

# County of Riverside, California

## Comprehensive Annual Financial Report

### Fiscal Year Ended June 30, 2014



**Paul Angulo, CPA, M.A.**  
**County Auditor-Controller**



COUNTY OF RIVERSIDE, CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2014



PREPARED BY THE OFFICE OF:  
**PAUL ANGULO, CPA, M.A.**  
COUNTY AUDITOR-CONTROLLER



**COUNTY OF RIVERSIDE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**June 30, 2014**

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# INTRODUCTORY SECTION





COUNTY OF RIVERSIDE  
OFFICE OF THE  
AUDITOR-CONTROLLER  
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**ACC** | AUDITOR  
CONTROLLER  
COUNTY OF RIVERSIDE  
Paul Angulo, CPA, M.A.  
Auditor-Controller

December 5, 2014

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 for the fiscal year ended June 30, 2014 is hereby submitted in accordance with the provision 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 and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County of Riverside (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 eleven 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**

Riverside County is the fourth largest county by area in the state of California. 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 314,034, Moreno Valley 199,258, Corona 159,132, Temecula 106,289, and Murrieta 106,425. 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. Total County population was 2,279,967 on January 1, 2014, an increase of 1.1 percent as compared to the revised estimate for January 1, 2013. Approximately 16 percent of the residents live in unincorporated areas.

The County is governed by a five-member Board of Supervisors, who serve four-year terms, and annually elect a Chairman and Vice-Chairman. The Supervisors represent five districts.

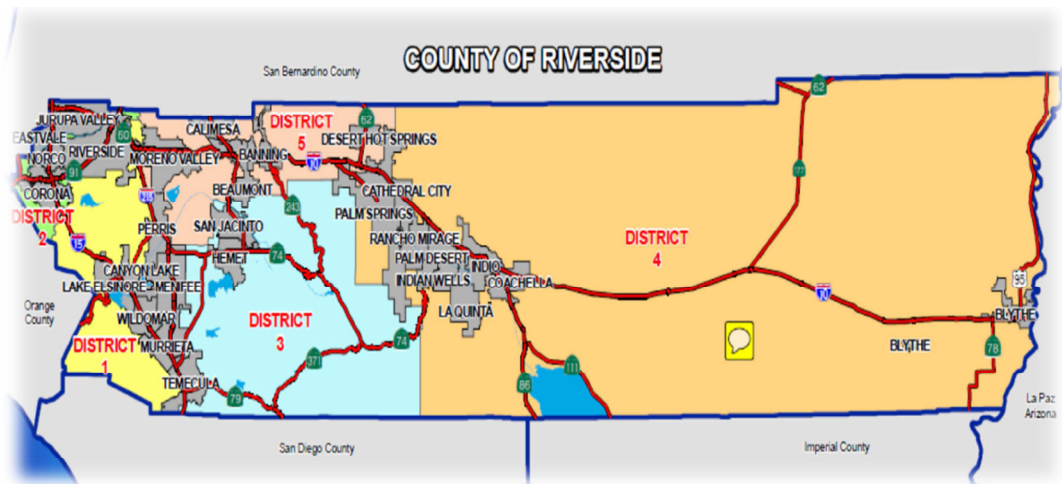
The First District includes areas within the cities of Riverside, Canyon Lake, Lake Elsinore, Wildomar and the unincorporated communities of Lakeland Village, Lake Mathews, Mead Valley, Santa Rosa Rancho, as well as portions of Gavilan Hills and Woodcrest.

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, 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 Nuevo, Lakeview, Juniper Flats, Meadowbrook, Good Hope, a portion of Mead Valley, Romoland, Homeland, Green Acres, Box Springs, Pigeon Pass, Reche Canyon, San Timoteo Canyon, Oak Valley, Cherry Valley, Banning Bench, Cabazon, Palm Springs Village, and Palm Springs West.



Source: Riverside County GIS

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

<b>Certificate, Licenses and Permits</b>		<b>Human Services</b>	
Birth, marriage, and death certificates, animal licensing and building permits		Assistance for Families, Veteran Services, Utility Assistance, Assistance for the Elderly	
<b>Children’s Services</b>		<b>Libraries and Museums</b>	
Child Support Services, Mentor programs, and Children Medical Services		Edward Dean Museum, and Riverside County Law Library	
<b>Criminal Justice</b>		<b>Parks and Recreation</b>	
District Attorney, Probation, Public Defender, and Sheriff		Regional Parks	
<b>Education</b>		<b>Pets and Animal Services</b>	
Office of Education		Animal Control, and Animal Shelters	
<b>Emergency Services</b>		<b>Property Information</b>	
Office of Emergency Services, Early Warning Notification System, Shelter Grant program, and Homeless program		Building permit report, obtain property information via GIS, pay property taxes online, track your property tax online, record map inquiry, information on new home owners 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, medical marijuana identification cards		Property tax portal, tax bills, Assessor-County Clerk Recorder, Treasurer-Tax Collector, and Auditor-Controller	
<b>Housing</b>			
First time home buyer programs, low income housing, rental assistance program, homeless shelter, and neighborhood stabilization program			

## FACTORS AFFECTING ECONOMIC CONDITION

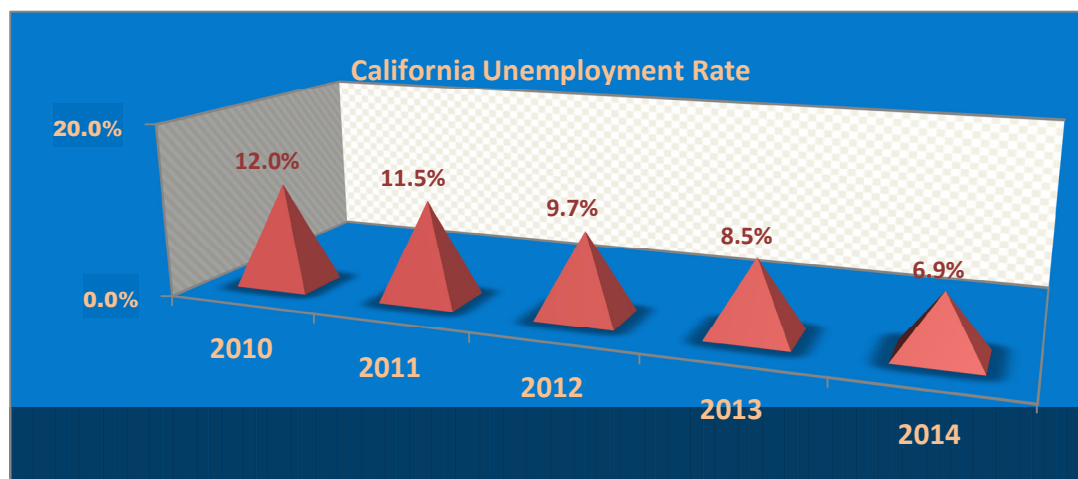
### State Economy

While the state's fiscal picture continues to improve, the Governor has not changed his attitude toward spending. He has rebuffed efforts to expand health and human services, except where he must by law, and has been unwilling to revisit any redevelopment funding issues. The Governor did approve tax credit proposals addressing both film production and investments by the defense and aerospace industries.

Statewide, the pace of home sales continued cooling, declining by 9.3 percent since August 2013. However, existing home prices increased by 8.9 percent on a year-over-year basis.

The number of people in California holding non-farm payroll jobs in August increased by 313,900 over the year before, or 2.1 percent. Total seasonally adjusted civilian employment in California has risen to 17,224,000. Nine sectors posted gains in jobs over the year, with construction posting the highest percentage growth at 5.6 percent.

The state's unadjusted unemployment rate was 6.9 percent in September. By contrast, the U.S. unemployment rate in September was 5.7 percent.

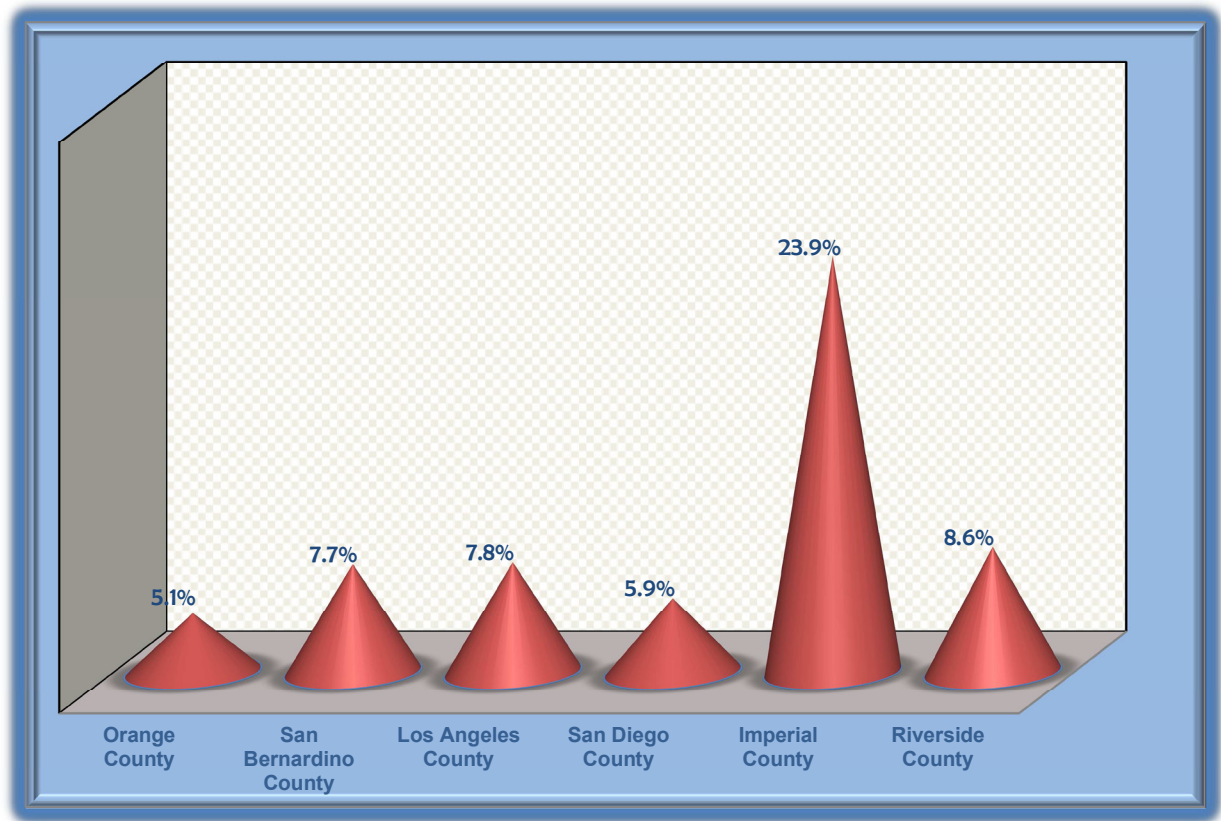


### Local Economy

During the fiscal year 2014, Riverside County median home values increased by 13.2 percent. Since July 1, median home values in the County have remained close to \$300,000. The annual California Consumer Price Index, used to compute the Prop. 13 inflationary factor, is expected to be 2 percent. The maximum increase allowed. Accordingly, the Assessor reports the traditional 2 percent Prop. 13 property increase will likely be applied to next year's assessment roll valuation. Property taxes for many homeowners, however, will likely increase more than 2 percent because of Prop. 8. Updates will be forthcoming once the annual California Consumer Price Index is finalized.

In September, Riverside County's unemployment rate declined slightly to 8.6 percent, continuing to remain higher than neighboring San Bernardino County's unemployment rate of 7.7 percent. By contrast, Riverside County's historic, non-recessionary period annual average unemployment rate was 6.6 percent between 1995 and 2008.

## Unemployment Comparison of Neighboring Counties



Source: Employment Development Department, September 2014.

### Relevant Financial Information

*Debt Advisory Committee* provides advice to the Board of Supervisors (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* shall cause an annual audit to be performed, and review the annual audit report prior to submittal to the Board of Supervisors; and to review 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 of Riverside for its *CAFR* for the fiscal year ended June 30, 2013. This was the twenty-sixth 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.



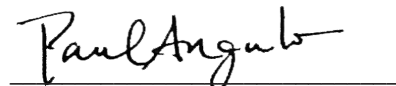
The County has also been awarded for *Outstanding Achievement* in the preparation of the Popular Annual Financial Report (PAFR), which is also referred to as Financial Highlights for the fiscal year ended June 30, 2013. This was the eighth consecutive year the County has achieved this award. In order 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 visionary 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 submitted,*

A handwritten signature in black ink that reads "Paul Angulo". The signature is written in a cursive, flowing style. Below the signature is a horizontal line.

**PAUL ANGULO, CPA, M.A.**  
**RIVERSIDE COUNTY AUDITOR-CONTROLLER**

# COUNTY OF RIVERSIDE

List of Principal Officials  
As of June 30, 2014

## ELECTED OFFICIALS

Board of Supervisors



KEVIN JEFFRIES  
First District



JOHN F.  
TAVAGLIONE  
Second District



JEFF STONE  
Chairman  
Third District



JOHN BENOIT  
Fourth District



MARION ASHLEY  
Vice Chairman  
Fifth District

## COUNTYWIDE ELECTED OFFICIALS



PAUL ZELLERBACH  
District Attorney



STANLEY SNIFF, JR.  
Sheriff  
Coroner  
Public Administrator



PAUL ANGULO  
Auditor  
Controller



LARRY WARD  
Assessor  
Clerk  
Recorder



DON KENT  
Treasurer  
Tax Collector

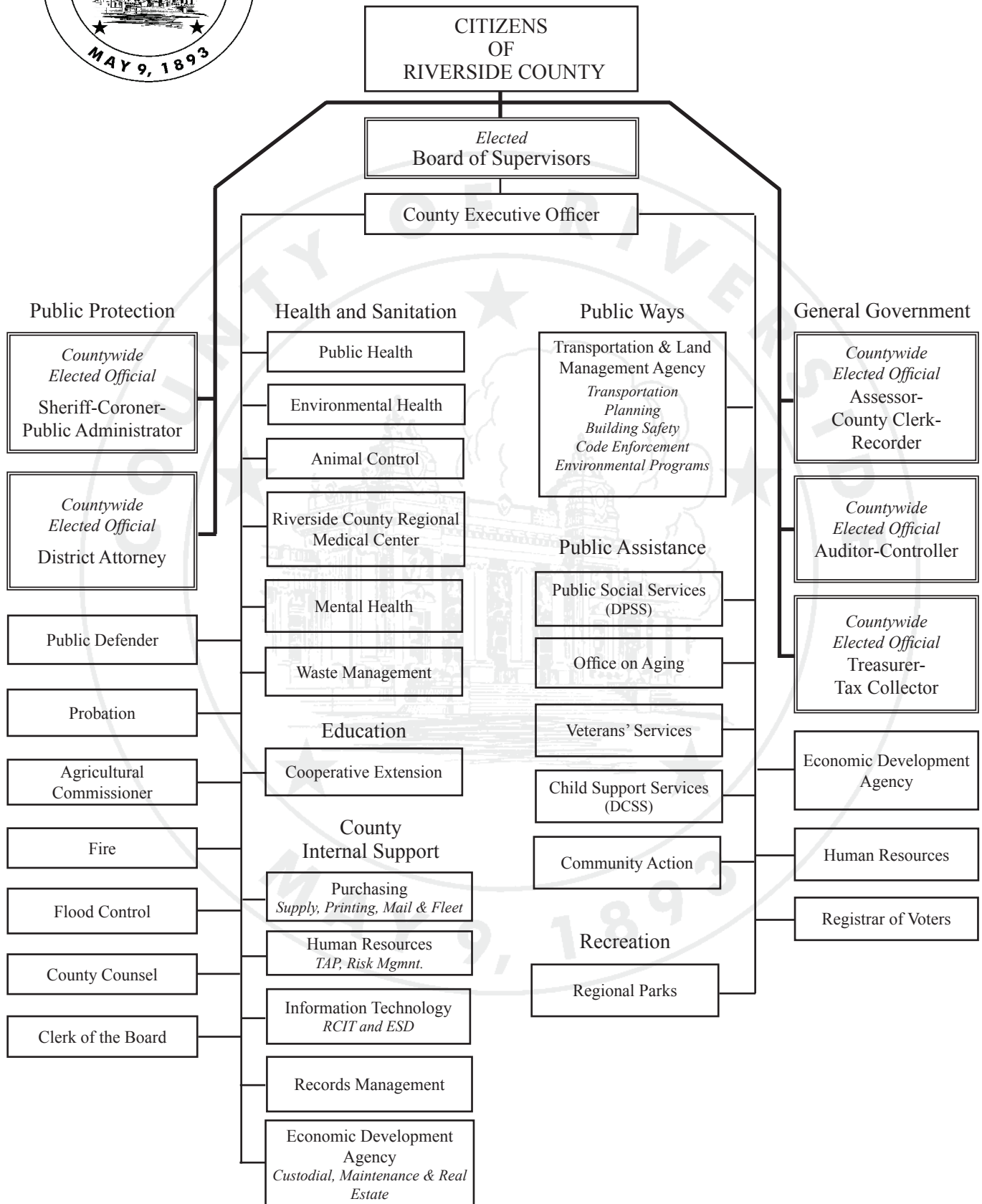
## APPOINTED OFFICIALS

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, 2013**

Executive Director/CEO

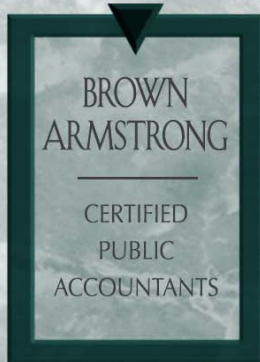


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# FINANCIAL SECTION







# 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, 2014, 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	24%	16%
Aggregate Remaining Fund Information	4%	1%
Discretely Presented Component Units	49%	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.

### MAIN OFFICE

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FAX 661.324.4997  
EMAIL info@bacpas.com

#### 7673 N. INGRAM AVENUE

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FAX 559.476.3593

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TEL 626.204.6542  
FAX 626.204.6547

#### 5250 CLAREMONT AVENUE

SUITE 237  
STOCKTON, CA 95207  
TEL 209.451.4833

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

## **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, 2014, 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 implemented Governmental Accounting Standards Board (GASB) Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and 62*; GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*; and GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* during fiscal year 2014. 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 3-22, the County's Retirement Plans schedule of funding progress on pages 111-112, and the schedule of funding progress for the County's Other Post Employment Benefit (OPEB) plan on page 113 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 5, 2014, 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.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 5, 2014

# **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, 2014. 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 23.

### FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2013-14, the County's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$4.6 billion (*net position*). The net position included \$690.2 million of unrestricted resources, which may be used to meet the County's ongoing obligations to citizens and creditors; \$596.4 million of restricted resources, which is required by external sources or through enabling legislation to be used for specific purposes; and \$3.3 billion is net investment in capital assets.
- As of June 30, 2014, the County's governmental funds reported combined fund balances of \$1.1 billion, a decrease of \$52.2 million in comparison with the prior year. Approximately 19.1% of this amount (\$203.4 million) is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$244.0 million, or approximately 9.9% of total general fund expenditures.
- \$231.2 million increase in capital assets net of accumulated depreciation resulted from addition of equipment purchases, acquisition of building and land, and completion of various projects related to roads and storm water drains.
- \$21.6 million increase in outstanding long-term debt resulted mainly from bond issuance and net of scheduled retirement of outstanding debts.

### 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, deferred inflow/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 23.

The *statement of activities*, presented on page 9 in summary and on pages 24-25 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 five major funds, twenty nonmajor funds, and a representative allocation of the County's internal service funds. The five major governmental funds are the general fund, flood control special revenue fund, transportation special revenue fund, teeter debt service fund, and public facilities improvements 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 Regional Medical Center (RMC), Waste Management, and 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 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 28-45, 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 Governmental Accounting Standards 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. 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 reconciliation to 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 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, and public facilities improvements 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 40-43, 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 RMC, Waste Management, Housing Authority, County Service Areas, and Flood Control. RMC, Waste Management, 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 44-45, 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 47-109 of this report.

**Required Supplementary Information**, in addition to this MD&A, presents schedules of retirement plan funding progress and employer contribution. Required supplementary information can be found on pages 111-113 of this report.

**Combining and individual fund statements and 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 schedules can be found on pages 115-166 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, 2014, in comparison to the prior fiscal year 2012-13. At the end of current fiscal year, the County reported positive net position in all three categories: net investment in capital assets, restricted net position and unrestricted net position. Total assets and deferred outflow of resources, as indicated below, exceeded liabilities and deferred inflow of resources by \$4.6 billion representing a decrease of \$23.3 million (\$20.2 million changes in net position and restatement of \$3.1 million, see Note 3), or 0.5%. A more detailed statement can be found on page 23 in the government-wide financial statements.

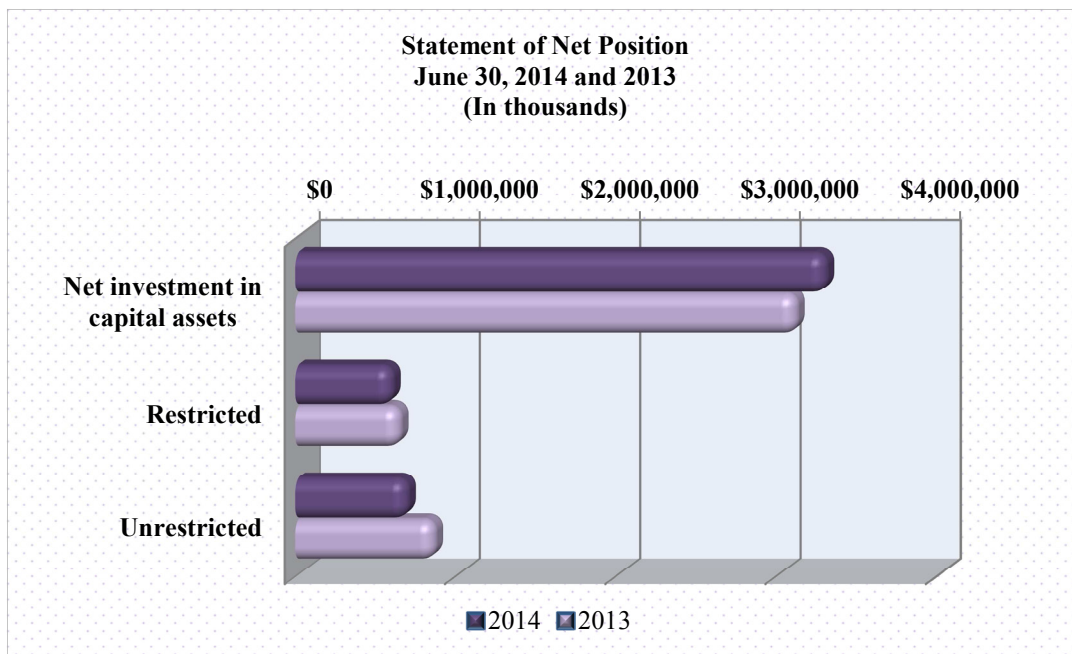
#### Statement of Net Position June 30, 2014 (In thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2014	2013	2014	2013	2014	2013	%
<b>Assets:</b>							
Current and other assets	\$ 2,535,316	\$ 2,542,934	\$ 469,859	\$ 521,110	\$ 3,005,175	\$ 3,064,044	-1.9%
Capital assets	4,124,395	3,913,392	295,478	275,292	4,419,873	4,188,684	5.5%
Total assets	6,659,711	6,456,326	765,337	796,402	7,425,048	7,252,728	2.4%
Deferred outflows of resources:	25,722	26,821	278	347	26,000	27,168	0.0%
Total deferred outflows of resources	25,722	26,821	278	347	26,000	27,168	0.0%
<b>Liabilities:</b>							
Current liabilities	697,048	651,424	218,048	152,033	915,096	803,457	13.9%
Long-term liabilities	1,585,792	1,492,824	322,076	333,806	1,907,868	1,826,630	4.4%
Total liabilities	2,282,840	2,144,248	540,124	485,839	2,822,964	2,630,087	7.3%
Deferred inflows of resources:	19,706	17,703	8,684	9,118	28,390	26,821	0.0%
Total deferred inflows of resources	19,706	17,703	8,684	9,118	28,390	26,821	0.0%
<b>Net position:</b>							
Net investment in capital assets	3,165,319	2,998,987	147,806	118,594	3,313,125	3,117,581	6.3%
Restricted	499,463	550,326	96,904	94,346	596,367	644,672	-7.5%
Unrestricted	718,105	771,883	(27,903)	88,852	690,202	860,735	-19.8%
Total net position	\$ 4,382,887	\$ 4,321,196	\$ 216,807	\$ 301,792	\$ 4,599,694	\$ 4,622,988	-0.5%

## Management's Discussion & Analysis (Unaudited)

Below are the three components of net position and their respective balances as of June 30, 2014:

- Net investment in capital assets was \$3.3 billion, or 72.0%, of the County's total net position compared to \$3.1 billion, or 67.4%, for fiscal year 2012-13. 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.
- \$596.4 million, or 13.0%, of the County's total restricted net position compared to \$644.7 million, or 13.9% for fiscal year 2012-13. 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.
- \$690.2 million, or 15.0%, of the County's total net position is unrestricted that may be used to meet the County's ongoing obligations to citizens and creditors. Of this amount, \$718.1 million is from governmental activities and \$27.9 million deficit from business-type activities, compared to prior year whereas, \$771.9 million was from governmental activities and a \$88.9 million from business-type activities.



## Management's Discussion & Analysis (Unaudited)

The following table provides information from the Statement of Activities of the County as of June 30, 2014, as compared to the prior year:

### Statement of Activities For the year ended June 30, 2014 (In thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2014	2013	2014	2013	2014	2013	%
Revenues:							
Program revenues:							
Charges for services	\$ 615,895	\$ 588,461	\$ 555,966	\$ 600,747	\$ 1,171,861	\$ 1,189,208	-1.5%
Operating grants and contributions	1,593,627	1,503,390	-	-	1,593,627	1,503,390	6.0%
Capital grants and contributions	29,890	27,695	450	698	30,340	28,393	6.9%
General revenues:							
Property taxes	297,107	277,417	-	-	297,107	277,417	7.1%
Sales and use taxes	35,443	29,751	-	-	35,443	29,751	19.1%
Unrestricted intergovernmental revenue	227,303	220,811	-	-	227,303	220,811	2.9%
Investment earnings	11,317	2,035	1,319	(33)	12,636	2,002	531.2%
Other	195,756	206,337	-	-	195,756	206,337	-5.1%
Total revenues	3,006,338	2,855,897	557,735	601,412	3,564,073	3,457,309	3.1%
Expenses:							
General government	228,146	194,641	-	-	228,146	194,641	17.2%
Public protection	1,191,438	1,065,373	-	-	1,191,438	1,065,373	11.8%
Public ways and facilities	108,380	89,469	-	-	108,380	89,469	21.1%
Health and sanitation	460,963	422,982	-	-	460,963	422,982	9.0%
Public assistance	851,246	807,611	-	-	851,246	807,611	5.4%
Education	24,420	18,998	-	-	24,420	18,998	28.5%
Recreation and culture	20,077	12,274	-	-	20,077	12,274	63.6%
Interest on long-term debt	47,236	29,453	-	-	47,236	29,453	60.4%
Regional Medical Center	-	-	482,240	473,916	482,240	473,916	1.8%
Waste Management	-	-	62,721	53,069	62,721	53,069	18.2%
Housing Authority	-	-	94,716	90,678	94,716	90,678	4.5%
Flood Control	-	-	2,561	2,472	2,561	2,472	3.6%
County Service Areas	-	-	429	459	429	459	-6.5%
Total expenses	2,931,906	2,640,801	642,667	620,594	3,574,573	3,261,395	9.6%
Excess (deficiency) before Transfers	74,432	215,096	(84,932)	(19,182)	(10,500)	195,914	-105.4%
Transfer in (out)	(9,645)	(1,049)	9,645	1,049	-	-	0.0%
Change in net position, before extraordinary and special items	64,787	214,047	(75,287)	(18,133)	(10,500)	195,914	-105.4%
Extraordinary items	-	(158,337)	-	154,589	-	(3,748)	-100.0%
Special items	-	-	(9,698)	-	(9,698)	-	100.0%
Change in net position	64,787	55,710	(84,985)	136,456	(20,198)	192,166	-110.5%
Net position, beginning of year, as Restated	4,318,100	4,265,486	301,792	165,336	4,619,892	4,430,822	4.3%
Net position, end of year	\$ 4,382,887	\$ 4,321,196	\$ 216,807	\$ 301,792	\$ 4,599,694	\$ 4,622,988	-0.5%

## Management's Discussion & Analysis (Unaudited)

The following are specific major factors that resulted in the net position changes in governmental activities between fiscal years 2013-14 and 2012-13 as shown in the table of the previous page 9.

### *Revenues for governmental activities*

Revenues from *Charges for services* increased by \$27.4 million, or 4.7%. 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. The increases were mainly in health services provided to the new population of Medi-Cal patients, lease revenue collected from landfills operated by Waste Management department, and developer mitigation fees from the increased permit activity in the Rancho Bella Vista specific plan located in the third supervisorial district.

Revenues from *Operating grants and contributions* increased by \$90.2 million, or 6.0%, due to significant changes in the following state and federal sources:

- \$60.0 million in public assistance administrative expense claim for the continued caseload growth in medical expansion related to health care reform by filling additional position for keeping the caseloads more manageable. \$20.7 million recognized as revenue from local revenue funds including the mental health service fund, behavior health fund for mental health substance abuse program, and protective service subaccount fund for child welfare services and foster care assistance. \$10.2 million in the state allocation of the one-half cent proposition 172 public safety sales tax funds increased due to the improvement in sales activity in the County as the consumer confidence rebounded.

Revenues from *Property taxes* increased by \$19.7 million, or 7.1%, due to the 4.0% increase in fiscal year 2013-14 assessment roll value and documentary transfer tax. Additional analysis can be found in general fund financial analysis on page 15.

Revenues from *Sales and used taxes* increased by \$5.7 million, or 19.1% were mainly due to a growth in consumer goods sales at the recent expansion of factory outlets in Cabazon, and higher Triple Flip payments driven by one-time allocations and retroactive corrections in the energy and utilities sectors. In addition, a new district tax of 0.25% approved by local voters effective on October 01, 2013 from 7.75% to 8.0%.

Revenues from *Unrestricted intergovernmental revenue* increased by \$6.5 million, or 2.9% in property tax in-lieu of vehicle license fee due to the growth in property assessed values and adjustments.

The significant change in *Investment earnings* was due to higher interest rates earned as a result of the improved economic and market conditions.

*Other revenue sources* decreased by \$10.6 million, or 5.1%. The decrease was mainly from a dispute settlement related to the non-participating manufacturers adjustment and donations for environmental preservation.

### *Expenses for governmental activities*

Total expenses for governmental activities were \$2.9 billion for the current fiscal year, an increase of \$291.1 million or 11.0%, as compared to prior fiscal year. The following are the key components accounting for the variances:

- General government represents \$228.1 million, or 7.8%, of the total governmental activities expenses, increased by \$33.5 million or 17.2% from prior year due to contribution for the several construction projects from the capital improvement program including new jail facility, emergency operation center, county law building, and courtrooms.
- Public protection represents \$1.2 billion, or 40.6%, of the total governmental activities expenses, increased by \$126.1 million, or 11.8% from prior year was due to salary and benefit increases including the cost of

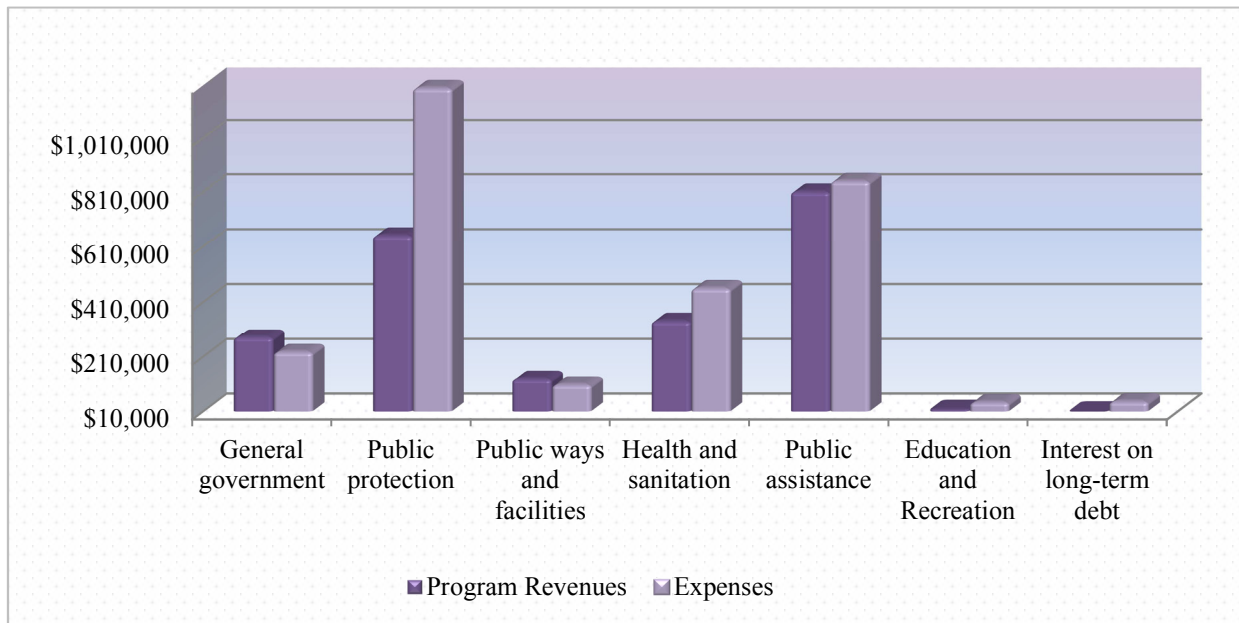
## Management's Discussion & Analysis (Unaudited)

living adjustments, pension rates and costs continue to rise, an upgraded communication system was implemented during fiscal year 2013-14, and continuation of Assembly Bill (AB) 109 Realignment. Additional analysis can be found in general fund financial analysis on page 16.

- \$108.4 million, or 3.7% of the total governmental activities expenses, increased by \$18.9 million, or 21.1% for public ways and facilities due to several completion of interchange improvement projects and grade separation projects for eliminating conflicts between railroad operations and vehicular traffic.
- Health and sanitation represents \$461.0 million or 15.7% of the total expenses, increased by \$38.0 million, or 9.0% from prior year caused by the mental health clinics and services continued to expand with the funding received from the Mental Health Service Act (MHSA) formerly known as Proposition 63. It was approved by California voters to provide a 1.0% tax on personal income over \$1.0 million in order to expand and transform the county mental health service system.
- \$851.2 million or 29.0% of the total expenses, increased by \$43.6 million or 5.4% from prior year for public assistance which was caused by the continued caseload growth and in preparation of Medi-Cal expansion related to healthcare reform. Additional analysis can be found in general fund financial analysis on page 18. The remaining 3.1% represents education for \$24.4 million or 0.8%; recreation and culture for \$20.1 million or 0.7%, and interest on long-term debt for \$47.2 million or 1.6%.

### Program Revenues and Expenses - Governmental Activities

For the fiscal year ended June 30, 2014  
(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 2012-13 and 2013-14 as shown in the previous table of page 9.

**Revenues:** The County has three major business-type activities: Riverside County Regional Medical Center (RMC), Waste Management, 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, \$556.0 million or 99.7%, 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, \$400.6 million, was received by RMC as compared to \$450.3 million for the prior fiscal year. The decrease was mainly attributed to the new waiver for Disproportionate Share Hospital Program (DSH) revenue which provided by the State for supplemental payments to uncompensated care has been reduced.

**Expenses:** Total expenses for business-type activities were \$642.7 million for the fiscal year compared to \$620.6 million for the prior fiscal year. This represents an increase of \$22.1 million or 11.5%. Expenses of \$482.2 million or 75.0% were incurred by RMC in the current fiscal year, as compared to \$473.9 million or 76.4%, for the prior fiscal year. In addition, expenses for Waste Management department expenses were \$62.7 million or 9.8%, compared to \$53.1 million or 8.6% from prior fiscal year; Housing Authority expenses were \$94.7 million or 14.7% of total expenses for business-type activities, compared to prior fiscal year's expenses of \$90.7 million or 14.6%; Flood Control and County Service Areas account for the remaining 0.5% of expenses consistent with the prior fiscal year.

### Revenues and Expenses - Business Type Activities

For the fiscal year ended June 30, 2014  
(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 Fund

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 project funds, debt service funds, and permanent fund.

As of June 30, 2014, the County's governmental funds reported combined fund balances of \$1.1 billion, a decrease of \$52.2 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 – \$4.4 million, are 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 – \$486.4 million, are amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance – \$306.4 million, are 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 – \$62.0 million, are 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 – \$203.4 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 \$149.1 million or 5.4%, from the prior fiscal year with \$2.9 billion being recognized for the fiscal year ended June 30, 2014. Expenditures increased by \$222.4 million or 7.8%, from the prior fiscal year with \$3.1 billion being expended for governmental functions during fiscal year 2013-14. Overall, governmental fund balance decreased by \$49.1 million or 4.4%. In comparison, fiscal year 2012-13 had a decrease in governmental fund balance of \$221.8 million or 16.6%, over fiscal year 2011-12.

The *general fund* is the primary operating fund of the County. At the end of fiscal year 2013-14, the general fund's total fund balance was \$363.7 million, as compared to \$357.2 million in fiscal year 2012-13. 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 \$2.0 million, and the spendable portion was \$361.6 million. The current year unassigned fund balance is 8.3% of the total general fund expenditures of \$2.5 billion, as compared to 8.7% of the prior year expenditures total of \$2.3 billion. The total fund balance of the general fund for the current year is 14.8% of the total general fund expenditures as compared to 15.6% for the prior year.

The decrease in Transportation and Land Management Agency fund balance was due to higher road construction costs as a result of the completion of several major interchange improvements and grade separation projects began during the current fiscal year.

Flood control fund balance increased by \$3.7 million or 1.4%, \$254.9 million from prior year to \$258.6 million due to a decrease in inspection costs for developer constructed infrastructure projects.

Public facilities improvement capital project fund balance decreased from \$199.6 million to \$134.7 million, 32.5% or \$64.9 million. The decrease was caused by the construction and remodeling costs related to the major existing projects such as, the expansion of East County Detention Center, Van Horn Juvenile Facility, RMC education building, public defender building remodel, and the new alternate emergency operation center.

## Management's Discussion & Analysis (Unaudited)

### Other Governmental Funds

The increase in nonmajor governmental funds fund balance was essentially from a new lease revenue bond issuance for financing the construction, renovation, equipping and furnishing of existing buildings.

### 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 RMC and Waste Management are shown in separate columns of the fund statements due to materiality criteria as defined by GASB. 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 \$339.4 million, compared to \$448.3 million for prior fiscal year, decreased by \$108.9 million or 24.3%. Of the year ended balances, unrestricted net position was as follows:

- Regional Medical Center: -\$120.2 million
- Waste Management: \$50.1 million
- Housing Authority: \$120.0 million
- Other enterprise fund activities: \$2.5 million
- Internal service fund activities: \$22.6 million

RMC's net position decreased by \$62.3 million from \$56.6 million to \$5.7 million deficit. The decrease was attributed to consulting services provided by Huron Consulting Group for health and mental health services delivery strategic planning which involve partnership, joint venture, and alignments with other healthcare providers.

Waste Management's net position increased by \$7.8 million, from \$142.3 million to \$150.1 million. The waste disposal service rate increased to finance the operational costs including salaries increases ranging from 2.7% to 5.5% and higher costs in tire and fuel supplies for landfill equipment.

A decrease of \$19.4 million in Housing Authority's net position attributed to the reduction of federal funding and higher operational costs from additional staffs hired and maintenance expenses occurred as planned development projects progressed throughout the year for the Housing Successor Agency.

**Proprietary Funds Net Position**  
For the fiscal year ended June 30, 2014  
(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 year ended June 30, 2014  
(In thousands)

Revenues by Sources	2014		2013		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
Taxes	\$ 256,746	10.0%	\$ 246,144	10.2%	\$ 10,602	4.3%
Intergovernmental revenues	1,653,338	64.6%	1,561,505	64.8%	91,833	5.9%
Charges for services	396,904	15.5%	374,750	15.6%	22,154	5.9%
Other revenue	155,771	6.1%	133,282	5.5%	22,489	16.9%
Other financing sources	97,982	3.8%	94,019	3.9%	3,963	4.2%
Total	<u>\$ 2,560,741</u>	<u>100.0%</u>	<u>\$ 2,409,700</u>	<u>100%</u>	<u>\$ 151,041</u>	<u>6.3%</u>

General fund revenues had an overall increase of \$151.0 million, or 6.3%, 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 4.0% increase in assessment roll value as the year-over-year growth in average sales price of single family homes in the County, a full 2.0% increase in inflation factor, and a substantial decline in foreclosure homes. Along with the assessment roll increase, the documentary transfer tax from the transfer of real property ownership increased since 2009 as a result of higher sales volume and refinances.
- The increase in *Intergovernmental revenues* was primarily attributed to allocation and realignment revenue from the state and federal aids. See explanation previously discussed on page 10.
- *Charges for services* increased by \$22.2 million, or 5.9%, was primarily due to the law enforcement services provided by County's sheriff patrol department and contracted services including fire protection and animal services provided to cities within the County, and real estate fraud prosecution trust fund fee increased from \$3.00 to \$10.00 per Approved Resolution No. 2013-038.
- The increase in *Other revenue* was mainly due to landfill lease agreement with the Waste Management department, revenue neutrality agreement from the City of Eastvale Inc., and negotiated pass through payments distributed from successor agency former redevelopment agency according to the agreement terms.
- *Other financing sources* increased \$4.0 million, or 4.2%, due to reimbursements from other county funds for debt service payments and county program activities.

## 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 (in thousands):

### General Fund - Expenditures by Function For the fiscal year ended June 30, 2014 (In thousands)

Expenditures by Function	2014		2013		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
General government	\$ 106,045	4.2%	\$ 103,896	4.3%	\$ 2,149	2.1%
Public protection	1,116,621	43.6%	1,043,017	43.7%	73,604	7.1%
Health and sanitation	416,005	16.3%	388,325	16.3%	27,680	7.1%
Public assistance	795,309	31.1%	735,057	30.8%	60,252	8.2%
Other expenditures	19,313	0.8%	22,207	0.9%	(2,894)	-13.0%
Other financing uses	101,021	4.0%	96,547	4.0%	4,474	0.0%
Total	<u>\$ 2,554,314</u>	<u>100.0%</u>	<u>\$ 2,389,049</u>	<u>100.0%</u>	<u>\$ 165,265</u>	<u>6.9%</u>

Total expenditures for general fund were \$2.6 billion, an increase of \$165.3 million, or 6.9%, from the prior year. Significant changes are as follows:

- An increase of \$2.1 million, or 2.1% in *General government* was mainly due to costs associated with the election occurred in fiscal year 2012-13 such as overtime, temporary help, printing/binding, transportation, and equipment purchase.
- The increase in *Public protection* was mainly caused by negotiated salary/benefit increases, increase unincorporated patrol staffing to one sworn officer per 1,000 residents as a result of additional recruiting, testing, hiring, and training costs, an upgraded communication system was implemented during fiscal year 2013-14. In addition, the continuation of AB109 Realignment as a result of additional workload generated by transfer of parole hearings to the District Attorney, pre-trial services, increased jail population, require Every Convict Occupant Reimburse County Expenses (RECORCE) through the recruitment of vacant position, and Juvenile Justice Crime Prevention Act (JJCPA) which address an continuum of responses to at risk youth and juvenile offenders - prevention, intervention, supervision, treatment and incarceration.
- The increase in *Health and sanitation* was due to additional positions that were filled in the detention health department during the year for meeting the needs of inmates in county correctional facilities, and increase in payments for out-of-network health and mental health service providers as of result of medi-cal expansion.
- The increase in *Public assistance* was due to state policy changes related to the California Fostering Connections to Success Act was signed into law September 30, 2010 through AB12 and beginning January 1, 2013, foster youth can remain in foster care up to the age of 20 years of age, and starting January 1, 2014 up to age 21. Caseload growth in demand for services including medi-cal expansion related to health care reform, adult protective services, foster care, in-home support services, calworks, cal fresh, and adoption.
- *Other expenditures* decreased by \$2.9 million, or 13.0%, was mainly due to a decrease in principal and interest payments for capital asset leases for buildings and other purchases.
- The increase in *Other financing uses* was due to the contribution to other county funds for financing debt service payments, 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 attributing 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 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 \$31.4 million, or 1.2%, from \$2.66 billion to the final amended revenue budget of \$2.63 billion. The major changes in appropriations are as follows:

Taxes: Increased by \$9.3 million, or 4.0%, \$8.8 million of the increase was due to revenue received from the redevelopment agencies' sale of residual assets after dissolution.

Rents and concessions: Increased by \$8.5 million, or 41.1%, due to a Landfill Lease Agreement with County's Waste Management Department. In November 2013 the Board of Supervisors approved a landfill lease agreement where the general fund will be receiving \$1.8 million on a yearly basis for the next 25 years. This fiscal year the general fund received \$8.5 million for fiscal years 2010 thru 2014.

Charges for services: Decreased by \$74.9 million, or 15.3%. The primary decrease was mainly due to intergovernmental activities.

##### **Expenditure Appropriation Variances**

The original adopted general fund appropriation budget of \$2.7 billion decreased by \$51.4 million, or 1.9%, during the fiscal year. The major appropriation variances are described below.

General government: The appropriation budget decreased by \$38.8 million, or 19.1%.

- Salaries and employee benefits decreased by \$4.3 million or 4.9%. The primary decrease of \$3.1 million was due to the consolidation of Economic Development Agency and Facilities Management's administrative budgets.
- Other charges decreased by \$26.1 million, or 35.0%, mainly due to a reclassification to the category transfers out.
- Appropriation for contingencies decreased by \$13.7 million, or 57.0%. The Sheriff's department attributed to \$11.1 million of the decrease because their budget had to be increased to be able to meet County's board directive of increasing patrol staffing in unincorporated areas of the County and to fund trial court realignment shortfall.

Public protection: The appropriation budget increased by \$28.5 million, or 2.5%.

- Salaries and employee benefits increased by \$9.7 million or 1.3%. The Sheriff's department had increases in salaries within its Administration, Patrol and Correction divisions to be able to meet the County's board directive of increasing patrol staffing in unincorporated areas of the County.
- Services and supplies increased by \$14.4 million, or 4.4%. \$4.0 million of the variance was for fiscal year 2013 encumbrances for various general fund departments. \$1.5 million was for unexpected costs incurred by department of Animal Services related to the San Jacinto Valley Animal Shelter, \$2.0 million was for Fire department professional services, and \$1.3 million was required by Probation department to cover cost related to the implementation of the AB109 Criminal Justice Alignment.

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

- Capital assets increased by \$3.3 million, or 49.7%, with the majority of the increase due to Probation department replacing outdated computer equipment within their field offices and additional costs related to public safety enterprise radios and equipment required for JJCPA program.

Debt service: The appropriation budget decreased by \$38.9 million or 48.6%. Principal decreased by \$38.9 million, or 51.8%. The primary decrease was mainly due to the elimination of intergovernmental activities.

### **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 \$65.4 million resulting from unexpended appropriations of \$233.7 million, or 8.7%, and overestimated revenue of \$168.3 million, or 6.4%. The following contributed to the variance:

#### **Revenue Variances**

General fund actual revenues of \$2.5 billion were 6.4%, or \$168.3 million, less than the final amended revenue budget of \$2.6 billion.

Taxes: Actual revenues were greater than the final amended budget by \$14.3 million, or 5.9% due primarily to an increase in property taxes of \$2.8 million and an increase in sales and use tax of \$5.7 million.

Federal aid: Actual revenues were less than the final amended budget by \$87.8 million, or 16.0%. The department of Public Social Services had a decrease of \$64.0 million of which approximately \$45.0 million was due to the CalWORKS program. Mental Health had lower revenues by \$15.2 million and the Probation department had a decrease in revenues of approximately \$3.5 million.

Charges for services: Actual revenues were less than the final amended budget by \$19.0 million, or 4.6%. The Public Health department noted a decrease in revenues of \$3.5 million related to revenues generated through court fines from drunk driving which are then disbursed to the County physicians and hospitals for medical care where there is no other funding source.

Other revenue: Actual revenues were less than the final amended budget by \$50.7 million, or 55.2%. A decrease of \$35.2 million from CORAL relates to transfers and contributions from other County funds. A decrease of \$6.7 million in the department of Public Social Services was due to funding not needed as Federal, State and other funding covered cost in the current year.

#### **Expenditure Variances**

General fund actual expenditures of \$2.5 billion were 8.7%, or \$233.7 million, less than the final amended appropriation budget of \$2.7 billion.

General government: Actual expenditures were less than the final amended budget by \$58.7 million, or 35.6%.

- Salaries and employee benefits were \$5.2 million, or 6.1%, below budget. Decreases were noted in the Assessor by \$1.4 million and the Treasurer-Tax Collector by \$0.6 million.
- Services and supplies were \$5.9 million, or 8.2%, less than budgeted primarily due to a \$2.2 million decrease in Executive Office expenditures related to its 911 Communication project.
- Other charges decreased by \$36.9 million, or 76.3%, mainly due to decreases in contributions to other funds by the Executive Office and decreases in intergovernmental activities.
- Appropriation for contingencies decreased by \$10.3 million, or 100.0%. In order to meet the County's board directive of increasing patrol staffing in unincorporated areas of the County, the Sheriff's department had to request a \$10 million budget adjustment that was funded by contingency funds.

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

Public protection: Actual expenditures were less than the final amended budget by \$44.2 million, or 3.8%.

- Salaries and employee benefits were \$18.2 million, or 2.4%, less than budgeted primarily due to the District Attorney's by \$3.6 million, Juvenile Hall by \$3.8 million and Probation's by \$10.8 million as a result of unfilled positions.
- Services and supplies were \$19.3 million, or 5.6%, less than budgeted mainly due to the Clerk Recorder by \$1.2 million and Probation department by \$1.7 million primarily due to the implementation of AB109 criminal justice realignment.
- Capital Assets decreased by \$4.9 million, or 49.3%, mostly due to the CREST project expenditures.

Health and sanitation: Actual expenditures were less than the final amended budget by \$73.4 million, or 15.0%.

- Salaries and employee benefits were \$32.7 million, or 13.6%, less than budgeted amounts. Mental Health decrease by \$20.9 million, Detention Health System decreased by \$3.1 million, and Public Health department decrease by \$6.1 million due to positions that were not filled.
- Services and supplies were \$12.7 million, or 11.1%, less than budgeted primarily due to a \$7.0 million savings in the Public Health Agency as its Information Technology personnel consolidated/relocated under the County's Information Technology department and savings in overhead costs.
- Other charges were \$31.7 million, or 14.8%, less than budgeted as the realignment contributions were decreased by \$12.1 million. Mental Health had savings of \$15.0 million in contracts and medical services.

Public assistance: Actual expenditures were less than the final amended budget by \$34.7 million, or 4.2%.

- Salaries and employee benefits were \$16.5 million, or 6.1%, less than budgeted mainly due DPSS approved positions that were vacant throughout the fiscal year.
- Services and supplies were \$12.5 million, or 13.2%, less than budgeted primarily due to DPSS postponement of several new projects that had been budgeted and the cancellation of several IT contracts.

Debt service: Actual expenditures were less than the final amended budget by \$25.6 million, or 62.3%, primarily due to a decrease in principal and interest payments for capital asset leases for buildings and other purchases.

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

#### **Capital Assets**

As of June 30, 2014, the County's capital assets for both its governmental and business-type activities amounted to \$4.4 billion (net of accumulated depreciation). The capital assets include land and easements, land improvements, construction in progress, equipment, 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 5.5% or \$231.2 million; from \$4.2 billion in fiscal year 2012-13 to \$4.4 billion in fiscal year 2013-14.

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

- Infrastructure increased approximately \$13.0 million as a result of the completion of the following projects: Liner-Lamb Canyon expansion in the amount of \$11.8 million and pavement projects for the Hemet Ryan Airport and Jacqueline Cochran Airport in the amount of \$1.2 million.
- Land easements increased approximately \$42.9 million as a result of acquisition of the following land: approximately 33.2 acres of Indio land was acquired for \$11.6 million, approximately 21.0 acres of the land from the Vernola Family Park was acquired for \$4.9 million, 50.2 acres of Van Horn, County Farm



## Management's Discussion & Analysis (Unaudited)

and County Circle land was acquired for \$6.5 million and 7.1 acres of the Jurupa Aquatic Center land was acquired for \$3.6 million. The Flood Control District had land additions of \$7.3 million, for which \$4.2

million was for the Day Creek-Bellegrave Basin, \$1.8 million was for the Temescal Creek Flood Plain acquired for water conservation and habitat mitigation banking, and \$1.3 million was for the Green Acres Dam acquired to help alleviate the flooding of properties within the immediate vicinity.

- During the current fiscal year, the RCIT departments consolidated. As a result, the County Innovation Center was acquired to house all employees and information technology equipment. The acquisition increased land by 5.3 acres with a total cost of \$4.3 million and structures and improvements increased approximately \$24.1 million.
- Equipment increased approximately \$104.0 million. The primary increase of \$72.6 million consists of communication equipment of which \$55.0 million was purchased for the Public Safety Enterprise Communication system and \$20.0 million was purchased by the Sheriff department. The remaining balance of \$31.3 million was due to increases in office equipment, software, equipment vehicles and other miscellaneous equipment throughout the County.
- Construction in progress increased approximately \$47.8 million as a result of costs related to existing and new projects. The major projects were as follows: Flood District incurred \$10.6 million in new costs for storm drains, channels and dams. Transportation and Land Management Agency experienced the addition of \$10.9 million in various streets, bridges, and signal lights. RCIT incurred \$7.0 million in new costs for the Riverside Collaboration Data Center. Additional costs of \$11.1 million were incurred by Economic Development Agency for the construction of the Perris Valley Aquatic Center. The Crest project incurred an additional \$7.2 million towards the new integrated property tax management system.

### Capital Assets (Net of Accumulated Depreciation) (In Thousands)

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

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2014	2013	2014	2013	2014	2013	%
Infrastructure	\$ 1,419,015	\$ 1,415,087	\$ 52,936	\$ 43,844	\$ 1,471,951	\$ 1,458,931	0.9%
Land and easements	507,989	469,522	25,777	21,358	533,766	490,880	8.7%
Land improvements	86	87	2,498	3,080	2,584	3,167	-18.4%
Structures and improvements	1,129,652	1,103,314	118,792	121,056	1,248,444	1,224,370	2.0%
Equipment	192,122	110,155	34,117	12,118	226,239	122,273	85.0%
Construction in progress	875,531	815,227	52,528	65,006	928,059	880,233	5.4%
Concession arrangements	-	-	8,830	8,830	8,830	8,830	0.0%
Total capital assets	\$ 4,124,395	\$ 3,913,392	\$ 295,478	\$ 275,292	\$ 4,419,873	\$ 4,188,684	5.5%

Additional information on the County's capital assets can be found in Note 8 on pages 70-72 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 \$384.0 million as of June 30, 2014. The calculated legal debt limit for the County is \$2.6 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 obligation	Aaa	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, 2014.

### County's Outstanding Debt Obligations (In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2014	2013	2014	2013	2014	2013	%
Loan payable	\$ 3,890	\$ 4,420	\$ -	\$ -	\$ 3,890	\$ 4,420	-12.0%
Bonds payable	810,186	744,460	132,941	143,710	943,127	888,170	6.2%
Certificate of participation	240,593	282,095	-	-	240,593	282,095	-14.7%
Capital leases	79,822	67,748	3,854	7,224	83,676	74,972	11.6%
Total outstanding	\$ 1,134,491	\$ 1,098,723	\$ 136,795	\$ 150,934	\$ 1,271,286	\$ 1,249,657	1.7%

**Outstanding Debt:** The County of Riverside's total debt increased by 1.7% or \$21.6 million during the current fiscal year primarily due to addition of \$84.5 million bond issuance, offset by \$18.5 million refunded bonds and \$44.4 million net of scheduled retirement of outstanding debts. Additional information on the County's long-term debt can be found in Note 14 on pages 78-88 of this report.

### ECONOMIC FACTORS AND THE FISCAL YEAR 2014-15 BUDGET OUTLOOK

Economists' forecasts for long-term growth in the County are more optimistic. The residential and nonresidential property markets continue to improve while unemployment rates sink to levels consistent with strong economic recovery.

Recent decisions by the state have reshaped the way the County delivers essential public-safety services. The recommended budget includes an additional \$33.9 million to fund Board of Supervisors approved initiatives mostly related to the direct impacts of these decisions. These initiatives will be funded with \$12.1 million in general-fund discretionary revenue and \$21.8 million in Proposition 172 public safety sales-tax allocations.

The County continues to work aggressively to improve the fiscal conditions at RMC. Huron, a consultant hired by the County to assist with improving hospital operations, expects to meet or exceed \$55.5 million in recurring annual benefits. The fiscal year 2014-15 budget reflects hospital spending that does not exceed revenue that is generated.

Fiscal year 2014-15 discretionary revenue is expected to increase by approximately 8.3% (\$48.9 million) when compared to fiscal year 2013-14 initial budget. The increase is primarily due to growth in assessed valuation for property values. The driving factors in the roll's increase are the average sales price of single family homes in the County has increased by 24.0% and fewer foreclosures which have reduced the number of homes for sales and increased competition for available homes.

## Management's Discussion & Analysis (Unaudited)

The following table reflects anticipated discretionary revenue totals and sources for fiscal year 2014-15.

Source	Final Budget Estimate (In Thousands)
Taxes	\$ 233,374
Other Taxes	49,360
Licenses, Permits, Franchise Taxes	5,037
Fines, Forfeitures, Penalties	23,760
Use of Money and Property	2,900
State	211,324
Federal	3,000
Charges for services	595
Miscellaneous	110,240
Total	<u>\$ 639,590</u>

The County's employee retirement benefit contribution rate for fiscal year 2014-15 for miscellaneous members is 14.5% and the safety contribution rate is 21.9%. 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 2015-16 rates are projected at 15.5% (Miscellaneous) and 23.3% (Safety). Additional information regarding the County's retirement plans are included in Notes 20, 21, and 22 of the financial statements and schedules of retirement funding progress 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).

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



**COUNTY OF RIVERSIDE**  
**Statement of Net Position**  
**June 30, 2014**  
**(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)	\$ 1,015,240	\$ 70,708	\$ 1,085,948	\$ 42,039	\$ -
Receivables, net (Notes 1 and 6)	425,093	178,907	604,000	4,110	-
Internal balances (Note 7)	51,986	(51,986)	-	-	-
Inventories	5,631	6,960	12,591	-	-
Prepaid items and deposits	5,020	2,905	7,925	-	-
Restricted cash and investments (Notes 4 and 5)	503,422	153,790	657,212	-	11,410
Other noncurrent receivables (Note 6)	40,740	-	40,740	-	39,423
Loans receivable (Note 6)	1,800	73,981	75,781	-	-
Pension asset, net (Notes 20 and 21)	459,564	214	459,778	-	-
OPEB asset, net (Note 22)	26,820	-	26,820	-	-
Land held for resale	-	34,380	34,380	-	-
Capital assets (Note 8):					
Nondepreciable assets	1,383,520	87,135	1,470,655	392	-
Depreciable assets, net	2,740,875	208,343	2,949,218	1,870	-
Total assets	6,659,711	765,337	7,425,048	48,411	50,833
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Defeasance of debt	-	278	278	-	-
Interest rate swap (Note 14)	25,722	-	25,722	-	-
Total deferred outflows of resources	25,722	278	26,000	-	-
<b>LIABILITIES:</b>					
Current liabilities:					
Cash overdrawn (Note 4)	-	40,894	40,894	-	-
Accounts payable	152,649	23,243	175,892	1,790	5
Salaries and benefits payable	79,085	13,312	92,397	96	-
Due to other governments	22,215	137,421	159,636	-	-
Interest payable	9,360	349	9,709	-	490
Deposits payable	761	92	853	-	-
Advances from grantors and third parties (Note 12)	285,723	-	285,723	-	-
Notes payable (Note 13)	119,462	-	119,462	-	-
Other liabilities	2,071	2,737	4,808	-	-
Interest rate swap (Note 14)	25,722	-	25,722	-	-
Long-term liabilities (Note 14):					
Due within one year	216,182	27,242	243,424	87	5,325
Due beyond one year	1,369,610	294,834	1,664,444	70	45,894
Total liabilities	2,282,840	540,124	2,822,964	2,043	51,714
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Teeter tax loss reserve (Note 15)	19,706	-	19,706	-	-
Service concession arrangement (Note 9 and 15)	-	7,962	7,962	-	-
Other deferred inflows (Note 15)	-	722	722	-	-
Total deferred inflows of resources	19,706	8,684	28,390	-	-
<b>NET POSITION:</b>					
Net investment in capital assets	3,165,319	147,806	3,313,125	2,262	-
Restricted for:					
Children's programs	-	-	-	44,106	-
Community development	169,536	-	169,536	-	-
Debt service	94,785	47,136	141,921	-	-
Health and sanitation	28,225	13,287	41,512	-	-
Public protection	63,534	-	63,534	-	-
Public ways and facilities	141,602	-	141,602	-	-
Other programs	1,781	36,481	38,262	-	-
Unrestricted	718,105	(27,903)	690,202	-	(881)
Total net position	\$ 4,382,887	\$ 216,807	\$ 4,599,694	\$ 46,368	\$ (881)

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, 2014**  
**(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	\$ 228,146	\$ 162,926	\$ 119,418	\$ -
Public protection	1,191,438	352,178	300,815	-
Public ways and facilities	108,380	35,574	64,594	29,150
Health and sanitation	460,963	53,120	289,702	-
Public assistance	851,246	2,167	810,473	-
Education	24,420	578	7,788	-
Recreation and cultural services	20,077	9,352	837	740
Interest on long-term debt	47,236	-	-	-
Total governmental activities	<u>2,931,906</u>	<u>615,895</u>	<u>1,593,627</u>	<u>29,890</u>
Business-type activities:				
Regional Medical Center	482,240	400,630	-	450
Waste Management Department	62,721	68,608	-	-
Housing Authority	94,716	84,615	-	-
Flood Control	2,561	1,741	-	-
County Service Areas	429	372	-	-
Total business-type activities	<u>642,667</u>	<u>555,966</u>	<u>-</u>	<u>450</u>
Total primary government	<u>\$ 3,574,573</u>	<u>\$ 1,171,861</u>	<u>\$ 1,593,627</u>	<u>\$ 30,340</u>
Component units:				
Children and Families Commission	\$ 20,116	\$ -	\$ 21,521	\$ -
Palm Desert Financing Authority	7,238	8,261	-	-
Total component units	<u>\$ 27,354</u>	<u>\$ 8,261</u>	<u>\$ 21,521</u>	<u>\$ -</u>

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 special items

Special items

  Gain on land transfer from RDA Successor

  Intergovernmental expense

  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

\$ 54,198	\$ -	\$ 54,198
(538,445)	-	(538,445)
20,938	-	20,938
(118,141)	-	(118,141)
(38,606)	-	(38,606)
(16,054)	-	(16,054)
(9,148)	-	(9,148)
(47,236)	-	(47,236)
(692,494)	-	(692,494)

-	(81,160)	(81,160)
-	5,887	5,887
-	(10,101)	(10,101)
-	(820)	(820)
-	(57)	(57)
-	(86,251)	(86,251)
(692,494)	(86,251)	(778,745)

\$ 1,405	\$ -
-	1,023
1,405	1,023

FUNCTION/PROGRAM ACTIVITIES:

Primary government:

Governmental activities:

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

Total governmental activities

Business-type activities:

Regional Medical Center  
Waste Management 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 special items

Special items

Gain on land transfer from RDA Successor  
Intergovernmental expense  
Changes in net position

297,107	-	297,107	-	-
35,443	-	35,443	-	-
27,764	-	27,764	-	-
227,303	-	227,303	-	-
11,317	1,319	12,636	222	9
167,992	-	167,992	19	-
(9,645)	9,645	-	-	-
757,281	10,964	768,245	241	9
64,787	(75,287)	(10,500)	1,646	1,032
-	6,700	6,700	-	-
-	(16,398)	(16,398)	-	-
64,787	(84,985)	(20,198)	1,646	1,032
4,318,100	301,792	4,619,892	44,722	(1,913)
\$ 4,382,887	\$ 216,807	\$ 4,599,694	\$ 46,368	\$ (881)

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, 2014

(Dollars in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	General	Transportation	Flood Control	Teeter Debt Service
Assets:				
Cash and investments (Note 4)	\$ 129,305	\$ 123,831	\$ 263,457	\$ -
Accounts receivable (Notes 1 and 6)	11,281	941	522	-
Interest receivable (Note 6)	650	38	117	11
Taxes receivable (Note 6)	9,849	11	1,046	70,659
Due from other governments (Note 6)	333,728	16,667	106	-
Due from other funds (Note 7)	11,157	208	13	35
Inventories	1,682	1,089	-	-
Prepaid items and deposits	-	2,600	1,388	-
Restricted cash and investments (Notes 4 and 5)	350,158	-	1,916	57,482
Advances to other funds (Note 7)	5,842	-	-	-
Total assets	853,652	145,385	268,565	128,187
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 853,652	\$ 145,385	\$ 268,565	\$ 128,187
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 61,288	\$ 46,200	\$ 7,315	\$ -
Salaries and benefits payable	68,156	2,017	989	-
Due to other governments	20,395	1,578	32	-
Due to other funds (Note 7)	248	238	59	8,725
Deposits payable	61	358	-	-
Advances from grantors and third parties (Note 12)	268,899	14,819	545	-
Teeter notes payable (Note 13)	-	-	-	119,462
Advances from other funds (Note 7)	5,000	-	-	-
Total liabilities	424,047	65,210	8,940	128,187
Deferred inflows of resources (Note 15)	65,929	-	1,044	-
Fund balances (Note 16):				
Nonspendable	2,045	1,101	1	-
Restricted	117,595	62,767	-	-
Committed	32,820	2,244	258,580	-
Assigned	7,772	14,063	-	-
Unassigned	203,444	-	-	-
Total fund balances	363,676	80,175	258,581	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 853,652	\$ 145,385	\$ 268,565	\$ 128,187

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

Public Facilities Improvements Capital Projects	Other Governmental Funds	Total Governmental Funds	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
			Assets:
\$ 165,409	\$ 129,471	\$ 811,473	Cash and investments (Note 4)
-	1,760	14,504	Accounts receivable (Notes 1 and 6)
61	121	998	Interest receivable (Note 6)
-	1,340	82,905	Taxes receivable (Note 6)
287	12,054	362,842	Due from other governments (Note 6)
-	2	11,415	Due from other funds (Note 7)
-	-	2,771	Inventories
-	594	4,582	Prepaid items and deposits
-	93,866	503,422	Restricted cash and investments (Notes 4 and 5)
-	-	5,842	Advances to other funds (Note 7)
165,757	239,208	1,800,754	Total assets
-	-	-	Deferred outflows of resources
\$ 165,757	\$ 239,208	\$ 1,800,754	Total assets and deferred outflows of resources
			LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
			Liabilities:
\$ 5,094	\$ 8,304	\$ 128,201	Accounts payable
-	2,450	73,612	Salaries and benefits payable
-	200	22,205	Due to other governments
-	985	10,255	Due to other funds (Note 7)
-	342	761	Deposits payable
-	1,460	285,723	Advances from grantors and third parties (Note 12)
-	-	119,462	Teeter notes payable (Note 13)
26,000	-	31,000	Advances from other funds (Note 7)
31,094	13,741	671,219	Total liabilities
-	-	66,973	Deferred inflows of resources (Note 15)
			Fund balances (Note 16):
-	1,208	4,355	Nonspendable
123,860	182,139	486,361	Restricted
3,000	9,750	306,394	Committed
7,803	32,370	62,008	Assigned
-	-	203,444	Unassigned
134,663	225,467	1,062,562	Total fund balances
\$ 165,757	\$ 239,208	\$ 1,800,754	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, 2014**  
**(Dollars in Thousands)**

Fund balances - total governmental funds (page 29) \$ 1,062,562

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. 4,074,835

Net OPEB and pension assets are not current financial resources and therefore are not reported in the governmental funds. 486,384

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. 47,267

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	\$ 810,186	
Capital lease obligations	49,938	
Certificates of participation	240,593	
Loans payable	3,890	
Accrued interest payable	9,360	
Accreted interest payable	111,623	
Accrued remediation cost	2,574	
Compensated absences	182,606	(1,410,770)

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 government activities, the assets and liabilities of these funds are included as governmental activities in the statement of net position.

	122,609	
Net position of governmental activities (page 23)	\$ 4,382,887	

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, 2014**  
**(Dollars in Thousands)**

	General	Transportation	Flood Control	Teeter Debt Service
<b>REVENUES:</b>				
Taxes	\$ 256,746	\$ 7,032	\$ 42,584	\$ -
Licenses, permits, and franchise fees	16,588	3,114	-	-
Fines, forfeitures, and penalties	81,037	-	-	-
Use of money and property:				
Investment earnings	4,629	637	1,404	258
Rents and concessions	12,269	-	105	-
Aid from other governmental agencies:				
Federal	462,291	27,321	-	-
State	1,107,878	58,306	605	-
Other	83,169	7,468	-	-
Charges for services	396,904	26,271	5,697	-
Other revenue	41,248	17,657	9,412	260
Total revenues	<u>2,462,759</u>	<u>147,806</u>	<u>59,807</u>	<u>518</u>
<b>EXPENDITURES:</b>				
Current:				
General government	106,045	-	-	881
Public protection	1,116,621	5,172	58,036	-
Public ways and facilities	-	163,356	-	-
Health and sanitation	416,005	-	-	-
Public assistance	795,309	-	-	-
Education	586	-	-	-
Recreation and culture	287	-	-	-
Debt service:				
Principal	10,746	-	-	-
Interest	4,729	-	-	-
Cost of issuance	-	-	-	-
Capital outlay	2,965	-	-	-
Total expenditures	<u>2,453,293</u>	<u>168,528</u>	<u>58,036</u>	<u>881</u>
Excess (deficiency) of revenues over (under) expenditures	9,466	(20,722)	1,771	(363)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	95,017	14,608	2,932	696
Transfers out	(101,021)	(5,021)	(1,047)	(333)
Issuance of debt	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on long-term debt	-	-	-	-
Capital leases	2,965	-	-	-
Total other financing sources (uses)	<u>(3,039)</u>	<u>9,587</u>	<u>1,885</u>	<u>363</u>
<b>NET CHANGE IN FUND BALANCES</b>	6,427	(11,135)	3,656	-
Fund balances, beginning of year, as previously reported	357,249	94,302	254,925	-
Adjustments to beginning fund balances (Note 3)	-	(2,992)	-	-
Fund balances, beginning of year, as restated	<u>357,249</u>	<u>91,310</u>	<u>254,925</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 363,676</u>	<u>\$ 80,175</u>	<u>\$ 258,581</u>	<u>\$ -</u>

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



Public Facilities Improvements Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 55,538	\$ 361,900
-	675	20,377
-	1,253	82,290
1,000	2,259	10,187
350	17,201	29,925
-	54,866	544,478
-	5,318	1,172,107
25,513	20,311	136,461
22,212	32,262	483,346
677	18,801	88,055
<u>49,752</u>	<u>208,484</u>	<u>2,929,126</u>
69,502	37,784	214,212
-	7,071	1,186,900
826	13,783	177,965
-	5,489	421,494
-	55,752	851,061
-	18,884	19,470
-	15,624	15,911
-	60,094	70,840
-	41,224	45,953
-	623	623
-	55,081	58,046
<u>70,328</u>	<u>311,409</u>	<u>3,062,475</u>
(20,576)	(102,925)	(133,349)
6,256	128,939	248,448
(50,577)	(95,013)	(253,012)
-	64,000	64,000
-	20,510	20,510
-	1,338	1,338
-	-	2,965
<u>(44,321)</u>	<u>119,774</u>	<u>84,249</u>
(64,897)	16,849	(49,100)
199,560	208,722	1,114,758
-	(104)	(3,096)
<u>199,560</u>	<u>208,618</u>	<u>1,111,662</u>
<u>\$ 134,663</u>	<u>\$ 225,467</u>	<u>\$ 1,062,562</u>

#### 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 debt
Issuance of refunding bonds
Premium on long-term 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, 2014**  
**(Dollars in Thousands)**

Net change in fund balances - total governmental funds (page 33) \$ (49,100)

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	\$ 291,382	
Less loss on disposal of capital assets	21,593	
Less current year depreciation	<u>(118,848)</u>	194,127

Prepaid pension costs and Other Public Employee Benefit (OPEB) costs are expended in the governmental funds when paid but are recognized as a financial resource in the statement of net position. 8,484

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 (17,769)

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. (3,693)

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	(395)	
Change in accreted interest	(16,962)	
Change in long-term compensated absences	<u>(25,979)</u>	(43,336)

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>(23,926)</u>	
Change in net position of governmental activities (page 25)	<u>\$ 64,787</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, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Over (Under)
<b>REVENUES:</b>				
Taxes	\$ 233,196	\$ 242,488	\$ 256,746	\$ 14,258
Licenses, permits, and fees	17,646	17,756	16,588	(1,168)
Fines, forfeitures, and penalties	80,339	81,829	81,037	(792)
Use of money and property:				
Investment earnings	2,613	2,613	4,629	2,016
Rents and concessions	20,649	29,131	12,269	(16,862)
Aid from other governmental agencies:				
Federal	544,936	550,065	462,291	(87,774)
State	1,098,095	1,118,042	1,107,878	(10,164)
Other government	81,247	81,247	83,169	1,922
Charges for services	490,773	415,895	396,904	(18,991)
Other revenue	92,987	91,971	41,248	(50,723)
Total revenues	<u>2,662,481</u>	<u>2,631,037</u>	<u>2,462,759</u>	<u>(168,278)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General government:</b>				
Salaries and employee benefits	88,508	84,182	79,027	(5,155)
Services and supplies	67,478	72,556	66,631	(5,925)
Other charges	74,448	48,368	11,475	(36,893)
Capital assets	214	1,160	975	(185)
Intrafund transfers	(51,165)	(51,913)	(52,063)	(150)
Appropriation for contingencies	24,061	10,343	-	(10,343)
Total general government	<u>203,544</u>	<u>164,696</u>	<u>106,045</u>	<u>(58,651)</u>
<b>Public protection:</b>				
Salaries and employee benefits	752,136	761,838	743,618	(18,220)
Services and supplies	331,340	345,759	326,416	(19,343)
Other charges	49,106	50,187	48,952	(1,235)
Capital assets	6,586	9,861	5,003	(4,858)
Intrafund transfers	(6,801)	(6,807)	(7,368)	(561)
Total public protection	<u>1,132,367</u>	<u>1,160,838</u>	<u>1,116,621</u>	<u>(44,217)</u>
<b>Health and sanitation:</b>				
Salaries and employee benefits	246,742	239,632	206,963	(32,669)
Services and supplies	109,175	114,412	101,733	(12,679)
Other charges	209,081	214,387	182,647	(31,740)
Capital assets	840	1,454	366	(1,088)
Intrafund transfers	(79,979)	(80,506)	(75,704)	4,802
Total health and sanitation	<u>485,859</u>	<u>489,379</u>	<u>416,005</u>	<u>(73,374)</u>

(Continued)

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, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Over (Under)
Public assistance:				
Salaries and employee benefits	\$ 276,716	\$ 271,197	\$ 254,661	\$ (16,536)
Services and supplies	91,834	94,299	81,832	(12,467)
Other charges	467,357	464,767	458,972	(5,795)
Capital assets	201	201	128	(73)
Intrafund transfers	(416)	(416)	(284)	132
Total public assistance	835,692	830,048	795,309	(34,739)
Education:				
Salaries and employee benefits	289	289	289	-
Services and supplies	304	298	297	(1)
Total education	593	587	586	(1)
Recreation and culture:				
Salaries and employee benefits	93	122	95	(27)
Services and supplies	297	200	190	(10)
Other charges	64	63	2	(61)
Capital assets	1	1	-	(1)
Intrafund transfers	(1)	(1)	-	1
Total recreation and culture	454	385	287	(98)
Debt service:				
Principal	75,052	36,192	10,746	(25,446)
Interest	4,895	4,895	4,729	(166)
Total debt service	79,947	41,087	15,475	(25,612)
Capital outlay	-	-	2,965	2,965
Total expenditures	2,738,456	2,687,020	2,453,293	(233,727)
Excess (deficiency) of revenues over (under) expenditures	(75,975)	(55,983)	9,466	65,449
OTHER FINANCING SOURCES (USES):				
Transfers in	-	95,017	95,017	-
Transfers out	-	(101,021)	(101,021)	-
Capital leases	-	-	2,965	2,965
Total other financing sources (uses)	-	(6,004)	(3,039)	2,965
NET CHANGE IN FUND BALANCE	(75,975)	(61,987)	6,427	68,414
Fund balance, beginning of year	357,249	357,249	357,249	-
FUND BALANCE, END OF YEAR	\$ 281,274	\$ 295,262	\$ 363,676	\$ 68,414

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, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
<b>REVENUES:</b>				
Taxes	\$ 4,720	\$ 4,720	\$ 7,032	\$ 2,312
Licenses, permits, and franchise fees	2,343	2,343	3,114	771
Use of money and property:				
Investment earnings	277	277	637	360
Aid from other governmental agencies:				
Federal	25,395	25,395	27,321	1,926
State	56,430	56,430	58,306	1,876
Other	10,646	10,646	7,468	(3,178)
Charges for services	81,743	68,212	26,271	(41,941)
Other revenue	10,033	9,105	17,657	8,552
Total revenues	191,587	177,128	147,806	(29,322)
<b>EXPENDITURES:</b>				
Current:				
Public protection	7,145	6,939	5,172	(1,767)
Public ways and facilities	186,145	184,320	163,356	(20,964)
Total expenditures	193,290	191,259	168,528	(22,731)
Excess (deficiency) of revenues over (under) expenditures	(1,703)	(14,131)	(20,722)	(6,591)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	14,608	14,608	-
Transfers out	-	(5,021)	(5,021)	-
Total other financing sources (uses)	-	9,587	9,587	-
<b>NET CHANGE IN FUND BALANCE</b>	(1,703)	(4,544)	(11,135)	(6,591)
Fund balance, beginning of year, as previously reported	94,302	94,302	94,302	-
Adjustments to beginning fund balance	-	-	(2,992)	(2,992)
Fund balance, beginning of year, as restated	94,302	94,302	91,310	(2,992)
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 92,599</b>	<b>\$ 89,758</b>	<b>\$ 80,175</b>	<b>\$ (9,583)</b>

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, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
Taxes	\$ 40,182	\$ 40,182	\$ 42,584	\$ 2,402
Use of money and property:				
Investment earnings	914	914	1,404	490
Rents and concessions	228	228	105	(123)
Aid from other governmental agencies:				
Federal	1	1	-	(1)
State	632	632	605	(27)
Charges for services	4,102	4,102	5,697	1,595
Other revenue	13,764	13,764	9,412	(4,352)
Total revenues	59,823	59,823	59,807	(16)
EXPENDITURES:				
Current:				
Public protection	178,225	177,186	58,036	(119,150)
Total expenditures	178,225	177,186	58,036	(119,150)
Excess (deficiency) of revenues over (under) expenditures	(118,402)	(117,363)	1,771	119,134
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,932	2,932	-
Transfers out	-	(1,047)	(1,047)	-
Total other financing sources (uses)	-	1,885	1,885	-
NET CHANGE IN FUND BALANCE	(118,402)	(115,478)	3,656	119,134
Fund balance, beginning of year	254,925	254,925	254,925	-
FUND BALANCE, END OF YEAR	\$ 136,523	\$ 139,447	\$ 258,581	\$ 119,134

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, 2014

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Regional Medical Center	Waste Management	Housing Authority	Other	Total	Internal Service Funds
<b>ASSETS:</b>						
Current assets:						
Cash and investments (Note 4)	\$ 10	\$ 43,213	\$ 24,869	\$ 2,616	\$ 70,708	\$ 203,767
Accounts receivable - net (Notes 1 and 6)	58,550	4,468	155	251	63,424	3,801
Interest receivable (Note 6)	-	48	-	5	53	81
Taxes receivable (Note 6)	-	-	-	12	12	-
Due from other governments (Note 6)	112,991	63	2,352	12	115,418	702
Due from other funds (Note 7)	-	-	-	1	1	80
Advances to other funds (Note 7)	-	54,856	-	-	54,856	2,000
Inventories	6,700	260	-	-	6,960	2,861
Land held for sale	-	-	34,380	-	34,380	-
Prepaid items and deposits	2,905	-	-	-	2,905	438
Restricted cash and investments (Notes 4 and 5)	60,543	66,384	23,983	2,880	153,790	-
Total current assets	241,699	169,292	85,739	5,777	502,507	213,730
Noncurrent assets:						
Loans receivable (Note 6)	-	-	73,981	-	73,981	1,800
Pension asset, net (Note 20)	-	214	-	-	214	-
Capital assets (Note 8):						
Nondepreciable assets	52,755	25,020	9,360	-	87,135	917
Depreciable assets	137,661	61,641	9,015	26	208,343	48,643
Total noncurrent assets	190,416	86,875	92,356	26	369,673	51,360
Total assets	432,115	256,167	178,095	5,803	872,180	265,090
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Defeasance of debt (Note 15)	-	-	278	-	278	-
Total deferred outflows of resources	-	-	278	-	278	-
<b>LIABILITIES:</b>						
Current liabilities:						
Cash overdrawn (Note 4)	40,894	-	-	-	40,894	-
Accounts payable	17,949	2,344	9	2,941	23,243	24,449
Salaries and benefits payable	12,414	866	-	32	13,312	5,473
Due to other governments	121,015	8	16,398	-	137,421	10
Due to other funds (Note 7)	624	-	-	3	627	614
Interest payable	344	-	5	-	349	-
Deposits payable	-	38	-	54	92	-
Other liabilities	117	649	1,821	150	2,737	2,071
Accreted interest payable (Note 14)	216	-	-	-	216	-
Accrued closure and post-closure costs (Notes 10 and 23)	-	263	-	-	263	-
Accrued remediation costs (Note 23)	-	156	-	-	156	-
Compensated absences (Notes 1 and 14)	10,345	1,078	-	9	11,432	7,972
Capital lease obligations (Note 14)	2,324	-	-	-	2,324	6,516
Bonds payable (Note 14)	12,696	-	155	-	12,851	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	34,262
Total current liabilities	218,938	5,402	18,388	3,189	245,917	81,367
Noncurrent liabilities:						
Compensated absences (Note 2)	9,549	1,617	1,496	71	12,733	4,067
Advances from other funds (Note 7)	25,856	-	-	-	25,856	5,842
Accreted interest payable (Note 14)	62,565	-	-	-	62,565	-
Accrued closure and post closure care costs (Note 10)	-	55,207	-	-	55,207	-
Accrued remediation costs (Note 10 and 23)	-	35,788	-	-	35,788	-
Capital lease obligations (Notes 1 and 2)	1,530	-	-	-	1,530	23,368
Bonds payable (Note 14)	119,360	-	730	-	120,090	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	108,197
OPEB obligation, net (Note 14 and 22)	-	126	-	-	126	-
Other long-term liabilities (Note 14)	-	-	6,795	-	6,795	-
Total noncurrent liabilities	218,860	92,738	9,021	71	320,690	141,474
Total liabilities	437,798	98,140	27,409	3,260	566,607	222,841
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Service concession arrangement (Note 9 and 15)	-	7,962	-	-	7,962	-
Other deferred inflows (Note 15)	-	-	722	-	722	-
Total deferred inflows of resources	-	7,962	722	-	8,684	-
<b>NET POSITION:</b>						
Net investment in capital assets	53,946	86,661	7,173	26	147,806	19,676
Restricted for debt service	47,136	-	-	-	47,136	-
Restricted for health and sanitation	-	13,287	-	-	13,287	-
Restricted other	13,413	-	23,068	-	36,481	-
Unrestricted	(120,178)	50,117	120,001	2,517	52,457	22,573
Total net position	\$ (5,683)	\$ 150,065	\$ 150,242	\$ 2,543	297,167	\$ 42,249
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(80,360)	
Net position of business-type activities					\$ 216,807	

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, 2014**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Regional Medical Center	Waste Management	Housing Authority	Other	Total	Internal Service Funds
OPERATING REVENUES:						
Net patient revenue (Notes 1 and 18)	\$ 351,259	\$ -	\$ -	\$ -	\$ 351,259	\$ -
Charges for services	14,553	67,071	1,628	1,871	85,123	228,756
Other revenue	34,818	1,537	82,987	242	119,584	42,757
Total operating revenues	<u>400,630</u>	<u>68,608</u>	<u>84,615</u>	<u>2,113</u>	<u>555,966</u>	<u>271,513</u>
OPERATING EXPENSES:						
Cost of material used	-	175	-	-	175	1,808
Personnel services	258,326	15,751	10,661	984	285,722	93,402
Communications	2,429	291	7	-	2,727	1,924
Insurance	5,013	226	244	1	5,484	9,004
Maintenance of building and equipment	13,306	1,633	11,054	66	26,059	22,515
Insurance claims	-	-	-	-	-	117,210
Supplies	67,848	1,926	4	18	69,796	36,764
Purchased services	86,396	1,465	1,256	937	90,054	22,108
Depreciation and amortization	9,947	5,150	1,425	10	16,532	15,286
Rents and leases of equipment	4,254	8,512	17	7	12,790	55,775
Public assistance	-	4	69,706	-	69,710	-
Utilities	3,975	281	565	111	4,932	2,636
Other	11,032	26,139	118	54	37,343	5,636
Total operating expenses	<u>462,526</u>	<u>61,553</u>	<u>95,057</u>	<u>2,188</u>	<u>621,324</u>	<u>384,068</u>
Operating income (loss)	<u>(61,896)</u>	<u>7,055</u>	<u>(10,442)</u>	<u>(75)</u>	<u>(65,358)</u>	<u>(112,555)</u>
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	(139)	855	562	41	1,319	1,130
Interest expense	(10,787)	-	(134)	-	(10,921)	(885)
Gain (loss) on disposal of capital assets	19	135	-	-	154	208
Other nonoperating revenues / (expenses)	-	-	-	-	-	(2)
Special items, net loss	-	-	(9,698)	-	(9,698)	-
Total nonoperating revenues (expenses)	<u>(10,907)</u>	<u>990</u>	<u>(9,270)</u>	<u>41</u>	<u>(19,146)</u>	<u>451</u>
Income (loss) before capital contributions and transfers	(72,803)	8,045	(19,712)	(34)	(84,504)	(112,104)
Capital contributions	450	-	475	-	925	82,208
Transfers in	15,001	-	-	41	15,042	6,214
Transfers out	(4,934)	(256)	(192)	(15)	(5,397)	(11,295)
CHANGE IN NET POSITION	<u>(62,286)</u>	<u>7,789</u>	<u>(19,429)</u>	<u>(8)</u>	<u>(73,934)</u>	<u>(34,977)</u>
Net position, beginning of the year	56,603	142,276	169,671	2,551		77,226
NET POSITION, END OF YEAR	<u>\$ (5,683)</u>	<u>\$ 150,065</u>	<u>\$ 150,242</u>	<u>\$ 2,543</u>		<u>\$ 42,249</u>

Adjustment to reflect the consolidation of internal service fund activities  
related to enterprise funds (11,051)

Change in net position of business-type activities \$ (84,985)

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, 2014**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Regional Medical Center	Waste Management	Housing Authority	Other	Total	Internal Service Funds
Cash flows from operating activities						
Cash receipts from customers / other funds	\$ 407,589	\$ 73,052	\$ 84,452	\$ 2,168	\$ 567,261	\$ 270,781
Cash paid to suppliers for goods and services	(157,724)	(40,662)	(83,073)	(1,123)	(282,582)	(268,775)
Cash paid to employees for services	(258,281)	(15,072)	(10,323)	(983)	(284,659)	(88,935)
Net cash provided by (used in) operating activities	(8,416)	17,318	(8,944)	62	20	(86,929)
Cash flows from noncapital financing activities						
Advances from other funds	25,856	-	-	-	25,856	2,500
Advances to other funds	-	(30,856)	-	-	(30,856)	-
Transfers received	15,001	(256)	-	41	14,786	6,214
Transfers paid	(4,934)	-	(192)	(15)	(5,141)	(11,295)
Net cash provided by (used in) noncapital financing activities	35,923	(31,112)	(192)	26	4,645	(2,581)
Cash flows from capital and related financing activities						
Proceeds on disposal of capital assets	19	135	(5,069)	-	(4,915)	(1,594)
Acquisition and construction of capital assets	(15,045)	(16,596)	475	(8)	(31,174)	(32,162)
Principal paid on capital leases	(3,369)	-	885	-	(2,484)	17,784
Premium contributions	450	-	-	-	450	82,208
Acquisition on bonds payable	(10,624)	-	(1,030)	-	(11,654)	-
Interest paid on long-term debt	(11,307)	-	(66)	-	(11,373)	(885)
Net cash provided by (used in) capital and related financing activities	(39,876)	(16,461)	(4,805)	(8)	(61,150)	65,351
Cash flows from investing activities						
Advances to other funds	-	(24,000)	-	-	(24,000)	(2,000)
Proceeds of assets from RDA dissolution			4,744		4,744	-
Interest received on investments	(139)	890	562	40	1,353	1,152
Net cash provided by investing activities	(139)	(23,110)	5,306	40	(17,903)	(848)
Net increase (decrease) in cash and cash equivalents	(12,508)	(53,365)	(8,635)	120	(74,388)	(25,007)
Cash and cash equivalents, beginning of year	32,167	162,962	57,487	5,376	257,992	228,774
Cash and cash equivalents, end of year	\$ 19,659	\$ 109,597	\$ 48,852	\$ 5,496	\$ 183,604	\$ 203,767

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, 2014**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental Activities
	Regional Medical Center	Waste Management	Housing Authority	Other	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash						
Operating income (loss)	\$ (61,896)	\$ 7,055	\$ (10,442)	\$ (75)	\$ (65,358)	\$ (112,555)
Adjustments to reconcile operating income (loss) to net						
Depreciation and amortization	9,947	5,150	1,425	10	16,532	15,286
Decrease (Increase) accounts receivable	(2,139)	(745)	25	52	(2,807)	(609)
Decrease (Increase) taxes receivable	-	-	-	16	16	-
Decrease (Increase) bond issuance cost	-	-	-	-	-	-
Decrease (Increase) due from other funds	9,050	-	-	(1)	9,049	32
Decrease (Increase) due from other governments	48	5,189	(188)	(12)	5,037	(155)
Decrease (Increase) inventories	1,478	(20)	-	-	1,458	618
Decrease (Increase) prepaid items and deposits	2,481	-	4	-	2,485	(70)
Increase (Decrease) accounts payable	6,288	(262)	(126)	101	6,001	(7,512)
Increase (Decrease) due to other funds	318	-	-	(9)	309	547
Increase (Decrease) due to other governments	24,179	3	(847)	-	23,335	2
Increase (Decrease) deposits payable	-	-	-	3	3	-
Increase (Decrease) accreted interest payable	62,781	-	-	-	62,781	-
Increase (Decrease) accrued closure costs	-	1,345	-	-	1,345	-
Increase (Decrease) accrued remediation costs	-	(721)	-	-	(721)	-
Increase (Decrease) other liabilities	(60,996)	79	867	(24)	(60,074)	1,480
Increase (Decrease) estimated claims liability	-	-	-	-	-	11,540
Increase (Decrease) deferred inflows of resources	-	(434)	-	-	(434)	-
Increase (Decrease) salaries and benefits payable	365	143	-	5	513	1,528
Increase (Decrease) compensated absences	(320)	89	338	(4)	103	2,939
Decrease (Increase) pension assets, net	-	447	-	-	447	-
Net cash provided (used) by operating activities	<u>\$ (8,416)</u>	<u>\$ 17,318</u>	<u>\$ (8,944)</u>	<u>\$ 62</u>	<u>\$ 20</u>	<u>\$ (86,929)</u>
Noncash investing, capital, and financing activities:						
Capital lease obligations	<u>\$ 681</u>				<u>\$ 681</u>	<u>\$27,193</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, 2014**  
**(Dollars in Thousands)**

	Pension Trust	Investment Trust	Private- Purpose Trust	Agency Funds
<b>ASSETS:</b>				
Cash and investments (Note 4)	\$ -	\$ -	\$ 120,662	\$ 294,179
Federal agency	18,640	1,822,868	-	-
Cash and equivalent	3,833	374,815	-	-
Commercial paper	5,188	507,400	-	-
Negotiable CDs	520	50,909	-	-
Repos	976	95,454	-	-
Municipal bonds	460	44,985	-	-
Bond - U.S. Treasury	1,856	181,472	-	-
Local agency obligation	4	270	-	-
Accounts receivable	120	13,499	916	386
Interest receivable	-	1,318	33	28
Taxes receivable	-	23	-	32,953
Due from other governments	-	-	21,251	426
Land held for sale	-	-	30,974	-
Total assets	<u>31,597</u>	<u>3,093,013</u>	<u>173,836</u>	<u>327,972</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	<u>-</u>	<u>-</u>	<u>5,116</u>	<u>-</u>
<b>LIABILITIES:</b>				
Accounts payable	-	-	15,114	185,508
Salaries and benefits payable	-	-	-	6
Due to other governments	-	-	3	142,458
Note payable	-	-	773,625	-
Interest payable	-	-	9,612	-
Accreted interest payable	-	-	5,847	-
Other long-term liabilities	-	-	3,659	-
Total liabilities	<u>-</u>	<u>-</u>	<u>807,860</u>	<u>\$ 327,972</u>
<b>NET POSITION:</b>				
Held in trust for pension benefits, external pool participants, and other purposes	<u>\$ 31,597</u>	<u>\$ 3,093,013</u>	<u>\$ (628,908)</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, 2014  
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust
ADDITIONS:			
Employer contributions	\$ 968	\$ -	\$ -
Employee contributions	1,390	-	-
Contributions to pooled investments	-	22,335,115	
Contributions to private-purpose trust	-	-	57,928
Investment income	2,866	-	502
Total additions	5,224	22,335,115	58,430
DEDUCTIONS:			
Distributions from pooled investments	-	22,389,973	-
Distributions from private-purpose trust	-	-	76,946
Administrative and other expenses	7	-	-
Total deductions	7	22,389,973	76,946
Change in net position	5,217	(54,858)	(18,516)
Net position held in trust, beginning of the year	26,380	3,147,871	(610,392)
Net position held in trust, end of the year	\$ 31,597	\$ 3,093,013	\$ (628,908)

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, 2014**

**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.

**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 a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

In conformity with generally accepted accounting principles, the financial statements of thirteen component units have been included and combined with financial data of the County. Eleven 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 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. 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 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. 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 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 Public 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 District Corporation is reported as a governmental fund type.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Blended Component Units (Continued)**

*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 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. 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. 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 of Riverside 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 Authority is reported as a governmental fund type.

**Discretely Presented Component Units**

*Riverside County Children and Families Commission (the Commission)* The Riverside County Board of Supervisors 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 of Supervisors. The Commission includes one member of the County Board of Supervisors. 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 body is not substantially the same as the County's governing body and it does not provide services entirely or exclusively to the County.

*Palm Desert Financing Authority (PDFA)* is a joint powers authority between the County of Riverside 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 of Supervisors, the Executive Director of the Agency and a member of the Agency's Board. It is discretely presented because its governing body is not substantially the same as the County's governing body.

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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**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 of Supervisors, 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, 34.98% or \$15.2 million, of the County's \$43.5 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.

*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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

*Transportation fund* accounts for revenue consist primarily of the County's share of highway user taxes and 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 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.

The County reports the following major enterprise funds:

*Regional Medical Center (RMC)* 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 RMC. Revenue for this fund is primarily from charges for services, and secondarily from the County's general fund.

*Waste Management department (Waste Management)* 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 Management 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.

The County reports the following additional fund types:

*Internal service funds* account for the County's records management and archives, fleet services, information services, 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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

*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 (TRANs) which are outstanding for a twelve month period. General capital assets acquisitions are reported as expenditures in governmental fund 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 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, 2014, 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



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

*Cash and Investments (Continued)*

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 participants' 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 76.9% of the funds on deposit in the County treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 23.1% of the total funds on deposit in the County treasury represented discretionary deposits.

*Receivables*

The RMC 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 \$217.6 million and \$801.8 million, respectively. The RMC has contracted with a Medi-Cal managed care plan to provide services to patients enrolled with Medicare and Medi-Cal programs. The RMC receives a fixed monthly premium payment for each patient enrolled. Revenue under this agreement is recognized in the period in which the RMC 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 2013-14 gross assessed valuation of the County was \$213.2 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.

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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

*Property Taxes (Continued)*

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 2013-14, \$31.0 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 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, 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, 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	3-20 years

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

*Capital Assets (Continued)*

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 Management 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, 2014, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net position was \$218.8 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 the CalPERS, unused accumulated sick leave for most employees with at least 5 but less than 15 years of service 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 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. 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 of resources the County has recognized.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

*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.

*Landfill Closure and Post-Closure Care Costs*

Waste Management 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 Management also recognizes as expense closure and post-closure care costs for inactive landfills that have been closed under state and federal regulations.

Waste Management, under state and federal regulations, may be required to perform corrective action for contaminate releases at any of its active or inactive landfills. Waste Management 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 Management provides for these costs based on the most recent cost study information available.

*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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

*Net Positions (Continued)*

*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.

**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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

*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 is \$124.7 million and budget stabilization of \$53.9 million, which is 29.0% 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.

**Current Governmental Accounting Standards Board Statements**

*GASB Statement No. 66*

In March of 2012, GASB issued Statement No. 66, *Technical Correction – 2012 – an amendment of GASB Statement No. 10 and No. 62*. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 Financial Accounting Standard Board (FASB) and American Institute of Certified Public Accountants (AICPA) Pronouncements*. GASB Statement No. 66 amends GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provisions that limits fund based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, it will cause governments to base their decisions about fund type classification on the nature of the activity to be reported. GASB Statement No.66 also amends GASB Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. GASB Statement No. 66 is effective for periods beginning after December 15, 2012.

*GASB Statement No. 67*

In June of 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans- an amendment of GASB Statement No. 25*. The objective of this statement is to improve financial reporting by state and local governmental pension plans. This resulted from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. GASB Statement No. 67 amends the

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Basis of Presentation (Continued)**

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

*GASB Statement No. 67 (Continued)*

requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. GASB Statement No. 67 is effective for periods beginning after June 15, 2013.

*GASB Statement No. 70*

In October of 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. This statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. GASB Statement No. 70 is effective for periods beginning after June 15, 2013. The County has elected not to early implement this statement.

**Future Governmental Accounting Standards Board Statements**

*GASB Statement No. 68*

In June of 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. The statement also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This resulted from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. GASB Statement No. 68 is effective for periods beginning after June 15, 2014. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 69*

In January of 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. GASB Statement No. 69 is effective for periods beginning after December 15, 2013. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 71*

In November of 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The objective of this statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. GASB Statement No. 71 is applied simultaneously with the provision of GASB Statement 68. The County has elected not to early implement this statement.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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 the 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 generally accepted accounting principles. 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 debt service funds: CORAL, District Court Financing Corporation, Bankruptcy Court, Inland Empire Tobacco Securitization Authority; the CORAL Capital Projects Fund; 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.

**Excess of expenditures over appropriations**

For the year ended June 30, 2014, expenditures exceeded appropriations in capital outlay by \$3.0 million in the general fund. This excess of expenditures resulted from the acquisition of \$3.0 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, 2014**

**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, 2014 is as follows (In thousands):

**Government-wide:**

Description	Primary Government	
	Governmental Activities	Business-type Activities
Government-wide net position as of June 30, 2013, as previously reported	\$ 4,321,196	\$ 301,792
Fund financial statements:		
Prior period adjustments:		
Accrued developer mitigation fees and capital grant	(1,767)	-
Advance from third party	(1,329)	-
Net position as of June 30, 2013, as restated	<u>\$ 4,318,100</u>	<u>\$ 301,792</u>

**Fund Financials:**

Description	Governmental Funds		
	Major	Nonmajor Fund	
	Transportation Special Revenue	Regional Park and Open-Space Special Revenue	Regional Park and Open-Space Capital Projects
Fund balances as of June 30, 2013, as previously reported	\$ 94,302	\$ 9,156	\$ 8,843
Prior period adjustments:			
Accrued developer mitigation fees and grant (1)	(1,663)	-	(104)
Reclassified fund balances for expenditures not properly recorded (2)	-	2,167	(2,167)
Advance from third party (3)	(1,329)	-	-
Fund balances as of June 30, 2013, as restated	<u>\$ 91,310</u>	<u>\$ 11,323</u>	<u>\$ 6,572</u>

- (1) A prior period adjustment of \$1.8 million was made to decrease the governmental activities' beginning net position. The adjustment was made due to prior year accrued developer mitigation fees for road projects were uncollectible.
- (2) A prior period adjustment of \$2.2 million was made to restate the beginning balance of special revenue and capital projects fund by reimbursing special revenue fund for expenditures erroneously recorded for several capital improvement projects which resulted in net to zero.
- (3) A prior period adjustment of \$1.3 million was made to decrease the governmental activities' beginning net position. The adjustment was made due to prior year advance received from third party that was incorrectly recorded as revenue before the eligibility requirements have been met.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 4 – CASH AND INVESTMENTS**

As of June 30, 2014, cash and investments are classified in the accompanying financial statements as follows (In thousands):

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Fiduciary Funds	Total
Cash and investments	\$ 1,015,240	\$ 29,814	\$ 42,039	\$ 3,524,491	\$ 4,611,584
Restricted cash and investments	503,422	153,790	11,410	-	668,622
Total cash and investments	\$ 1,518,662	\$ 183,604	\$ 53,449	\$ 3,524,491	\$ 5,280,206

As of June 30, 2014, cash and investments consist of the following (In thousands):

Deposits	\$ 180,985
Investments	5,099,221
Total cash and investments	<u>\$ 5,280,206</u>

**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 of the California Government Code or the County's investment policy, (where more restrictive 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 a 2% maximum in one issuer is allowed only for State of California debt.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

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

As of June 30, 2014, the County and Component Units had the following investments (In thousands):

	Fair Market Value	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating	Rating (1) June 30, 2014	% of Portfolio
<b>County treasurer investments</b>							
Federal home loan bank	\$ 1,043,020	0.075 - 1.800%	08/14 - 06/19	2.43	N/A	AA+/Aaa	21.56%
Federal national mortgage association	837,666	0.065 - 1.650%	10/14 - 01/19	2.72	N/A	AA+/Aaa	17.32%
Federal home loan mortgage corp.	276,665	0.081 - 1.625%	09/14 - 03/19	3.00	N/A	AA+/Aaa	5.72%
US treasuries	285,173	0.250 - 0.750%	10/14 - 08/17	0.63	N/A	AA+/Aaa	5.90%
Federal farm credit bonds	417,036	0.130 - 0.680%	08/14 - 12/16	0.78	N/A	AA+/Aaa	8.62%
Negotiable certificate of deposits	80,000	0.130 - 0.150%	07/14 - 09/14	0.15	A1/P1	AA-/Aa1	1.65%
Commercial paper	797,349	0.070 - 0.150%	07/14 - 10/14	0.12	A1/P1	AA+/Aa1	16.48%
Wells fargo repo	150,000	0.100%	07/14	0.00	A1/P1	N/R	3.10%
UB Managed Rate	150,000	0.079%	07/14	0.00	N/A	N/R	3.10%
Money market mutual funds (3)	385,000	0.019 - 0.067%	07/14	0.00	AAA/Aaa	AAA/Aaa	7.96%
Municipal bonds	70,691	0.200 - 0.540%	10/14 - 05/16	0.82	AA- <sup>(2)</sup>	AA+/Aa1	1.46%
Farmer mac	290,145	0.080 - 1.650%	08/14 - 06/19	0.99	N/A	N/R	6.00%
Caltrust short term fund	54,000	0.403%	07/14	0.00	N/A	AAA/Aaa	1.12%
Local agency obligations	425	0.472%	06/20	5.96	N/A	N/R	0.01%
Total county treasurer investments	<u>4,837,170</u>						<u>100.00%</u>
<b>Investments outside the county treasury</b>							
<b>Blended component unit investments</b>							
Money market mutual funds (3)	79,044	0.010 - 0.420%	07/14	0.00	AAA/Aaa	AAA/Aaa	31.54%
Investment agreements	119,219	2.385 - 4.460%	12/14 - 11/36	5.47	AA-/Aa2	AA+/A1	47.57%
Commercial paper	6,995	0.207%	10/14	0.00	AA-/Aa2	AA+/A1	2.79%
Money market mutual funds (4)	39,677	0.000%	N/A	0.00	N/A	N/R	15.83%
Local agency investment funds	5,706	0.000%	N/A	0.00	N/A	N/R	2.27%
Total blended component units	<u>250,641</u>						<u>100.00%</u>
<b>Discretely presented component units</b>							
Palm desert financing authority							
Money market mutual funds (3)	11,410	0.000%	N/A	0.45	AAA	AAA	100.00%
Total discretely presented component units	<u>11,410</u>						<u>100.00%</u>
Total investments	<u>\$ 5,099,221</u>						

(1) Investment ratings are from S&P and Moody's.

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

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

(4) Housing Authority and Inland Empire Tobacco Securitization Authority do not require money market mutual funds to be rated.

**Investment in State Investment Pool**

The County of Riverside 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 prorata 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 2014, CORAL has \$2.5 million, Housing Authority has \$2.5 million and Regional Medical Center has \$0.7 million in LAIF.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements of 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 of 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.

**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 be able to recover the value of its investment or collateral securities that are in the possession of another party. Neither the California Government Code nor the County's investment policy contain legal or policy requirements that would limit the County's exposure to custodial credit risk for deposits or investments except for the following provision for deposits: 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 \$303.0 million. Investment securities are registered and held in the name of Riverside County.

**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 61.

**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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 5 – RESTRICTED CASH AND INVESTMENTS**

The amount of assets restricted by legal and contractual requirements at June 30, 2014 is as follows (In thousands):

<b>General Fund</b>	
Restricted program money	\$ 350,158
<b>Total general fund</b>	<u>350,158</u>
<b>Flood Control</b>	
Restricted program money	1,916
<b>Total Flood Control</b>	<u>1,916</u>
<b>Teeter Debt Service</b>	
Teeter commercial paper notes	57,482
<b>Total teeter debt service</b>	<u>57,482</u>
<b>Other Governmental Funds</b>	
1985 Certificates	18,418
1990 Monterey Avenue	131
2003 A Historic Courthouse	477
2005 A Capital Improvement Family Law	3,523
2005 B Historic Refunding	2,881
2006 A Capital Improvements	2,186
2007 A Public Safety & Refunding	5,824
2008 A Southwest Justice Center	1,462
2009 Larson Justice Center	2,724
2009 Public Safety & Woodcrest Lib Refunding	624
2012 CAC Annex	2,541
2013A PD/ Probation and Technology	21,355
2014 A/B Court Facilities Projects	2,086
Bankruptcy Court	7,495
District court Financing Corporation	1,175
Inland Empire Tobacco Securitization Authority	19,573
Public Financing Authority	1,391
<b>Total other governmental funds</b>	<u>93,866</u>
<b>Regional Medical Center</b>	
Hospital bonds	46,466
Restricted program money	14,077
<b>Total Regional Medical Center</b>	<u>60,543</u>
<b>Waste Management</b>	
Remediation costs	28,139
Closure and post-closure care costs	29,200
Customer deposits	445
Deferred revenue	8,562
Deposit payable	38
<b>Total Waste Management</b>	<u>66,384</u>
<b>Housing Authority</b>	
Housing authority bond	23,983
<b>Total Housing Authority</b>	<u>23,983</u>
<b>Other Enterprise Funds</b>	
Restricted program money - Flood	2,880
<b>Total other enterprise funds</b>	<u>2,880</u>
<b>Discretely Presented Component Unit</b>	
PalmDesert Financing Authority	11,410
<b>Total discretely presented component unit</b>	<u>11,410</u>
<b>Total restricted cash and investments</b>	<u><u>\$ 668,622</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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>					Due From Other Govts	Governmental Activities
	Accounts	Interest	Taxes	Loans		
General fund	\$ 11,281	\$ 650	\$ 9,849	\$ -	\$ 333,728	\$ 355,508
Transportation	941	38	11	-	16,667	17,657
Flood Control	522	117	1,046	-	106	1,791
Teeter debt service	-	11	70,659	-	-	70,670
Public facilities improvements	-	61	-	-	287	348
Nonmajor governmental funds	1,760	121	1,340	-	12,054	15,275
Internal service funds	3,801	81	-	1,800	702	6,384
Total receivables	\$ 18,305	\$ 1,079	\$ 82,905	\$ 1,800	\$ 363,544	\$ 467,633

<b>Receivables</b>						Allowance for	Total
<b>Business-type activities:</b>	Accounts	Interest	Taxes	Loans	Due From Other Govts	uncollectibles	Business-type Activities
Regional Medical Center	\$ 1,077,968	\$ -	\$ -	\$ -	\$ 112,991	\$ (1,019,418)	\$ 171,541
Waste Management	4,468	48	-	-	63	-	4,579
Housing Authority	267	-	-	73,981	2,352	(112)	76,488
Nonmajor funds	251	5	12	-	12	-	280
Total receivables	\$ 1,082,954	\$ 53	\$ 12	\$ 73,981	\$ 115,418	\$ (1,019,530)	\$ 252,888

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 7 – INTERFUND TRANSACTIONS**

**(a) Interfund Receivables/ Payables**

The composition of interfund balances as of June 30, 2014 is as follows (In thousands):

*Due to/from other funds :*

Payable Fund	Receivable Fund			
	General Fund	Transportation	Flood Control	Teeter Debt Service
General Fund				
Delinquent property tax	\$ -	\$ -	\$ -	\$ 35
Interfund activity	1	208	-	-
<b>Total general fund</b>	-	-	-	-
Transportation				
Interfund activity	236	-	-	-
<b>Total transportation</b>	-	-	-	-
Flood Control				
Interfund activity	-	-	-	-
<b>Total Flood Control</b>	-	-	-	-
Teeter Debt Service				
Delinquent property tax	250	-	-	-
Interfund activity	8,475	-	-	-
<b>Total teeter debt service</b>	-	-	-	-
Other Governmental Funds				
Interfund activity	985	-	-	-
<b>Total other governmental funds</b>	-	-	-	-
Regional Medical Center				
Law enforcement	624	-	-	-
<b>Total Regional Medical Center</b>	-	-	-	-
Other Enterprise Funds				
Interfund activity	-	-	2	-
<b>Total other enterprise funds</b>	-	-	-	-
Internal Service Funds				
Interfund activity	586	-	11	-
<b>Total internal service funds</b>	-	-	-	-
<b>Total receivable</b>	<b>\$ 11,157</b>	<b>\$ 208</b>	<b>\$ 13</b>	<b>\$ 35</b>

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 \$3.3 million to the Economic Development Agency for the internal service fund start up costs.

The general fund advanced \$2.5 million to RCIT for technology initiative costs.

Workers compensation fund advanced \$2.0 million to public facilities capital project improvement fund for East County Detention Center.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

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

Receivable Fund					
Other Governmental Funds	Other Enterprise Funds	Internal Service Funds	Total Payable		
				General Fund	
\$ -	\$ -	\$ -	\$ 35	Delinquent property tax	
-	-	4	213	Interfund activity	
-	-	-	248	<b>Total general fund</b>	
				Transportation	
2	-	-	238	Interfund activity	
-	-	-	238	<b>Total transportation</b>	
				Flood Control	
-	-	59	59	Interfund activity	
-	-	-	59	<b>Total Flood Control</b>	
				Teeter Debt Service	
-	-	-	250	Delinquent property tax	
-	-	-	8,475	Interfund activity	
-	-	-	8,725	<b>Total teeter debt service</b>	
				Other Governmental Funds	
-	-	-	985	Interfund activity	
-	-	-	985	<b>Total other governmental funds</b>	
				Regional Medical Center	
-	-	-	624	Law enforcement	
-	-	-	624	<b>Total Regional Medical Center</b>	
				Other Enterprise Funds	
-	1	-	3	Interfund activity	
-	-	-	3	<b>Total other enterprise funds</b>	
				Internal Service Funds	
-	-	17	614	Interfund activity	
-	-	-	614	<b>Total internal service funds</b>	
<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 80</u>	<u>\$ 11,496</u>	<b>Total receivable</b>	

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

Waste Management advance \$24.0 million to public facilities capital project improvement fund for East County Detention Center.

Waste Management advanced \$25.9 million to RMC for Huron Consulting Services.

Waste Management advanced \$5.0 million to general fund to assist with the acquisition of property for Western Riverside County Regional Conservation Authority

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Transfers**

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

Transfer Out	Transfers In				
	General Fund	Transportation	Flood Control	Teeter Debt Service	Public Facilities Improvements Capital Projects
<b>General Fund</b>					
Capital projects	\$ -	\$ -	\$ -	\$ -	\$ 4,799
Debt service	-	-	-	696	-
Operating contribution	-	-	-	-	-
Pension obligation	-	-	-	-	-
Reimbursement	-	2,421	-	-	-
<b>Total general fund</b>	-	-	-	-	-
<b>Transportation</b>					
Capital projects	-	-	-	-	1,285
Pension obligation	-	-	-	-	-
Reimbursement	2,775	-	-	-	-
<b>Total transportation</b>	-	-	-	-	-
<b>Flood Control</b>					
Operating contribution	-	-	-	-	-
Reimbursement	-	-	-	-	-
<b>Total Flood Control</b>	-	-	-	-	-
<b>Teeter Debt Service</b>					
Reimbursement	333	-	-	-	-
<b>Total teeter debt service</b>	-	-	-	-	-
<b>Public Facilities Improvements Capital Projects</b>					
Capital projects	29,908	10,380	-	-	-
Reimbursement	3,227	-	-	-	-
<b>Total public facilities imprv cap prog</b>	-	-	-	-	-
<b>Other Governmental Funds</b>					
Capital projects	-	41	-	-	172
Debt service	-	-	-	-	-
Fire	47,453	-	-	-	-
Pension obligation	166	-	-	-	-
Reimbursement	10,656	1,766	-	-	-
<b>Total other governmental funds</b>	-	-	-	-	-
<b>Regional Medical Center</b>					
Pension obligation	-	-	-	-	-
<b>Total Regional Medical Center</b>	-	-	-	-	-
<b>Waste Management</b>					
Pension obligation	-	-	-	-	-
<b>Total Waste Management</b>	-	-	-	-	-
<b>Housing Authority</b>					
Pension obligation	-	-	-	-	-
<b>Total Housing Authority</b>	-	-	-	-	-
<b>Other Enterprise Funds</b>					
Reimbursement	-	-	-	-	-
<b>Total other enterprise funds</b>	-	-	-	-	-
<b>Internal Service Funds</b>					
Business services	-	-	-	-	-
Pension obligation	-	-	-	-	-
Reimbursement	499	-	2,932	-	-
<b>Total internal service funds</b>	-	-	-	-	-
<b>Total transfers in</b>	<u>\$ 95,017</u>	<u>\$ 14,608</u>	<u>\$ 2,932</u>	<u>\$ 696</u>	<u>\$ 6,256</u>

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, 2014**

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

**Transfers (Continued)**

**(b) Between Governmental and Business-type Activities:**

Transfers In						
Other Governmental Funds	Regional Medical Center	Other Enterprise Funds	Internal Service Funds	Total Transfers Out		
						General Fund
\$ 7,930	\$ -	\$ -	\$ -	\$ 12,729		Capital projects
43,438	-	-	-	44,134		Debt service
-	10,000	-	-	10,000		Operating contribution
23,863	-	-	-	23,863		Pension obligation
7,771	1	-	102	10,295		Reimbursement
-	-	-	-	101,021		<b>Total general fund</b>
						Transportation
-	-	-	-	1,285		Capital projects
922	-	-	-	922		Pension obligation
39	-	-	-	2,814		Reimbursement
-	-	-	-	5,021		<b>Total transportation</b>
						Flood Control
1	-	-	-	1		Operating contribution
900	-	-	146	1,046		Reimbursement
-	-	-	-	1,047		<b>Total Flood Control</b>
						Teeter Debt Service
-	-	-	-	333		Reimbursement
-	-	-	-	333		<b>Total teeter debt service</b>
						Public Facilities Improvements Capital Projects
2,059	5,000	-	-	47,347		Capital projects
2	-	-	1	3,230		Reimbursement
-	-	-	-	50,577		<b>Total public facilities imprv cap prog</b>
						Other Governmental Funds
-	-	-	-	213		Capital projects
25,216	-	-	-	25,216		Debt service
-	-	-	-	47,453		Fire
617	-	-	-	783		Pension obligation
8,926	-	-	-	21,348		Reimbursement
-	-	-	-	95,013		<b>Total other governmental funds</b>
						Regional Medical Center
4,934	-	-	-	4,934		Pension obligation
-	-	-	-	4,934		<b>Total Regional Medical Center</b>
						Waste Management
256	-	-	-	256		Pension obligation
-	-	-	-	256		<b>Total Waste Management</b>
						Housing Authority
192	-	-	-	192		Pension obligation
-	-	-	-	192		<b>Total Housing Authority</b>
						Other Enterprise Funds
-	-	15	-	15		Reimbursement
-	-	-	-	15		<b>Total other enterprise funds</b>
						Internal Service Funds
-	-	-	5,965	5,965		Business services
1,873	-	-	-	1,873		Pension obligation
-	-	26	-	3,457		Reimbursement
-	-	-	-	11,295		<b>Total internal service funds</b>
<u>\$ 128,939</u>	<u>\$ 15,001</u>	<u>\$ 41</u>	<u>\$ 6,214</u>	<u>\$ 269,704</u>		<b>Total transfers in</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2014 was as follows (In thousands):

	Balance July 1, 2013	Prior Period Adjustments	Additions	Retirements	Transfers	Balance June 30, 2014
<b>Governmental activities:</b>						
<i>Capital assets, not being depreciated:</i>						
Land & easements	\$ 469,522	\$ -	\$ 39,108	\$ (641)	\$ -	\$ 507,989
Construction in progress	815,227	-	171,771	-	(111,467)	875,531
Total capital assets, not being depreciated	1,284,749	-	210,879	(641)	(111,467)	1,383,520
<i>Capital assets, being depreciated:</i>						
Infrastructure						
Flood channels	259,922	-	-	-	-	259,922
Flood storm drains	388,658	-	8,219	-	1,082	397,959
Flood dams and basins	31,215	-	-	-	2,753	33,968
Roads	1,631,202	-	43,833	-	-	1,675,035
Traffic signals	18,973	-	-	-	-	18,973
Bridges	105,200	-	300	-	-	105,500
Runways	22,148	-	-	-	2,031	24,179
Communication towers		-	-	-	16,146	16,146
Parks trails and improvements	12,285	-	-	-	2	12,287
Land improvements	110	-	-	-	-	110
Structures and improvements	1,470,922	-	29,635	(4,041)	32,518	1,529,034
Equipment	412,980	-	56,707	(21,214)	57,014	505,487
Total capital assets, being depreciated	4,353,615	-	138,694	(25,255)	111,546	4,578,600
Less accumulated depreciation for:						
Infrastructure	(1,054,516)	-	(70,438)	-	-	(1,124,954)
Land improvements	(23)	-	(1)	-	-	(24)
Structures and improvements	(367,608)	-	(33,136)	1,362	-	(399,382)
Equipment	(302,825)	-	(30,559)	20,098	(79)	(313,365)
Total accumulated depreciation	(1,724,972)	-	(134,134)	21,460	(79)	(1,837,725)
Total capital assets, being depreciated, net	2,628,643	-	4,560	(3,795)	111,467	2,740,875
Governmental activities capital assets, net	\$ 3,913,392	\$ -	\$ 215,439	\$ (4,436)	\$ -	\$ 4,124,395



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

Capital asset activity for the year ended June 30, 2014 was as follows (In thousands):

	Balance July 1, 2013	Prior Period Adjustments	Additions	Retirements	Transfers	Balance June 30, 2014
<b>Business-type activities:</b>						
<i>Capital assets, not being depreciated:</i>						
Land & easements	\$ 21,358	\$ -	\$ 4,419	\$ -	\$ -	\$ 25,777
Construction in progress	65,006	-	28,482	(1,505)	(39,455)	52,528
Concession arrangements	8,830	-	-	-	-	8,830
Total capital assets, not being depreciated	95,194	-	32,901	(1,505)	(39,455)	87,135
<i>Capital assets, being depreciated:</i>						
Land improvements	11,662	-	-	-	-	11,662
Infrastructure-landfill liners	55,226	-	-	-	11,824	67,050
Infrastructure-other	23,501	-	66	-	1,065	24,632
Structures and improvements	219,914	-	1,024	-	2,732	223,670
Equipment	80,401	425	4,382	(1,792)	23,755	107,171
Total capital assets, being depreciated	390,704	425	5,472	(1,792)	39,376	434,185
Less accumulated depreciation for:						
Land improvements	(8,582)	-	(582)	-	-	(9,164)
Infrastructure-landfill liners	(26,653)	-	(2,735)	-	-	(29,388)
Infrastructure-other	(8,230)	-	(1,128)	-	-	(9,358)
Structures and improvements	(98,858)	-	(6,020)	-	-	(104,878)
Equipment	(68,283)	(425)	(6,067)	1,642	79	(73,054)
Total accumulated depreciation	(210,606)	(425)	(16,532)	1,642	79	(225,842)
Total capital assets, being depreciated, net	180,098	-	(11,060)	(150)	39,455	208,343
Business-type activities capital assets, net	\$ 275,292	\$ -	\$ 21,841	\$ (1,655)	\$ -	\$ 295,478

**Depreciation**

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

General government	\$ 32,088
Public protection	16,648
Health and sanitation	1,376
Public assistance	973
Public ways and facilities	63,238
Recreation and culture	1,107
Education	3,418
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	15,286
Total depreciation expense – governmental functions	<u>\$ 134,134</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

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

Regional Medical Center	\$ 9,947
Waste Management	5,150
Housing Authority	1,425
County Service Areas	3
Flood Control	7
Total depreciation expense – business-type functions	<u>\$ 16,532</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	88,506	-
Equipment	79,608	12,503
Less: Accumulated amortization	<u>(54,052)</u>	<u>(9,573)</u>
Total leased property, net	<u>\$ 116,285</u>	<u>\$ 2,930</u>

**Discretely Presented Component Unit**

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2014 was as follows (In thousands):

	Balance July 1, 2013	Additions	Retirements	Balance June 30, 2014
Capital assets, not being depreciated:				
Land	\$ -	\$ 373	\$ -	\$ 373
Construction in progress	-	19	-	19
Total capital assets, not being depreciated	<u>-</u>	<u>392</u>	<u>-</u>	<u>392</u>
Capital assets, being depreciated				
Building and improvements	-	1,868	-	1,868
Machinery and equipment	44	11	-	55
Total capital assets, being depreciated	<u>44</u>	<u>1,879</u>	<u>-</u>	<u>1,923</u>
Less accumulated depreciation for:				
Building and improvements	-	(7)	-	(7)
Machinery and equipment	(44)	(2)	-	(46)
Total accumulated depreciation	<u>(44)</u>	<u>(9)</u>	<u>-</u>	<u>(53)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>1,870</u>	<u>-</u>	<u>1,870</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ 2,262</u>	<u>\$ -</u>	<u>\$ 2,262</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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 Number 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 assets (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 SCA 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 of Riverside 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.

**Edom Hill Transfer Station**

On November 2, 2002, the Waste Management Department 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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

A summary of the important details and capital assets pertaining to this SCA can be found 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	43 years	6/30/2044	Greater of \$300 or 7.0% of gross receipts earned from operation of the RV park.	-
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 SCA for the year ended June 30, 2014 and over the term of the agreement are as follows: (In thousands)

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

The deferred inflows of resources activity for the SCA for the year ended June 30, 2014 are as follows: (In thousands)

	<b>Balance July 1, 2013</b>	<b>Additions/ Restatements</b>	<b>Amortization<sup>1</sup></b>	<b>Balance June 30, 2014</b>
<b>SCA Capital Assets</b>				
McIntyre Park Campground <sup>2</sup>	\$ -	\$ -	\$ -	\$ -
Riviera RV Resort <sup>2</sup>	-	-	-	-
Edom Hill Transfer Station	8,396	-	(434)	7,962
Total Deferred inflows	<u>\$ 8,396</u>	<u>\$ -</u>	<u>\$ (434)</u>	<u>\$ 7,962</u>

<sup>1</sup> Amortization calculate using 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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

State and federal laws and regulations require Waste Management 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 Management will recognize the remaining estimated cost of \$19.3 million as the remaining estimated capacity of 15.0 million tons is filled. Waste Management expects all currently permitted landfill capacities to be filled by 2087. The total estimate of \$67.4 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.

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

Facility Name (City)	Cumulative Expense	Capacity Used as of June 30, 2014 %	Estimated Years Remaining
Anza (Anza)	\$ 1,525	100.0	-
Badlands (Moreno Valley)	12,826	60.7	10
Blythe (Blythe)	8,294	36.7	33
Coachella (Coachella)	3,559	100.0	-
Desert Center (Desert Center)	1,558	69.6	73
Double Butte (Winchester)	2,049	100.0	-
Edom Hill (Cathedral City)	7,798	100.0	-
Highgrove (Riverside)	1,828	100.0	-
Lamb Canyon (Beaumont)	19,136	56.8	7
Mead Valley (Perris)	3,284	100.0	-
Mecca II (Mecca)	3,657	99.4	23
Oasis (Oasis)	<u>1,926</u>	84.7	49
	<u>\$ 67,440</u>		

Waste Management 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.

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 Management 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 Management and the CalRecycle. Waste Management complies with these requirements and investments of \$29.2 million are held for these purposes at June 30, 2014 and are classified as restricted assets in the statement of net position. Waste Management expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional 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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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, 2014 (In thousands):

Year Ending June 30	
2015	\$ 36,558
2016	29,931
2017	25,292
2018	14,127
2019	7,690
2020-2024	15,702
2025-2029	1,305
2030-2034	1,326
2035-2039	1,023
2040-2044	443
Total Minimum Payments	<u>\$ 133,397</u>

Total rental expenditure/expense for the year ended June 30, 2014 was \$109.5 million, of which \$12.8 million was recorded in the enterprise funds.

**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, 2014 of advances from grantors and third parties are as follows (In thousands):

	Balance June 30, 2014
<b>General Fund:</b>	
Advances on state grants for probation services	\$ 41,581
Advances on state & federal grants for mental health services	131,481
Advances on state grants & other 3rd party advances for public health services	10,835
Advances on state funding for social services	71,035
Advances on state & federal grants for sheriff services	8,240
Advances on state grants & other 3rd party advances for environmental health services	1,982
Advances on state grants for district attorney services	1,925
Advances from flood control and water conservation district for permits	1,095
Advances on candidate statements for registrar of voters	220
Other advances	505
Total general fund	<u>\$ 268,899</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 12 – ADVANCES FROM GRANTORS AND THIRD PARTIES (Continued)**

The balance as of June 30, 2014 of advances from grantors and third parties are as follows (In thousands):

**Transportation Special Revenue Fund:**

Developer fees	6,224
Senate Bill (SB) 621 Indian gaming	1,028
Advances from developers for median projects	4,144
Survey fees	1,014
Utility relocation	260
Mitigation fees	1,308
Comprehensive transportation plan	17
Plan review and inspection fees	547
Deposit based fees	277
Total transportation special revenue fund	<u>14,819</u>

**Flood Special Revenue Fund:**

Advances for flood control projects	<u>545</u>
Total flood special revenue fund	<u>545</u>

**Other Governmental Funds:**

Camping and recreation fees	563
Advance from state for community service block grant	290
Advance from state for the employment training panel project	22
Advance from 3rd parties for recreational events	14
Lease revenue from Library Systems & Services Inc.	208
Advance from state for bio-terrorism programs	351
Advances for aviation projects	12
Total other governmental funds	<u>1,460</u>
<b>Grand total of advances from grantors and third parties</b>	<u><u>\$ 285,723</u></u>

**NOTE 13 – SHORT-TERM DEBT**

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

On October 16, 2013, the County issued \$119.8 million of tax exempt TRAN, which will be repaid on October 15, 2014. The notes were issued with a yield rate of 0.20% for Series Bond D and 0.37% for Series Bond E. This was 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 Commercial Paper 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 Commercial Paper Notes (Teeter notes). During fiscal year 2013-14, the County retired \$67.6 million of the \$142.8 million principal amount outstanding at June 30, 2013. The County then issued \$44.3 million of Series E notes, leaving an outstanding balance of \$119.5 million at June 30, 2014.

Short-term debt activity for the year ended June 30, 2014, was as follows (In thousands):

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
Fiscal year 2013-14				
TRANs	\$ -	\$ 119,770	\$ (119,770)	\$ -
Teeter notes	142,840	44,258	(67,636)	119,462
Total	<u>\$ 142,840</u>	<u>\$ 164,028</u>	<u>\$ (187,406)</u>	<u>\$ 119,462</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 14 – LONG-TERM OBLIGATIONS**

Long-term obligations of the County consist of capital lease obligations, bonds, notes, and other liabilities which are payable from the general, debt service, enterprise, and internal service funds. The calculated legal debt limit for the County is \$2.6 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, 2014 (In thousands):

<b>Fiscal 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>
2015	\$ 6,316	\$ 14,790	\$ 21,106	\$ 2,340
2016	6,307	11,711	18,018	868
2017	6,313	6,015	12,328	478
2018	6,310	4,223	10,533	214
2019	6,309	3,549	9,858	55
2020-2024	18,921	4,261	23,182	-
2025-2029	-	493	493	-
Total minimum payments	50,476	45,041	95,517	3,955
Less amount representing interest	(11,053)	(4,642)	(15,695)	(101)
Present value of net minimum lease payments	<u>\$ 39,423</u>	<u>\$ 40,399</u>	<u>\$ 79,822</u>	<u>\$ 3,854</u>

The statement of net position includes the Palm Desert Financing Authority capital lease of \$39.4 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.

The following schedules provide details of all certificates of participation, bonds payable, and notes payable for the County of Riverside that are outstanding as of June 30, 2014 (In thousands):

<b>Type of Indebtedness</b>	<b>Original Borrowing</b>	<b>Interest Rates to Maturity</b>	<b>Final Maturity</b>	<b>Outstanding at June 30, 2014</b>
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**Governmental activities:**

**Certificate of participations**

**CORAL**

1985 Serial Certificates	\$ 169,400	Variable	2015	\$ 28,000
1990 Monterey Avenue: Serial Certificates	8,800	Variable	2020	4,400
2005A - Capital Improvement & Family Law Court Refunding: Serial Certificates	28,495	3.00% - 5.00%	2025	20,165



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

<b>Type of Indebtedness</b>	<b>Original Borrowing</b>	<b>Interest Rates to Maturity</b>	<b>Final Maturity</b>	<b>Outstanding at June 30, 2014</b>
<b>Certificate of Participation (Continued)</b>				
2005A - Capital Improvement & Family Law Court Refunding: Term Certificate	\$ 9,905	5.00%	2033	\$ 9,905
2005A - Capital Improvement & Family Law Court Refunding: Term Certificate	13,265	5.00%	2036	13,265
2005B - Historic Courthouse Refunding: Serial Certificates	18,835	3.00% - 5.00%	2025	14,250
2005B - Historic Courthouse Refunding: Term Certificates	3,775	5.00%	2027	3,775
2006 Series A - Capital Improvement Project: Serial Certificates	16,425	3.75% - 5.13%	2026	12,530
2006 Series A - Capital Improvement Project: Term Certificates	7,130	4.75%	2031	7,130
2006 Series A - Capital Improvement Project: Term Certificates	7,050	5.00%	2035	7,050
2006 Series A - Capital Improvement Project: Term Certificates	4,070	4.63%	2037	4,070
2007 Series A - Public Safety Communication and Refunding Projects	73,775	4.00%-5.00%	2017	3,045
2007 Series B - Public Safety Communication and Refunding Projects	37,350	Auction Rate	2021	37,350
2009 Series A - Public Safety Communication and Woodcrest Library Refunding Projects	45,685	Variable	2039	45,345
2009 Larson Justice Center Refunding: Serial Certificates	24,680	2.00%-5.00%	2021	18,800
Total CORAL	468,640			229,080
<b><u>Court Financing Corpotation</u></b>				
Bankruptcy Courthouse: Acquisition Project Term Certificate	16,120	7.50%	2020	7,290
Total Court Financing Corporaton	16,120			7,290
<b><u>District Court Financing Corporation</u></b>				
U.S. District Court Project: Term/Series 1999	2,165	7.59%	2017	2,165
U.S. District Court Project: Term/Series 1999	17,635	1.93%	2015	1,658
U.S. District Court Project: Term/Series 2002	925	3.00%	2020	400
Total District Court Financing Corporation	20,725			4,223
<b>Total certificate of participations</b>	<b>\$ 505,485</b>			<b>\$ 240,593</b>
<b>Bonds payable</b>				
<b><u>CORAL</u></b>				
2012 CAC Annex Refunding Project	\$ 33,360	2.00%-5.00%	2031	\$ 30,680
2008 A Southwest Justice Center: Term Certificate	78,895	5.16%	2032	78,895
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	66,015
2014 Lease Refunding Court Facilities Project, Series A	10,890	2.00%-5.00%	2033	10,890
2014 Lease Refunding Court Facilities Project, Series B	7,605	.55%-2.73%	2019	7,605
Total CORAL	198,498			195,818

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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, 2014</u>
<b>Bonds payable (continued)</b>				
<b><u>Taxable Pension Obligation Bonds</u></b>				
Pension Obligation Bonds (Series 2005-A)	\$ 400,000	4.91%-5.04%	2035	\$ 334,510
Total Taxable Pension Obligation Bonds	<u>400,000</u>			<u>334,510</u>
<b><u>Inland Empire Tobacco Securitization Authority</u></b>				
Series 2007 A	87,650	4.63%-5.10%	2021	57,144
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	<u>27,076</u>	8.00%	2057	<u>27,076</u>
Total Inland Empire Tobacco Securitization Authority	<u>294,084</u>			<u>263,578</u>
<b><u>Riverside County Public Financing Authority</u></b>				
Series 2012	<u>17,640</u>	3.00% - 5.00%	2021	<u>16,280</u>
Total Riverside County Public Financing Authority	<u>17,640</u>			<u>16,280</u>
<b>Total bonds payable</b>	<b><u>\$ 910,222</u></b>			<b><u>\$ 810,186</u></b>
<b>Loans payable</b>				
<b><u>CORAL</u></b>				
2011 Monroe Park Building Refunding	\$ 5,535	3.54%	2021	\$ 3,890
Total 2011 Monroe Park Building Refunding	<u>5,535</u>			<u>3,890</u>
<b>Total loans payable</b>	<b><u>\$ 5,535</u></b>			<b><u>\$ 3,890</u></b>
<b>Total governmental activities</b>	<b><u>\$ 1,421,242</u></b>			<b><u>\$ 1,054,669</u></b>
<b>Business-type activities:</b>				
<b>Bonds payable</b>				
<b><u>Regional Medical Center</u></b>				
1997 A Serial Capital Appreciation Bonds (net of future capital appreciation of \$130.5 million)	\$ 41,170	5.70% - 6.01%	2026	\$ 35,301
1997 Term bond (Series C)	1,532	5.81%	2019	872
2012 Term bond (Series A)	87,510	2.00%-5.00%	2029	92,993
2012 Term bond (Series B)	<u>3,020</u>	3.25%	2019	<u>2,890</u>
Total Regional Medical Center	<u>133,232</u>			<u>132,056</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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, 2014</u>
<b>Bonds payable (Continued)</b>				
<b><u>Housing Authority</u></b>				
1998 Series A: Term Bonds	\$ 2,405	6.85%	2018	\$ 885
Total Housing Authority	2,405			885
<b>Total bonds payable</b>	<b>\$ 135,637</b>			<b>\$ 132,941</b>
<b>Total business-type activities</b>	<b>\$ 135,637</b>			<b>\$ 132,941</b>

**Discretely Presented Component Unit:**

**Bonds payable**

**Palm Desert Financing Authority**

2008 Lease Revenue Bond Series A: Serial Certificate	\$ 43,845	4.00%-5.50%	2018	\$ 22,619
2008 Lease Revenue Bond Series A: Term Certificate	28,600	6.00%	2022	28,600
Total Palm Desert Financing Authority	72,445			51,219
<b>Total bonds payable</b>	<b>\$ 72,445</b>			<b>\$ 51,219</b>
<b>Total discretely presented component unit</b>	<b>\$ 72,445</b>			<b>\$ 51,219</b>

As of June 30, 2014, annual debt service requirements of governmental activities to maturity are as follows (In thousands):

<b>Governmental</b> Fiscal Year Ending June 30	<b>Loans Payable</b>		<b>Certificates of Participation</b>	
	Principal	Interest	Principal	Interest
2015	\$ 540	\$ 133	\$ 30,433	\$ 12,124
2016	560	114	32,433	9,288
2017	585	94	18,182	7,711
2018	605	73	18,110	7,398
2019	620	51	19,800	6,387
2020-2024	980	35	60,810	19,689
2025-2029	-	-	24,815	11,590
2030-2034	-	-	18,920	6,490
2035-2039	-	-	16,670	1,569
2040-2044	-	-	420	8
<b>Total</b>	<b>\$ 3,890</b>	<b>\$ 500</b>	<b>\$ 240,593</b>	<b>\$ 82,254</b>

<b>Governmental</b> Fiscal Year Ending June 30	<b>Bonds Payable</b>	
	Principal	Interest
2015	\$ 31,480	\$ 28,903
2016	23,350	31,594
2017	25,640	30,351
2018	105,614	28,048
2019	32,278	24,497
2020-2024	192,940	87,096
2025-2029	92,380	45,105
2030-2034	94,355	24,185
2035-2039	73,652	10,340
2040-2044	18,620	2,884
2045-2049	29,653	1,945
2050-2054	-	-
2055-2059	90,224	4,671
<b>Total</b>	<b>\$ 810,186</b>	<b>\$ 319,619</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

As of June 30, 2014, annual debt service requirements of business-type activities to maturity are as follows (In thousands):

<b>Business-type</b> Fiscal Year Ending June 30	<b>Bonds Payable</b>		<b>Other Long-term Liabilities</b>	
	Principal	Interest	Principal	Interest
2015	\$ 12,851	\$ 6,880	\$ -	\$ -
2016	13,464	6,952	6,795	-
2017	14,686	6,465	-	-
2018	14,307	5,988	-	-
2019	11,651	8,631	-	-
2020-2024	22,023	82,194	-	-
2025-2029	29,231	37,718	-	-
2030-2034	9,535	381	-	-
Total requirements	127,748	155,209	6,795	-
Bond discount/premium, net	5,848	-	-	-
Loss on defeasance (net)	(655)	-	-	-
<b>Total</b>	<b>\$ 132,941</b>	<b>\$ 155,209</b>	<b>\$ 6,795</b>	<b>\$ -</b>

<b>Discretely Presented Component Unit</b> Fiscal Year Ending June 30	<b>Bonds Payable</b>	
	Principal	Interest
2015	\$ 5,325	\$ 2,940
2016	5,580	2,673
2017	5,880	2,380
2018	6,200	2,057
2019	6,540	1,716
2020-2022	22,060	2,699
Total requirements	51,585	14,465
Bond discount/premium, net	(366)	-
<b>Total</b>	<b>\$ 51,219</b>	<b>\$ 14,465</b>

**Accreted Interest Payable**

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2014 (In thousands):

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014
<b><u>Governmental Activities:</u></b>				
<i><b>Certificates of Participation:</b></i>				
Court Financing (U.S. District Court Project)	\$ 4,037	\$ 479	\$ -	\$ 4,516
<i><b>Bonds:</b></i>				
Inland Empire Tobacco Securitization Authority	90,624	16,483	-	107,107
Total governmental-type activities	<u>\$ 94,661</u>	<u>\$ 16,962</u>	<u>\$ -</u>	<u>\$ 111,623</u>
<b><u>Business-type Activities:</u></b>				
<i><b>Lease Revenue Bonds:</b></i>				
Regional Medical Center (1997A Hosp)	\$ 61,113	\$ 5,990	\$ (4,322)	\$ 62,781
Total business-type activities	<u>\$ 61,113</u>	<u>\$ 5,990</u>	<u>\$ (4,322)</u>	<u>\$ 62,781</u>

The accreted interest payable balances at June 30, 2014 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, 2014**

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

**Accreted Interest Payable (Continued)**

The increases of \$17.0 million and \$1.7 million represent current year's accretion for governmental activities and business-type activities respectively. The accumulated accretion for business-type activities is \$62.8 million at June 30, 2014. The accumulated accretion for U.S. District Court Financing and the Inland Empire Tobacco Securitization Authority in governmental activities is \$111.6 million. The un-accreted balances at June 30, 2014 are \$58.4 million for the 1997-A Hospital Riverside County Regional Medical Center (RCRMC) project, \$2.7 million for the U.S. District Court, and \$3.4 billion for the Inland Empire Tobacco Securitization Authority Capital Appreciation Bonds.

**Bonds, Certificates of Participation / Refunding**

On July 1, 2013, Riverside Asset Leasing Corporation issued \$66.0 million in lease revenue bonds. The Series 13A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) are being issued to acquire, construct, improve, furnish and equip buildings that will house the offices for the County of Riverside's Public Defender, Probation Department and Information and Technology Department. The new bonds have an interest rate of 3.0% to 5.0%.

In June 2014, CORAL issued \$18.5 million in lease revenue bonds. The Series 2014 A and B are being issued to provide funds to: currently refund and defease all of the outstanding Taxable Refunding Certificates of Participation (Historic Courthouse Project) 2003 Series A, currently refund and defease all the outstanding County of Riverside Refunding Certificates of Participation (capital facilities projects), 2003 Series B, advance refund and defease all of the outstanding Taxable Refunding Certificates of Participation (Bankruptcy Court Project), Series 2003, and pay costs of issuance in connection with the issuance and delivery of the Series 2014 Bonds. The new bonds have an interest rate of 2.0% to 4.0%.

**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 Historic Courthouse Certificates of Participation. Accordingly, the refunded certificates have been eliminated and the advance refunding certificates have been included in the financial statements. The amount of the defeased debt outstanding at June 30, 2014, was \$705.0 thousand.

On December 2009, CORAL issued \$24.7 million certificates of participation (2009 Larson Justice Center Project Refunding COP) to provide funds to refund and prepay the certificates of participation relating to 1998 Larson Justice Center Project with an outstanding principal amount of \$23.7 million; to fund the reserve fund; and to pay certain cost 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 certificates of participation (2009 Public Safety Communication and Woodcrest Library Projects Refunding COP) 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 cost 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 cost 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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Defeasance of Debt (Continued)**

On 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, and 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.

In July 2012, CORAL issued \$90.5 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 cost of issuance incurred in connection with this refunding. The refunding resulted in a redemption premium of \$639.6 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.

In June 2014, CORAL issued \$18.5 million in lease revenue bonds (2014 A & B Court Facilities Project) to provide funds mainly to refund in 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 cost 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 \$3.4 in future debt service payments.

**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 \$34.2 million of Mortgage Revenue Bonds have been issued and \$29.7 million is outstanding as of June 30, 2014. 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 \$70.8 million at June 30, 2014, 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, 2014**

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

**Special Assessment Bonds (Continued)**

The Flood Control has issued special assessment bonds, totaling \$1.7 million as June 30, 2014, 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 Finance 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 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 2008A 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 2014-2015. 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 \$278.7 thousand for the year ended June 30, 2014.

*Fair Value:* As of June 30, 2014 and 2013, the swap had a negative fair value of \$25.7 million and \$26.8 million, respectively, an increase in fair value of \$1.1 million occurred during the fiscal year 2013-14. The fair value was recorded in the County's statement of net position as interest rate swap liability and deferred outflow in the assets section. Because the coupons on the Southwest Justice Center Series 2008A 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, 2014.

*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 swaps will be fully collateralized by the counterparty.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Interest Rate Swap (Continued)**

*Basis Risks:* The swap exposes CORAL to basis risk should the relationship between London Interbank Offered Rate (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, 2014, CORAL's rate was 64.0% of LIBOR, or 0.1%, whereas Municipal Swap Index or the reset rate on bonds was 0.1%. The synthetic rate on the bonds at June 30, 2014 was 5.2%.

*Termination Risks:* CORAL always has the right to terminate the swaps. 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 swaps 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 swaps are terminated, the variable rate bonds would no longer carry synthetic interest rates. Also, if at the time of termination the swaps had negative fair values, CORAL, would be liable to Wells Fargo Bank, N.A. for a payment equal to the swaps' fair values.

*Swap Payment and Associated Debt:* Using rates as of June 30, 2014, 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):

Fiscal Year Ending June 30, 2014	Variable Rate Bonds		Net Swap Payments	Total Interest
	Principal	Interest		
2015	\$ -	\$ 1,099	\$ 2,835	\$ 3,934
2016	2,470	1,078	2,781	3,859
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
2020-2024	18,095	4,054	10,460	14,514
2025-2029	23,370	2,563	6,611	9,174
2030-2034	23,780	679	1,745	2,424
	<u>\$ 76,300</u>	<u>\$ 12,471</u>	<u>\$ 32,167</u>	<u>\$ 44,638</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, 2014 (In thousands):

	Balance June 30, 2013	New Additions	Payments / Reclass	Balance June 30, 2014	Amounts Due Within One Year
<b>Governmental activities:</b>					
Debt long-term liabilities:					
Bonds payable	\$ 744,460	\$ 84,510	\$ (18,784)	\$ 810,186	\$ 31,480
Capital lease obligations	67,748	30,158	(18,084)	79,822	17,252
Certificates of participation	282,095	-	(41,502)	240,593	30,433
Loans payable	4,420	-	(530)	3,890	540
Total debt long-term liabilities	<u>1,098,723</u>	<u>114,668</u>	<u>(78,900)</u>	<u>1,134,491</u>	<u>79,705</u>
Other long-term liabilities:					
Accreted interest payable	94,661	16,962	-	111,623	-
Compensated absences (a)	165,728	30,453	(1,536)	194,645	101,615
Estimated claims liabilities (b)	130,919	49,424	(37,884)	142,459	34,262
Accrued remediation costs (c)	2,793	-	(219)	2,574	600
Total other long-term liabilities	<u>394,101</u>	<u>96,839</u>	<u>(39,639)</u>	<u>451,301</u>	<u>136,477</u>
Total governmental activities – long-term liabilities	<u>\$ 1,492,824</u>	<u>\$ 211,507</u>	<u>\$ (118,539)</u>	<u>\$ 1,585,792</u>	<u>\$ 216,182</u>

(a) General Fund, Special Revenue Fund, and Internal Service Fund 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, 2014**

**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, 2014 (In thousands):

	Balance June 30, 2013	New Additions	Payments / Reclass	Balance June 30, 2014	Amounts Due Within One Year
<b><u>Business-type activities:</u></b>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses	\$ 143,710	\$ -	\$(10,769)	\$ 132,941	\$ 12,851
Capital lease (RMC)	7,224	681	(4,051)	3,854	2,324
Total debt long-term liabilities	150,934	681	(14,820)	136,795	15,175
Other long-term liabilities:					
Accreted interest payable	61,113	5,990	(4,322)	62,781	216
Accrued closure and post-closure costs	54,125	1,345	-	55,470	263
Compensated absences	24,061	3,100	(2,996)	24,165	11,432
Accrued remediation costs	36,665	-	(721)	35,944	156
OPEB obligation, net	113	13	-	126	-
Other long-term liabilities (a)	6,795	-	-	6,795	-
Total other long-term liabilities	182,872	10,448	(8,039)	185,281	12,067
Total business-type activities – long-term liabilities	\$ 333,806	\$ 11,129	\$(22,859)	\$ 322,076	\$ 27,242
<b><u>Discretely Presented Component Unit</u></b>					
Debt long-term liabilities:					
Bonds payable	\$ 56,245	\$ -	\$(5,026)	\$ 51,219	\$ 5,325
Other long-term liabilities:					
Compensated absences	279	82	(204)	157	87
Total discretely presented component unit – long-term liabilities	\$ 56,524	\$ 82	\$(5,230)	\$ 51,376	\$ 5,412

(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 16.2% to the County and 83.8% to the Inland Empire Tobacco Securitization Authority for calendar year 2014. During the fiscal year ended June 30, 2014, \$19.3 million was received by the Inland Empire Tobacco Securitization Authority; \$10.0 million, or 51.9%, was distributed to the County per the above agreement, leaving \$9.3 million, or 48.1%, of the specific tobacco settlement revenues available to be pledged (see page 135). The County is under no obligation to make payments of the principal or accreted value of 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, 2014**

**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, which in fiscal year 2014 was \$135.0 thousand (principal) and \$83.0 thousand (interest).

The Housing Authority reports the \$218.0 thousand received each year as revenue. In fiscal year 2013-14, the \$218.0 thousand represented about 0.06% of the total expenses of the Housing Authority. MBIA Insurance Corporation has issued a surety bond in lieu of a cash funded reserve. The outstanding balance as of June 30, 2014, before applying the deferred charge, was \$885.0 thousand.

**Proposition 1A Borrowing by the State of California**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8.0% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in-lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2014. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the County, Flood Control and Park District was \$38.4 million, \$4.2 million and \$386.7 thousand, respectively.

Authorized with the fiscal year 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100.0% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The County participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 15 – DEFERRED 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 inflows of resources in the governmental 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 SB90 and Teeter tax loss reserve. SB90 is California SB 90 of 1972 which established a requirement that the State 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, 2014 were as follows (In thousands):

	Balance June 30, 2014
<b>Governmental activities:</b>	
General Fund:	
SB 90	\$ 40,740
Teeter tax loss reserve	19,706
Property tax	5,095
Sales tax	388
Total general fund	<u>65,929</u>
Flood Control Special Revenue Fund:	
Property tax	981
Special assessments	63
Total special revenue fund	<u>1,044</u>
Total governmental activities	<u>\$ 66,973</u>
<b>Business-type activities:</b>	
Housing Authority Fund:	
Grants received in advance	\$ 722
Waste Management Fund:	
Service concession arrangement	7,962
Total business-type activities	<u>\$ 8,684</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 16 – FUND BALANCES**

Fund balances that presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (See Note 1 for a description of each categories. A detailed schedule of fund balances as of June 30, 2014 is as follows (In thousands):

	<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>Fund balances:</b>					
<b>Nonspendable</b>					
Inventory	\$ 1,682	\$ 1,089	\$ -	\$ -	\$ 2,771
Prepaid items	-	-	-	-	-
Imprest cash	363	12	1	-	376
Permanent fund	-	-	-	-	-
<b>Total nonspendable</b>	<b>2,045</b>	<b>1,101</b>	<b>1</b>	<b>-</b>	<b>3,147</b>
<b>Restricted</b>					
Aging	-	-	-	-	-
Air quality planning	446	-	-	-	446
Auto theft interdiction	417	-	-	-	417
CAP local initiative program	-	-	-	-	-
Child support services	126	-	-	-	126
Code enforcement	81	-	-	-	81
Construction & capital projects	-	-	-	98,262	98,262
Court services	13,165	-	-	-	13,165
Debt services	1,674	-	-	-	1,674
Developer impact fees	1,090	-	-	-	1,090
District attorney	19,002	-	-	-	19,002
Domestic violence	1,390	-	-	-	1,390
Education	88	-	-	-	88
Emergency medical services	6,119	-	-	-	6,119
Equipment	-	676	-	-	676
Environmental health	268	-	-	-	268
Public facilities	285	-	-	23,636	23,921
Fire protection	-	-	-	1,950	1,950
Geographical info system	-	-	-	-	-
Hazmat	2,993	-	-	-	2,993
HUD/CDBG home grants	-	-	-	-	-
Humane services	203	-	-	-	203
Landscape maintenance	-	3,360	-	-	3,360
Libraries	-	-	-	-	-
Lightings maintenance	-	-	-	-	-
Mental health	7,220	-	-	-	7,220
Modernization	11,549	-	-	-	11,549
NPDES	-	-	-	-	-
Other purposes	3,559	-	-	-	3,559
Parks and recreation	-	-	-	12	12
Probation	113	-	-	-	113
Public assistance	2,701	-	-	-	2,701
Public defender	333	-	-	-	333
Public health	745	-	-	-	745
Public protection	-	-	-	-	-
Public safety revenue	29,089	-	-	-	29,089
Roads	-	58,731	-	-	58,731
Sheriff patrol	7,093	-	-	-	7,093
Teeter tax losses	7,846	-	-	-	7,846
<b>Total restricted</b>	<b>117,595</b>	<b>62,767</b>	<b>-</b>	<b>123,860</b>	<b>304,222</b>

Note: Encumbrances - see Note 23– Contingencies and Commitments

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

Nonmajor Funds						
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,771	<b>Fund balances:</b>
14	-	580	-	594	594	<b>Nonspendable</b>
106	-	-	-	106	482	Inventory
-	-	-	508	508	508	Prepaid items
<b>120</b>	<b>-</b>	<b>580</b>	<b>508</b>	<b>1,208</b>	<b>4,355</b>	Imprest cash
						Permanent fund
						<b>Total nonspendable</b>
						<b>Restricted</b>
544	-	-	-	544	544	Aging
-	-	-	-	-	446	Air quality planning
-	-	-	-	-	417	Auto theft interdiction
1,269	-	-	-	1,269	1,269	CAP local initiative program
-	-	-	-	-	126	Child support services
-	-	-	-	-	81	Code enforcement
-	-	27,262	-	27,262	125,524	Construction & capital projects
-	-	-	-	-	13,165	Court services
-	78,253	-	-	78,253	79,927	Debt services
-	-	-	-	-	1,090	Developer impact fees
-	-	-	-	-	19,002	District attorney
-	-	-	-	-	1,390	Domestic violence
198	-	-	-	198	286	Education
-	-	-	-	-	6,119	Emergency medical services
-	-	-	-	-	676	Equipment
-	-	-	-	-	268	Environmental health
-	-	-	-	-	23,921	Public facilities
5,072	-	-	-	5,072	7,022	Fire protection
1,144	-	-	-	1,144	1,144	Geographical info system
-	-	-	-	-	2,993	Hazmat
1,472	-	-	-	1,472	1,472	HUD/CDBG home grants
-	-	-	-	-	203	Humane services
-	-	-	-	-	3,360	Landscape maintenance
25,803	-	-	-	25,803	25,803	Libraries
7,004	-	-	-	7,004	7,004	Lightings maintenance
-	-	-	-	-	7,220	Mental health
-	-	-	-	-	11,549	Modernization
5,858	-	95	-	5,953	5,953	NPDES
2,286	-	-	-	2,286	5,845	Other purposes
805	-	1,418	-	2,223	2,235	Parks and recreation
-	-	-	-	-	113	Probation
1,102	-	-	-	1,102	3,803	Public assistance
-	-	-	-	-	333	Public defender
9,024	-	-	-	9,024	9,769	Public health
5,134	-	-	27	5,161	5,161	Public protection
-	-	-	-	-	29,089	Public safety revenue
6,578	-	-	-	6,578	65,309	Roads
1,791	-	-	-	1,791	8,884	Sheriff patrol
-	-	-	-	-	7,846	Teeter tax losses
<b>75,084</b>	<b>78,253</b>	<b>28,775</b>	<b>27</b>	<b>182,139</b>	<b>486,361</b>	<b>Total restricted</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

	<b>Major Funds</b>				
	<b>General Fund</b>	<b>Transportation</b>	<b>Flood Control</b>	<b>Public Facilities Improvements Capital Projects</b>	<b>Total Major Governmental Funds</b>
<b>Fund balances:</b>					
<b>Committed</b>					
Code enforcement	\$ -	\$ 1,658	\$ -	\$ -	\$ 1,658
Community improvement	565	-	-	-	565
Construction & capital projects	-	374	-	3,000	3,374
Developer impact fees	-	-	-	-	-
Disaster relief	15,000	-	-	-	15,000
District attorney	32	-	-	-	32
EDA special projects	-	-	-	-	-
Education	-	-	-	-	-
Environmental programs	1,910	212	-	-	2,122
Facilities	1,000	-	-	-	1,000
NPDES	-	-	7,799	-	7,799
Other purposes	331	-	-	-	331
Parks	-	-	-	-	-
Planning	142	-	-	-	142
DPSS realignment growth	4,300	-	-	-	4,300
SB90	1,380	-	-	-	1,380
Sheriff correction	7,573	-	-	-	7,573
Solar program	-	-	-	-	-
Youth protection	587	-	-	-	587
Flood protection	-	-	250,781	-	250,781
<b>Total committed</b>	<b>32,820</b>	<b>2,244</b>	<b>258,580</b>	<b>3,000</b>	<b>296,644</b>
<b>Assigned</b>					
Air quality	-	-	-	-	-
Airports	-	-	-	-	-
California children services	343	-	-	-	343
Capital improvement projects	5	-	-	754	759
Code enforcement	50	-	-	-	50
Construction & capital projects	-	-	-	7,049	7,049
Debt service	-	-	-	-	-
EDA special projects	-	-	-	-	-
Equipment	-	4,414	-	-	4,414
Humane services	247	-	-	-	247
Low income health prog	1,610	-	-	-	1,610
Other purposes	980	-	-	-	980
Parks	-	-	-	-	-
Probation	3,438	-	-	-	3,438
Public health	751	-	-	-	751
RCIT radio project	-	-	-	-	-
Registrar of voters	200	-	-	-	200
Roads	-	9,649	-	-	9,649
Special assessments	-	-	-	-	-
Veterans	148	-	-	-	148
<b>Total assigned</b>	<b>7,772</b>	<b>14,063</b>	<b>-</b>	<b>7,803</b>	<b>29,638</b>
<b>Unassigned</b>	<b>203,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203,444</b>
<b>Total fund balances</b>	<b>\$ 363,676</b>	<b>\$ 80,175</b>	<b>\$ 258,581</b>	<b>\$ 134,663</b>	<b>\$ 837,095</b>

Note: Encumbrances - see Note 23 – Contingencies and Commitments

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

Nonmajor Funds						
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,658	<b>Fund balances:</b>
-	-	-	-	-	565	<b>Committed</b>
-	-	-	-	-	3,374	Code enforcement
5,408	-	-	-	5,408	5,408	Community improvement
-	-	-	-	-	15,000	Construction & capital projects
-	-	-	-	-	32	Developer impact fees
1,871	-	-	-	1,871	1,871	Disaster relief
330	-	-	-	330	330	District attorney
-	-	-	-	-	2,122	EDA special projects
-	-	-	-	-	1,000	Education
-	-	-	-	-	7,799	Environmental programs
-	-	-	-	-	331	Facilities
1,182	-	-	-	1,182	1,182	NPDES
-	-	-	-	-	142	Other purposes
-	-	-	-	-	4,300	Parks
-	-	-	-	-	1,380	Planning
-	-	-	-	-	7,573	DPSS realignment growth
959	-	-	-	959	959	SB90
-	-	-	-	-	587	Sheriff correction
-	-	-	-	-	250,781	Solar program
<b>9,750</b>	-	-	-	<b>9,750</b>	<b>306,394</b>	Youth protection
						Flood protection
						<b>Total committed</b>
						<b>Assigned</b>
36	-	-	-	36	36	Air quality
2,161	-	-	-	2,161	2,161	Airports
-	-	-	-	-	343	California children services
-	-	16,666	-	16,666	17,425	Capital improvement projects
-	-	-	-	-	50	Code enforcement
-	-	-	-	-	7,049	Construction & capital projects
-	2,152	-	-	2,152	2,152	Debt service
494	-	-	-	494	494	EDA special projects
-	-	-	-	-	4,414	Equipment
-	-	-	-	-	247	Humane services
-	-	-	-	-	1,610	Low income health prog
5,352	-	-	-	5,352	6,332	Other purposes
3,443	-	-	-	3,443	3,443	Parks
-	-	-	-	-	3,438	Probation
-	-	-	-	-	751	Public health
-	-	253	-	253	253	RCIT radio project
-	-	-	-	-	200	Registrar of voters
-	-	-	-	-	9,649	Roads
1,813	-	-	-	1,813	1,813	Special assessments
-	-	-	-	-	148	Veterans
<b>13,299</b>	<b>2,152</b>	<b>16,919</b>	<b>-</b>	<b>32,370</b>	<b>62,008</b>	<b>Total assigned</b>
-	-	-	-	-	<b>203,444</b>	<b>Unassigned</b>
<b>\$ 98,253</b>	<b>\$ 80,405</b>	<b>\$ 46,274</b>	<b>\$ 535</b>	<b>\$ 225,467</b>	<b>\$ 1,062,562</b>	<b>Total fund balances</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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 \$10.0 million, subject to a self-insured retention (SIR) of \$1.0 million for each occurrence. A SIR is a form of a deductible. The County also purchases an additional \$15.0 million per occurrence in excess of the \$10.0 million for a total of \$25.0 million in limits. Medical malpractice utilizes an excess policy providing coverage on a per occurrence basis. Limits under the malpractice policy are \$20.0 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 \$5.0 million per claim. Section A is subject to a \$2.0 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 \$50.0 thousand per occurrence deductible; flood coverage is subject to a 2.0% deductible per unit within a 100-year flood zone and \$25.0 thousand 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 \$1.0 million in value and lesser valued locations where such coverage is required by contract) has a sub-limit in each tower of \$90.0 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 \$100.0 thousand minimum per unit. Boiler and machinery provide up to \$100.0 million in limits, with various deductibles. 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, 2014 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 2013-14 the Board of Supervisors approved continued 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 other uninsured liabilities. Cash available in the risk management and workers' compensation ISF at June 30, 2014 plus revenues to be collected during fiscal year 2014-2015 are expected to be sufficient to cover all fiscal year 2014-15 payments. The carrying amount of unpaid claim liabilities is \$142.5 million. The liabilities are discounted at 2.0% for general liability and medical malpractice and 2.5% for workers' compensation.

	June 30, 2013	June 30, 2014
Unpaid claims, beginning of year	\$ 130,438	\$ 130,919
Increase (decrease) in provision for insured events of prior years	(2,148)	2,840
Incurred claims for current year	44,713	46,584
Claim payments	(42,084)	(37,884)
Unpaid claims, end of year	<u>\$ 130,919</u>	<u>\$ 142,459</u>



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

The RMC 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 Low Income Health Plan (LIHP) which ended on December 31, 2013 and was replaced by the Medi-Cal Managed Care AB85 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. The RMC is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the RMC 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 the RMC's Medicare cost reports thru June 30, 2012 and Medi-Cal cost reports through June 30, 2012. The RMC 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, 2012. For Medi-Cal Fee for Service, the RMC is final settled thru the California public hospital P-14 cost reports. Notice of final settlement has been received thru June 30, 2007.

In September 2005, the State of California significantly modified its Medi-Cal program under a new waiver with the Centers for Medicare and Medicaid Services (CMS). In connection with the new waiver, the State legislature passed the Medi-Cal Hospital Uninsured Demonstration Project Act, or SB 1100, which replaced the SB 855 and SB 1255 programs. For the SB 1100 program, the State continues to provide supplemental payments to the hospital for uncompensated care. However, the use of intergovernmental transfers (IGTs) by the State, as the non-federal match, was modified to a methodology consisting of CPEs up to 50 percent of costs or Federal Medical Assistance Program (FMAP) rate. The Regional Medical Center has recorded net patient revenue of \$89.2 million for SB 1100 for the fiscal year ended June 30, 2014, of which \$35.7 million is from the Delivery System Reform Incentive Program (DSRIP), a waiver incentive based payment component of the Section 1115 Medicaid Waiver.

All CPEs reported by the hospital will be subject to state and federal audit and final reconciliation process. If at the end of the final reconciliation process it is determined that the hospital's claimed CPEs resulted in an overpayment to the state, the hospital may be required to return the overpayment whether or not they received the federal matching funds.

**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, 2014 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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

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.

Van Horn Regional Treatment Facility was organized in January 1991 with Los Angeles, San Diego, San Bernardino, Orange, and Riverside Counties for the purpose of constructing and operating a treatment center for emotionally disturbed minors. The Facility's Board of Directors consists of the Chief Probation Officer and the Director of Mental Health for each county.

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

Quinta, Palm Desert, Palm Springs, Rancho Mirage, 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.

**NOTE 20 – RETIREMENT PLAN**

**Plan Descriptions**

The County, Flood Control, Park District, and Waste Management contract with the CalPERS to provide retirement benefits to its employees. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and plan beneficiaries. 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. 27\*, both the County (Miscellaneous and Safety) and Flood Control are considered single-employer defined benefit pension plans, while the Park District and Waste Management are considered 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.

*\*GASB Statement No. 68 replaces GASB Statement No. 27 effective the first fiscal year beginning after June 15, 2014. GASB 68 will require additional reporting.*

**Funding Policy**

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 Management are required to contribute the actuarially determined annual required contributions necessary to fund the plans.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Public Employees' Pension Reform Act (PEPRA)**

For some time, pension reform has been a topic of debate at local and national levels. Riverside County took the lead in initiating pension reform with its bargaining units. As a result of bargaining, County employees were required to pay their Employee Paid Member Contribution (EPMC), and a new retirement Tier (Tier II) was added to both the Miscellaneous and Safety units of the County. At the same time, Governor Brown initiated proposals that resulted in changes to the pension benefits. Due to the recent passage of Assembly Bill (AB) 340, which created the Public Employees' Pension Reform Act (PEPRA), new lower retirement benefit formulas, final compensation periods, and new contribution requirements were implemented for new employees hired on or after January 1, 2013. The lower retirement benefit formula as a result of PEPRA (Tier) III is 2% at 62 for Miscellaneous and 2.7% at 57 for Safety. Employee contribution rates for Tier III vary based on PEPRA rules. Listed below is a table with the new retirement options and provision changes.

	Plan	EPMC	Earliest Retirement Age	PEPRA Compensation Limits	Final Compensation	Effective Date
County Plan Tier I						
Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Safety	3.0% at 50	Yes	50	N/A	12 months	N/A
County Plan Tier II						
Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Safety	2.0% at 50	No	50	N/A	36 months	8/23/2012
County Plan Tier III(PEPRA)						
Miscellaneous	2.0% at 62	No	52	\$ 115,064	36 months	1/1/2013
Safety	2.7% at 57	No	50	138,077	36 months	1/1/2013

**Early Retirement Incentive**

In fiscal year 2009-10, the County's Board of Supervisors authorized three early retirement incentives for all Miscellaneous and Safety members, excluding Elected Officials covered by the CalPERS Local Miscellaneous and Local Safety contracts (see table below for participation detail). The Early Retirement Incentives offered eligible employees who elected to retire within a designated time period specified by the County, two additional years of service. Eligibility provisions for the Early Retirement Incentive required employees to be in specified job classifications, attainment of at least age 50, and completion of five (5) or more years of service credit with the County.

The County has the option to pay for the cost of each early retirement incentive in a single payment or spread the cost over a 20-year period. The County has elected to pay the cost over a 20-year period. The additional cost will result in increased employer contribution rates and will be payable two years after the end of the fiscal year in which the early retirement incentive window closes.

**Early Retirement Incentive Table**

Early Retirement Incentive	Window Periods	Total Eligible Employees	Employees Electing Early Retirement Incentive	Estimated Increase in Employer Contribution Rate	FY in Which Employer Contribution Rate will Increase
Local Miscellaneous	01/01 - 03/31/2009	3,400	678	0.4%	2011/2012
Local Safety	07/11 - 10/08/2009 <sup>(1)</sup> 07/15 - 10/13/2009 <sup>(2)</sup>	653	151	0.4%	2012/2013
Local Miscellaneous	02/11 - 08/09/2010	3,597	578	0.3%	2013/2014

(1) = District Attorney (2) = Sheriff

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

For fiscal year 2013-14, the employer and employee contribution rates were:

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
County contribution rates:					
County Tier I	15.6%	24.1%	17.7%	17.4%	20.6%
County Tier II	15.6%	24.1%	17.7%	8.6%	N/A
County Tier III	15.6%	24.1%	17.7%	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.

**Annual Pension Cost**

For fiscal year 2013-14, the annual pension costs for CalPERS is equal to the employer's required and actual contributions as noted below (In thousands):

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
Annual required contribution	\$ 130,936	\$ 70,751	\$ 2,803	\$ 839	\$ 478
Interest on net pension obligation (asset)	(26,141)	(7,201)	(129)	-	-
Adjustment to annual required contribution	20,187	5,561	341	-	434
Annual pension cost	124,982	69,111	3,015	839	912
Contributions made	(130,936)	(70,751)	(2,876)	(839)	(478)
Increase (decrease) in net pension obligation (asset)	(5,954)	(1,640)	139	-	434
Net pension obligation (asset) beginning of year	(348,545)	(96,010)	(1,667)	-	(648)
Net pension obligation (asset) end of year	\$ (354,499)	\$ (97,650)	\$ (1,528)	\$ -	\$ (214)

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Three-Year Trend Information**  
(In thousands)

	Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
County - Miscellaneous	June 30, 2012	\$ 101,805	106.5 %	\$ (341,828)
	June 30, 2013	105,898	106.3	(348,545)
	June 30, 2014	124,982	104.8	(354,499)
County - Safety	June 30, 2012	56,859	103.2	(94,160)
	June 30, 2013	60,209	103.1	(96,010)
	June 30, 2014	69,111	102.4	(97,650)
Flood Control	June 30, 2012	2,710	94.9	(1,806)
	June 30, 2013	2,991	95.4	(1,667)
	June 30, 2014	3,015	95.4	(1,528)
Park District	June 30, 2012	793	100.0	-
	June 30, 2013	851	100.0	-
	June 30, 2014	839	100.0	-
Waste Management	June 30, 2012	937	53.7	(1,082)
	June 30, 2013	912	52.4	(648)
	June 30, 2014	912	52.4	(214)

**Actuarial Methods and Assumptions**

The following information is reflective as of the most recent actuarial valuation:

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
Actuarial valuation	6/30/2013	6/30/2013	6/30/2013	6/30/2013	6/30/2013
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll, Open	Level Percent of Payroll, Open	Level Percent of Payroll, Open	Level Percent of Payroll, Open	Level Percent of Payroll, Open
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value
Actuarial assumptions:					
Investment rate of return	7.5%	7.5%	7.5%	7.5%	7.5%
Projected salary increases*	3.3%-14.2%	3.3%-14.2%	3.3%-14.2%	3.3%-14.2%	3.3%-14.2%
Inflation	2.8%	2.8%	2.8%	2.8%	2.8%
Payroll growth	3.0%	3.0%	3.0%	3.0%	3.0%

\* Projected salary increases vary depending on Age, Service, and Type of Employment.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Funded Status and the Funding Progress**

The following is funded status information for each plan as of June 30, 2014, which is the most recent actuarial valuation date (In thousands):

	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (Excess of assets over AAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Excess of Assets over AAL) as a Percentage of Covered Payroll ((b-a)/c)
County - Miscellaneous	\$ 3,974,442	\$ 5,008,807	\$ 1,034,365	79.35 %	\$ 856,593	120.75 %
County - Safety	1,776,122	2,285,586	509,464	77.71	271,367	187.74
Flood Control	102,350	138,854	36,504	73.71	14,937	244.39
Park District**	903,411	1,081,962	178,551	83.50	153,162	116.58
Waste Management**	903,411	1,081,962	178,551	83.50	153,162	116.58

\*\*The amounts disclosed reflect the entire Risk Pool fund in which Park District and Waste Management are included and does not represent their specific assets and liabilities. CalPERS Risk Pool valuation does not report specific assets and liabilities separately.

The Schedule of Funding progress presented as required supplementary information (RSI), following the notes to the financial statements, presents multi-year trend information on whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

**NOTE 21 – DEFINED BENEFIT PENSION PLAN**

**Plan Descriptions and Contribution Information**

*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. Participants are immediately 100% vested in the Plan upon enrollment. No financial report has been issued separately for public view under defined benefit pension plan.

*Contributions.* Participants in the Plan are required to contribute 3.75% of their compensation to the Plan. According to the July 01, 2013 valuation, the County's current required contribution rate is 0.78%, however, the County elected to contribute 2.6 % of payroll in order to obtain a 90.0% target funded ratio within 5 years. The Plan's current funded ratio is 93.4%. The Plan actuary annually 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.

Membership for the plan consisted of the following at July 1, 2013, the date of the latest actuarial valuation:

Number of participants:

Active plan members	1,919
Terminated and inactive members	7,142
Retirees	180
Total	<u>9,241</u>



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

**Summary of Significant Accounting Policies**

*Basis of Accounting.* The pension plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

*Method Used to Value Investments.* Prior to the transition to U.S. Bank, investments of the pension trust were fully invested in the County pool and reported at fair value. On September 28, 2010 Plan Investments were transferred to the new Trustee and Investment Manager, U.S. Bank. U.S. Bank invests Plan funds according to the Plan's Investment Policy. As of June 30, 2014, assets were invested in cash equivalents (1.0%), equities (67.0%), and fixed income (32.0%).

Schedule of Annual Pension Cost and the Net Pension Obligation (NPO) for 2014 and the two preceding years were as follows (In thousands):

Fiscal Year Ending	Annual Required Contribution (ARC)	Interest on NPO	Adjustment to the ARC	Annual Pension Cost	Actual Contribution	NPO End of Year	Percentage Contributed
2012	\$ 160	\$ (240)	\$ (747)	\$ (827)	\$ 559	\$ (5,071)	68.00 %
2013	622	(330)	446	738	946	(5,279)	128.00
2014	335	(353)	378	360	968	(5,887)	268.89

**Annual Pension Cost and Net Pension Obligation (In thousands):**

Annual required contribution	\$ 335
Interest on net pension obligation (asset)	(353)
Adjustment to annual required contribution	378
Annual pension cost	360
Contributions made	(968)
Increase (decrease) in net pension obligation (asset)	(608)
Net pension obligation (asset) beginning of year	(5,279)
Net pension obligation (asset) end of year	<u>\$ (5,887)</u>

**Schedule of Funding Progress**

The funded status of the Plan as of July 1, 2013, the most recent actuarial valuation date and the two preceding years were as follows (In thousands):

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, 2011	\$ 23,063	\$ 27,079	\$ 4,016	85.17 %	\$ 33,657	11.93 %
July 1, 2012	23,654	24,307	653	97.31	32,424	2.01
July 1, 2013	26,805	28,706	1,901	93.38	33,139	5.74



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

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

The schedules of funding progress, presented as required supplementary information (RSI), following the notes to the financial statement, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

**Actuarial Methods and Assumptions**

The following information is as of the date of the most recent actuarial valuation:

Valuation date	7/1/2013
Actuarial cost method	Projected Unit Credit
Amortization method	Level-Dollar Projected Payroll
Remaining amortization period	20 years - Open
Asset valuation method	Market Value plus Receivables
Actuarial assumptions:	
Investment rate of return	5.0%
Projected salary increases	3.0%
Inflation rate	3.0%

**NOTE 22 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Descriptions**

The County of Riverside (County) and its Special Districts: Flood Control and Water Conservation District (Flood Control); Regional Parks and Open-Space District (Park District); and Waste Management 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 Management, 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, 2014**

**NOTE 22 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Funding Policy and Annual OPEB Cost**

It is the policy of the County of Riverside, 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 Study for each trust. To facilitate funding for the ARC, the County has developed a rate structure. It is the policy of the Waste Management 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 Government 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 normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over 30 years (12 years for Waste Management).

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 Management</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	\$403-\$964	\$403-\$964	\$403-\$964	\$403-\$964
Annual required contribution	\$ 2,343	\$ 18	\$ -	\$ 126
Interest on net OPEB obligation	(1,882)	(41)	(21)	-
Adjustment to annual required contribution	1,513	35	16	(110)
Annual OPEB cost	1,974	12	(5)	16
Contributions made	(2,343)	(50)	(9)	(3)
Increase in net OPEB obligation (asset)	(369)	(38)	(14)	13
Net OPEB obligation (asset) beginning of year	(25,575)	(539)	(285)	113
Net OPEB obligation (asset) end of year	<u>\$ (25,944)</u>	<u>\$ (577)</u>	<u>\$ (299)</u>	<u>\$ 126</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 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	06/30/12	\$ 2,119	181.1 %	\$ (22,836)
	06/30/13	2,272	220.6	(25,575)
	06/30/14	1,974	118.7	(25,944)
Flood Control	06/30/12	16	437.5	(483)
	06/30/13	13	530.8	(539)
	06/30/14	12	416.7	(577)
Park District	06/30/12	(2)	200.0	(277)
	06/30/13	(4)	100.0	(285)
	06/30/14	(5)	180.0	(299)
Waste Management	06/30/12	(26)	88.4	-
	06/30/13	117	3.4	113
	06/30/14	16	18.8	126

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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 June 30, 2014, which is the most recent actuarial valuation date (In thousands):

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Actuarial accrued liability (a)	\$ 43,829	\$ 546	\$ 132	\$ 982
Actuarial value of plan assets (b)	26,764	407	259	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ 17,065</u>	<u>\$ 139</u>	<u>\$ (127)</u>	<u>\$ 982</u>
Funded ratio (b) / (a)	61.1%	74.5%	196.2%	0.0%
Covered payroll (c)	\$ 1,096,375	\$ 15,688	\$ 4,607	\$ 2,495
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ( [(a) - (b)] / (c) )	1.6%	0.9%	-2.8%	39.4%

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 Management</u>
Actuarial valuation date	7/1/2013	7/1/2013	7/1/2013	7/1/2012
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	10 years
Actuarial assumptions:				
Investment rate of return	7.4%	7.4%	7.4%	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%	3.0%

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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. In the opinion of management, the ultimate outcome of these claims will not materially affect the operations of the County.

*Property Tax Administration Fee*

On July 7, 2010, the Court of Appeal of the State of California issued a decision in favor of the cities and against the County of Los Angeles in a case brought by 47 cities regarding the calculation of Property Tax Administration Fees (PTAF). The legal issue in dispute is whether counties can include “flip” and “swap” revenues in the calculation of administrative costs that counties recover from cities. At the trial court level, the court-appointed Referee had concluded that the County of Los Angeles’ calculation of the PTAF starting in fiscal year 2006-07 comported with Section 97.75 of California’s Revenue and Taxation Code. The Court of Appeal reversed the judgment and remanded for further proceedings, holding that the County of Los Angeles’ method of calculating its fee under Section 97.75 was unlawful. It is expected that the County of Los Angeles will petition the California Supreme Court for review. In the opinion of management, the decision to the case is significant for the County of Riverside because of similar claims against this County. The potential financial impact to the County related to the outcome of this case averages approximately \$7.2 million in tax administration fees for fiscal year 2006-07 through fiscal year 2011-12. The outstanding balance as of June 30, 2014 was \$1.9 million.

*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). Sec. 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 ROPS of the Successor Agency to the RDA (92.0%) consist of bond debt service payments. The range of potential loss of revenue is only 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, 2013, 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 2013-14 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2015.

**Commitments**

At June 30, 2014 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. \$121.4 million will be payable upon future performance under the contracts.

**Landfill Construction and Consulting Contracts**

The Waste Management Department entered into various construction and consulting contracts to facilitate its landfill operations and is in the process of installing landfill liners at Lamb Canyon in accordance with State and Federal laws and regulations. Waste Management expects to complete the installation of several landfill liners over the next five years and estimates additional future costs to be \$7.4 million. These additional costs will be capitalized as the costs are incurred.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**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, 2014 the governmental activities reflect a \$2.6 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 Management Department has established restricted cash funds to set aside for future remediation costs as they are required to be performed. Investments of \$28.1 million are held for these purposes at June 30, 2014 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 Management estimates the present value of the total costs of corrective action for foreseeable contaminate releases at \$35.1 million. At June 30, 2014, the Department has accrued \$28.1 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.

**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, 2014, 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>			
General Fund:			
California children services	\$ -	\$ 343	\$ 343
Capital improvement projects	-	5	5
Code enforcement	-	50	50
Humane services	-	247	247
Low income health program	-	1,610	1,610
Other purposes	-	182	182
Probation	-	2,576	2,576
Public health	-	751	751
Registrar of voters	-	200	200
Transportation:			
Equipment	676	-	676
Public Facilities Improvements Capital Projects:			
Capital improvement projects	-	2,360	2,360
<b>Nonmajor Governmental Funds</b>			
Special Revenue Funds:			
Lightings maintenance	72	-	72
<b>Total Encumbrances</b>	<u>\$ 748</u>	<u>\$ 8,324</u>	<u>\$ 9,072</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 24 – SUBSEQUENT EVENTS**

**Tax and Revenue Anticipation Notes (TRANs) and CalPERS Pre-payment Note**

On July 1, 2014, the County issued \$250.0 million in Tax and Revenue Anticipation Notes in the form of a 2015 Maturity bond due June 30, 2015. The stated interest rate for the bond is set at 1.5% per annum with a yield of 0.12%. Portions of the note proceeds were used to prepay CalPERS contributions for fiscal year 2014-15 in the amount of \$86.6 million. Between the prepayment discount of 3.6%, and earnings on cash flow the County expects to net \$3.2 million in cost savings. 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 2015 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2015 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 2014, 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- series 2003, 2005A, 2005B, 2007A, 2007B, 2009) at 'A+'.
- Riverside County Asset Leasing Corporation certification of participation (CORAL- COPS/series 2006A and lease revenue bonds (LRBs), series 1997A, 1997B, 1997C, 2013A) at 'A+'.
- Riverside County Palm Desert Financing Authority lease revenue bonds (LRBs) (series 2003A) at 'A+'.
- Riverside County Public Financing Authority (LRBs) (series 2012) 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 base suffered significantly during the recession, with budgeted fiscal year 2014 discretionary revenues representing the first year of growth since fiscal year 2008. The challenged revenue environment led to multiple years of significant deficits, which management resolved by instituting a multiyear expenditure reduction plan that achieved structural balance in fiscal year 2013. Audited fiscal year 2013 general fund operations produced a \$20.7 million net surplus (a modest 1% of spending), raising the total and unrestricted general fund balances to sound levels of \$357.2 million (15% of spending and transfers out) and \$252.6 million (10.6%) respectively.

Fiscal year 2014 operations were structurally balanced, and stronger than budgeted revenues helped to add nearly \$20.0 million to the County's budget stabilization reserve. The structural balance results from years of cost-cutting, including hiring freezes, furlough days, early retirements, attrition and layoffs. The fiscal year 2014 performance also reflects an improved revenue environment, with fiscal year 2014 assessed value (AV) up 4.0% year over year and sales tax revenues estimated to climb 8.0%. The recently adopted fiscal year 2015 budget is also balanced and benefits from a further 7.8% increase in AV.

The County's housing market was one of the worst affected in the nation, with average home values falling over 50.0% and AV contracting 15.7% in fiscal years 2009–2013. The housing market has improved significantly in recent months, with a 16.0% year-over-year gain as of August 2014. Home values remain 30.0% below their prerecession peak but have increased by 48.0% since February 2012. Home price gains have contributed to solid AV growth of 4.0% in fiscal year 2014 and 7.8% for fiscal year 2015.

Regional Medical Center has experienced several consecutive years of structural imbalance that have resulted in operating deficits, reduced reserves and internal borrowing from the County. The hospital reported a \$27.1 million deficit for fiscal year 2013 and projected a two-year total of \$83.2 million earlier this year, although it now estimates the two-year figure at a much reduced level of \$40.0 million. Unrestricted net position have declined accordingly, falling to negative \$32.6 million in fiscal year 2013 on a budget of approximately \$450.0 million.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2014**

**NOTE 24 – SUBSEQUENT EVENTS (Continued)**

**Riverside County Bonds and Certificates of Participation (Continued)**

Regional Medical Center's operating deficits are supported by internal borrowing from the County. In addition, the hospital enterprise has received a \$26.0 million loan from the County's waste management enterprise to pay consultant fees. The combined estimated borrowings are equivalent to 26.0% of the fiscal year 2013 unrestricted general fund balance, or 2.8% of general fund spending. The County does not anticipate drawing on the general fund for Regional Medical Center. However, the general fund serves as the ultimate financial backstop if Regional Medical Center were unable to ultimately repay the outstanding loan balances. This concern is mitigated by the flexible nature of the internal borrowings and the County's extremely large \$1.8 billion pool of additional borrowable resources, if needed.

The County has instituted a hospital turnaround plan with the assistance of Huron Consulting Services, which has a positive record of improving operations in other hospitals. Tangible operational improvements implemented to date include replacing key members of hospital management with experienced turnaround experts and assorted new initiatives anticipated to provide \$64.0 million of ongoing savings, equivalent to 14.0% of annual spending.

**Teeter Obligation Notes, Series D and E**

On October 15, 2014, the County issued \$99.4 million in 2014 Teeter Obligation Notes, series D (Tax-Exempt) and \$815.0 thousand in 2014 Teeter Obligation Notes, Series E (Taxable) to refund a portion of the outstanding 2013 Teeter Obligation Notes, series D, and the outstanding 2013 Teeter Obligation Notes, Series E, 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 2014 Notes bear an interest rate of 1.5% for 2014 Teeter Obligation Note, series D and an interest rate of .4% for 2014 Teeter Obligation Note, Series E and a maturity date of October 14, 2015 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 2014-15 will be 14.5% and 21.9%, respectively. Fiscal year 2015-16 contribution rates for miscellaneous and safety are estimated at 15.5% and 23.3%, respectively. They will be accounted for in fiscal year 2013-14 and future budget years.

**CORAL**

In October 2014, CORAL paid off the 1985 Certificates bonds early which had an outstanding balance of \$28.0 million as of June 30, 2014.

**Housing Authority**

The Housing Authority expects to fully engage its mission of providing transitional rental subsidies through its non-profit arm, the Riverside Housing Corporation (RCHC), which received a grant of \$135.0 thousand from the California Endowment. The focus of this endeavor will be to serve residents of the eastern Coachella Valley who need affordable, safe, decent, and sanitary housing opportunities, and supportive programs that foster economic opportunities. Another grant for \$50.0 thousand is expected to be received from the Coachella Valley Air Quality Enhancement (CVAQ) Project, which would support RCHC's housing objective.

Further, through the RCHC, funds for the Emergency Solutions Grant (ESG) will be directed towards the expansion of eligible activities for emergency shelter and homelessness prevention activities, which include short-term and medium-term rental assistance and services to stabilize and rapidly re-house individuals and households who are homeless or at risk of becoming homeless. ESG funds are provided by the Department of Housing and Urban Development through the Riverside County's Economic Development Agency and the City of Riverside.

**Inland Empire Tobacco Securitization Authority**

On August 8, 2014, Fitch Ratings lowered the ratings on the Inland Empire Tobacco Securitization Corporation Series 2007 Bonds from a prior rating of B to a new rating B- as a result of Fitch's annual review.



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# **REQUIRED SUPPLEMENTARY INFORMATION**



**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2014**

**RETIREMENT PLANS - SCHEDULES OF FUNDING PROGRESS**

The tables below show a three-year analysis of the Actuarial Value of Assets as a ratio of the Actuarial Accrued Liability (AAL) and the Asset Value in Excess (Deficit) of AAL as a percentage of Annual Covered Payroll (dollars in thousands):

***Riverside County – Miscellaneous***

<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>
June 30, 2011	\$ 3,923,499	\$ 4,461,554	\$ 538,055	87.94 %	\$ 812,363	66.23 %
June 30, 2012	4,172,401	4,708,882	536,481	88.61	836,418	64.14
June 30, 2013	3,974,442	5,008,807	1,034,365	79.35	856,593	120.75

***Riverside County - Safety***

<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>
June 30, 2011	\$ 1,745,937	\$ 2,032,001	\$ 286,064	85.92 %	\$ 273,170	104.72 %
June 30, 2012	1,860,614	2,086,406	225,792	89.18	261,704	86.28
June 30, 2013	1,776,122	2,285,586	509,464	77.71	271,367	187.74

***Flood Control and Water Conservation 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>
June 30, 2011	\$ 104,545	\$ 125,474	\$ 20,929	83.32 %	\$ 15,585	134.29 %
June 30, 2012	110,089	131,966	21,877	83.42	15,151	144.39
June 30, 2013	102,350	138,854	36,504	73.71	14,937	244.39

***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>
June 30, 2010	\$ 754,859	\$ 945,221	\$ 190,362	79.86 %	\$ 159,157	119.61 %
June 30, 2011	825,991	1,023,127	197,136	80.73	160,900	122.52
June 30, 2012 **	903,411	1,081,962	178,551	83.50	153,162	116.58

\*The amounts disclosed are for the entire Risk Pool fund in which Regional Park and Open-Space District participates and not solely of their specific assets and liabilities. CalPERS Risk Pool valuation does not break out specific assets and liabilities. \*\*The most recent funded status information available for the year ended June 30, 2014.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2014**

**RETIREMENT PLANS - SCHEDULES OF FUNDING PROGRESS (Continued)**

(Dollars in Thousands)

***Waste Management 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>
June 30, 2010	\$ 754,859	\$ 945,221	\$ 190,362	79.86 %	\$ 159,157	119.61 %
June 30, 2011	825,991	1,023,127	197,136	80.73	160,900	122.52
June 30, 2012 **	903,411	1,081,962	178,551	83.50	153,162	116.58

\*The amounts disclosed are for the entire Risk Pool fund in which Waste Management Department participates and not solely of their specific assets and liabilities. CalPERS Risk Pool valuation does not break out specific assets and liabilities. \*\*The most recent funded status information available for the year ended June 30, 2014.

***Riverside County - Part-time and Temporary Help Retirement***

Six-Year Trend Information

<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>
June 30, 2008	\$ 16,989	\$ 19,471	\$ 2,482	87.25 %	\$ 27,928	8.89 %
June 30, 2009	19,384	21,402	2,018	90.57	26,550	7.60
June 30, 2010	19,992	23,633	3,641	84.59	41,284	8.82
June 30, 2011	23,063	27,079	4,016	85.17	33,657	11.93
June 30, 2012	23,654	24,307	653	97.31	32,424	2.01
June 30, 2013	26,805	28,706	1,901	93.38	33,139	5.74

**RETIREMENT PLANS – SCHEDULE OF EMPLOYER CONTRIBUTIONS**

***Riverside County - Part-time and Temporary Help Retirement***

<b>Fiscal Year</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation (Asset)</b>
2009	\$ 227	828 %	\$ (2,901)
2010	226	372	(3,515)
2011	156	167	(3,685)
2012	160	568	(5,071)
2013	622	128	(5,279)
2014	335	269	(5,887)

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2014**

**OPEB - SCHEDULES OF FUNDING PROGRESS**

(Dollars in Thousands)

***Riverside County***

<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	\$ 19,460	\$ 40,166	\$ 20,706	48.45 %	\$ 1,012,698	2.04 %
July 1, 2012	22,572	42,850	20,278	52.68	1,026,755	1.97
July 1, 2013	26,764	43,829	17,065	61.06	1,096,375	1.56

***Flood Control and Water Conservation 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	\$ 269	\$ 482	\$ 213	55.81 %	\$ 15,600	1.37 %
July 1, 2012	321	494	173	64.98	15,339	1.13
July 1, 2013	407	546	139	74.54	15,688	0.89

***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>
January 1, 2009	\$ 147	\$ 144	\$ (3)	102.08 %	\$ 4,429	-0.07 %
July 1, 2011	232	139	(93)	166.91	4,871	-1.91
July 1, 2013	259	132	(127)	196.21	4,607	-2.76

***Waste Management 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, 2008 *	\$ -	\$ 658	\$ 658	0.00 %	N/A	N/A
January 1, 2009	-	1,089	1,089	0.00	\$ 3,302	32.98 %
July 1, 2012 **	-	982	982	0.00	2,495	39.36

\*Estimate only.

\*\*The most recent actuarial valuation.



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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, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Investment earnings (loss)	\$ -	\$ -	\$ 258	\$ 258
Other revenue	3,431	2,735	260	(2,475)
Total revenues	3,431	2,735	518	(2,217)
EXPENDITURES:				
Current:				
General government	3,431	3,098	881	(2,217)
Total expenditures	3,431	3,098	881	(2,217)
Excess (deficiency) of revenues over (under) expenditures	-	(363)	(363)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	696	696	-
Transfers out	-	(333)	(333)	-
Total other financing sources (uses)	-	363	363	-
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, 2014  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
License, permits, and franchise fees	\$ 635	\$ -	\$ -	\$ -
Use of money and property:				
Investment earnings (loss)	1,094	1,094	1,000	(94)
Rents and concessions	350	350	350	-
Aid from other governmental agencies:				
State	8,000	8,000	-	(8,000)
Other	24,708	24,708	25,513	805
Charges for services	73,196	68,214	22,212	(46,002)
Other revenue	21,764	22,203	677	(21,526)
Total revenues	129,747	124,569	49,752	(74,817)
EXPENDITURES:				
Current:				
General government	168,363	154,152	69,502	(84,650)
Public ways and facilities	22,791	13,927	826	(13,101)
Total expenditures	191,154	168,079	70,328	(97,751)
Excess (deficiency) of revenues over (under) expenditures	(61,407)	(43,510)	(20,576)	22,934
OTHER FINANCING SOURCES (USES):				
Transfers in	-	6,256	6,256	-
Transfers out	-	(50,577)	(50,577)	-
Total other financing sources (uses)	-	(44,321)	(44,321)	-
NET CHANGE IN FUND BALANCE	(61,407)	(87,831)	(64,897)	22,934
Fund balance, beginning of year	199,560	199,560	199,560	-
FUND BALANCE, END OF YEAR	\$ 138,153	\$ 111,729	\$ 134,663	\$ 22,934

# NONMAJOR GOVERNMENTAL FUNDS



**COUNTY OF RIVERSIDE**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2014  
(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	\$ 96,845	\$ 6,395	\$ 25,696	\$ 535	\$ 129,471
Accounts receivable	122	1,638	-	-	1,760
Interest receivable	25	87	9	-	121
Taxes receivable	1,340	-	-	-	1,340
Due from other governments	10,555	1,083	416	-	12,054
Due from other funds	2	-	-	-	2
Prepaid items	14	-	580	-	594
Restricted cash and investments	-	72,494	21,372	-	93,866
Total assets	108,903	81,697	48,073	535	239,208
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 108,903	\$ 81,697	\$ 48,073	\$ 535	\$ 239,208
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ 6,086	\$ 1,292	\$ 926	\$ -	\$ 8,304
Salaries and benefits payable	2,340	-	110	-	2,450
Due to other governments	200	-	-	-	200
Due to other funds	222	-	763	-	985
Deposits payable	342	-	-	-	342
Advances from grantors and third parties	1,460	-	-	-	1,460
Total liabilities	10,650	1,292	1,799	-	13,741
Deferred inflows of resources	-	-	-	-	-
Fund balances:					
Nonspendable	120	-	580	508	1,208
Restricted	75,084	78,253	28,775	27	182,139
Committed	9,750	-	-	-	9,750
Assigned	13,299	2,152	16,919	-	32,370
Total fund balances	98,253	80,405	46,274	535	225,467
Total liabilities, deferred inflows of resources, and fund balances	\$ 108,903	\$ 81,697	\$ 48,073	\$ 535	\$ 239,208

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2014  
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>REVENUES:</b>					
Taxes	\$ 55,538	\$ -	\$ -	\$ -	\$ 55,538
Licenses, permits and franchise fees	675	-	-	-	675
Fines, forfeitures and penalties	1,253	-	-	-	1,253
Use of money and property:					
Investment earnings (loss)	569	1,561	126	3	2,259
Rents and concessions	8,176	9,025	-	-	17,201
Aid from other governmental agencies:					
Federal	54,866	-	-	-	54,866
State	4,578	-	740	-	5,318
Other	20,311	-	-	-	20,311
Charges for services	28,217	1,730	2,292	23	32,262
Other revenue	9,453	9,281	67	-	18,801
Total revenues	<u>183,636</u>	<u>21,597</u>	<u>3,225</u>	<u>26</u>	<u>208,484</u>
<b>EXPENDITURES:</b>					
Current:					
General government	18,646	12,297	6,841	-	37,784
Public protection	7,071	-	-	-	7,071
Public ways and facilities	13,783	-	-	-	13,783
Health and sanitation	5,489	-	-	-	5,489
Public assistance	55,752	-	-	-	55,752
Education	18,884	-	-	-	18,884
Recreation and culture	14,769	-	855	-	15,624
Debt service:					
Principal	-	60,094	-	-	60,094
Interest	-	41,224	-	-	41,224
Cost of issuance	-	623	-	-	623
Capital outlay	-	1,196	53,885	-	55,081
Total expenditures	<u>134,394</u>	<u>115,434</u>	<u>61,581</u>	<u>-</u>	<u>311,409</u>
Excess (deficiency) of revenues over (under) expenditures	49,242	(93,837)	(58,356)	26	(102,925)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	17,148	97,369	14,422	-	128,939
Transfers out	(69,685)	(24,926)	(402)	-	(95,013)
Issuance of debt	-	-	64,000	-	64,000
Issuance of refunding bonds	-	20,510	-	-	20,510
Premium on long-term debt	-	1,338	-	-	1,338
Total other financing sources (uses)	<u>(52,537)</u>	<u>94,291</u>	<u>78,020</u>	<u>-</u>	<u>119,774</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(3,295)</b>	<b>454</b>	<b>19,664</b>	<b>26</b>	<b>16,849</b>
Fund balances, beginning of year, as previously reported	99,381	79,951	28,881	509	208,722
Adjustments to beginning fund balances	2,167	-	(2,271)	-	(104)
Fund balances, beginning of year, as restated	<u>101,548</u>	<u>79,951</u>	<u>26,610</u>	<u>509</u>	<u>208,618</u>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 98,253</b>	<b>\$ 80,405</b>	<b>\$ 46,274</b>	<b>\$ 535</b>	<b>\$ 225,467</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, 2014  
(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	\$ 38,767	\$ 20,933	\$ 12,424	\$ 170
Accounts receivable	46	-	50	-
Interest receivable	3	9	4	-
Taxes receivable	1,058	168	96	-
Due from other governments	8,379	147	757	122
Due from other funds	-	-	-	-
Prepaid items	14	-	-	-
Total assets	<u>48,267</u>	<u>21,257</u>	<u>13,331</u>	<u>292</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 48,267</u>	<u>\$ 21,257</u>	<u>\$ 13,331</u>	<u>\$ 292</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 4,542	\$ 237	\$ 571	\$ 16
Salaries and benefits payable	1,124	225	606	-
Due to other governments	192	1	6	-
Due to other funds	222	-	-	-
Deposits payable	19	43	-	-
Advances from grantors and third parties	871	-	563	-
Total liabilities	<u>6,970</u>	<u>506</u>	<u>1,746</u>	<u>16</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Nonspendable	81	1	20	-
Restricted	36,001	20,744	-	276
Committed	4,932	-	3,860	-
Assigned	283	6	7,705	-
Total fund balances	<u>41,297</u>	<u>20,751</u>	<u>11,585</u>	<u>276</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 48,267</u>	<u>\$ 21,257</u>	<u>\$ 13,331</u>	<u>\$ 292</u>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total
\$ 1,037	\$ 612	\$ 22,902	\$ 96,845
-	-	26	122
1	-	8	25
-	5	13	1,340
862	-	288	10,555
-	-	2	2
-	-	-	14
1,900	617	23,239	108,903
-	-	-	-
\$ 1,900	\$ 617	\$ 23,239	\$ 108,903
\$ -	\$ 19	\$ 701	\$ 6,086
85	-	300	2,340
-	-	1	200
-	-	-	222
-	280	-	342
-	-	26	1,460
85	299	1,028	10,650
-	-	-	-
5	-	13	120
1,810	318	15,935	75,084
-	-	958	9,750
-	-	5,305	13,299
1,815	318	22,211	98,253
\$ 1,900	\$ 617	\$ 23,239	\$ 108,903

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  
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

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Special Revenue Funds  
For the Fiscal Year Ended June 30, 2014  
(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
<b>REVENUES:</b>				
Taxes	\$ 49,738	\$ 659	\$ 4,136	\$ -
Licenses, permits, and franchise fees	-	-	-	-
Fines, forfeitures, and penalties	452	-	3	-
Use of money and property:				
Investment earnings (loss)	289	107	51	2
Rents and concessions	1,105	18	1,188	-
Aid from other governmental agencies:				
Federal	53,462	-	-	-
State	2,584	9	163	525
Other	17,773	126	614	-
Charges for services	1,206	9,257	7,264	-
Other revenue	8,593	21	420	-
Total revenues	<u>135,202</u>	<u>10,197</u>	<u>13,839</u>	<u>527</u>
<b>EXPENDITURES:</b>				
Current:				
General government	11,538	-	-	-
Public protection	-	38	424	335
Public ways and facilities	-	7,537	-	-
Health and sanitation	2,444	775	-	-
Public assistance	55,749	-	-	-
Education	18,884	-	-	-
Recreation and culture	200	895	13,674	-
Total expenditures	<u>88,815</u>	<u>9,245</u>	<u>14,098</u>	<u>335</u>
Excess (deficiency) of revenues over (under) expenditures	46,387	952	(259)	192
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,939	1,861	1,612	-
Transfers out	(60,154)	(2,657)	(1,091)	(367)
Total other financing sources (uses)	<u>(49,215)</u>	<u>(796)</u>	<u>521</u>	<u>(367)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,828)</b>	<b>156</b>	<b>262</b>	<b>(175)</b>
Fund balances, beginning of year, as previously reported	44,125	20,595	9,156	451
Adjustments to beginning fund balances	-	-	2,167	-
Fund balances, beginning of year, as restated	<u>44,125</u>	<u>20,595</u>	<u>11,323</u>	<u>451</u>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 41,297</b>	<b>\$ 20,751</b>	<b>\$ 11,585</b>	<b>\$ 276</b>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
				REVENUES:
\$ -	\$ 199	\$ 806	\$ 55,538	Taxes
-	-	675	675	Licenses, permits, and franchise fees
-	-	798	1,253	Fines, forfeitures, and penalties
7	3	110	569	Use of money and property:
-	-	5,865	8,176	Investment earnings (loss)
				Rents and concessions
1,090	-	314	54,866	Aid from other governmental agencies:
1,173	3	121	4,578	Federal
-	22	1,776	20,311	State
-	241	10,249	28,217	Other
-	-	419	9,453	Charges for services
2,270	468	21,133	183,636	Other revenue
				Total revenues
				EXPENDITURES:
				Current:
-	-	7,108	18,646	General government
-	400	5,874	7,071	Public protection
-	-	6,246	13,783	Public ways and facilities
2,270	-	-	5,489	Health and sanitation
3	-	-	55,752	Public assistance
-	-	-	18,884	Education
-	-	-	14,769	Recreation and culture
2,273	400	19,228	134,394	Total expenditures
(3)	68	1,905	49,242	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES):
162	-	2,574	17,148	Transfers in
(166)	(71)	(5,179)	(69,685)	Transfers out
(4)	(71)	(2,605)	(52,537)	Total other financing sources (uses)
(7)	(3)	(700)	(3,295)	NET CHANGE IN FUND BALANCES
1,822	321	22,911	99,381	Fund balances, beginning of year, as previously reported
-	-	-	2,167	Adjustments to beginning fund balances
1,822	321	22,911	101,548	Fund balances, beginning of year, as restated
\$ 1,815	\$ 318	\$ 22,211	\$ 98,253	FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Community Services Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
<b>REVENUES:</b>				
Taxes	\$ 45,154	\$ 49,213	\$ 49,738	\$ 525
Fines, forfeitures, and penalties	350	350	452	102
Use of money and property:				
Investment earnings (loss)	7	8	289	281
Rents and concessions	1,235	1,235	1,105	(130)
Aid from other governmental agencies:				
Federal	68,121	70,305	53,462	(16,843)
State	2,236	2,574	2,584	10
Other	16,885	16,885	17,773	888
Charges for services	2,663	2,334	1,206	(1,128)
Other revenue	12,091	8,294	8,593	299
Total revenues	148,742	151,198	135,202	(15,996)
<b>EXPENDITURES:</b>				
Current:				
General government	5,770	13,698	11,538	(2,160)
Public protection	44,601	446	-	(446)
Health and sanitation	3,208	3,246	2,444	(802)
Public assistance	75,503	70,173	55,749	(14,424)
Education	20,991	20,158	18,884	(1,274)
Recreation and culture	339	364	200	(164)
Total expenditures	150,412	108,085	88,815	(19,270)
Excess (deficiency) of revenues over (under) expenditures	(1,670)	43,113	46,387	3,274
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	10,939	10,939	-
Transfers out	-	(60,154)	(60,154)	-
Total other financing sources (uses)	-	(49,215)	(49,215)	-
<b>NET CHANGE IN FUND BALANCE</b>	(1,670)	(6,102)	(2,828)	3,274
Fund balance, beginning of year	44,125	44,125	44,125	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 42,455</b>	<b>\$ 38,023</b>	<b>\$ 41,297</b>	<b>\$ 3,274</b>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**County Service Areas Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Over (Under)
REVENUES:				
Taxes	\$ 670	\$ 670	\$ 659	\$ (11)
Use of money and property:				
Investment earnings (loss)	49	49	107	58
Rents and concessions	5	5	18	13
Aid from other governmental agencies:				
State	9	9	9	-
Other	45	45	126	81
Charges for services	11,600	9,911	9,257	(654)
Other revenue	1,131	1,651	21	(1,630)
Total revenues	13,509	12,340	10,197	(2,143)
EXPENDITURES:				
Current:				
Public protection	284	266	38	(228)
Public ways and facilities	11,318	11,270	7,537	(3,733)
Health and sanitation	800	800	775	(25)
Recreation and culture	1,106	2,768	895	(1,873)
Total expenditures	13,508	15,104	9,245	(5,859)
Excess (deficiency) of revenues				
over (under) expenditures	1	(2,764)	952	3,716
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,861	1,861	-
Transfers out	-	(2,657)	(2,657)	-
Total other financing sources (uses)	-	(796)	(796)	-
NET CHANGE IN FUND BALANCE	1	(3,560)	156	3,716
Fund balance, beginning of year	20,595	20,595	20,595	-
FUND BALANCE, END OF YEAR	\$ 20,596	\$ 17,035	\$ 20,751	\$ 3,716

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Regional Park and Open-Space Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2014  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
Taxes	\$ 4,050	\$ 4,050	\$ 4,136	\$ 86
Fines, forfeitures and penalties	-	-	3	3
Use of money and property:				
Investment earnings (loss)	22	22	51	29
Rents and concessions	1,106	1,370	1,188	(182)
Aid from other governmental agencies:				
State	280	280	163	(117)
Other	-	425	614	189
Charges for services	7,648	8,274	7,264	(1,010)
Other revenue	1,308	404	420	16
Total revenues	14,414	14,825	13,839	(986)
EXPENDITURES:				
Current:				
Public protection	496	454	424	(30)
Recreation and culture	14,652	15,698	13,674	(2,024)
Total expenditures	15,148	16,152	14,098	(2,054)
Excess (deficiency) of revenues over (under) expenditures	(734)	(1,327)	(259)	1,068
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,612	1,612	-
Transfers out	-	(1,091)	(1,091)	-
Total other financing sources (uses)	-	521	521	-
NET CHANGE IN FUND BALANCE	(734)	(806)	262	1,068
Fund balance, beginning of year, as previously reported	9,156	9,156	9,156	-
Adjustments to beginning fund balance	-	-	2,167	2,167
Fund balance, beginning of year	9,156	9,156	11,323	2,167
FUND BALANCE, END OF YEAR	\$ 8,422	\$ 8,350	\$ 11,585	\$ 3,235



**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Air Quality Improvement Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
Investment earnings (loss)	\$ 2	\$ 2	\$ 2	\$ -
State	475	475	525	50
Total revenues	477	477	527	50
EXPENDITURES:				
Current:				
Public protection	682	426	335	(91)
Total expenditures	682	426	335	(91)
Excess (deficiency) of revenues over (under) expenditures	(205)	51	192	141
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(367)	(367)	-
Total other financing sources (uses)	-	(367)	(367)	-
NET CHANGE IN FUND BALANCE	(205)	(316)	(175)	141
Fund balance, beginning of year	451	451	451	-
FUND BALANCE, END OF YEAR	\$ 246	\$ 135	\$ 276	\$ 141

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**In-Home Support Services Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
Use of money and property:				
Investment earnings (loss)	\$ -	\$ -	\$ 7	\$ 7
Aid from other governmental agencies:				
Federal	1,327	1,567	1,090	(477)
State	1,382	1,642	1,173	(469)
Charges for services	162	-	-	-
Total revenues	<u>2,871</u>	<u>3,209</u>	<u>2,270</u>	<u>(939)</u>
EXPENDITURES:				
Current:				
Health and sanitation	2,871	3,205	2,270	(935)
Public assistance	-	-	3	3
Total expenditures	<u>2,871</u>	<u>3,205</u>	<u>2,273</u>	<u>(932)</u>
Excess (deficiency) of revenues over (under) expenditures	-	4	(3)	(7)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	162	162	-
Transfers out	-	(166)	(166)	-
Total other financing sources (uses)	<u>-</u>	<u>(4)</u>	<u>(4)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(7)	(7)
Fund balance, beginning of year	1,822	1,822	1,822	-
FUND BALANCE, END OF YEAR	<u>\$ 1,822</u>	<u>\$ 1,822</u>	<u>\$ 1,815</u>	<u>\$ (7)</u>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Perris Valley Cemetery District Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
Taxes	\$ 210	\$ 210	\$ 199	\$ (11)
Use of money and property:				
Investment earnings (loss)	2	2	3	1
Aid from other governmental agencies:				
State	3	3	3	-
Other	-	-	22	22
Charges for services	265	265	241	(24)
Total revenues	480	480	468	(12)
EXPENDITURES:				
Current:				
Public protection	480	476	400	(76)
Total expenditures	480	476	400	(76)
Excess (deficiency) of revenues over (under) expenditures	-	4	68	64
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(71)	(71)	-
Total other financing sources (uses)	-	(71)	(71)	-
NET CHANGE IN FUND BALANCE	-	(67)	(3)	64
Fund balance, beginning of year	321	321	321	-
FUND BALANCE, END OF YEAR	\$ 321	\$ 254	\$ 318	\$ 64

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
<b>REVENUES:</b>				
Taxes	\$ 706	\$ 706	\$ 806	\$ 100
License, permits, and franchise fees	32	673	675	2
Fines, forfeitures, and penalties	-	809	798	(11)
Use of money and property:				
Investment earnings (loss)	74	74	110	36
Rents and concessions	5,663	5,796	5,865	69
Aid from other governmental agencies:				
Federal	3,915	3,915	314	(3,601)
State	348	348	121	(227)
Other	1,393	1,468	1,776	308
Charges for services	12,345	11,657	10,249	(1,408)
Other revenue	1,231	369	419	50
Total revenues	<u>25,707</u>	<u>25,815</u>	<u>21,133</u>	<u>(4,682)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	7,829	8,019	7,108	(911)
Public protection	6,516	6,367	5,874	(493)
Public ways and facilities	12,806	10,951	6,246	(4,705)
Total expenditures	<u>27,151</u>	<u>25,337</u>	<u>19,228</u>	<u>(6,109)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,444)	478	1,905	1,427
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	2,574	2,574	-
Transfers out	-	(5,179)	(5,179)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,605)</u>	<u>(2,605)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,444)</b>	<b>(2,127)</b>	<b>(700)</b>	<b>1,427</b>
Fund balance, beginning of year	22,911	22,911	22,911	-
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 21,467</u></u>	<u><u>\$ 20,784</u></u>	<u><u>\$ 22,211</u></u>	<u><u>\$ 1,427</u></u>

# 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.

### **COUNTY OF RIVERSIDE BANKRUPTCY COURT CORPORATION (BANKRUPTCY COURT)**

The Bankruptcy Court is a non-profit public benefit corporation established to assist the County of Riverside in the acquisition, construction, and development of a United States Bankruptcy Court financed from the proceeds of the sale of certificates.

### **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.

**COUNTY OF RIVERSIDE**  
Combining Balance Sheet  
Debt Service Funds  
June 30, 2014  
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Bankruptcy Court	Pension Obligation
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 6,395
Accounts receivable	-	-	-	1,638
Interest receivable	86	-	-	1
Due from other governments	1,083	-	-	-
Restricted cash and investments	42,860	1,175	7,495	-
Total assets	<u>44,029</u>	<u>1,175</u>	<u>7,495</u>	<u>8,034</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 44,029</u>	<u>\$ 1,175</u>	<u>\$ 7,495</u>	<u>\$ 8,034</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 1,292	\$ -	\$ -	\$ -
Total liabilities	<u>1,292</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Restricted	42,737	1,175	7,495	5,882
Assigned	-	-	-	2,152
Total fund balances	<u>42,737</u>	<u>1,175</u>	<u>7,495</u>	<u>8,034</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 44,029</u>	<u>\$ 1,175</u>	<u>\$ 7,495</u>	<u>\$ 8,034</u>



Inland Empire Tobacco Securitization Authority	Public Financing Authority	Total	
			ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
			Assets:
\$ -	\$ -	\$ 6,395	Cash and investments
-	-	1,638	Accounts receivable
-	-	87	Interest receivable
-	-	1,083	Due from other governments
19,573	1,391	72,494	Restricted cash and investments
19,573	1,391	81,697	Total assets
-	-	-	Deferred outflows of resources
\$ 19,573	\$ 1,391	\$ 81,697	Total assets and deferred outflows of resources
			LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
			Liabilities:
\$ -	\$ -	\$ 1,292	Accounts payable
-	-	1,292	Total liabilities
-	-	-	Deferred inflows of resources
19,573	1,391	78,253	Fund balances (Note 16):
-	-	2,152	Restricted
19,573	1,391	80,405	Assigned
			Total fund balances
\$ 19,573	\$ 1,391	\$ 81,697	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, 2014  
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Bankruptcy Court	Pension Obligation
REVENUES:				
Use of money and property:				
Investment earnings (loss)	\$ 724	\$ 23	\$ 196	\$ 616
Rents and concessions	2,867	2,463	2,308	-
Charges for services	-	-	-	1,730
Other revenue	-	-	-	-
Total revenues	<u>3,591</u>	<u>2,486</u>	<u>2,504</u>	<u>2,346</u>
EXPENDITURES:				
Current:				
General government	1,644	3	5,545	5,000
Debt service:				
Principal	42,240	1,416	1,013	12,275
Interest	16,258	192	434	16,887
Cost of issuance	623	-	-	-
Capital outlay	-	726	470	-
Total expenditures	<u>60,765</u>	<u>2,337</u>	<u>7,462</u>	<u>34,162</u>
Excess (deficiency) of revenues over (under) expenditures	(57,174)	149	(4,958)	(31,816)
OTHER FINANCING SOURCES (USES):				
Transfers in	57,215	-	7,495	32,659
Transfers out	(22,926)	-	(2,000)	-
Issuance of refunding bonds	20,510	-	-	-
Premium on long-term debt	1,338	-	-	-
Total other financing sources (uses)	<u>56,137</u>	<u>-</u>	<u>5,495</u>	<u>32,659</u>
NET CHANGE IN FUND BALANCES	(1,037)	149	537	843
Fund balances, beginning of year	43,774	1,026	6,958	7,191
FUND BALANCES, END OF YEAR	<u>\$ 42,737</u>	<u>\$ 1,175</u>	<u>\$ 7,495</u>	<u>\$ 8,034</u>

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Total	
			REVENUES:
			Use of money and property:
\$ 2	\$ -	\$ 1,561	Investment earnings (loss)
-	1,387	9,025	Rents and concessions
-	-	1,730	Charges for services
9,281	-	9,281	Other revenue
9,283	1,387	21,597	Total revenues
			EXPENDITURES:
			Current:
105	-	12,297	General government
			Debt service:
2,435	715	60,094	Principal
6,781	672	41,224	Interest
-	-	623	Cost of issuance
-	-	1,196	Capital outlay
9,321	1,387	115,434	Total expenditures
			Excess (deficiency) of revenues
(38)	-	(93,837)	over (under) expenditures
			OTHER FINANCING SOURCES (USES):
-	-	97,369	Transfers in
-	-	(24,926)	Transfers out
-	-	20,510	Issuance of refunding bonds
-	-	1,338	Premium on long-term debt
-	-	94,291	Total other financing sources (uses)
(38)	-	454	NET CHANGE IN FUND BALANCES
19,611	1,391	79,951	Fund balances, beginning of year
\$ 19,573	\$ 1,391	\$ 80,405	FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Pension Obligation Bond Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings (loss)	\$ -	\$ -	\$ 616	\$ 616
Charges for services	34,163	1,504	1,730	226
Total revenues	34,163	1,504	2,346	842
<b>EXPENDITURES:</b>				
Current:				
General government	5,000	5,000	5,000	-
Debt service:				
Principal	12,275	12,275	12,275	-
Interest	16,887	16,887	16,887	-
Total expenditures	34,162	34,162	34,162	-
Excess (deficiency) of revenues over (under) expenditures	1	(32,658)	(31,816)	842
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	32,659	32,659	-
Total other financing sources (uses)	-	32,659	32,659	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>1</b>	<b>1</b>	<b>843</b>	<b>842</b>
Fund balance, beginning of year	7,191	7,191	7,191	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 7,192</b>	<b>\$ 7,192</b>	<b>\$ 8,034</b>	<b>\$ 842</b>

# 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, 2014  
(Dollars in Thousands)

	PSEC	CORAL	Flood Control	Regional Park and Open-Space
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Cash and investments	\$ 253	\$ -	\$ 45	\$ 7,682
Interest receivable	-	-	-	4
Due from other governments	-	-	-	416
Prepaid items	580	-	-	-
Restricted cash and investments	-	21,372	-	-
Total assets	<u>833</u>	<u>21,372</u>	<u>45</u>	<u>8,102</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 833</u>	<u>\$ 21,372</u>	<u>\$ 45</u>	<u>\$ 8,102</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ -	\$ 742	\$ -	\$ 4
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>742</u>	<u>-</u>	<u>4</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Nonspendable	580	-	-	-
Restricted	-	17,227	45	8,098
Assigned	253	3,403	-	-
Total fund balances	<u>833</u>	<u>20,630</u>	<u>45</u>	<u>8,098</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 833</u>	<u>\$ 21,372</u>	<u>\$ 45</u>	<u>\$ 8,102</u>



CREST	Total	
		ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
		Assets:
\$ 17,716	\$ 25,696	Cash and investments
5	9	Interest receivable
-	416	Due from other governments
-	580	Prepaid items
-	21,372	Restricted cash and investments
17,721	48,073	Total assets
-	-	Deferred outflows of resources
\$ 17,721	\$ 48,073	Total assets and deferred outflows of resources
		LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
		Liabilities:
\$ 180	\$ 926	Accounts payable
110	110	Salaries and benefits payable
763	763	Due to other funds
1,053	1,799	Total liabilities
-	-	Deferred inflows of resources
		Fund balances (Note 16):
-	580	Nonspendable
3,405	28,775	Restricted
13,263	16,919	Assigned
16,668	46,274	Total fund balances
\$ 17,721	\$ 48,073	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, 2014  
(Dollars in Thousands)

	PSEC	CORAL	Flood Control	Regional Park and Open-Space
REVENUES:				
Use of money and property:				
Investment earnings (loss)	\$ 1	\$ 9	\$ 1	\$ 48
Aid from other governmental agencies:				
State	-	-	-	740
Charges for services	-	-	-	-
Other revenue	67	-	-	-
Total revenues	<u>68</u>	<u>9</u>	<u>1</u>	<u>788</u>
EXPENDITURES:				
Current:				
General government	13	-	-	-
Recreation and culture	-	-	-	855
Capital outlay	-	52,878	1,007	-
Total expenditures	<u>13</u>	<u>52,878</u>	<u>1,007</u>	<u>855</u>
Excess (deficiency) of revenues over (under) expenditures	55	(52,869)	(1,006)	(67)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,943	900	1,647
Transfers out	-	(289)	-	(54)
Issuance of debt	-	64,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>67,654</u>	<u>900</u>	<u>1,593</u>
NET CHANGE IN FUND BALANCES	55	14,785	(106)	1,526
Fund balances, beginning of year, as previously reported	778	5,845	151	8,843
Adjustments to beginning fund balances	-	-	-	(2,271)
Fund balances, beginning of year, restated	<u>778</u>	<u>5,845</u>	<u>151</u>	<u>6,572</u>
FUND BALANCES, END OF YEAR	<u>\$ 833</u>	<u>\$ 20,630</u>	<u>\$ 45</u>	<u>\$ 8,098</u>

CREST	Total	
		REVENUES:
\$ 67	\$ 126	Use of money and property:
		Investment earnings (loss)
-	740	Aid from other governmental agencies:
2,292	2,292	State
-	67	Charges for services
2,359	3,225	Other revenue
		Total revenues
		EXPENDITURES:
		Current:
6,828	6,841	General government
-	855	Recreation and culture
-	53,885	Capital outlay
6,828	61,581	Total expenditures
		Excess (deficiency) of revenues
(4,469)	(58,356)	over (under) expenditures
		OTHER FINANCING SOURCES (USES):
7,932	14,422	Transfers in
(59)	(402)	Transfers out
-	64,000	Issuance of debt
7,873	78,020	Total other financing sources (uses)
3,404	19,664	NET CHANGE IN FUND BALANCES
		Fund balances, beginning of year,
13,264	28,881	as previously reported
-	(2,271)	Adjustments to beginning fund balances
13,264	26,610	Fund balances, beginning of year, restated
\$ 16,668	\$ 46,274	FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**PSEC Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
Use of money and property:				
Investment earnings (loss)	\$ -	\$ -	\$ 1	\$ 1
Other revenue	-	-	67	67
Total revenues	-	-	68	68
EXPENDITURES:				
Current:				
General government	-	68	13	(55)
Total expenditures	-	68	13	(55)
Excess (deficiency) of revenues over (under) expenditures	-	(68)	55	123
NET CHANGE IN FUND BALANCE	-	(68)	55	123
Fund balance, beginning of year	778	778	778	-
FUND BALANCE, END OF YEAR	<u>\$ 778</u>	<u>\$ 710</u>	<u>\$ 833</u>	<u>\$ 123</u>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Flood Control Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
Use of money and property:				
Investment earnings (loss)	\$ 1	\$ 1	\$ 1	\$ -
Other revenue	3,705	2,805	-	(2,805)
Total revenues	3,706	2,806	1	(2,805)
EXPENDITURES:				
Capital outlay	3,705	3,705	1,007	(2,698)
Total expenditures	3,705	3,705	1,007	(2,698)
Excess (deficiency) of revenues over (under) expenditures	1	(899)	(1,006)	(107)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	900	900	-
Total other financing sources (uses)	-	900	900	-
NET CHANGE IN FUND BALANCE	1	1	(106)	(107)
Fund balance, beginning of year	151	151	151	-
FUND BALANCE, END OF YEAR	\$ 152	\$ 152	\$ 45	\$ (107)

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Regional Park and Open-Space District Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Over (Under)
REVENUES:				
Use of money and property:				
Investment earnings (loss)	\$ 19	\$ 19	\$ 48	\$ 29
Aid from other governmental agencies:				
State	1,871	224	740	516
Other revenue	3,599	3,599	-	(3,599)
Total revenues	5,489	3,842	788	(3,054)
EXPENDITURES:				
Current:				
Recreation and culture	5,535	5,481	855	(4,626)
Total expenditures	5,535	5,481	855	(4,626)
Excess (deficiency) of revenues				
over (under) expenditures	(46)	(1,639)	(67)	1,572
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,647	1,647	-
Transfers out	-	(54)	(54)	-
Total other financing sources (uses)	-	1,593	1,593	-
NET CHANGE IN FUND BALANCE	(46)	(46)	1,526	1,572
Fund balance, beginning of year,				
as previously reported	8,843	8,843	8,843	-
Adjustments to beginning fund balance	-	-	(2,271)	(2,271)
Fund balance, beginning of year, as restated	8,843	8,843	6,572	(2,271)
FUND BALANCE, END OF YEAR	\$ 8,797	\$ 8,797	\$ 8,098	\$ (699)

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**CREST Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2014**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over (Under)
REVENUES:				
Use of money and property:				
Investment earnings (loss)	\$ 15	\$ 15	\$ 67	\$ 52
Charges for services	2,458	2,458	2,292	(166)
Other revenue	9,518	1,586	-	(1,586)
Total revenues	11,991	4,059	2,359	(1,700)
EXPENDITURES:				
Current:				
General government	11,976	11,917	6,828	(5,089)
Total expenditures	11,976	11,917	6,828	(5,089)
Excess (deficiency) of revenues over (under) expenditures	15	(7,858)	(4,469)	3,389
OTHER FINANCING SOURCES (USES):				
Transfers in	-	7,932	7,932	-
Transfers out	-	(59)	(59)	-
Total other financing sources (uses)	-	7,873	7,873	-
NET CHANGE IN FUND BALANCE	15	15	3,404	3,389
Fund balance, beginning of year	13,264	13,264	13,264	-
FUND BALANCE, END OF YEAR	\$ 13,279	\$ 13,279	\$ 16,668	\$ 3,389



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# 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, 2014**  
**(Dollars in Thousands)**

	Perris Valley Cemetery Endowment Fund
<hr/>	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Cash and investments	\$ 535
Total assets	<u>535</u>
Deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 535</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:	
Liabilities:	
Total liabilities	<u>\$ -</u>
Deferred inflows of resources	<u>-</u>
Fund balances (Note 16):	
Nonspendable	508
Restricted	<u>27</u>
Total fund balances	<u><u>535</u></u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 535</u></u>

**COUNTY OF RIVERSIDE**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Permanent Fund  
For the Fiscal Year Ended June 30, 2014  
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
REVENUES:	
Interest	\$        3
Charges for services	23
Total revenues	<u>26</u>
EXPENDITURES:	
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	26
NET CHANGE IN FUND BALANCES	26
Fund balance, beginning of year	509
FUND BALANCE, END OF YEAR	<u><u>\$      535</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). 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, 2014  
(Dollars in Thousands)

	County Service Areas	Flood Control	Total
ASSETS:			
Current assets:			
Cash and investments	\$ 58	\$ 2,558	\$ 2,616
Accounts receivable-net	-	251	251
Interest receivable	-	5	5
Taxes receivable	12	-	12
Due from other governments	-	12	12
Due from other funds	-	1	1
Restricted cash and investments	-	2,880	2,880
Total current assets	<u>70</u>	<u>5,707</u>	<u>5,777</u>
Noncurrent assets:			
Capital assets:			
Depreciable assets	18	8	26
Total noncurrent assets	<u>18</u>	<u>8</u>	<u>26</u>
Total assets	<u>88</u>	<u>5,715</u>	<u>5,803</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
LIABILITIES:			
Current liabilities:			
Accounts payable	16	2,925	2,941
Salaries and benefits payable	-	32	32
Due to other funds	-	3	3
Deposits payable	54	-	54
Other liabilities	-	150	150
Compensated absences	-	9	9
Total current liabilities	<u>70</u>	<u>3,119</u>	<u>3,189</u>
Noncurrent liabilities:			
Compensated absences	-	71	71
Total noncurrent liabilities	<u>-</u>	<u>71</u>	<u>71</u>
Total liabilities	<u>70</u>	<u>3,190</u>	<u>3,260</u>
DEFERRED INFLOWS OF RESOURCES	-	-	-
NET POSITION:			
Net investment in capital assets	18	8	26
Unrestricted	-	2,517	2,517
Total net position	<u>\$ 18</u>	<u>\$ 2,525</u>	<u>\$ 2,543</u>

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2014  
(Dollars in Thousands)

	County Service Areas	Flood Control	Total
OPERATING REVENUES:			
Charges for services	\$ 356	\$ 1,515	\$ 1,871
Other	16	226	242
Total operating revenues	<u>372</u>	<u>1,741</u>	<u>2,113</u>
OPERATING EXPENSES:			
Personnel services	200	784	984
Insurance	1	-	1
Maintenance of building and equipment	62	4	66
Supplies	6	12	18
Purchased services	26	911	937
Depreciation and amortization	3	7	10
Rents and leases of equipment	-	7	7
Utilities	111	-	111
Other	20	34	54
Total operating expenses	<u>429</u>	<u>1,759</u>	<u>2,188</u>
Operating income (loss)	<u>(57)</u>	<u>(18)</u>	<u>(75)</u>
NONOPERATING REVENUES (EXPENSES):			
Investment income	1	40	41
Total nonoperating revenues (expenses)	<u>1</u>	<u>40</u>	<u>41</u>
Income (loss) before transfers	(56)	22	(34)
Transfers in	15	26	41
Transfers out	(15)	-	(15)
CHANGE IN NET POSITION	<u>(56)</u>	<u>48</u>	<u>(8)</u>
Net position, beginning of year	74	2,477	2,551
NET POSITION, END OF YEAR	<u>\$ 18</u>	<u>\$ 2,525</u>	<u>\$ 2,543</u>

**COUNTY OF RIVERSIDE**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2014  
(Dollars in Thousands)

	County Service Areas	Flood Control	Total
Cash flows from operating activities			
Cash receipts from customers / other funds	\$ 374	\$ 1,794	\$ 2,168
Cash paid to suppliers for goods and services	(225)	(898)	(1,123)
Cash paid to employees for services	(200)	(783)	(983)
Net cash provided by (used in) operating activities	(51)	113	62
Cash flows from noncapital financing activities			
Transfers received	15	26	41
Transfers paid	(15)	-	(15)
Net cash provided by (used in) noncapital financing activities	-	26	26
Cash flows from capital and related financing activities			
Acquisition and construction of capital assets	-	(8)	(8)
Net cash used in capital and related financing activities	-	(8)	(8)
Cash flows from investing activities			
Interest received on investments	1	39	40
Net cash provided by investing activities	1	39	40
Net increase (decrease) in cash and cash equivalents	(50)	170	120
Cash and cash equivalents, beginning of year	108	5,268	5,376
Cash and cash equivalents, end of year	\$ 58	\$ 5,438	\$ 5,496
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (57)	\$ (18)	\$ (75)
Adjustments to reconcile operating income (loss) to net cash			
Depreciation and amortization	3	7	10
Decrease (Increase) accounts receivable	-	52	52
Decrease (Increase) taxes receivable	2	14	16
Decrease (Increase) due from other funds	-	(1)	(1)
Decrease (Increase) due from other governments	-	(12)	(12)
Increase (Decrease) accounts payable	(2)	103	101
Increase (Decrease) due to other funds	-	(9)	(9)
Increase (Decrease) deposits payable	3	-	3
Increase (Decrease) other liabilities	-	(24)	(24)
Increase (Decrease) salaries and benefits payable	-	5	5
Increase (Decrease) compensated absences	-	(4)	(4)
Net cash provided by (used in) operating activities	\$ (51)	\$ 113	\$ 62

# **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.

### **OASIS PROJECT**

These funds were established to support the implementation, operation, and maintenance of the County's central administrative and financial information system. Revenue is obtained 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 worker's 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, 2014  
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
<b>ASSETS:</b>					
Current assets:					
Cash and investments	\$ 1,463	\$ 11,871	\$ 6,920	\$ 2,883	\$ 3,960
Accounts receivable-net	-	19	168	17	3
Interest receivable	1	3	1	1	1
Due from other government	-	170	43	74	48
Due from other funds	-	-	4	-	-
Inventories	-	740	1,119	231	361
Prepaid items and deposits	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total current assets	<u>1,464</u>	<u>12,803</u>	<u>8,255</u>	<u>3,206</u>	<u>4,373</u>
Noncurrent assets:					
Loans receivable	-	-	-	-	-
Capital assets:					
Nondepreciable assets	-	682	235	-	-
Depreciable assets	<u>212</u>	<u>26,132</u>	<u>18,854</u>	<u>1,156</u>	<u>183</u>
Total noncurrent assets	<u>212</u>	<u>26,814</u>	<u>19,089</u>	<u>1,156</u>	<u>183</u>
Total assets	<u>1,676</u>	<u>39,617</u>	<u>27,344</u>	<u>4,362</u>	<u>4,556</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	2	1,059	329	54	525
Salaries and benefits payable	46	175	2,600	87	36
Due to other governments	-	-	-	-	7
Due to other funds	39	-	-	-	-
Other liabilities	-	1,558	-	-	50
Compensated absences	56	238	4,668	123	45
Capital lease obligation	-	5,512	1,004	-	-
Estimated claims liability	-	-	-	-	-
Total current liabilities	<u>143</u>	<u>8,542</u>	<u>8,601</u>	<u>264</u>	<u>663</u>
Noncurrent liabilities:					
Compensated absences	42	280	1,470	51	37
Advances from other funds	-	-	2,500	-	-
Capital lease obligation	-	6,627	16,741	-	-
Estimated claims liabilities	-	-	-	-	-
Total noncurrent liabilities	<u>42</u>	<u>6,907</u>	<u>20,711</u>	<u>51</u>	<u>37</u>
Total liabilities	<u>185</u>	<u>15,449</u>	<u>29,312</u>	<u>315</u>	<u>700</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	212	14,675	1,344	1,156	183
Unrestricted	1,279	9,493	(3,312)	2,891	3,673
Total net position	<u>\$ 1,491</u>	<u>\$ 24,168</u>	<u>\$ (1,968)</u>	<u>\$ 4,047</u>	<u>\$ 3,856</u>



OASIS Project	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
						ASSETS:
						Current assets:
\$ -	\$ 163,814	\$ 593	\$ 6,731	\$ 5,532	\$ 203,767	Cash and investments
-	3,585	-	-	9	3,801	Accounts receivable-net
-	71	-	1	2	81	Interest receivable
-	-	-	367	-	702	Due from other government
-	-	-	14	62	80	Due from other funds
-	-	-	175	235	2,861	Inventories
-	367	-	71	-	438	Prepaid items and deposits
-	2,000	-	-	-	2,000	Advances to other funds
-	169,837	593	7,359	5,840	213,730	Total current assets
						Noncurrent assets:
-	1,800	-	-	-	1,800	Loans receivable
						Capital assets:
-	-	-	-	-	917	Nondepreciable assets
-	25	-	48	2,033	48,643	Depreciable assets
-	1,825	-	48	2,033	51,360	Total noncurrent assets
-	171,662	593	7,407	7,873	265,090	Total assets
-	-	-	-	-	-	DEFERRED OUTFLOWS OF RESOURCES
						LIABILITIES:
						Current liabilities:
-	20,511	29	1,807	133	24,449	Accounts payable
-	1,135	134	1,152	108	5,473	Salaries and benefits payable
-	-	-	1	2	10	Due to other governments
-	-	-	560	15	614	Due to other funds
-	3	-	460	-	2,071	Other liabilities
-	1,181	269	1,365	27	7,972	Compensated absences
-	-	-	-	-	6,516	Capital lease obligation
-	34,262	-	-	-	34,262	Estimated claims liability
-	57,092	432	5,345	285	81,367	Total current liabilities
						Noncurrent liabilities:
-	1,017	7	961	202	4,067	Compensated absences
-	-	-	3,342	-	5,842	Advances from other funds
-	-	-	-	-	23,368	Capital lease obligation
-	108,197	-	-	-	108,197	Estimated claims liabilities
-	109,214	7	4,303	202	141,474	Total noncurrent liabilities
-	166,306	439	9,648	487	222,841	Total liabilities
-	-	-	-	-	-	DEFERRED INFLOWS OF RESOURCES
						NET POSITION:
-	25	-	48	2,033	19,676	Net investment in capital assets
-	5,331	154	(2,289)	5,353	22,573	Unrestricted
\$ -	\$ 5,356	\$ 154	\$ (2,241)	\$ 7,386	\$ 42,249	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, 2014  
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
OPERATING REVENUES:					
Charges for services	\$ 1,669	\$ 27,668	\$ 57,215	\$ 4,762	\$ 8,702
Other revenue	-	150	794	2,379	6,770
Total operating revenues	1,669	27,818	58,009	7,141	15,472
OPERATING EXPENSES:					
Cost of materials used	-	1,752	-	-	-
Personnel services	1,067	3,497	43,330	1,743	727
Communications	30	90	933	30	18
Insurance	33	75	205	13	17
Maintenance of building and equipment	62	2,878	6,539	470	177
Insurance claims	-	-	-	-	-
Supplies	21	10,417	763	3,124	14,531
Purchased services	5	844	3,464	992	256
Depreciation and amortization	26	7,606	6,374	271	20
Rents and leases of equipment	288	1,106	4,264	1	-
Utilities	33	113	1,057	22	13
Other	18	260	493	95	67
Total operating expenses	1,583	28,638	67,422	6,761	15,826
Operating income (loss)	86	(820)	(9,413)	380	(354)
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	7	47	36	14	16
Interest expense	-	(131)	(753)	-	-
Gain (loss) on disposal of capital assets	-	122	12	-	-
Other nonoperating revenues (expenses)	-	(2)	-	-	-
Total nonoperating revenues (expenses)	7	36	(705)	14	16
Income (loss) before capital contributions	93	(784)	(10,118)	394	(338)
Capital contributions	-	38	-	-	-
Transfers in	-	-	3,795	-	-
Transfers out	(21)	(76)	(888)	(38)	(15)
CHANGE IN NET POSITION	72	(822)	(7,211)	356	(353)
Net position, beginning of year	1,419	24,990	5,243	3,691	4,209
NET POSITION, END OF YEAR	\$ 1,491	\$ 24,168	\$ (1,968)	\$ 4,047	\$ 3,856

OASIS Project	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
\$ 17	\$ 40,733	\$ 4,233	\$ 82,492	\$ 1,265	\$ 228,756	OPERATING REVENUES:
-	13,888	2	13,270	5,504	42,757	Charges for services
17	54,621	4,235	95,762	6,769	271,513	Other revenue
						Total operating revenues
						OPERATING EXPENSES:
-	-	-	-	56	1,808	Cost of materials used
-	14,996	2,948	22,817	2,277	93,402	Personnel services
-	335	39	263	186	1,924	Communications
-	8,478	10	173	-	9,004	Insurance
-	973	84	10,791	541	22,515	Maintenance of building and equipment
-	117,210	-	-	-	117,210	Insurance claims
-	4,434	160	2,058	1,256	36,764	Supplies
-	4,873	1,346	9,190	1,138	22,108	Purchased services
-	64	-	19	906	15,286	Depreciation and amortization
-	1,417	259	48,437	3	55,775	Rents and leases of equipment
-	81	18	1,299	-	2,636	Utilities
-	2,928	164	1,305	306	5,636	Other
-	155,789	5,028	96,352	6,669	384,068	Total operating expenses
17	(101,168)	(793)	(590)	100	(112,555)	Operating income (loss)
						NONOPERATING REVENUES (EXPENSES):
-	943	5	23	39	1,130	Investment income (loss)
(1)	-	-	-	-	(885)	Interest expense
-	-	-	-	74	208	Gain (loss) on disposal of capital assets
-	-	-	-	-	(2)	Other nonoperating revenues (expenses)
(1)	943	5	23	113	451	Total nonoperating revenues (expenses)
16	(100,225)	(788)	(567)	213	(112,104)	Income (loss) before capital contributions
-	82,170	-	-	-	82,208	Capital contributions
7	2,159	-	50	203	6,214	Transfers in
(3,764)	(2,468)	(547)	(464)	(3,014)	(11,295)	Transfers out
(3,741)	(18,364)	(1,335)	(981)	(2,598)	(34,977)	CHANGE IN NET POSITION
3,741	23,720	1,489	(1,260)	9,984	77,226	Net position, beginning of year
\$ -	\$ 5,356	\$ 154	\$ (2,241)	\$ 7,386	\$ 42,249	NET POSITION, END OF YEAR

**COUNTY OF RIVERSIDE**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2014  
(Dollars in Thousands)

	Records Management and Archives	Fleet Service	Information Services	Printing Services	Supply Services
Cash flows from operating activities					
Cash receipts from internal services provided	\$ 1,686	\$ 27,851	\$ 57,860	\$ 7,141	\$ 15,428
Cash paid to suppliers for goods and services	(474)	(16,110)	(17,044)	(4,809)	(14,590)
Cash paid to employees for services	(1,065)	(3,503)	(38,601)	(1,718)	(719)
Net cash provided (used) by operating activities	147	8,238	2,215	614	119
Cash flows from noncapital financing activities					
Advances from other funds	-	-	2,500	-	-
Advances to other funds	-	-	-	-	-
Transfers received	-	-	3,795	-	-
Transfers paid	(21)	(76)	(888)	(38)	(15)
Net cash provided (used) by noncapital financing activities	(21)	(76)	5,407	(38)	(15)
Cash flows from capital and related financing activities					
Proceeds on disposal of capital assets	-	120	12	-	-
Acquisition and construction of capital assets	-	(9,798)	(21,770)	(586)	-
Principal paid on capital leases	-	2,416	15,657	-	-
Capital contributions	-	38	-	-	-
Interest paid on long-term debt	-	(131)	(753)	-	-
Net cash provided (used) by capital and related financing activities	-	(7,355)	(6,854)	(586)	-
Cash flows from investing activities					
Interest received on investments	7	48	36	14	16
Net cash provided by investing activities	7	48	36	14	16
Net increase (decrease) in cash and cash equivalents	133	855	804	4	120
Cash and cash equivalents, beginning of year	1,330	11,016	6,116	2,879	3,840
Cash and cash equivalents, end of year	\$ 1,463	\$ 11,871	\$ 6,920	\$ 2,883	\$ 3,960
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 86	\$ (820)	\$ (9,413)	\$ 380	\$ (354)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization	26	7,606	6,374	271	20
Decrease (Increase) accounts receivable	-	(2)	(130)	-	4
Decrease (Increase) due from other funds	17	56	(4)	-	-
Decrease (Increase) due from other governments	-	(21)	(15)	-	(48)
Decrease (Increase) inventories	-	-	617	(4)	(11)
Decrease (Increase) prepaid items and deposits	-	-	-	-	-
Increase (Decrease) accounts payable	(1)	168	58	(33)	450
Increase (Decrease) due to other funds	17	-	(1)	-	-
Increase (Decrease) due to other governments	-	(1)	-	-	-
Increase (Decrease) other liabilities	-	1,258	-	(25)	50
Increase (Decrease) estimated claims liability	-	-	-	-	-
Increase (Decrease) salaries and benefits payable	(1)	17	1,335	8	4
Increase (Decrease) compensated absences	3	(23)	3,394	17	4
Net cash provided (used) by operating activities	\$ 147	\$ 8,238	\$ 2,215	\$ 614	\$ 119
Noncash investing, capital, and financing activities:					
Capital lease obligations		\$ 8,945	\$ 18,537		

OASIS Project	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
\$ 17	\$ 54,142	\$ 4,235	\$ 95,677	\$ 6,744	\$ 270,781	Cash flows from operating activities
(6)	(137,907)	(2,093)	(72,206)	(3,536)	(268,775)	Cash receipts from internal services provided
(964)	(14,819)	(2,867)	(22,515)	(2,164)	(88,935)	Cash paid to suppliers for goods and services
						Cash paid to employees for services
(953)	(98,584)	(725)	956	1,044	(86,929)	Net cash provided (used) by operating activities
						Cash flows from noncapital financing activities
-	-	-	-	-	2,500	Advances from other funds
-	(2,000)	-	-	-	(2,000)	Advances to other funds
7	2,159	-	50	203	6,214	Transfers received
(3,764)	(2,468)	(547)	(464)	(3,014)	(11,295)	Transfers paid
						Net cash provided (used) by noncapital financing activities
(3,757)	(2,309)	(547)	(414)	(2,811)	(4,581)	
						Cash flows from capital and related financing activities
-	(1,800)	-	-	74	(1,594)	Proceeds on disposal of capital assets
447	(20)	-	-	(435)	(32,162)	Acquisition and construction of capital assets
(289)	-	-	-	-	17,784	Principal paid on capital leases
-	82,170	-	-	-	82,208	Capital contributions
(1)	-	-	-	-	(885)	Interest paid on long-term debt
						Net cash provided (used) by capital and related financing activities
157	80,350	-	-	(361)	65,351	
						Cash flows from investing activities
2	960	5	24	40	1,152	Interest received on investments
2	960	5	24	40	1,152	Net cash provided by investing activities
(4,551)	(19,583)	(1,267)	566	(2,088)	(25,007)	Net increase (decrease) in cash and cash equivalents
4,551	183,397	1,860	6,165	7,620	228,774	Cash and cash equivalents, beginning of year
\$ -	\$ 163,814	\$ 593	\$ 6,731	\$ 5,532	\$ 203,767	Cash and cash equivalents, end of year
						Reconciliation of operating income (loss) to net cash provided (used) by operating activities
\$ 17	\$ (101,168)	\$ (793)	\$ (590)	\$ 100	\$ (112,555)	Operating income (loss)
						Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities
-	64	-	19	906	15,286	Depreciation and amortization
-	(479)	-	-	(2)	(609)	Decrease (Increase) accounts receivable
-	-	-	(14)	(23)	32	Decrease (Increase) due from other funds
-	-	-	(71)	-	(155)	Decrease (Increase) due from other governments
-	-	-	15	1	618	Decrease (Increase) inventories
-	(62)	-	(8)	-	(70)	Decrease (Increase) prepaid items and deposits
(6)	(8,659)	(12)	548	(25)	(7,512)	Increase (Decrease) accounts payable
-	-	(1)	560	(28)	547	Increase (Decrease) due to other funds
-	-	-	1	2	2	Increase (Decrease) due to other governments
-	3	-	194	-	1,480	Increase (Decrease) other liabilities
-	11,540	-	-	-	11,540	Increase (Decrease) estimated claims liability
(251)	146	24	154	92	1,528	Increase (Decrease) salaries and benefits payable
(713)	31	57	148	21	2,939	Increase (Decrease) compensated absences
\$ (953)	\$ (98,584)	\$ (725)	\$ 956	\$ 1,044	\$ (86,929)	Net cash provided (used) by operating activities
						Noncash investing, capital, and financing activities:
\$ (289)					\$ 27,193	Capital lease obligations



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# FIDUCIARY FUNDS





# **COUNTY OF RIVERSIDE**

## **FIDUCIARY FUNDS**

These funds were established for the purpose of accounting for assets held in 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, 2014  
(Dollars in Thousands)

	Other	Payroll Deductions	Property Tax Assessments	Warrants	Total
<b>ASSETS:</b>					
Cash and investments	\$ 106,043	\$ 11,115	\$ 80,826	\$ 96,195	\$ 294,179
Accounts receivable	386	-	-	-	386
Interest receivable	18	-	10	-	28
Taxes receivable	49	-	32,904	-	32,953
Due from other governments	426	-	-	-	426
Total assets	<u>\$ 106,922</u>	<u>\$ 11,115</u>	<u>\$ 113,740</u>	<u>\$ 96,195</u>	<u>\$ 327,972</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ 77,544	\$ 11,115	\$ 654	\$ 96,195	\$ 185,508
Salaries and benefits payable	6	-	-	-	6
Due to other governments	29,372	-	113,086	-	142,458
Total liabilities	<u>\$ 106,922</u>	<u>\$ 11,115</u>	<u>\$ 113,740</u>	<u>\$ 96,195</u>	<u>\$ 327,972</u>

# COUNTY OF RIVERSIDE

## Combining Statement of Changes in Fiduciary Assets and Liabilities

### Agency Funds

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

Other	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>Assets</u>				
Cash and investments	\$ 87,556	\$ 5,229,391	\$ 5,210,904	\$ 106,043
Accounts receivable	47	4,457	4,118	386
Interest receivable	25	36	43	18
Taxes receivable	68	49	68	49
Due from other governments	350	428	352	426
Total assets	<u>\$ 88,046</u>	<u>\$ 5,234,361</u>	<u>\$ 5,215,485</u>	<u>\$ 106,922</u>
<u>Liabilities</u>				
Accounts payable	\$ 69,087	\$ 637,507	\$ 629,050	\$ 77,544
Salaries and benefits payable	6	6	6	6
Due to other governments	18,953	4,583,066	4,572,647	29,372
Total liabilities	<u>\$ 88,046</u>	<u>\$ 5,220,579</u>	<u>\$ 5,201,703</u>	<u>\$ 106,922</u>
<u>Payroll Deductions</u>				
<u>Assets</u>				
Cash and investments	\$ 11,123	\$ 1,948,846	\$ 1,948,854	\$ 11,115
Total assets	<u>\$ 11,123</u>	<u>\$ 1,948,846</u>	<u>\$ 1,948,854</u>	<u>\$ 11,115</u>
<u>Liabilities</u>				
Accounts payable	\$ 11,123	\$ 1,354,071	\$ 1,354,079	\$ 11,115
Total liabilities	<u>\$ 11,123</u>	<u>\$ 1,354,071</u>	<u>\$ 1,354,079</u>	<u>\$ 11,115</u>
<u>Property Tax Assessments</u>				
<u>Assets</u>				
Cash and investments	\$ 76,342	\$ 4,329,670	\$ 4,325,186	\$ 80,826
Interest receivable	13	21	24	10
Taxes receivable	36,065	32,904	36,065	32,904
Total assets	<u>\$ 112,420</u>	<u>\$ 4,362,595</u>	<u>\$ 4,361,275</u>	<u>\$ 113,740</u>
<u>Liabilities</u>				
Accounts payable	\$ 599	\$ 251,864	\$ 251,809	\$ 654
Due to other governments	111,821	4,348,187	4,346,922	113,086
Total liabilities	<u>\$ 112,420</u>	<u>\$ 4,600,051</u>	<u>\$ 4,598,731</u>	<u>\$ 113,740</u>

# COUNTY OF RIVERSIDE

## Combining Statement of Changes in Fiduciary Assets and Liabilities

### Agency Funds

For the Fiscal Year Ended June 30, 2014

(Dollars in Thousands)

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<hr/>				
Warrants				
<hr/>				
<u>Assets</u>				
Cash and investments	\$ 51,752	\$ 9,833,177	\$ 9,788,734	\$ 96,195
Total assets	<u>\$ 51,752</u>	<u>\$ 9,833,177</u>	<u>\$ 9,788,734</u>	<u>\$ 96,195</u>
<hr/>				
<u>Liabilities</u>				
Accounts payable	\$ 51,752	\$ 5,539,421	\$ 5,494,978	\$ 96,195
Total liabilities	<u>\$ 51,752</u>	<u>\$ 5,539,421</u>	<u>\$ 5,494,978</u>	<u>\$ 96,195</u>
<hr/>				
Total Agency Funds				
<hr/>				
<u>Assets</u>				
Cash and investments	\$ 226,773	\$ 21,341,084	\$ 21,273,678	\$ 294,179
Accounts receivable	47	4,457	4,118	386
Interest receivable	38	57	67	28
Taxes receivable	36,133	32,953	36,133	32,953
Due from other governments	350	428	352	426
Total assets	<u>\$ 263,341</u>	<u>\$ 21,378,979</u>	<u>\$ 21,314,348</u>	<u>\$ 327,972</u>
<hr/>				
<u>Liabilities</u>				
Accounts payable	\$ 132,561	\$ 7,782,863	\$ 7,729,916	\$ 185,508
Salaries and benefits payable	6	6	6	6
Due to other governments	130,774	8,931,253	8,919,569	142,458
Total liabilities	<u>\$ 263,341</u>	<u>\$ 16,714,122</u>	<u>\$ 16,649,491</u>	<u>\$ 327,972</u>

# STATISTICAL SECTION



## Statistical Section

This section of the Riverside 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 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.

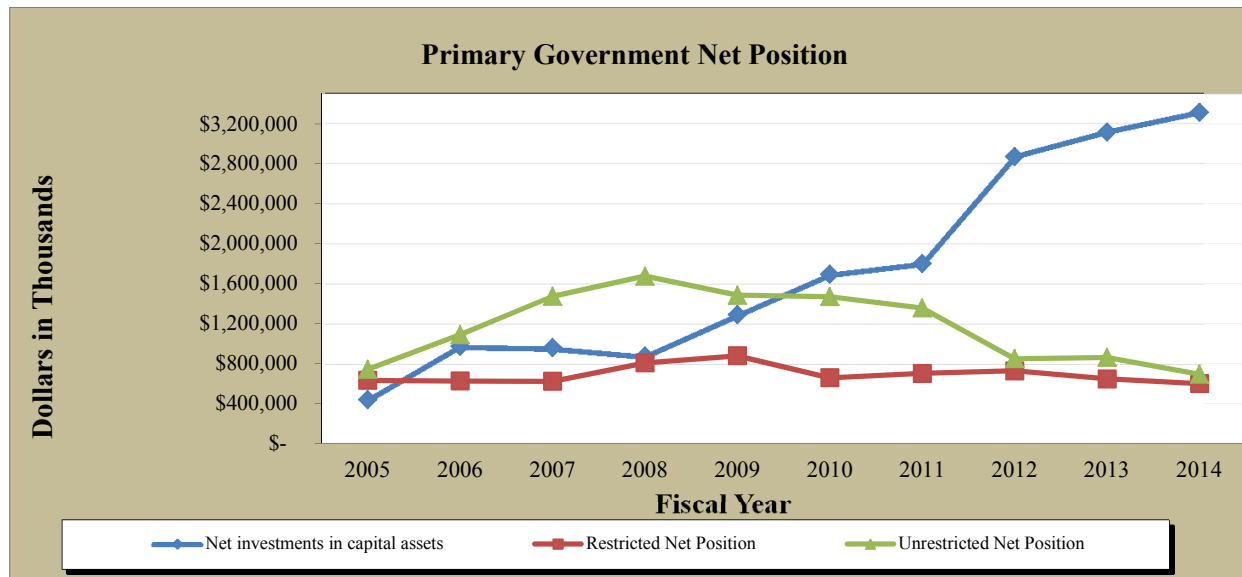
- Full-time Equivalent County Government Employees by Function/Program
- Operating Indicators by Function
- Capital Asset Statistics by Function

Source: Unless otherwise noted, the information in these tables is derived from Riverside County's Comprehensive Annual Financial Reports for the relevant years. The County implemented GASB Statement No. 34 in fiscal year 2001-02. Statistical Tables present information for the last eight years beginning with the first year after GASB Statement No. 34 implementation.

Table 1

**COUNTY OF RIVERSIDE**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2014**

	<b>Fiscal Year ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Governmental activities</b>					
Net investments in capital assets	\$ 3,165,319	\$ 2,998,987	\$ 2,740,429	\$ 1,687,128	\$ 1,594,275
Restricted	499,463	550,326	683,835	656,347	604,942
Unrestricted	718,105	771,883	851,269	1,295,657	1,395,141
Governmental activities, total net position	<u>\$ 4,382,887</u>	<u>\$ 4,321,196</u>	<u>\$ 4,275,533</u>	<u>\$ 3,639,132</u>	<u>\$ 3,594,358</u>
<b>Business-type activities</b>					
Net investments in capital assets	\$ 147,806	\$ 118,594	\$ 130,510	\$ 113,489	\$ 96,901
Restricted	96,904	94,346	41,103	43,086	50,386
Unrestricted	(27,903)	88,852	(5,456)	59,550	72,397
Business-type activities, total net position	<u>\$ 216,807</u>	<u>\$ 301,792</u>	<u>\$ 166,157</u>	<u>\$ 216,125</u>	<u>\$ 219,684</u>
<b>Primary government</b>					
Net investments in capital assets	\$ 3,313,125	\$ 3,117,581	\$ 2,870,939	\$ 1,800,617	\$ 1,691,176
Restricted	596,367	644,672	724,938	699,433	655,328
Unrestricted	690,202	860,735	845,813	1,355,207	1,467,538
Primary government, total net position	<u>\$ 4,599,694</u>	<u>\$ 4,622,988</u>	<u>\$ 4,441,690</u>	<u>\$ 3,855,257</u>	<u>\$ 3,814,042</u>



Source: Auditor-Controller, County of Riverside



Table 1

2009	2008	2007	2006	2005	
					<b>Governmental activities</b>
\$ 1,204,971	\$ 802,981	\$ 903,076	\$ 930,800	\$ 407,762	Net investments in capital assets
824,139	769,368	569,477	582,037	584,441	Restricted
1,402,813	1,572,150	1,370,350	999,992	671,917	Unrestricted
<u>\$ 3,431,923</u>	<u>\$ 3,144,499</u>	<u>\$ 2,842,903</u>	<u>\$ 2,512,829</u>	<u>\$ 1,664,120</u>	Governmental activities, total net position
					<b>Business-type activities</b>
\$ 81,512	\$ 69,441	\$ 53,321	\$ 40,986	\$ 29,583	Net investments in capital assets
52,502	36,074	50,629	41,287	45,362	Restricted
80,238	101,683	100,567	85,971	67,502	Unrestricted
<u>\$ 214,252</u>	<u>\$ 207,198</u>	<u>\$ 204,517</u>	<u>\$ 168,244</u>	<u>\$ 142,447</u>	Business-type activities, total net position
					<b>Primary government</b>
\$ 1,286,483	\$ 872,422	\$ 956,397	\$ 971,786	\$ 437,345	Net investments in capital assets
876,641	805,442	620,106	623,324	629,803	Restricted
1,483,051	1,673,833	1,470,917	1,085,963	739,419	Unrestricted
<u>\$ 3,646,175</u>	<u>\$ 3,351,697</u>	<u>\$ 3,047,420</u>	<u>\$ 2,681,073</u>	<u>\$ 1,806,567</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, 2014**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 162,926	\$ 138,851	\$ 147,510	\$ 159,570	\$ 140,723
Public protection	352,178	339,379	316,778	326,237	331,162
Other activities	100,791	110,231	116,509	105,931	95,438
Operating grants and contributions	1,593,627	1,503,390	1,447,694	1,393,016	1,384,791
Capital grants and contributions	29,890	27,695	27,909	32,114	31,112
Governmental activities program revenues	<u>2,239,412</u>	<u>2,119,546</u>	<u>2,056,400</u>	<u>2,016,868</u>	<u>1,983,226</u>
Business-type activities:					
Charges for services:					
Regional Medical Center	400,630	450,340	371,827	386,533	367,273
Other activities	155,336	150,407	133,838	140,327	134,257
Capital grants and contributions	450	698	335	-	1,165
Business-type activities program revenues	<u>556,416</u>	<u>601,445</u>	<u>506,000</u>	<u>526,860</u>	<u>502,695</u>
Primary government program revenues	<u>2,795,828</u>	<u>2,720,991</u>	<u>2,562,400</u>	<u>2,543,728</u>	<u>2,485,921</u>
<b>Expenses</b>					
Governmental activities:					
General government	228,146	194,641	270,474	298,032	323,949
Public protection	1,191,438	1,065,373	1,047,202	1,021,288	1,062,213
Public ways and facilities	108,380	89,469	84,797	87,424	31,024
Health and sanitation	460,963	422,982	374,950	369,984	347,634
Public assistance	851,246	807,611	827,092	907,202	820,637
Education	24,420	18,998	10,376	15,816	19,866
Recreation and cultural services	20,077	12,274	15,806	9,364	12,206
Interest on long-term debt	47,236	29,453	39,098	88,998	80,754
Governmental activities expenses	<u>2,931,906</u>	<u>2,640,801</u>	<u>2,669,795</u>	<u>2,798,108</u>	<u>2,698,283</u>
Business-type activities:					
Regional Medical Center	482,240	473,916	417,074	401,120	389,991
Waste Management Department	62,721	53,069	57,272	56,688	49,956
Housing Authority	94,716	90,678	91,469	86,027	81,426
Flood Control	2,561	2,472	2,306	3,711	3,233
County Service Areas	429	459	456	383	454
Business-type activities expenses	<u>642,667</u>	<u>620,594</u>	<u>568,577</u>	<u>547,929</u>	<u>525,060</u>
Primary government expenses	<u>3,574,573</u>	<u>3,261,395</u>	<u>3,238,372</u>	<u>3,346,037</u>	<u>3,223,343</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(692,494)	(521,255)	(613,395)	(781,240)	(715,057)
Business-type activities	<u>(86,251)</u>	<u>(19,149)</u>	<u>(62,577)</u>	<u>(21,069)</u>	<u>(22,365)</u>
Primary government, net (expense) / revenue	<u>\$ (778,745)</u>	<u>\$ (540,404)</u>	<u>\$ (675,972)</u>	<u>\$ (802,309)</u>	<u>\$ (737,422)</u>

Source: Auditor-Controller, County of Riverside

Table 2

2009	2008	2007	2006	2005	
					<b>Program revenues</b>
					Governmental activities:
					Charges for services:
\$ 143,644	\$ 171,403	\$ 171,070	\$ 174,781	\$ 125,937	General government
311,565	316,719	307,288	286,877	235,873	Public protection
100,819	123,483	130,837	113,413	97,182	Other activities
1,344,611	1,315,716	1,210,941	1,100,674	983,290	Operating grants and contributions
29,771	25,333	48,186	31,001	64,252	Capital grants and contributions
1,930,410	1,952,654	1,868,322	1,706,746	1,506,534	Governmental activities program revenues
					Business-type activities:
					Charges for services:
360,584	333,414	337,905	330,125	354,510	Regional Medical Center
139,206	146,065	137,706	135,266	125,945	Other activities
310	306	261	227	-	Capital grants and contributions
500,100	479,785	475,872	465,618	480,455	Business-type activities program revenues
2,430,510	2,432,439	2,344,194	2,172,364	1,986,989	Primary government program revenues
					<b>Expenses</b>
					Governmental activities:
285,393	331,741	296,917	259,993	187,911	General government
1,095,587	1,122,370	935,550	801,044	792,287	Public protection
31,283	20,558	57,578	61,443	79,649	Public ways and facilities
392,945	330,206	350,082	350,451	290,001	Health and sanitation
770,484	752,779	688,213	634,522	552,298	Public assistance
15,954	17,977	14,847	11,168	10,112	Education
6,039	12,457	11,941	7,188	8,617	Recreation and cultural services
89,741	96,173	81,197	75,721	48,717	Interest on long-term debt
2,687,426	2,684,261	2,436,325	2,201,530	1,969,592	Governmental activities expenses
					Business-type activities:
379,278	353,481	329,128	290,962	356,255	Regional Medical Center
61,116	64,538	60,772	66,453	55,563	Waste Management Department
81,139	74,252	70,218	62,909	62,206	Housing Authority
3,816	5,201	6,242	5,705	4,928	Flood Control
457	343	329	285	320	County Service Areas
525,806	497,815	466,689	426,314	479,272	Business-type activities expenses
3,213,232	3,182,076	2,903,014	2,627,844	2,448,864	Primary government expenses
					<b>Net (expense)/revenue</b>
(757,016)	(731,607)	(568,003)	(494,784)	(463,058)	Governmental activities
(25,706)	(18,030)	9,183	39,304	1,183	Business-type activities
\$ (782,722)	\$ (749,637)	\$ (558,820)	\$ (455,480)	\$ (461,875)	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, 2014**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Continued:					
Primary government, net (expense) / revenue	\$ (778,745)	\$ (540,404)	\$ (675,972)	\$ (802,309)	\$ (737,422)
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Taxes:					
Property taxes	297,107	277,417	322,337	367,867	440,282
Sales tax and use tax	35,443	29,751	26,744	45,489	36,289
Other taxes	27,764	37,883	6,715	9,004	8,610
Intergovernmental revenue - not restricted to programs:					
Unrestricted intergovernmental revenue	227,303	220,811	226,384	235,153	246,493
Fines, forfeitures, and penalties	-	-	-	-	-
Investment earnings	11,317	2,035	11,801	19,494	29,026
Other	167,992	168,454	169,398	142,966	91,044
Transfers	(9,645)	(1,049)	(11,702)	(10,355)	(17,436)
Governmental activities	<u>757,281</u>	<u>735,302</u>	<u>751,677</u>	<u>809,618</u>	<u>834,308</u>
Business-type activities:					
Investment earnings	1,319	(33)	907	538	1,442
Gain on sale of capital assets	-	-	-	-	-
Other	-	-	-	6,617	-
Transfers	9,645	1,049	11,702	10,355	17,436
Business-type activities	<u>10,964</u>	<u>1,016</u>	<u>12,609</u>	<u>17,510</u>	<u>18,878</u>
Total primary government	<u>768,245</u>	<u>736,318</u>	<u>764,286</u>	<u>827,128</u>	<u>853,186</u>
<b>Change in net position</b>					
Governmental activities	64,787	214,047	138,282	28,378	119,251
Business-type activities	(75,287)	(18,133)	(49,968)	(3,559)	(3,487)
Primary government change in net position	<u>\$ (10,500)</u>	<u>\$ 195,914</u>	<u>\$ 88,314</u>	<u>\$ 24,819</u>	<u>\$ 115,764</u>

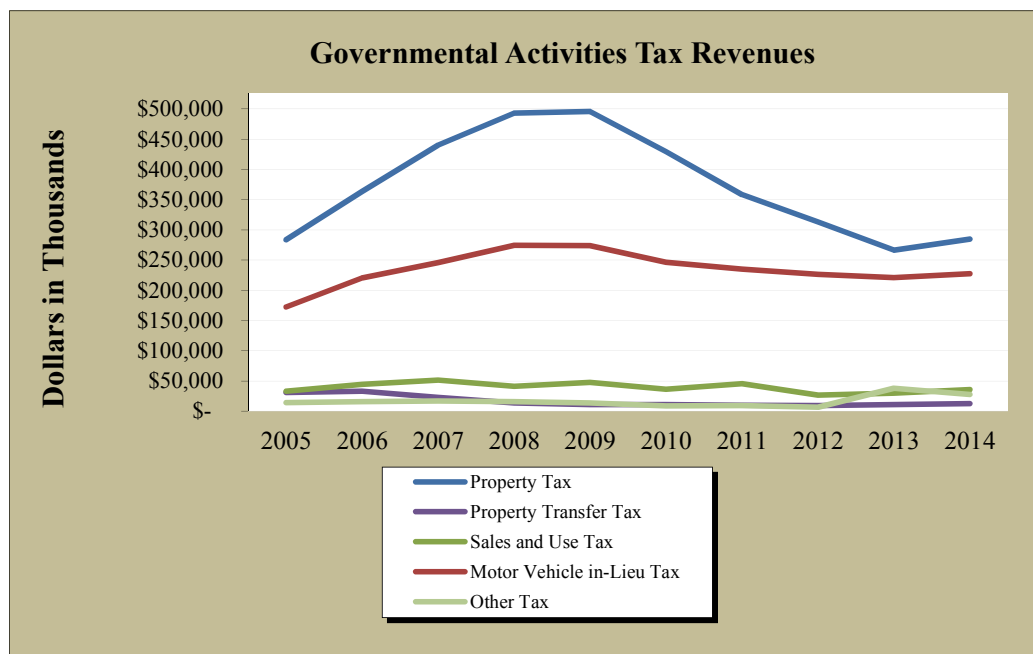
Table 2

2009	2008	2007	2006	2005	
\$ (782,722)	\$ (749,637)	\$ (558,820)	\$ (455,480)	\$ (461,875)	Continued:
					Primary government, net (expense) / revenue
					<b>General revenues and other changes in net position</b>
					Governmental activities:
					Taxes:
506,222	506,327	462,817	396,167	314,666	Property taxes
47,683	40,985	51,093	44,286	33,091	Sales tax and use tax
13,771	15,898	16,865	15,603	13,885	Other taxes
					Intergovernmental revenue - not restricted to programs:
273,825	274,282	245,723	220,190	172,265	Unrestricted intergovernmental revenue
-	-	-	-	70,578	Fines, forfeitures, and penalties
87,041	138,071	122,517	78,288	39,907	Investment earnings
121,880	85,924	13,191	96,265	99,330	Other
(25,713)	(10,322)	(16,892)	19,888	(31,000)	Transfers
1,024,709	1,051,165	895,314	870,687	712,722	Governmental activities
					Business-type activities:
6,142	10,389	10,198	6,381	4,234	Investment earnings
-	-	-	-	346	Gain on sale of capital assets
-	-	-	-	-	Other
25,713	10,322	16,892	(19,888)	31,000	Transfers
31,855	20,711	27,090	(13,507)	35,580	Business-type activities
1,056,564	1,071,876	922,404	857,180	748,302	Total primary government
					<b>Change in net position</b>
267,693	319,558	327,311	375,903	249,664	Governmental activities
6,149	2,681	36,273	25,797	36,763	Business-type activities
\$ 273,842	\$ 322,239	\$ 363,584	\$ 401,700	\$ 286,427	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, 2014**

<b>Fiscal Year Ending June 30th</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>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
<b>2006</b>	363,407	32,760	44,286	220,190	15,603	676,246
<b>2005</b>	283,660	31,006	33,091	172,265	13,885	533,907



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, 2014**

	Fiscal Year Ending June 30th				
	2014	2013	2012	2011	2010
<b>General Fund</b>					
Nonspendable	\$ 2,045	\$ 3,247	\$ 1,834	\$ 2,214	\$ 3,201
Restricted	117,595	101,440	101,651	98,552	93,653
Committed	32,820	42,183	52,439	50,097	250,444
Assigned	7,772	10,460	8,764	3,463	2,998
Unassigned	203,444	199,919	171,910	189,236	36,190
Total general fund	363,676	357,249	336,598	343,562	386,486
<b>Transportation</b>					
Nonspendable	1,101	1,044	1,014	-	-
Restricted	62,767	79,127	95,805	-	-
Committed	2,244	1,310	1,811	-	-
Assigned	14,063	12,821	4,935	-	-
Total transportation	80,175	94,302	103,565	-	-
<b>Flood Control</b>					
Nonspendable	1	1	1	1	1
Committed	258,580	253,117	252,368	237,211	222,944
Assigned	-	1,807	3,890	13,741	18,979
Total Flood Control	258,581	254,925	256,259	250,953	241,924
<b>Public Facilities Improvements</b>					
Restricted	123,860	153,404	131,184	158,628	200,501
Committed	3,000	1,912	-	6,451	10,850
Assigned	7,803	44,244	111,324	128,023	127,302
Total public facilities improvements	134,663	199,560	242,508	293,102	338,653
<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	1,208	1,168	1,241	84,769	84,744
Restricted	182,139	174,552	354,214	410,787	434,900
Committed reported in:					
Special revenue funds	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	32,370	17,088	25,763	86,572	30,314
Total nonmajor governmental funds	225,467	208,722	394,514	606,405	557,715
Total all governmental funds	\$ 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 year 2011-12 and 2012-13 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside



Table 4

**COUNTY OF RIVERSIDE**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (Continued)**  
**(Modified accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2014**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>General Fund</b>					
Reserved	\$ 91,196	\$ 84,466	\$ 88,233	\$ 100,436	\$ 121,249
Unreserved, designated	203,821	335,630	339,773	277,833	185,014
Unreserved, undesignated	77,104	58,672	142,958	68,649	46,191
Total general fund	372,121	478,768	570,964	446,918	352,454
<b>Transportation</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total transportation	-	-	-	-	-
<b>Flood Control</b>					
Reserved	1,794	4,500	-	940	3,914
Unreserved, designated	30,149	1,755	134,396	133,906	-
Unreserved, undesignated	196,973	193,170	32,724	3,044	120,052
Total Flood Control	228,916	199,425	167,120	137,890	123,966
<b>Public Facilities Improvements</b>					
Reserved	538,431	590,915	256,338	222,983	175,699
Unreserved, undesignated	-	-	-	-	-
Total public facilities improvements	538,431	590,915	256,338	222,983	175,699
<b>Redevelopment Capital Projects</b>					
Reserved	189,627	122,036	269,263	88,391	61,460
Unreserved, undesignated	116,076	234,582	118,186	120,313	75,702
Total redevelopment capital projects	305,703	356,618	387,449	208,704	137,162
<b>Nonmajor Governmental Funds</b>					
Reserved	371,076	331,147	192,566	196,938	149,222
Unreserved, designated reported in:					
Special revenue funds	27,666	37,121	53,268	78,501	86,593
Capital projects funds	6,933	6,935	9,671	2,056	1,805
Unreserved, undesignated reported in:					
Special revenue funds	151,939	139,367	115,637	106,564	197,438
Capital projects funds	-	-	-	-	-
Total nonmajor governmental funds	557,614	514,570	371,142	384,059	435,058
Total all governmental funds	\$ 2,002,785	\$ 2,140,296	\$ 1,753,013	\$ 1,400,554	\$ 1,224,339

Table 5

**COUNTY OF RIVERSIDE**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2014**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Revenues</b>					
Taxes	\$ 361,900	\$ 347,166	\$ 355,796	\$ 427,892	\$ 439,435
Licenses, permits, and franchise fees	20,377	18,798	19,513	20,294	19,197
Fines, forfeitures, and penalties	82,290	86,381	90,163	95,290	114,320
Use of money and property:					
Investments earnings (loss)	10,187	2,370	10,827	18,305	26,929
Rents and concessions	29,925	19,246	19,588	17,659	17,393
Aid from other governmental agencies:					
Federal	544,478	569,330	577,654	609,531	636,167
State	1,172,107	1,047,485	986,658	921,329	857,191
Other	136,461	132,120	156,678	130,362	172,598
Charges for services	483,346	464,274	449,888	458,744	469,340
Other revenue	88,055	91,329	95,119	95,279	65,711
Total revenues	<u>2,929,126</u>	<u>2,778,499</u>	<u>2,761,884</u>	<u>2,794,685</u>	<u>2,818,281</u>
<b>Expenditures</b>					
General government	214,212	208,242	291,227	311,025	554,315
Public protection	1,186,900	1,117,397	1,072,442	1,081,489	1,068,051
Public ways and facilities	177,965	177,467	168,015	176,184	130,310
Health and sanitation	421,494	393,557	375,668	353,904	341,244
Public assistance	851,061	798,850	802,104	824,471	812,848
Education	19,470	18,819	18,942	19,282	18,910
Recreation and culture	15,911	16,590	15,220	18,755	12,620
Debt service:					
Principal	70,840	55,363	65,002	80,928	73,378
Interest	45,953	27,988	49,041	83,902	78,689
Cost of issuance	623	378	15	5,212	1,819
Capital outlay	58,046	25,427	22,583	30,439	39,844
Total expenditures	<u>3,062,475</u>	<u>2,840,078</u>	<u>2,880,259</u>	<u>2,985,591</u>	<u>3,132,028</u>
Revenues over (under) expenditures	(133,349)	(61,579)	(118,375)	(190,906)	(313,747)
<b>Other financing sources (uses)</b>					
Transfers in	248,448	231,574	323,052	267,985	463,296
Transfers out	(253,012)	(233,809)	(332,724)	(277,943)	(479,143)
Issuance of debt	64,000	-	-	170,481	81,745
Issuance of refunding bonds	20,510	19,140	33,360	-	70,365
Discount on long-term debt	-	-	-	-	(626)
Premium on long-term debt	1,338	759	2,840	-	937
Redemption of refunded debt	-	(18,155)	(32,797)	-	-
Payment to escrow agent	-	-	-	-	(65,713)
Proceeds from the sale of capital assets	-	-	-	6	-
Capital leases	2,965	1,721	2,671	8,321	31,018
Total other financing sources (uses)	<u>84,249</u>	<u>1,230</u>	<u>(3,598)</u>	<u>168,850</u>	<u>101,879</u>
Net change in fund balances	<u>\$ (49,100)</u>	<u>\$ (60,349)</u>	<u>\$ (121,973)</u>	<u>\$ (22,056)</u>	<u>\$ (211,868)</u>
Debt service as a % of non-capital expenditures	4.21%	3.35%	4.50%	6.17%	5.85%

Source: Auditor-Controller, County of Riverside

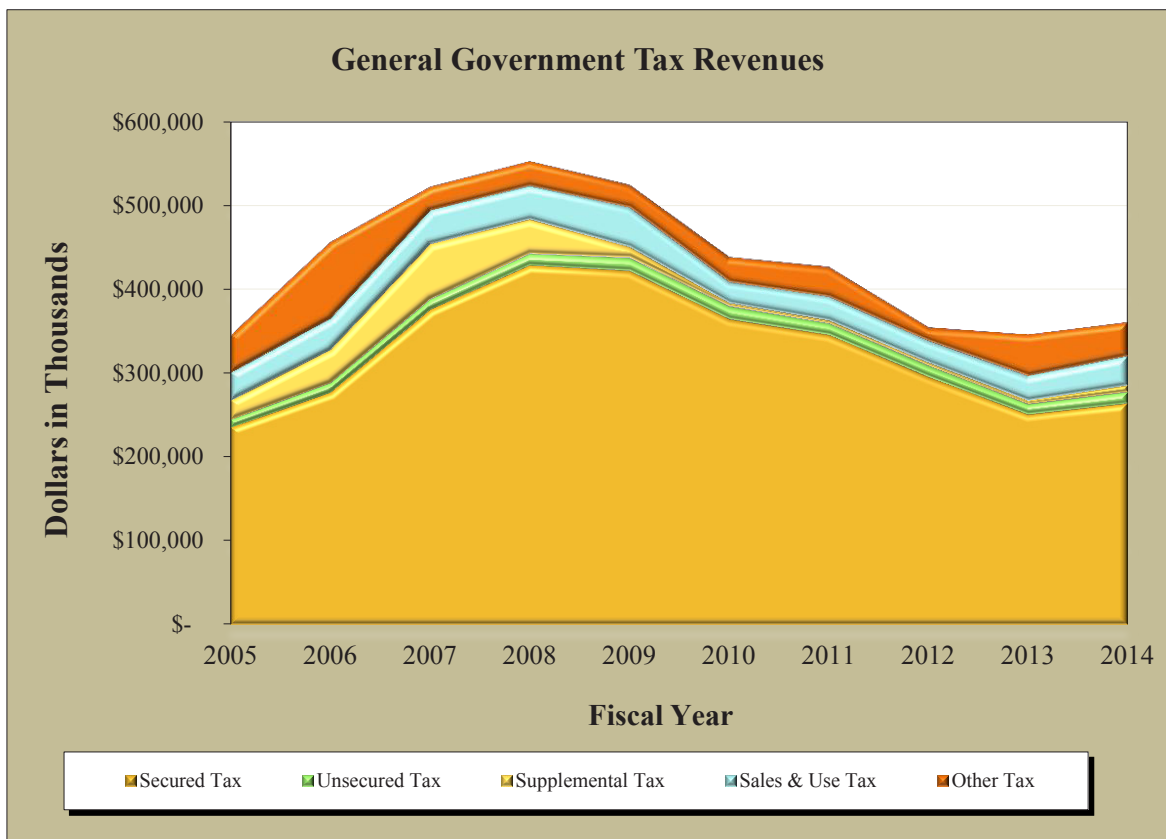
Table 5

2009	2008	2007	2006	2005	
\$ 525,238	\$ 553,158	\$ 523,028	\$ 457,117	\$ 346,248	<b>Revenues</b>
22,546	24,652	25,981	21,733	22,343	Taxes
108,572	92,029	82,946	62,984	70,578	Licenses, permits, and franchise fees
					Fines, forfeitures, and penalties
					Use of money and property:
81,040	128,307	113,789	73,838	37,624	Investments earnings (loss)
17,151	15,486	43,171	41,798	39,831	Rents and concessions
					Aid from other governmental agencies:
546,030	544,587	496,685	451,036	446,628	Federal
955,389	971,299	937,630	830,634	705,289	State
140,757	103,858	89,111	69,042	55,661	Other
460,439	447,889	431,676	439,594	383,497	Charges for services
84,348	102,132	115,863	110,870	146,800	Other revenue
2,941,510	2,983,397	2,859,880	2,558,646	2,254,499	Total revenues
					<b>Expenditures</b>
430,712	409,336	320,254	270,340	250,568	General government
1,126,662	1,083,719	972,006	855,133	1,039,822	Public protection
148,544	152,603	157,055	141,017	111,088	Public ways and facilities
390,668	375,259	348,921	346,738	339,444	Health and sanitation
766,407	747,576	686,295	629,553	652,069	Public assistance
15,731	17,907	14,830	11,108	9,889	Education
12,801	11,647	11,707	12,727	20,058	Recreation and culture
					Debt service:
54,587	46,483	44,222	45,516	34,452	Principal
86,768	91,126	78,204	73,707	46,439	Interest
2,436	3,868	5,565	4,925	9,283	Cost of issuance
48,899	36,691	58,525	25,639	9,680	Capital outlay
3,084,215	2,976,215	2,697,584	2,416,403	2,522,792	Total expenditures
(142,705)	7,182	162,296	142,243	(268,293)	Revenues over (under) expenditures
					<b>Other financing sources (uses)</b>
538,029	805,400	313,044	294,835	203,411	Transfers in
(562,345)	(814,607)	(328,624)	(277,680)	(229,835)	Transfers out
-	294,084	34,173	178,750	596,330	Issuance of debt
78,895	111,125	259,600	-	74,200	Issuance of refunding bonds
-	(2,898)	-	-	-	Discount on long-term debt
-	3,272	2,876	857	4,827	Premium on long-term debt
-	-	-	-	-	Redemption of refunded debt
(76,300)	(24,290)	(103,396)	(35,684)	(53,338)	Payment to escrow agent
-	1,159	916	2,064	35	Proceeds from the sale of capital assets
22,746	8,670	8,811	7,929	6,616	Capital leases
1,025	381,915	187,400	171,071	602,246	Total other financing sources (uses)
\$ (141,680)	\$ 389,097	\$ 349,696	\$ 313,314	\$ 333,953	Net change in fund balances
5.54%	5.28%	5.07%	5.47%	3.35%	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, 2014**

<b>Fiscal Year Ending June 30th</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>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
<b>2006</b>	277,266	11,405	39,661	37,532	91,253	457,117
<b>2005</b>	235,636	9,501	23,129	33,091	44,891	346,248



Source: Auditor-Controller, County of Riverside

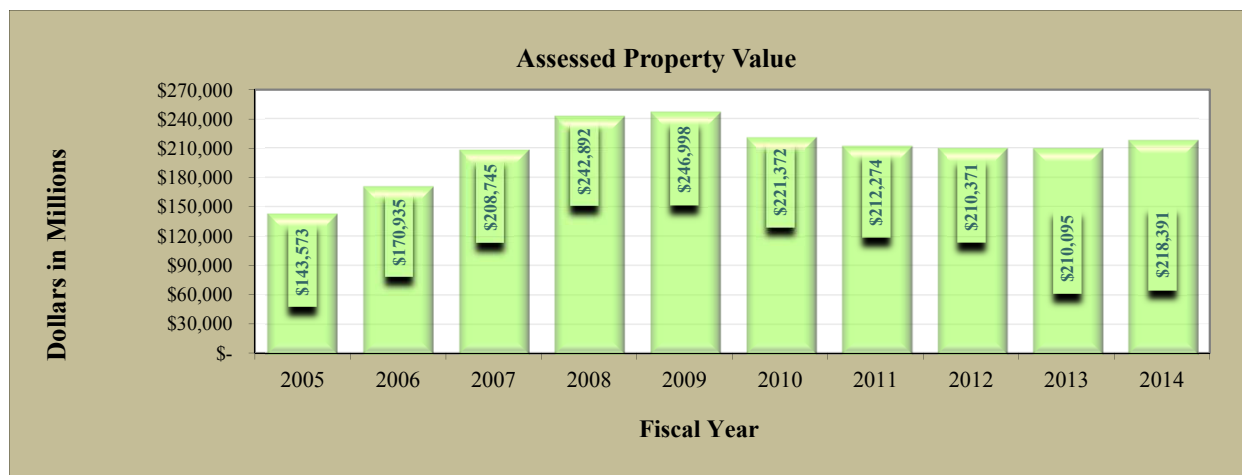


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Table 7

**COUNTY OF RIVERSIDE**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2014**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Real property</b>					
Secured property	\$ 210,523,063	\$ 201,971,552	\$ 202,313,851	\$ 204,153,163	\$ 213,144,336
Unsecured property	7,868,150	8,123,443	8,057,242	8,121,065	8,227,172
<b>Total gross assessed value</b>	<b>218,391,213</b>	<b>210,094,995</b>	<b>210,371,093</b>	<b>212,274,228</b>	<b>221,371,508</b>
<b>Less:</b>					
Tax-exempt real property	7,300,462	7,116,048	6,818,361	6,673,229	6,424,030
<b>Total taxable assessed value</b>	<b>\$ 211,090,751</b>	<b>\$ 202,978,947</b>	<b>\$ 203,552,732</b>	<b>\$ 205,600,999</b>	<b>\$ 214,947,478</b>
<b>Total direct tax rate</b>	1.1383	1.1434	1.1254	1.1254	1.1222
<b>Estimated actual taxable value</b>	<b>\$ 281,454,335</b>	<b>\$ 270,638,596</b>	<b>\$ 271,403,643</b>	<b>\$ 274,134,665</b>	<b>\$ 286,596,637</b>
<b>Assessed value as a % of actual value</b>	77.59%	77.63%	77.51%	77.43%	77.24%



Source: Auditor-Controller, County of Riverside

Table 7

2009	2008	2007	2006	2005	
\$ 238,312,506	\$ 235,351,116	\$ 202,009,520	\$ 164,618,837	\$ 137,784,611	<b>Real property</b>
8,685,393	7,540,803	6,735,421	6,316,569	5,787,971	Secured property
246,997,899	242,891,919	208,744,941	170,935,406	143,572,582	Unsecured property
					<b>Total gross assessed value</b>
6,111,231	5,574,813	5,125,567	5,014,256	4,730,573	<b>Less:</b>
					Tax-exempt real property
<u>\$ 240,886,668</u>	<u>\$ 237,317,106</u>	<u>\$ 203,619,374</u>	<u>\$ 165,921,150</u>	<u>\$ 138,842,009</u>	<b>Total taxable assessed value</b>
1.1095	1.0919	1.0772	1.0805	1.0866	<b>Total direct tax rate</b>
\$ 321,182,224	\$ 316,422,808	\$ 271,492,499	\$ 221,228,200	\$ 185,122,679	<b>Estimated actual taxable value</b>
76.90%	76.76%	76.89%	77.27%	77.56%	<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, 2014**

Fiscal Year Ending June 30th	County Direct Rates		Range of Overlapping Rates			Total Direct & Overlapping Rates
	Riverside County General Purpose	Debt Service	Total City Rate	Total School Districts Rate	Total Special Districts Rate	
2014	1.00000%	0.13830%	0% to .00673%	.01768% to .17571%	0% to .55075%	1.13830% to 1.55075%
2013	1.00000%	0.14340%	0% to .00572%	.01702% to .17570%	0% to .58076%	1.14340% to 1.58076%
2012	1.00000%	0.12540%	0% to .00571%	.01700% to .14030%	0% to .53864%	1.12540% to 1.53864%
2011	1.00000%	0.12540%	0% to .00575%	.01499% to .13224%	0% to .50000%	1.12540% to 1.50000%
2010	1.00000%	0.12220%	.00064% to .00577%	.01242% to .12628%	0% to .50000%	1.12220% to 1.50000%
2009	1.00000%	0.10950%	.00119% to .00747%	.01254% to .10963%	0% to .50000%	1.10950% to 1.50000%
2008	1.00000%	0.09190%	.00178% to .00627%	.00549% to .08521%	0% to .50000%	1.09190% to 1.50000%
2007	1.00000%	0.07720%	.00249% to .00821%	.00578% to .10282%	0% to .54324%	1.07720% to 1.54324%
2006	1.00000%	0.08050%	.00426% to .00861%	.01435% to .10210%	0% to .50997%	1.08050% to 1.50997%
2005	1.00000%	0.08660%	.00529% to .01092%	.01192% to .09581%	0% to .50000%	1.08660% to 1.50000%

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, 2014**

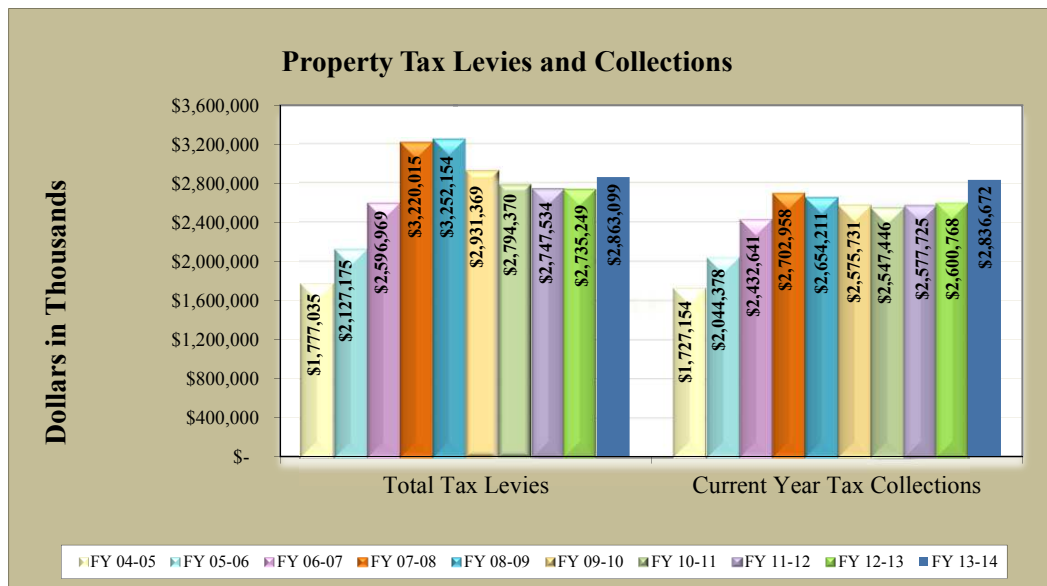
<b><u>Tax payer</u></b>	<b>Fiscal Year</b>			
	<b>2014</b>		<b>2005</b>	
	<b>Taxable Assessed Value</b>	<b>Percentage of Total County Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total County Taxable Assessed Value</b>
So. California Edison Co.	\$ 27,265	0.92%	-	-
CPV Sentinel LLC	8,528	0.29%	-	-
Verizon California Inc.	7,445	0.25%	7,460	0.43%
So. California Gas Co.	6,464	0.22%	-	-
Inland Empire Energy Center, LLC	4,725	0.16%	-	-
Walgreen Co.	3,047	0.10%	-	-
So. California Edison Co.	-	-	7,276	0.42%
Tyler Mall LTD Partnership	2,986	0.10%	-	-
Time Warner Cable Pacific West LLC	2,923	0.10%	-	-
Lowes Hiw Inc.	2,740	0.09%	-	-
Target Corp	2,655	0.09%	-	-
Centex Homes	-	-	5,251	0.30%
KB Home Coastal Inc.	-	-	3,924	0.22%
So. California Gas Co.	-	-	3,621	0.21%
Pulte Home Corp	-	-	3,221	0.18%
Blythe Energy, LLC	-	-	3,099	0.18%
P.G.C. C.	-	-	2,906	0.17%
KSL Desert Resorts, Inc.	-	-	2,448	0.14%
Murdy S.P.1	-	-	2,338	0.13%
<b>Total</b>	<b>\$ 68,778</b>	<b>2.32%</b>	<b>\$ 41,544</b>	<b>2.38%</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, 2014**

Fiscal Year Ending June 30th	Total Secured Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of 6/30	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 2,863,099	\$ 2,836,672	99.08%	\$ -	\$ 2,836,672	99.08%
2013	2,735,249	2,600,768	95.08%	74,320	2,675,088	97.80%
2012	2,747,534	2,577,725	93.82%	90,100	2,667,825	97.10%
2011	2,794,370	2,547,446	91.16%	104,466	2,651,912	94.90%
2010	2,931,369	2,575,731	87.87%	134,100	2,709,831	92.44%
2009	3,252,154	2,654,211	81.61%	199,368	2,853,579	87.74%
2008	3,220,015	2,702,958	83.94%	225,248	2,928,206	90.94%
2007	2,596,969	2,432,641	93.67%	131,299	2,563,940	98.73%
2006	2,127,175	1,972,483	92.73%	71,896	2,044,379	96.11%
2005	1,777,035	1,673,434	94.17%	53,720	1,727,154	97.19%



\*Delinquent taxes reported by year of collection; data by levy year unavailable.

Source: Auditor-Controller, County of Riverside

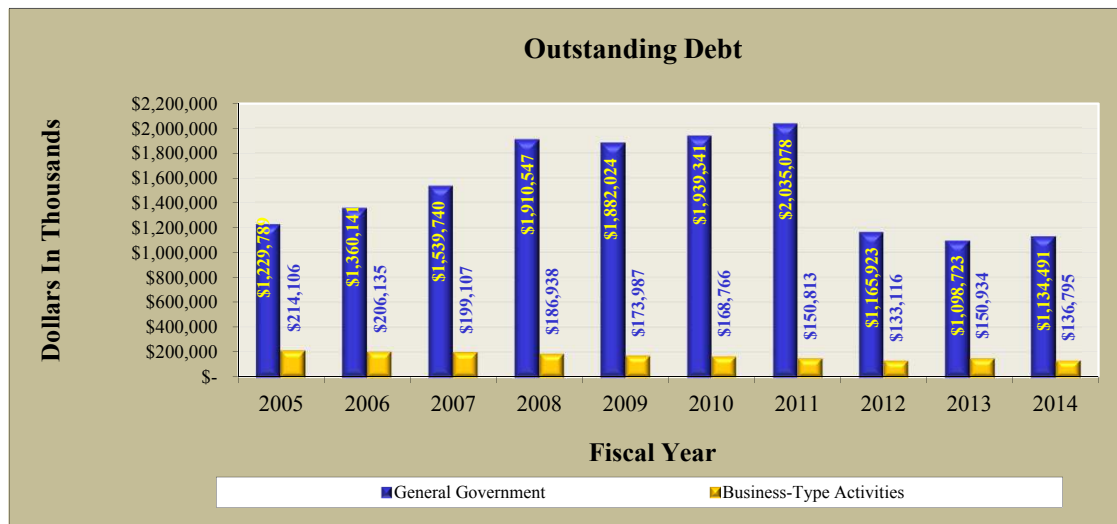


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Table 11

**COUNTY OF RIVERSIDE**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita Amount)**  
**June 30, 2014**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>General government</b>					
Bonds	\$ 810,186	\$ 744,460	\$ 750,492	\$ 1,551,323	\$ 1,408,017
Certificates of participation	240,593	282,095	309,511	367,272	385,447
Note and loans	3,890	4,420	4,925	5,355	21,987
Capital leases	79,822	67,748	100,995	111,128	123,890
<b>Business-type activities</b>					
Bonds	132,941	143,710	121,061	134,983	147,924
Certificates of participation	-	-	-	-	-
Capital leases	3,854	7,224	12,055	15,830	20,842
<b>Total primary government</b>	<b>\$ 1,271,286</b>	<b>\$ 1,249,657</b>	<b>\$ 1,299,039</b>	<b>\$ 2,185,891</b>	<b>\$ 2,108,107</b>
<b>Percentage of personal income</b>	<b>1.64%</b>	<b>1.66%</b>	<b>1.78%</b>	<b>3.07%</b>	<b>3.37%</b>
<b>Per capita</b>	<b>\$ 558</b>	<b>\$ 554</b>	<b>\$ 583</b>	<b>\$ 986</b>	<b>\$ 985</b>



Note: Per Capita is an estimate for fiscal years 2013 and 2014

Source: California State Department of Finance  
Auditor-Controller, County of Riverside  
Bureau of Economic Analysis

Table 11

2009	2008	2007	2006	2005	
<b>General government</b>					
\$ 1,359,277	\$ 1,086,397	\$ 806,398	\$ 814,443	\$ 678,028	Bonds
391,914	408,024	335,866	348,486	325,572	Certificates of participation
13,222	310,809	310,139	113,383	150,344	Note and loans
117,611	105,317	87,337	83,829	75,845	Capital leases
<b>Business-type activities</b>					
159,959	170,814	181,263	191,142	200,555	Bonds
-	-	-	-	1,040	Certificates of participation
14,028	16,124	17,844	14,993	12,511	Capital leases
<u>\$ 2,056,011</u>	<u>\$ 2,097,485</u>	<u>\$ 1,738,847</u>	<u>\$ 1,566,276</u>	<u>\$ 1,443,895</u>	<b>Total primary government</b>
3.28%	3.25%	2.90%	2.81%	2.92%	<b>Percentage of personal income</b>
\$ 975	\$ 1,004	\$ 856	\$ 807	\$ 769	<b>Per capita</b>

Table 12

**COUNTY OF RIVERSIDE**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita Amount)**  
**June 30, 2014**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Bonds</b>	\$ 943,127	\$ 888,170	\$ 871,553	\$ 1,686,306	\$ 1,555,941
<b>Less:</b>					
Amounts available in debt service fund	80,405	79,951	78,236	151,405	127,206
<b>Total net obligation bonds outstanding</b>	<b>\$ 862,722</b>	<b>\$ 808,219</b>	<b>\$ 793,317</b>	<b>\$ 1,534,901</b>	<b>\$ 1,428,735</b>
<b>Percentage of estimated</b>					
<b>Actual taxable value of property</b>	0.31%	0.30%	0.29%	0.56%	0.51%
<b>Per capita</b>	\$ 378	\$ 358	\$ 356	\$ 692	\$ 668

Table 12

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	
\$ 1,519,236	\$ 1,257,211	\$ 987,661	\$ 1,005,585	\$ 878,583	<b>Bonds</b>
147,568	119,597	73,308	79,935	61,941	<b>Less:</b> Amounts available in debt service fund
<u>\$ 1,371,668</u>	<u>\$ 1,137,614</u>	<u>\$ 914,353</u>	<u>\$ 925,650</u>	<u>\$ 816,642</u>	<b>Total net obligation bonds outstanding</b>
<b>Percentage of estimated</b>					
0.43%	0.36%	0.34%	0.43%	0.32%	<b>Actual taxable value of property</b>
\$ 651	\$ 545	\$ 450	\$ 477	\$ 435	<b>Per capita</b>

Table 13

**COUNTY OF RIVERSIDE**  
**Direct and Overlapping Governmental Activities Debt**  
**as of June 30, 2014**  
**(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	\$ 10,952,503	89.53%	<u>\$ 9,805,737</u>
Subtotal, overlapping debt			9,805,737
County of Riverside direct debt			<u>1,146,766</u>
Total direct and overlapping debt			<u><u>\$ 10,952,503</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 of Riverside. 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, 2014**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Debt limit	\$ 2,638,634	\$ 2,537,237	\$ 2,544,409	\$ 2,570,012	\$ 2,686,843
Total net debt applicable to limit	(862,722)	(808,219)	(793,317)	(1,534,901)	(1,428,735)
Legal debt margin	<u>\$ 1,775,912</u>	<u>\$ 1,729,018</u>	<u>\$ 1,751,092</u>	<u>\$ 1,035,111</u>	<u>\$ 1,258,108</u>
Total net debt applicable to the limit as a percentage of debt limit	34.0%	31.8%	31.2%	59.7%	53.2%

**Legal Debt Margin Calculated for Fiscal Year 2014**

Assessed value	\$ 213,210,306
Less: Homeowners exemptions	<u>2,119,554</u>
Total assessed value	<u>211,090,751</u>
Debt limit (1.25% of total assessed value)	<u>2,638,634</u>
Debt applicable to limit:	
General obligation bonds (Governmental & Business-type)	943,127
Less: Amount set aside for repayment of general obligation debt	<u>80,405</u>
Total net debt applicable to limit	<u>862,722</u>
Legal debt margin	<u>\$ 1,775,912</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>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	
\$ 3,011,083	\$ 2,966,464	\$ 2,598,369	\$ 2,125,832	\$ 1,735,525	Debt limit
(1,211,709)	(966,800)	(733,090)	(603,194)	(616,087)	Total net debt applicable to limit
<u>\$ 1,799,374</u>	<u>\$ 1,999,664</u>	<u>\$ 1,865,279</u>	<u>\$ 1,522,638</u>	<u>\$ 1,119,438</u>	Legal debt margin
40.2%	32.6%	28.2%	28.4%	35.5%	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, 2014**

Fiscal Year Ending June 30th	Lease Revenue Bonds						Coverage
	Revenue from Lease Payments	Less: Operating Expenses	Net Available Revenue	Debt Service			
				Principal	Interest		
2014	\$ 13,547	\$ 1,666	\$ 11,881	\$ 16,370	\$ 16,147	36.54%	
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%	
2006	25,371	785	24,586	11,600	17,355	84.91%	
2005	21,601	676	20,925	11,175	17,551	72.84%	

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

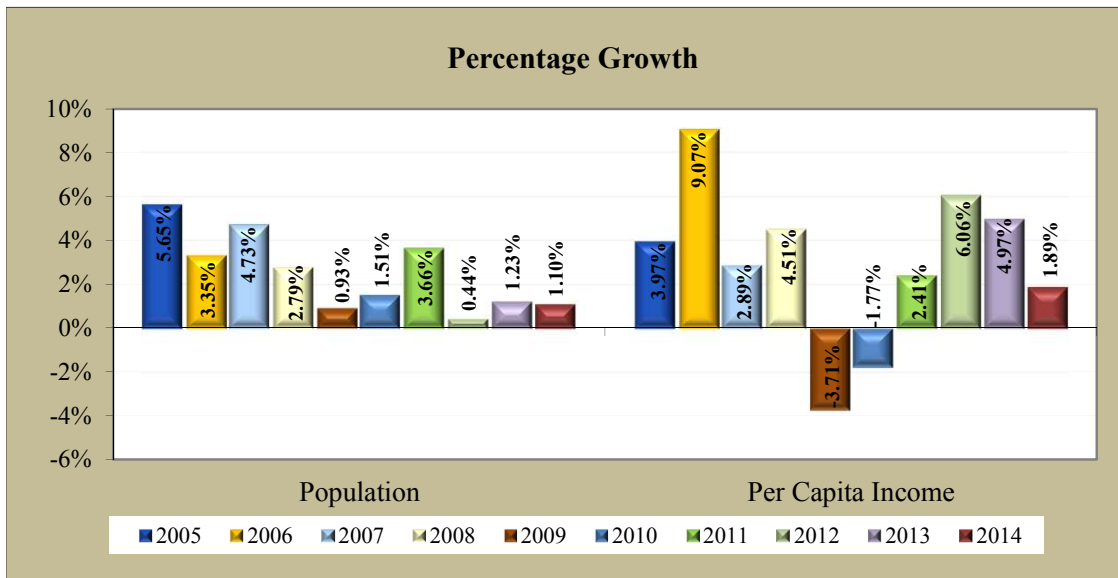
Table 15

Inland Empire Tobacco Securitization Bonds							
Revenue from Tobacco Settlement		Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Fiscal Year
				Principal	Interest		
\$	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
	-	-	-	-	-	0.00%	2006
	-	-	-	-	-	0.00%	2005

Table 16

**COUNTY OF RIVERSIDE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**June 30, 2014**

<b>Fiscal Year Ending June 30th</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>2014</b>	2,279,967	\$ 76,626,000 <sup>1</sup>	\$ 33,949 <sup>1</sup>	426,227	8.40%
<b>2013</b>	2,255,059	74,082,000 <sup>1</sup>	33,320 <sup>1</sup>	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%
<b>2006</b>	1,939,814	53,246,505	28,730	394,687	5.10%
<b>2005</b>	1,877,000	49,443,185	26,342	380,267	5.20%



Notes 1: Projection based on 10 years' running average (2003 - 2012)

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, 2014**

Employer	Fiscal Year			
	2014		2005	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
County of Riverside	19,916	2.30%	16,907	2.33%
March Air Reserve Base	8,500	0.98%	-	-
Stater Brothers Market	6,900	0.80%	5,600	0.77%
University of California Riverside	5,514	0.64%	-	-
Kaiser Permanente Riverside Medical Center	5,270	0.61%	2,893	0.40%
Pechanga Resort & Casino	4,500	0.52%	-	-
Corona-Norco Unified School District	4,300	0.50%	-	-
Wal-Mart	4,068	0.47%	-	-
Riverside Unified School District	4,000	0.46%	-	-
Hemet Unified School District	3,572	0.41%	-	-
Fleetwood Enterprises, Inc.	-	-	2,386	0.33%
Eisenhower Medical Center	-	-	1,972	0.27%
Valley Health System	-	-	1,756	0.24%
Riverside Community Hospital	-	-	1,641	0.23%
KSL Desert Resorts Inc.	-	-	1,600	0.22%
Ralph's Grocery Co.	-	-	1,500	0.21%
The Press Enterprise Co.	-	-	1,168	0.16%
Total	66,540	7.69%	37,423	5.16%

Source: Economic Development Agency

Table 18

**COUNTY OF RIVERSIDE**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**June 30, 2014**

	<b>Full-time Equivalent Employees</b>				
<b>Function/Program</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>General government</b>					
Legislative and administrative	86	89	81	87	98
Finance	415	399	405	411	438
Counsel	66	65	65	64	70
Personnel	157	154	159	172	167
Elections	24	25	34	39	42
Communication	-	-	11	11	12
Property management	394	397	507	531	500
Promotion	43	45	117	139	180
Other general	85	32	31	32	36
<b>Public protection</b>					
Judicial	1,239	1,221	1,294	1,345	1,444
Police protection	2,410	2,351	2,304	2,408	2,449
Detention and correction	2,216	2,169	2,085	2,067	2,076
Fire protection	212	212	200	198	188
Protection/inspection	83	86	86	87	100
Other protection	830	544	600	615	669
Administration	81	82	75	62	65
<b>Public ways and facilities</b>					
Public ways	375	370	411	413	465
Parking facilities	17	20	18	18	20
<b>Health and sanitation</b>					
Health	2,075	1,959	2,118	2,063	2,024
Hospital care	35	37	34	31	31
Public health ambulatory care	-	266	-	-	-
California children's services	139	134	140	138	143
<b>Public assistance</b>					
Aid programs	3,610	3,484	3,334	3,089	3,132
Veterans' services	13	13	12	12	12
Other assistance	271	291	289	355	348
<b>Education, recreation and culture</b>					
Library services	7	7	10	1	-
Agricultural extension	5	5	5	5	5
Cultural services	2	2	3	3	3
<b>County business-type functions</b>					
Hospital care	2,517	2,581	2,351	2,295	2,246
Sanitation	153	153	160	174	198
<b>Internal service</b>	2,763	2,641	2,775	2,315	2,418
<b>Special districts/Component units</b>	719	693	660	591	547
<b>Total</b>	<b>21,042</b>	<b>20,527</b>	<b>20,374</b>	<b>19,771</b>	<b>20,126</b>

Note: Temporary employees, 2,500, filled as of 5/01/14, are included in the total number employees.

Source: County of Riverside, FY2014-15 Recommended Budget



Table 18

2009	2008	2007	2006	2005	Function/Program
					<b>General government</b>
92	96	92	93	87	Legislative and administrative
456	522	477	445	424	Finance
69	69	69	58	52	Counsel
182	216	191	179	160	Personnel
41	40	39	31	34	Elections
11	10	-	-	-	Communication
494	468	387	323	305	Property management
186	177	168	142	126	Promotion
36	39	-	-	1	Other general
					<b>Public protection</b>
1,485	1,506	1,371	1,204	1,150	Judicial
2,586	2,474	2,354	2,113	1,926	Police protection
2,220	2,174	1,972	1,811	1,748	Detention and correction
190	199	165	145	126	Fire protection
98	114	274	254	233	Protection/inspection
737	778	541	523	441	Other protection
58	60	50	39	36	Administration
					<b>Public ways and facilities</b>
506	532	517	497	488	Public ways
-	-	-	-	-	Parking facilities
					<b>Health and sanitation</b>
2,075	2,214	2,023	1,939	1,862	Health
30	30	31	28	30	Hospital care
-	-	-	-	-	Public health ambulatory care
148	168	159	152	143	California children's services
					<b>Public assistance</b>
3,159	3,297	2,948	2,841	2,796	Aid programs
12	13	12	11	10	Veterans' services
285	305	302	283	309	Other assistance
					<b>Education, recreation and culture</b>
1	1	1	1	1	Library services
5	6	5	5	4	Agricultural extension
3	2	2	2	2	Cultural services
					<b>County business-type functions</b>
2,186	2,097	1,889	1,680	1,589	Hospital care
211	206	170	158	149	Sanitation
1,723	2,202	2,934	2,538	2,147	
533	534	526	540	528	
					<b>Internal service</b>
					<b>Special districts/Component units</b>
19,818	20,549	19,669	18,035	16,907	<b>Total</b>

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2014**

<u>Function/Program</u>	<u>Fiscal Year Ending June 30th</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Agricultural Commissioner</b>					
Export phytosanitary certificates	16,067	18,346	19,875	20,406	25,745
Pesticide use inspections	834	783	793	764	682
Weights and measures regulated	138,321	138,547	137,727	134,290	131,175
Agriculture quality inspections	524	456	553	693	643
Plant pest inspections	11,635	10,361	11,931	9,584	9,667
Nursery acreage inspected	7,064	6,156	6,920	6,338	6,923
Weights and measures inspected	80,461	63,653	51,074	56,751	77,278
<b>Assessor-Clerk-Recorder</b>					
Assessments	909,432	906,467	904,706	904,040	941,928
Official records recorded	530,777	648,812	592,531	612,804	673,674
Vital records copies issued	85,309	78,405	78,768	80,391	87,194
Official records copies issued	22,329	32,792	26,153	28,990	26,348
<b>Auditor-Controller</b>					
Invoices paid	425,003	426,660	389,798	412,374	488,192
Vendor warrants (checks) issued	232,034	259,458	255,463	265,979	300,428
Active vendors	84,680	80,011	78,887	65,090	64,761
Payroll warrants (checks) issued	524,990	509,376	509,468	506,870	532,904
Average payroll warrants (checks) per pay period	20,192	19,591	19,595	19,495	19,737
Audits per fiscal year	34	25	26	26	30
Tax bills levied	998,203	984,268	972,577	999,241	977,115
Tax refunds/roll changes processed	38,739	63,500	79,606	123,476	115,904
<b>Community Action Partnership</b>					
Utility assistance (households)	16,087	13,911	21,912	22,207	27,956
Weatherization (households)	479	179	842	1,375	2,083
Energy education attendees	4,991	6,368	14,950	13,807	11,725
Disaster relief (residents)	24,274	11,316	13,968	12,058	17,989
Income tax returns prepared	3,453	3,111	2,711	3,006	2,257
After school programs (students)	20,700	19,200	20,700	18,400	13,800
Homeless program (bed nights)	-	-	-	-	-
Homeless program (meals)	-	-	-	-	-
Leadership program enrollment	-	-	166	593	182
Mediation (cases)	2,723	1,905	2,181	2,178	2,237
<b>Public Health</b>					
Facilities inspections	35,325	32,045	36,201	31,801	31,213
<b>Environmental Health</b>					
Patient visits	124,099	135,795	109,870	106,532	142,617
Patient services	363,442	353,269	392,621	390,607	313,409
<b>Animal Control Services</b>					
Animal impounds	37,037	35,201	36,518	49,408	62,770
Spays and neuters	13,690	11,908	9,771	8,305	7,225
Animal licenses	122,105	-	-	-	-

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 FY2008  
d - Phytosanitary = Plant pest cleanliness  
e - Pesticide Use Inspections = Environmental monitoring

Source: Various County Departments

Table 19

2009	2008	2007	2006	2005	Function/Program
<b>Agricultural Commissioner</b>					
36,772	29,288	22,266	21,746	20,037	d Export phytosanitary certificates
831	903	840	1,199	1,105	e Pesticide use inspections
129,528	129,726	121,986	120,211	114,529	Weights and measures regulated
668	643	1,061	541	1,067	Agriculture quality inspections
48,944	25,987	14,532	4,975	5,933	Plant pest inspections
7,627	7,851	9,226	7,382	7,431	Nursery acreage inspected
80,862	83,269	97,039	150,308	101,223	Weights and measures inspected
<b>Assessor-Clerk-Recorder</b>					
942,174	938,462	920,555	896,998	859,413	Assessments
682,708	773,308	957,123	1,082,688	1,039,166	Official records recorded
97,422	97,427	88,640	82,015	73,379	Vital records copies issued
33,135	34,711	35,319	35,691	36,480	Official records copies issued
<b>Auditor-Controller</b>					
522,097	504,866	449,367	457,439	472,942	Invoices paid
320,613	255,767	237,645	235,044	242,763	Vendor warrants (checks) issued
59,685	75,575	68,358	62,699	56,686	Active vendors
532,202	522,215	496,386	469,692	449,011	Payroll warrants (checks) issued
20,469	20,085	19,092	18,065	17,270	Average payroll warrants (checks) per pay period
30	31	34	37	20	Audits per fiscal year
974,041	1,004,076	1,069,352	1,039,358	988,487	Tax bills levied
152,672	89,527	98,769	124,973	93,718	Tax refunds/roll changes processed
<b>Community Action Partnership</b>					
12,869	9,902	13,337	10,944	11,783	Utility assistance (households)
1,033	853	465	801	795	Weatherization (households)
10,775	19,396	14,590	10,389	11,508	a Energy education attendees
15,336	16,366	13,551	8,605	1,514	b Disaster relief (residents)
2,011	1,828	1,384	2,651	-	b Income tax returns prepared
11,000	10,905	10,905	537	51	After school programs (students)
-	12,822	13,198	31,328	40,245	c Homeless program (bed nights)
-	25,644	26,396	142,578	372,048	c Homeless program (meals)
-	209	-	113	11	b Leadership program enrollment
1,821	2,144	2,133	2,099	2,002	Mediation (cases)
<b>Public Health</b>					
34,273	33,009	31,760	32,000	40,642	Facilities inspections
<b>Environmental Health</b>					
125,767	149,223	139,885	123,843	135,539	Patient visits
466,800	601,889	438,639	369,041	339,095	Patient services
<b>Animal Control Services</b>					
71,834	30,305	27,362	29,206	20,467	Animal impounds
8,480	7,208	5,645	5,806	2,401	Spays and neuters
-	-	-	-	-	Animal licenses

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2014**

<b>Function/Program</b>	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>County Library</b>					
Total circulation - books	3,023,637	3,059,094	3,387,218	3,724,657	3,718,343
Reference questions answered	371,953	434,057	441,269	404,913	370,619
Patron door count	3,919,125	4,148,012	4,080,738	731,699	3,599,064
Programs offered	6,819	6,521	8,382	7,624	7,214
Program attendance	139,223	143,053	163,692	163,416	148,612
<b>County Regional Medical Center</b>					
Emergency room treatments	88,853	119,606	101,952	99,706	96,993
Emergency room services - MH	13,531	14,275	16,750	15,376	14,288
Clinic visits	124,255	125,471	127,546	129,041	131,624
Admissions	22,738	24,260	23,949	23,638	23,536
Patient days	118,467	124,599	121,949	123,250	121,915
Discharges	22,773	24,279	23,694	23,668	23,559
<b>Fire</b>					
Medical assistance	99,058	97,054	96,843	97,066	94,193
Fires extinguished	13,632	13,517	12,990	4,271	4,449
Other services	20,846	20,049	11,856	16,522	17,076
Communities served	94	94	78	78	78
<b>Mental Health</b>					
Mental health clients (crisis/long-term care)	39,765	37,591	35,696	33,260	30,657
Substance abuse clients	15,457	15,755	17,849	16,987	16,736
Detention clients	13,188	11,899	10,544	8,874	10,831
Probate conservatorship clients	379	355	351	424	474
Mental health conservatorship clients	942	858	879	832	675
<b>Probation</b>					
Adults on probation	16,922	17,406	14,992	16,271	17,790
Juveniles in secure detention	156	194	193	225	248
Juveniles in treatment facilities	79	86	107	128	125
Juveniles in detention facilities	7,154	8,505	9,148	10,741	11,385
<b>Public Social Services</b>					
CalWORKs clients	33,159	33,341	33,682	33,412	31,022
Food stamp clients	121,949	116,333	107,076	91,606	74,484
Medi-Cal clients	186,911	135,570	130,562	124,061	116,758
In-home support services	23,061	20,641	19,070	18,201	16,852
Foster care placements	3,725	3,237	3,113	3,130	3,085
Child welfare services	9,958	9,178	9,664	9,916	9,591
Homeless program (bed nights)	8,296	8,296	8,331	10,746	12,900
Homeless program (meals)	16,592	16,592	16,660	21,494	25,800

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 FY2008

Source: Various County Departments

Table 19

2009	2008	2007	2006	2005	Function/Program
<b>County Library</b>					
3,464,547	3,280,929	2,352,624	2,051,276	2,324,539	Total circulation - books
382,795	426,533	383,428	454,590	430,226	Reference questions answered
3,170,424	2,744,576	2,352,403	2,433,646	2,226,360	Patron door count
5,618	5,570	4,546	2,353	2,274	Programs offered
127,717	103,393	80,100	84,994	45,605	Program attendance
<b>County Regional Medical Center</b>					
88,459	82,584	76,666	73,448	68,105	Emergency room treatments
9,702	7,867	7,624	7,536	8,076	Emergency room services - MH
129,171	124,318	123,479	106,943	109,568	Clinic visits
23,253	23,433	24,393	22,262	21,723	Admissions
118,452	115,811	112,138	105,203	96,820	Patient days
23,238	23,440	24,430	22,244	21,741	Discharges
<b>Fire</b>					
91,707	89,404	89,329	86,129	80,484	Medical assistance
4,406	5,659	6,372	5,060	14,696	Fires extinguished
18,486	19,472	16,310	19,035	10,870	Other services
78	78	78	78	78	Communities served
<b>Mental Health</b>					
30,065	29,814	28,476	26,435	26,578	Mental health clients (crisis/long-term care)
18,712	17,746	18,597	18,120	18,188	Substance abuse clients
12,781	9,441	5,522	6,351	6,041	Detention clients
256	206	232	266	281	Probate conservatorship clients
240	279	279	294	275	Mental health conservatorship clients
<b>Probation</b>					
17,469	17,022	15,974	16,051	13,937	Adults on probation
241	293	343	322	310	Juveniles in secure detention
112	113	126	113	98	Juveniles in treatment facilities
10,783	12,463	14,283	13,218	12,405	Juveniles in detention facilities
<b>Public Social Services</b>					
26,905	22,310	20,336	19,880	20,846	CalWORKs clients
52,877	36,339	30,781	28,749	27,992	Food stamp clients
107,904	101,542	105,578	108,887	110,994	Medi-Cal clients
16,307	14,845	13,934	12,590	12,171	In-home support services
3,486	5,057	4,306	5,175	5,088	Foster care placements
10,217	11,912	12,333	11,639	11,153	Child welfare services
10,854	-	-	-	-	Homeless program (bed nights)
21,707	-	-	-	-	Homeless program (meals)

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2014**

		Fiscal Year Ending June 30th				
		2014	2013	2012	2011	2010
<b><u>Function/Program</u></b>						
<b>Registrar of Voters</b>						
	Voting precincts	846	1,218	853	1,649	2,370
	Polling places	545	642	522	746	1,158
	Voters	a 887,000	943,402	852,217	1,009,933	1,815,892
	Poll workers	2,200	2,960	2,300	3,281	4,186
<b>Sheriff</b>						
	Number of bookings	60,826	57,330	53,691	53,974	55,306
	Coroner case load	12,164	11,639	10,947	10,555	10,027
	Calls for services	b 176,339	172,664	176,062	232,821	255,601
<b>TLMA - Building &amp; Safety</b>						
	Building permits issued	905	1116	836	863	1,568
	Building plans checked	799	908	740	817	1,537
	Building structures inspected	957	901	676	1168	1,774
<b>Veterans' Services</b>						
	Phone inquiries answered	31,445	36,107	36,707	43,617	41,569
	Client interviews	17,448	14,714	14,990	15,630	25,209
	Claims filed	5,998	5,735	6,030	5,485	5,581
	Emails	3,138	-	-	-	-
<b>Waste Management</b>						
	Landfill tonnage	1,383,266	1,102,626	1,071,309	1,071,394	1,032,942
	Recycling tonnage	2,503	2,679	2,206	2,499	1,803

Notes: a - Number of voters that were mailed voting materials for all elections in the fiscal year  
b - Unincorporated areas  
c - Program not yet started / not tracked

Source: Various County Departments

Table 19

2009	2008	2007	2006	2005	Function/Program
<b>Registrar of Voters</b>					
2,387	3,474	1,472	1,872	1,160	Voting precincts
1,205	2,017	610	1,060	613	Polling places
1,747,556	1,705,406	931,821	1,658,509	870,300	Voters
6,287	8,355	2,622	3,992	2,692	Poll workers
<b>Sheriff</b>					
62,007	59,054	61,697	56,926	55,375	Number of bookings
9,582	9,394	9,212	8,943	8,558	Coroner case load
302,400	280,000	279,415	250,000	240,182	Calls for services
<b>TLMA - Building &amp; Safety</b>					
1,337	2,658	5,786	10,232	9,980	Building permits issued
1,220	2,328	5,151	8,759	8,251	Building plans checked
2,650	4,506	8,580	9,593	8,182	Building structures inspected
<b>Veterans' Services</b>					
39,393	29,553	23,287	21,917	25,276	c Phone inquiries answered
13,955	10,571	8,199	7,467	7,559	c Client interviews
5,812	5,194	3,786	3,372	3,503	c Claims filed
-	-	-	-	-	c Emails
<b>Waste Management</b>					
1,024,267	1,220,124	1,325,284	1,423,469	1,328,935	Landfill tonnage
2,356	3,385	3,048	3,758	2,619	Recycling tonnage

Table 20

**COUNTY OF RIVERSIDE**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**June 30, 2014**

<b><u>Function/Program</u></b>	<b>Fiscal Year Ending June 30th</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>County Libraries</b>					
Branch libraries	35	35	33	33	33
Book mobiles	2	2	2	2	2
Books in collection	1,393,689	1,657,925	1,570,834	1,668,434	1,612,925
<b>County Regional Medical Center</b>					
Major clinics	4	4	4	4	4
Routine and specialty clinics	44	37	32	30	30
Beds licensed	439	439	439	439	439
<b>Fire</b>					
Stations	37	38	42	46	49
Trucks	145	142	145	156	154
<b>Parks and Recreation</b>					
Regional parks	11	11	11	12	12
Historic sites	5	5	5	4	4
Nature centers	4	4	4	4	4
Archaeological sites	6	6	6	6	6
Wildlife reserves	9	9	9	9	9
RV and mobile home parks	3	3	3	3	3
Managed areas	5	5	5	5	5
Recreational facilities	3	2	2	2	-
<b>Sheriff</b>					
Patrol stations	10	10	10	10	10
Patrol vehicles	928	916	915	896	883
<b>Waste Management</b>					
Landfills	6	6	6	6	6
Capacity in tons	54,230,474	54,230,474	54,189,339	54,177,558	51,794,663

Source: Various County Departments



Table 20

2009	2008	2007	2006	2005	<b>Function/Program</b>
					<b>County Libraries</b>
33	33	29	29	29	Branch libraries
2	2	2	2	2	Book mobiles
1,564,186	1,552,108	1,784,149	1,221,744	1,477,670	Books in collection
					<b>County Regional Medical Center</b>
4	4	4	4	4	Major clinics
30	30	30	30	30	Routine and specialty clinics
439	439	439	439	439	Beds licensed
					<b>Fire</b>
49	49	49	48	48	Stations
149	143	141	135	125	Trucks
					<b>Parks and Recreation</b>
13	13	13	13	13	Regional parks
6	6	6	6	6	Historic sites
5	5	5	5	5	Nature centers
7	7	7	7	7	Archaeological sites
16	16	16	16	16	Wildlife reserves
-	-	-	-	-	RV and mobile home parks
-	-	-	-	-	Managed areas
-	-	-	-	-	Recreational facilities
					<b>Sheriff</b>
10	10	10	10	10	Patrol stations
923	974	702	598	583	Patrol vehicles
					<b>Waste Management</b>
6	6	6	7	7	Landfills
51,794,663	51,609,663	51,609,663	52,392,284	50,948,302	Capacity in tons

# **Riverside County Comprehensive Annual Financial Report**



**Paul Angulo, CPA, M.A.  
County Auditor-Controller**