discretely presented component unit deferred inflows of resources	<u><u>\$ 194</u></u>



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**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 16 – FUND BALANCES**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (See Note 1 for a description of each category.) A detailed schedule of fund balances as of June 30, 2016 is as follows (In thousands):

	<b>Major Funds</b>					
	<b>General Fund</b>	<b>Transportation</b>	<b>Flood Control</b>	<b>Public Facilities Improvements Capital Projects</b>	<b>Public Financing Authority</b>	<b>Total Major Governmental Funds</b>
<b>Fund balances:</b>						
<b>Nonspendable</b>						
Inventory	\$ 2,005	\$ 1,042	\$ -	\$ -	\$ -	\$ 3,047
Prepaid items	-	2,600	365	-	-	2,965
Imprest cash	364	12	1	-	-	377
Permanent fund	-	-	-	-	-	-
<b>Total nonspendable</b>	<b>2,369</b>	<b>3,654</b>	<b>366</b>	<b>-</b>	<b>-</b>	<b>6,389</b>
<b>Restricted</b>						
Aging	-	-	-	-	-	-
Air quality planning	120	-	-	-	-	120
Airport	-	-	-	-	-	-
Auto theft interdiction	209	-	-	-	-	209
CAP local initiative program	-	-	-	-	-	-
Construction & capital projects	12,952	-	-	83,281	231,229	327,462
Court services	9,193	-	-	-	-	9,193
Debt services	4,865	-	-	-	-	4,865
District attorney	22,664	-	-	-	-	22,664
Domestic violence	1,519	-	-	-	-	1,519
Emergency medical services	5,357	-	-	-	-	5,357
Emergency preparedness	-	-	-	-	-	-
Environmental health	321	-	-	-	-	321
Public ways and facilities	-	-	205,957	22,992	-	228,949
Fire protection	-	-	-	1,515	-	1,515
Geographical info system	-	-	-	-	-	-
Hazmat	2,741	-	-	-	-	2,741
Humane services	203	-	-	-	-	203
Landscape maintenance	-	2,958	-	-	-	2,958
Libraries	-	-	-	-	-	-
Mental health	7,593	-	-	-	-	7,593
Modernization	5,976	-	-	-	-	5,976
Other purposes	458	-	-	-	-	458
Parks and recreation	-	-	-	11,653	-	11,653
Public assistance	2,730	-	-	-	-	2,730
Public health	2,088	-	-	-	-	2,088
Public protection	2,167	-	-	-	-	2,167
Public safety revenue	1,801	-	-	-	-	1,801
Roads	-	65,233	-	-	-	65,233
Sheriff patrol	7,824	-	-	-	-	7,824
Teeter tax losses	8,858	-	-	-	-	8,858
<b>Total restricted</b>	<b>99,639</b>	<b>68,191</b>	<b>205,957</b>	<b>119,441</b>	<b>231,229</b>	<b>724,457</b>

Note: Encumbrances - see Note 23 – Contingencies and Commitments

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 16 – FUND BALANCES (Continued)**

<b>Nonmajor Funds</b>						
<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental</b>	<b>Total Governmental Funds</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,047	<b>Fund balances:</b>
7	-	580	-	587	3,552	<b>Nonspendable</b>
67	-	-	-	67	444	Inventory
-	-	-	571	571	571	Prepaid items
<b>74</b>	<b>-</b>	<b>580</b>	<b>571</b>	<b>1,225</b>	<b>7,614</b>	Imprest cash
						Permanent fund
						<b>Total nonspendable</b>
						<b>Restricted</b>
1,318	-	-	-	1,318	1,318	Aging
333	-	-	-	333	453	Air quality planning
1,928	-	-	-	1,928	1,928	Airport
-	-	-	-	-	209	Auto theft interdiction
965	-	-	-	965	965	CAP local initiative program
-	-	18	-	18	327,480	Construction & capital projects
-	63,914	7,404	-	71,318	9,193	Court services
-	-	-	-	-	76,183	Debt services
-	-	-	-	-	22,664	District attorney
-	-	-	-	-	1,519	Domestic violence
-	-	-	-	-	5,357	Emergency medical services
3,222	-	-	-	3,222	3,222	Emergency preparedness
-	-	-	-	-	321	Environmental health
-	-	-	-	-	228,949	Public ways and facilities
12,735	-	-	-	12,735	14,250	Fire protection
815	-	-	-	815	815	Geographical info system
-	-	-	-	-	2,741	Hazmat
-	-	-	-	-	203	Humane services
22,491	-	-	-	22,491	25,449	Landscape maintenance
28,442	-	-	-	28,442	28,442	Libraries
-	-	-	-	-	7,593	Mental health
-	-	-	-	-	5,976	Modernization
267	-	-	-	267	725	Other purposes
4,274	-	4,510	-	8,784	20,437	Parks and recreation
4,418	-	-	-	4,418	7,148	Public assistance
5,211	-	-	-	5,211	7,299	Public health
17	-	-	44	61	2,228	Public protection
-	-	-	-	-	1,801	Public safety revenue
769	-	-	-	769	66,002	Roads
5,773	-	-	-	5,773	13,597	Sheriff patrol
-	-	-	-	-	8,858	Teeter tax losses
<b>92,978</b>	<b>63,914</b>	<b>11,932</b>	<b>44</b>	<b>168,868</b>	<b>893,325</b>	<b>Total restricted</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 16 – FUND BALANCES (Continued)**

	<b>Major Funds</b>					<b>Total Major Governmental Funds</b>
	<b>General Fund</b>	<b>Transportation</b>	<b>Flood Control</b>	<b>Public Facilities Improvements Capital Projects</b>	<b>Public Financing Authority</b>	
<b>Fund balances:</b>						
<b>Committed</b>						
Code enforcement	\$ -	\$ 2,293	\$ -	\$ -	\$ -	\$ 2,293
Community improvement	112	-	-	-	-	112
Construction & capital projects	654	202	-	4,877	-	5,733
Disaster relief	15,000	-	-	-	-	15,000
EDA special projects	-	-	-	-	-	-
Environmental programs	1,809	352	-	-	-	2,161
Legal services	1,214	-	-	-	-	1,214
Other purposes	525	-	-	-	-	525
Planning	-	-	-	-	-	-
DPSS realignment growth	4,300	-	-	-	-	4,300
SB90	1,380	-	-	-	-	1,380
Sheriff correction	14,783	-	-	-	-	14,783
Youth protection	533	-	-	-	-	533
<b>Total committed</b>	<b>40,310</b>	<b>2,847</b>	<b>-</b>	<b>4,877</b>	<b>-</b>	<b>48,034</b>
<b>Assigned</b>						
Airports	-	-	-	-	-	-
Capital improvement projects	2,535	-	-	2,576	-	5,111
Construction & capital projects	-	-	-	6,755	-	6,755
Debt service	-	-	-	-	-	-
Equipment	-	6,118	-	-	-	6,118
Other purposes	698	-	-	-	-	698
Parks acquisition & development	-	-	-	-	-	-
Probation	1,905	-	-	-	-	1,905
Professional services	1,914	-	-	-	-	1,914
Public health	944	-	-	-	-	944
Registrar of voters	-	-	-	-	-	-
Roads	-	6,460	-	-	-	6,460
Sheriff correction	3,874	-	-	-	-	3,874
<b>Total assigned</b>	<b>11,870</b>	<b>12,578</b>	<b>-</b>	<b>9,331</b>	<b>-</b>	<b>33,779</b>
<b>Unassigned</b>	<b>217,322</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>217,322</b>
<b>Total fund balances</b>	<b>\$ 371,510</b>	<b>\$ 87,270</b>	<b>\$ 206,323</b>	<b>\$ 133,649</b>	<b>\$ 231,229</b>	<b>\$ 1,029,981</b>

Note: Encumbrances - see Note 23 – Contingencies and Commitments



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 16 – FUND BALANCES (Continued)**

Nonmajor Funds						
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental	Total Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,293	<b>Fund balances:</b>
-	-	-	-	-	112	<b>Committed</b>
-	-	-	-	-	5,733	Code enforcement
-	-	-	-	-	15,000	Community improvement
504	-	-	-	504	504	Construction & capital projects
-	-	-	-	-	2,161	Disaster relief
-	-	-	-	-	1,214	EDA special projects
-	-	-	-	-	525	Environmental programs
2,326	-	-	-	2,326	2,326	Legal services
-	-	-	-	-	4,300	Other purposes
-	-	-	-	-	1,380	Planning
-	-	-	-	-	14,783	DPSS realignment growth
-	-	-	-	-	533	SB90
<b>2,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,830</b>	<b>50,864</b>	Sheriff correction
						Youth protection
						<b>Total committed</b>
3,061	-	-	-	3,061	3,061	<b>Assigned</b>
-	-	-	-	-	5,111	Airports
-	-	10,453	-	10,453	17,208	Capital improvement projects
-	3,766	-	-	3,766	3,766	Construction & capital projects
-	-	-	-	-	6,118	Debt service
3,399	-	-	-	3,399	4,097	Equipment
5,969	-	1,975	-	7,944	7,944	Other purposes
-	-	-	-	-	1,905	Parks acquisition & development
-	-	-	-	-	1,914	Probation
-	-	-	-	-	944	Professional services
563	-	-	-	563	563	Public health
-	-	-	-	-	6,460	Registrar of voters
-	-	-	-	-	3,874	Roads
<b>12,992</b>	<b>3,766</b>	<b>12,428</b>	<b>-</b>	<b>29,186</b>	<b>62,965</b>	Sheriff correction
						<b>Total assigned</b>
-	-	-	-	-	217,322	<b>Unassigned</b>
<b>\$ 108,874</b>	<b>\$ 67,680</b>	<b>\$ 24,940</b>	<b>\$ 615</b>	<b>\$ 202,109</b>	<b>\$ 1,232,090</b>	<b>Total fund balances</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 17 – RISK MANAGEMENT**

The County is self-insured for general liability, medical malpractice, and workers' compensation claims. The County records estimated liabilities for general liability, medical malpractice, and workers' compensation claims filed or estimated to be filed for incidents that have occurred. Estimated liability accruals include those incidents that are reported as well as an amount for those incidents that incurred but are not reported (IBNR) at fiscal year end. The funding of these estimates is based on actuarial experience and projections. The County fully self-insures short-term disability and unemployment insurance. Life insurance and long-term disability programs are fully insured. Depending on the plan, group health, dental, and vision may be either self-insured or fully insured.

The County supplements its self-insurance for general liability, medical malpractice, and workers' compensation with catastrophic excess insurance coverage. General liability utilizes a policy providing coverage on a per occurrence basis. Limits under the policy are \$10 million, subject to a self-insured retention (SIR) of \$2 million for each occurrence. A SIR is a form of a deductible. The County also purchases an additional \$15 million per occurrence in excess of the \$10 million for a total of \$25 million in limits. Medical malpractice utilizes an excess policy providing coverage on a per occurrence basis. Limits under the malpractice policy are \$20 million subject to a SIR of \$1.1 million. The maximum limit under the excess workers' compensation, Section A, is statutory (unlimited); Section B, employer liability is \$5 million per claim. Section A is subject to a \$2 million SIR for each accident, employee injury, or disease. Settlements have not exceeded coverage for each of the past three fiscal years.

The County's property insurance program provides insurance coverage for all risks subject to a \$50,000 per occurrence deductible; flood coverage is subject to a 2.0% deductible (subject to a \$100,000 minimum) per unit within a 100-year flood zone (as determined by Federal Emergency Management Agency) and \$25,000 per unit deductible outside a 100-year flood zone. (A 'unit' is defined as a separate building, contents in a separate building, property in the open (yard), or time element coverage in a separate building.) The County's property is categorized into four towers and the overall all risk coverage is \$600 million. Earthquake (covering scheduled locations equal to or greater than \$1 million in value and lesser valued locations where such coverage is required by contract) has a sub-limit in each tower of \$90 million with an additional \$290.5 million excess rooftop limit available to any one tower. The excess rooftop limit may be triggered during the policy year if a covered earthquake event somewhere in the state has depleted the initial underlying limits. Earthquake coverage is subject to a deductible equal to 5.0% of replacement cost value per unit subject to a \$100,000 minimum per unit. Boiler and machinery coverage is included and provides up to \$100 million per accident in limits, with a \$5,000 per occurrence deductible. The limits in each tower are shared with other counties on a per event basis. Should a catastrophic event occur and losses exceed the limits, the County would be responsible.

The activities related to such programs are accounted for in Internal Service Funds (ISF). Accordingly, estimated liabilities for claims, including loss adjustment expenses, filed or to be filed, for incidents that have occurred through June 30, 2016, are reported in these funds. Where certain ISF funds have an accumulated deficit or insufficient reserves, the County provides funding to reduce the deficit and increase the reserves. If the funding is above the Board of Supervisors approved 70.0% confidence level, an appropriate reduction in funding including a one-time holiday on department charges may be granted. For fiscal year 2015-16, the Board approved to continue reduced funding at slightly below the 55.0% confidence level for the general liability ISF and for the workers' compensation ISF. Funding for the medical malpractice ISF was at the 70.0% confidence level. Revenues for these internal service funds are primarily provided by other County departments and are intended to cover the self-insured claim payments, insurance premiums, and operating expenses. The revenue is not used to cover catastrophic events and/or other uninsured liabilities. Cash available in the risk management and workers' compensation ISF at June 30, 2016, plus revenues to be collected during fiscal year 2016-17, are expected to be sufficient to cover all fiscal year 2016-2017 payments. The carrying amount of unpaid claim liabilities is \$178.0 million. The liabilities are discounted at 2.0% for general liability and medical malpractice and 2.5% for workers' compensation.

	June 30, 2015	June 30, 2016
Unpaid claims, beginning of year	\$ 142,459	\$ 158,952
Increase (decrease) in provision for insured events of prior years	1,136	3,893
Incurred claims for current year	76,624	77,938
Claim payments	(61,267)	(62,802)
Unpaid claims, end of year	<u>\$ 158,952</u>	<u>\$ 177,981</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 18 – MEDI-CAL AND MEDICARE PROGRAMS**

RUHS-MC provides services to patients covered by various reimbursement programs. The principal programs are Medicare, the State of California Medi-Cal, and the County Medically Indigent Services Program (MISP) and the Medi-Cal Managed Care Assembly Bill (AB) 85 Expansion Program. Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. In addition, net patient service revenue includes a provision for doubtful accounts and estimated retroactive adjustments under reimbursement agreements with federal and state government programs and other third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed at a per diem rate based upon estimated certified public expenditures (CPEs) and outpatient services are reimbursed under a schedule of maximum allowable reimbursement provided by the California Department of Health Care Services. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed based upon pre-established rates for diagnostic-related groups. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology subject to payment caps and indexing formulas. RUHS-MC is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by RUHS-MC and audit thereof by the Medicare fiscal intermediary. Normal estimation differences between final settlements and amounts accrued in previous years are reflected in net patient services revenue. The fiscal intermediary has audited RUHS-MC's Medicare cost reports through June 30, 2014 and Medi-Cal cost reports through June 30, 2014. RUHS-MC has received notices of program reimbursement (NPR), a written notice reflecting the intermediary's final determination of the total amount of reimbursement due the medical center for Medicare through June 30, 2014. For Medi-Cal Fee for Service, RUHS-MC is settled through the California public hospital P-14 cost reports. Notice of final settlement has been received through June 30, 2008.

California's 1115 Waiver Renewal Medi-Cal 2020 was approved on December 30, 2015 by the Centers for Medicare and Medicaid Services. In connection with Medi-Cal 2020, the Global Payment Program (GPP) establishes a statewide pool of funding for uninsured by combining DSH and uncompensated care funding. GPP incentivizes Designated Public Hospitals (DPH) to deliver more cost-effective and higher value care for indigent, uninsured individuals. GPP combines funding into global budgets for DPHs to draw down by earning points for services provided to uninsured patients. For fiscal year ending June 30, 2016, RUHS-MC recognized \$49 million of GPP revenue. The Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program is designed to build upon the foundational delivery system transformation work, expansion of coverage, and increased access to coordinated primary care achieved through the prior California Section 1115 Bridge to Reform demonstration. PRIME is a pay-for-performance program that uses evidence-based quality improvement methods to achieve performance targets and improve health outcomes for patients. RUHS-MC recognized \$33.4 million in PRIME for fiscal year ending June 30, 2016.

**Redirection of 1991 State Health Realignment**

Realignment was affected by California electing to implement a state-run Medicaid Expansion program through the Affordable Care Act (ACA). The State anticipates that counties' costs and responsibilities for the health care services for the indigent population has decreased for much of this population who became eligible for coverage through Medi-Cal or the Healthcare Exchange offering affordable coverage through Covered California. On June 27, 2013, Governor Brown signed into law AB 85 that provides a mechanism for the State to redirect State health realignment funding to fund social service programs.

The redirected amount was determined according to an agreed to formula option for California's twelve public hospital system counties, thirty-four County Medical Services Program (CMSP) counties, and the remaining twelve counties (Article 13 counties). The formula options were developed in consultation with the counties and DHCS to ensure continued viability of the county safety net. For CMSP counties, AB85 outlines that 60% of health-

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 18 – MEDI-CAL AND MEDICARE PROGRAMS (Continued)**

realignment that would have otherwise been received will be redirected, while the remaining two county groups had an option to either have 60% of health realignment redirected, or, to use a formula-based approach that takes into account a county's cost and revenue experience, and redirect 80% (70% in FY 13-14) of the savings realized by the county.

RUHS-MC is fully reserved for any estimated liabilities due back to the State for any State health realignment overpayments. RUHS-MC recognized \$12.4 million in revenue for the fiscal year ending June 30, 2016 from state health realignment.

**NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS**

Under Title I (Section 6500 et seq.) of the Government Code, the County has participated in jointly governed organizations with various entities for a variety of purposes. The board of directors for each of these organizations is composed of one representative of each member organization. The County maintains no majority influence or budgetary control over the following entities and County transactions with these jointly governed organizations are not material to the financial statements. The following jointly governed organizations were not included as either blended or discretely presented component units in these financial statements.

A representation of the jointly governed organizations on which the County served at June 30, 2016 follows:

The California State Association of Counties (CSAC) Excess Insurance Authority was formed in October 1979 and has a current membership of 52 California counties. The CSAC operates programs for excess workers' compensation, two excess liability programs, two property programs, and medical malpractice. It also provides support services for selected programs such as claims administration, risk management, loss prevention and training, and subsidies for actuarial studies and claims audits.

Coachella Valley Association of Governments was formed in November 1973. Currently, the association includes the following members: the cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage; the local tribes of Agua Caliente Band of Cahuilla Indians and the Cabazon Band of Mission Indians; and Riverside County. The purpose of the Association is to conduct studies and projects designed to improve and coordinate the common governmental responsibilities and services on an area-wide and regional basis.

Western Riverside Council of Governments was formed in November 1989 with the cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Lake Elsinore, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, and Temecula for the purpose of serving as a forum for consideration, study, and recommendation on area-wide and regional problems.

Riverside County Habitat Conservation Agency (RCHCA) was formed in July 1990. The RCHCA is a Joint Powers Agreement Agency comprised of the cities of Corona, Hemet, Lake Elsinore, Moreno Valley, Murrieta, Perris, Riverside, Temecula, and the County of Riverside for the purpose of planning, acquiring, administering, operating, and maintaining land and facilities for ecosystem conservation and habitat reserves for the Stephen's Kangaroo Rat and other endangered species under Article 1, Chapter 5, Division 7, Title 1 of the Government Code.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

Riverside County Abandoned Vehicle Abatement Authority was formed in June 1993 with those cities within the County that have elected to create and participate in the authority, pursuant to Vehicle Code Section 22710. The purpose of the authority is to implement a program and plan for the abatement of abandoned vehicles.

The March Joint Powers Commission was formed in August 1993 with the cities of Moreno Valley, Perris, and Riverside to formulate and implement plans for the use and reuse of March Air Force Base.

The Salton Sea Authority was formed in August 1993 with Imperial County, Imperial Irrigation District, and Coachella Valley Water District to direct and coordinate actions relating to improvement of water quality, stabilization of water elevation, and to enhance recreational and economic development potential of the Salton Sea and other beneficial uses.

Coachella Valley Regional Airport Authority was formed in April 1994 with the cities of Coachella, Indian Wells, Indio, La Quinta, and Palm Desert for the purpose of acting as a planning commission for the continued growth and development of Thermal Airport and the surrounding area.

Inland Empire Health Plan was formed with the County of San Bernardino in June 1994 to be the administrative body and governing board to form and develop a managed health care system for Medi-Cal recipients in the two counties through the Local Initiative.

Palm Springs Visitors and Convention Bureau were formed in December 1995 with those member cities located in the Coachella Valley area of the County. The purpose of the authority is to encourage and promote all aspects of the hospitality, convention, and tourism industry in the Coachella Valley.

Western Riverside County Regional Conservation Authority / Multi-Species Habitat Conservation Plan were formed in January 2004 with the responsibility of issuing the permits required to implement the Multi-Species Habitat Conservation Plan, which will ultimately create a 500,000-acre reserve system in the County. The conservation plan's proposed reserve system protects habitat for 146 varieties of species.

Coachella Valley Conservation Commission (CVCC) was formed in October 2005. The CVCC is a Joint Powers Agreement Agency comprised of the cities of Coachella, Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage and Riverside, and the Coachella Valley Water District as well as the Imperial Irrigation District. The purpose of the CVCC was to implement the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP). The CVMSHCP goal is to enhance and maintain biological diversity and ecosystem processes while allowing future economic growth.

Southern California Regional Airport Authority (SCRAA) was originally founded in 1985 by the joint powers authority to begin the process of regionalizing aviation. It has been reactivated in an attempt to reduce projected future passenger loads at Los Angeles International Airport (LAX), by spreading the growth in commercial air traffic to other regional airports. The Southern California Association of Governments (SCAG) has also coordinated dispersal planning of the significant new MAP (million air passengers) that would have to be absorbed at other airports if LAX's future MAP is reduced.

Coachella Valley Enterprise Zone Authority (CVEZA) was formed in September 2010 by the Joint Powers Agreement comprised of the County of Riverside, the City of Indio, and the City of Coachella. The purpose of the authority is to manage, coordinate, market, and administer economic development programs and projects in the enterprise zone areas.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 20 – RETIREMENT PLAN**

**General Information about the Pension Plans**

*Plan descriptions.* The County, Flood Control, Park District, and Waste Resources contract with the CalPERS to provide retirement benefits to their employees. CalPERS is a common investment and administrative agent for participating public entities within the State of California. State statutes, governed by the Public Employees' Retirement Law (PERL), have established benefit provisions as well as other requirements. The County may select from a variety of optional benefit provisions offered by CalPERS. Upon selecting the benefit provisions and entering into a contractual agreement with CalPERS, the benefit provisions may be adopted through local ordinance. CalPERS issues a comprehensive annual financial report (CAFR) which details its plan assets, liabilities, and plan activity. The County receives an annual actuarial valuation report which summarizes plan assets, liabilities, and employer rates for its plans. Under GASB Statement No. 68, both the County (Miscellaneous and Safety) and Flood Control (Miscellaneous) are agent multiple-employer defined benefit pension plans, while the Park District (Miscellaneous) and Waste Resources (Miscellaneous) are cost-sharing multi-employer defined benefit pension plans due to their pooling composite. Copies of the CalPERS CAFR may be obtained from: California Public Employees' Retirement System, 400 Q Street, P.O. Box 942701, Sacramento, CA 94229-2701.

*Benefits provided.* CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and plan beneficiaries. The County of Riverside has three retirement Tiers through the California Public Employee's Retirement System (CalPERS). Tier I - Applicable to employees hired prior to August 23, 2012. Formula is 3.0% at age 50 for County Safety plan employees and age 60 for other Miscellaneous plan employees. Tier II - Applicable to employees hired on or after August 23, 2012 through December 31, 2012. Formula is 2.0% at age 50 for County Safety plan employees and age 60 for other Miscellaneous plan employees. Tier III - Applicable to new CalPERS members hired on or after January 1, 2013 as a result of Public Employees' Pension Reform Act of 2013 (PEPRA), new lower retirement benefit formulas, final compensation periods, and contribution requirements were implemented. Formula is 2.7% at age 57 for County Safety plan employees and 2.0% at age 62 for other Miscellaneous plan employees. New members who were hired by Waste Resources on or after August 23, 2012 are applicable to the County Miscellaneous plan. Listed below is a table with the new retirement options and provision changes.

Summary of Benefits by plan:

	Plan	Employer Paid Member Contribution (EPMC)	Earliest Retirement Age	PEPRA Compensation Limits	Final Compensation	Effective Date
<u><b>Tier I</b></u>						
County Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
County Safety	3.0% at 50	Yes	50	N/A	12 months	N/A
Flood Control Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Park District Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Waste Resources Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
<u><b>Tier II</b></u>						
County Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
County Safety	2.0% at 50	No	50	N/A	36 months	8/23/2012
Flood Control Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Park District Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Waste Resources Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A
<u><b>Tier III (PEPRA)</b></u>						
County Miscellaneous	2.0% at 62	No	52	\$ 117,020	36 months	1/1/2013
County Safety	2.7% at 57	No	50	\$ 140,424	36 months	1/1/2013
Flood Control Miscellaneous	2.0% at 62	No	52	\$ 117,020	36 months	1/1/2013
Park District Miscellaneous	2.0% at 62	No	52	\$ 117,020	36 months	1/1/2013
Waste Resources Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 20 – RETIREMENT PLAN (Continued)**

*Employees covered by benefit terms.* At June 30, 2015, the following employees were covered by the benefit terms:

	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	9,247	2,164	205	72	98
Inactive employees entitled to but yet receiving benefits	11,569	1,079	128	112	56
Active employees	15,934	3,541	230	130	25
	<u>36,750</u>	<u>6,784</u>	<u>563</u>	<u>314</u>	<u>179</u>

*Contributions.* Active plan members in CalPERS may be required to contribute up to 8.0% (Miscellaneous employees) and up to 9.0% (Safety employees) of their annual covered salary as specified in the governing Memorandum of Understanding or as provided by state statute.

The employer contribution rate is established and may be amended by CalPERS. The actuarial methods and assumptions used to establish the employer contribution rate are adopted by the CalPERS Board of Administration. The County, Flood Control, Park District, and Waste Resources are required to contribute the actuarially determined annual required contributions necessary to fund the plans.

For fiscal year 2015-16, the employer and employee contribution rates were:

	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
County contribution rates:					
County Tier I	15.4%	23.6%	20.1%	12.8%	12.8%
County Tier II	15.4%	23.6%	20.1%	7.5%	N/A
County Tier III	15.4%	23.6%	20.1%	6.7%	N/A
Plan Members contribution rates					
County Tier I	8.0%	9.0%	8.0%	8.0%	8.0%
County Tier II	7.0%	9.0%	7.0%	7.0%	N/A
County Tier III	6.5%	10.8% *	6.5%	6.5%	N/A

\*During the term of Memorandum of Understanding (MOU), the employee contributions pursuant to the cost-sharing provision cannot exceed less than that which the employees are obligated under the MOU to contribute.

**Net Pension Liability**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 20 – RETIREMENT PLAN (Continued)**

*Actuarial assumptions.* For the measurement period ending June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

By Plan	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial Assumptions:					
Discount Rate	7.65%	7.65%	7.65%	7.65%	7.65%
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services
Investment Rate of Return	7.65%	7.65%	7.65%	7.65%	7.65%
Mortality Rate Table for all Plans <sup>(1)</sup>	Derived using CalPERS' Membership Data for all Funds				
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter				

<sup>(1)</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. More details on this table are available in the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

*Change of assumptions.* The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction for pension plan administrative expense.

*Discount rate.* The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employee Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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, both short-term and long-term market return expectations are accounted for as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 20 – RETIREMENT PLAN (Continued)**

short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

<u>Asset Class</u>	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99	2.43
Inflation Sensitive	6.0%	0.45	3.36
Private Equity	10.0%	6.83	6.95
Real Estate	10.0%	4.50	5.13
Infrastructure and Forestland	2.0%	4.50	5.09
Liquidity	2.0%	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

**Changes in the Net Pension Liability for Agent Multiple-Employer Defined Benefit Pension Plan**

The following table shows the changes in net pension liability recognized over the measurement period (In thousands).

Measurement Period June 30, 2015	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Total
Total pension liability				
Service cost	\$ 216,037	\$ 29,026	\$ 257	\$ 245,320
Interest	550,000	75,089	664	625,753
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	37,333	2,864	25	40,222
Changes of assumptions	(146,003)	(19,592)	(173)	(165,768)
Benefit payments, including refunds of employee contributions	(282,903)	(39,052)	(345)	(322,300)
Net change in total pension liability	374,464	48,335	428	423,227
Total pension liability - beginning (a)	7,114,876	1,012,623	7,962	8,135,461
Total pension liability - ending (c)	<u>\$ 7,489,340</u>	<u>\$ 1,060,958</u>	<u>\$ 8,390</u>	<u>\$ 8,558,688</u>
Plan fiduciary net position				
Contributions - employer	\$ 149,302	\$ 17,786	\$ 59	\$ 167,147
Contributions - employee	93,936	13,612	121	107,669
Net investment income	134,644	18,650	165	153,459
Benefit payments, including refunds of employee contributions	(282,903)	(39,052)	(345)	(322,300)
Administrative expense	(6,909)	(959)	(9)	(7,877)
Net change in plan fiduciary net position	88,070	10,037	(9)	98,098
Plan fiduciary net position - beginning (b)	5,852,763	841,805	6,622	6,701,190
Plan fiduciary net position - ending (d)	<u>\$ 5,940,833</u>	<u>\$ 851,842</u>	<u>\$ 6,613</u>	<u>\$ 6,799,288</u>
Net pension liability - beginning (a) - (b)	1,262,113	170,818	1,340	1,434,271
Net pension liability - ending (c) - (d)	<u>\$ 1,548,507</u>	<u>\$ 209,116</u>	<u>\$ 1,777</u>	<u>\$ 1,759,400</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 20 – RETIREMENT PLAN (Continued)**

**Changes in Proportionate Share of the Net Pension Liability for Cost Sharing Multiple-Employer Defined Benefit Pension Plans**

The following table shows the proportionate share of the net pension liability over the measurement period.

	Governmental Activities			Business-type Activities			Total Net Pension Liability
	Increase (Decrease)			Increase (Decrease)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)	
Balance at 06/30/2014	\$ 34,039	\$ 27,850	\$ 6,189	\$ 41,748	\$ 33,296	\$ 8,452	\$ 14,641
Balance at 06/30/2015	\$ 35,493	\$ 28,464	\$ 7,029	\$ 42,771	\$ 33,096	\$ 9,675	\$ 16,704
Net changes during 2014-15	\$ 1,454	\$ 614	\$ 840	\$ 1,023	\$ (200)	\$ 1,223	\$ 2,063

The following table shows the total net pension liability for both Agent and Cost Sharing Multiple-Employer plans.

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Total Net Pension Liability
Agent Multiple-Employer Plan	\$ 1,548,507	\$ 209,116	\$ 1,777	\$ 1,759,400
Cost Sharing Multiple-Employer Plan	7,029	9,675	-	16,704
Total:	<u>\$ 1,555,536</u>	<u>\$ 218,791</u>	<u>\$ 1,777</u>	<u>\$ 1,776,104</u>

*Sensitivity of the net pension liability to changes in the discount rate.*

The following presents the County's net pension liability, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate (In thousands):

	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Governmental Activities	\$ 2,705,388	\$ 1,555,536	\$ 632,367
Business-type Activities	367,368	218,791	80,194
Discretely Presented Component Unit	3,121	1,777	675
Total:	<u>\$ 3,075,877</u>	<u>\$ 1,776,104</u>	<u>\$ 713,236</u>

*Pension plan fiduciary net position.* Detailed information about the pension's plan fiduciary net position is available in the separately issued CalPERS financial report. The pension's plan fiduciary net position may differ from the plan assets reported in the actuarial valuation report due to several reasons. First, CalPERS must keep deficiency reserves, fiduciary self-insurance, and Other Post-Employment Benefit (OPEB) expense as assets. These amounts are excluded for rate setting purposes in the actuarial valuation report. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

*Subsequent Events*

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

*Recognition of Gains and Losses*

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and plan fiduciary net position are recognized in pension expense systematically over time.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 20 – RETIREMENT PLAN (Continued)**

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows of resources and deferred outflows 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:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the plan for the 2014-15 measurement period was obtained by dividing the total service years of the sum of remaining service lifetimes of the active employees by the total number of participants (active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving cash refund.

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the measurement period ending June 30, 2015, the Park District and Waste Resources reported a liability of \$7.0 million and \$9.7 million, respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The proportion of the net pension liability was based on a projection of long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the Park District's and Waste Resources' proportions were 0.25620 percent and 0.35266 percent, respectively, which was an increase of 0.00579 percent and 0.01068 percent, respectively, from their proportion measured as of June 30, 2014.

For the year-ended June 30, 2016, the County recognized pension expense of \$183.2 million. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 20 – RETIREMENT PLAN (Continued)**

At June 30, 2016, the deferred outflows of resources and deferred inflows of resources related to pensions are reported from the following sources (In thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 32,474	\$ -
Change of assumptions	-	(131,664)
Net difference between projected and actual earnings on pension plan investments	297,771	(355,089)
Adjustment due to differences in proportions	819	(80)
Difference in employer contributions and proportionate share of contributions	-	(62)
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	247,235	-
Total	<u>\$ 578,299</u>	<u>\$ (486,895)</u>

The follow table summarizes the total deferred outflows of resources and deferred inflows of resources by primary government and component unit.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental Activities	\$ 509,987	\$ (424,294)
Business-type Activities	67,896	(62,407)
Discretely Presented Component Unit	416	(194)
Total	<u>\$ 578,299</u>	<u>\$ (486,895)</u>

\$247.2 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (In thousands):

Year Ended June 30	Amount
2017	\$ (71,065)
2018	(71,068)
2019	(71,010)
2020	62,861
2021	(5,048)
Thereafter	(501)
	<u>\$ (155,831)</u>

**Payable to the Pension Plan**

At June 30, 2016, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2016.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 21 – DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

*Plan Description.* The County provides a part-time and temporary employees' retirement plan (the Plan) to provide retirement benefits to eligible employees as a substitute for benefits under social security. The Plan is an IRS Section 401(a) defined benefit plan. This Plan is self-funded and self-administered. Effective July 20, 2010, the County Board of Supervisors appointed U.S. Bank as the Plan's investment consultant, investment manager and trustee. Contributions made to the Plan are deposited with U.S. Bank, who maintains the responsibility of investing contributions in a diversified portfolio and reported at fair value. No financial report has been issued separately for public view under the defined benefit pension plan.

*Benefits provided.* Retirement benefits are determined as 2.0 percent of the employee's compensation and payable as a single life annuity. The eligible retirement age is 65. Participants are immediately 100% vested in the Plan upon enrollment. Benefits are payable for the life of the employee only. The normal retirement benefit is accrued to the date of termination. A lump sum distribution is paid if the actuarial equivalent benefit is less than \$5,000. Actuarial Equivalence for this purpose is based on the greater of the factor produced under the UP1984 unisex mortality table at 6% or the applicable mortality table and interest rate under 417(e).

*Employees covered by benefit terms.* At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	213
Inactive employees entitled to but yet receiving benefits	7,188
Active employees	<u>1,884</u>
	<u><u>9,285</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

*Contributions.* Participants in the Plan are required to contribute 3.75% of their compensation to the Plan. According to the July 1, 2015 valuation, the County's current required contribution rate is 3.08%. Overall, the Plan's unfunded actuarially accrued liability (UAAL) increased from the prior valuation due to the net result of the following: 1) demographic experience was different than expected, which resulted in a liability loss; 2) funding interest rate assumption changed from 6.5 percent to 6.0 percent; 3) lump sum interest changed from 6.2 percent to 5 percent, which resulted in higher liabilities; and 4) assets were lower than expected due to unfavorable investment return on Plan assets (0.41 percent compared to 6.5 percent assumed). The Plan's current funded ratio is 90%. The Plan actuary calculates the minimum recommended employer contribution rate through preparation of an actuarial valuation report and the County determines the contribution rates. Administrative costs of the Plan are paid by the Trustee from Plan assets.

**Net Pension Liability**

The County's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the June 30, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Asset Valuation Method	Market Value of
	Assets
Actuarial Assumptions	
Inflation	2.8%
Salary Increases	3.0%
Payroll Growth	3.0%
Investment Rate of Return:	6.0%

Mortality rates are based on the most recent CalPERS mortality table developed in 1997-2011 CalPERS Experience Study, with generational future improvement using scale MP-2014.

The actuarial assumption is used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2014 - June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	Target Allocation	Expected Nominal	
		Return	Expected Volatility
Cash	1.22%	3.2%	2.0%
Domestic equity	67.52%	9.7%	19.5%
Fixed income	31.26%	3.7%	5.0%

*Discount rate.* The discount rate used to measure the total pension liability was 6.0 percent. The projected cash flow used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)**

position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (In thousands):

	Governmental Activities Increase (Decrease)		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability/(Asset) (c) = (a) - (b)</b>
<b>Balance at 06/30/14</b>	<b>\$ 29,744</b>	<b>\$ 31,602</b>	<b>\$ (1,858)</b>
<b>Changes of the year:</b>			-
Service cost	1,512	-	1,512
Interest	1,983	-	1,983
Change of assumptions	2,939	-	2,939
Differences between expected and actual experience	795	-	795
Contributions - employer	-	607	(607)
Contributions - employee	-	1,267	(1,267)
Net investment income	-	131	(131)
Benefit payments, including refunds of employee contributions	(1,511)	(1,511)	-
Administrative expense	-	(217)	217
<b>Net changes</b>	<b>5,718</b>	<b>277</b>	<b>5,441</b>
<b>Balance at 06/30/15</b>	<b>\$ 35,462</b>	<b>\$ 31,879</b>	<b>\$ 3,583</b>

**Changes in Assumptions and Methods since the Prior Valuation**

- 1) Funding interest rate decreased from 6.5% to 6.0%
- 2) Lump sum interest rate decreased from 6.0% to 5.0%

*Sensitivity of the net pension liability to changes in the discount rate.* The following presents the net pension liability of the County, calculated using the discount rate of 6.0 percent, as well as what the County's net pension liability would be if it were using a discount rate that is 1-percentage-point lower (5.0 percent) or 1-percentage-point higher (7.0 percent) than the current rate (In thousands):

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Governmental Activities	\$ 9,650	\$ 3,583	\$ (1,171)

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)**

*Pension plan fiduciary net position*

Statement of Fiduciary Net Position June 30, 2016		Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended June 30, 2016	
<u>ASSETS</u>	<u>Pension Trust</u>	ADDITIONS:	
Cash and investments	\$ 31,946	Contribution to pension trust:	
Accounts receivable	177	Employer	\$ 639
Total assets	32,123	Employee	1,514
		Total additions	2,153
<u>LIABILITIES</u>		DEDUCTIONS:	
Accounts payable	-	Benefits paid to participants	1,823
Total liabilities	-	Total deductions	1,823
<u>NET POSITION</u>		Change in net position	330
Held in trust for pension benefits	\$ 32,123	Net position held in trust, beginning of the year	31,793
		Net position held in trust, end of the year	\$ 32,123

*Subsequent Events*

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

*Recognition of Gains and Losses*

Under GASB Statement No. 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 inflows of resources and deferred outflows 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:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

*Recognition of Gains and Losses (Continued)*

The EARSLS is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSLS for the Plan for the 2014-15 measurement period is 8.53 years, which was obtained by dividing the total service years of 79,201 (the sum of remaining service lifetimes of the active employees) by 9,285 (total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving cash refund.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

For the year ended June 30, 2016, the County recognized pension expense of \$737.0 thousand. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (In thousands):

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,563	\$ -
Changes of assumptions	2,594	-
Net difference between projected and actual earnings on pension plan investments	1,542	(1,610)
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	639	-
Total	<u>\$ 6,338</u>	<u>\$ (1,610)</u>

\$639.0 thousand reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a deduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (In thousands):

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2017	\$ 429
2018	429
2019	429
2020	966
2021	580
Thereafter	1,256
	<u>\$ 4,089</u>

**Payable to the Pension Plan**

At June 30, 2016, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2016.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 22 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Descriptions**

The County and its Special Districts Flood Control, Park District, and Waste Resources, offer post employment benefits to eligible County retirees. Benefit provisions are established and amended through negotiations between the County and the various bargaining units.

The post employment benefits provide:

- The County provides retiree medical benefits for eligible retirees enrolled in County sponsored plans. The benefits are provided in the form of:
  - Monthly County contributions toward the retiree's medical premium, and
  - Monthly contributions of \$25 per month to the Riverside Sheriffs' Association (RSA) Benefit Trust for RSA law enforcement retirees.
- Previously, the County allowed certain retirees to receive coverage prior to age 65 by paying premiums that were developed by blending active and retiree costs, which resulted in an implicit subsidy to retirees. The implicit subsidy has been discontinued since January 1, 2011.

A qualified Internal Revenue Code Section 115 Trust has been established for the County and Special Districts, with the exception of Waste Resources, with the California Employers' Retiree Benefit Trust (CERBT) for the purpose of receiving employer contributions that will prefund health and other post employment costs for retirees and their beneficiaries. The CERBT administers each plan's assets and issues a financial report available for public review, which includes financial statements and required supplementary information for the trust fund. The CERBT report may be obtained from CalPERS Affiliate Programs Services Division, CERBT (OPEB), P.O. Box 1494 Sacramento, CA 95812-1494.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 22 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Funding Policy and Annual OPEB Cost**

It is the policy of the County, along with the special districts (Park District and Flood Control) to fully contribute an amount at least equal to the Annual Required Contribution (ARC), as determined by the Post-Retirement Benefits Actuarial Valuation for each trust. To facilitate funding for the ARC, the County has developed a rate structure. It is the policy of the Waste Resources to fund the ARC on a pay-as-you-go basis.

Contribution requirements of the plan members and the County are established and may be amended through negotiations between the County and the respective bargaining units. The liabilities and annual cost due to the County's contractual agreements to assist with retiree health care cost are calculated in accordance with Governmental Accounting Standards Board (GASB) Statement No. 45. GASB requires an Annual Required Contribution (ARC) to be developed each year based on the plan's assets and liabilities. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over 30 years (7 years for Waste Resources).

The County's annual OPEB cost for the current year and the related information for each plan are as follows (In thousands, except for contribution rates):

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Resources</u>
Contribution rates:				
County	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256
Plan members	\$587-\$1,459	\$587-\$1,459	\$587-\$1,459	\$587-\$1,459
Annual required contribution	\$ 1,077	\$ -	\$ -	\$ 116
Interest on net OPEB obligation	(2,177)	(39)	(21)	7
Adjustment to annual required contribution	1,749	32	17	(118)
Annual OPEB cost	649	(7)	(4)	5
Contributions made	(3,032)	(44)	-	(29)
Increase in net OPEB obligation (asset)	(2,383)	(51)	(4)	(24)
Net OPEB obligation (asset) beginning of year	(29,398)	(632)	(312)	140
Net OPEB obligation (asset) end of year	<u>\$ (31,781)</u>	<u>\$ (683)</u>	<u>\$ (316)</u>	<u>\$ 116</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the two preceding years for each of the plans were as follows (In thousands):

	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
County	06/30/14	\$ 1,974	118.7 %	\$ (25,944)
	06/30/15	942	466.7	(29,398)
	06/30/16	649	467.2	(31,781)
Flood Control	06/30/14	12	416.7	(539)
	06/30/15	(30)	83.3	(577)
	06/30/16	(7)	628.6	(683)
Park District	06/30/14	(5)	180.0	(299)
	06/30/15	(4)	225.0	(312)
	06/30/16	(4)	0.0	(316)
Waste Resources	06/30/14	16	18.8	126
	06/30/15	17	17.7	140
	06/30/16	5	580.0	116

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 22 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Funded Status and Funding Progress**

The following is funded status information for each plan as of July 1, 2015, which is the most recent actuarial valuation date (In thousands):

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Resources</u>
Actuarial accrued liability (a)	\$ 41,249	\$ 395	\$ 113	\$ 755
Actuarial value of plan assets (b)	34,486	556	306	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ 6,763</u>	<u>\$ (161)</u>	<u>\$ (193)</u>	<u>\$ 755</u>
Funded ratio (b) / (a)	83.6%	140.8%	270.8%	0.0%
Covered payroll (c)	\$ 1,281,024	\$ 17,194	\$ 7,090	\$ 2,384
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([a] - (b)) / (c)	0.5%	-0.9%	-2.7%	31.7%

Actuarial valuations are estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the Annual Required Contributions (ARC) of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are projected about the future. The required schedule of funding progress, presented as required supplementary information, provides multi-year trend information reflecting whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan members. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The significant costing methods and projected assumptions were as follows:

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Resources</u>
Actuarial valuation date	7/1/2015	7/1/2015	7/1/2015	7/1/2015
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, open	Level percentage of payroll, close
Remaining amortization period	30 years	30 years	30 years	7 years
Actuarial assumptions:				
Investment rate of return	7.3%	6.1%	7.3%	4.5%
Projected salary increases	3.0%	3.0%	3.0%	3.0%
Healthcare inflation rate (initial)	5.0%	10.0%	10.0%	10.0%
Healthcare inflation rate (ultimate)	4.0%	5.0%	5.0%	5.0%
Inflation rate	2.8%	2.8%	2.8%	2.8%

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 23 – COMMITMENTS AND CONTINGENCIES**

**Lawsuits and Other Claims**

The County has been named as a defendant in various lawsuits and claims arising in the normal course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, such loss has been accrued in the accompanying basic financial statements. Litigation where loss to the County is reasonably possible has not been accrued.

*Civil Action Lawsuit Settlement*

Plaintiffs on behalf of inmates incarcerated in Riverside County Jails and County of Riverside entered a lawsuit settlement on June 7, 2016 to ensure constitutional health care services are provided to all inmates and non-discrimination for inmates with disabilities in the Riverside County Jails. On March 8, 2013, the legal action was filed by Plaintiffs to against the County for failing to provide minimally adequate medical and mental health care to inmates in violation of the Eighth and Fourteenth Amendments to the United States Constitution, and discrimination against certain inmates with disabilities as prohibited by American with Disabilities Act and Section 504 of the Rehabilitation Act. The parties agreed to negotiate a Remedial Plan which requires the County to address the deficiencies of its jails' health care system and to provide at least minimally adequate medical and mental health care. Pursuant to the lawsuit settlement, the County of Riverside agrees to develop and implement appropriate and adequate plans, policies, and practices to ensure compliance with the Remedial Plan. The County agrees to pay Plaintiffs \$1.3 million for reasonable fees and expenses incurred through the final approval of the settlement including approval of all Remedial Plans.

*County of Riverside Redevelopment Successor Agency*

It is reasonably possible that the State Department of Finance could invalidate some but not all of the obligations reported on the Successor Agency's Recognized Obligation Payment Schedule (ROPS). Section 34171 (d) (1) of the Health and Safety Code recognizes bonds as enforceable obligations, as defined by Section 33602 and bonds issued pursuant to Section 58383 of the Government Code, including the required debt service. The majority of the total outstanding obligations reported on the Riverside County Redevelopment Successor Agency (92.0%) consist of bond debt service payments. The range of potential loss of revenue is between \$0 to \$126.6 million spread over the remaining life of the Successor Agency through 2045.

**Federal Grant Revenue**

Compliance examinations for the fiscal year ended June 30, 2015, identified certain items of noncompliance with Federal grants and regulations. The total amount of expenditures that could be disallowed by the granting agencies cannot be determined at this time; however, County management does not expect such amounts, if any, to be material to the basic financial statements. The fiscal year 2015-16 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2017.

**Commitments**

At June 30, 2016 the County had various non-cancelable contracts and construction-in-progress with outside contractors. These contracts were financed through either the general fund or capital projects funds. \$330.7 million will be payable upon future performance under the contracts.

**Landfill Construction and Consulting Contracts**

The Waste Resources Department enters into various construction and consulting contracts to facilitate its landfill operations and continues the process of installing landfill liners as needed at Badlands and Lamb Canyon landfills, in accordance with state and federal laws and regulations. The Department does not anticipate a new area landfill expansion at either of these facilities in the next five years, but does plan to complete two expansion projects at Badlands landfill which will increase refuse airspace and days of site life in the current burial area. The northwestern berm construction will cost approximately \$1.9 million and the 7.2 acre liner system on the north part of the site will cost about \$3.6 million and both are expected to be completed in the next five years.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 23 – COMMITMENTS AND CONTINGENCIES (Continued)**

**Remediation Contingencies**

*Governmental Funds*

Release of gasoline and diesel fuel has been reported at seven underground storage tanks. Orders have been issued by the California Regional Water Quality Control Board (CRWQCB) to assess and cleanup these sites by specific dates. It has determined the remediation plan and monitoring action are required. In addition to groundwater contamination, asbestos has been found in six facilities. As of June 30, 2016, the governmental activities reflect a \$1.9 million accrued remediation liability (Note 14). The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations and other factors that could result in revisions to these estimates.

*Enterprise Funds*

Waste Resources Department has established restricted cash funds to set aside for future remediation costs as they are required to be performed. Investments of \$30.8 million are held for these purposes at June 30, 2016 and are classified as accrued remediation in the statements of net position.

The Department is aware of air/gas contamination at 17 landfills, 11 of which are closed, and required to have corrective action plans. Based on engineering studies, Waste Resources estimates the present value of the total costs of corrective action for foreseeable contaminate releases at \$36.6 million. At June 30, 2016, the Department has accrued \$30.8 million for the estimated costs required by CalRecycle and the Regional Water Quality Control Board (RWQCB), related to the outstanding remediation projects as needed at these landfills.

In addition to the liability amounts calculated per CalRecycle regulations that are designated to the Escrow Funds, the Department is also responsible for the corrective action costs related to Nineteen (19) other landfill sites that have been inactive or closed since before 1988. Liability for these sites fluctuates dependent on the needs of each site and changes to or the implementation of laws and regulations. As of June 30, 2016, the corrective action is estimated at \$3.7 million.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 23 – COMMITMENTS AND CONTINGENCIES (Continued)**

**Encumbrances**

The County uses “encumbrances” to control expenditure commitments for the year. Encumbrances represent commitments related to executor contracts not yet performed and purchases orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve applicable appropriations. Depending on the sources(s) of funding, encumbrances are reported as part of restricted or assigned fund balance on the governmental funds balance sheet. As of June 30, 2016, the encumbrance balances for the governmental funds are reported as follows (In thousands):

	<u>Restricted</u>	<u>Assigned</u>	<u>Total</u>
<b>Major Governmental Funds</b>			
<b>General Fund:</b>			
Capital improvement projects	\$ -	\$ 628	\$ 628
Court facilities	-	28	28
Criminal justice system review	-	995	995
Emergency medical services	-	5	5
Energy projects	-	72	72
Environmental health	-	41	41
Facilities management	-	189	189
Fire protection	-	431	431
Legal services	-	537	537
Operating contribution	-	88	88
Other purposes	-	177	177
Probation programs	-	3,849	3,849
Public health	-	944	944
Registrar of voters	-	12	12
Sheriff coroner	-	14	14
Sheriff correction	-	1,061	1,061
Sheriff court services	-	1,468	1,468
Sheriff patrol	-	1,111	1,111
Sheriff support	-	220	220
<b>Transportation:</b>			
Equipment	253	-	253
Roads	-	605	605
<b>Nonmajor Governmental Funds</b>			
<b>Special Revenue Funds:</b>			
CAP local initiative program	356	-	356
Parks	100	-	100
Public ways and facilities	94	-	94
Other purposes	7	-	7
<b>Capital Projects Funds:</b>			
Capital improvement projects	41	-	41
<b>Total Encumbrances</b>	<u><u>\$ 851</u></u>	<u><u>\$ 12,475</u></u>	<u><u>\$ 13,326</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 24 – SUBSEQUENT EVENTS**

**Tax and Revenue Anticipation Notes (TRANs)**

On July 1, 2016, the County issued \$340.0 million in Tax and Revenue Anticipation Notes in the form of a 2017 Maturity bond due June 30, 2017. The stated interest rate for the bond is set at 3.0% per annum with a yield of 0.7%. In accordance with California law, the TRANs bonds are general obligations of the County and are payable only out of the taxes, income, revenues, cash receipts, and other monies of the County attributable to fiscal year 2017 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2017 general fund expenditures, including current expenditures, capital expenditures, and the discharge of other obligations or indebtedness of the County.

**Riverside County Bonds and Certificates of Participation**

On September 2016, Fitch, one of the three major credit ratings, has assigned the County's bonds and certificates of participation ratings as follows:

- Riverside County implied general obligation (GO) bond rating at 'AA-'.
- Riverside County pension obligation bonds (POB-Series 2005A) at 'A+'.
- Riverside County certificates of participation (COPs-, 2005A, 2007A, 2007B, 2009) at 'A+'.
- Riverside County Asset Leasing Corporation certificates of participation (CORAL- COPS/series 2006A and lease revenue bonds (LRBs), Series 1997A, 1997B, 1997C, 2013A) at 'A+'.
- Riverside County Public Financing Authority (LRBs) (Series 2012 and 2015) at 'A+'.
- Southwest Communities Financing Authority lease revenue bonds (LRBs) (Series 2008A) at 'A+'.

Fitch's reasoning is summarized in the following paragraphs:

The County's economy is large, diverse, and well-situated for long-term growth. It has affordable housing stock, capacity for additional development, proximity to employment centers including San Bernardino, Orange County, and Los Angeles, and a location along a major distribution route. The County is exposed to considerable housing market and tax base volatility as it was one of the worst – affected regions in the country during the economic downturn. However, both the housing market and assessed values have improved significantly over the past several years and a large amount of state revenue in the budget moderates the effect of this cyclicity on overall revenues.

State and federal health and social services pass-through funds comprise a substantial amount of the County's budget, as is typical for California counties. The County's non-discretionary general fund revenues are primarily provided by state funds and federal funds, which account for an estimated 44% and 20% of fiscal 2016 budgeted revenues, respectively. General fund discretionary revenues (ie., excluding state and federal funds) are primarily generated by property taxes, which account for 43% of fiscal 2016 budgeted discretionary revenues, followed by the motor vehicle in lieu payment at 30%.

Historical general fund revenues have been generally above U.S. economic performance. Property tax revenue has increased each of the last four years, with assessed value increasing 5.8% in fiscal 2016. The fiscal 2017 budget assumes an additional 4.5% increase based upon projected assessed value growth of 5%.

The County has limited capacity to independently raise revenues under state law, particularly Proposition 13 which generally allows for a maximum increase of 2% annual in property tax assessments other than resale taxes and Proposition 218 which requires voter approval for new or increased general taxes.

Discretionary spending is focused on public safety, which accounts for 64% of the discretionary fiscal 2016 budget, health and sanitation at 13%, and public assistance at 5%.

The County's fixed-costs burden is relatively low with carrying costs for debt, pensions, and retiree healthcare accounting for 10% of fiscal 2015 governmental spending. The County has a productive relationship with bargaining units with two-year contracts for its five units expiring by June 30, 2017. The contracts are not subject to binding arbitration and strikes are not permitted. The County has demonstrated its capacity to implement layoffs and furlough in times of revenue decline.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**NOTE 24 – SUBSEQUENT EVENTS (Continued)**

**Riverside County Bonds and Certificates of Participation (Continued)**

The County has demonstrated a high degree of financial resilience through spending restraint and financial management policies. The Board policy minimum for reserves is 25% of discretionary financial management policies. The Board policy minimum for reserves is 25% of discretionary revenues; the reserve is currently \$224 million, or nearly 31%. The unrestricted general fund balance at year-end fiscal 2015 was \$270 million, or 9.6% of total general fund spending. Fitch expects that the County would maintain reserves at solid levels throughout a moderate economic down turn.

The County has continued to exercise spending restraint during the economic recovery. It prepares and adopts a five-year discretionary spending plan with each budget cycle. The most recent five-year plan projects modest deficits through fiscal 2018 and includes remediation strategies.

**Teeter Obligation Notes, Series D and A**

On October 12, 2016, the County issued \$81.8 million in 2016 Teeter Obligation Notes, Series A (Tax-Exempt) to refund a portion of the outstanding 2015 Teeter Obligation Notes, Series D, and fund an advance of unpaid property taxes for agencies participating in the County's Teeter plan, and to pay the cost of issuance related to the notes. The 2016 Notes bear an interest rate of 3.0% for 2016 Teeter Obligation Note, Series A and a maturity date of October 11, 2017, when the existing Letter of Credit will expire.

**The Effects of the Economy on CalPERS**

Based on past performance of the CalPERS fund, CalPERS has estimated the County's miscellaneous and safety contribution rates for fiscal year 2016-17 will be 16.5% and 26.6%, respectively. Fiscal year 2017-18 contribution rates for miscellaneous and safety are estimated at 17.7% and 28.8%, respectively. They will be accounted for in fiscal year 2015-16 and future budget years.

**Palm Desert Financing Authority**

On September 8, 2016, the Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, 2016 Series A and Series A-T were issued by the Riverside County Infrastructure Financing Authority to (i) refund the outstanding Riverside County Palm Desert Financing Authority Lease Revenue Bonds (County Facilities Projects) 2008 Series A (the "Prior Bonds"), (ii) finance the acquisition, construction and installation of certain capital improvements to be owned and operated by the County, and (iii) pay the costs incurred in connection with the issuance of the bonds.



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# **REQUIRED SUPPLEMENTARY INFORMATION**



**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2016**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE MEASUREMENT PERIOD**  
(Dollar amounts in thousands)

***Agent Multiple Employer Plan***

<b>Measurement Period</b>	<b>2014-15 <sup>(1)</sup></b>	<b>2013-14 <sup>(1)</sup></b>
<b>Total pension liability</b>		
Service cost	\$ 245,320	\$ 238,529
Interest	625,753	569,503
Changes of benefit terms	-	-
Differences between expected and actual experience	40,222	-
Changes of assumptions	(165,768)	-
Benefit payments, including refunds of employee contributions	(322,300)	(293,348)
<b>Net change in total pension liability</b>	<b>423,227</b>	<b>514,684</b>
<b>Total pension liability - beginning</b>	<b>8,135,461</b>	<b>7,620,777</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 8,558,688</b>	<b>\$ 8,135,461</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 167,147	\$ 210,413
Contributions - employee	107,669	99,662
Net investment income	153,459	997,083
Benefit payments, including refunds of employee contributions	(322,300)	(293,348)
Administrative expense	(7,877)	-
<b>Net change in plan fiduciary net position</b>	<b>98,098</b>	<b>1,013,810</b>
<b>Plan fiduciary net position - beginning</b>	<b>6,701,190</b>	<b>5,687,380</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 6,799,288</b>	<b>\$ 6,701,190</b>
<b>Plan's net pension liability - ending (a) - (b)</b>	<b>\$ 1,759,400</b>	<b>\$ 1,434,271</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>79.4%</b>	<b>82.4%</b>
<b>Covered-employee payroll</b>	<b>\$ 1,237,138</b>	<b>\$ 1,137,758</b>
<b>Plan's net pension liability as a percentage of covered-employee payroll</b>	<b>142.2%</b>	<b>126.1%</b>

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

**Notes to Schedule:**

**Benefit changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes of assumptions:** The discount rate was changed from 7.5 percent (net of administrative expense) as of June 30, 2014 measurement date to 7.65 percent as of June 30, 2015 measurement date.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2016**  
**SCHEDULE OF PLAN CONTRIBUTIONS**  
(Dollar amounts in thousands)

***Agent Multiple Employer Plan***

<b>Fiscal year</b>	<b>2015-16*</b>	<b>2014-15*</b>
Actuarially determined contribution	\$ 216,678	\$ 192,447
Contributions in relation to the actuarially determined contribution	<u>(245,762)</u>	<u>(206,832)</u>
Contribution deficiency (excess)	<u>\$ (29,084)</u>	<u>\$ (14,385)</u>
Covered-employee payroll	\$ 1,369,182	\$ 1,237,138
Contributions as a percentage of covered-employee payroll	17.9%	16.7%

\* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

**Notes to Schedule**

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2015-16 were derived from the June 30, 2013 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll, Open
Asset valuation method	Actuarial Value of Assets
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll growth	3.0%
Investment rate of return*	7.65%

The Retirement Age is determined by the probabilities of retirement which are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

The Mortality is based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

\* Net of pension plan investment and administrative expenses; includes inflation.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2016**

**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND  
RELATED RATIOS**

**As of the Measurement Date**  
(Dollar amounts in thousands)

***Cost Sharing Multiple Employer Plan***

<b>Measurement Period</b>	<b>2014-15 <sup>(1)</sup></b>	<b>2013-14 <sup>(1)</sup></b>
Plan's proportion of the net pension liability (asset)	0.60886%	0.23529%
Plan's proportionate share of the net pension liability (asset)	\$ 16,704	\$ 14,641
Plan's covered-employee payroll	8,750	7,605
Plan's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	190.9%	192.5%
Plan's proportion of fiduciary net position as a percentage of the Plan's total pension liability	78.7%	80.7%
Plan's proportionate share of aggregate employer contributions	\$ 1,473	\$ 1,653

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

**SCHEDULE OF PLAN CONTRIBUTIONS**  
(Dollar amounts in thousands)

***Cost Sharing Multiple Employer Plan***

<b>Fiscal year</b>	<b>2015-16*</b>	<b>2014-15*</b>
Actuarially determined contribution	\$ 1,925	\$ 1,573
Contributions in relation to the actuarially determined contribution	(1,473)	(1,139)
Contribution deficiency (excess)	<u>\$ 452</u>	<u>\$ 434</u>
Covered-employee payroll	\$ 9,175	\$ 8,750
Contributions as a percentage of covered-employee payroll	16.1%	13.0%

\*Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

**Notes to Schedule**

**Benefit changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2016**

**SCHEDULE OF PLAN CONTRIBUTIONS (Continued)**

*Changes of assumptions:* The discount rate of 7.5 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE  
MEASUREMENT PERIOD**  
(Dollar amounts in thousands)

***Riverside County – Part-time and Temporary Help Retirement***

<b>Measurement Period</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Total pension liability</b>		
Service cost	\$ 1,512	\$ 1,557
Interest	1,983	1,800
Changes of benefit terms	-	-
Differences between expected and actual experience	795	1,146
Changes of assumptions	2,939	-
Benefit payments, including refunds of employee contributions	(1,511)	(1,762)
<b>Net change in total pension liability</b>	<b>5,718</b>	<b>2,741</b>
<b>Total pension liability - beginning</b>	<b>29,744</b>	<b>27,003</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 35,462</b>	<b>\$ 29,744</b>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 607	\$ 956
Contributions - employee	1,267	1,394
Net investment income	131	4,437
Benefit payments, including refunds of employee contributions	(1,511)	(1,762)
Administrative expense	(217)	(228)
Other	-	-
<b>Net change in plan fiduciary net position</b>	<b>277</b>	<b>4,797</b>
<b>Plan fiduciary net position - beginning</b>	<b>31,602</b>	<b>26,805</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 31,879</b>	<b>\$ 31,602</b>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<b>\$ 3,583</b>	<b>\$ (1,858)</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>89.9%</b>	<b>106.2%</b>
<b>Covered-employee payroll</b>	<b>\$ 32,963</b>	<b>\$ 29,517</b>
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	<b>10.9%</b>	<b>6.3%</b>

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.*



**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2016**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE  
MEASUREMENT PERIOD (Continued)**

**Notes to Schedule:**

*Changes of assumptions:*

- 1) Funding interest rate decreased from 6.5% as of June 30, 2014 measurement date to 6.0% as of June 30, 2015 measurement date.
- 2) Lump sum interest rate decreased from 6.0% as of June 30, 2014 measurement date to 5.0% as of June 30, 2015 measurement date.

**SCHEDULE OF PLAN CONTRIBUTIONS**  
(Dollar amounts in thousands)

***Riverside County – Part-time and Temporary Help Retirement***

<b>Fiscal Year</b>	<b>2015-16</b>	<b>2014-15</b>
Actuarially determined contribution	\$ 122	\$ 252
Contributions in relation to the actuarially determined contribution	(639)	(529)
Contribution deficiency (excess)	<u>\$ (517)</u>	<u>\$ (277)</u>
Covered-employee payroll	\$ 39,761	\$ 32,963
Contributions as a percentage of covered-employee payroll	1.6%	1.6%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which information is available.*

**Notes to Schedule**

Valuation date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level-Dollar Projected Payroll
Remaining amortization period	20 –year Amortization of Unfunded Liability, plus Normal Cost, less expected Employee Contributions
Asset valuation method	Market Value
Inflation	3.0%
Salary increases:	3.0%
Investment rate of return	6.0% (net of administrative expense)
Retirement age	65

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2016**

**SCHEDULE OF PLAN CONTRIBUTIONS (Continued)**

**Mortality**

*Actives*

RP-2014 combined annuitant/non-annuitant mortality table with generational future improvement using scale MP-2014.

*Full-time Actives (no longer accruing benefits)*

Mortality rates are based on the most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements using scale MP-2014.

Age	Male	Female
30	0.05%	0.03%
40	0.08%	0.05%
50	0.16%	0.11%
60	0.35%	0.22%
70	1.77%	1.26%
80	5.28%	3.69%
90	16.19%	12.33%

**OPEB – SCHEDULES OF FUNDING PROGRESS**

(Dollars in Thousands)

***County of Riverside***

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2013	\$ 26,764	\$ 43,829	\$ 17,065	61.06 %	\$ 1,096,375	1.56 %
July 1, 2014	34,098	40,121	6,023	84.99	1,152,127	0.52
July 1, 2015	34,486	41,249	6,763	83.60	1,281,024	0.53

***Flood Control and Water Conservation District***

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2013	\$ 321	\$ 494	\$ 173	64.98 %	\$ 15,339	1.13 %
July 1, 2014	532	479	(53)	111.06	16,297	-0.33
July 1, 2015	556	395	(161)	140.76	17,194	-0.94

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2016**

**OPEB – SCHEDULES OF FUNDING PROGRESS (Continued)**  
(Dollars in Thousands)

*Regional Park and Open-Space District*

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
July 1, 2011	\$ 232	\$ 139	\$ (93)	166.91 %	\$ 4,871	-1.91 %
July 1, 2013	259	132	(127)	196.21	4,607	-2.76
July 1, 2015 *	306	113	(193)	270.80	7,090	-2.72

\*The most recent actuarial valuation. Actuarial valuations every two years.

*Waste Resources Department*

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b-a)/c)</b>
January 1, 2009	\$ -	\$ 1,089	\$ 1,089	0.00 %	\$ 3,302	32.98 %
July 1, 2012	-	982	982	0.00	2,495	39.36
July 1, 2015 *	-	755	755	0.00	2,384	31.67

\*The most recent actuarial valuation. Actuarial valuations every three years.



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# **COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES**



**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Teeter Debt Service Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 159	\$ 159
Other revenue	2,832	2,832	295	(2,537)
Total revenues	2,832	2,832	454	(2,378)
EXPENDITURES:				
Current:				
General government	2,832	2,751	-	(2,751)
Debt service:				
Cost of issuance	-	-	373	373
Total expenditures	2,832	2,751	373	(2,378)
Excess (deficiency) of revenues over (under) expenditures	-	81	81	-
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(81)	(81)	-
Total other financing sources (uses)	-	(81)	(81)	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Public Facilities Improvements Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2016**  
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ 353	\$ 353	\$ 703	\$ 350
Rents and concessions	360	360	352	(8)
Aid from other governmental agencies:				
State	-	-	24,673	24,673
Other	28,247	28,247	29,264	1,017
Charges for services	152,038	137,275	38,455	(98,820)
Other revenue	13,579	11,617	2,030	(9,587)
Total revenues	<u>194,577</u>	<u>177,852</u>	<u>95,477</u>	<u>(82,375)</u>
EXPENDITURES:				
Current:				
General government	220,331	189,541	78,792	(110,749)
Public ways and facilities	23,675	16,616	224	(16,392)
Total expenditures	<u>244,006</u>	<u>206,157</u>	<u>79,016</u>	<u>(127,141)</u>
Excess (deficiency) of revenues over (under) expenditures	(49,429)	(28,305)	16,461	44,766
OTHER FINANCING SOURCES (USES):				
Transfers in	-	21,052	21,052	-
Transfers out	-	(42,485)	(42,485)	-
Total other financing sources (uses)	<u>-</u>	<u>(21,433)</u>	<u>(21,433)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(49,429)	(49,738)	(4,972)	44,766
Fund balance, beginning of year	138,621	138,621	138,621	-
FUND BALANCE, END OF YEAR	<u>\$ 89,192</u>	<u>\$ 88,883</u>	<u>\$ 133,649</u>	<u>\$ 44,766</u>



# NONMAJOR GOVERNMENTAL FUNDS



**COUNTY OF RIVERSIDE**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016  
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>					
Assets:					
Cash and investments	\$ 112,099	\$ 13,789	\$ 17,705	\$ 614	\$ 144,207
Accounts receivable	286	2,230	-	-	2,516
Interest receivable	72	24	24	1	121
Taxes receivable	1,381	-	-	-	1,381
Due from other governments	11,060	-	54	-	11,114
Due from other funds	667	-	-	-	667
Prepaid items and deposits	7	-	997	-	1,004
Restricted cash and investments	-	52,308	9,773	-	62,081
Total assets	<u>125,572</u>	<u>68,351</u>	<u>28,553</u>	<u>615</u>	<u>223,091</u>
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 125,572</u>	<u>\$ 68,351</u>	<u>\$ 28,553</u>	<u>\$ 615</u>	<u>\$ 223,091</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ 4,372	\$ 671	\$ 1,035	\$ -	\$ 6,078
Salaries and benefits payable	3,487	-	183	-	3,670
Due to other governments	856	-	-	-	856
Due to other funds	936	-	2,395	-	3,331
Deposits payable	383	-	-	-	383
Advances from grantors and third parties	6,659	-	-	-	6,659
Total liabilities	<u>16,693</u>	<u>671</u>	<u>3,613</u>	<u>-</u>	<u>20,977</u>
Deferred inflows of resources	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>
Fund balances:					
Nonspendable	74	-	580	571	1,225
Restricted	92,978	63,914	11,932	44	168,868
Committed	2,830	-	-	-	2,830
Assigned	12,992	3,766	12,428	-	29,186
Total fund balances	<u>108,874</u>	<u>67,680</u>	<u>24,940</u>	<u>615</u>	<u>202,109</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 125,572</u>	<u>\$ 68,351</u>	<u>\$ 28,553</u>	<u>\$ 615</u>	<u>\$ 223,091</u>

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>REVENUES:</b>					
Taxes	\$ 60,302	\$ -	\$ -	\$ -	\$ 60,302
Licenses, permits and franchise fees	697	-	-	-	697
Fines, forfeitures and penalties	1,130	-	-	-	1,130
Use of money and property:					
Investment earnings	473	941	170	3	1,587
Rents and concessions	8,164	32,419	-	-	40,583
Aid from other governmental agencies:					
Federal	60,889	-	-	-	60,889
State	6,634	-	-	-	6,634
Other	25,662	-	-	-	25,662
Charges for services	33,774	3,610	2,243	45	39,672
Other revenue	5,843	8,873	10	-	14,726
Total revenues	<u>203,568</u>	<u>45,843</u>	<u>2,423</u>	<u>48</u>	<u>251,882</u>
<b>EXPENDITURES:</b>					
Current:					
General government	19,041	7,721	-	-	26,762
Public protection	8,381	-	-	-	8,381
Public ways and facilities	13,914	-	-	-	13,914
Health and sanitation	1,750	-	-	-	1,750
Public assistance	65,000	-	-	-	65,000
Education	19,334	-	-	-	19,334
Recreation and culture	21,691	-	2,216	-	23,907
Debt service:					
Principal	-	53,565	-	-	53,565
Interest	-	38,722	-	-	38,722
Cost of issuance	-	522	-	-	522
Capital outlay	-	-	10,397	-	10,397
Total expenditures	<u>149,111</u>	<u>100,530</u>	<u>12,613</u>	<u>-</u>	<u>262,254</u>
Excess (deficiency) of revenues over (under) expenditures	54,457	(54,687)	(10,190)	48	(10,372)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	25,885	167,624	1,296	-	194,805
Transfers out	(72,486)	(108,296)	(1,738)	-	(182,520)
Issuance of refunding bonds	-	72,825	-	-	72,825
Premium on long-term debt	-	7,612	-	-	7,612
Redemption of refunded debt	-	(89,345)	-	-	(89,345)
Total other financing sources (uses)	<u>(46,601)</u>	<u>50,420</u>	<u>(442)</u>	<u>-</u>	<u>3,377</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>7,856</b>	<b>(4,267)</b>	<b>(10,632)</b>	<b>48</b>	<b>(6,995)</b>
Fund balances, beginning of year, as previously reported	101,018	71,947	35,075	567	208,607
Adjustments to beginning fund balances	-	-	497	-	497
Fund balances, beginning of year, as restated	<u>101,018</u>	<u>71,947</u>	<u>35,572</u>	<u>567</u>	<u>209,104</u>
<b>FUND BALANCES, END OF YEAR</b>	<b><u>\$ 108,874</u></b>	<b><u>\$ 67,680</u></b>	<b><u>\$ 24,940</u></b>	<b><u>\$ 615</u></b>	<b><u>\$ 202,109</u></b>

# **SPECIAL REVENUE FUNDS**



# **COUNTY OF RIVERSIDE**

## **SPECIAL REVENUE FUNDS**

These funds were established for the purpose of accounting for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted in expenditures for the specified purposes.

### **COMMUNITY SERVICES**

This fund provides financing for public services. Public services provided by this fund group are: Housing and Urban Development (HUD) Community Services Grant, EDA Administration, Community Action Partnership, Job Training Partnership, Office on Aging, USED A (United States Economic Development Administration) Grant, County Free Library, Structural Fire Protection, Homeless Housing Relief, Home Program, EDA U.S. Department of Agriculture Rural Development, Workforce Development, Healthy Kids, and Bio-terrorism Preparedness. The primary source of revenue for this fund is from State/Federal Grants.

### **COUNTY SERVICE AREAS**

This county service area fund was established to provide authorized services such as road, park, lighting maintenance, fire protection, or water to specified areas in the County. They are financed by ad valorem property taxes in the area benefited, or by special assessments levied on specific properties.

### **REGIONAL PARK AND OPEN-SPACE**

The Regional Park and Open-Space District is a special district established to provide legal authority and expanded opportunity for open space acquisition and management and transferred regional park responsibility from the County to the Regional Park and Open-Space District.

### **AIR QUALITY IMPROVEMENT**

This fund accounts for Riverside County's portion of State of California motor vehicle fees restricted for the use of reducing air pollution.

### **IN-HOME SUPPORT SERVICES (IHSS)**

The goal of the IHSS program is to enable elderly and/or disabled persons to remain safely in independent living as long as possible. This in-home assistance is designed to allow persons to remain in their home rather than be placed in an institutional setting. IHSS receives revenue for the following services: meal preparation and clean-up, food shopping, bathing, dressing, personal care, domestic services (cleaning), and assistance with medications.

### **PERRIS VALLEY CEMETERY DISTRICT**

The Perris Valley Cemetery District is a public cemetery district operating under the provisions of the Health and Safety Code of the State of California. The Perris Valley Cemetery District was created in July 1927 for the purpose operating a public cemetery for the residents of the Perris Valley.

### **OTHER SPECIAL REVENUE**

This fund provides financing to make services available to the public and governmental agencies. At the current time, the other special revenue fund accounts for the following services: Rideshare, AD CFD Administration, Aviation, Ladera Irrigation, National Date Festival, Cal-ID, Special Aviation, Supervisorial Road Districts, Multi-Species Habitat Conservation Agency, Riverside U.S. Grazing Fees, Mitigation Project Operations, Airport Land Use Commission, Proposition 10, and DNA Identification.

**COUNTY OF RIVERSIDE**

Combining Balance Sheet

Special Revenue Funds

June 30, 2016

(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Cash and investments	\$ 55,035	\$ 22,787	\$ 12,151	\$ 211
Accounts receivable	138	-	96	-
Interest receivable	13	26	12	-
Taxes receivable	1,055	213	95	-
Due from other governments	8,879	-	220	122
Due from other funds	-	-	665	-
Prepaid items and deposits	7	-	-	-
Total assets	<u>65,127</u>	<u>23,026</u>	<u>13,239</u>	<u>333</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 65,127</u>	<u>\$ 23,026</u>	<u>\$ 13,239</u>	<u>\$ 333</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 3,178	\$ 251	\$ 684	\$ -
Salaries and benefits payable	1,639	215	933	-
Due to other governments	847	-	8	-
Due to other funds	10	1	665	-
Deposits payable	1	61	-	-
Advances from grantors and third parties	5,878	-	719	-
Total liabilities	<u>11,553</u>	<u>528</u>	<u>3,009</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Nonspendable	35	1	20	-
Restricted	48,778	22,491	4,241	333
Committed	2,830	-	-	-
Assigned	1,931	6	5,969	-
Total fund balances	<u>53,574</u>	<u>22,498</u>	<u>10,230</u>	<u>333</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 65,127</u>	<u>\$ 23,026</u>	<u>\$ 13,239</u>	<u>\$ 333</u>



In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total
\$ 693	\$ 618	\$ 20,604	\$ 112,099
-	-	52	286
1	1	19	72
-	5	13	1,381
1,764	-	75	11,060
-	-	2	667
-	-	-	7
<u>2,458</u>	<u>624</u>	<u>20,765</u>	<u>125,572</u>
-	-	-	-
<u>\$ 2,458</u>	<u>\$ 624</u>	<u>\$ 20,765</u>	<u>\$ 125,572</u>

ASSETS AND DEFERRED OUTFLOWS OF  
RESOURCES:

Assets:

Cash and investments
Accounts receivable
Interest receivable
Taxes receivable
Due from other governments
Due from other funds
Prepaid items and deposits
Total assets

Deferred outflows of resources

Total assets and deferred outflows of resources

LIABILITIES, DEFERRED INFLOWS  
OF RESOURCES, AND FUND BALANCES:

Liabilities:

Accounts payable
Salaries and benefits payable
Due to other governments
Due to other funds
Deposits payable
Advances from grantors and third parties
Total liabilities

Deferred inflows of resources

Fund balances (Note 16):

Nonspendable
Restricted
Committed
Assigned
Total fund balances
Total liabilities, deferred inflows of resources, and fund balances

5	-	13	74
2,143	267	14,725	92,978
-	-	-	2,830
-	-	5,086	12,992
<u>2,148</u>	<u>267</u>	<u>19,824</u>	<u>108,874</u>
<u>\$ 2,458</u>	<u>\$ 624</u>	<u>\$ 20,765</u>	<u>\$ 125,572</u>

**COUNTY OF RIVERSIDE**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Special Revenue Funds

For the Fiscal Year Ended June 30, 2016

(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
<b>REVENUES:</b>				
Taxes	\$ 53,712	\$ 732	\$ 4,967	\$ -
Licenses, permits, and franchise fees	-	-	-	-
Fines, forfeitures, and penalties	416	-	-	-
Use of money and property:				
Investment earnings	171	129	64	1
Rents and concessions	931	1	1,057	-
Aid from other governmental agencies:				
Federal	57,791	-	-	-
State	3,072	8	159	552
Other	22,989	149	793	-
Charges for services	1,525	10,311	10,263	-
Other revenue	5,151	34	312	-
Total revenues	<u>145,758</u>	<u>11,364</u>	<u>17,615</u>	<u>553</u>
<b>EXPENDITURES:</b>				
Current:				
General government	11,324	-	-	267
Public protection	2,111	92	647	-
Public ways and facilities	-	6,172	-	-
Health and sanitation	1,279	471	-	-
Public assistance	59,711	-	-	-
Education	19,334	-	-	-
Recreation and culture	-	461	21,230	-
Total expenditures	<u>93,759</u>	<u>7,196</u>	<u>21,877</u>	<u>267</u>
Excess (deficiency) of revenues over (under) expenditures	51,999	4,168	(4,262)	286
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	13,935	2,698	5,915	-
Transfers out	(58,498)	(5,459)	(1,719)	(219)
Total other financing sources (uses)	<u>(44,563)</u>	<u>(2,761)</u>	<u>4,196</u>	<u>(219)</u>
NET CHANGE IN FUND BALANCES	7,436	1,407	(66)	67
Fund balances, beginning of year	46,138	21,091	10,296	266
FUND BALANCES, END OF YEAR	<u>\$ 53,574</u>	<u>\$ 22,498</u>	<u>\$ 10,230</u>	<u>\$ 333</u>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
\$ -	\$ 241	\$ 650	\$ 60,302	REVENUES:
-	-	697	697	Taxes
-	-	714	1,130	Licenses, permits, and franchise fees
				Fines, forfeitures, and penalties
5	4	99	473	Use of money and property:
-	-	6,175	8,164	Investment earnings
				Rents and concessions
2,598	-	500	60,889	Aid from other governmental agencies:
2,744	3	96	6,634	Federal
-	25	1,706	25,662	State
-	219	11,456	33,774	Other
-	-	346	5,843	Charges for services
5,347	492	22,439	203,568	Other revenue
				Total revenues
				EXPENDITURES:
				Current:
-	-	7,450	19,041	General government
-	148	5,383	8,381	Public protection
-	-	7,742	13,914	Public ways and facilities
-	-	-	1,750	Health and sanitation
5,289	-	-	65,000	Public assistance
-	-	-	19,334	Education
-	-	-	21,691	Recreation and culture
5,289	148	20,575	149,111	Total expenditures
				Excess (deficiency) of revenues
58	344	1,864	54,457	over (under) expenditures
				OTHER FINANCING SOURCES (USES):
931	-	2,406	25,885	Transfers in
(701)	(393)	(5,497)	(72,486)	Transfers out
230	(393)	(3,091)	(46,601)	Total other financing sources (uses)
288	(49)	(1,227)	7,856	NET CHANGE IN FUND BALANCES
1,860	316	21,051	101,018	Fund balances, beginning of year
\$ 2,148	\$ 267	\$ 19,824	\$ 108,874	FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Community Services Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 53,281	\$ 53,281	\$ 53,712	\$ 431
Fines, forfeitures, and penalties	400	400	416	16
Use of money and property:				
Investment earnings	5	5	171	166
Rents and concessions	967	967	931	(36)
Aid from other governmental agencies:				
Federal	68,607	73,883	57,791	(16,092)
State	2,764	2,875	3,072	197
Other	19,823	19,823	22,989	3,166
Charges for services	6,984	2,339	1,525	(814)
Other revenue	13,309	7,114	5,151	(1,963)
Total revenues	166,140	160,687	145,758	(14,929)
EXPENDITURES:				
Current:				
General government	14,093	14,883	11,324	(3,559)
Public protection	53,563	5,373	2,111	(3,262)
Health and sanitation	3,275	3,381	1,279	(2,102)
Public assistance	74,585	74,824	59,711	(15,113)
Education	24,208	22,236	19,334	(2,902)
Total expenditures	169,724	120,697	93,759	(26,938)
Excess (deficiency) of revenues over (under) expenditures	(3,584)	39,990	51,999	12,009
OTHER FINANCING SOURCES (USES):				
Transfers in	-	13,935	13,935	-
Transfers out	-	(58,498)	(58,498)	-
Total other financing sources (uses)	-	(44,563)	(44,563)	-
NET CHANGE IN FUND BALANCE	(3,584)	(4,573)	7,436	12,009
Fund balance, beginning of year	46,138	46,138	46,138	-
FUND BALANCE, END OF YEAR	\$ 42,554	\$ 41,565	\$ 53,574	\$ 12,009

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 County Service Areas Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 755	\$ 755	\$ 732	\$ (23)
Use of money and property:				
Investment earnings	37	37	129	92
Rents and concessions	1	1	1	-
Aid from other governmental agencies:				
State	8	8	8	-
Other	125	125	149	24
Charges for services	11,242	8,718	10,311	1,593
Other revenue	1,598	1,586	34	(1,552)
Total revenues	<u>13,766</u>	<u>11,230</u>	<u>11,364</u>	<u>134</u>
EXPENDITURES:				
Current:				
Public protection	890	707	92	(615)
Public ways and facilities	13,831	10,138	6,172	(3,966)
Health and sanitation	800	800	471	(329)
Recreation and culture	2,512	1,547	461	(1,086)
Total expenditures	<u>18,033</u>	<u>13,192</u>	<u>7,196</u>	<u>(5,996)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,267)	(1,962)	4,168	6,130
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,698	2,698	-
Transfers out	-	(5,459)	(5,459)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,761)</u>	<u>(2,761)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,267)	(4,723)	1,407	6,130
Fund balance, beginning of year	21,091	21,091	21,091	-
FUND BALANCE, END OF YEAR	<u>\$ 16,824</u>	<u>\$ 16,368</u>	<u>\$ 22,498</u>	<u>\$ 6,130</u>

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Regional Park and Open-Space Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 4,710	\$ 4,710	\$ 4,967	\$ 257
Use of money and property:				
Investment earnings	19	19	64	45
Rents and concessions	1,155	1,155	1,057	(98)
Aid from other governmental agencies:				
State	178	210	159	(51)
Other	613	613	793	180
Charges for services	12,681	11,009	10,263	(746)
Other revenue	2,545	629	312	(317)
Total revenues	21,901	18,345	17,615	(730)
EXPENDITURES:				
Current:				
Public protection	784	829	647	(182)
Public ways and facilities	264	-	-	-
Recreation and culture	23,109	25,538	21,230	(4,308)
Total expenditures	24,157	26,367	21,877	(4,490)
Excess (deficiency) of revenues over (under) expenditures	(2,256)	(8,022)	(4,262)	3,760
OTHER FINANCING SOURCES (USES):				
Transfers in	-	5,915	5,915	-
Transfers out	-	(1,719)	(1,719)	-
Total other financing sources (uses)	-	4,196	4,196	-
NET CHANGE IN FUND BALANCE	(2,256)	(3,826)	(66)	3,760
Fund balance, beginning of year	10,296	10,296	10,296	-
FUND BALANCE, END OF YEAR	\$ 8,040	\$ 6,470	\$ 10,230	\$ 3,760

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Air Quality Improvement Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ 1	\$ 1	\$ 1	\$ -
Aid from other governmental agencies:				
State	486	486	552	66
Total revenues	487	487	553	66
EXPENDITURES:				
Current:				
General government	-	267	267	-
Public protection	486	-	-	-
Total expenditures	486	267	267	-
Excess (deficiency) of revenues over (under) expenditures	1	220	286	66
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(219)	(219)	-
Total other financing sources (uses)	-	(219)	(219)	-
NET CHANGE IN FUND BALANCE	1	1	67	66
Fund balance, beginning of year	266	266	266	-
FUND BALANCE, END OF YEAR	\$ 267	\$ 267	\$ 333	\$ 66

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**In-Home Support Services Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**  
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 5	\$ 5
Aid from other governmental agencies:				
Federal	3,556	3,556	2,598	(958)
State	3,531	3,470	2,744	(726)
Charges for services	870	-	-	-
Total revenues	<u>7,957</u>	<u>7,026</u>	<u>5,347</u>	<u>(1,679)</u>
<b>EXPENDITURES:</b>				
Current:				
Public assistance	<u>7,957</u>	<u>7,256</u>	<u>5,289</u>	<u>(1,967)</u>
Total expenditures	<u>7,957</u>	<u>7,256</u>	<u>5,289</u>	<u>(1,967)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(230)	58	288
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	931	931	-
Transfers out	-	(701)	(701)	-
Total other financing sources (uses)	<u>-</u>	<u>230</u>	<u>230</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	288	288
Fund balance, beginning of year	1,860	1,860	1,860	-
FUND BALANCE, END OF YEAR	<u>\$ 1,860</u>	<u>\$ 1,860</u>	<u>\$ 2,148</u>	<u>\$ 288</u>



**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Perris Valley Cemetery District Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 243	\$ 243	\$ 241	\$ (2)
Use of money and property:				
Investment earnings	1	1	4	3
Aid from other governmental agencies:				
State	3	3	3	-
Other	24	24	25	1
Charges for services	290	290	219	(71)
Total revenues	561	561	492	(69)
EXPENDITURES:				
Current:				
Public protection	561	169	148	(21)
Total expenditures	561	169	148	(21)
Excess (deficiency) of revenues over (under) expenditures	-	392	344	(48)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(393)	(393)	-
Total other financing sources (uses)	-	(393)	(393)	-
NET CHANGE IN FUND BALANCE	-	(1)	(49)	(48)
Fund balance, beginning of year	316	316	316	-
FUND BALANCE, END OF YEAR	\$ 316	\$ 315	\$ 267	\$ (48)

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Other Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 608	\$ 608	\$ 650	\$ 42
License, permits, and franchise fees	690	696	697	1
Fines, forfeitures, and penalties	-	-	714	714
Use of money and property:				
Investment earnings	49	49	99	50
Rents and concessions	5,812	6,134	6,175	41
Aid from other governmental agencies:				
Federal	3,526	3,526	500	(3,026)
State	951	981	96	(885)
Other	1,711	1,711	1,706	(5)
Charges for services	13,376	12,561	11,456	(1,105)
Other revenue	1,932	337	346	9
Total revenues	28,655	26,603	22,439	(4,164)
EXPENDITURES:				
Current:				
General government	9,885	8,931	7,450	(1,481)
Public protection	6,419	6,458	5,383	(1,075)
Public ways and facilities	13,671	12,344	7,742	(4,602)
Total expenditures	29,975	27,733	20,575	(7,158)
Excess (deficiency) of revenues over (under) expenditures	(1,320)	(1,130)	1,864	2,994
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,406	2,406	-
Transfers out	-	(5,497)	(5,497)	-
Total other financing sources (uses)	-	(3,091)	(3,091)	-
NET CHANGE IN FUND BALANCE	(1,320)	(4,221)	(1,227)	2,994
Fund balance, beginning of year	21,051	21,051	21,051	-
FUND BALANCE, END OF YEAR	\$ 19,731	\$ 16,830	\$ 19,824	\$ 2,994

# DEBT SERVICE FUNDS



# **COUNTY OF RIVERSIDE**

## **DEBT SERVICE FUNDS**

These funds are used to account for the accumulation of resources and payment of long-term debt principal and interest.

### **COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)**

CORAL is a non-profit public benefit corporation established to assist the County of Riverside by acquiring equipment and facilities financed from the proceeds of borrowing and leasing such equipment and facilities to the County.

### **COUNTY OF RIVERSIDE DISTRICT COURT FINANCING CORPORATION (DISTRICT COURT FINANCING CORPORATION)**

The District Court Financing Corporation is a non-profit public benefit corporation established to assist the County of Riverside in the acquisition, construction, and development of a United States District Courthouse, financed from the proceeds of the sale of certificates of participation.

### **INFRASTRUCTURE FINANCING AUTHORITY**

The Infrastructure Financing Authority is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement by and between the County of Riverside and the Riverside County Flood Control and Water Conservation District. The authority is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County.

### **TAXABLE PENSION OBLIGATION BONDS (PENSION OBLIGATION)**

This fund is used to account for Series 2005 bonds that were issued to satisfy a portion of Riverside County's unfunded accrued actuarial liability for the California Public Employees' Retirement System (CalPERS).

### **INLAND EMPIRE TOBACCO SECURITIZATION AUTHORITY**

The Inland Empire Tobacco Securitization Authority was established to assist the County of Riverside in the construction of certain capital projects, financed from the proceeds of the tobacco settlement revenues.

### **PUBLIC FINANCING AUTHORITY**

The Public Financing Authority was formed for the purpose of assisting in financing public improvements of the County, the Riverside County Redevelopment Successor Agency and other local agencies.

### **FLOOD CONTROL**

The Flood Control debt service fund was established to service the debt incurred by Zone 4 for the construction of Zone 4 flood controls facilities. The fund receives transfers from Zone 4 revenues to pay principal and interest on promissory notes.

**COUNTY OF RIVERSIDE**  
Combining Balance Sheet  
Debt Service Funds  
June 30, 2016  
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 13,789
Accounts receivable	-	-	-	2,230
Interest receivable	5	1	-	12
Restricted cash and investments	18,785	1,964	94	-
Total assets	18,790	1,965	94	16,031
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 18,790	\$ 1,965	94	\$ 16,031
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 368	\$ 303	\$ -	\$ -
Total liabilities	368	303	-	-
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Restricted	18,422	1,662	94	12,265
Assigned	-	-	-	3,766
Total fund balances	18,422	1,662	94	16,031
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,790	\$ 1,965	\$ 94	\$ 16,031

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ -	\$ -	\$ -	\$ 13,789	Cash and investments
-	-	-	2,230	Accounts receivable
6	-	-	24	Interest receivable
19,537	11,928	-	52,308	Restricted cash and investments
19,543	11,928	-	68,351	Total assets
-	-	-	-	Deferred outflows of resources
\$ 19,543	\$ 11,928	\$ -	\$ 68,351	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ -	\$ -	\$ -	\$ 671	Accounts payable
-	-	-	671	Total liabilities
-	-	-	-	Deferred inflows of resources
19,543	11,928	-	63,914	Fund balances (Note 16):
-	-	-	3,766	Restricted
19,543	11,928	-	67,680	Assigned
				Total fund balances
\$ 19,543	\$ 11,928	\$ -	\$ 68,351	Total liabilities, deferred inflows of resources, and fund balances

**COUNTY OF RIVERSIDE**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Debt Service Funds

For the Fiscal Year Ended June 30, 2016

(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation
REVENUES:				
Use of money and property:				
Investment earnings	\$ 128	\$ 5	\$ -	\$ 741
Rents and concessions	13,098	2,422	1,562	-
Charges for services	-	-	-	3,610
Other revenue	-	-	-	-
Total revenues	13,226	2,427	1,562	4,351
EXPENDITURES:				
Current:				
General government	4,285	-	-	3,332
Debt service:				
Principal	18,935	1,349	-	15,950
Interest	13,098	526	1,561	15,688
Cost of issuance	-	-	415	-
Total expenditures	36,318	1,875	1,976	34,970
Excess (deficiency) of revenues over (under) expenditures	(23,092)	552	(414)	(30,619)
OTHER FINANCING SOURCES (USES):				
Transfers in	133,453	-	-	33,161
Transfers out	(28,367)	-	(79,929)	-
Issuance of refunding bonds	-	-	72,825	-
Premium on long-term debt	-	-	7,612	-
Redemption of refunded debt	(89,345)	-	-	-
Total other financing sources (uses)	15,741	-	508	33,161
NET CHANGE IN FUND BALANCES	(7,351)	552	94	2,542
Fund balances, beginning of year	25,773	1,110	-	13,489
FUND BALANCES, END OF YEAR	\$ 18,422	\$ 1,662	\$ 94	\$ 16,031



Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
				REVENUES:
\$ 41	\$ 26	\$ -	\$ 941	Use of money and property:
-	15,337	-	32,419	Investment earnings
-	-	-	3,610	Rents and concessions
8,873	-	-	8,873	Charges for services
8,914	15,363	-	45,843	Other revenue
				Total revenues
				EXPENDITURES:
				Current:
104	-	-	7,721	General government
			-	Debt service:
2,270	14,711	350	53,565	Principal
6,559	630	660	38,722	Interest
-	107	-	522	Cost of issuance
8,933	15,448	1,010	100,530	Total expenditures
				Excess (deficiency) of revenues
(19)	(85)	(1,010)	(54,687)	over (under) expenditures
				OTHER FINANCING SOURCES (USES):
-	-	1,010	167,624	Transfers in
-	-	-	(108,296)	Transfers out
-	-	-	72,825	Issuance of refunding bonds
-	-	-	7,612	Premium on long-term debt
-	-	-	(89,345)	Redemption of refunded debt
-	-	1,010	50,420	Total other financing sources (uses)
(19)	(85)	-	(4,267)	NET CHANGE IN FUND BALANCES
19,562	12,013	-	71,947	Fund balances, beginning of year
\$ 19,543	\$ 11,928	\$ -	\$ 67,680	FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Pension Obligation Bond Debt Service Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 741	\$ 741
Charges for services	36,639	3,478	3,610	132
Total revenues	36,639	3,478	4,351	873
EXPENDITURES:				
Current:				
General government	5,001	5,002	3,332	(1,670)
Debt service:				
Principal	15,950	15,950	15,950	-
Interest	15,688	15,688	15,688	-
Total expenditures	36,639	36,640	34,970	(1,670)
Excess (deficiency) of revenues over (under) expenditures	-	(33,162)	(30,619)	2,543
OTHER FINANCING SOURCES (USES):				
Transfers in	-	33,161	33,161	-
Total other financing sources (uses)	-	33,161	33,161	-
NET CHANGE IN FUND BALANCE	-	(1)	2,542	2,543
Fund balance, beginning of year	13,489	13,489	13,489	-
FUND BALANCE, END OF YEAR	\$ 13,489	\$ 13,488	\$ 16,031	\$ 2,543

# CAPITAL PROJECTS FUNDS



# **COUNTY OF RIVERSIDE**

## **CAPITAL PROJECTS FUNDS**

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Fund Types.

### **PUBLIC SAFETY ENTERPRISE COMMUNICATION (PSEC)**

The Public Safety Enterprise Communication fund is a multi-agency undertaking to address the County of Riverside 800 MHz public safety radio coverage and operational problems. The multi-year project will result in either a massive upgrade or a complete replacement of the existing radio system.

### **COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)**

CORAL is a non-profit public benefit corporation established to assist the County of Riverside by acquiring equipment and facilities financed from the proceeds of borrowing and leasing such equipment and facilities to the County.

### **FLOOD CONTROL**

This fund is used to finance the construction of flood control channels and projects. Revenues are obtained from property taxes, special assessments, and proceeds of tax allocation bonds.

### **REGIONAL PARK AND OPEN-SPACE**

The Regional Park and Open-Space District is a special district established to provide legal authority and expanded opportunity for open space acquisition and management. The Regional Park and Open-Space District's creation allowed for the transfer of regional park responsibility from the County to the District.

### **COUNTY OF RIVERSIDE ENTERPRISE SOLUTIONS FOR PROPERTY TAXATION (CREST)**

The Assessor, Auditor-Controller, and Tax Collector teamed up to collectively develop a new integrated property tax management system. The project begins with a business process re-engineering phase that documents the integrated roles of the three departments. This phase identifies the current system's capabilities, strengths, and weaknesses. A second phase of the project builds on this re-engineering initiative to implement a replacement property tax system based on new technology.

**COUNTY OF RIVERSIDE**

## Combining Balance Sheet

## Capital Projects Funds

June 30, 2016

(Dollars in Thousands)

	PSEC	CORAL	Flood Control
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Cash and investments	\$ 253	\$ -	\$ 18
Interest receivable	-	-	-
Due from other governments	-	-	-
Prepaid items and deposits	580	-	-
Restricted cash and investments	-	9,773	-
Total assets	833	9,773	18
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 833	\$ 9,773	\$ 18
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ -	\$ 814	\$ -
Salaries and benefits payable	-	-	-
Due to other funds	-	1,555	-
Total liabilities	-	2,369	-
Deferred inflows of resources	-	-	-
Fund balances (Note 16):			
Nonspendable	580	-	-
Restricted	-	7,404	18
Assigned	253	-	-
Total fund balances	833	7,404	18
Total liabilities, deferred inflows of resources, and fund balances	\$ 833	\$ 9,773	\$ 18

Regional Park and Open-Space	CREST	Total	
			ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
			Assets:
\$ 6,397	\$ 11,037	\$ 17,705	Cash and investments
9	15	24	Interest receivable
54	-	54	Due from other governments
417	-	997	Prepaid items and deposits
-	-	9,773	Restricted cash and investments
6,877	11,052	28,553	Total assets
-	-	-	Deferred outflows of resources
\$ 6,877	\$ 11,052	\$ 28,553	Total assets and deferred outflows of resources
			LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
			Liabilities:
\$ 112	\$ 109	\$ 1,035	Accounts payable
-	183	183	Salaries and benefits payable
280	560	2,395	Due to other funds
392	852	3,613	Total liabilities
-	-	-	Deferred inflows of resources
-	-	580	Fund balances (Note 16):
4,510	-	11,932	Nonspendable
1,975	10,200	12,428	Restricted
6,485	10,200	24,940	Assigned
			Total fund balances
\$ 6,877	\$ 11,052	\$ 28,553	Total liabilities, deferred inflows of resources, and fund balances

**COUNTY OF RIVERSIDE**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Capital Projects Funds

For the Fiscal Year Ended June 30, 2016

(Dollars in Thousands)

	PSEC	CORAL	Flood Control
REVENUES:			
Use of money and property:			
Investment earnings	\$ -	\$ 49	\$ -
Charges for services	-	-	-
Other revenue	-	-	-
Total revenues	-	49	-
EXPENDITURES:			
Current:			
Recreation and culture	-	-	-
Capital outlay	-	3,789	-
Total expenditures	-	3,789	-
Excess (deficiency) of revenues over (under) expenditures	-	(3,740)	-
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	-	(1,555)	-
Total other financing sources (uses)	-	(1,555)	-
NET CHANGE IN FUND BALANCES	-	(5,295)	-
Fund balances, beginning of year, as previously reported	833	12,699	18
Adjustments to beginning fund balances	-	-	-
Fund balances, beginning of year, as restated	833	12,699	18
FUND BALANCES, END OF YEAR	\$ 833	\$ 7,404	\$ 18



Regional Park and Open-Space	CREST	Total	
\$ 44	\$ 77	\$ 170	REVENUES:
-	2,243	2,243	Use of money and property:
10	-	10	Investment earnings
54	2,320	2,423	Charges for services
			Other revenue
			Total revenues
			EXPENDITURES:
2,216	-	2,216	Current:
-	6,608	10,397	Recreation and culture
2,216	6,608	12,613	Capital outlay
			Total expenditures
(2,162)	(4,288)	(10,190)	Excess (deficiency) of revenues over (under) expenditures
			OTHER FINANCING SOURCES (USES):
1,296	-	1,296	Transfers in
(112)	(71)	(1,738)	Transfers out
1,184	(71)	(442)	Total other financing sources (uses)
(978)	(4,359)	(10,632)	NET CHANGE IN FUND BALANCES
			Fund balances, beginning of year, as previously reported
6,966	14,559	35,075	Adjustments to beginning fund balances
497	-	497	Fund balances, beginning of year, as restated
7,463	14,559	35,572	FUND BALANCES, END OF YEAR
\$ 6,485	\$ 10,200	\$ 24,940	

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Flood Control Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ 1	\$ 1	\$ -	\$ (1)
Other revenue	1,200	1,200	-	(1,200)
Total revenues	1,201	1,201	-	(1,201)
EXPENDITURES:				
Capital outlay	1,200	1,200	-	(1,200)
Total expenditures	1,200	1,200	-	(1,200)
Excess (deficiency) of revenues over (under) expenditures	1	1	-	(1)
NET CHANGE IN FUND BALANCE	1	1	-	(1)
Fund balance, beginning of year	18	18	18	-
FUND BALANCE, END OF YEAR	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ 18</u>	<u>\$ (1)</u>

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Regional Park and Open-Space Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ 9	\$ 9	\$ 44	\$ 35
Aid from other governmental agencies:				
State	5,255	5,255	-	(5,255)
Other revenue	4,762	3,466	10	(3,456)
Total revenues	10,026	8,730	54	(8,676)
EXPENDITURES:				
Current:				
Recreation and culture	11,928	11,918	2,216	(9,702)
Total expenditures	11,928	11,918	2,216	(9,702)
Excess (deficiency) of revenues over (under) expenditures	(1,902)	(3,188)	(2,162)	1,026
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,296	1,296	-
Transfers out	-	(112)	(112)	-
Total other financing sources (uses)	-	1,184	1,184	-
NET CHANGE IN FUND BALANCE	(1,902)	(2,004)	(978)	1,026
Fund balance, beginning of year, as previously reported	6,966	6,966	6,966	-
Adjustments to beginning fund balance	-	-	497	497
Fund balance, beginning of year, as restated	6,966	6,966	7,463	497
FUND BALANCE, END OF YEAR	\$ 5,064	\$ 4,962	\$ 6,485	\$ 1,523

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 CREST Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2016  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ 25	\$ 25	\$ 77	\$ 52
Charges for services	3,661	3,661	2,243	(1,418)
Other revenue	1,804	1,804	-	(1,804)
Total revenues	5,490	5,490	2,320	(3,170)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Capital outlay	11,207	11,207	6,608	(4,599)
Total expenditures	11,207	11,207	6,608	(4,599)
Excess (deficiency) of revenues over (under) expenditures	(5,717)	(5,717)	(4,288)	1,429
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(71)	(71)	-
Total other financing sources (uses)	-	(71)	(71)	-
NET CHANGE IN FUND BALANCE	(5,717)	(5,788)	(4,359)	1,429
Fund balance, beginning of year	14,559	14,559	14,559	-
FUND BALANCE, END OF YEAR	\$ 8,842	\$ 8,771	\$ 10,200	\$ 1,429

# PERMANENT FUND



# **COUNTY OF RIVERSIDE**

## **PERMANENT FUND**

### **PERRIS VALLEY CEMETERY ENDOWMENT FUND**

This fund is used to account for financial resources to be used for future maintenance of the Perris Valley Cemetery. The resources are derived from an endowment care fee assessed on each sale of a burial right and earnings on these resources. Only income earned on these resources may be used for services, supplies or capital asset acquisition. The principal must be preserved intact.

**COUNTY OF RIVERSIDE**

Balance Sheet

Permanent Fund

June 30, 2016

(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Cash and investments	\$ 614
Interest receivable	1
Total assets	615
Deferred outflows of resources	-
Total assets and deferred outflows of resources	\$ 615
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:	
Liabilities:	
Total liabilities	\$ -
Deferred inflows of resources	-
Fund balances (Note 16):	
Nonspendable	571
Restricted	44
Total fund balances	615
Total liabilities, deferred inflows of resources, and fund balances	\$ 615



**COUNTY OF RIVERSIDE**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Permanent Fund  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
REVENUES:	
Use of money and property:	
Investment earnings	\$          3
Charges for services	45
Total revenues	<u>48</u>
EXPENDITURES:	
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	48
NET CHANGE IN FUND BALANCES	48
Fund balance, beginning of year	567
FUND BALANCE, END OF YEAR	<u><u>\$      615</u></u>



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# NONMAJOR ENTERPRISE FUNDS



# **COUNTY OF RIVERSIDE**

## **NONMAJOR ENTERPRISE FUNDS**

These funds are used to account for operations providing goods or services to the general public. The accounting for these funds is similar to private enterprise accounting (accrual basis of accounting). The intent of the County's governing board is that all costs associated with providing these goods or services be financed or recovered primarily through user charges.

### **COUNTY SERVICE AREAS**

These three funds were established to account for revenues, expenses, and the allocation of net income for County Service Areas 62 (sewer), 62 (water), and 122.

### **FLOOD CONTROL**

These three funds were established to account for transactions resulting from topographical map sales, subdivision operations, and issuance of encroachment permits.

**COUNTY OF RIVERSIDE**  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2016  
(Dollars in Thousands)

	County Service Areas	Flood Control	Total
ASSETS:			
Current assets:			
Cash and investments	\$ 62	\$ 2,103	\$ 2,165
Accounts receivable-net	-	232	232
Interest receivable	-	11	11
Taxes receivable	12	-	12
Due from other governments	-	10	10
Due from other funds	-	2	2
Restricted cash and investments	-	3,109	3,109
Total current assets	<u>74</u>	<u>5,467</u>	<u>5,541</u>
Noncurrent assets:			
Capital assets:			
Depreciable assets	11	2	13
Total noncurrent assets	<u>11</u>	<u>2</u>	<u>13</u>
Total assets	<u>85</u>	<u>5,469</u>	<u>5,554</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>317</u>	<u>317</u>
LIABILITIES:			
Current liabilities:			
Accounts payable	5	3,230	3,235
Salaries and benefits payable	-	53	53
Due to other governments	-	2	2
Due to other funds	-	3	3
Deposits payable	59	-	59
Other liabilities	-	121	121
Compensated absences	-	13	13
Total current liabilities	<u>64</u>	<u>3,422</u>	<u>3,486</u>
Noncurrent liabilities:			
Compensated absences	-	92	92
Net pension liability	-	1,391	1,391
Total noncurrent liabilities	<u>-</u>	<u>1,483</u>	<u>1,483</u>
Total liabilities	<u>64</u>	<u>4,905</u>	<u>4,969</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>268</u>	<u>268</u>
NET POSITION:			
Net investment in capital assets	11	2	13
Unrestricted	10	611	621
Total net position	<u>\$ 21</u>	<u>\$ 613</u>	<u>\$ 634</u>

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

	County Service Areas	Flood Control	Total
OPERATING REVENUES:			
Charges for services	\$ 338	\$ 1,792	\$ 2,130
Other	22	153	175
Total operating revenues	<u>360</u>	<u>1,945</u>	<u>2,305</u>
OPERATING EXPENSES:			
Personnel services	-	999	999
Communications	2	-	2
Insurance	1	-	1
Maintenance of building and equipment	57	2	59
Supplies	6	11	17
Purchased services	230	1,152	1,382
Depreciation and amortization	3	3	6
Rents and leases of equipment	-	9	9
Utilities	94	-	94
Other	20	21	41
Total operating expenses	<u>413</u>	<u>2,197</u>	<u>2,610</u>
Operating income (loss)	<u>(53)</u>	<u>(252)</u>	<u>(305)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	1	51	52
Total nonoperating revenues (expenses)	<u>1</u>	<u>51</u>	<u>52</u>
Income (loss) before transfers	(52)	(201)	(253)
Transfers out	-	(21)	(21)
CHANGE IN NET POSITION	<u>(52)</u>	<u>(222)</u>	<u>(274)</u>
Net position, beginning of year	73	835	908
NET POSITION, END OF YEAR	<u>\$ 21</u>	<u>\$ 613</u>	<u>\$ 634</u>

**COUNTY OF RIVERSIDE**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

	County Service Areas	Flood Control	Total
Cash flows from operating activities			
Cash receipts from customers / other funds	\$ 359	\$ 1,980	\$ 2,339
Cash paid to suppliers for goods and services	(410)	(1,193)	(1,603)
Cash paid to employees for services	-	(1,020)	(1,020)
Net cash provided by (used in) operating activities	<u>(51)</u>	<u>(233)</u>	<u>(284)</u>
Cash flows from noncapital financing activities			
Advances to (from) other funds	-	-	-
Transfers received	-	-	-
Transfers paid	-	(21)	(21)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(21)</u>	<u>(21)</u>
Cash flows from capital and related financing activities			
Proceeds from sale of capital assets	1	-	1
Acquisition and construction of capital assets	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>1</u>	<u>-</u>	<u>1</u>
Cash flows from investing activities			
Investment Income	1	45	46
Net cash provided by (used in) investing activities	<u>1</u>	<u>45</u>	<u>46</u>
Net increase (decrease) in cash and cash equivalents	(49)	(209)	(258)
Cash and cash equivalents, beginning of year	111	5,421	5,532
Cash and cash equivalents, end of year	<u>\$ 62</u>	<u>\$ 5,212</u>	<u>\$ 5,274</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position			
Cash and investments per Statement of Net Position	\$ 62	\$ 2,103	\$ 2,165
Restricted cash and investments per Statement of Net Position	-	3,109	3,109
Total cash and cash equivalents per Statement of Net Position	<u>\$ 62</u>	<u>\$ 5,212</u>	<u>\$ 5,274</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (53)	\$ (252)	\$ (305)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization	3	3	6
Decrease (Increase) accounts receivable	-	35	35
Decrease (Increase) taxes receivable	(1)	-	(1)
Increase (Decrease) accounts payable	(2)	54	52
Increase (Decrease) due to other funds	-	1	1
Increase (Decrease) due to other governments	-	2	2
Increase (Decrease) deposits payable	2	-	2
Increase (Decrease) other liabilities	-	(55)	(55)
Increase (Decrease) net pension liability	-	206	206
Increase (Decrease) deferred pensions	-	(218)	(218)
Increase (Decrease) salaries and benefits payable	-	(23)	(23)
Increase (Decrease) compensated absences	-	14	14
Net cash provided by (used in) operating activities	<u>\$ (51)</u>	<u>\$ (233)</u>	<u>\$ (284)</u>



# **INTERNAL SERVICE FUNDS**



# **COUNTY OF RIVERSIDE**

## **INTERNAL SERVICE FUNDS**

These funds were established to account for the goods and services provided by a County department to other County departments, or to other internal governments, on a cost-reimbursement basis.

### **RECORDS MANAGEMENT AND ARCHIVES**

This fund was established to account for the operations of the Records Management and Archives Program, which is responsible for providing consistent standards and support services that promote responsible record keeping countywide. Sources of revenue include records storage, reformatting, preservation, and consulting services.

### **FLEET SERVICES**

This fund finances the operation and maintenance of County vehicles, including the Sheriff's Department. Revenue is obtained on a cost-reimbursement basis.

### **INFORMATION SERVICES**

These funds are supported by the revenues generated for services including software systems support, computer networks, data structure design, and organization of the County's computer systems.

### **PRINTING SERVICES**

These funds account for the financing of printing and central mail services provided to County departments on a cost-reimbursement basis. This fund also provides services such as the paper reclamation program, which collects and sells County department waste paper for recycling.

### **SUPPLY SERVICES**

This fund finances the operation that provides County departments with merchandise and services on a cost-reimbursement basis.

### **RISK MANAGEMENT**

These funds account for the financing of employee insurance benefits and County self-insurance programs. These funds include medical, dental, disability, and unemployment insurance as well as general liability, medical malpractice, and workers' compensation.

### **TEMPORARY ASSISTANCE POOL (TAP)**

The purpose of this fund is to provide a ready source of temporary workers to County departments, with lower overhead costs than are typically charged by outside temporary employment agencies.

### **ECONOMIC DEVELOPMENT AGENCY (Facilities Management)**

The purpose of this fund was to account for custodial, maintenance, and real estate services provided to other County departments on a cost-reimbursement basis.

### **FLOOD CONTROL EQUIPMENT**

These funds were established to account for the financing of flood control equipment provided to other departments on a cost-reimbursement basis.

**COUNTY OF RIVERSIDE**  
Combining Statement of Net Position  
Internal Service Funds  
June 30, 2016  
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
<b>ASSETS:</b>					
Current assets:					
Cash and investments	\$ 1,255	\$ 10,391	\$ 20,566	\$ 2,015	\$ 4,560
Accounts receivable-net	-	88	291	15	9
Interest receivable	2	10	4	2	3
Due from other governments	-	45	96	59	-
Due from other funds	-	-	51	-	-
Inventories	-	699	1,266	316	329
Prepaid items and deposits	-	-	-	-	-
Total current assets	<u>1,257</u>	<u>11,233</u>	<u>22,274</u>	<u>2,407</u>	<u>4,901</u>
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	-	744	235	-	-
Depreciable assets	169	36,558	44,308	776	142
Total noncurrent assets	<u>169</u>	<u>37,302</u>	<u>44,543</u>	<u>776</u>	<u>142</u>
Total assets	<u>1,426</u>	<u>48,535</u>	<u>66,817</u>	<u>3,183</u>	<u>5,043</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>219</u>	<u>1,018</u>	<u>14,899</u>	<u>391</u>	<u>192</u>
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	8	461	1,529	63	678
Salaries and benefits payable	61	262	3,699	104	54
Due to other governments	-	-	-	-	8
Due to other funds	-	1	-	-	-
Other liabilities	-	154	-	6	-
Compensated absences	56	341	6,954	120	77
Capital lease obligations	-	8,290	10,267	-	-
Estimated claims liabilities	-	-	-	-	-
Total current liabilities	<u>125</u>	<u>9,509</u>	<u>22,449</u>	<u>293</u>	<u>817</u>
Noncurrent liabilities:					
Compensated absences	6	243	1,336	16	45
Advances from other funds	-	-	2,500	-	-
Capital lease obligations	-	9,686	34,060	-	-
Estimated claims liabilities	-	-	-	-	-
Net pension liability	780	3,146	48,945	1,479	595
Total noncurrent liabilities	<u>786</u>	<u>13,075</u>	<u>86,841</u>	<u>1,495</u>	<u>640</u>
Total liabilities	<u>911</u>	<u>22,584</u>	<u>109,290</u>	<u>1,788</u>	<u>1,457</u>
DEFERRED INFLOWS OF RESOURCES	<u>230</u>	<u>908</u>	<u>14,267</u>	<u>440</u>	<u>172</u>
<b>NET POSITION:</b>					
Net investment in capital assets	169	19,326	216	776	142
Unrestricted	335	6,735	(42,057)	570	3,464
Total net position	<u>\$ 504</u>	<u>\$ 26,061</u>	<u>\$ (41,841)</u>	<u>\$ 1,346</u>	<u>\$ 3,606</u>

Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
					ASSETS:
					Current assets:
\$ 181,601	\$ 2,001	\$ 7,212	\$ 6,438	\$ 236,039	Cash and investments
5,502	-	-	8	5,913	Accounts receivable-net
203	-	5	7	236	Interest receivable
28	-	586	-	814	Due from other governments
-	-	93	132	276	Due from other funds
-	-	149	240	2,999	Inventories
341	-	-	-	341	Prepaid items and deposits
187,675	2,001	8,045	6,825	246,618	Total current assets
					Noncurrent assets:
					Capital assets:
-	-	-	-	979	Nondepreciable assets
61	-	34	3,255	85,303	Depreciable assets
61	-	34	3,255	86,282	Total noncurrent assets
187,736	2,001	8,079	10,080	332,900	Total assets
4,238	469	6,021	-	27,447	DEFERRED OUTFLOWS OF RESOURCES
					LIABILITIES:
					Current liabilities:
23,128	153	1,636	534	28,190	Accounts payable
1,418	161	1,638	69	7,466	Salaries and benefits payable
-	-	-	49	57	Due to other governments
-	-	166	63	230	Due to other funds
32	-	870	-	1,062	Other liabilities
1,719	113	2,108	21	11,509	Compensated absences
-	-	-	-	18,557	Capital lease obligations
43,073	-	-	-	43,073	Estimated claims liabilities
69,370	427	6,418	736	110,144	Total current liabilities
					Noncurrent liabilities:
1,226	32	663	143	3,710	Compensated absences
-	-	3,342	-	5,842	Advances from other funds
-	-	-	-	43,746	Capital lease obligations
134,908	-	-	-	134,908	Estimated claims liabilities
13,396	1,478	18,757	-	88,576	Net pension liability
149,530	1,510	22,762	143	276,782	Total noncurrent liabilities
218,900	1,937	29,180	879	386,926	Total liabilities
3,881	428	5,421	-	25,747	DEFERRED INFLOWS OF RESOURCES
					NET POSITION:
61	-	34	3,255	23,979	Net investment in capital assets
(30,868)	105	(20,535)	5,946	(76,305)	Unrestricted
\$ (30,807)	\$ 105	\$ (20,501)	\$ 9,201	\$ (52,326)	Total net position

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 1,415	\$ 30,027	\$ 105,514	\$ 3,448	\$ 9,975
Other revenue	-	1,290	2,359	1,771	5,412
Total operating revenues	1,415	31,317	107,873	5,219	15,387
<b>OPERATING EXPENSES:</b>					
Cost of materials used	-	1,443	-	-	-
Personnel services	995	4,097	57,728	1,630	822
Communications	39	85	7,939	70	26
Insurance	77	208	472	20	28
Maintenance of building and equipment	59	3,668	11,555	428	187
Insurance claims	-	-	-	-	-
Supplies	29	6,842	6,314	2,139	13,839
Purchased services	74	1,468	4,313	1,018	198
Depreciation and amortization	19	8,883	5,285	223	20
Rents and leases of equipment	301	1,315	1,391	2	4
Utilities	34	103	1,333	69	40
Other	16	179	421	85	50
Total operating expenses	1,643	28,291	96,751	5,684	15,214
Operating income (loss)	(228)	3,026	11,122	(465)	173
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	8	52	32	12	17
Interest expense	-	(190)	(3,033)	-	-
Gain (loss) on disposal of capital assets	-	970	1	(97)	-
Total nonoperating revenues (expenses)	8	832	(3,000)	(85)	17
Income (loss) before capital contributions and transfers	(220)	3,858	8,122	(550)	190
Capital contributions	-	-	-	-	-
Transfers in	-	-	3,110	-	-
Transfers out	(17)	(81)	(1,178)	(31)	(15)
<b>CHANGE IN NET POSITION</b>	(237)	3,777	10,054	(581)	175
Net position, beginning of year, as previously reported	769	22,413	(50,013)	1,977	3,455
Adjustments to beginning net position	(28)	(129)	(1,882)	(50)	(24)
Net position, beginning of year, restated	741	22,284	(51,895)	1,927	3,431
<b>NET POSITION, END OF YEAR</b>	<u>\$ 504</u>	<u>\$ 26,061</u>	<u>\$ (41,841)</u>	<u>\$ 1,346</u>	<u>\$ 3,606</u>

Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
\$ 65,713	\$ 6,852	\$ 90,842	\$ 1,257	\$ 315,043	OPERATING REVENUES:
12,903	2	12,054	6,651	42,442	Charges for services
78,616	6,854	102,896	7,908	357,485	Other revenue
					Total operating revenues
					OPERATING EXPENSES:
-	-	-	84	1,527	Cost of materials used
17,032	2,780	25,709	1,492	112,285	Personnel services
226	46	276	167	8,874	Communications
18,339	92	280	-	19,516	Insurance
1,345	321	12,374	1,275	31,212	Maintenance of building and equipment
156,078	-	-	-	156,078	Insurance claims
5,203	176	2,078	938	37,558	Supplies
5,313	896	9,352	1,404	24,036	Purchased services
21	-	19	810	15,280	Depreciation and amortization
1,161	230	49,283	5	53,692	Rents and leases of equipment
36	-	1,054	-	2,669	Utilities
2,815	104	1,073	408	5,151	Other
207,569	4,645	101,498	6,583	467,878	Total operating expenses
(128,953)	2,209	1,398	1,325	(110,393)	Operating income (loss)
					NONOPERATING REVENUES (EXPENSES):
1,024	3	31	34	1,213	Investment income
(13)	-	-	-	(3,236)	Interest expense
-	-	-	133	1,007	Gain (loss) on disposal of capital assets
1,011	3	31	167	(1,016)	Total nonoperating revenues (expenses)
(127,942)	2,212	1,429	1,492	(111,409)	Income (loss) before capital contributions and transfers
123,577	-	-	-	123,577	Capital contributions
1,448	75	51	315	4,999	Transfers in
(1,785)	(737)	(478)	(6)	(4,328)	Transfers out
(4,702)	1,550	1,002	1,801	12,839	CHANGE IN NET POSITION
(25,570)	(1,385)	(20,743)	7,400	(61,697)	Net position, beginning of year, as previously reported
(535)	(60)	(760)	-	(3,468)	Adjustments to beginning net position
(26,105)	(1,445)	(21,503)	7,400	(65,165)	Net position, beginning of year, restated
\$ (30,807)	\$ 105	\$ (20,501)	\$ 9,201	\$ (52,326)	NET POSITION, END OF YEAR

**COUNTY OF RIVERSIDE**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2016  
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
Cash flows from operating activities					
Cash receipts from internal services provided	\$ 1,441	\$ 31,281	\$ 107,599	\$ 5,233	\$ 15,771
Cash paid to suppliers for goods and services	(637)	(17,386)	(38,054)	(3,963)	(15,702)
Cash paid to employees for services	(1,035)	(4,206)	(58,678)	(1,710)	(792)
Net cash provided by (used in) operating activities	(231)	9,689	10,867	(440)	(723)
Cash flows from noncapital financing activities					
Advances (to) from other funds	-	-	-	-	-
Transfers received	-	-	3,110	-	-
Transfers paid	(17)	(81)	(1,178)	(31)	(15)
Net cash provided by (used in) noncapital financing activities	(17)	(81)	1,932	(31)	(15)
Cash flows from capital and related financing activities					
Proceeds (loss) from sale of capital assets	-	970	1	4	1
Acquisition and construction of capital assets	-	(2,436)	(1,132)	-	-
Principal paid on capital leases	-	(9,289)	(4,281)	-	-
Capital contributions	-	-	-	-	-
Interest paid on long-term debt	-	(190)	(3,033)	-	-
Net cash provided by (used in) capital and related financing activities	-	(10,945)	(8,445)	4	1
Cash flows from investing activities					
Investment income	7	46	28	11	15
Net cash provided by (used in) investing activities	7	46	28	11	15
Net increase (decrease) in cash and cash equivalents	(241)	(1,291)	4,382	(456)	(722)
Cash and cash equivalents, beginning of year	1,496	11,682	16,184	2,471	5,282
Cash and cash equivalents, end of year	<u>\$ 1,255</u>	<u>\$ 10,391</u>	<u>\$ 20,566</u>	<u>\$ 2,015</u>	<u>\$ 4,560</u>

Reconciliation of cash and cash equivalents to  
the Statement of Net Position

Cash and investments per Statement of Net Position	<u>\$ 1,255</u>	<u>\$ 10,391</u>	<u>\$ 20,566</u>	<u>\$ 2,015</u>	<u>\$ 4,560</u>
Total cash and cash equivalents per Statement of Net Position	<u>\$ 1,255</u>	<u>\$ 10,391</u>	<u>\$ 20,566</u>	<u>\$ 2,015</u>	<u>\$ 4,560</u>

Reconciliation of operating income (loss) to net  
cash provided by (used in) operating activities

Operating income (loss)	\$ (228)	\$ 3,026	\$ 11,122	\$ (465)	\$ 173
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	19	8,883	5,285	223	20
Decrease (Increase) accounts receivable	-	(60)	(207)	1	384
Decrease (Increase) taxes receivable	-	-	-	-	-
Decrease (Increase) bond issuance cost	-	-	-	-	-
Decrease (Increase) due from other funds	26	-	(51)	-	-
Decrease (Increase) due from other governments	-	24	(16)	13	-
Decrease (Increase) deferred outflows resources	-	-	-	-	-
Decrease (Increase) inventories	-	(79)	3	(154)	144
Decrease (Increase) prepaid items and deposits	-	-	-	-	-
Increase (Decrease) accounts payable	7	(422)	1,227	26	(1,426)
Increase (Decrease) due to other funds	(15)	1	(1)	-	-
Increase (Decrease) due to other governments	-	(1)	-	-	-
Increase (Decrease) deposits payable	-	-	-	-	-
Increase (Decrease) accrued closure costs	-	-	-	-	-
Increase (Decrease) accrued remediation costs	-	-	-	-	-
Increase (Decrease) other liabilities	-	(1,574)	(5,545)	(4)	(48)
Increase (Decrease) estimated claims liability	-	-	-	-	-
Increase (Decrease) net pension liability	105	489	7,172	187	92
Increase (Decrease) deferred pensions	(121)	(631)	(8,820)	(203)	(119)
Increase (Decrease) salaries and benefits payable	14	50	406	(1)	15
Increase (Decrease) compensated absences	(38)	(17)	292	(63)	42
Net cash provided by (used in) operating activities	<u>\$ (231)</u>	<u>\$ 9,689</u>	<u>\$ 10,867</u>	<u>\$ (440)</u>	<u>\$ (723)</u>

Noncash investing, capital, and financing  
Capital lease obligations

\$ 18,363   \$ 11,457



Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total
\$ 81,949	\$ 6,854	\$ 102,519	\$ 7,871	\$ 360,518
(172,568)	(1,755)	(74,980)	(3,923)	(328,968)
(17,214)	(2,841)	(26,074)	(1,563)	(114,113)
(107,833)	2,258	1,465	2,385	(82,563)
2,000	-	-	-	2,000
1,448	75	51	315	4,999
(1,785)	(737)	(478)	(6)	(4,328)
1,663	(662)	(427)	309	2,671
-	-	-	133	1,109
(63)	-	(16)	(1,495)	(5,142)
-	-	-	-	(13,570)
123,577	-	-	-	123,577
(13)	-	-	-	(3,236)
123,501	-	(16)	(1,362)	102,738
901	3	27	29	1,067
901	3	27	29	1,067
18,232	1,599	1,049	1,361	23,913
163,369	402	6,163	5,077	212,126
\$ 181,601	\$ 2,001	\$ 7,212	\$ 6,438	\$ 236,039

Cash flows from operating activities  
Cash receipts from internal services provided  
Cash paid to suppliers for goods and services  
Cash paid to employees for services  
Net cash provided by (used in) operating activities  
Cash flows from noncapital financing activities  
Advances (to) from other funds  
Transfers received  
Transfers paid  
Net cash provided by (used in) noncapital financing activities  
Cash flows from capital and related financing activities  
Proceeds (loss) from sale of capital assets  
Acquisition and construction of capital assets  
Principal paid on capital leases  
Capital contributions  
Interest paid on long-term debt  
Net cash provided by (used in) capital and related financing activities  
Cash flows from investing activities  
Investment income  
Net cash provided by (used in) investing activities  
Net increase (decrease) in cash and cash equivalents  
Cash and cash equivalents, beginning of year  
Cash and cash equivalents, end of year

Reconciliation of cash and cash equivalents to the Statement of Net Position

\$ 181,601	\$ 2,001	\$ 7,212	\$ 6,438	\$ 236,039
\$ 181,601	\$ 2,001	\$ 7,212	\$ 6,438	\$ 236,039

Cash and investments per Statement of Net Position  
Total cash and cash equivalents per Statement of Net Position

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities

\$ (128,953)	\$ 2,209	\$ 1,398	\$ 1,325	\$ (110,393)
21	-	19	810	15,280
3,361	-	-	1	3,480
-	-	-	-	-
-	-	-	-	-
-	-	(93)	(41)	(159)
(28)	-	(284)	3	(288)
-	-	-	-	-
-	-	15	(14)	(85)
(8)	-	-	-	(8)
(1,063)	110	534	312	(695)
(35)	-	55	58	63
-	-	(1)	2	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
25	-	187	-	(6,959)
19,029	-	-	-	19,029
2,041	225	2,899	-	13,210
(2,585)	(286)	(3,714)	-	(16,479)
108	54	309	(21)	934
254	(54)	141	(50)	507
\$ (107,833)	\$ 2,258	\$ 1,465	\$ 2,385	\$ (82,563)

Operating income (loss)  
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities  
Depreciation and amortization  
Decrease (Increase) accounts receivable  
Decrease (Increase) taxes receivable  
Decrease (Increase) bond issuance cost  
Decrease (Increase) due from other funds  
Decrease (Increase) due from other governments  
Decrease (Increase) deferred outflows resources  
Decrease (Increase) inventories  
Decrease (Increase) prepaid items and deposits  
Increase (Decrease) accounts payable  
Increase (Decrease) due to other funds  
Increase (Decrease) due to other governments  
Increase (Decrease) deposits payable  
Increase (Decrease) accrued closure costs  
Increase (Decrease) accrued remediation costs  
Increase (Decrease) other liabilities  
Increase (Decrease) estimated claims liability  
Increase (Decrease) net pension liability  
Increase (Decrease) deferred pensions  
Increase (Decrease) salaries and benefits payable  
Increase (Decrease) compensated absences  
Net cash provided by (used in) operating activities

Noncash investing, capital, and financing activities:  
Capital lease obligations

\$ 29,820



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# FIDUCIARY FUNDS



# **COUNTY OF RIVERSIDE**

## **FIDUCIARY FUNDS**

These funds were established for the purpose of accounting for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs and are excluded from the government-wide financial statements.

### **OTHER**

This fund was established to account for a wide array of fiduciary responsibilities. Some of these responsibilities include tax payments clearing, asset forfeiture, State Controller clearing, child support collections, undistributed bond proceeds, and family support clearing.

### **PAYROLL DEDUCTIONS**

The purpose of this fund is to collect deductions from employee wages. The deductions are owed to a variety of third parties for health insurance, union dues, unemployment insurance, withholding tax, flexible spending accounts, and dental insurance.

### **PROPERTY TAX ASSESSMENTS**

The Property Tax Assessment Agency Fund was set up to help Riverside County account for apportioned taxes clearing, delinquent mobile home fees, property tax refunds, special assessments, and Teeter Plan collections.

### **WARRANTS**

This fund was established as a clearing fund for various categories of warrants issued by Riverside County.

**COUNTY OF RIVERSIDE**  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2016  
(Dollars in Thousands)

	Other	Payroll Deductions	Property Tax Assessments	Warrants	Total
<b>ASSETS:</b>					
Cash and investments	\$ 118,567	\$ 9,556	\$ 82,974	\$ 91,824	\$ 302,921
Accounts receivable	388	-	-	-	388
Interest receivable	59	-	82	-	141
Taxes receivable	66	-	33,048	-	33,114
Total assets	<u>\$ 119,080</u>	<u>\$ 9,556</u>	<u>\$ 116,104</u>	<u>\$ 91,824</u>	<u>\$ 336,564</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ 89,591	\$ 9,556	\$ 657	\$ 91,824	\$ 191,628
Due to other governments	29,489	-	115,447	-	144,936
Total liabilities	<u>\$ 119,080</u>	<u>\$ 9,556</u>	<u>\$ 116,104</u>	<u>\$ 91,824</u>	<u>\$ 336,564</u>

# COUNTY OF RIVERSIDE

## Combining Statement of Changes in Fiduciary Assets and Liabilities

### Agency Funds

For the Fiscal Year Ended June 30, 2016

(Dollars in Thousands)

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>Other</u>				
<u>Assets</u>				
Cash and investments	\$ 124,033	\$ 5,693,709	\$ 5,699,175	\$ 118,567
Accounts receivable	780	1,682	2,074	388
Interest receivable	24	59	24	59
Taxes receivable	58	66	58	66
Total assets	<u>\$ 124,895</u>	<u>\$ 5,695,516</u>	<u>\$ 5,701,331</u>	<u>\$ 119,080</u>
<u>Liabilities</u>				
Accounts payable	\$ 87,606	\$ 624,963	\$ 622,978	\$ 89,591
Due to other governments	37,289	5,079,707	5,087,507	29,489
Total liabilities	<u>\$ 124,895</u>	<u>\$ 5,704,670</u>	<u>\$ 5,710,485</u>	<u>\$ 119,080</u>
<u>Payroll Deductions</u>				
<u>Assets</u>				
Cash and investments	\$ 10,852	\$ 2,287,639	\$ 2,288,935	\$ 9,556
Total assets	<u>\$ 10,852</u>	<u>\$ 2,287,639</u>	<u>\$ 2,288,935</u>	<u>\$ 9,556</u>
<u>Liabilities</u>				
Accounts payable	\$ 10,852	\$ 1,616,383	\$ 1,617,679	\$ 9,556
Total liabilities	<u>\$ 10,852</u>	<u>\$ 1,616,383</u>	<u>\$ 1,617,679</u>	<u>\$ 9,556</u>
<u>Property Tax Assessments</u>				
<u>Assets</u>				
Cash and investments	\$ 84,697	\$ 4,910,380	\$ 4,912,103	\$ 82,974
Interest receivable	48	82	48	82
Taxes receivable	30,956	33,048	30,956	33,048
Total assets	<u>\$ 115,701</u>	<u>\$ 4,943,510</u>	<u>\$ 4,943,107</u>	<u>\$ 116,104</u>
<u>Liabilities</u>				
Accounts payable	\$ 663	\$ 235,970	\$ 235,976	\$ 657
Due to other governments	115,038	5,043,235	5,042,826	115,447
Total liabilities	<u>\$ 115,701</u>	<u>\$ 5,279,205</u>	<u>\$ 5,278,802</u>	<u>\$ 116,104</u>

# COUNTY OF RIVERSIDE

## Combining Statement of Changes in Fiduciary Assets and Liabilities

### Agency Funds (Continued)

For the Fiscal Year Ended June 30, 2016

(Dollars in Thousands)

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
<u>Warrants</u>				
<u>Assets</u>				
Cash and investments	\$ 39,225	\$ 11,079,953	\$ 11,027,354	\$ 91,824
Total assets	<u>\$ 39,225</u>	<u>\$ 11,079,953</u>	<u>\$ 11,027,354</u>	<u>\$ 91,824</u>
<u>Liabilities</u>				
Accounts payable	\$ 39,225	\$ 6,252,168	\$ 6,199,569	\$ 91,824
Total liabilities	<u>\$ 39,225</u>	<u>\$ 6,252,168</u>	<u>\$ 6,199,569</u>	<u>\$ 91,824</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 258,807	\$ 23,971,681	\$ 23,927,567	\$ 302,921
Accounts receivable	780	1,682	2,074	388
Interest receivable	72	141	72	141
Taxes receivable	31,014	33,114	31,014	33,114
Total assets	<u>\$ 290,673</u>	<u>\$ 24,006,618</u>	<u>\$ 23,960,727</u>	<u>\$ 336,564</u>
<u>Liabilities</u>				
Accounts payable	\$ 138,346	\$ 8,729,484	\$ 8,676,202	\$ 191,628
Due to other governments	152,327	10,122,942	10,130,333	144,936
Total liabilities	<u>\$ 290,673</u>	<u>\$ 18,852,426</u>	<u>\$ 18,806,535</u>	<u>\$ 336,564</u>



# STATISTICAL SECTION



## **Statistical Section**

This section of the County of Riverside (the County) Comprehensive Annual Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, required supplementary information, and assessing the County's financial condition.

### **Contents**

### **Table(s)**

#### **Financial Trends Information**

#### **T1 – T5**

These tables contain trend information to assist readers in understanding and assessing how the County's financial position has changed over time.

- Net Position by Component
- Changes in Net Position
- Governmental Activities Tax Revenues by Source
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

#### **Revenue Capacity Information**

#### **T6 – T10**

These tables contain information to assist readers in understanding and assessing the factors affecting the County's local revenue sources, property tax, sales and use tax, and other taxes.

- General Government Tax Revenues by Source
- Assessed Value and Estimated Actual Value of Taxable Property
- Property Tax Rates, Direct and Overlapping Governments
- Principal Property Tax Payers
- Property Tax Levies and Collections

#### **Debt Capacity Information**

#### **T11 – T15**

These tables contain information to assist readers in understanding and assessing the County's current level of outstanding debt, and the County's ability to issue additional debt.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
- Pledged-Revenue Coverage

#### **Economic and Demographic Information**

#### **T16 – T17**

These tables provide economic and demographic information to assist readers in understanding the socioeconomic environment within which the County operates, and to facilitate the comparisons of financial information over time.

- Demographic and Economic Statistics
- Principal Employers

#### **Operating Information**

#### **T18 – T20**

These tables provide contextual information about the County's operations and resources to assist readers in understanding and assessing the County's financial condition as it relates to the services that the County provides.

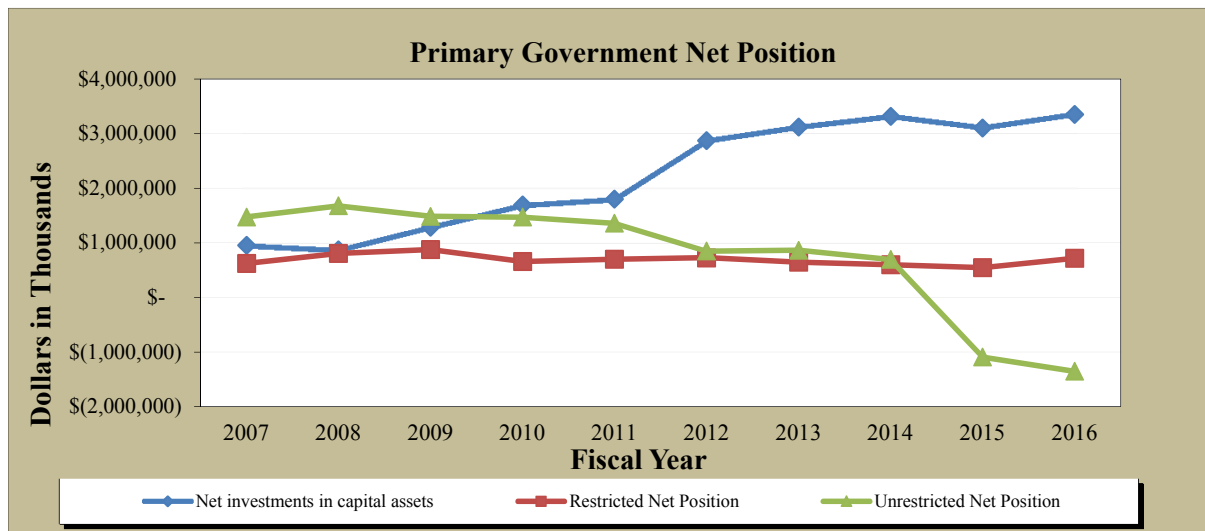
- Full-time Equivalent County Government Employees by Function/Program
- Operating Indicators by Function
- Capital Asset Statistics by Function

Source: Unless otherwise noted, the information in these tables is derived from Riverside County's Comprehensive Annual Financial Reports for the relevant years.

Table 1

**COUNTY OF RIVERSIDE**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2016**

	Fiscal Year Ending June 30				
	2016	2015	2014	2013	2012
<b>Governmental activities</b>					
Net investments in capital assets	\$ 3,240,888	\$ 3,009,048	\$ 3,165,319	\$ 2,998,987	\$ 2,740,429
Restricted	667,696	489,359	499,463	550,326	683,835
Unrestricted	(1,242,905)	(971,969)	718,105	771,883	851,269
Governmental activities, total net position	<u>\$ 2,665,679</u>	<u>\$ 2,526,438</u>	<u>\$ 4,382,887</u>	<u>\$ 4,321,196</u>	<u>\$ 4,275,533</u>
<b>Business-type activities</b>					
Net investments in capital assets	\$ 112,906	\$ 95,160	\$ 147,806	\$ 118,594	\$ 130,510
Restricted	49,241	56,569	96,904	94,346	41,103
Unrestricted	(113,124)	(122,341)	(27,903)	88,852	(5,456)
Business-type activities, total net position	<u>\$ 49,023</u>	<u>\$ 29,388</u>	<u>\$ 216,807</u>	<u>\$ 301,792</u>	<u>\$ 166,157</u>
<b>Primary government</b>					
Net investments in capital assets	\$ 3,353,794	\$ 3,104,208	\$ 3,313,125	\$ 3,117,581	\$ 2,870,939
Restricted	716,937	545,928	596,367	644,672	724,938
Unrestricted	(1,356,029)	(1,094,310)	690,202	860,735	845,813
Primary government, total net position	<u>\$ 2,714,702</u>	<u>\$ 2,555,826</u>	<u>\$ 4,599,694</u>	<u>\$ 4,622,988</u>	<u>\$ 4,441,690</u>



Source: Auditor-Controller, County of Riverside

Table 1

Fiscal Year Ending June 30					
2011	2010	2009	2008	2007	
					<b>Governmental activities</b>
\$ 1,687,128	\$ 1,594,275	\$ 1,204,971	\$ 802,981	\$ 903,076	Net investments in capital assets
656,347	604,942	824,139	769,368	569,477	Restricted
1,295,657	1,395,141	1,402,813	1,572,150	1,370,350	Unrestricted
<u>\$ 3,639,132</u>	<u>\$ 3,594,358</u>	<u>\$ 3,431,923</u>	<u>\$ 3,144,499</u>	<u>\$ 2,842,903</u>	Governmental activities, total net position
					<b>Business-type activities</b>
\$ 113,489	\$ 96,901	\$ 81,512	\$ 69,441	\$ 53,321	Net investments in capital assets
43,086	50,386	52,502	36,074	50,629	Restricted
59,550	72,397	80,238	101,683	100,567	Unrestricted
<u>\$ 216,125</u>	<u>\$ 219,684</u>	<u>\$ 214,252</u>	<u>\$ 207,198</u>	<u>\$ 204,517</u>	Business-type activities, total net position
					<b>Primary government</b>
\$ 1,800,617	\$ 1,691,176	\$ 1,286,483	\$ 872,422	\$ 956,397	Net investments in capital assets
699,433	655,328	876,641	805,442	620,106	Restricted
1,355,207	1,467,538	1,483,051	1,673,833	1,470,917	Unrestricted
<u>\$ 3,855,257</u>	<u>\$ 3,814,042</u>	<u>\$ 3,646,175</u>	<u>\$ 3,351,697</u>	<u>\$ 3,047,420</u>	Primary government, total net position

Table 2

**COUNTY OF RIVERSIDE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2016**

	<b>Fiscal Year Ending June 30</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 201,495	\$ 164,830	\$ 162,926	\$ 138,851	\$ 147,510
Public protection	398,070	371,237	352,178	339,379	316,778
Other activities	135,204	109,773	100,791	110,231	116,509
Operating grants and contributions	1,907,919	1,800,158	1,593,627	1,503,390	1,447,694
Capital grants and contributions	54,134	31,579	29,890	27,695	27,909
Governmental activities program revenues	<u>2,696,822</u>	<u>2,477,577</u>	<u>2,239,412</u>	<u>2,119,546</u>	<u>2,056,400</u>
Business-type activities:					
Charges for services:					
Riverside University Health					
Systems - Medical Center	511,666	504,811	400,630	450,340	371,827
Other activities	164,860	161,008	155,336	150,407	133,838
Capital grants and contributions	2,234	536	450	698	335
Business-type activities program revenues	<u>678,760</u>	<u>666,355</u>	<u>556,416</u>	<u>601,445</u>	<u>506,000</u>
Primary government program revenues	<u>3,375,582</u>	<u>3,143,932</u>	<u>2,795,828</u>	<u>2,720,991</u>	<u>2,562,400</u>
<b>Expenses</b>					
Governmental activities:					
General government	283,081	179,575	228,146	194,641	270,474
Public protection	1,328,608	1,217,731	1,191,438	1,065,373	1,047,202
Public ways and facilities	149,768	177,870	108,380	89,469	84,797
Health and sanitation	468,382	499,669	460,963	422,982	374,950
Public assistance	980,550	970,415	851,246	807,611	827,092
Education	23,283	23,409	24,420	18,998	10,376
Recreation and cultural services	20,758	18,335	20,077	12,274	15,806
Interest on long-term debt	46,306	45,904	47,236	29,453	39,098
Governmental activities expenses	<u>3,300,736</u>	<u>3,132,908</u>	<u>2,931,906</u>	<u>2,640,801</u>	<u>2,669,795</u>
Business-type activities:					
Riverside University Health					
Systems - Medical Center	506,338	468,562	482,240	473,916	417,074
Waste Resources Department	75,358	56,299	62,721	53,069	57,272
Housing Authority	88,166	90,903	94,716	90,678	91,469
Flood Control	3,591	3,056	2,561	2,472	2,306
County Service Areas	413	390	429	459	456
Business-type activities expenses	<u>673,866</u>	<u>619,210</u>	<u>642,667</u>	<u>620,594</u>	<u>568,577</u>
Primary government expenses	<u>3,974,602</u>	<u>3,752,118</u>	<u>3,574,573</u>	<u>3,261,395</u>	<u>3,238,372</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(603,914)	(655,331)	(692,494)	(521,255)	(613,395)
Business-type activities	<u>4,894</u>	<u>47,145</u>	<u>(86,251)</u>	<u>(19,149)</u>	<u>(62,577)</u>
Primary government, net (expense) / revenue	<u>\$ (599,020)</u>	<u>\$ (608,186)</u>	<u>\$ (778,745)</u>	<u>\$ (540,404)</u>	<u>\$ (675,972)</u>

Source:

Auditor-Controller, County of Riverside

Table 2

Fiscal Year Ending June 30					
2011	2010	2009	2008	2007	
					<b>Program revenues</b>
					Governmental activities:
					Charges for services:
\$ 159,570	\$ 140,723	\$ 143,644	\$ 171,403	\$ 171,070	General government
326,237	331,162	311,565	316,719	307,288	Public protection
105,931	95,438	100,819	123,483	130,837	Other activities
1,393,016	1,384,791	1,344,611	1,315,716	1,210,941	Operating grants and contributions
32,114	31,112	29,771	25,333	48,186	Capital grants and contributions
2,016,868	1,983,226	1,930,410	1,952,654	1,868,322	Governmental activities program revenues
					Business-type activities:
					Charges for services:
386,533	367,273	360,584	333,414	337,905	Riverside University Health
140,327	134,257	139,206	146,065	137,706	Systems - Medical Center
-	1,165	310	306	261	Other activities
526,860	502,695	500,100	479,785	475,872	Capital grants and contributions
2,543,728	2,485,921	2,430,510	2,432,439	2,344,194	Business-type activities program revenues
					Primary government program revenues
					<b>Expenses</b>
					Governmental activities:
298,032	323,949	285,393	331,741	296,917	General government
1,021,288	1,062,213	1,095,587	1,122,370	935,550	Public protection
87,424	31,024	31,283	20,558	57,578	Public ways and facilities
369,984	347,634	392,945	330,206	350,082	Health and sanitation
907,202	820,637	770,484	752,779	688,213	Public assistance
15,816	19,866	15,954	17,977	14,847	Education
9,364	12,206	6,039	12,457	11,941	Recreation and cultural services
88,998	80,754	89,741	96,173	81,197	Interest on long-term debt
2,798,108	2,698,283	2,687,426	2,684,261	2,436,325	Governmental activities expenses
					Business-type activities:
401,120	389,991	379,278	353,481	329,128	Riverside University Health
56,688	49,956	61,116	64,538	60,772	Systems - Medical Center
86,027	81,426	81,139	74,252	70,218	Waste Resources Department
3,711	3,233	3,816	5,201	6,242	Housing Authority
383	454	457	343	329	Flood Control
547,929	525,060	525,806	497,815	466,689	County Service Areas
3,346,037	3,223,343	3,213,232	3,182,076	2,903,014	Business-type activities expenses
					Primary government expenses
					<b>Net (expense)/revenue</b>
(781,240)	(715,057)	(757,016)	(731,607)	(568,003)	Governmental activities
(21,069)	(22,365)	(25,706)	(18,030)	9,183	Business-type activities
\$ (802,309)	\$ (737,422)	\$ (782,722)	\$ (749,637)	\$ (558,820)	Primary government, net (expense) / revenue

Continued

Table 2

**COUNTY OF RIVERSIDE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2016**

	<b>Fiscal Year Ending June 30</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Continued:					
Primary government, net (expense) / revenue	\$ (599,020)	\$ (608,186)	\$ (778,745)	\$ (540,404)	\$ (675,972)
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Taxes:					
Property taxes	346,851	327,504	297,107	277,417	322,337
Sales and use tax	29,573	32,851	35,443	29,751	26,744
Other taxes	22,005	18,632	27,764	37,883	6,715
Intergovernmental revenue - not restricted to programs:					
Unrestricted intergovernmental revenue	232,453	244,003	227,303	220,811	226,384
Investment earnings	12,948	8,700	11,317	2,035	11,801
Other	160,521	164,177	167,992	168,454	169,398
Transfers	(22,478)	(11,250)	(9,645)	(1,049)	(11,702)
Governmental activities	781,873	784,617	757,281	735,302	751,677
Business-type activities:					
Investment earnings	2,720	895	1,319	(33)	907
Other	-	-	-	-	-
Transfers	22,478	11,250	9,645	1,049	11,702
Business-type activities	25,198	12,145	10,964	1,016	12,609
Total primary government	807,071	796,762	768,245	736,318	764,286
<b>Change in net position</b>					
Governmental activities	177,959	129,286	64,787	214,047	138,282
Business-type activities	30,092	59,290	(75,287)	(18,133)	(49,968)
Primary government change in net position	\$ 208,051	\$ 188,576	\$ (10,500)	\$ 195,914	\$ 88,314



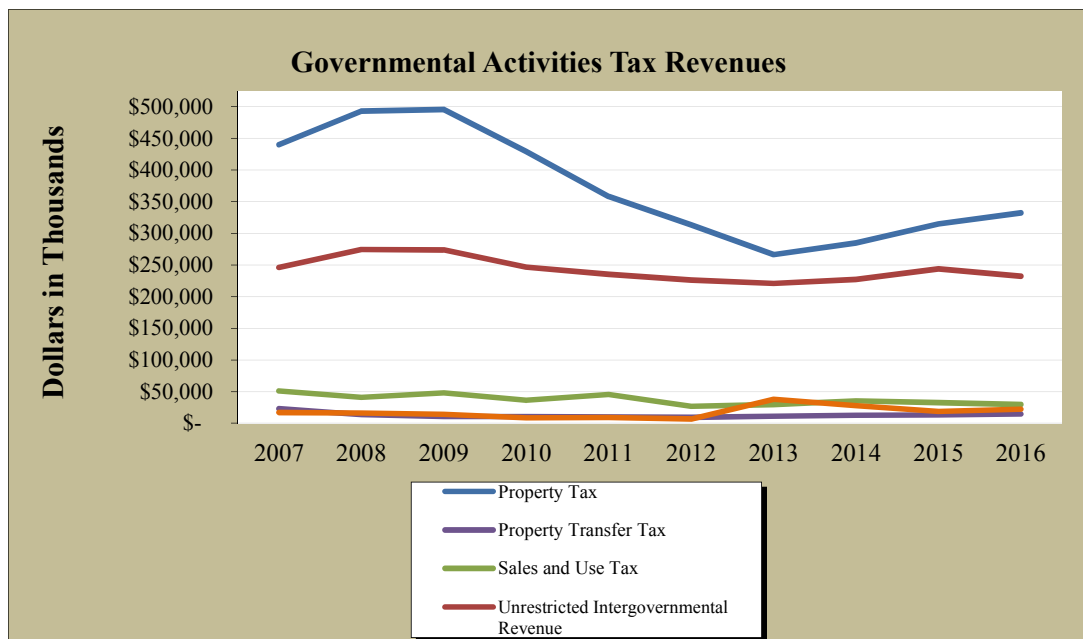
Table 2

Fiscal Year Ending June 30					
2011	2010	2009	2008	2007	
\$ (802,309)	\$ (737,422)	\$ (782,722)	\$ (749,637)	\$ (558,820)	Continued:
					Primary government, net (expense) / revenue
					<b>General revenues and other changes in net position</b>
					Governmental activities:
					Taxes:
367,867	440,282	506,222	506,327	462,817	Property taxes
45,489	36,289	47,683	40,985	51,093	Sales and use tax
9,004	8,610	13,771	15,898	16,865	Other taxes
					Intergovernmental revenue - not restricted to programs:
235,153	246,493	273,825	274,282	245,723	Unrestricted intergovernmental revenue
19,494	29,026	87,041	138,071	122,517	Investment earnings
142,966	91,044	121,880	85,924	13,191	Other
(10,355)	(17,436)	(25,713)	(10,322)	(16,892)	Transfers
809,618	834,308	1,024,709	1,051,165	895,314	Governmental activities
					Business-type activities:
538	1,442	6,142	10,389	10,198	Investment earnings
6,617	-	-	-	-	Other
10,355	17,436	25,713	10,322	16,892	Transfers
17,510	18,878	31,855	20,711	27,090	Business-type activities
827,128	853,186	1,056,564	1,071,876	922,404	Total primary government
					<b>Change in net position</b>
28,378	119,251	267,693	319,558	327,311	Governmental activities
(3,559)	(3,487)	6,149	2,681	36,273	Business-type activities
\$ 24,819	\$ 115,764	\$ 273,842	\$ 322,239	\$ 363,584	Primary government change in net position

Table 3

**COUNTY OF RIVERSIDE**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2016**

<b>Fiscal Year Ending June 30</b>	<b>Property Tax</b>	<b>Property Transfer Tax</b>	<b>Sales and Use Tax</b>	<b>Unrestricted Intergovernmental Revenue</b>	<b>Other Tax</b>	<b>Total</b>
<b>2016</b>	\$ 332,338	\$ 14,513	\$ 29,573	\$ 232,453	\$ 22,005	\$ 630,882
<b>2015</b>	314,599	12,905	32,851	244,003	18,632	622,990
<b>2014</b>	284,819	12,288	35,443	227,303	27,764	587,617
<b>2013</b>	266,294	11,123	29,751	220,811	37,883	565,862
<b>2012</b>	312,972	9,365	26,744	226,384	6,715	582,180
<b>2011</b>	357,908	9,959	45,489	235,153	9,004	657,513
<b>2010</b>	429,604	10,678	36,289	246,493	8,610	731,674
<b>2009</b>	495,598	10,624	47,683	273,825	13,771	841,501
<b>2008</b>	492,849	13,478	40,985	274,282	15,898	837,492
<b>2007</b>	439,981	22,836	51,093	245,723	16,865	776,498



Source: Auditor-Controller, County of Riverside



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Table 4

**COUNTY OF RIVERSIDE**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2016**

	Fiscal Year Ending June 30						
	2016	2015	2014	2013	2012	2011	2010
<b>General Fund</b>							
Nonspendable	\$ 2,369	\$ 2,001	\$ 2,045	\$ 3,247	\$ 1,834	\$ 2,214	\$ 3,201
Restricted	99,639	122,967	117,595	101,440	101,651	98,552	93,653
Committed	40,310	39,422	32,820	42,183	52,439	50,097	250,444
Assigned	11,870	5,144	7,772	10,460	8,764	3,463	2,998
Unassigned	217,322	225,855	203,444	199,919	171,910	189,236	36,190
Total general fund	371,510	395,389	363,676	357,249	336,598	343,562	386,486
<b>Transportation</b>							
Nonspendable	3,654	3,776	1,101	1,044	1,014	-	-
Restricted	68,191	49,875	62,767	79,127	95,805	-	-
Committed	2,847	2,719	2,244	1,310	1,811	-	-
Assigned	12,578	14,782	14,063	12,821	4,935	-	-
Total transportation	87,270	71,152	80,175	94,302	103,565	-	-
<b>Flood Control</b>							
Nonspendable	366	731	1	1	1	1	1
Restricted	205,957	236,749	-	-	-	-	-
Committed	-	-	258,580	253,117	252,368	237,211	222,944
Assigned	-	3,174	-	1,807	3,890	13,741	18,979
Total Flood Control	206,323	240,654	258,581	254,925	256,259	250,953	241,924
<b>Public Facilities Improvements</b>							
Restricted	119,441	120,141	123,860	153,404	131,184	158,628	200,501
Committed	4,877	3,000	3,000	1,912	-	6,451	10,850
Assigned	9,331	15,480	7,803	44,244	111,324	128,023	127,302
Total public facilities improvements	133,649	138,621	134,663	199,560	242,508	293,102	338,653
<b>Public Financing Authority</b>							
Restricted	231,229	302,498	-	-	-	-	-
Total public financing authority	231,229	302,498	-	-	-	-	-
<b>Redevelopment Capital Projects</b>							
Nonspendable	-	-	-	-	-	72,055	79,257
Committed	-	-	-	-	-	115,617	93,028
Assigned	-	-	-	-	-	83,881	96,062
Total redevelopment capital projects	-	-	-	-	-	271,553	268,347
<b>Nonmajor Governmental Funds</b>							
Nonspendable	1,225	1,181	1,208	1,168	1,241	84,769	84,744
Restricted	168,868	168,472	182,139	174,552	354,214	410,787	434,900
Committed reported in:							
Special revenue funds	2,830	4,402	9,750	15,763	12,973	21,381	6,196
Debt service funds	-	-	-	-	-	1,206	1,206
Capital projects funds	-	-	-	151	323	1,690	355
Assigned	29,186	34,552	32,370	17,088	25,763	86,572	30,314
Total nonmajor governmental funds	202,109	208,607	225,467	208,722	394,514	606,405	557,715
Total all governmental funds	\$ 1,232,090	\$ 1,356,921	\$ 1,062,562	\$ 1,114,758	\$ 1,333,444	\$ 1,765,575	\$ 1,793,125

Note: In fiscal year 2010-11 the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Fiscal year 2009-10 fund balances have been recharacterized to comply with GASB Statement No. 54 in order to facilitate year-to-year comparisons. In fiscal year 2011-12 Redevelopment Capital Projects are reported under the Successor Agency.

In fiscal year 2012-13 Transportation became a major fund, therefore only fiscal years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside

Table 4

<b>COUNTY OF RIVERSIDE</b> <b>Fund Balances of Governmental Funds</b> <b>Last Ten Fiscal Years (Continued)</b> <b>(Modified accrual basis of accounting)</b> <b>(Dollars in Thousands)</b> <b>June 30, 2016</b>			
	<b>Fiscal Year Ending June 30</b>		
	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>General Fund</b>			
Reserved	\$ 91,196	\$ 84,466	\$ 88,233
Unreserved, designated	203,821	335,630	339,773
Unreserved, undesignated	77,104	58,672	142,958
Total general fund	372,121	478,768	570,964
<b>Transportation</b>			
Reserved	-	-	-
Unreserved, designated	-	-	-
Unreserved, undesignated	-	-	-
Total transportation	-	-	-
<b>Flood Control</b>			
Reserved	1,794	4,500	-
Unreserved, designated	30,149	1,755	134,396
Unreserved, undesignated	196,973	193,170	32,724
Total Flood Control	228,916	199,425	167,120
<b>Public Facilities Improvements</b>			
Reserved	538,431	590,915	256,338
Unreserved, undesignated	-	-	-
Total public facilities improvements	538,431	590,915	256,338
<b>Redevelopment Capital Projects</b>			
Reserved	189,627	122,036	269,263
Unreserved, undesignated	116,076	234,582	118,186
Total redevelopment capital projects	305,703	356,618	387,449
<b>Nonmajor Governmental Funds</b>			
Reserved	371,076	331,147	192,566
Unreserved, designated reported in:			
Special revenue funds	27,666	37,121	53,268
Capital projects funds	6,933	6,935	9,671
Unreserved, undesignated reported in:			
Special revenue funds	151,939	139,367	115,637
Capital projects funds	-	-	-
Total nonmajor governmental funds	557,614	514,570	371,142
Total all governmental funds	\$ 2,002,785	\$ 2,140,296	\$ 1,753,013

Table 5

<b>COUNTY OF RIVERSIDE</b> <b>Changes in Fund Balances of Governmental Funds</b> <b>Last Ten Fiscal Years</b> <b>(Modified accrual basis of accounting)</b> <b>(Dollars in Thousands)</b> <b>June 30, 2016</b>					
	<b>Fiscal Year Ending June 30</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Revenues</b>					
Taxes	\$ 398,139	\$ 379,358	\$ 361,900	\$ 347,166	\$ 355,796
Licenses, permits, and franchise fees	22,782	21,893	20,377	18,798	19,513
Fines, forfeitures, and penalties	74,349	79,059	82,290	86,381	90,163
Use of money and property:					
Investments earnings	11,736	7,989	10,187	2,370	10,827
Rents and concessions	51,695	25,548	29,925	19,246	19,588
Aid from other governmental agencies:					
Federal	686,964	634,269	544,478	569,330	577,654
State	1,345,344	1,304,580	1,172,107	1,047,485	986,658
Other	163,165	153,687	136,461	132,120	156,678
Charges for services	585,977	519,382	483,346	464,274	449,888
Other revenue	49,934	119,337	88,055	91,329	95,119
Total revenues	3,390,085	3,245,102	2,929,126	2,778,499	2,761,884
<b>Expenditures</b>					
General government	219,333	190,209	214,212	208,242	291,227
Public protection	1,271,121	1,202,873	1,186,900	1,117,397	1,072,442
Public ways and facilities	299,431	292,096	177,965	177,467	168,015
Health and sanitation	470,022	482,545	421,494	393,557	375,668
Public assistance	983,963	928,098	851,061	798,850	802,104
Education	20,003	20,755	19,470	18,819	18,942
Recreation and culture	24,232	23,716	15,911	16,590	15,220
Debt service:					
Principal	68,951	83,928	70,840	55,363	65,002
Interest	44,091	44,005	45,953	27,988	49,041
Cost of issuance	895	950	623	378	15
Capital outlay	92,800	103,211	58,046	25,427	22,583
Total expenditures	3,494,842	3,372,386	3,062,475	2,840,078	2,880,259
Revenues over (under) expenditures	(104,757)	(127,284)	(133,349)	(61,579)	(118,375)
<b>Other financing sources (uses)</b>					
Transfers in	350,235	550,783	248,448	231,574	323,052
Transfers out	(373,384)	(559,368)	(253,012)	(233,809)	(332,724)
Issuance of debt	-	346,000	64,000	-	-
Issuance of refunding bonds	72,825	-	20,510	19,140	33,360
Discount on long-term debt	-	-	-	-	-
Premium on long-term debt	7,612	28,699	1,338	759	2,840
Redemption of refunded debt	(89,345)	-	-	(18,155)	(32,797)
Payment to escrow agent	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-
Capital leases	11,829	54,529	2,965	1,721	2,671
Total other financing sources (uses)	(20,228)	420,643	84,249	1,230	(3,598)
Net change in fund balances	\$ (124,985)	\$ 293,359	\$ (49,100)	\$ (60,349)	\$ (121,973)
Debt service as a % of non-capital expenditures	3.63%	4.27%	4.21%	3.35%	4.50%

Source: Auditor-Controller, County of Riverside

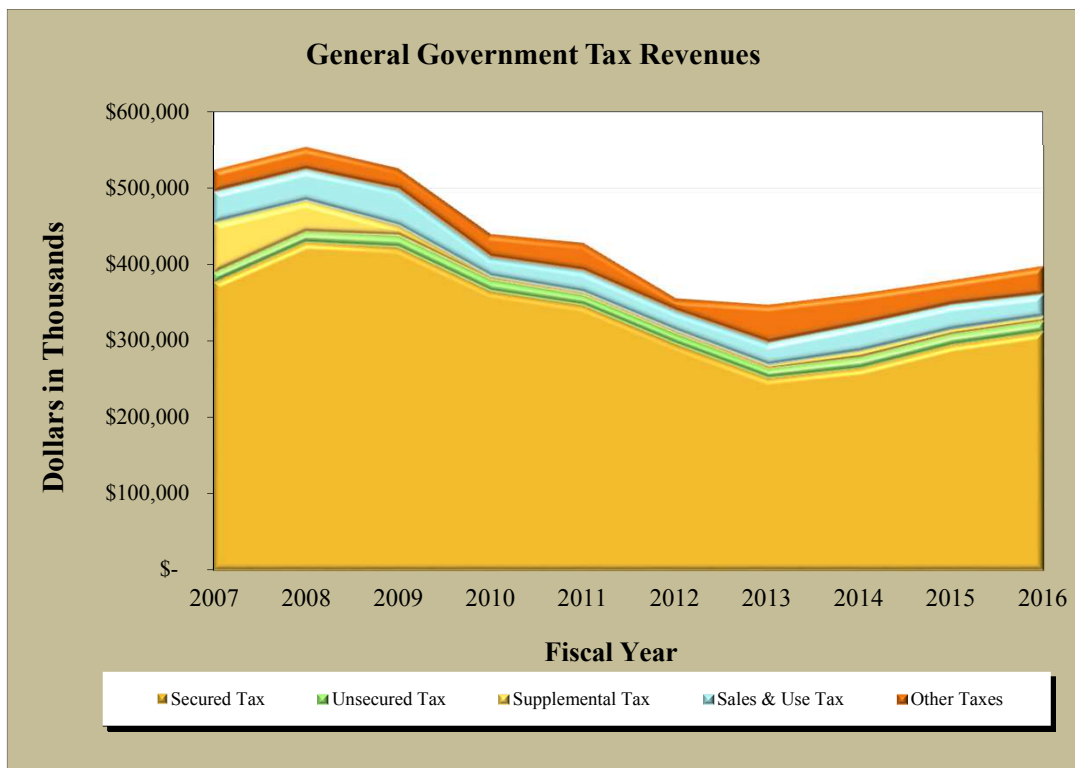
Table 5

Fiscal Year Ending June 30					
2011	2010	2009	2008	2007	
\$ 427,892	\$ 439,435	\$ 525,238	\$ 553,158	\$ 523,028	<b>Revenues</b>
20,294	19,197	22,546	24,652	25,981	Taxes
95,290	114,320	108,572	92,029	82,946	Licenses, permits, and franchise fees
					Fines, forfeitures, and penalties
					Use of money and property:
18,305	26,929	81,040	128,307	113,789	Investments earnings
17,659	17,393	17,151	15,486	43,171	Rents and concessions
					Aid from other governmental agencies:
609,531	636,167	546,030	544,587	496,685	Federal
921,329	857,191	955,389	971,299	937,630	State
130,362	172,598	140,757	103,858	89,111	Other
458,744	469,340	460,439	447,889	431,676	Charges for services
95,279	65,711	84,348	102,132	115,863	Other revenue
2,794,685	2,818,281	2,941,510	2,983,397	2,859,880	Total revenues
					<b>Expenditures</b>
311,025	554,315	430,712	409,336	320,254	General government
1,081,489	1,068,051	1,126,662	1,083,719	972,006	Public protection
176,184	130,310	148,544	152,603	157,055	Public ways and facilities
353,904	341,244	390,668	375,259	348,921	Health and sanitation
824,471	812,848	766,407	747,576	686,295	Public assistance
19,282	18,910	15,731	17,907	14,830	Education
18,755	12,620	12,801	11,647	11,707	Recreation and culture
					Debt service:
80,928	73,378	54,587	46,483	44,222	Principal
83,902	78,689	86,768	91,126	78,204	Interest
5,212	1,819	2,436	3,868	5,565	Cost of issuance
30,439	39,844	48,899	36,691	58,525	Capital outlay
2,985,591	3,132,028	3,084,215	2,976,215	2,697,584	Total expenditures
(190,906)	(313,747)	(142,705)	7,182	162,296	Revenues over (under) expenditures
					<b>Other financing sources (uses)</b>
267,985	463,296	538,029	805,400	313,044	Transfers in
(277,943)	(479,143)	(562,345)	(814,607)	(328,624)	Transfers out
170,481	81,745	-	294,084	34,173	Issuance of debt
-	70,365	78,895	111,125	259,600	Issuance of refunding bonds
-	(626)	-	(2,898)	-	Discount on long-term debt
-	937	-	3,272	2,876	Premium on long-term debt
-	-	-	-	-	Redemption of refunded debt
-	(65,713)	(76,300)	(24,290)	(103,396)	Payment to escrow agent
6	-	-	1,159	916	Proceeds from the sale of capital assets
8,321	31,018	22,746	8,670	8,811	Capital leases
168,850	101,879	1,025	381,915	187,400	Total other financing sources (uses)
\$ (22,056)	\$ (211,868)	\$ (141,680)	\$ 389,097	\$ 349,696	Net change in fund balances
6.17%	5.85%	5.54%	5.28%	5.07%	Debt service as a % of non-capital expenditures

Table 6

**COUNTY OF RIVERSIDE**  
**General Government Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Dollars in Thousands)**  
**June 30, 2016**

<b>Fiscal Year Ending June 30</b>	<b>Secured Tax</b>	<b>Unsecured Tax</b>	<b>Supplemental Tax</b>	<b>Sales &amp; Use Tax</b>	<b>Other Taxes</b>	<b>Total</b>
<b>2016</b>	\$ 312,004	\$ 13,798	\$ 6,247	\$ 29,573	\$ 36,517	\$ 398,139
<b>2015</b>	294,888	13,909	6,168	32,851	31,542	379,358
<b>2014</b>	264,643	13,597	8,165	35,443	40,052	361,900
<b>2013</b>	251,236	12,459	4,714	29,751	49,006	347,166
<b>2012</b>	295,974	13,499	3,498	26,626	16,199	355,796
<b>2011</b>	346,356	13,404	3,681	28,393	36,058	427,892
<b>2010</b>	364,810	15,270	3,778	25,762	29,815	439,435
<b>2009</b>	422,329	15,071	12,981	47,683	27,174	525,238
<b>2008</b>	428,790	13,193	40,815	40,985	29,375	553,158
<b>2007</b>	375,924	12,301	65,537	40,607	28,659	523,028



Source: Auditor-Controller, County of Riverside





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Table 7

**COUNTY OF RIVERSIDE**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2016**

	<b>Fiscal Year Ending June 30</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Real property</b>					
Secured property	\$ 240,984,595	\$ 228,131,826	\$ 210,523,063	\$ 201,971,552	\$ 202,313,851
Unsecured property	7,717,964	7,676,875	7,868,150	8,123,443	8,057,242
<b>Total gross assessed value</b>	<b>248,702,559</b>	<b>235,808,701</b>	<b>218,391,213</b>	<b>210,094,995</b>	<b>210,371,093</b>
<b>Less:</b>					
Tax-exempt real property	7,760,338	7,502,942	7,300,462	7,116,048	6,818,361
<b>Total taxable assessed value</b>	<b>\$ 240,942,221</b>	<b>\$ 228,305,759</b>	<b>\$ 211,090,751</b>	<b>\$ 202,978,947</b>	<b>\$ 203,552,732</b>
<b>Total direct tax rate</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Estimated actual taxable value</b>	<b>\$ 321,256,295</b>	<b>\$ 304,407,678</b>	<b>\$ 281,454,335</b>	<b>\$ 270,638,596</b>	<b>\$ 271,403,643</b>
<b>Assessed value as a % of actual</b>	<b>77.42%</b>	<b>77.46%</b>	<b>77.59%</b>	<b>77.63%</b>	<b>77.51%</b>



Source: Auditor-Controller, County of Riverside

Table 7

<b>Fiscal Year Ending June 30</b>					
<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	
					<b>Real property</b>
\$ 204,153,163	\$ 213,144,336	\$ 238,312,506	\$ 235,351,116	\$ 202,009,520	Secured property
8,121,065	8,227,172	8,685,393	7,540,803	6,735,421	Unsecured property
212,274,228	221,371,508	246,997,899	242,891,919	208,744,941	<b>Total gross assessed value</b>
					<b>Less:</b>
6,673,229	6,424,030	6,111,231	5,574,813	5,125,567	Tax-exempt real property
<u>\$ 205,600,999</u>	<u>\$ 214,947,478</u>	<u>\$ 240,886,668</u>	<u>\$ 237,317,106</u>	<u>\$ 203,619,374</u>	<b>Total taxable assessed value</b>
1.0	1.0	1.0	1.0	1.0	<b>Total direct tax rate</b>
\$ 274,134,665	\$ 286,596,637	\$ 321,182,224	\$ 316,422,808	\$ 271,492,499	<b>Estimated actual taxable value</b>
77.43%	77.24%	76.90%	76.76%	76.89%	<b>Assessed value as a % of actual value</b>

Table 8

**COUNTY OF RIVERSIDE**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**June 30, 2016**

Fiscal Year Ending June 30	County Direct Rates		Range of Overlapping Rates			Total Direct & Overlapping Rates
	Secured Property Tax Levy	Debt Service	Total City Rate	Total School Districts Rate	Total Special Districts Rate	
<b>2016</b>	1.00000%	0.11440%	0% to .00576%	0 to .15335%	0% to .50000%	1.11440% to 1.50000%
<b>2015</b>	1.00000%	0.14640%	0% to .00626%	0 to .17234%	0% to .53052%	1.14640% to 1.53052%
<b>2014</b>	1.00000%	0.13830%	0% to .00673%	.01768% to .17571%	0% to .55075%	1.13830% to 1.55075%
<b>2013</b>	1.00000%	0.14340%	0% to .00572%	.01702% to .17570%	0% to .58076%	1.14340% to 1.58076%
<b>2012</b>	1.00000%	0.12540%	0% to .00571%	.01700% to .14030%	0% to .53864%	1.12540% to 1.53864%
<b>2011</b>	1.00000%	0.12540%	0% to .00575%	.01499% to .13224%	0% to .50000%	1.12540% to 1.50000%
<b>2010</b>	1.00000%	0.12220%	.00064% to .00577%	.01242% to .12628%	0% to .50000%	1.12220% to 1.50000%
<b>2009</b>	1.00000%	0.10950%	.00119% to .00747%	.01254% to .10963%	0% to .50000%	1.10950% to 1.50000%
<b>2008</b>	1.00000%	0.09190%	.00178% to .00627%	.00549% to .08521%	0% to .50000%	1.09190% to 1.50000%
<b>2007</b>	1.00000%	0.07720%	.00249% to .00821%	.00578% to .10282%	0% to .54324%	1.07720% to 1.54324%

Note: Total direct tax rate encompasses general levy, special assessments, and fixed charges.

Overlapping governments in the context of the statistical section, all local governments located wholly or in part within the geographic boundaries of the reporting government.

Overlapping rate in the context of the statistical section, an amount or percentage applied to a unit of a specific revenue base by governments that overlap geographically, at least in part, with the government preparing the statistical section information.

Source: Auditor-Controller, County of Riverside

Table 9

**COUNTY OF RIVERSIDE**  
**Principal Property Tax Payers**  
**(Dollars in Thousands)**  
**Current Year and Nine Years Ago**  
**June 30, 2016**

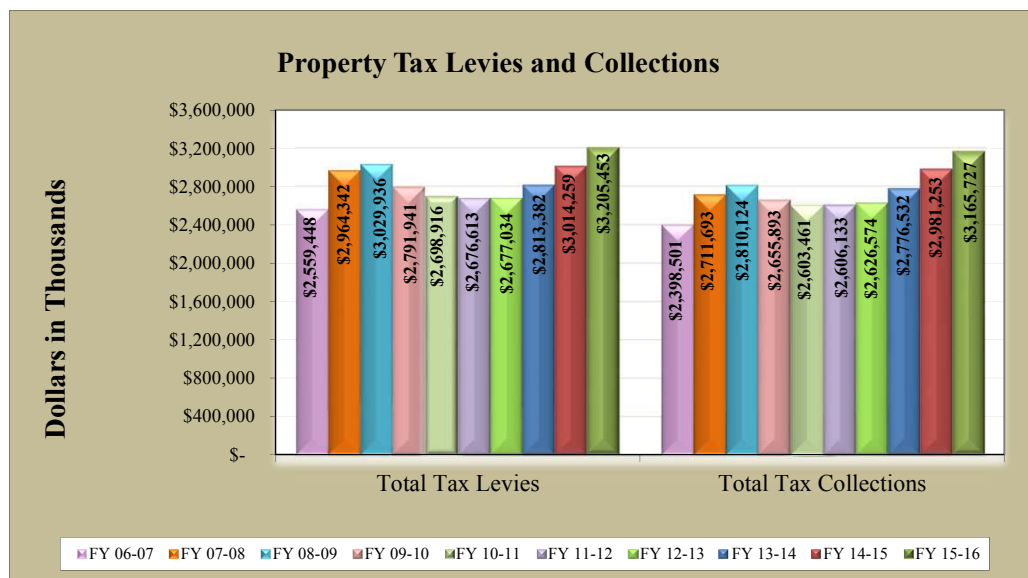
<b>Tax payer</b>	<b>Fiscal Year</b>			
	<b>2016</b>		<b>2007</b>	
	<b>Taxable Assessed Value</b>	<b>Percentage of Total County Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total County Taxable Assessed Value</b>
Southern California Edison Company	\$ 43,870	1.30%	\$ 8,679	0.41%
Verizon California Inc.	7,871	0.23%	7,242	0.34%
Centex Homes			7,057	0.33%
CPV Sentinel, LLC	6,756	0.20%		
Chelsea GCA Realty Partnership	3,351	0.10%		
Inland Empire Energy Center, LLC	3,186	0.09%		
KB Home Coastal Inc.	2,812	0.08%	3,743	0.18%
Southern California Gas Company	8,997	0.27%	3,737	0.18%
Pulte Home Corporation			5,400	0.25%
Ryland Homes of California Inc.			3,558	0.17%
Western Pacific Housing Inc.			3,266	0.15%
Blythe Energy, LLC	2,960	0.09%	3,008	0.14%
Wolf Creek Development			2,567	0.12%
Walgreen Company	2,951	0.09%		
Tyler Mall LTD Partnership	2,986	0.09%		
<b>Total</b>	<b>\$ 85,740</b>	<b>2.54%</b>	<b>\$ 48,257</b>	<b>2.27%</b>

Source: Treasurer-Tax Collector, County of Riverside

Table 10

**COUNTY OF RIVERSIDE**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2016**

Fiscal Year Ending June 30	Total Secured Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of June 30	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 3,205,453	\$ 3,159,497	98.57%	\$ 6,230	\$ 3,165,727	98.76%
2015	3,014,259	2,968,113	98.47%	13,140	2,981,253	98.91%
2014	2,813,382	2,763,665	98.23%	12,867	2,776,532	98.69%
2013	2,677,034	2,618,818	97.83%	7,756	2,626,574	98.12%
2012	2,676,613	2,605,691	97.35%	442	2,606,133	97.37%
2011	2,698,916	2,603,461	96.46%	-	2,603,461	96.46%
2010	2,791,941	2,652,513	95.01%	3,380	2,655,893	95.13%
2009	3,029,936	2,807,718	92.67%	2,406	2,810,124	92.75%
2008	2,964,342	2,708,669	91.38%	3,024	2,711,693	91.48%
2007	2,559,448	2,379,273	92.96%	19,228	2,398,501	93.71%



\*Delinquent taxes reported by year of collection; data by levy year unavailable.

Source: Auditor-Controller, County of Riverside

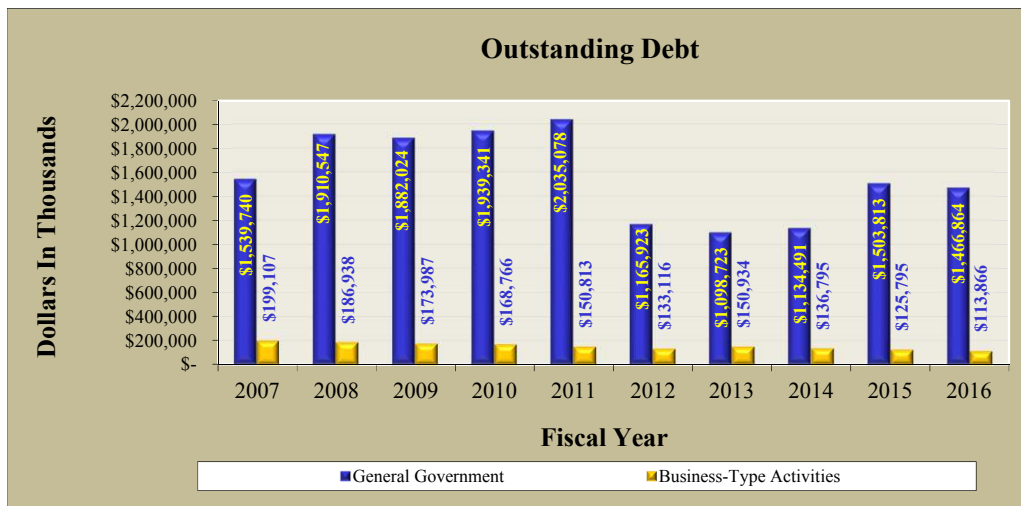


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Table 11

**COUNTY OF RIVERSIDE**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita Amount)**  
**June 30, 2016**

	<b>Fiscal Year Ending June 30</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>General government</b>					
Bonds	\$ 1,195,027	\$ 1,141,497	\$ 810,186	\$ 744,460	\$ 750,492
Certificates of participation	108,937	211,688	240,593	282,095	309,511
Note and loans	2,790	3,350	3,890	4,420	4,925
Capital leases	160,110	147,278	79,822	67,748	100,995
<b>Business-type activities</b>					
Bonds	106,428	119,917	132,941	143,710	121,061
Capital leases	7,438	5,878	3,854	7,224	12,055
<b>Total primary government</b>	<b>\$ 1,580,730</b>	<b>\$ 1,629,608</b>	<b>\$ 1,271,286</b>	<b>\$ 1,249,657</b>	<b>\$ 1,299,039</b>
<b>Percentage of personal income</b>	<b>2.01%</b>	<b>2.23%</b>	<b>1.65%</b>	<b>1.66%</b>	<b>1.78%</b>
<b>Per capita</b>	<b>\$ 693</b>	<b>\$ 765</b>	<b>\$ 558</b>	<b>\$ 554</b>	<b>\$ 583</b>



Note: Per Capita is an estimate for fiscal years 2013-14 and 2014-15

Source: California State Department of Finance  
Auditor-Controller, County of Riverside  
Bureau of Economic Analysis



Table 11

						Fiscal Year Ending June 30
2011	2010	2009	2008	2007		
General government						
\$ 1,551,323	\$ 1,408,017	\$ 1,359,277	\$ 1,086,397	\$ 806,398	Bonds	
367,272	385,447	391,914	408,024	335,866	Certificates of participation	
5,355	21,987	13,222	310,809	310,139	Note and loans	
111,128	123,890	117,611	105,317	87,337	Capital leases	
Business-type activities						
134,983	147,924	159,959	170,814	181,263	Bonds	
15,830	20,842	14,028	16,124	17,844	Capital leases	
\$ 2,185,891	\$ 2,108,107	\$ 2,056,011	\$ 2,097,485	\$ 1,738,847	Total primary government	
3.07%	3.37%	3.28%	3.25%	2.90%	Percentage of personal income	
\$ 986	\$ 985	\$ 975	\$ 1,004	\$ 856	Per capita	

Table 12

**COUNTY OF RIVERSIDE**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita Amount)**  
**June 30, 2016**

	<b>Fiscal Year Ending June 30</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Bonds</b>	\$ 1,301,455	\$ 1,261,414	\$ 943,127	\$ 888,170	\$ 871,553
<b>Less:</b>					
Amounts available in debt service fund	67,680	71,947	80,405	79,951	78,236
<b>Total net obligation bonds outstanding</b>	<b>\$ 1,233,775</b>	<b>\$ 1,189,467</b>	<b>\$ 862,722</b>	<b>\$ 808,219</b>	<b>\$ 793,317</b>
<b>Percentage of estimated</b>					
<b>Actual taxable value of property</b>	0.38%	0.39%	0.31%	0.30%	0.29%
<b>Per capita</b>	\$ 525	\$ 515	\$ 378	\$ 358	\$ 356

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

Source: California State Department of Finance

Table 12

Fiscal Year Ending June 30					
2011	2010	2009	2008	2007	
\$ 1,686,306	\$ 1,555,941	\$ 1,519,236	\$ 1,257,211	\$ 987,661	<b>Bonds</b>
151,405	127,206	147,568	119,597	73,308	<b>Less:</b> Amounts available in debt service fund
<u>\$ 1,534,901</u>	<u>\$ 1,428,735</u>	<u>\$ 1,371,668</u>	<u>\$ 1,137,614</u>	<u>\$ 914,353</u>	<b>Total net obligation bonds outstanding</b>
Percentage of estimated					
0.56%	0.51%	0.43%	0.36%	0.34%	<b>Actual taxable value of property</b>
\$ 692	\$ 668	\$ 651	\$ 545	\$ 450	<b>Per capita</b>

Table 13

**COUNTY OF RIVERSIDE**  
**Direct and Overlapping Governmental Activities Debt**  
**as of June 30, 2016**  
**(Dollars in Thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ 11,360,977	87.09%	<u>\$ 9,894,275</u>
Subtotal, overlapping debt			9,894,275
County of Riverside direct debt			<u>1,466,864</u>
Total direct and overlapping debt			<u><u>\$ 11,361,139</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government'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.



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Table 14

**COUNTY OF RIVERSIDE**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2016**

	<b>Fiscal Year Ending June 30</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Debt limit	\$ 3,011,778	\$ 2,853,822	\$ 2,638,634	\$ 2,537,237	\$ 2,544,409
Total net debt applicable to limit	(1,233,775)	(1,189,467)	(862,722)	(808,219)	(793,317)
Legal debt margin	<u>\$ 1,778,003</u>	<u>\$ 1,664,355</u>	<u>\$ 1,775,912</u>	<u>\$ 1,729,018</u>	<u>\$ 1,751,092</u>
Total net debt applicable to the limit as a percentage of debt limit	41.0%	41.7%	32.7%	31.8%	31.2%

**Legal Debt Margin Calculated for Fiscal Year 2016**

Assessed value	\$ 243,024,479
Less: Homeowners exemptions	<u>2,082,258</u>
Total assessed value	<u>240,942,221</u>
Debt limit (1.25% of total assessed value)	<u>3,011,778</u>
Debt applicable to limit:	
General obligation bonds (Governmental & Business-type)	1,301,455
Less: Amount set aside for repayment of general obligation debt	<u>67,680</u>
Total net debt applicable to limit	<u>1,233,775</u>
Legal debt margin	<u><u>\$ 1,778,003</u></u>

Definitions: Debt limit - the maximum amount of outstanding gross or net debt legally permitted.  
Debt margin - the difference between debt limit and existing debt.  
Legal debt margin - the excess of the amount of debt legally authorized over the amount of debt outstanding.

Source: Auditor-Controller, County of Riverside

**Table 14**

						<b>Fiscal Year Ending June 30</b>		
<b>2011</b>		<b>2010</b>		<b>2009</b>		<b>2008</b>	<b>2007</b>	
\$ 2,570,012	\$	2,686,843	\$	3,011,083	\$	2,966,464	\$ 2,598,369	Debt limit
(1,534,901)		(1,428,735)		(1,211,709)		(966,800)	(733,090)	Total net debt applicable to limit
<u>\$ 1,035,111</u>	<u>\$</u>	<u>1,258,108</u>	<u>\$</u>	<u>1,799,374</u>	<u>\$</u>	<u>1,999,664</u>	<u>\$ 1,865,279</u>	Legal debt margin
59.7%		53.2%		40.2%		32.6%	28.2%	Total net debt applicable to the limit as a percentage of debt limit

Table 15

**COUNTY OF RIVERSIDE**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2016**

Fiscal Year Ending June 30	Lease Revenue Bonds					
	Revenue from Lease Payments	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	\$ 27,319	\$ 1,182	\$ 26,137	\$ 19,844	\$ 18,648	67.90%
2015	24,867	3,464	21,403	19,221	19,268	55.61%
2014	25,770	1,666	24,104	16,370	16,147	74.13%
2013	25,182	1,517	23,665	14,159	12,707	88.09%
2012	22,779	2,805	19,974	16,325	15,583	62.60%
2011	16,067	2,072	13,995	15,355	16,039	44.58%
2010	30,318	3,336	26,982	14,455	16,642	86.77%
2009	39,334	10,682	28,652	13,160	16,865	95.43%
2008	60,656	43,790	16,866	12,545	17,116	56.86%
2007	31,046	5,939	25,107	12,115	16,976	86.31%

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

Source: Auditor-Controller, County of Riverside



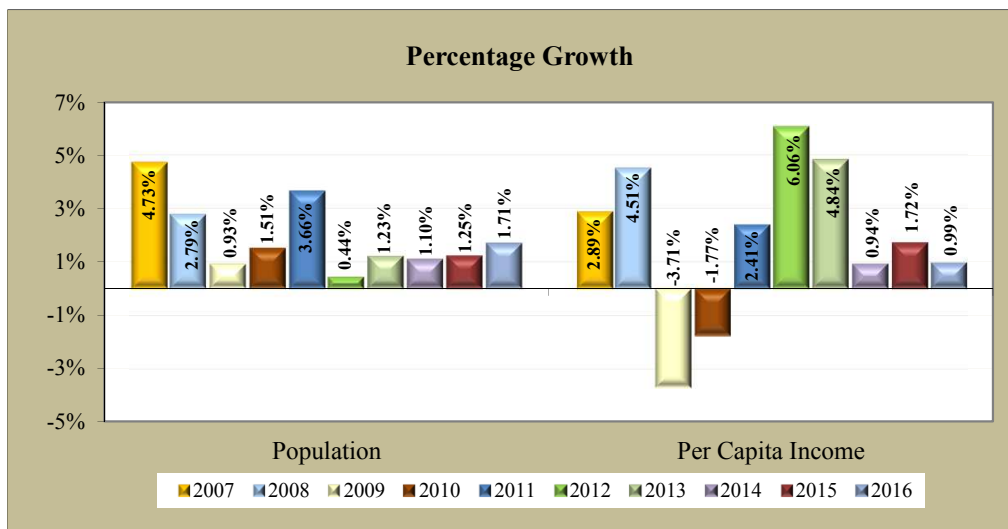
Table 15

Inland Empire Tobacco Securitization Bonds							Fiscal Year Ending June 30
Revenue from Tobacco Settlement	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage		
			Principal	Interest			
\$ 8,913	\$ 103	\$ 8,810	\$ 2,270	\$ 6,559	99.79%	2016	
9,092	113	8,979	2,325	6,665	99.88%	2015	
9,283	105	9,178	2,435	6,781	99.59%	2014	
15,687	123	15,564	8,650	7,193	98.24%	2013	
9,462	107	9,355	1,655	5,301	134.49%	2012	
9,290	123	9,167	6,135	3,615	94.02%	2011	
6,496	155	6,341	3,610	3,794	85.64%	2010	
9,500	134	9,366	4,235	3,995	113.80%	2009	
7,798	2,448	5,350	3,785	3,306	75.45%	2008	
-	-	-	-	-	0.00%	2007	

Table 16

**COUNTY OF RIVERSIDE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**June 30, 2016**

<b>Fiscal Year Ending June 30</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
<b>2016</b>	2,347,828	\$ 86,888,000 <sup>1</sup>	\$ 34,506 <sup>1</sup>	427,537	5.90%
<b>2015</b>	2,308,441	81,296,000 <sup>1</sup>	34,169 <sup>1</sup>	425,883	6.60%
<b>2014</b>	2,279,967	78,239,388	33,590	426,227	8.40%
<b>2013</b>	2,255,059	76,289,477	33,278	425,968	10.20%
<b>2012</b>	2,227,577	71,555,000	31,742	425,707	12.60%
<b>2011</b>	2,217,778	69,438,900	29,927	424,086	14.40%
<b>2010</b>	2,139,535	64,376,498	29,222	423,986	14.50%
<b>2009</b>	2,107,653	63,228,086	29,748	419,643	14.00%
<b>2008</b>	2,088,322	64,504,000	30,894	420,450	8.40%
<b>2007</b>	2,031,625	61,024,000	29,560	404,331	5.70%



Notes 1: Projection based on 10 years' running average (2006 - 2015)

Source: Bureau of Economic Analysis  
 Riverside County Superintendent of Schools  
 State of California, Employment Development Department  
 California State Department of Finance

Table 17

**COUNTY OF RIVERSIDE**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
**June 30, 2016**

Employer	Fiscal Year			
	2016		2007	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
County of Riverside	21,479	2.19%	19,669	2.27%
March Air Reserve Base	8,500	0.87%	8,750	1.01%
Stater Brothers Market	6,900	0.70%	6,125	0.71%
Amazon	7,500	0.77%		
University of California Riverside	8,306	0.85%	6,657	0.77%
Kaiser Permanente Riverside Medical Center	5,300	0.54%	3,200	0.37%
Pechanga Resort Casino	3,931	0.40%	4,800	0.55%
Corona-Norco Unified School District	5,098	0.52%		
Desert Sands Unified School District	4,202	0.43%		
Riverside Unified School District	3,973	0.41%	5,099	0.59%
Guidant Corporation			4,500	0.52%
Riverside Community College District			3,753	0.43%
Morongo Casino, Resort & Spa			3,000	0.35%
Total	75,189	7.68%	65,553	7.57%

Source: Economic Development Agency

Table 18

**COUNTY OF RIVERSIDE**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**June 30, 2016**

<u>Function/Program</u>	<u>Full-time Equivalent Employees</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General government</b>					
Legislative and administrative	88	84	86	89	81
Finance	422	408	415	399	405
Counsel	72	70	66	65	65
Personnel	185	180	157	154	159
Elections	31	23	24	25	34
Communication	-	-	-	-	11
Property management	398	404	394	397	507
Promotion	51	54	43	45	117
Other general	28	27	85	32	31
<b>Public protection</b>					
Judicial	1,214	1,202	1,239	1,221	1,294
Police protection	2,470	2,466	2,410	2,351	2,304
Detention and correction	2,419	2,389	2,216	2,169	2,085
Fire protection	227	227	212	212	200
Protection/inspection	82	76	83	86	86
Other protection	639	554	830	544	600
Administration	68	68	81	82	75
<b>Public ways and facilities</b>					
Public ways	384	387	375	370	411
Parking facilities	19	17	17	20	18
<b>Health and sanitation</b>					
Health	2,640	2,236	2,075	1,959	2,118
Hospital care	33	32	35	37	34
Public health ambulatory care	-	267	-	266	-
California children's services	141	142	139	134	140
<b>Public assistance</b>					
Aid programs	4,199	3,980	3,610	3,484	3,334
Veterans' services	14	14	13	13	12
Other assistance	207	270	271	291	289
<b>Education, recreation and culture</b>					
Library services	4	5	7	7	10
Agricultural extension	5	5	5	5	5
Cultural services	2	2	2	2	3
<b>County business-type functions</b>					
Hospital care	2,482	2,399	2,517	2,581	2,351
Sanitation	163	164	153	153	160
<b>Internal service</b>	3,213	2,876	2,763	2,641	2,775
<b>Special districts/Component units</b>	993	739	719	693	660
<b>Total</b>	<u>22,893</u>	<u>21,767</u>	<u>21,042</u>	<u>20,527</u>	<u>20,374</u>

Note: Temporary employees, 1,675, filled as of June 1, 2016 are included in the total number employees.

Source: County of Riverside, fiscal year 2016-17 Recommended Budget

Table 18

2011	2010	2009	2008	2007	
					<b><u>Function/Program</u></b>
					<b>General government</b>
87	98	92	96	92	Legislative and administrative
411	438	456	522	477	Finance
64	70	69	69	69	Counsel
172	167	182	216	191	Personnel
39	42	41	40	39	Elections
11	12	11	10	-	Communication
531	500	494	468	387	Property management
139	180	186	177	168	Promotion
32	36	36	39	-	Other general
					<b>Public protection</b>
1,345	1,444	1,485	1,506	1,371	Judicial
2,408	2,449	2,586	2,474	2,354	Police protection
2,067	2,076	2,220	2,174	1,972	Detention and correction
198	188	190	199	165	Fire protection
87	100	98	114	274	Protection/inspection
615	669	737	778	541	Other protection
62	65	58	60	50	Administration
					<b>Public ways and facilities</b>
413	465	506	532	517	Public ways
18	20	-	-	-	Parking facilities
					<b>Health and sanitation</b>
2,063	2,024	2,075	2,214	2,023	Health
31	31	30	30	31	Hospital care
-	-	-	-	-	Public health ambulatory care
138	143	148	168	159	California children's services
					<b>Public assistance</b>
3,089	3,132	3,159	3,297	2,948	Aid programs
12	12	12	13	12	Veterans' services
355	348	285	305	302	Other assistance
					<b>Education, recreation and culture</b>
1	-	1	1	1	Library services
5	5	5	6	5	Agricultural extension
3	3	3	2	2	Cultural services
					<b>County business-type functions</b>
2,295	2,246	2,186	2,097	1,889	Hospital care
174	198	211	206	170	Sanitation
2,315	2,418	1,723	2,202	2,934	
591	547	533	534	526	
					<b>Internal service</b>
					<b>Special districts/Component units</b>
					<b>Total</b>
19,771	20,126	19,818	20,549	19,669	

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2016**

		Fiscal Year Ending June 30					
		2016	2015	2015	2014	2013	2012
<b>Function/Program</b>							
<b>Agricultural Commissioner</b>							
	d	13,546	14,825	14,825	16,067	18,346	19,875
	e	1,211	1,025	1,025	834	783	793
		141,092	139,701	139,701	138,321	138,547	137,727
		350	497	497	524	456	553
		9,846	10,792	10,792	11,635	10,361	11,931
		7,708	7,020	7,020	7,064	6,156	6,920
		75,508	63,695	63,695	80,461	63,653	51,074
<b>Assessor-Clerk-Recorder</b>							
		919,810	914,886	914,886	909,432	906,467	904,706
		555,870	540,589	540,589	530,777	648,812	592,531
		86,597	75,708	75,708	85,309	78,405	78,768
		23,014	18,307	18,307	22,329	32,792	26,153
<b>Auditor-Controller</b>							
		359,917	368,001	368,001	425,003	426,660	389,798
		227,037	228,750	228,750	232,034	259,458	255,463
		28,697	30,604	30,604	84,680	80,011	78,887
		564,546	541,390	541,390	524,990	509,376	509,468
		21,713	20,823	20,823	20,192	19,591	19,595
		35	26	26	34	25	26
		998,203	1,003,952	1,003,952	998,203	984,268	972,577
		22,435	47,556	47,556	38,739	63,500	79,606
<b>Community Action Partnership</b>							
		15,743	15,115	15,115	16,087	13,911	21,912
		997	967	967	479	179	842
	a	10,398	6,395	6,395	4,991	6,368	14,950
	b	13,734	13,387	13,387	24,274	11,316	13,968
	b	4,545	4,325	4,325	3,453	3,111	2,711
		2,198	2,114	2,114	20,700	19,200	20,700
	c	-	-	-	-	-	-
	c	-	-	-	-	-	-
	b	-	-	-	-	-	166
		2,579	2,527	2,527	2,723	1,905	2,181
<b>Environmental Health</b>							
		30,919	31,897	31,897	35,325	32,045	36,201
<b>Public Health</b>							
		143,956	134,481	134,481	124,099	135,795	109,870
		299,048	290,900	290,900	363,442	353,269	392,621
<b>Animal Control Services</b>							
		41,773	37,644	37,644	37,037	35,201	36,518
		14,508	13,216	13,216	13,690	11,908	9,771
		76,157	65,020	65,020	122,105	-	-
		41,614	40,251	40,251	-	-	-

Note: a - Number of pamphlets mailed  
b - Program not yet started / not tracked  
c - Homeless program reporting responsibilities were transferred from Community Action Partnership (CAP) to Department of Social Services (DPSS) at the end of fiscal year 2007-08  
d - Phytosanitary = Plant pest cleanliness  
e - Pesticide Use Inspections = Environmental monitoring

Source: Various County Departments

Table 19

Fiscal Year Ending June 30					
2011	2010	2009	2008	2007	
Function/Program					
Agricultural Commissioner					
	25,745	36,772	29,288	22,266 d	Export phytosanitary certificates
764	682	831	903	840 e	Pesticide use inspections
134,290	131,175	129,528	129,726	121,986	Weights and measures regulated
693	643	668	643	1,061	Agriculture quality inspections
9,584	9,667	48,944	25,987	14,532	Plant pest inspections
6,338	6,923	7,627	7,851	9,226	Nursery acreage inspected
56,751	77,278	80,862	83,269	97,039	Weights and measures inspected
Assessor-Clerk-Recorder					
904,040	941,928	942,174	938,462	920,555	Assessments
612,804	673,674	682,708	773,308	957,123	Official records recorded
80,391	87,194	97,422	97,427	88,640	Vital records copies issued
28,990	26,348	33,135	34,711	35,319	Official records copies issued
Auditor-Controller					
412,374	488,192	522,097	504,866	449,367	Invoices paid
265,979	300,428	320,613	255,767	237,645	Vendor warrants (checks) issued
65,090	64,761	59,685	75,575	68,358	Active vendors
506,870	532,904	532,202	522,215	496,386	Payroll warrants (checks) issued
19,495	19,737	20,469	20,085	19,092	Average payroll warrants (checks) per pay period
26	30	30	31	34	Audits per fiscal year
999,241	977,115	974,041	1,004,076	1,069,352	Tax bills levied
123,476	115,904	152,672	89,527	98,769	Tax refunds/roll changes processed
Community Action Partnership					
22,207	27,956	12,869	9,902	13,337	Utility assistance (households)
1,375	2,083	1,033	853	465	Weatherization (households)
13,807	11,725	10,775	19,396	14,590 a	Energy education attendees
12,058	17,989	15,336	16,366	13,551 b	Disaster relief (residents)
3,006	2,257	2,011	1,828	1,384 b	Income tax returns prepared
18,400	13,800	11,000	10,905	10,905	After school programs (students)
-	-	-	12,822	13,198 c	Homeless program (bed nights)
-	-	-	25,644	26,396 c	Homeless program (meals)
593	182	-	209	- b	Leadership program enrollment
2,178	2,237	1,821	2,144	2,133	Mediation (cases)
Environmental Health					
31,801	31,213	34,273	33,009	31,760	Facilities inspections
Public Health					
106,532	142,617	125,767	149,223	139,885	Patient visits
390,607	313,409	466,800	601,889	438,639	Patient services
Animal Control Services					
49,408	62,770	71,834	30,305	27,362	Animal impounds (live animals)
8,305	7,225	8,480	7,208	5,645	Spays and neuters completed
-	-	-	-	-	Animal licenses sold
-	-	-	-	-	Service calls fielded

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2016**

<u>Function/Program</u>	<u>Fiscal Year Ending June 30</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>County Library</b>					
Total circulation - books	2,704,884	2,792,388	3,023,637	3,059,094	3,387,218
Reference questions answered	478,827	487,093	371,953	434,057	441,269
Patron door count	4,069,001	4,216,087	3,919,125	4,148,012	4,080,738
Programs offered	10,423	9,547	6,819	6,521	8,382
Program attendance	176,502	154,391	139,223	143,053	163,692
<b>Riverside University Health Systems - Medical Center</b>					
Emergency room treatments	88,780	84,697	88,853	119,606	101,952
Emergency room services - MH	12,896	12,989	13,531	14,275	16,750
Clinic visits	116,277	104,693	124,255	125,471	127,546
Admissions	19,863	19,404	22,738	24,260	23,949
Patient days	104,276	106,466	118,467	124,599	121,949
Discharges	19,147	19,387	22,773	24,279	23,694
<b>Fire</b>					
Medical assistance	112,799	103,407	99,058	97,054	96,843
Fires extinguished	14,988	13,823	13,632	13,517	12,990
Other services	22,163	22,680	20,846	20,049	11,856
Communities served	94	94	94	94	78
<b>Mental Health</b>					
Mental health clients (crisis/long-term care)	42,764	41,942	39,765	37,591	35,696
Substance abuse clients	15,723	15,812	15,457	15,755	17,849
Detention clients	12,627	12,380	12,137	11,899	10,544
Probate conservatorship clients	479	404	379	355	351
Mental health conservatorship clients	1,005	986	942	858	879
<b>Probation</b>					
Adults on probation	a 14,422	16,496	16,922	17,406	14,992
Juveniles in secure detention	b 153	134	156	194	193
Juveniles in treatment facilities	b 57	57	79	86	107
Juveniles in detention facilities	a 6,375	5,810	7,154	8,505	9,148
<b>Public Social Services</b>					
CalWORKs clients	29,090	32,030	33,159	33,341	33,682
Food stamp clients	132,274	128,656	121,949	116,333	107,076
Medi-Cal clients	341,519	298,461	186,911	135,570	130,562
In-home support services	24,888	25,703	23,061	20,641	19,070
Foster care placements	4,063	4,041	3,725	3,237	3,113
Child welfare services	10,471	10,757	9,958	9,178	9,664
Homeless program (bed nights)	c 7,384	7,384	8,296	8,296	8,331
Homeless program (meals)	c 14,767	14,767	16,592	16,592	16,660

Note: a - Average monthly  
b - Average daily  
c - Homeless program reporting responsibilities were transferred from Community Action Partnership (CAP) to Department of Social Services (DPSS) at the end of fiscal year 2007-08

Source: Various County Departments



Table 19

Fiscal Year Ending June 30					Function/Program
2011	2010	2009	2008	2007	
					<b>County Library</b>
3,724,657	3,718,343	3,464,547	3,280,929	2,352,624	Total circulation - books
404,913	370,619	382,795	426,533	383,428	Reference questions answered
731,699	3,599,064	3,170,424	2,744,576	2,352,403	Patron door count
7,624	7,214	5,618	5,570	4,546	Programs offered
163,416	148,612	127,717	103,393	80,100	Program attendance
					<b>Riverside University Health Systems - Medical Center</b>
99,706	96,993	88,459	82,584	76,666	Emergency room treatments
15,376	14,288	9,702	7,867	7,624	Emergency room services - MH
129,041	131,624	129,171	124,318	123,479	Clinic visits
23,638	23,536	23,253	23,433	24,393	Admissions
123,250	121,915	118,452	115,811	112,138	Patient days
23,668	23,559	23,238	23,440	24,430	Discharges
					<b>Fire</b>
97,066	94,193	91,707	89,404	89,329	Medical assistance
4,271	4,449	4,406	5,659	6,372	Fires extinguished
16,522	17,076	18,486	19,472	16,310	Other services
78	78	78	78	78	Communities served
					<b>Mental Health</b>
33,260	30,657	30,065	29,814	28,476	Mental health clients (crisis/long-term care)
16,987	16,736	18,712	17,746	18,597	Substance abuse clients
8,874	10,831	12,781	9,441	5,522	Detention clients
424	474	256	206	232	Probate conservatorship clients
832	675	240	279	279	Mental health conservatorship clients
					<b>Probation</b>
16,271	17,790	17,469	17,022	15,974 a	Adults on probation
225	248	241	293	343 b	Juveniles in secure detention
128	125	112	113	126 b	Juveniles in treatment facilities
10,741	11,385	10,783	12,463	14,283 a	Juveniles in detention facilities
					<b>Public Social Services</b>
33,412	31,022	26,905	22,310	20,336	CalWORKs clients
91,606	74,484	52,877	36,339	30,781	Food stamp clients
124,061	116,758	107,904	101,542	105,578	Medi-Cal clients
18,201	16,852	16,307	14,845	13,934	In-home support services
3,130	3,085	3,486	5,057	4,306	Foster care placements
9,916	9,591	10,217	11,912	12,333	Child welfare services
10,746	12,900	10,854	-	- c	Homeless program (bed nights)
21,494	25,800	21,707	-	- c	Homeless program (meals)

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2016**

		Fiscal Year Ending June 30				
		2016	2015	2014	2013	2012
<b><u>Function/Program</u></b>						
<b>Registrar of Voters</b>						
	Voting precincts	869	1,193	846	1,218	853
	Polling places	564	546	545	642	522
a	Voters	911,269	891,630	887,000	943,402	852,217
	Poll workers	2,234	2,200	2,200	2,960	2,300
<b>Sheriff</b>						
	Number of bookings	49,864	54,025	60,826	57,330	53,691
	Coroner case load	13,885	12,958	12,164	11,639	10,947
b	Calls for services	193,763	190,816	176,339	172,664	176,062
<b>Transportation and Land Management Agency</b>						
<b>- Building &amp; Safety</b>						
c	Building permits issued	-	1028	905	1116	836
c	Building plans checked	-	-	799	908	740
c	Building structures inspected	-	-	957	901	676
<b>Veterans' Services</b>						
d	Phone inquiries answered	38,812	32,778	31,445	36,107	36,707
d	Client interviews	25,072	17,281	17,448	14,714	14,990
d	Claims filed	6,792	6,345	5,998	5,735	6,030
d	Emails	9,884	6,584	3,138	-	-
	Veterans reached at outreach events	3,591	3,725	-	-	-
<b>Waste Resources</b>						
	Landfill tonnage	1,320,497	1,475,122	1,383,266	1,102,626	1,071,309
	Recycling tonnage	2,052	1,386	2,503	2,679	2,206

Notes: a - Number of voters that were mailed voting materials for all elections in the fiscal year  
b - Unincorporated areas  
c - Information not available for fiscal year 2015-16  
d - Program not yet started / not tracked

Source: Various County Departments

Table 19

Fiscal Year Ending June 30					Function/Program
2011	2010	2009	2008	2007	
					<b>Registrar of Voters</b>
1,649	2,370	2,387	3,474	1,472	Voting precincts
746	1,158	1,205	2,017	610	Polling places
1,009,933	1,815,892	1,747,556	1,705,406	931,821 a	Voters
3,281	4,186	6,287	8,355	2,622	Poll workers
					<b>Sheriff</b>
53,974	55,306	62,007	59,054	61,697	Number of bookings
10,555	10,027	9,582	9,394	9,212	Coroner case load
232,821	255,601	302,400	280,000	279,415 b	Calls for services
					<b>Transportation and Land Management Agency</b>
					<b>- Building &amp; Safety</b>
863	1,568	1,337	2,658	5,786	Building permits issued
817	1,537	1,220	2,328	5,151 c	Building plans checked
1168	1,774	2,650	4,506	8,580 c	Building structures inspected
					<b>Veterans' Services</b>
43,617	41,569	39,393	29,553	23,287 d	Phone inquiries answered
15,630	25,209	13,955	10,571	8,199 d	Client interviews
5,485	5,581	5,812	5,194	3,786 d	Claims filed
-	-	-	-	- d	Emails
-	-	-	-	-	Veterans reached at outreach events
					<b>Waste Resources</b>
1,071,394	1,032,942	1,024,267	1,220,124	1,325,284	Landfill tonnage
2,499	1,803	2,356	3,385	3,048	Recycling tonnage

Table 20

**COUNTY OF RIVERSIDE**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**June 30, 2016**

<b>Function/Program</b>	<b>Fiscal Year Ending June 30</b>				
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>County Libraries</b>					
Branch libraries	35	35	35	35	33
Book mobiles	2	2	2	2	2
Books in collection	1,168,364	1,382,932	1,393,689	1,657,925	1,570,834
Museum	1	-	-	-	-
<b>Riverside University Health Systems - Medical Center</b>					
Major clinics	4	4	4	4	4
Routine and specialty clinics	44	44	44	37	
Beds licensed	439	439	439	439	439
<b>Fire</b>					
Stations	37	37	37	38	42
Trucks	158	158	145	142	145
<b>Parks and Recreation</b>					
Regional parks	11	14	11	11	11
Historic sites	5	5	5	5	5
Nature centers	4	4	4	4	4
Archaeological sites	6	5	6	6	6
Wildlife reserves	9	7	9	9	9
RV and mobile home parks	2	2	3	3	3
Managed areas	5	5	5	5	5
Recreational facilities	3	1	3	2	2
Community centers	1	1	-	-	-
<b>Sheriff</b>					
Patrol stations	10	10	10	10	10
Patrol vehicles	930	932	928	916	915
<b>Waste Resources</b>					
Landfills	6	6	6	6	6
Capacity in tons	62,191,202	54,232,021	54,230,474	54,230,474	54,189,339

Source: Various County Departments

Table 20

Fiscal Year Ending June 30					Function/Program
2011	2010	2009	2008	2007	
County Libraries					
33	33	33	33	29	Branch libraries
2	2	2	2	2	Book mobiles
1,668,434	1,612,925	1,564,186	1,552,108	1,784,149	Books in collection
-	-	-	-	-	Museum
Riverside University Health Systems - Medical Center					
4	4	4	4	4	Major clinics
30	30	30	30	30	Routine and specialty clinics
439	439	439	439	439	Beds licensed
Fire					
46	49	49	49	49	Stations
156	154	149	143	141	Trucks
Parks and Recreation					
12	12	13	13	13	Regional parks
4	4	6	6	6	Historic sites
4	4	5	5	5	Nature centers
6	6	7	7	7	Archaeological sites
9	9	16	16	16	Wildlife reserves
3	3	-	-	-	RV and mobile home parks
5	5	-	-	-	Managed areas
2	-	-	-	-	Recreational facilities
-	-	-	-	-	Community centers
Sheriff					
10	10	10	10	10	Patrol stations
896	883	923	974	702	Patrol vehicles
Waste Resources					
6	6	6	6	6	Landfills
54,177,558	51,794,663	51,794,663	51,609,663	51,609,663	Capacity in tons

# RIVERSIDE COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT



PAUL ANGULO, CPA, MA  
COUNTY AUDITOR-CONTROLLER