

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

PAUL ANGULO, CPA, MA  
COUNTY AUDITOR-CONTROLLER

COUNTY OF RIVERSIDE

COUNTY OF RIVERSIDE

125<sup>th</sup>

1893

2018

ANNIVERSARY

YEARS OF INNOVATION



**COUNTY OF RIVERSIDE, CALIFORNIA  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2018**



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





**COUNTY OF RIVERSIDE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**June 30, 2018**

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# **INTRODUCTORY SECTION**







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  
(951) 955-3800  
Fax (951) 955-3802



Paul Angulo, CPA, MA  
Auditor-Controller

December 19, 2018

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

Members of the Board and Citizens of Riverside County:

The Comprehensive Annual Financial Report (CAFR) of the County of Riverside (the County) for the fiscal year ended June 30, 2018, is hereby submitted in accordance with the provisions of Section 25253 of the Government Code of the State of California (the State). The report contains financial statements that have been prepared in conformity with the United States generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data, the completeness, and fairness of the presentation, including all disclosures, rests with the management of the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

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

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

The County has eleven independent fiscal entities that are considered blended component units and one discretely presented component unit. 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.

Brown Armstrong Accountancy Corporation has issued an unmodified ("clean") opinion on the County of Riverside's financial statements for the year ended June 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

## PROFILE OF THE GOVERNMENT

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

There are 28 incorporated cities located within the County. The latest city to be incorporated was Jurupa Valley on July 1, 2011. The largest cities in the County are Riverside (the County seat) with a population of 325,860, Moreno Valley 207,629, Corona 168,574, Murrieta 113,541, and Temecula 113,181. Estimated population figures are developed by the California State Department of Finance, and each year it is revised on January 1, with a revised estimate for the prior year. The total County population as of January 1, 2018, was reported as 2,415,955, an increase of 1.4 percent as compared to the revised estimate for January 1, 2017. Approximately 16.0 percent of the residents live in unincorporated areas.

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

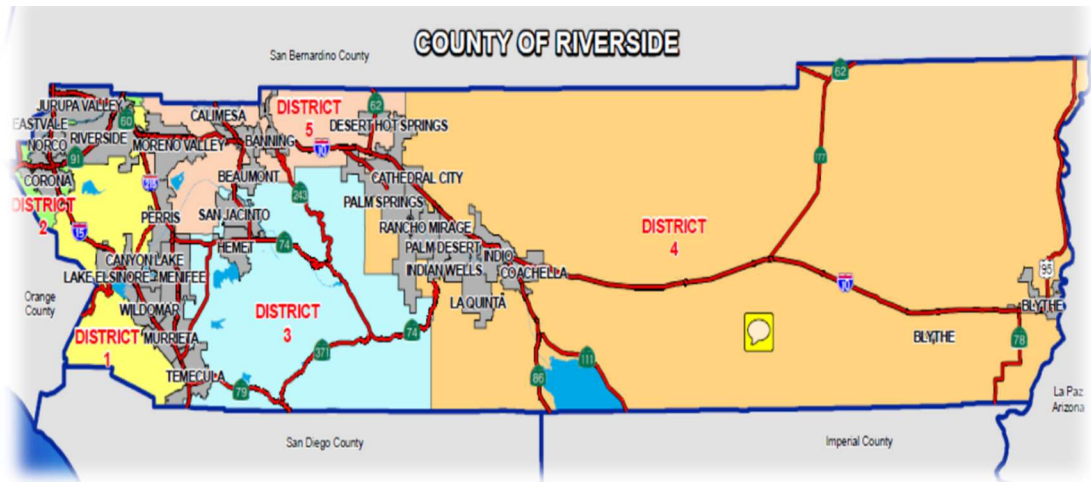
The First District includes areas within the cities of Riverside, Canyon Lake, Lake Elsinore, Wildomar and the unincorporated communities of DeLuz, Gavilan Hills, Good Hope, Lake Hills, Lake Mathews, LaCresta, Mead Valley, Meadowbrook, Spring Hills, Temescal Valley, Tenaja, Warm Springs, and Woodcrest.

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

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

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

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



Source: Riverside County GIS

The County has over 22,000 employees, and provides a variety of services and programs to its residences as the table below depicts.

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

<b>Certificates, Licenses and Permits</b>	<b>Human Services</b>
Birth, marriage, and death certificates; animal licensing; and building permits.	Assistance for families, custody issues, and veterans' services.
<b>Children's Services</b>	<b>Libraries and Museums</b>
Child Support Services, Mentor programs, Children Medical Services, CalWORKS, Child Health and Disability Prevention.	Edward Dean Museum and Riverside County Law Library.
<b>Criminal Justice</b>	<b>Parks and Recreation</b>
Departments dealing with criminal justice. District Attorney, Probation, Public Defender, and Sheriff. Legal resources and Online Crime Report Form.	Park & Open Space District, Golf Courses in Riverside County, and Riverside Bicycle Club.
<b>Education</b>	<b>Pets and Animal Services</b>
Office of Education.	Animal control, animal shelters, animal license inspection, animal rescue, report animal-control violations, and dog license fee.
<b>Emergency Services</b>	<b>Property Information</b>
Office of Emergency Services, Early Warning Notification System, Shelter Grant program, and Homeless programs.	Assessment appeals, building permit report, obtain property information via GIS, pay property taxes online, track your property taxes online, record map inquiry, information for new homeowners, and Riverside County land information.

<b>Environment</b>	<b>Public and Official Records</b>
Solid waste, liquid waste, medical waste, sewage disposal, water systems, wells, backflow devices, food services, public pools and mobile home parks, vector control, hazardous materials services, fire protection services, waste reduction, and recycling.	Official recorded documents, fictitious business names search, grantor/grantee search, vital records, and court records search.
<b>Flood Control</b>	<b>Roads and Highways</b>
Flood Control and water conservation.	Road maintenance, land development, engineering services, and survey.
<b>Health</b>	<b>Taxes</b>
Family health centers, disease control, nutrition services, family planning, health education, injury prevention, emergency medical services, mental health services, industrial hygiene, laboratory, Epidemiology, and medical marijuana identification cards.	Property tax portal, tax bills, Assessor-County Clerk Recorder, Treasurer-Tax Collector, and Auditor-Controller.
<b>Housing</b>	<b>Voting</b>
First time home buyer programs, low income housing, rental assistance program, homeless shelter, and neighborhood stabilization program.	Polling locations, vote by mail.
<b>Senior and Retirement</b>	
Aging & disability resource connection program, community outreach, community elderly abuse education, legal assistance, and senior employment.	

## FACTORS AFFECTING ECONOMIC CONDITION

### State Economy

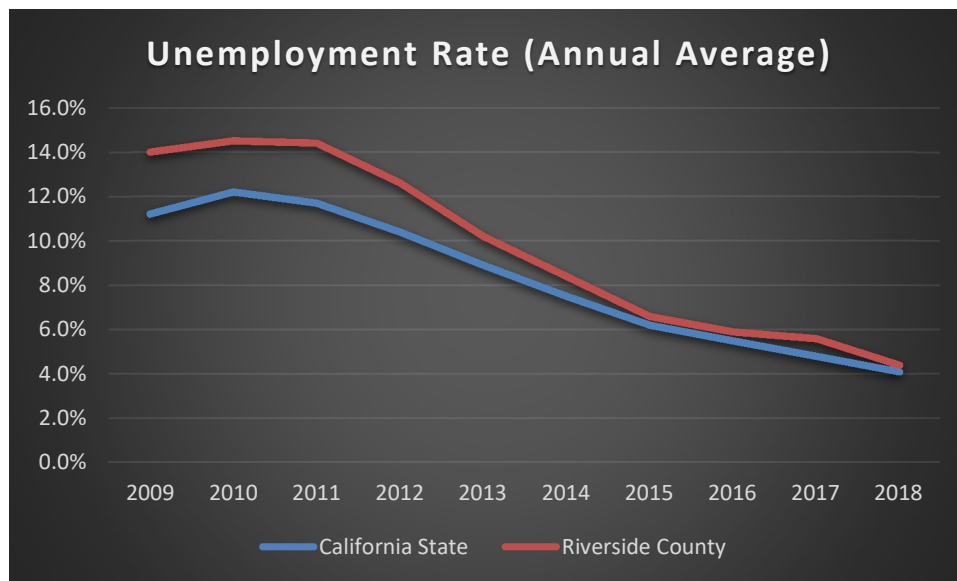
The Governor's Budget Revision was issued in May 2018. The May Revision projects Fiscal Year 2018-19 general fund revenues and transfers of approximately \$133.5 billion, total expenditures of approximately \$137.6 billion and a year-end fund balance of approximately \$4.4 billion, of which \$1.2 billion would be reserved for liquidation of encumbrances and approximately \$3.2 billion would be deposited in a reserve fund for economic uncertainties.

The May Revision includes a projected balance of \$13.8 billion in the Budget Stabilization Account/Rainy Day Fund by the end of Fiscal Year 2018-19. The May Revision assumes continued expansion of the economy and a balanced budget throughout the forecast period. However, the May Revision provides that the State must continue to plan and save for future budgets and avoid making substantial new ongoing obligations. The May Revision assumes the federal tax law changes will provide a temporary boost to the national economy and provide fiscal gains to many Americans, however, such gains come at a long-term cost because it will take economic growth from future years and increase income inequality. The May Revision reflects the receipt of \$8.0 billion in higher revenues through Fiscal Year 2018-19 as compared to the Proposed Fiscal Year 2018-19 Budget. Of such amount, the May Revision proposes nearly \$4 billion in one-time General Fund spending, focused on infrastructure (\$2 billion), homelessness (\$359 million) and mental health (\$312 million). The May Revision proposes higher Medi-Cal spending of \$20.3 general fund (\$97.3

billion total funds) in Fiscal Year 2017-18 and \$22.9 billion general fund (\$103.9 billion total funds) in Fiscal Year 2018-19 as compared to the 2018-19 Proposed Budget Act.

The State has outpaced the nation and many other states in terms of economic growth, job gains, and improvements in its unemployment rate, fueled by strength in many of its key industries. With California hitting its lowest unemployment rate since 1976, wage gains in the state have accelerated in recent years. Average weekly wages in California increased by 4.3% in 2017, the largest increase in the last 10 years. With limited increases in the labor force expected this year, workers are almost guaranteed to see wages rise again.

Steady job growth and limited increases in the labor force will keep the unemployment rate low and push up wages for nearly all workers. With these gains in financial and economic well-being, households in California will fuel growth in their local economies by buying homes, appliances, and cars, and causing expansion in local-serving industries such as retail stores, restaurants, and personnel services.



The annual unemployment rates for the State of California and Riverside County display a continued downward trend improving gradually since its highest peak in 2010. During fiscal year 2017-18, the State's average unemployment rate decreased from 4.8% to 4.1% and the County's unemployment rate decreased from 5.6% to 4.4%.

**Source: Employment Development Department, Labor Market Information Division, Preliminary October 2018**

### Local Economy

Beacon Economics' current forecast for Riverside County represents a positive outlook that the economy is trending in the right direction, and nothing on the immediate horizon signals a reversal of that trend. Corporate tax cuts should boost investment spending on the part of Riverside County businesses. Meanwhile, personal tax cuts will leave households with more disposable income, some of which will be spent in the local economy. Both of these will speed GDP growth in the near term and boost local economic activity.

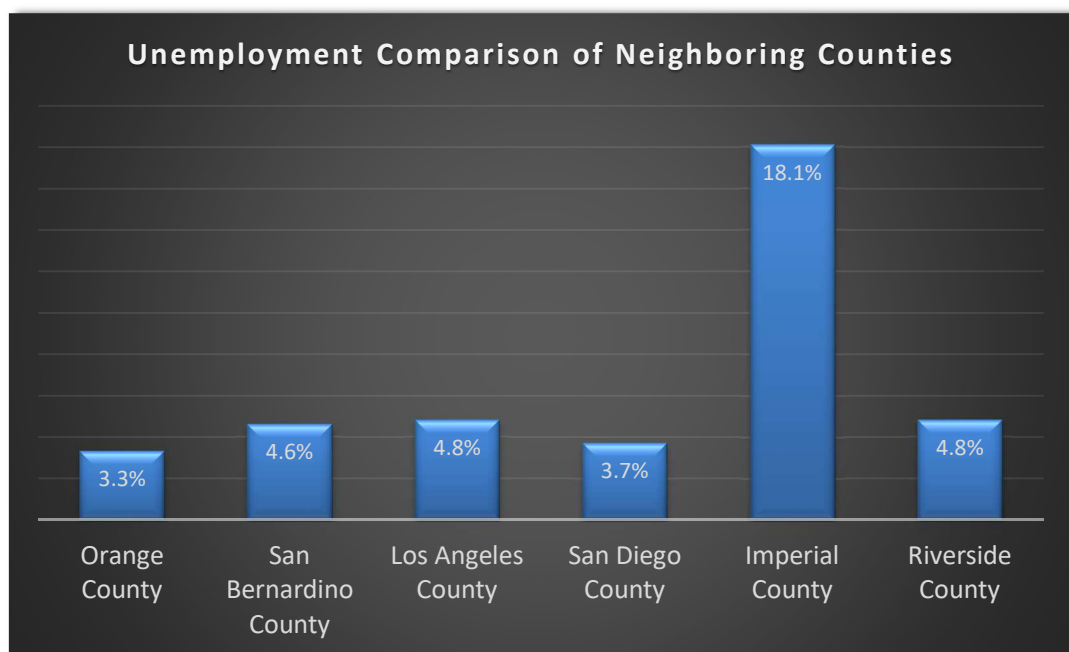
Riverside County remains a seller's market as demand for housing continues to outstrip supply. Home prices are appreciating at above average rates and market inventories remain slim. Despite a limited inventory of homes, the County's real estate market remained on track during the 2016-17 fiscal year. Countywide home sales for 2016-17 were 5.8% higher than in 2015-16, close to the 6.0% increase in home sales that occurred during the prior fiscal year.

Riverside County revenues that are driven primarily by consumer and business spending have been notably weak in recent years, but this is more closely related to transitory developments rather than a change in the broader trend of economic growth in the region. Lower fuel prices have been part of the problem, but as energy prices continue to

stabilize, that effect will subside. The outlook for the regional economy is strong, and spending growth is expected to continue in line with historical averages.

Beacon Economics' expects a moderate positive impact on overall consumer spending as a result of the change in the federal tax law. The long-term impact of the tax legislation is difficult to predict because it depends on how the economy responds to the business cycle. In short term, the reduction in business taxes could provide a windfall to investment, which would support increased nominal spending by local businesses, although much of that is predicated on the degree of optimism that translates to investors.

The regional labor market is in good health, despite a general slowdown in job growth. The slowing in employment has occurred across the U.S. and California, as well as in the County, and is tied to the fact that the national, state, and local economies have reached full employment over the last two years. The County's residential real estate market has been characterized by lean inventories, which have kept upward pressure on prices and restricted sales. Fuel prices have stabilized and are trending higher, which coupled with the new federal tax law, should support growth in taxable sales in the near-term future.



Source: Employment Development Department, Labor Market Division, June 2018

### Relevant Financial Policies

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

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

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

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

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

### **Financial Reporting Awards**

The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the County for its CAFR for the fiscal year ended June 30, 2017. This was the thirtieth 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, 2017. This was the twelfth consecutive year the County has achieved this award. In order to receive an award for *Outstanding Achievement in Popular Annual Financial Reporting*, a government entity must publish a PAFR, with contents conforming to program standards of creativity, presentation, understandability and reader appeal. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR and PAFR continue to meet the Certificate of Achievement Program's requirements and we are submitting both reports to the GFOA to determine the eligibility for new certificates.

### **Acknowledgments**

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

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

*Respectfully,*



---

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



# COUNTY OF RIVERSIDE

## List of Principal Officials As of June 30, 2018

### ELECTED OFFICIALS

#### Board of Supervisors



KEVIN JEFFRIES  
First District



JOHN F.  
TAVAGLIONE  
Second District



CHUCK  
WASHINGTON  
Third District



V. MANUEL  
PEREZ  
Fourth District



MARION ASHLEY  
Fifth District

### COUNTYWIDE ELECTED OFFICIALS



MICHAEL HESTRIN  
District Attorney



STANLEY SNIFF  
Sheriff  
Coroner  
Public Administrator



PAUL ANGULO  
Auditor  
Controller



PETER ALDANA  
Assessor  
Clerk  
Recorder



JON  
CHRISTENSEN  
Treasurer  
Tax Collector

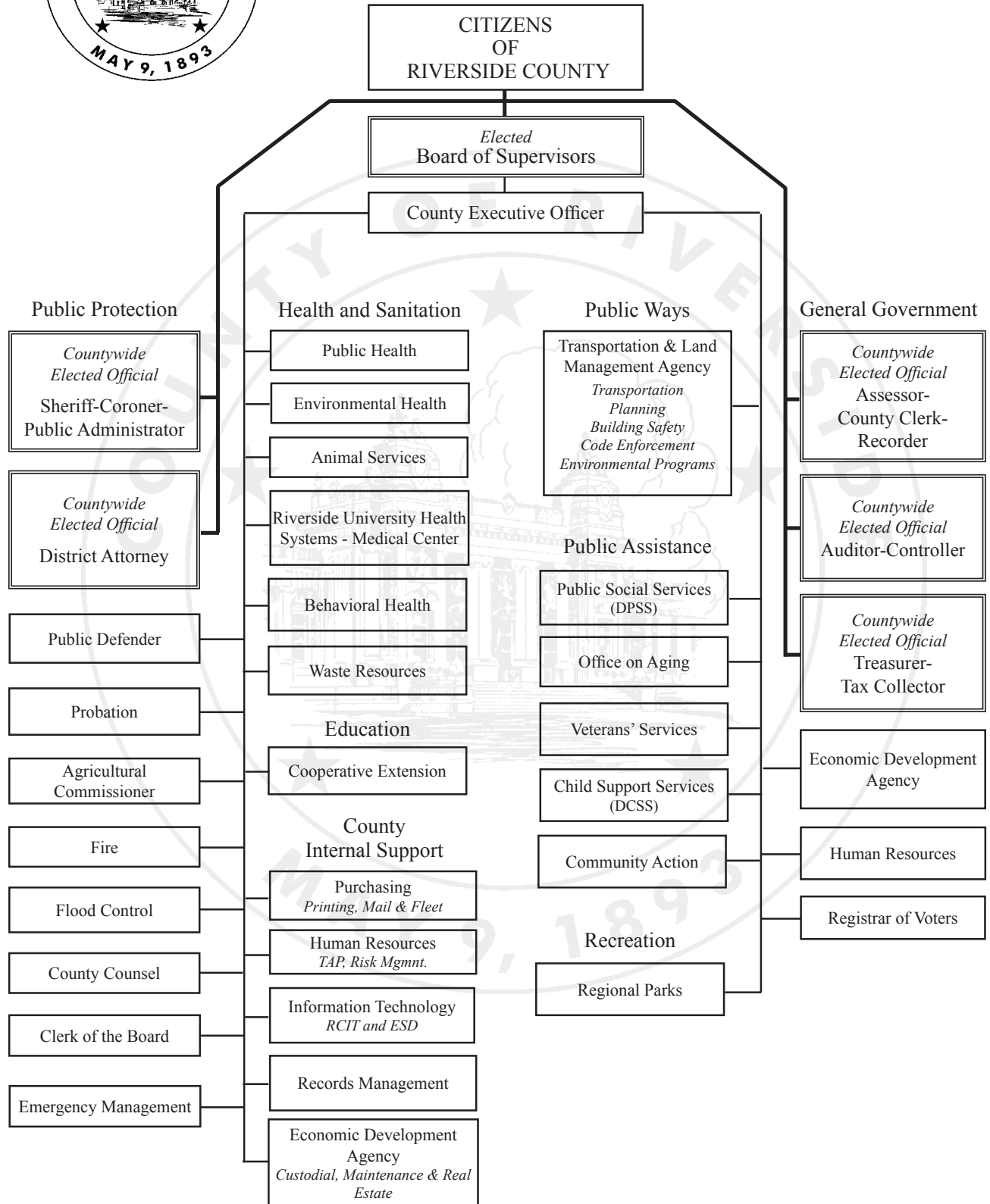
### APPOINTED OFFICIALS

GEORGE JOHNSON  
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

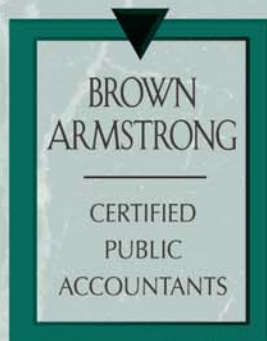
**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

# **FINANCIAL SECTION**





# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors  
County of Riverside, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2018, 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	21%	12%
Aggregate Remaining Fund Information	2%	0%
Discretely Presented Component Unit	100%	100%

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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## 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, each major fund, and the aggregate remaining fund information of the County as of June 30, 2018, 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 Matter

### *Implementation of New Accounting Standards*

As disclosed in Note 1 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the year ending June 30, 2018. Our opinion is not modified with respect to this 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 3-24; the County's Retirement Plans schedules relating to net pension liabilities, changes in net pension liabilities, and pension contributions on pages 133-141; and the County's net and total other post-employment benefit (OPEB) liabilities, changes in net and total OPEB liabilities, and schedules of plan contributions on pages 142-145 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 19, 2018, 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, 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.

# **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, 2018. 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 25.

### FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2017-18, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.29 billion (*net position*). The net position included \$3.72 billion of net investment in capital assets, \$858.0 million of restricted resources for the County's ongoing obligations related to programs with external restrictions, and \$2.29 billion deficit of unrestricted resources.
- As of June 30, 2018, the County's governmental funds reported combined fund balances of \$1.08 billion, a decrease of \$16.1 million in comparison with the prior year. Approximately 21.6% of this amount (\$234.5 million) is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of the fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$270.2 million, or approximately 9.2% of total general fund expenditures.
- The significant change in capital assets net of accumulated depreciation resulted from the acquisition of land and easements in addition to major increases in structures and improvements.
- During fiscal year 2017-18, \$47.0 million in lease revenue bonds, 2017 Series A, were issued for refunding the outstanding Riverside Community Properties Development, Inc. Lease Revenue Bonds. Also, \$22.2 million in lease revenue refunding bonds, 2017 Series B and Series C were issued. The Series B bonds were issued for the purpose of refunding all of the outstanding Southwest Communities Financing Authority 2008 Lease Revenue Bonds Series A. The Series C bonds were issued for financing the acquisition and construction of certain capital improvements. \$27.4 million in capital leases were issued for financing the costs associated with equipment and vehicles.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

The *statement of net position* presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining. The statement of net position in summary can be found on page 7, and in more detail on page 25.

The *statement of activities*, presented on page 9 in summary and on pages 26-27 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

## Management's Discussion & Analysis (Unaudited)

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.

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. Governmental activities include six major funds, nineteen nonmajor funds, and a representative allocation of the County's internal service funds. The six major governmental funds are the general fund, flood control special revenue fund, transportation special revenue fund, teeter debt service fund, public facilities improvements capital projects fund, and public financing authority capital projects fund. The business-type activities of the County include three major enterprise funds, and three nonmajor funds. The major enterprise funds are the Riverside University Health Systems-Medical Center (RUHS-MC), Waste Resources, and the Housing Authority.

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

The financial information for the Children and Families Commission (the Commission), a legally separate component unit whose governing body is appointed by and serves at the will of the County, is 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
- Housing Authority of the County of Riverside (Housing Authority)
- In-Home Supportive Services Public Authority
- Riverside County Flood Control and Water Conservation District (Flood Control)
- Riverside County Infrastructure Financing Authority (IFA)
- Riverside County Regional Park and Open-Space District
- Riverside County Public Financing Authority (PFA)
- Riverside County Service Areas
- Inland Empire Tobacco Securitization Authority
- Perris Valley Cemetery District

**Fund Financial Statements**, illustrated on pages 30-47, 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. Governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year unlike government-wide financial statements. Such information may be useful in assessing a government's near-term financing requirements.

## Management's Discussion & Analysis (Unaudited)

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

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

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

Budgetary comparison statements are also included in the fund financial statements. The statements present the County's annual estimated revenue and appropriation budgets for all governmental fund budgets except for CORAL, District Court Financing Corporation, Infrastructure Financing Authority, Inland Empire Tobacco Securitization Authority, Public Financing Authority, Public Safety Enterprise Communication, 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 42-45, 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 RUHS-MC, Waste Resources, Housing Authority, County Service Areas, Flood Control and Riverside University Health System – Community Health Centers (RUHS-CHC). RUHS-MC, Waste Resources, and Housing Authority financial statements are reported in separate columns of the proprietary fund statements due to the materiality criteria defined by GASB Statement No. 34, as amended. Financial information for the remaining enterprise funds (nonmajor funds) is combined into a single, aggregated presentation. Individual fund statements for County Service Areas, Flood Control and RUHS-CHC 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, human resources, 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 46-47, 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 49-131 of this report.

**Required Supplementary Information** provides changes in net pension liability and related ratios, employer contributions to the pension plan, changes in net other postemployment benefits (OPEB) liability and related ratios, employer contributions to the OPEB plan, changes in total OPEB liability and related ratios. Required supplementary information can be found on pages 133-145 of this report.

**Combining and individual fund statements and budgetary schedules** provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds, and are presented immediately following the required supplementary information. Combining and individual fund statements and budgetary schedules can be found on pages 147-196 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, 2018, in comparison to the prior fiscal year 2016-17. At the end of current fiscal year, the County reported positive net position in two of the three categories: net investment in capital assets and restricted net position. Total assets and deferred outflows of resources, as indicated below, exceeded liabilities and deferred inflows of resources by \$2.29 billion, representing a decrease of \$310.3 million (\$267.8 million changes in net position and a restatement of \$42.5 million, see Note 3), or 11.9%. A more detailed statement can be found on page 25 in the government-wide financial statements.

#### STATEMENT OF NET POSITION

June 30, 2018 and 2017

(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2018	2017	2018	2017	2018	2017	Dollar Change	Percentage Change
<b>Assets:</b>								
Current and other assets	\$ 2,278,347	\$ 2,249,916	\$ 473,888	\$ 494,439	\$ 2,752,235	\$ 2,744,355	\$ 7,880	0.3%
Capital assets	4,835,105	4,719,183	330,659	309,970	5,165,764	5,029,153	136,611	2.7%
Total assets	7,113,452	6,969,099	804,547	804,409	7,917,999	7,773,508	144,491	1.9%
Deferred outflows of resources:	1,347,941	971,638	214,273	136,399	1,562,214	1,108,037	454,177	41.0%
Total deferred outflows of resources	1,347,941	971,638	214,273	136,399	1,562,214	1,108,037	454,177	41.0%
<b>Liabilities:</b>								
Current liabilities	759,858	734,034	230,374	211,601	990,232	945,635	44,597	4.7%
Long-term liabilities	4,953,026	4,315,097	794,475	656,977	5,747,501	4,972,074	775,427	15.6%
Total liabilities	5,712,884	5,049,131	1,024,849	868,578	6,737,733	5,917,709	820,024	13.9%
Deferred inflows of resources:	390,581	315,055	61,988	48,576	452,569	363,631	88,938	24.5%
Total deferred inflows of resources	390,581	315,055	61,988	48,576	452,569	363,631	88,938	24.5%
<b>Net position:</b>								
Net investment in capital assets	3,505,380	3,355,072	218,159	202,150	3,723,539	3,557,222	166,317	4.7%
Restricted	799,830	911,249	58,136	47,468	857,966	958,717	(100,751)	-10.5%
Unrestricted	(1,947,282)	(1,689,770)	(344,312)	(225,964)	(2,291,594)	(1,915,734)	(375,860)	19.6%
Total net position	\$ 2,357,928	\$ 2,576,551	\$ (68,017)	\$ 23,654	\$ 2,289,911	\$ 2,600,205	\$ (310,294)	-11.9%

## Management's Discussion & Analysis (Unaudited)

### Analysis of Net Position

Below are the three components of net position and their respective balances as of June 30, 2018:

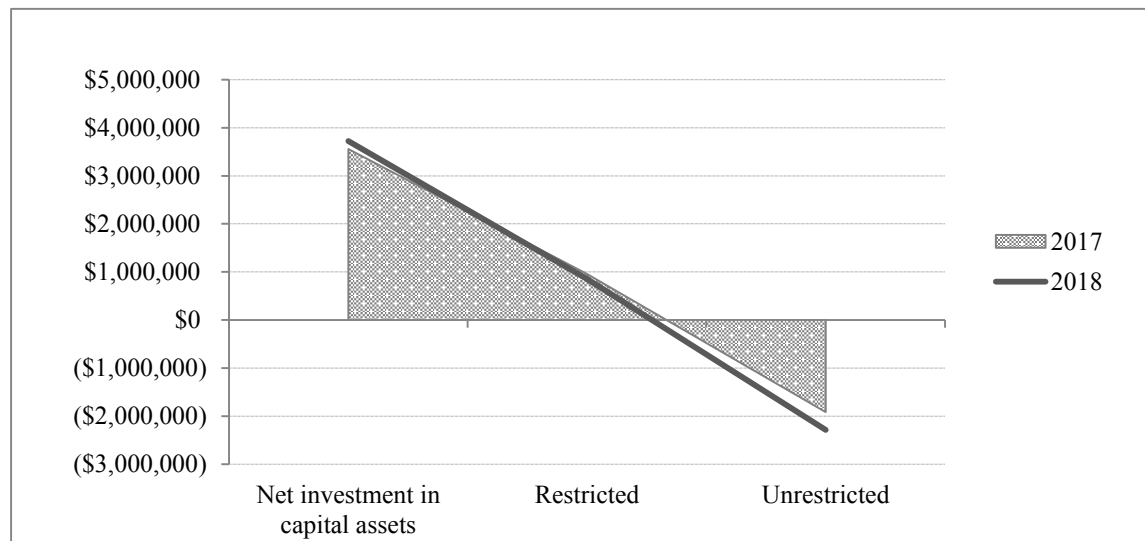
The largest portion of the County's net position reflects its net investment in capital assets of \$3.72 billion, an increase of \$166.3 million, or 4.7% from prior fiscal year. This component consists of capital assets such as land and easements, structures and improvements, infrastructure, and equipment, 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 net investment in 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 liquidated for these liabilities.

The restricted net position is \$858.0 million, a decrease of \$100.8 million, or 10.5% from prior fiscal year, and represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The unrestricted net position is negative \$2.29 billion, a decrease of \$375.9 million, or 19.6% from prior year. The negative unrestricted net position resulted from GASB Statement No. 68 related to pensions and its requirement to record a net pension liability on the government-wide financial statements as pension costs increased in the current year. An additional cause for the negative unrestricted net position was the prior period adjustment for changes in accounting principle as required by GASB Statement No. 75 and its costs as it relates to other postemployment benefits costs.

The decrease in the overall net position of governmental and business-type activities was attributed to additional pension costs as a result of a lower discount rate which was reduced by 50 basis points and higher than expected salaries expenditures. The annual contribution to retirement plans for fiscal year 2017-18 was \$279.9 million, an increase of \$3.1 million, or 1.1%, from fiscal year 2016-17. Additional costs were incurred as the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, took effect in the current fiscal year. There were also increased expenditures in public protection of \$140.6 million, an increase of \$52.1 million in health and sanitation services, and an increase in public assistance services of \$43.1 million. The operating expenses in business-type activities were significantly higher than the prior fiscal year. The increases were mostly noted in RUHS-MC by \$53.8 million and it is mostly related to personnel salary cost increases. The other major increase in expenses, and therefore decreasing the net position of the business-type activities, was in RUHS-CHC as it ended the current fiscal year with a negative net position of \$18.0 million.

**Statement of Net Position**  
**June 30, 2018 and 2017**  
**(In thousands)**



## Management's Discussion & Analysis (Unaudited)

The following table provides information from the Statement of Activities of the County as of June 30, 2018 as compared to the prior year:

### CHANGES IN NET POSITION

For the fiscal years ended June 30, 2018 and 2017  
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2018	2017	2018	2017	2018	2017	Dollar Change	Percentage Change
Revenues:								
Program revenues:								
Charges for services	\$ 716,973	\$ 766,589	\$ 787,775	\$ 716,911	\$ 1,504,748	\$ 1,483,500	\$ 21,248	1.4%
Operating grants and contributions	1,951,911	1,912,480	-	-	1,951,911	1,912,480	39,431	2.1%
Capital grants and contributions	77,352	49,088	87	552	77,439	49,640	27,799	56.0%
General revenues:								
Property taxes	387,305	367,937	-	-	387,305	367,937	19,368	5.3%
Sales and use taxes	27,557	27,881	-	-	27,557	27,881	(324)	-1.2%
Unrestricted intergovernmental revenue	262,745	258,999	-	-	262,745	258,999	3,746	1.4%
Investment earnings	26,613	12,918	3,228	2,182	29,841	15,100	14,741	97.6%
Other	257,358	185,141	-	-	257,358	185,141	72,217	39.0%
Total revenues	3,707,814	3,581,033	791,090	719,645	4,498,904	4,300,678	198,226	4.6%
Expenses:								
General government	275,973	277,276	-	-	275,973	277,276	(1,303)	-0.5%
Public protection	1,606,348	1,465,762	-	-	1,606,348	1,465,762	140,586	9.6%
Public ways and facilities	215,360	199,023	-	-	215,360	199,023	16,337	8.2%
Health and sanitation	611,960	559,906	-	-	611,960	559,906	52,054	9.3%
Public assistance	1,067,151	1,024,047	-	-	1,067,151	1,024,047	43,104	4.2%
Education	23,560	24,603	-	-	23,560	24,603	(1,043)	-4.2%
Recreation and cultural services	17,345	17,980	-	-	17,345	17,980	(635)	-3.5%
Interest on long-term debt	63,685	69,874	-	-	63,685	69,874	(6,189)	-8.9%
Riverside University Health Systems - Medical Center	-	-	636,169	582,419	636,169	582,419	53,750	9.2%
Waste Resources	-	-	88,964	87,115	88,964	87,115	1,849	2.1%
Housing Authority	-	-	98,591	91,783	98,591	91,783	6,808	7.4%
County Service Areas	-	-	243	370	243	370	(127)	-34.3%
Flood Control	-	-	5,183	3,903	5,183	3,903	1,280	32.8%
Riverside University Health Systems - Community Health Centers	-	-	56,247	-	56,247	-	56,247	0.0%
Total expenses	3,881,382	3,638,471	885,397	765,590	4,766,779	4,404,061	362,718	8.2%
Excess (deficiency) before transfers	(173,568)	(57,438)	(94,307)	(45,945)	(267,875)	(103,383)	(164,492)	159.1%
Transfer in (out)	(15,036)	(19,916)	15,036	19,916	-	-	-	0.0%
Change in net position, before extraordinary items	(188,604)	(77,354)	(79,271)	(26,029)	(267,875)	(103,383)	(164,492)	159.1%
Extraordinary items	-	-	78	1,152	78	1,152	(1,074)	-93.2%
Change in net position	(188,604)	(77,354)	(79,193)	(24,877)	(267,797)	(102,231)	(165,566)	162.0%
Net position, beginning of year, as restated	2,546,532	2,653,905	11,176	48,531	2,557,708	2,702,436	(144,728)	-5.4%
Net position, end of year	\$ 2,357,928	\$ 2,576,551	\$ (68,017)	\$ 23,654	\$ 2,289,911	\$ 2,600,205	\$ (310,294)	-11.9%



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

### **Analysis of Changes in Net Position**

The following are specific major factors that resulted in the net position changes in governmental activities between fiscal years 2017-18 and 2016-17 as shown in the table on page 9.

#### ***Revenues for governmental activities***

Total revenues for governmental activities were \$3.71 billion, an increase of \$126.8 million, or 3.5% from the previous year. This increase consisted of increases in program revenues of \$18.1 million and general revenues of \$108.7 million. The largest share of program revenues were operating grants and contributions which accounted for 71.1%. Operating grants and contributions are monies received from parties outside the County and are generally restricted to one or more specific programs such as State and Federal revenue for public assistance and health and sanitation. 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. General revenues are used to support program activities countywide. Example of general revenues include property tax, sales and use tax as well as other County levied tax, investment income, rents and concessions, contributions and donation, and sales of surplus property.

The increase in program revenues was primarily comprised of the following:

- Charges for services decreased by \$49.6 million, or 6.5%. A significant decrease was due to the exclusion of the revenues previously recorded related to the RUHS-CHC which has been reclassified for reporting purposes to an enterprise fund, a business-type fund. The other main reason for the decrease is due to a decrease in the transportation uniform mitigation fees as large road projects were completed.
- Operating grants and contributions increased by \$39.4 million, or 2.1%. A \$19.2 million increase was noted on several public assistance programs including adoption assistance and CalWorks, and increases in federal block grants and realignment funding. There was a \$17.6 million increase in Mental Health Service Act to continue providing services that are provided through the Behavior Health department. Also, an \$11.1 million increase was due to additional service levels for the detention health and behavioral healthcare service provided in the County jails.
- Capital grants and contributions increased by \$28.3 million, or 57.6%. The increase relates to capital grant funding mainly related to the East County Detention Center which is partially funded through Assembly Bill (AB) 900 funding.

The increase in general revenues was largely attributable to:

- Property tax revenues increased by \$19.4 million, or 5.3%. The increase is due to the growth of assessed property valuations, increases in changes of ownership of real estate, and rising values in all sectors of the commercial real estate market and residential. Additionally, the new construction of industrial buildings from e-commerce and lower vacancy rates in commercial properties lead to higher tax levies.
- Investment earnings increased by \$13.7 million, or 106.0%. The increase was due to the Federal Reserve increasing rates and higher investment returns on pooled investment as the economy continues to expand.
- Other revenue increased by \$72.2 million, or 39.0%. Approximately \$5.0 million was collected from the sales proceeds of the Pedley Transportation Yard. A \$1.6 million increase in the first apportionment during the fiscal year related to redevelopment pass through funds. Other increases were noted in contractual revenue, judgements, sale of surplus property, tobacco tax settlement and additional special district revenue.

#### ***Expenses for governmental activities***

Total expenses for governmental activities were \$3.88 billion for the current fiscal year, an increase of \$242.9 million, or 6.7% (\$249.1 million increase in functional expenses and \$6.2 million decrease in interest expense), as compared to prior fiscal year. The following are the key components accounting for the variances:

- The expenses in public protection increased by \$140.6 million, or 9.6%. The California Department of Forestry and Fire Protection (CalFire) Cooperative Agreement for the retroactive labor cost of living increases were approved by CalFire in June 2017 and therefore affecting the current fiscal year. The probation department incurred additional expenditures due to the implementation of Senate Bill (SB) 190

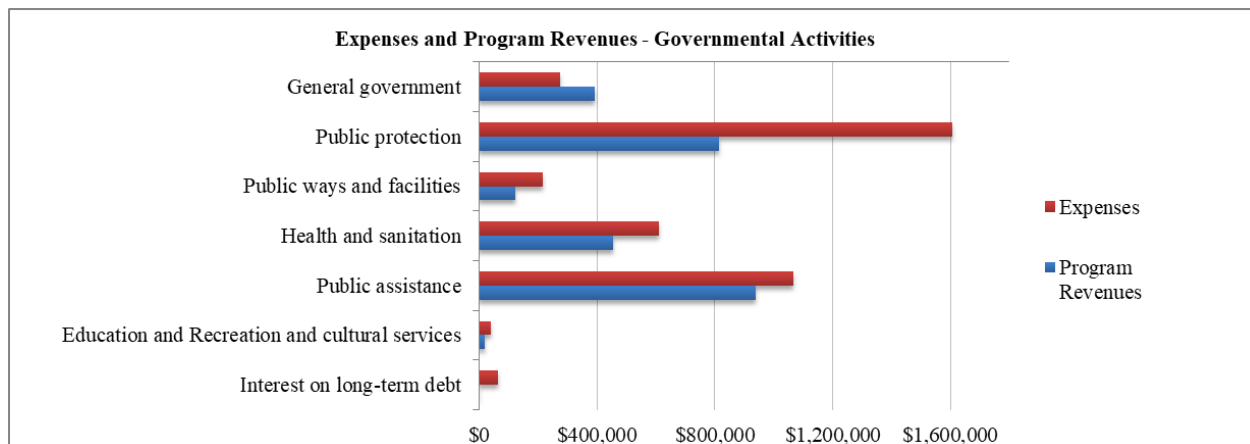


## Management's Discussion & Analysis *(Unaudited)*

and Proposition 63, new state legislation that became effect on January 1, 2018. Additionally, there has been an increase of overtime costs to meet state-mandated staffing levels as the department's vacancy rate increases. Expenses also increase because the new flood control and drainage infrastructure projects within certain zone areas began in fiscal year 2017-18.

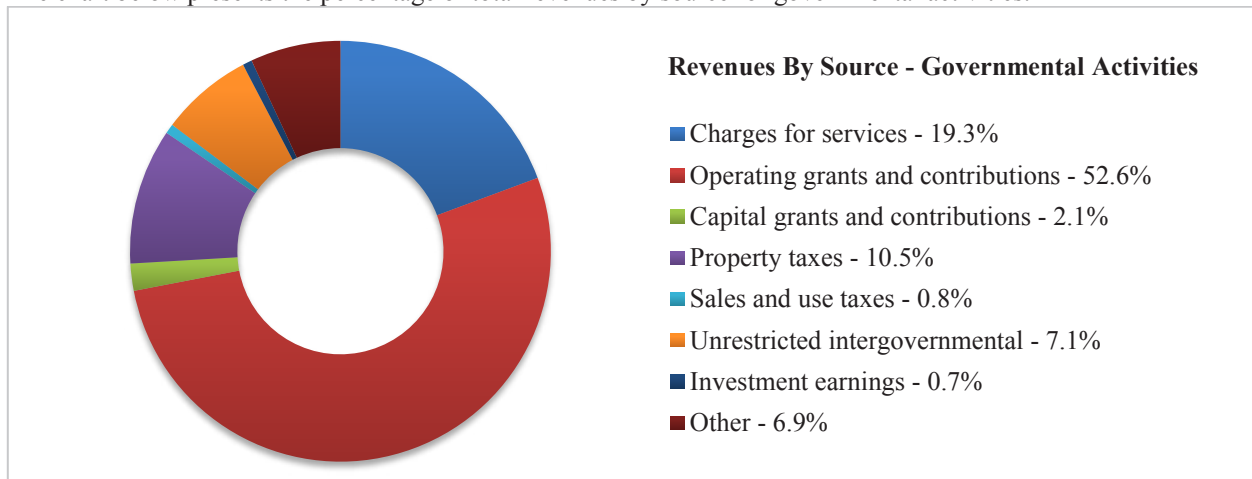
- The increase in public ways and facilities of \$16.3 million, or 8.2%, was mainly caused by the completion of road improvement projects including extension and resurfacing due to recent development in the communities.
- The expenses in health and sanitation increased by \$52.1 million, or 9.3%, due to the increased salaries, benefits and program costs associated with the expansion of correctional health services and detention health services. Additionally, increased costs were incurred for meeting the increased demand for behavioral health treatment services in the juvenile hall facilities and acute psychiatric inpatient beds, and Children's Outpatient Medicaid for additional clients served. Also, expenses increased related to programs to treat substance abuse. Expenses also increase as the recently approved Drug Medi-Cal Organized Delivery System Waiver continues to be implemented.
- The increase in public assistance of \$43.1 million, or 4.2%, was due mainly to increases in the In-Home Support Services (IHSS) provided. Additionally, the State Coordinated Care Initiative (CCI) was discontinued and the related IHSS Maintenance of Effort (MOE) share of cost was terminated. Increases in expenditures related to adoption services funded via foster care were incurred as there were extended placements for foster youth not approved for emancipation and increases in foster care rates. Increases in expenditures were also incurred in Medi-Cal services that were provided during the fiscal year.
- The \$6.1 million decrease in interest on long-term debt is due to the Tax Revenue Anticipation Notes (TRANS) notes that carried a lower interest rate and several bonds that were refunded at a lower interest rate.

The following chart displays expenses and the associated program revenues by function for the governmental activities for the fiscal year ended June 30, 2018 (In thousands):



## Management's Discussion & Analysis (Unaudited)

The chart below presents the percentage of total revenues by source for governmental activities:



### ***Business-type Activities***

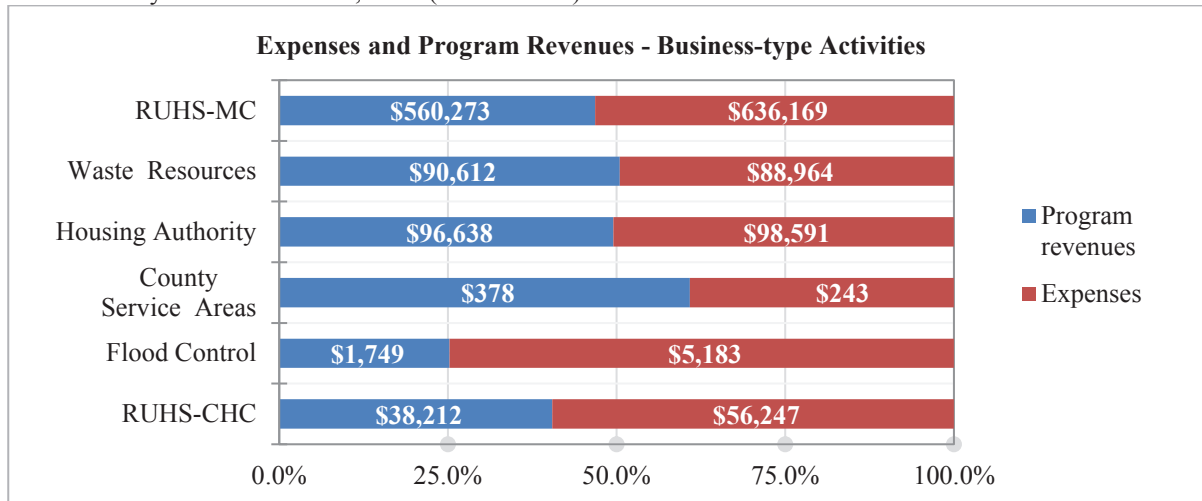
The County has three major business-type activity funds: RUHS-MC, Waste Resources, and Housing Authority. In addition, Flood Control, County Service Areas and RUHS-CHC are included in the business-type activities of the County. Business-type activities recover all or a significant portion of their costs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

**Revenues:** For the current year, \$787.8 million, or 99.6%, 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, \$560.3 million, was received by RUHS-MC as compared to \$544.1 million for the prior fiscal year. The increase was mainly attributed to higher patient revenue from in-patients and out-patients visits and therefore increases in insurance contracts revenues and other collection sources, as well as increased state compensation for care of patients with Medi-Cal insurance.

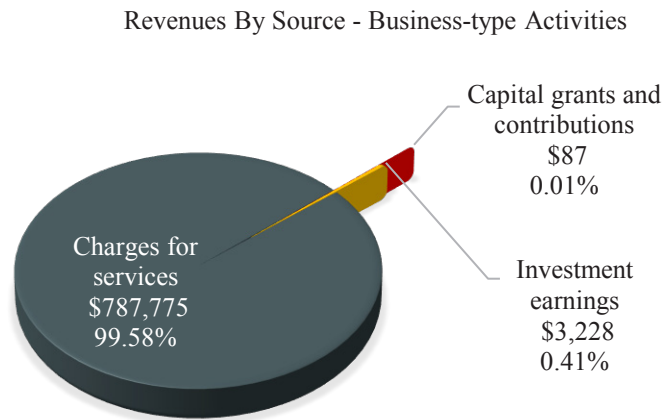
**Expenses:** Total expenses for business-type activities were \$885.4 million for the fiscal year compared to \$765.6 million for the prior fiscal year. This represents an increase of \$119.8 million, or 15.6%. The majority of the increases in expenses was incurred by RUHS-MC with an increase of \$53.8 million and RUHS-CHC with \$56.2 million. The increase by RUHS-MC was mainly attributed to salaries and benefit increases and increases in insurance expenses. The increase related to RUHS-CHC is mainly due to this being the first year being presented as an enterprise fund. Previously, it was presented as a special revenue fund and therefore creates a significant variance; however, overall the operational costs increased from the increase of patient volume in the Federally Qualified Health Centers as the implementation of health care reform continued in fiscal year 2017-18.

## Management's Discussion & Analysis (Unaudited)

The following chart displays expenses and the associated program revenues by function for the business-type activities for the fiscal year ended June 30, 2018 (In thousands):



The chart below presents the percentage of total revenues (In thousands) by source for business-type activities:



## FINANCIAL ANALYSIS OF FUND STATEMENTS

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

### Governmental Funds

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

As of June 30, 2018, the County's governmental funds reported combined fund balances of \$1.08 billion, a decrease of \$16.1 million in comparison with the prior year. The components of total fund balance are as follows (See Note 16 - Fund Balances for additional information):

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

- Nonspendable fund balance – \$6.0 million, amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance – \$762.8 million, amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance – \$36.9 million, amounts that are committed for a specific purpose. These funds require action from the Board of Supervisors to remove or change the specified use.
- Assigned fund balance – \$43.6 million, amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. Assigned amounts cannot cause a deficit in unassigned fund balance.
- Unassigned fund balance – \$234.5 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 \$67.9 million, or 1.9%, from the prior fiscal year with \$3.57 billion being recognized for the fiscal year ended June 30, 2018. Expenditures decreased by \$98.8 million, or 2.7%, from the prior fiscal year with \$3.59 billion being expended for governmental functions during fiscal year 2017-18. Overall, governmental fund balance decreased by \$24.3 million, or 2.2%. In comparison, fiscal year 2016-17 had a decrease in governmental fund balance of \$132.3 million, or 10.7%, over fiscal year 2015-16.

The general fund is the primary operating fund of the County. At the end of fiscal year 2017-18, the general fund's total fund balance was \$369.6 million, as compared to \$348.2 million in fiscal year 2016-17. 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 \$3.5 million, and the spendable portion was \$366.1 million. The current year unassigned fund balance is 8.0% of the total general fund expenditures of \$2.94 billion, as compared to 7.4% of the prior year expenditures total of \$2.94 billion. The total fund balance of the general fund for the current year is 12.6% of the total general fund expenditures as compared to 11.8% for the prior year.

The fund balance of the County's general fund increased by \$21.4 million during the current fiscal year. The overall increase in net position was due to an increase in interest revenue, and decreases in services and supplies expenditures related to public assistance. Other factors contributing to the increase in fund balance were the result of operations as discussed in the general fund financial analysis on pages 15 and 16.

Transportation fund balance increased by \$4.7 million, or 5.8%, due to significant decrease in expenditures related to contracts as the department did not have as many projects in the current year as it did last year.

Flood control fund balance increased by \$10.7 million, or 4.7%, with approximately 76 percent of this increase being attributable to the addition of donated capital assets, i.e., infrastructure and land, net of investment related expenses.

Public facilities improvements capital projects fund balance increased from \$160.7 million to \$188.4 million, 17.2% or \$27.7 million. The increase was caused by additional State aid received in the current year to continue financing the new detention center that is under construction in addition to the reimbursement for shared cost incurred.

Public financing authority fund balance decreased by \$77.4 million, or 83.2%. The decrease was primarily due to the ongoing construction of the detention center, courtrooms, and parking structures that continued in the current fiscal year and which are financed with proceeds from the Series 2015 Bond issuance. The proceeds from the Series 2015 Bond issuance have been spent as the capital projects progressed.

### **Other Governmental Funds**

The \$11.4 million, or 5.7%, decrease in nonmajor governmental funds fund balance was essentially from the scheduled annual principal payments of outstanding debts in debt service funds.

### **Proprietary Funds**

The County's proprietary funds financial statements provide the same type of information as the government-wide financial statements, but in more detail. The RUHS-MC, Waste Resources, and Housing Authority are shown in separate columns of the fund statements due to materiality criteria as defined by GASB Statement No. 34, as amended.

## Management's Discussion & Analysis (Unaudited)

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 \$7.4 million, compared to \$96.4 million from prior fiscal year; this represents a decrease of \$89.0 million, or 92.3%. The funds accounting for the majority of the variance were RUHS-MC, Other, and Internal Service Funds. The total decrease in net position for RUHS-MC and Other were \$47.3 million and \$7.9 million, respectively. Factors concerning the finances of these two funds have been previously discussed in the business-type activities on page 8. The decrease of \$39.8 million in the Internal Service Funds was mainly due to increase costs in personnel services and insurance claims in the Risk Management Fund.

### GENERAL FUND FINANCIAL ANALYSIS

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

**General Fund - Revenues by Source**  
For the fiscal years ended June 30, 2018 and 2017  
(In thousands)

Revenues by Sources	2018		2017		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
Taxes	\$ 303,836	9.8%	\$ 292,674	9.6%	\$ 11,162	3.8%
Intergovernmental revenues	2,036,517	65.8%	1,974,075	64.5%	62,442	3.2%
Charges for services	481,245	15.5%	460,539	15.1%	20,706	4.5%
Other revenue	158,219	5.1%	153,728	5.0%	4,491	2.9%
Other financing sources	115,465	3.7%	177,803	5.8%	(62,338)	-35.1%
Total	<u>\$ 3,095,282</u>	<u>100.0%</u>	<u>\$ 3,058,819</u>	<u>100%</u>	<u>\$ 36,463</u>	<u>1.2%</u>

General fund revenues had an overall increase of \$36.5 million, or 1.2%, from the prior year. The increase was due primarily to the changes in the following:

- The increase in *Taxes* during the current fiscal year was due to the increase on the assessment roll value for fiscal year 2017-18 with the main increase of approximately \$11.2 million noted in the secured property taxes.
- The increase of \$62.4 million in *Intergovernmental revenues* was primarily attributed to increases in state funding for such programs like adoption assistance, CalWorks, mental health services, and increases in AB118 revenue and realignment revenue.
- *Charges for services* increased by \$20.7 million, or 4.5%, primarily due to increases in contract law enforcement services and increases in revenues related to fire protection services provided during the fiscal year.
- The decrease in *other financing sources* of approximately \$62.3 million, or 35.1%, was primarily due to decreases related to transfers in by \$4.5 million and a significant decrease in capital leases of \$57.8 million.

## Management's Discussion & Analysis (Unaudited)

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

### General Fund - Expenditures by Function For the fiscal years ended June 30, 2018 and 2017 (In thousands)

Expenditures by Function	2018		2017		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
General government	\$ 130,989	4.3%	\$ 133,217	4.3%	\$ (2,228)	-1.7%
Public protection	1,328,734	43.2%	1,317,038	42.7%	11,696	0.9%
Health and sanitation	543,976	17.7%	494,771	16.1%	49,205	9.95%
Public assistance	916,191	29.8%	920,185	29.9%	(3,994)	-0.4%
Other expenditures	24,954	0.8%	77,844	2.5%	(52,890)	-67.9%
Other financing uses	129,087	4.2%	139,043	4.5%	(9,956)	-7.2%
Total	<u>\$ 3,073,931</u>	<u>100.0%</u>	<u>\$ 3,082,098</u>	<u>100.0%</u>	<u>\$ (8,167)</u>	<u>-0.3%</u>

Total expenditures for the general fund were \$3.07 billion, a decrease of \$8.2 million, or 0.3%, from the prior year. Significant changes are as follows:

- The increase in *Public protection* of \$11.7 million was mainly caused by increases of \$1.1 million in technology device support, \$1.2 million increase in legal services, \$3.7 million increase in county support services, and a \$1.8 million increase in administrative support. Also, there were increases of \$2.1 million in maintenance tenant improvement and \$3.0 million increase in insurance expenditures.
- The increase in *Health and sanitation* of \$49.2 million was primarily attributed to increases in salaries of \$7.8 million which also increase retirement expenditures by \$2.2 million and flex benefits by \$1.7 million. Also, there were increased expenditures in private care provider services of \$38.9 million.
- The decrease in *Other expenditures* of \$52.9 million was mainly due to decrease in capital outlay in the current year.
- The decrease in *Other financing sources* of \$10.0 million was mainly due to reductions in contributions to other County funds for construction costs of capital projects and County program activities.

### 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 budget, and 2) the final 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 Budgets

##### Estimated Revenue Variances

The original adopted General Fund estimated revenue budget decreased by \$82.2 million, or 2.5%, from \$3.24 billion to the final revenue budget of \$3.16 billion. The major estimated revenue variances are described as follows:

Federal: Increased by \$17.6 million, or 2.8%, from \$627.5 million to \$645.1 million. The primary increase of \$12.7 million was a result of contract increases for the efforts by Riverside University Health System- Behavioral Health (RUHS-BH) to operate a continuum of care system that consists of County-operated clinics and contracted service

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

providers delivering a variety of Substance Abuse and Prevention Treatment (SAPT) services within each geographic region of Riverside County. SAPT services provided by RUHS-BH and Drug Medi-Cal (DMC) certified providers include Outpatient, Intensive Outpatient, Residential, Peri-natal Residential, Medication Assisted Treatment, Opioid Treatment, Withdrawal Management, Case Management, and Recovery Services. The program has increased the number of consumers receiving services by 34.0%. An increase of \$1.5 million was also related to a RUHS- BH proposal to fund two contract-operated Full Services Partnership programs that would provide integrated mental health, substance abuse and primary care services. These services will utilize an evidenced-based intervention using a Trauma Informed approach. Diversion services were also included for veteran and homeless court defendants as well as those individuals serving post-conviction informal probationers who, due to their impaired functioning, are at risk for re-offending. Restorative justice activities and vocational services will also be provided along with comprehensive housing support. Finally, a \$1.7 million grant was received from The California Office of Traffic Safety by the Sheriff's Department. Their mission is to effectively administer traffic safety grants to reduce traffic deaths, injuries and economic losses. The grant will fund two full-time positions within the Sheriff's Grants Unit and events will include: DUI checkpoints, DUI saturation patrols, patrols focusing on pedestrian safety, traffic enforcement, distracted driving, seat belt enforcement, and special enforcement operations encouraging motorcycle safety.

Charges for current services: Decreased by \$72.8 million, or 12.7%, from \$573.7 million to \$500.9 million. The primary decrease of \$83.2 million was mainly due to intergovernmental activities. This was offset by an increase of \$5.9 million from the Sheriff's Department budget due to increases in law enforcement services to the cities. The Fire Department received \$2.3 million from the Cal Fire Cooperation agreement for retroactive labor cost of living increases. The Treasurer-Tax Collector Office budget increased by \$1.0 million for the quantum treasurer software license.

Other revenue: Decreased by \$23.7 million, or 23.3%, from \$101.6 million to \$77.9 million. The primary decrease was due to intergovernmental activities of \$25.8 million. An additional decrease of \$4.2 million was process in the first quarter by the Executive Office to account for a lower premium and interest on Tax and Revenue Anticipation Note. This was offset by a \$1.4 million increase by County Council to clean up and transfer outstanding settlement judgement balances to the General Fund.

### **Expenditure Appropriation Variances**

The original adopted General Fund appropriation budget decreased by \$90.4 million, or 2.7%, from \$3.31 billion to the final appropriation budget of \$3.22 billion. The major expenditure appropriation variances are described as follows:

General government: The original adopted appropriation budget for General government decreased by \$39.7 million, or 17.3%, from \$230.4 million to the final appropriation budget of \$190.7 million. The major appropriation variances are described below.

- Services and supplies increased by \$6.5 million, or 7.0%, from \$92.9 million to \$99.4 million. The Executive Office increased in professional services by \$2.7 million for KPMG related projects. An increase of \$1.6 million was due to increases from encumbrances by various departments related to budgeted goods or services that were not received in the prior fiscal year. There was a \$744.0 thousand increase in the Executive Office Subfund Operations budget related to Board Policy B-32 which established a process for the deposit of proceeds from the disposition of real property. The unanticipated proceeds from the sale of real estate were used to offset the professional services costs associated with the acquisition of real property. Finally, the Treasurer-Tax Collector Office budget increased by \$667.1 thousand due to the upgrade of the treasurer financial system.
- Other charges decreased by \$32.3 million, or 38.7%, from \$83.6 million to \$51.3 million mainly due to intergovernmental activities relating to operating transfers in and out and the elimination of transfers in and out within the same fund group.
- Appropriation for contingencies decreased by \$14.3 million, or 71.7%, from \$20.0 million to \$5.7 million. On behalf of the Emergency Management Department (EMD) the real estate division of the Economic Development Agency purchased property for \$3.0 million for the Emergency Operations Center. The



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

purchased property includes a 16,826 square foot office building situated on 3.8 acres of land in the City of Riverside. This facility will be used to establish a new Western County Emergency Operation Center (EOC). The new EOC would serve to provide coordinated coverage and management in emergency and catastrophic events. The building will also serve to house administrative functions of EMD and will be improved accordingly. An additional \$2.7 million decrease was recorded to assist departments with the implementation of Board Approved KPMG projects. A \$2.5 million decrease was related to the General Fund reimbursement of Countywide projects initiated by the Riverside County Information Technology Department, and a \$2.2 million decrease was due to the decline of redevelopment property tax revenue. Finally, structural deficits were experienced by the District Attorney's Office in the amount of \$1.8 million and the Law Office of the Public Defender by \$1.5 million.

Public protection: The original adopted appropriation budget for Public protection increased by \$16.1 million, or 1.2%, from \$1.38 billion to the final appropriation budget of \$1.40 billion. The major appropriation variances are described below.

- Other charges decreased by \$13.9 million, or 27.8%, from \$49.9 million to \$36.0 million. The main decrease was due to \$18.2 million in intergovernmental activities relating to operating transfers in and out within the same fund group. This was offset by \$3.1 million increase from projects such as the Palm Springs expansion for \$1.9 million and \$1.0 million for Probation's Youth Treatment Center that were encumbered from the previous fiscal year because they have not been completed.
- Capital assets increased by \$8.7 million, or 229.3%, from \$3.8 million to \$12.5 million. The Sheriff's Department increased their budget by \$6.8 million for patrol and corrections equipment to include FLIR's intelligent traffic solutions which monitor traffic activities, collect traffic data and automatically detect incidents on highways and tunnels regardless of sun glare, darkness, headlights, shadows, snow, and fog with unfiltered best-in-class thermal technology. They also invested in mapping systems, quadcopters, forensics crime scene scanners, a SWAT trailer, and aviation night vision goggles. The Fire Department invested \$1.3 million in fire trucks and other fire related equipment.

Health and sanitation: The original adopted appropriation budget for Health and sanitation increased by \$17.7 million, or 2.9%, from \$601.1 million to the final appropriation budget of \$618.8 million. The major appropriation variances are described below.

- Services and supplies increased by \$8.2 million, or 6.7%, from \$124.3 million to \$132.5 million. This was mainly due to Behavioral Health increasing their budget by \$5.6 million due to the ratification of Community Corrections agreements for Proposition 47. Public Health also increased their budget by \$2.6 million for professional services and special program expenses.
- Other charges increased by \$17.7 million, or 8.9%, from \$199.2 million to \$216.9 million. The majority of the variance consisted of a \$22.0 million increase from Behavioral Health continuum of care system that was discussed previously. The contract between the Department of Health Care Services (DHCS) and Behavioral Health for the Drug Medi-Cal Organized Delivery System (DMC-ODS) was amended increasing the contract maximum by \$82.1 million of which \$22.0 million was not in the current budget for fiscal year 17/18. The services provided by this contract are a component of Behavioral Health's system of care aimed at improving the health and safety of consumers and the community. An increase of \$4.1 million is related to expenses incurred from Proposition 47 Integrated Care Behavioral Health Full Service Partnership programs. This was offset by a decrease in intergovernmental activities of \$9.5 million.

Public assistance: The original adopted appropriation budget for Public assistance decreased by \$24.0 million, or 2.4%, from \$995.9 million to the final appropriation budget of \$971.9 million. The major appropriation variances are described below.

- Other Charges decreased by \$24.2 million, or 4.6%, from \$522.2 million to \$498.0 million. Of that amount, there was a decrease of \$17.1 million from the Department of Public Social Services' ability to offset the new In-Home Supportive Services mandated costs with additional state revenue sources. In addition, there were also decreases in intergovernmental activities by the amount of \$8.0 million.



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

Debt services: The original adopted appropriation budget for Debt services decreased by \$60.5 million, or 60.7%, from \$99.6 million to the final appropriation budget of \$39.1 million. The major appropriation variances are described below.

- Principal on long-term debt decreased by \$31.6 million, or 69.9%, from \$45.2 million to \$13.6 million primarily due to intergovernmental activities.
- Interest on long-term debt decreased by \$28.9 million, or 53.4%, from \$54.1 million to \$25.2 million primarily due to intergovernmental activities.

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

During the year, the General Fund had a positive budget variance of approximately \$91.6 million resulting from unexpended appropriations of \$272.2 million, or 8.5%, and overestimated revenue of \$180.6 million, or 5.7%. The following contributed to the variance:

### **Revenue Variances**

General Fund actual revenues of \$2.98 billion were 5.7%, or \$180.6 million, less than the final revenue budget of \$3.16 billion. The major revenue variances are described as follows:

Fine, forfeitures, and penalties: Actual revenues of \$64.5 million were \$4.7 million, or 8.0%, more than the final budget of \$59.8 million. The Sheriff's Department received additional booking fee recovery revenue of \$2.7 million while the District Attorney's office increased by \$1.6 million in revenue from the consumer fraud and environment crimes units.

Interest: Actual revenues of \$16.7 million were \$5.3 million, or 46.4%, more than the final budget of \$11.4 million. The primary variance of \$3.3 million was due to the Treasurer-Tax Collector Office optimizing the investment selections and strategies which resulted in additional interest earnings. An additional \$1.5 million was from the Behavior Health-Mental Health Services Act investment fund.

Rents and concessions: Actual revenues of \$13.6 million were \$17.9 million, or 56.9%, less than the final budget of \$31.5 million. The variance is the result of amounts being transferred from the General Fund to the CORAL Debt service fund.

Federal: Actual revenues of \$596.9 million were \$48.1 million, or 7.5%, less than the final budget of \$645.0 million. There was a \$22.5 million decrease from the Department of Public Social Services public assistance revenue that is realized through a claim process. Variances tend to occur throughout the year as there may be increases or decreases in claimable expenditures. The Department of Public Social Services also experienced a \$4.8 million decrease due to a decline in CalWORKs and Foster Care caseloads. There were a number of decreases due to fluctuations of expenditures related to grant revenues. These include Behavioral Health for \$11.0 million, Public Health for \$3.3 million, Probation Department for \$2.6 million, Department of Child Support Services for \$1.9 million, Fire Department for \$1.4 million, and Emergency Management Department for \$1.2 million.

State: Actual revenues of \$1.33 billion were \$76.7 million, or 5.5%, less than the final budget of \$1.41 billion. This category is closely aligned with federal revenues whereas decreases in federal funding also translates to decreases in state funding. Behavioral Health, Department of Public Social Services and Probation Department saw the greatest decreases and they were mostly due to Assembly Bill 118 that established the Community Corrections Grant Program for the purpose of funding various changes to the criminal justice system.

Charges for services: Actual revenues of \$481.2 million were \$19.7 million, or 3.9%, less than the final budget of \$500.9 million. A majority of the variance is due to decreases of \$92.8 million in intergovernmental activities. This was offset by additional increases in the amount of \$9.0 million in Sheriff's contract city law enforcement revenue

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

and increases of \$73.9 million in Fire Protection contract cities. Fire increases included retroactive cost of labor increases from the Cal Fire Cooperative agreement that were approved in June 2017.

Other revenue: Actual revenues of \$44.3 million were \$33.6 million, or 43.2%, less than the final budget of \$77.9 million. The majority of this variance is related to operating transfers in and out of pension activities.

### Expenditure Variances

General Fund actual expenditures of \$2.94 billion were \$272.2 million, or 8.5%, less than the final appropriation budget of \$3.22 billion. The major appropriation variances are described as follows:

General government: Actual expenditures were \$131.0 million, or 31.3%, less than the final budget of \$190.7 million.

- Salaries and employee benefits decreased by \$10.2 million, or 9.6%. The County imposed a hiring freeze thus savings were achieved during this time. The Assessor's Office decreased by \$2.3 million as they scrutinized vacancies during natural attrition, the Economic Development Agency (EDA) had 11 vacant project manager positions that amounted to \$2.4 million in savings, the Human Resources Director retired leading to a temporary savings combined with unfilled vacancies of \$1.7 million and the Auditor-Controller Office experienced vacancies that also lead to decreases in salaries and benefits in the amount of \$1.2 million.
- Services and supplies decreased by \$6.2 million, or 6.3%. Economic Development Agency (EDA) had decreases in costs associated with utilities, more specifically in the water and heating fuel costs that were \$1.2 million less than budgeted. EDA also evaluated projects and realized a \$1.4 million savings. The balance of the decrease was a combination of conservative spending decisions by departments Countywide.
- Other charges decreased by \$43.4 million, or 84.7%, mainly due to decreases in contributions to other funds as directed by the Executive Office and intergovernmental activities.
- Capital assets decreased by \$1.3 million, or 92.4%, due to a grant support project that was delayed from the Assessor's Office.
- Intrafund transfers decreased by \$7.2 million, or 9.8%, mainly due to a decrease of \$4.3 million by the EDA Energy Division having a decrease in utilities cost and in project reimbursement costs.
- Appropriations for contingencies were \$5.7 million, or 100.0%, less than budgeted. This budget is established to assist General Fund departments with unforeseen shortfalls but the transactions are recorded under the actual General Fund department.

Public protection: Actual expenditures were \$1.33 billion, or 4.8%, less than the final budget of \$1.40 billion.

- Salaries and employee benefits were \$30.0 million, or 3.3%, less than the final budget. Because of an impasse of negotiations with the Riverside Sheriff's Association, there were salary savings of \$10.8 million. The Probation Department had savings of \$10.0 million as a result of over 23 unfilled positions. Due to the County imposed hiring freeze, the following departments had salary savings of \$2.1 million by the County Clerk-Recorder, \$1.9 million by the District Attorney, \$1.1 million by the Fire Department and \$1.0 million by the Public Defender.
- Services and supplies were \$23.7 million, or 5.2%, less than the final budget. The Fire Department had decreases of \$12.4 million in professional services and weed abatement charges. The Probation Department had decreases of \$2.2 million due to more conservative spending throughout the year. Sheriff's Department had decreases of \$3.3 million mainly from Internal Service fund charges.
- Other charges were \$1.6 million, or 4.4%, less than the final budget mainly due to decreases of intergovernmental activities.
- Capital assets were \$7.3 million, or 58.4%, less than the final budget due to postponed projects by the Sheriff's Department and the Fire Department.
- Intrafund transfers were \$3.8 million, or 33.6%, more than the final budget mainly due to the \$2.9 million Countywide consolidation of all emergency related costs centralized within the Emergency Management Department. Sheriff's Department also had a \$1.2 million increase due to the award of the Juvenile Justice

## Management's Discussion & Analysis (Unaudited)

Crime Prevention Act which was created by the Crime Prevention Act of 2000 to provide a stable funding source for local juvenile justice programs aimed at curbing crime and delinquency among at-risk youth.

Health and sanitation: Actual expenditures were \$544.0 million, or 12.1%, less than the final budget of \$618.8 million.

- Salaries and employee benefits were \$46.1 million, or 14.0%, less than the final budget mainly due to hiring freezes. Behavioral Health had a salary savings of \$38.2 million. Public Health had \$5.5 million in savings, and Environmental Health Department had \$1.7 million in salary savings.
- Services and supplies were \$8.1 million, or 6.1%, less than the final budget due to increases of \$3.0 million in RCIT device access and of \$2.6 million in maintenance and building improvements offset by decreases of \$3.5 million in administrative support – direct, \$2.0 million in professional services, \$1.9 million in consultants, \$1.8 million in computer equipment, \$1.7 million in medical and dental supplies, \$1.4 million in IT Core services and finally \$1.1 million in telephone services.
- Other charges were \$17.3 million, or 8.0%, less than the final budget mostly due to intergovernmental activities in the amount of \$11.4 million as well as decreases of \$7.4 million from Behavioral Health as they continue the process of fully implementing the Drug Medi-Cal Waiver program.
- Capital assets were \$8.7 million, or 92.2%, less than the final budget mainly due to Behavior Health department's capital project for Augmented Board and Care facility construction that will begin in fiscal year 2019.
- Intrafund transfers were \$5.3 million, or 7.7%, less than the final budget mainly due to a decrease in Behavior Health of \$2.8 million and in Riverside University Health System of \$2.4 million. For Behavior Health, there was a decrease of \$4.0 million related to the allocation of administration costs to other Behavioral Health organizations which was offset by an increase of \$1.2 million in interfund expenses which are expenditure driven.

Public assistance: Actual expenditures were \$916.2 million, or 5.7%, less than the final budget of \$971.9 million.

- Salaries and employee benefits actual expenditures of \$327.9 million were \$14.7 million, or 4.3%, less than the final budget of \$342.6 million. This is primarily due to a decrease of \$14.6 million in the Department of Public Social Services salaries due to their average of full time employees (FTEs) being lower than budgeted because of the Countywide hiring freeze.
- Services and supplies were \$22.8 million, or 17.3%, less than the final budget of \$131.6 million primarily due to the Department of Public Social Services. As they continue to fully implement new programs, they experience lower expenses for maintenance projects in their Blythe, Cottonwood and Mission Grove Buildings, and a decrease of contracted services. Also, they have been more fiscally prudent with overall departmental spending.
- Other charges were \$18.1 million, or 3.6%, less than the final budget of \$497.9 million mainly due to \$16.8 million decreases in client services and foster care caseload, and the remaining variance was due to intergovernmental activities.

Debt services: Actual expenditures were \$17.4 million, or 55.6%, less than the final budget of \$39.1 million primarily due to amounts being transferred from the General Fund to the CORAL debt service fund.

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

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

#### **Capital Assets**

As of June 30, 2018, the County's capital assets for both its governmental and business-type activities amounted to \$5.17 billion (net of accumulated depreciation). The capital assets include infrastructure, land & easements, land improvements, structures and improvements, equipment, construction in progress, and concession arrangements. 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 approximately 2.7%, or \$136.6 million, from \$5.03 billion in fiscal year 2016-17 to \$5.17 billion in fiscal year 2017-18.

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

- Infrastructure increased approximately \$0.5 million as a result of the completed projects related to various channels, storm drains, roads and traffic signals.
- Land easements increased approximately \$20.3 million as a result of the following acquisitions: the Economic Development Agency incurred additional costs of \$7.6 million for the site preparation and demolition for the construction of East County Detention Center Jail and acquired approximately 5.5 acres of land for Gateway Office Building for \$6.3 million. The Flood Control District realized an increase in land valuation of \$5.8 million. Parcels and permanent easements conveyed by Grant Deed make up the bulk of the additions to land.
- Land improvements did not incur any additions for the current fiscal year. The overall decrease of approximately \$1.0 million was attributed in depreciation for the current fiscal year.
- Structures and improvements increased approximately \$131.2 million as a result of the completion of major projects. The major projects completed were as follows: approximately \$58.3 million in costs for the Chevron Solar Project, \$31.7 million for the remodel of Public Defender/Probation Building, \$31.1 million for the new Alan M. Crogan Youth Treatment and Education Center and \$10.0 million for the improvement of the Desert Hot Springs Behavioral Health and Nutrition Services Center.
- Equipment decreased approximately \$13.4 million due to the retirement of computer related equipment and vehicles from various departments such as Information Technology, Fleet Services, Waste Management, Fire, Transportation and Sheriff department.
- During the current fiscal year, construction in progress experienced additions in the amount of \$194.5 million related to existing and new projects. The major increases were noted as follows: the Economic Development Agency incurred \$81.6 million in costs for existing projects such as the construction of the East County Detention Center, the remodel of Public Defender and the laundry expansion for the Larry D. Smith Correctional Facility; the Transportation and Land Management Agency incurred an additional \$68.4 million for projects related to roads, bridges, sidewalks and signal lights; the Riverside University Health Systems – Medical Center incurred an additional \$14.7 million in costs for existing projects such as the Emergency Room Expansion, the Cardiac Catheterization Lab and the Data Archive; the Flood Control District incurred \$11.9 million for storm drains and channels; Waste Management incurred an additional cost of \$4.9 million for projects such as the Corona Southeast Drainage Channel Improvement, Badlands & Lamb Canyon landfills drainage improvements and gas collection system expansion; the Crest project incurred an additional \$3.7 million towards the new integrated property management system; the Park District incurred an additional \$3.7 million for projects related to District Headquarters Building E and to the trails located in Santa River and Salt Creek; and Purchasing Services incurred additional costs of \$2.1 million for the new RivcoPRO software program. During the current year, approximately \$195.5 million of completed projects were transferred out of construction in progress to other capital asset classifications which resulted in an overall decrease in construction in progress of approximately \$1.0 million.

## Management's Discussion & Analysis (Unaudited)

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

### CAPITAL ASSETS (Net of Accumulated Depreciation) (In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2018	2017	2018	2017	2018	2017	Dollar Change	Percentage Change
Infrastructure	\$ 1,986,825	\$ 1,982,715	\$ 46,189	\$ 49,778	\$ 2,033,014	\$ 2,032,493	\$ 521	0.0%
Land and easements	581,920	561,581	21,359	21,359	603,279	582,940	20,339	3.5%
Land improvements	81	82	6,680	7,693	6,761	7,775	(1,014)	-13.0%
Structures and improvements	1,318,084	1,193,632	132,046	125,329	1,450,130	1,318,961	131,169	9.9%
Equipment	209,981	224,369	61,623	60,636	271,604	285,005	(13,401)	-4.7%
Construction in progress	738,214	756,804	53,932	36,345	792,146	793,149	(1,003)	-0.1%
Concession	-	-	8,830	8,830	8,830	8,830	-	0.0%
Total outstanding	\$ 4,835,105	\$ 4,719,183	\$ 330,659	\$ 309,970	\$ 5,165,764	\$ 5,029,153	\$ 136,611	2.7%

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

### Debt Administration

Per Board of Supervisors policy, the County's Debt Advisory Committee reviews all debt issuances of the County and its financing component unit organizations and advises the Board of Supervisors accordingly. Net bonded debt per capita equaled \$522.0 thousand as of June 30, 2018. The calculated legal debt limit for the County is \$3.34 billion.

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>
Tax and Revenue Anticipation Notes (TRANS)	Not Rated	SP-1+	F1+
Teeter Notes	MIG1	Not Rated	F1+
Long-Term General Obligations	Aa3	AA	AA-
Certificates of Participation	A1	AA-	A+
Pension Obligation Bonds	A2	AA	A+
Lease Revenue Bonds	A1	AA-	A+

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, 2018.

### COUNTY'S OUTSTANDING DEBT OBLIGATIONS (In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2018	2017	2018	2017	2018	2017	Dollar Change	Percentage Change
Loan payable	\$ 1,600	\$ 2,205	\$ -	\$ -	\$ 1,600	\$ 2,205	\$ (605)	-27.4%
Bonds payable	1,232,233	1,206,942	77,773	92,371	1,310,006	1,299,313	10,693	0.8%
Certificates of participation	78,128	94,467	-	-	78,128	94,467	(16,339)	-17.3%
Capital leases	116,842	180,290	21,521	8,423	138,363	188,713	(50,350)	-26.7%
Total outstanding	\$ 1,428,803	\$ 1,483,904	\$ 99,294	\$ 100,794	\$ 1,528,097	\$ 1,584,698	\$ (56,601)	-3.6%

## Management's Discussion & Analysis (Unaudited)

The County of Riverside's total debt decreased by 3.6% or \$56.6 million during the current fiscal year. The decrease was primarily due to a substantial decrease in the finance of capital leases for equipment and the regularly scheduled principal reductions on the existing outstanding debt. Additional information on the County's long-term debt can be found in Note 14 on pages 86-95 of this report.

### ECONOMIC FACTORS AND THE FISCAL YEAR 2018-19 BUDGET OUTLOOK

Beacon Economics' forecasts for long-term growth in Riverside County continues to be in an upward direction. The residential and nonresidential property markets continue to be positive while unemployment rates are at its lowest. The County's revenues forecast most closely associated with the local real estate market continue to exhibit positive growth, which increase the assessed property value County wide. Property tax, property transfer tax and unincorporated taxable sales are forecast to show growth through fiscal year 2019. As such, the current forecast is still calling for positive growth for real estate-driven revenues as home price growth and construction activity will continue to support growth in the near term despite the lower than expected home sales volume. The sales tax receipts for the upcoming fiscal year are projected to have a moderate positive impact on the spending by consumers as attributed to changes in the federal tax law.

The following table reflects anticipated discretionary revenue totals and sources for fiscal year 2018-19.

Source	Final Budget Estimate (In millions)
Taxes	\$ 370,100
Other taxes	61,532
Licenses, permits, franchise taxes	6,895
Fines, forfeitures, penalties	19,200
Use of money and property	18,008
State	260,419
Federal	3,410
Miscellaneous	41,485
Total	<u>\$ 781,049</u>

The County's employee retirement benefit contribution rate for fiscal year 2017-18 for miscellaneous members is 16.9% and the safety contribution rate is 28.2%. The employer rate for both plans is subject to changes in future years, as it continues to reflect changes in investment returns and the County's growth rate, among other factors. Fiscal year 2018-19 rates are projected at 18.9% (Miscellaneous) and 31.6% (Safety). Additional information regarding the County's retirement plans is included in Notes 20 and 21 of the financial statements and schedules of changes in net pension liability and related ratios and contributions, which are included in the required supplementary information section.

### Requests for Information

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

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





# COUNTY OF RIVERSIDE

## Statement of Net Position

June 30, 2018

(Dollars in Thousands)

	Primary Government			Component Unit
	Governmental	Business-type		Children and
	Activities	Activities	Total	Families
				Commission
ASSETS:				
Cash and investments (Note 4)	\$ 1,098,424	\$ 151,197	\$ 1,249,621	\$ 38,162
Receivables, net (Notes 1 and 6)	467,029	215,101	682,130	5,226
Internal balances (Note 7)	163,560	(163,560)	-	-
Inventories	6,386	8,258	14,644	3
Prepaid items and deposits	5,871	5,789	11,660	9
Restricted cash and investments (Notes 4 and 5)	513,050	123,636	636,686	-
Other noncurrent receivables (Note 6)	23,805	-	23,805	-
Loans receivable (Note 6)	-	95,368	95,368	-
OPEB asset, net (Note 22)	222	-	222	-
Land held for resale	-	38,099	38,099	-
Capital assets (Note 8):				
Nondepreciable assets	1,320,134	84,121	1,404,255	373
Depreciable assets, net	3,514,971	246,538	3,761,509	1,698
Total assets	7,113,452	804,547	7,917,999	45,471
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	1,347,941	214,273	1,562,214	2,649
LIABILITIES:				
Current liabilities:				
Cash overdrawn (Note 4)	-	15,595	15,595	-
Accounts payable	127,114	30,658	157,772	4,968
Salaries and benefits payable	118,826	25,509	144,335	234
Due to other governments	78,185	144,739	222,924	193
Interest payable	10,198	293	10,491	-
Deposits payable	1,021	185	1,206	-
Advances from grantors and third parties (Note 12)	325,726	-	325,726	-
Notes payable (Note 13)	80,403	-	80,403	-
Other liabilities	1,540	13,395	14,935	-
Interest rate swap (Notes 14 and 15)	16,845	-	16,845	-
Long-term liabilities (Note 14):				
Due within one year	385,502	41,683	427,185	115
Due beyond one year	4,567,524	752,792	5,320,316	5,326
Total liabilities	5,712,884	1,024,849	6,737,733	10,836
DEFERRED INFLOWS OF RESOURCES (Note 15)	390,581	61,988	452,569	80
NET POSITION:				
Net investment in capital assets	3,505,380	218,159	3,723,539	2,071
Restricted for:				
Children's programs	-	-	-	35,133
Endowment care - nonexpendable	701	-	701	-
Community development	173,457	-	173,457	-
Debt service	156,386	32,001	188,387	-
Health and sanitation	24,698	10,971	35,669	-
Public protection	77,242	-	77,242	-
Public ways and facilities	359,332	-	359,332	-
Other programs	8,014	15,164	23,178	-
Unrestricted	(1,947,282)	(344,312)	(2,291,594)	-
Total net position	\$ 2,357,928	\$ (68,017)	\$ 2,289,911	\$ 37,204

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, 2018  
(Dollars in Thousands)

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
<b>FUNCTION/PROGRAM ACTIVITIES:</b>				
Primary government:				
Governmental activities:				
General government	\$ 275,973	\$ 192,894	\$ 155,405	\$ 45,987
Public protection	1,606,348	434,301	381,036	-
Public ways and facilities	215,360	41,998	50,175	31,365
Health and sanitation	611,960	36,855	417,648	-
Public assistance	1,067,151	1,507	936,363	-
Education	23,560	528	9,395	-
Recreation and cultural services	17,345	8,890	1,889	-
Interest on long-term debt	63,685	-	-	-
Total governmental activities	3,881,382	716,973	1,951,911	77,352
Business-type activities:				
Riverside University Health Systems -				
Medical Center	636,169	560,187	-	86
Waste Resources Department	88,964	90,612	-	-
Housing Authority	98,591	96,638	-	-
Flood Control	5,183	1,749	-	-
Riverside University Health Systems -				
Community Health Centers	56,247	38,211	-	1
County Service Areas	243	378	-	-
Total business-type activities	885,397	787,775	-	87
Total primary government	\$ 4,766,779	\$ 1,504,748	\$ 1,951,911	\$ 77,439
Component unit:				
Children and Families Commission	\$ 23,599	\$ -	\$ 19,973	\$ -
Total component unit	\$ 23,599	\$ -	\$ 19,973	\$ -

General revenues:

Taxes:
Property taxes
Sales and use taxes
Other taxes
Unrestricted intergovernmental revenue
Investment earnings
Other
Transfers
Total general revenues and transfers
Changes in net position before extraordinary item
Extraordinary item
Extraordinary item
Changes in net position

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

NET POSITION, END OF YEAR

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Children and Families Commission	
\$ 118,313	\$ -	\$ 118,313		FUNCTION/PROGRAM ACTIVITIES:
(791,011)	-	(791,011)		Primary government:
(91,822)	-	(91,822)		Governmental activities:
(157,457)	-	(157,457)		General government
(129,281)	-	(129,281)		Public protection
(13,637)	-	(13,637)		Public ways and facilities
(6,566)	-	(6,566)		Health and sanitation
(63,685)	-	(63,685)		Public assistance
				Education
				Recreation and cultural services
				Interest on long-term debt
(1,135,146)	-	(1,135,146)		Total governmental activities
				Business-type activities:
-	(75,896)	(75,896)		Riverside University Health Systems -
-	1,648	1,648		Medical Center
-	(1,953)	(1,953)		Waste Resources Department
-	(3,434)	(3,434)		Housing Authority
				Flood Control
-	(18,035)	(18,035)		Riverside University Health Systems -
-	135	135		Community Health Centers
				County Service Areas
-	(97,535)	(97,535)		Total business-type activities
(1,135,146)	(97,535)	(1,232,681)		Total primary government
			\$ (3,626)	Component unit:
			\$ (3,626)	Children and Families Commission
				Total component unit
				General revenues:
387,305	-	387,305	-	Taxes:
27,557	-	27,557	-	Property taxes
18,634	-	18,634	-	Sales and use taxes
262,745	-	262,745	-	Other taxes
26,613	3,228	29,841	427	Unrestricted intergovernmental revenue
238,724	-	238,724	91	Investment earnings
(15,036)	15,036	-	-	Other
946,542	18,264	964,806	518	Transfers
(188,604)	(79,271)	(267,875)	(3,108)	Total general revenues and transfers
				Changes in net position before extraordinary item
-	78	78	-	Extraordinary item
(188,604)	(79,193)	(267,797)	(3,108)	Extraordinary item
				Changes in net position
2,546,532	11,176	2,557,708	40,312	NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)
\$ 2,357,928	\$ (68,017)	\$ 2,289,911	\$ 37,204	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, 2018

(Dollars in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	General	Transportation	Flood Control	Teeter Debt Service
Assets:				
Cash and investments (Note 4)	\$ 123,884	\$ 131,555	\$ 240,363	\$ -
Accounts receivable (Notes 1 and 6)	12,484	134	835	-
Interest receivable (Note 6)	6,560	333	827	74
Taxes receivable (Note 6)	9,025	14	975	47,014
Due from other governments (Note 6)	380,479	6,165	615	-
Due from other funds (Note 7)	11,242	-	-	35
Inventories	2,360	1,217	-	-
Prepaid items and deposits	781	2,578	-	-
Restricted cash and investments (Notes 4 and 5)	395,407	-	1,769	39,588
Advances to other funds (Note 7)	4,869	-	-	-
Total assets	947,091	141,996	245,384	86,711
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 947,091	\$ 141,996	\$ 245,384	\$ 86,711
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 38,969	\$ 35,996	\$ 4,586	\$ -
Salaries and benefits payable	103,293	3,223	1,356	-
Due to other governments	76,507	3	1,555	-
Due to other funds (Note 7)	1,551	212	331	6,308
Interest payable	-	-	-	-
Deposits payable	35	501	-	-
Advances from grantors and third parties (Note 12)	305,318	16,532	500	-
Teeter notes payable (Note 13)	-	-	-	80,403
Advances from other funds (Note 7)	-	-	-	-
Total liabilities	525,673	56,467	8,328	86,711
Deferred inflows of resources (Note 15)	51,836	-	975	-
Fund balances (Note 16):				
Nonspendable	3,470	1,223	1	-
Restricted	95,881	65,359	236,080	-
Committed	23,290	3,828	-	-
Assigned	12,464	15,119	-	-
Unassigned	234,477	-	-	-
Total fund balances	369,582	85,529	236,081	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 947,091	\$ 141,996	\$ 245,384	\$ 86,711

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



Public Facilities Improvements Capital Projects	Public Financing Authority	Other Governmental Funds	Total Governmental Funds	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
\$ 202,220	\$ -	\$ 125,354	\$ 823,376	Assets:
-	-	2,750	16,203	Cash and investments (Note 4)
558	78	333	8,763	Accounts receivable (Notes 1 and 6)
-	-	1,276	58,304	Interest receivable (Note 6)
-	-	10,612	397,871	Taxes receivable (Note 6)
920	-	1,093	13,290	Due from other governments (Note 6)
-	-	-	3,577	Due from other funds (Note 7)
-	-	1,969	5,328	Inventories
-	17,469	58,817	513,050	Prepaid items and deposits
-	-	-	4,869	Restricted cash and investments (Notes 4 and 5)
203,698	17,547	202,204	1,844,631	Advances to other funds (Note 7)
-	-	-	-	Total assets
\$ 203,698	\$ 17,547	\$ 202,204	\$ 1,844,631	Deferred outflows of resources
				Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 11,417	\$ 1,441	\$ 6,979	\$ 99,388	Accounts payable
-	-	3,269	111,141	Salaries and benefits payable
8	-	35	78,108	Due to other governments
-	435	491	9,328	Due to other funds (Note 7)
-	-	2	2	Interest payable
-	-	485	1,021	Deposits payable
896	-	2,480	325,726	Advances from grantors and third parties (Note 12)
-	-	-	80,403	Teeter notes payable (Note 13)
3,000	-	-	3,000	Advances from other funds (Note 7)
15,321	1,876	13,741	708,117	Total liabilities
-	-	4	52,815	Deferred inflows of resources (Note 15)
				Fund balances (Note 16):
-	-	1,337	6,031	Nonspendable
183,777	15,671	165,986	762,754	Restricted
3,375	-	6,360	36,853	Committed
1,225	-	14,776	43,584	Assigned
-	-	-	234,477	Unassigned
188,377	15,671	188,459	1,083,699	Total fund balances
\$ 203,698	\$ 17,547	\$ 202,204	\$ 1,844,631	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, 2018  
(Dollars in Thousands)

Fund balances - total governmental funds (page 31) \$ 1,083,699

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. 4,760,969

Net other post employment benefits (OPEB) assets are not current financial resources and, therefore, are not reported in the governmental funds. 222

Deferred Outflows of Resources Related to OPEB and Pensions are not current financial resources and, therefore, are not reported in the governmental funds:

Deferred Outflows of Resources Related to OPEB	\$ 9,379	
Deferred Outflows of Resources Related to Pensions	<u>1,250,393</u>	1,259,772

Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements. 29,565

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

Bonds payable	(1,232,234)	
Capital lease obligations	(78,792)	
Certificates of participation	(78,128)	
Loans payable	(1,600)	
Accrued interest payable	(10,195)	
Accreted interest payable	(187,965)	
Accrued remediation cost	(984)	
Compensated absences	(216,558)	
Net OPEB liability	(12,238)	
Net Pension liability	<u>(2,687,427)</u>	(4,506,121)

Deferred Outflows/Inflows of Resources Related to OPEB and Pensions are not current financial resources and, therefore, are not reported in the governmental funds:

Deferred Inflows of Resources Related to OPEB	(765)	
Deferred Inflows of Resources Related to Pensions	<u>(344,875)</u>	(345,640)

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

	<u>75,462</u>	
Net position of governmental activities (page 25)	\$ <u><u>2,357,928</u></u>	

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, 2018  
(Dollars in Thousands)

	General	Transportation	Flood Control	Teeter Debt Service
<b>REVENUES:</b>				
Taxes	\$ 303,836	\$ 6,788	\$ 56,043	\$ -
Licenses, permits, and franchise fees	19,142	3,346	-	-
Fines, forfeitures, and penalties	64,525	28	-	-
Use of money and property:				
Investment earnings	16,727	874	2,170	94
Rents and concessions	13,552	-	163	-
Aid from other governmental agencies:				
Federal	596,949	15,035	-	-
State	1,328,912	58,131	603	-
Other	110,656	6,448	-	-
Charges for services	481,245	26,225	6,860	-
Other revenue	44,273	15,048	13,619	-
Total revenues	<u>2,979,817</u>	<u>131,923</u>	<u>79,458</u>	<u>94</u>
<b>EXPENDITURES:</b>				
Current:				
General government	130,989	-	-	-
Public protection	1,328,734	5,760	-	-
Public ways and facilities	-	133,706	65,926	-
Health and sanitation	543,976	-	-	-
Public assistance	916,191	-	-	-
Education	628	-	-	-
Recreation and cultural services	483	-	-	-
Debt service:				
Principal	7,838	524	-	-
Interest	9,189	22	-	1,766
Cost of issuance	330	-	-	251
Capital outlay	6,486	-	-	-
Total expenditures	<u>2,944,844</u>	<u>140,012</u>	<u>65,926</u>	<u>2,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,973</u>	<u>(8,089)</u>	<u>13,532</u>	<u>(1,923)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	108,979	16,607	-	2,005
Transfers out	(129,087)	(3,807)	(2,847)	(82)
Issuance of debt	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on long-term debt	-	-	-	-
Payment to escrow agent	-	-	-	-
Capital leases	6,486	-	-	-
Total other financing sources (uses)	<u>(13,622)</u>	<u>12,800</u>	<u>(2,847)</u>	<u>1,923</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>21,351</u>	<u>4,711</u>	<u>10,685</u>	<u>-</u>
Fund balances, beginning of year	348,231	80,818	225,396	-
Adjustments to beginning fund balances (Note 3)	-	-	-	-
Fund balances, beginning of year, as restated	348,231	80,818	225,396	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 369,582</u>	<u>\$ 85,529</u>	<u>\$ 236,081</u>	<u>\$ -</u>

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

Public Facilities Improvements Capital Projects	Public Financing Authority	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 67,017	\$ 433,684
-	-	731	23,219
-	-	1,280	65,833
1,391	997	2,196	24,449
358	-	11,245	25,318
-	-	63,126	675,110
45,987	-	7,545	1,441,178
32,899	-	26,553	176,556
50,105	-	38,400	602,835
5,747	-	25,432	104,119
136,487	997	243,525	3,572,301
71,718	-	39,239	241,946
-	-	8,484	1,342,978
385	-	17,834	217,851
-	-	1,809	545,785
-	-	61,442	977,633
-	-	20,828	21,456
-	-	16,061	16,544
-	-	62,057	70,419
65	-	52,253	63,295
-	-	850	1,431
-	78,371	10,118	94,975
72,168	78,371	290,975	3,594,313
64,319	(77,374)	(47,450)	(22,012)
9,211	-	132,586	269,388
(45,845)	-	(105,475)	(287,143)
-	-	10,610	10,610
-	-	58,565	58,565
-	-	4,096	4,096
-	-	(64,285)	(64,285)
-	-	-	6,486
(36,634)	-	36,097	(2,283)
27,685	(77,374)	(11,353)	(24,295)
160,692	93,045	191,597	1,099,779
-	-	8,215	8,215
160,692	93,045	199,812	1,107,994
\$ 188,377	\$ 15,671	\$ 188,459	\$ 1,083,699

#### 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 cultural services

##### 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
Payment to escrow agent
Capital leases
Total other financing sources (uses)

#### NET CHANGE IN FUND BALANCES

Fund balances, beginning of year
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, 2018  
(Dollars in Thousands)

Net change in fund balances - total governmental funds (page 35) \$ (24,295)

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	\$ 314,840	
Less loss on disposal of capital assets	(7,187)	
Less current year depreciation	<u>(177,562)</u>	130,091

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.

Principal repayment	116,384	
Issuance of long-term debt	<u>(79,757)</u>	36,627

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. (980)

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	407	
Change in accreted interest	(20,819)	
Change in long-term compensated absences	6,877	
Change in pollution remediation obligation	310	
OPEB expense	1,218	
Pension expense	<u>(308,274)</u>	(320,281)

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>(9,766)</u>
Change in net position of governmental activities (page 27)	<u>\$</u>	<u>(188,604)</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, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 303,039	\$ 300,839	\$ 303,836	\$ 2,997
Licenses, permits, and fees	18,160	18,160	19,142	982
Fines, forfeitures, and penalties	59,403	59,753	64,525	4,772
Use of money and property:				
Investment earnings	11,429	11,429	16,727	5,298
Rents and concessions	31,466	31,466	13,552	(17,914)
Aid from other governmental agencies:				
Federal	627,535	645,091	596,949	(48,142)
State	1,407,089	1,405,632	1,328,912	(76,720)
Other	109,220	109,220	110,656	1,436
Charges for services	573,680	500,928	481,245	(19,683)
Other revenue	101,591	77,907	44,273	(33,634)
Total revenues	<u>3,242,612</u>	<u>3,160,425</u>	<u>2,979,817</u>	<u>(180,608)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General government:</b>				
Salaries and employee benefits	106,083	106,321	96,149	(10,172)
Services and supplies	92,943	99,422	93,182	(6,240)
Other charges	83,638	51,269	7,821	(43,448)
Capital assets	1,392	1,435	110	(1,325)
Intrafund transfers	(73,625)	(73,442)	(66,273)	7,169
Appropriation for contingencies	20,000	5,662	-	(5,662)
Total general government	<u>230,431</u>	<u>190,667</u>	<u>130,989</u>	<u>(59,678)</u>
<b>Public protection:</b>				
Salaries and employee benefits	889,197	903,695	873,688	(30,007)
Services and supplies	447,419	454,330	430,585	(23,745)
Other charges	49,900	36,042	34,446	(1,596)
Capital assets	3,802	12,519	5,211	(7,308)
Intrafund transfers	(11,236)	(11,374)	(15,196)	(3,822)
Total public protection	<u>1,379,082</u>	<u>1,395,212</u>	<u>1,328,734</u>	<u>(66,478)</u>
<b>Health and sanitation:</b>				
Salaries and employee benefits	335,546	328,490	282,402	(46,088)
Services and supplies	124,259	132,545	124,484	(8,061)
Other charges	199,178	216,917	199,593	(17,324)
Capital assets	8,863	9,381	727	(8,654)
Intrafund transfers	(66,705)	(68,528)	(63,230)	5,298
Total health and sanitation	<u>601,141</u>	<u>618,805</u>	<u>543,976</u>	<u>(74,829)</u>

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



**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Statement**  
**General Fund(Continued)**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
Public assistance:				
Salaries and employee benefits	\$ 342,562	\$ 342,601	\$ 327,852	\$ (14,749)
Services and supplies	131,504	131,638	108,878	(22,760)
Other charges	522,199	497,986	479,890	(18,096)
Capital assets	160	160	(31)	(191)
Intrafund transfers	(464)	(464)	(398)	66
Total public assistance	995,961	971,921	916,191	(55,730)
Education:				
Salaries and employee benefits	338	333	293	(40)
Services and supplies	336	336	335	(1)
Total education	674	669	628	(41)
Recreation and cultural services:				
Salaries and employee benefits	124	139	134	(5)
Services and supplies	292	466	349	(117)
Other charges	63	20	-	(20)
Capital assets	1	1	-	(1)
Intrafund transfers	(1)	(1)	-	1
Total recreation and cultural services	479	625	483	(142)
Debt service:				
Principal	45,163	13,574	7,838	(5,736)
Interest	54,123	25,225	9,189	(16,036)
Cost of issuance	330	330	330	-
Total debt service	99,616	39,129	17,357	(21,772)
Capital outlay	-	-	6,486	6,486
Total expenditures	3,307,384	3,217,028	2,944,844	(272,184)
Excess (deficiency) of revenues over (under) expenditures	(64,772)	(56,603)	34,973	91,576
OTHER FINANCING SOURCES (USES):				
Transfers in	-	108,979	108,979	-
Transfers out	-	(129,087)	(129,087)	-
Capital leases	-	-	6,486	6,486
Total other financing sources (uses)	-	(20,108)	(13,622)	6,486
NET CHANGE IN FUND BALANCE	(64,772)	(76,711)	21,351	98,062
Fund balance, beginning of year, as restated	348,231	348,231	348,231	-
FUND BALANCE, END OF YEAR	\$ 283,459	\$ 271,520	\$ 369,582	\$ 98,062

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, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 7,607	\$ 7,607	\$ 6,788	\$ (819)
Licenses, permits, and franchise fees	3,047	3,047	3,346	299
Fines, forfeitures, and penalties	20	20	28	8
Use of money and property:				
Investment earnings	295	296	874	578
Aid from other governmental agencies:				
Federal	22,251	22,251	15,035	(7,216)
State	58,730	58,911	58,131	(780)
Other	16,875	16,875	6,448	(10,427)
Charges for services	77,061	60,877	26,225	(34,652)
Other revenue	12,799	13,190	15,048	1,858
Total revenues	<u>198,685</u>	<u>183,074</u>	<u>131,923</u>	<u>(51,151)</u>
<b>EXPENDITURES:</b>				
Current:				
Public protection	8,499	8,080	5,760	(2,320)
Public ways and facilities	194,140	193,975	133,706	(60,269)
Debt service:				
Principal	516	526	524	(2)
Interest	22	22	22	-
Total expenditures	<u>203,177</u>	<u>202,603</u>	<u>140,012</u>	<u>(62,591)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,492)</u>	<u>(19,529)</u>	<u>(8,089)</u>	<u>11,440</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	16,607	16,607	-
Transfers out	-	(3,807)	(3,807)	-
Total other financing sources (uses)	<u>-</u>	<u>12,800</u>	<u>12,800</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,492)	(6,729)	4,711	11,440
Fund balance, beginning of year	80,818	80,818	80,818	-
FUND BALANCE, END OF YEAR	<u>\$ 76,326</u>	<u>\$ 74,089</u>	<u>\$ 85,529</u>	<u>\$ 11,440</u>

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

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Statement  
 Flood Control Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 54,316	\$ 54,316	\$ 56,043	\$ 1,727
Use of money and property:				
Investment earnings	1,353	1,353	2,170	817
Rents and concessions	160	160	163	3
Aid from other governmental agencies:				
State	591	591	603	12
Charges for services	4,535	4,535	6,860	2,325
Other revenue	16,383	16,383	13,619	(2,764)
Total revenues	<u>77,338</u>	<u>77,338</u>	<u>79,458</u>	<u>2,120</u>
EXPENDITURES:				
Current:				
Public ways and facilities	136,555	133,708	65,926	(67,782)
Total expenditures	<u>136,555</u>	<u>133,708</u>	<u>65,926</u>	<u>(67,782)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,217)</u>	<u>(56,370)</u>	<u>13,532</u>	<u>69,902</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(2,847)	(2,847)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,847)</u>	<u>(2,847)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(59,217)	(59,217)	10,685	69,902
Fund balance, beginning of year	225,396	225,396	225,396	-
FUND BALANCE, END OF YEAR	<u>\$ 166,179</u>	<u>\$ 166,179</u>	<u>\$ 236,081</u>	<u>\$ 69,902</u>

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

# COUNTY OF RIVERSIDE

## Statement of Net Position

### Proprietary Funds

June 30, 2018

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
<b>ASSETS:</b>						
Current assets:						
Cash and investments (Note 4)	\$ 48,868	\$ 96,754	\$ 4,043	\$ 1,532	\$ 151,197	\$ 275,048
Accounts receivable - net (Notes 1 and 6)	47,425	7,534	2,103	1,675	58,737	7,659
Interest receivable (Note 6)	-	595	-	16	611	893
Taxes receivable (Note 6)	-	-	-	10	10	-
Due from other governments (Note 6)	151,978	136	-	3,629	155,743	1,141
Due from other funds (Note 7)	6,371	-	-	14,938	21,309	353
Advances to other funds (Note 7)	-	21,469	-	-	21,469	-
Inventories	7,589	292	-	377	8,258	2,809
Land held for sale	-	-	38,099	-	38,099	-
Prepaid items and deposits	5,536	-	-	253	5,789	543
Restricted cash and investments (Notes 4 and 5)	32,194	72,103	16,117	3,222	123,636	-
Total current assets	299,961	198,883	60,362	25,652	584,858	288,446
Noncurrent assets:						
Loans receivable (Note 6)	-	4,000	91,368	-	95,368	-
Capital assets (Note 8):						
Nondepreciable assets	53,029	27,461	3,631	-	84,121	1,001
Depreciable assets	163,531	60,668	11,107	11,232	246,538	73,135
Total noncurrent assets	216,560	92,129	106,106	11,232	426,027	74,136
Total assets	516,521	291,012	166,468	36,884	1,010,885	362,582
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	179,079	16,778	6,574	11,842	214,273	71,324
<b>LIABILITIES:</b>						
Current liabilities:						
Cash overdrawn (Note 4)	-	-	-	15,595	15,595	-
Accounts payable	21,790	3,822	998	4,048	30,658	27,726
Salaries and benefits payable	21,966	1,287	-	2,256	25,509	7,685
Due to other governments	135,459	36	-	9,244	144,739	77
Due to other funds (Note 7)	17,581	-	-	5,912	23,493	2,131
Interest payable	250	-	-	43	293	-
Deposits payable	-	38	-	147	185	-
Other liabilities	12,066	667	435	227	13,395	1,540
Accreted interest payable (Note 14)	243	-	-	-	243	-
Accrued closure and post-closure costs (Notes 10 and 23)	-	851	-	-	851	-
Accrued remediation costs (Note 23)	-	913	-	-	913	95
Compensated absences (Notes 1 and 14)	19,304	1,224	169	1,128	21,825	9,279
Capital lease obligations (Note 14)	4,177	-	-	492	4,669	17,370
Bonds payable (Note 14)	12,982	-	200	-	13,182	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	61,295
Total current liabilities	245,818	8,838	1,802	39,092	295,550	127,198
Noncurrent liabilities:						
Compensated absences (Note 2)	9,508	1,836	1,523	1,984	14,851	4,944
Advances from other funds (Note 7)	18,469	-	1,527	-	19,996	3,342
Accreted interest payable (Note 14)	76,128	-	-	-	76,128	-
Accrued closure and post-closure care costs (Note 10)	-	84,230	-	-	84,230	-
Accrued remediation costs (Notes 10 and 23)	-	44,741	-	-	44,741	104
Capital lease obligations (Notes 1 and 2)	6,561	-	-	10,291	16,852	20,680
Bonds payable (Note 14)	64,591	-	-	-	64,591	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	184,967
Net OPEB liability (Notes 14 and 22)	1,861	122	-	229	2,212	689
Total OPEB liability (Notes 14 and 22)	-	630	-	-	630	-
Net pension liability (Notes 14 and 20)	369,810	37,894	14,252	14,144	436,100	157,678
Other long-term liabilities (Note 14)	1,178	-	11,279	-	12,457	-
Total noncurrent liabilities	548,106	169,453	28,581	26,648	772,788	372,404
Total liabilities	793,924	178,291	30,383	65,740	1,068,338	499,602
DEFERRED INFLOWS OF RESOURCES (Note 15)	45,936	12,157	2,467	1,428	61,988	21,691
<b>NET POSITION:</b>						
Net investment in capital assets	127,071	88,129	2,510	449	218,159	36,086
Restricted for debt service	32,001	-	-	-	32,001	-
Restricted for health and sanitation	-	10,971	-	-	10,971	-
Restricted other	193	-	14,971	-	15,164	-
Unrestricted	(303,525)	18,242	122,711	(18,891)	(181,463)	(123,473)
Total net position	\$ (144,260)	\$ 117,342	\$ 140,192	\$ (18,442)	94,832	\$ (87,387)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(162,849)	
Net position of business-type activities					\$ (68,017)	

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, 2018  
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
<b>OPERATING REVENUES:</b>						
Net patient revenue (Notes 1 and 18)	\$ 522,099	\$ -	\$ -	\$ 19,375	\$ 541,474	\$ -
Charges for services	3,261	87,912	4,466	12,898	108,537	310,674
Other revenue	34,827	2,700	92,172	8,065	137,764	34,306
Total operating revenues	<u>560,187</u>	<u>90,612</u>	<u>96,638</u>	<u>40,338</u>	<u>787,775</u>	<u>344,980</u>
<b>OPERATING EXPENSES:</b>						
Cost of materials used	-	168	-	-	168	1,571
Personnel services	375,031	23,153	13,494	39,760	451,438	129,681
Communications	573	171	-	225	969	10,900
Insurance	10,711	1,106	-	316	12,133	24,818
Maintenance of building and equipment	14,590	3,742	3,794	2,689	24,815	41,343
Insurance claims	-	-	-	-	-	186,254
Supplies	63,276	1,961	-	2,162	67,399	24,187
Purchased services	97,306	3,805	1,148	9,876	112,135	30,837
Depreciation and amortization	19,530	6,758	1,149	398	27,835	23,387
Rents and leases of equipment	4,037	1,995	-	2,941	8,973	57,636
Public assistance	-	6	77,723	-	77,729	-
Utilities	3,656	285	680	447	5,068	3,070
Closure and post-closure care costs	-	2,494	-	-	2,494	-
Remediation costs	-	400	-	-	400	5
Other	15,488	39,657	46	291	55,482	5,432
Total operating expenses	<u>604,198</u>	<u>85,701</u>	<u>98,034</u>	<u>59,105</u>	<u>847,038</u>	<u>539,121</u>
Operating loss	<u>(44,011)</u>	<u>4,911</u>	<u>(1,396)</u>	<u>(18,767)</u>	<u>(59,263)</u>	<u>(194,141)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income (loss)	196	2,243	916	(127)	3,228	2,168
Interest expense	(8,819)	-	(108)	(200)	(9,127)	(797)
Gain (loss) on disposal of capital assets	967	275	(449)	-	793	(1,083)
Other nonoperating revenues / (expenses)	-	-	-	-	-	(224)
Total nonoperating revenues (expenses)	<u>(7,656)</u>	<u>2,518</u>	<u>359</u>	<u>(327)</u>	<u>(5,106)</u>	<u>64</u>
Gain (loss) before capital contributions and transfers	<u>(51,667)</u>	<u>7,429</u>	<u>(1,037)</u>	<u>(19,094)</u>	<u>(64,369)</u>	<u>(194,077)</u>
Capital contributions	86	-	-	1	87	151,567
Transfers in (Note 7)	20,935	-	-	11,493	32,428	9,553
Transfers out (Note 7)	<u>(16,621)</u>	<u>(308)</u>	<u>(185)</u>	<u>(278)</u>	<u>(17,392)</u>	<u>(6,834)</u>
Change in net position before extraordinary item	<u>(47,267)</u>	<u>7,121</u>	<u>(1,222)</u>	<u>(7,878)</u>	<u>(49,246)</u>	<u>(39,791)</u>
Extraordinary item	-	-	78	-	78	-
CHANGE IN NET POSITION	<u>(47,267)</u>	<u>7,121</u>	<u>(1,144)</u>	<u>(7,878)</u>	<u>(49,168)</u>	<u>(39,791)</u>
Net position, beginning of the year, as previously reported	(96,252)	110,999	141,336	395		(49,338)
Adjustments to beginning net position (Note 3)	<u>(741)</u>	<u>(778)</u>	<u>-</u>	<u>(10,959)</u>		<u>1,742</u>
Net position, beginning of the year, as restated	<u>(96,993)</u>	<u>110,221</u>	<u>141,336</u>	<u>(10,564)</u>		<u>(47,596)</u>
NET POSITION, END OF YEAR	<u>\$ (144,260)</u>	<u>\$ 117,342</u>	<u>\$ 140,192</u>	<u>\$ (18,442)</u>		<u>\$ (87,387)</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

(30,025)

Change in net position of business-type activities

\$ (79,193)

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, 2018  
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
Cash flows from operating activities						
Cash receipts (payments due) from customers	\$ 537,253	\$ 90,052	\$ 96,215	\$ 42,137	\$ 765,657	\$ 243
Cash receipts (payments due) from other funds	(2,802)	-	-	(14,792)	(17,594)	351,091
Cash paid to suppliers for goods and services	(200,829)	(53,094)	(80,193)	(15,527)	(349,643)	(345,137)
Cash paid to employees for services	(322,571)	(19,746)	(12,011)	(37,003)	(391,331)	(111,894)
Program loans	-	-	(3,810)	-	(3,810)	-
Net cash provided by (used in) operating activities	11,051	17,212	201	(25,185)	3,279	(105,697)
Cash flows from noncapital financing activities						
Debt proceeds other than from capital debt	-	-	927	-	927	-
Advances to (from) other funds	-	2,000	587	-	2,587	(2,500)
Contributions (to) from others	-	-	-	-	-	(224)
Transfers received	20,935	-	-	11,493	32,428	9,553
Transfers paid	(16,621)	(308)	(185)	(278)	(17,392)	(6,834)
Net cash provided by (used in) noncapital financing activities	4,314	1,692	1,329	11,215	18,550	(5)
Cash flows from capital and related financing activities						
Proceeds (loss) from sale of capital assets	967	275	(449)	-	793	(803)
Acquisition and construction of capital assets	(18,793)	(8,652)	(4,616)	(11,547)	(43,608)	(3,884)
Principal paid on capital leases	(2,067)	-	-	10,783	8,716	(24,088)
Capital contributions	86	-	-	1	87	151,567
Principal paid on bonds payable	(10,937)	-	(190)	-	(11,127)	-
Interest paid on long-term debt	(8,754)	-	(41)	(157)	(8,952)	(797)
Net cash provided by (used in) capital and related financing activities	(39,498)	(8,377)	(5,296)	(920)	(54,091)	121,995
Cash flows from investing activities						
Investment income (loss)	242	1,855	916	(132)	2,881	1,565
Net cash provided by (used in) investing activities	242	1,855	916	(132)	2,881	1,565
Net increase (decrease) in cash and cash equivalents	(23,891)	12,382	(2,850)	(15,022)	(29,381)	17,858
Cash and cash equivalents, beginning of year	104,953	156,475	23,010	4,181	288,619	257,190
Cash and cash equivalents, end of year	<u>\$ 81,062</u>	<u>\$ 168,857</u>	<u>\$ 20,160</u>	<u>\$ (10,841)</u>	<u>\$ 259,238</u>	<u>\$ 275,048</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	\$ 48,868	\$ 96,754	\$ 4,043	\$ (14,063)	\$ 135,602	\$ 275,048
Restricted cash and investments per Statement of Net Position	32,194	72,103	16,117	3,222	123,636	-
Total cash and cash equivalents per Statement of Net Position	<u>\$ 81,062</u>	<u>\$ 168,857</u>	<u>\$ 20,160</u>	<u>\$ (10,841)</u>	<u>\$ 259,238</u>	<u>\$ 275,048</u>

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

**COUNTY OF RIVERSIDE**  
Statement of Cash Flows  
Proprietary Funds (Continued)  
For the Fiscal Year Ended June 30, 2018  
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	\$ (44,011)	\$ 4,911	\$ (1,396)	\$(18,767)	\$ (59,263)	\$ (194,141)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	19,530	6,758	1,149	398	27,835	23,387
Decrease (Increase) accounts receivable	3,541	(618)	(1,714)	337	1,546	5,532
Decrease (Increase) taxes receivable	-	-	-	(1)	(1)	-
Decrease (Increase) due from other funds	(2,802)	-	-	(14,791)	(17,593)	579
Decrease (Increase) due from other governments	(26,475)	58	1,291	1,462	(23,664)	243
Decrease (Increase) inventories	470	39	-	(355)	154	(70)
Decrease (Increase) prepaid items and deposits	667	-	-	(253)	414	1,748
Increase (Decrease) accounts payable	4,122	129	952	400	5,603	(4,312)
Increase (Decrease) due to other funds	16,712	(13)	-	4,850	21,549	876
Increase (Decrease) due to other governments	(26,255)	18	(696)	(1,290)	(28,223)	33
Increase (Decrease) deposits payable	(13)	-	-	32	19	-
Increase (Decrease) accrued closure costs	-	2,494	-	-	2,494	-
Increase (Decrease) accrued remediation costs	-	400	-	-	400	(9)
Increase (Decrease) other liabilities	13,105	63	2,942	36	16,146	286
Increase (Decrease) estimated claims liability	-	-	-	-	-	42,364
Increase (Decrease) net pension liability	95,498	7,311	3,275	5,074	111,158	35,574
Increase (Decrease) net OPEB liability	1,120	(161)	-	109	1,068	418
Increase (Decrease) deferred OPEB	(1,300)	74	-	(160)	(1,386)	-
Increase (Decrease) deferred pensions	(48,042)	(3,844)	(1,543)	(2,672)	(56,101)	(17,474)
Increase (Decrease) service concession arrangement	-	(434)	-	-	(434)	-
Increase (Decrease) salaries and benefits payable	2,104	35	-	40	2,179	(271)
Increase (Decrease) compensated absences	3,080	(8)	(249)	366	3,189	(460)
Decrease (Increase) loans receivable	-	-	(2,961)	-	(2,961)	-
Increase (Decrease) program loans	-	-	(849)	-	(849)	-
Net cash provided by (used in) operating activities	<u>\$ 11,051</u>	<u>\$ 17,212</u>	<u>\$ 201</u>	<u>\$(25,185)</u>	<u>\$ 3,279</u>	<u>\$ (105,697)</u>
Noncash investing, capital, and financing activities:						
Capital lease obligations	<u>\$ 4,382</u>			<u>\$ 10,941</u>	<u>\$ 15,323</u>	<u>\$ 5,615</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, 2018  
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust	Agency Funds
<b>ASSETS:</b>				
Cash and investments (Note 4)	\$ -	\$ -	\$ 115,884	\$ 292,978
Federal agency	-	2,227,850	-	-
Cash and cash equivalents	932	438,770	-	-
Mutual funds	57,785	-	-	-
Commercial paper	-	803,860	-	-
Negotiable CDs	-	598,217	-	-
Medium term notes	-	128,907	-	-
Municipal bonds	-	169,122	-	-
Bonds - U.S. Treasury	-	152,512	-	-
Local agency obligation	-	111	-	-
Accounts receivable	162	5,718	538	373
Interest receivable	-	15,411	201	308
Taxes receivable	-	-	-	31,303
Due from other governments	-	-	2,318	-
Land held for sale	-	-	23,755	-
Total assets	<u>58,879</u>	<u>4,540,478</u>	<u>142,696</u>	<u>324,962</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	-	-	36,812	-
<b>LIABILITIES:</b>				
Accounts payable	-	-	9,662	201,026
Due to other governments	-	-	3	123,936
Note payable	-	-	739,440	-
Interest payable	-	-	7,190	-
Accreted interest payable	-	-	9,764	-
Other long-term liabilities	-	-	201	-
Total liabilities	<u>-</u>	<u>-</u>	<u>766,260</u>	<u>\$ 324,962</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows of resources	-	-	1,869	-
<b>NET POSITION:</b>				
Net position restricted for pensions	58,879	-	-	-
Net position restricted for investment trust	-	4,540,478	-	-
Net position restricted for private-purpose	-	-	(588,621)	-
Net position (deficit) held in trust	<u>\$ 58,879</u>	<u>\$ 4,540,478</u>	<u>\$ (588,621)</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, 2018  
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust
ADDITIONS:			
Employer contributions	\$ 815	\$ -	\$ -
Employee contributions	1,631	-	-
Contributions to pooled investments	-	30,051,356	-
Contributions to private-purpose trust	-	-	59,990
Investment income	15,560	-	1,098
Total additions	18,006	30,051,356	61,088
DEDUCTIONS:			
Distributions from pooled investments	-	30,410,459	-
Distributions from private-purpose trust	-	-	36,428
Administrative and other expenses	2,092	-	-
Total deductions	2,092	30,410,459	36,428
Change in net position	15,914	(359,103)	24,660
Net position held in trust, beginning of the year	42,965	4,899,581	(613,281)
Net position held in trust, end of the year	\$ 58,879	\$ 4,540,478	\$ (588,621)

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, 2018**

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

**Reporting Entity**

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

**Component Units**

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

In conformity with accounting principles generally accepted in the United States of America, the financial statements of twelve 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. One component unit is presented discretely. Each blended and discretely presented component unit has a June 30 fiscal year-end.

**Blended Component Units**

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

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

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

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

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

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Blended Component Units (Continued)**

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

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

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

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

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

**Discretely Presented Component Units**

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

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

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

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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, 43.71%, or \$30.4 million, of the County's \$69.5 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 cultural services.

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

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Basis of Presentation (Continued)**

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

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

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

The County reports the following major enterprise funds:

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

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

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

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

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

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



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Basis of Presentation (Continued)**

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*, is 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 financial statements. Proceeds of general long-term debt and capital leases are reported as other financing sources.

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

*Cash and Investments*

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

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

Securities, including U.S. Treasury and Agency securities, are carried at fair value/cost based on current market prices on a monthly basis. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within ninety days of June 30, 2018, which are carried at cost. Bond anticipation notes are carried at fair value/cost. Commercial paper is carried at amortized cost/cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value. Mutual funds are carried at fair value based on the funds' share price. Local Agency Obligations are carried at cost based on the value of each participating dollar.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Basis of Presentation (Continued)**

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

State law requires that the County Treasurer hold all operating monies of the County, school districts, and certain special districts. Collectively, these mandatory deposits constituted approximately 80.6% of the funds on deposit in the County treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 19.4% of the total funds on deposit in the County treasury represented discretionary deposits.

*Receivables*

The RUHS-MC accounts receivable are reported at their gross value and, where appropriate, are reduced by contractual allowances and the estimated uncollectible amounts. The estimated allowance for uncollectibles and allowance for contractals are \$103.0 million and \$171.0 million, respectively. The RUHS-MC has contracted with a Medi-Cal managed care plan to provide services to patients enrolled with Medicare and Medi-Cal programs. The RUHS-MC receives a fixed monthly premium payment for each patient enrolled. Revenue under this agreement is recognized in the period in which the RUHS-MC is required to provide services.

*Property Taxes*

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and the Revenue and Taxation Code. Property is assessed by the County Assessor and State Board of Equalization at 100.0% of full cash or market value (with some exceptions) pursuant to Article XIII A of the California State Constitution and statutory provisions. The total for fiscal year 2017-18 gross assessed valuation (for tax purposes) of the County was \$268.9 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 20, 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 is delinquent with penalties after December 10; the second is due February 1 and is delinquent with penalties after April 10. Secured property taxes that are delinquent and unpaid as of June 30 are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due and any excess is remitted, if claimed, to the taxpayer.

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

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

During fiscal year 1993-94, the County authorized an alternative property tax distribution method referred to as the "Teeter plan." This method allows for a 100.0% distribution of the current secured property tax levy to entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes was

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Basis of Presentation (Continued)**

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 2017-18, \$21.0 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 cost (on a first-in, first-out basis). Inventories for all governmental funds are valued at average cost. The consumption method is used to account for inventories. Under the consumption method of accounting, inventories are recorded as expenditures when consumed rather than when purchased. Material amounts of inventory are reported as assets of the respective fund. Reported inventories of governmental funds are equally offset by a nonspendable fund balance reservation to indicate that portion of fund balance not available for future appropriation.

*Capital Assets*

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Capital assets received by the County through a Service Concession Arrangement and donated capital assets, including works of art and historical treasures, are recorded at the estimated acquisition value at the date of donation. 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 \$5.0 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 \$5.0 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	Buildings	25-50 years
Flood storm drains	65 years	Improvements	10-20 years
Flood dams and basins	99 years	Equipment	2-20 years
Roads	20 years		
Traffic signals	10 years		
Parks trails and improvements	20 years		
Bridges	50 years		

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Basis of Presentation (Continued)**

*Leases*

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

*Restricted Assets*

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

*Employee Compensated Absences*

County policy permits employees in some bargaining units to accumulate earned, but unused vacation, holiday, and sick pay benefits. Vacation and holiday pay are accrued when incurred. For other bargaining units, annual leave is earned and accrued, but not vacation or sick leave. Proprietary funds report accrued vacation and holiday pay as a liability of the individual fund while governmental funds record amounts that are due and payable at year-end as a liability of the fund and amounts due in the future as a liability in the government-wide financial statements. At June 30, 2018, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net position was \$267.7 million.

The County allows unlimited accumulation of sick leave. Upon service retirement, disability retirement, or death of an employee or officer, and subject to the provisions of any applicable agreement between the employing agency and CalPERS, unused accumulated sick leave for most employees with at least 5 but less than 15 years of service shall be credited at the rate of 50.0% of current salary value thereof provided, however, that the total payment shall not exceed a sum equal to 960 hours of full pay.

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

*Deferred Outflows and Inflows of Resources*

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

*Long-term Debt*

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Basis of Presentation (Continued)**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts, bond issuance costs, and deferred losses on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount, and deferred losses on refundings.

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

*Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position has been determined on the same basis as it is reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Landfill Closure and Post-Closure Care Costs*

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

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

*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, 2018**

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

**Basis of Presentation (Continued)**

*Restricted Net Position* – This category presents net position with external restrictions imposed on its use 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, 2018**

**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. The general fund unassigned fund balance of \$234.5 is 31.1% 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**

*Governmental Accounting Standards Board Statement No. 75*

In June of 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. GASB Statement No. 75 is effective for reporting periods beginning after June 15, 2017.

*Governmental Accounting Standards Board Statement No. 81*

In March of 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situation in which a government is a beneficiary of the agreement. GASB Statement No. 81 is effective for reporting periods beginning after December 15, 2016.

*Governmental Accounting Standards Board Statement No. 85*

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). GASB Statement No. 85 is effective for reporting periods beginning after June 15, 2017.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

*Governmental Accounting Standards Board Statement No. 86*

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. GASB Statement No. 86 is effective for reporting periods beginning after June 15, 2017.

**Future Governmental Accounting Standards Board Statements**

*Governmental Accounting Standards Board Statement No. 83*

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. GASB Statement No. 83 is effective for reporting periods beginning after June 15, 2018. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 84*

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 is effective for reporting periods beginning after December 15, 2018. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 87*

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as deferred inflows of resources or deferred outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 is effective for reporting periods beginning after December 15, 2019. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 88*

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 88 is effective for reporting periods beginning after June 15, 2018. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 89*

In June 2018, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

end of a construction period. GASB Statement No. 89 is effective for reporting periods beginning after December 15, 2019. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 90*

In August 2018, GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 is effective for reporting periods beginning after December 15, 2018. The County has elected not to early implement this statement.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Budgetary Data**

On or before October 2 of each fiscal year, after conducting public hearings concerning the proposed budget, the County Board adopts a budget in accordance with the provisions of Sections 29000-29144 and 30200 of the Government Code of the State of California (the Government Code), commonly known as the County Budget Act, and Board Resolution No. 90-338. Annual budgets are adopted on the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Budgeted governmental funds consist of the general fund, major funds, and some nonmajor funds (all special revenue funds, certain debt service funds, and certain capital projects funds). Annual budgets are not adopted for the following funds: CORAL, District Court Financing Corporation, the CORAL Capital Projects Fund, Redevelopment Agency (RDA) Housing Successor Agency, Public Financing Authority, Infrastructure 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 adopted budget; (2) the final budget, which included legally authorized changes regardless of when they occurred; and (3) the actual amount of inflows and outflows in the budget-to-actual comparison.

**Individual Fund Deficits**

For the year ended June 30, 2018, Enterprise funds (EF) and Internal Service Funds (ISF) individual Fund Deficits are as follows (In thousands):

Proprietary Funds:

EF - Riverside University Health Systems - Medical Center	\$ 144,260
EF - Flood Control	\$ 743
EF - Riverside University Health Systems - Community Health Centers	\$ 17,983
ISF - Information Services	\$ 36,447
ISF -Risk Management	\$ 62,761
ISF - Temporary Assistance Pool	\$ 1,408
ISF - EDA Facilities Management	\$ 24,724

The primary reason for the fund deficits in all funds listed is due to the net pension liability and net OPEB liability related to GASB Statement No. 68 and GASB Statement No. 75.

**Excess of Expenditures over Appropriations**

For the year ended June 30, 2018, expenditures exceeded appropriations in capital outlay by \$6.5 million in the general fund. This excess of expenditures resulted from the acquisition of \$6.5 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, 2018**

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

The County's beginning net position or fund balance has been restated to reflect the cumulative effect of prior year adjustments. A summary of the restatements as of June 30, 2018 is as follows (In thousands):

**Government-wide:**

Description	<b>Primary Government</b>	
	Governmental Activities	Business-type Activities
Government-wide net position as of June 30, 2017, as previously reported	\$ 2,576,551	\$ 23,654
Fund financial statements:		
Prior period adjustments:		
Net OPEB liability adjustment (1)	(274)	(1,610)
Net pension liability adjustment (2)	2,016	-
Compensated absences adjustment (3)	-	(2,653)
Fund type correction (4)	8,215	(8,215)
Government-wide financial statements:		
Prior period adjustments:		
Net OPEB liability adjustment (1)	(37,960)	-
Net pension liability adjustment (2)	(2,016)	-
Net position as of June 30, 2017, as restated	<u>\$ 2,546,532</u>	<u>\$ 11,176</u>

**Fund Financials:**

Description	Governmental	Proprietary Funds				
	Funds					
	Nonmajor	Enterprise			Internal Service	
	Fund	Funds		Nonmajor Fund	Funds	
		Riversity				
	Other	University				
	Governmental	Health Systems -		Housing	Other Enterprise	Internal Service
	Funds	Medical Center	Waste Resources	Authority	Funds	Funds
Fund balances or net position as of June 30, 2017, as previously reported	\$ 191,597	\$ (96,252)	\$ 110,999	\$ 141,336	\$ 395	\$ (49,338)
Prior Period Adjustments:						
Net OPEB liability adjustment (1)	-	(741)	(778)	-	(91)	(274)
Net pension liability adjustment (2)	-	-	-	-	-	2,016
Compensated absences adjustment (3)	-	-	-	-	(2,653)	-
Fund type correction (4)	8,215	-	-	-	(8,215)	-
Fund balances or net position as of June 30, 2017, as restated	\$ 199,812	\$ (96,993)	\$ 110,221	\$ 141,336	\$ (10,564)	\$ (47,596)

- (1) The adjustment was made to reflect the prior period costs related to the implementation of the net OPEB liability. The beginning net position decreased by \$38.2 million in Governmental Activities and \$1.6 million in Business-type Activities.
- (2) A prior period adjustment of \$2.0 million was made in net pension liability due to the Records Management and Archives and Printing Services Departments that were transferred from internal service fund to general fund.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

- (3) A prior period adjustment of \$2.7 million was made to decrease the business-type activities' beginning net position for compensated absences adjustment. The adjustment was made due to employees that were transferred with leave balances from governmental fund departments to enterprise fund departments.
- (4) A prior period adjustment of \$8.2 million was made to correct the fund type for RUHS-CHC from Special Revenue Fund to Enterprise Fund.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 4 – CASH AND INVESTMENTS**

As of June 30, 2018, 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	\$ 1,098,424	\$ 151,197	\$ 38,162	\$ 4,986,928	\$ 6,274,711
Restricted cash and investments	513,050	123,636	-	-	636,686
Total cash and investments	<u>\$ 1,611,474</u>	<u>\$ 274,833</u>	<u>\$ 38,162</u>	<u>\$ 4,986,928</u>	<u>\$ 6,911,397</u>

As of June 30, 2018, cash and investments consist of the following (In thousands):

Deposits	\$ 206,279
Investments	6,705,118
Total cash and investments	<u>\$ 6,911,397</u>

**Investment in State Investment Pool**

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio and a monthly fair market valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's prorated share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2018 reported under investments CORAL had \$2.5 million and RUHS-Medical Center had \$3.6 million for a total amount of \$6.1 million in LAIF. Also reported under restricted cash, Housing Authority had \$0.9 million in LAIF.

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

**Investments Authorized by Debt Agreements**

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

**Disclosures Relating to Interest Rate Risk**

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law or a letter of credit issued by the Federal Home Loan Bank of San Francisco (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 \$330 million. Investment securities are registered and held in the name of the County.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

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

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

Authorized investment type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Municipal bonds (MUNI)	4 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) or Corporate Notes	3 Years	20%	5% *
CalTRUST short term fund	Daily Liquidity	1%	1%
Money market mutual funds (MMF)	Daily Liquidity	20%	None
Local agency investment fund (LAIF)	Daily Liquidity	Max \$50M	N/A
Cash/deposit account	N/A	N/A	N/A

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

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

As of June 30, 2018, the County and Component Units had the following investments (In thousands):

	June 30, 2018	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating
County treasurer investments					
Investments by fair value level					
U.S. treasuries	\$ 218,979	0.750 - 1.508%	07/18 - 07/19	0.44	N/A
Federal home loan mortgage corporation	1,172,485	0.820 - 3.100%	07/18 - 06/23	2.49	N/A
Federal national mortgage association	369,011	0.800 - 2.375%	07/18 - 01/23	1.84	N/A
Federal home loan bank	800,720	0.625 - 2.700%	08/18 - 03/23	1.73	N/A
Federal farm credit bank	646,982	1.110 - 2.700%	09/18 - 04/23	1.87	N/A
Farmer mac	189,591	1.250 - 2.530%	08/18 - 05/21	1.29	N/A
Municipal notes	242,828	1.000 - 5.000%	07/18 - 04/21	1.00	AA-/Aa3/AA-
Commercial paper	1,154,198	1.520 - 2.490%	07/18 - 01/19	0.22	A1/P1/F1
Corporate notes	185,087	1.100 - 2.000%	02/19 - 03/21	1.60	AA/Aa2/AA
Total County treasurer investments by fair value level	4,979,881				
Investments measured at amortized cost					
Farmer mac	20,000	2.530%	1/2/2020	0.14	N/A
Negotiable certificate of deposits	858,931	1.520 - 2.510%	07/18 - 02/19	0.27	A1/P1/F1
Managed rate accounts	515,000	2.000%	7/1/2018	0.00	N/A
Local agency obligations	160	2.322%	6/15/2020	1.96	N/R
CalTRUST short term fund	24,000	2.000 - 2.010%	7/1/2018	0.00	N/R
Money market mutual funds (2)	90,995	1.784 - 2.113%	7/1/2018	0.00	AAA
Total investments measured at amortized cost	1,509,086				
Total County treasurer investments	6,488,967				
Investments measured at amortized cost					
Money market funds	121,135	0.000 - 1.814%		N/A	AAA/Aaa
Certificates of deposit	4,800	0.100%	10/18 - 06/19		
U.S. treasuries	-	0.100%	10/18 - 06/19		
Local agency investment funds	6,139	1.430%	7/1/2018	N/A	N/A
Mutual funds	81,446	0.000 - 5.740%			
Government obligation funds	-	1.320%			
Investment agreements	2,631	4.828%	2/12/2035		
Total blended component unit investments	216,151				
measured at amortized cost					
Total blended component unit investments	216,151				
Total investments	\$ 6,705,118				

(1) Investment ratings are from Standard and Poor's (S&P) and Moody's Investor Service (Moody's).

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Fair Value Measurements**

The County has the following recurring fair value measurements as of June 30, 2018 (In thousands):

Rating (1) June 30, 2018	% of Portfolio	Fair Value Measurements Using			June 30, 2018	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
						County treasurer investments
						Investments by fair value level
AA+/Aaa	3.37%	\$ 218,979			\$ 218,979	U.S. treasuries
AA+/Aaa	18.07%		\$ 1,172,485		1,172,485	Federal home loan mortgage corporation
AA+/Aaa	5.69%		369,011		369,011	Federal national mortgage association
AA+/Aaa	12.34%		800,720		800,720	Federal home loan bank
AA+/Aaa	9.97%		646,982		646,982	Federal farm credit bank
N/R	2.92%		189,591		189,591	Farmer mac
AAA/Aaa	3.74%		242,828		242,828	Municipal notes
AAA/Aaa	17.79%		1,154,198		1,154,198	Commercial paper
AAA/Aaa	2.85%		185,087		185,087	Corporate notes
	76.74%	218,979	4,760,902	-	4,979,881	Total County treasurer investments by fair value level
						Investments measured at amortized cost
N/A	0.31%				20,000	Farmer mac
AA-/Aa2	13.24%				858,931	Negotiable certificate of deposits
AA+/Aaa	7.94%				515,000	Managed rate accounts
N/R	0.00%				160	Local agency obligations
AAA/Aaa	0.37%				24,000	CalTRUST short term fund
AAA/Aaa	1.40%				90,995	Money market mutual funds (2)
	23.26%				1,509,086	Total investments measured at amortized cost
	100.00%	218,979	4,760,902	-	6,488,967	Total County treasurer investments
						Investments measured at amortized cost
AAA/Aaa	56.04%				121,135	Money market funds
	2.22%				4,800	Certificates of deposit
	0.00%				-	U.S. treasuries
N/R	2.84%				6,139	Local agency investment funds
NR/Aaa	37.68%				81,446	Mutual funds
NR/Aaa	0.00%				-	Government obligation funds
	1.22%				2,631	Investment agreements
	100.00%				216,151	Total blended component unit investments
						measured at amortized cost
	100.00%	-	-	-	216,151	Total blended component unit investments
		\$ 218,979	\$ 4,760,902	\$ -	\$ 6,705,118	Total investments

The County and its component units categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 — Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk).

Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 5 – RESTRICTED CASH AND INVESTMENTS**

The amount of assets restricted by legal and contractual requirements at June 30, 2018 is as follows (In thousands):

<b><u>Governmental Activities</u></b>			
<b>General Fund</b>			\$ 395,407
<b>Flood Control</b>			1,769
<b>Teeter Debt Service</b>			39,588
<b>Public Financing Authority</b>			17,469
<b>Other Governmental Funds</b>			
CORAL			
Local Agency Investment Fund	2,538		
Restricted Cash and Other Investments	<u>10,616</u>	13,154	
District Court Financing Corporation		1,195	
Infrastructure Financing Authority		12,013	
Pension Obligation		11,710	
Inland Empire Tobacco Securitization Authority		19,341	
Public Financing Authority		<u>1,404</u>	
<b>Total Other Governmental Funds</b>			<u>58,817</u>
<b>Total Governmental Activities</b>			<u><b>513,050</b></u>
<b><u>Business-type Activities</u></b>			
<b>Riverside University Health Systems - Medical Center</b>			
Local Agency Investment Fund		3,601	
Restricted Cash and Other Investments		<u>28,593</u>	
<b>Total Riverside University Health Systems - Medical Center</b>			32,194
<b>Waste Resources</b>			
Remediation costs		33,370	
Closure and post-closure care costs		31,265	
Customer deposits		597	
Advances from grantors & 3rd parties		608	
Deposit payable		38	
Deferred inflow of resources		<u>6,225</u>	
<b>Total Waste Resources</b>			72,103
<b>Housing Authority</b>			
Local Agency Investment Fund		886	
Restricted Cash and Other Investments		<u>15,231</u>	
<b>Total Housing Authority</b>			16,117
<b>Other - Flood Control</b>			<u>3,222</u>
<b>Total Business-type Activities</b>			<u><b>123,636</b></u>
<b>Total Restricted Cash and Investments</b>			<u><b>\$ 636,686</b></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 6 – RECEIVABLES**

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

<b>Receivables</b>					Total
<b>Governmental activities:</b>					Governmental
	Accounts	Interest	Taxes	Due From Other Govts	Activities
General fund	\$ 12,484	\$ 6,560	\$ 9,025	\$ 380,479	\$ 408,548
Transportation	134	333	14	6,165	6,646
Flood Control	835	827	975	615	3,252
Teeter debt service	-	74	47,014	-	47,088
Public facilities improvement capital projects	-	558	-	-	558
Public Financing Authority	-	78	-	-	78
Other governmental funds	2,750	333	1,276	10,612	14,971
Internal service funds	7,659	893	-	1,141	9,693
Total receivables	\$ 23,862	\$ 9,656	\$ 58,304	\$ 399,012	\$ 490,834

Receivables							Total
Business-type activities:	Accounts	Interest	Taxes	Loans	Due From Other Govts	Allowance for Uncollectibles	Business-type Activities
Riverside University Health Systems -							
Medical Center	\$ 321,351	\$ -	\$ -	\$ -	\$ 151,978	\$ (273,926)	\$ 199,403
Waste Resources	7,534	595	-	4,000	136	-	12,265
Housing Authority	307,667	-	-	91,368	-	(305,564)	93,471
Other	2,898	16	10	-	3,629	(1,223)	5,330
Total receivables	\$ 639,450	\$ 611	\$ 10	\$ 95,368	\$ 155,743	\$ (580,713)	\$ 310,469



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**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 7 – INTERFUND TRANSACTIONS**

**(a) Interfund Receivables/Payables**

The composition of interfund balances as of June 30, 2018 is as follows (In thousands):

Due to/from other funds :	Receivable Fund			
	General Fund	Teeter Debt Service	Public Facilities Improvements Capital Projects	Other Governmental Funds
Payable Fund				
General Fund				
Delinquent property tax	\$ -	\$ 35	\$ -	\$ -
Interfund activity	-	-	-	1,044
<b>Total General Fund</b>				
Transportation				
Interfund activity	212	-	-	-
<b>Total Transportation</b>				
Flood Control				
Interfund activity	-	-	-	-
<b>Total Flood Control</b>				
Teeter Debt Service				
Interfund activity	6,308	-	-	-
<b>Total Teeter Debt Service</b>				
Public Financing Authority				
Capital projects	-	-	435	-
<b>Total Public Financing Authority</b>				
Other Governmental Funds				
Capital projects	452	-	-	-
Interfund activity	1	-	-	38
<b>Total Other Governmental Funds</b>				
Riverside University Health System-Medical Center				
Interfund activity	2,149	-	-	11
Law Enforcement	491	-	-	-
<b>Total Riverside University Health System-Medical Center</b>				
Other Enterprise Funds				
Interfund activity	-	-	-	-
<b>Total Other Enterprise Funds</b>				
Internal Service Funds				
Interfund activity	1,629	-	485	-
<b>Total Internal Service Funds</b>				
<b>Total Receivable</b>	<u>\$ 11,242</u>	<u>\$ 35</u>	<u>\$ 920</u>	<u>\$ 1,093</u>

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

*Advances to/from other funds:*

The General Fund advanced \$3.3 million to the Economic Development Agency for the internal service fund start up costs.  
The General Fund advanced Housing Authority \$1.5 million to pay off the principal and interest on predevelopment loans.  
The General Fund advanced \$2.5 million to Riverside County Information Technology for technology initiative costs.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

Receivable Fund					
Riverside University Health Systems- Medical Center	Other Enterprise Funds	Internal Service Funds	Total Payable		
				General Fund	
\$ -	\$ -	\$ -	\$ 35	Delinquent property tax	
472	-	-	1,516	Interfund activity	
			1,551	<b>Total General Fund</b>	
				Transportation	
-	-	-	212	Interfund activity	
			212	<b>Total Transportation</b>	
				Flood Control	
-	8	323	331	Interfund activity	
			331	<b>Total Flood Control</b>	
				Teeter Debt Service	
-	-	-	6,308	Interfund activity	
			6,308	<b>Total Teeter Debt Service</b>	
				Public Financing Authority	
-	-	-	435	Capital projects	
			435	<b>Total Public Financing Authority</b>	
				Other Governmental Funds	
-	-	-	452	Capital projects	
-	-	-	39	Interfund activity	
			491	<b>Total Other Governmental Funds</b>	
				Riverside University Health System-Medical Center	
-	14,930	-	17,090	Interfund activity	
-	-	-	491	Law Enforcement	
			17,581	<b>Total Riverside University Health System-Medical Center</b>	
				Other Enterprise Funds	
5,899	-	13	5,912	Interfund activity	
			5,912	<b>Total Other Enterprise Funds</b>	
				Internal Service Funds	
-	-	17	2,131	Interfund activity	
			2,131	<b>Total Internal Service Funds</b>	
<u>\$ 6,371</u>	<u>\$ 14,938</u>	<u>\$ 353</u>	<u>\$ 34,952</u>	<b>Total Receivable</b>	

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

Waste Resources advanced \$3.0 million to Public Facilities Capital Project Improvement Fund for East County Detention Center.

Waste Resources advanced \$18.5 million to RUHS-MC for Huron Consulting Services.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Transfers**

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

Transfer Out	Transfer In			
	General Fund	Transportation	Teeter Debt Service	Public Facilities Improvements Capital Projects
<b>General Fund</b>				
*To finance capital projects	\$ -	\$ -	\$ -	\$ 8,075
*For debt service payments	-	-	2,005	-
*Operating contribution	-	200	-	-
*For professional services	-	4,107	-	-
*To fund pension obligation	-	-	-	-
<b>Total general fund</b>				
<b>Transportation</b>				
Capital projects	-	-	-	249
*For professional services	2,598	-	-	-
*To fund pension obligation	-	-	-	-
<b>Total transportation</b>				
<b>Flood Control</b>				
*For debt service payments	-	-	-	-
<b>Total Flood Control</b>				
<b>Teeter Debt Service</b>				
*For debt service payments	82	-	-	-
<b>Total teeter debt service</b>				
<b>Public Facilities Improvements Capital Projects</b>				
*To finance capital projects	28,085	9,215	-	19
*For professional services	-	-	-	-
<b>Total public facilities imprv cap proj</b>				
<b>Other Governmental Funds</b>				
*To finance capital projects	-	1,445	-	842
*For debt service payments	8	-	-	-
*For Fire protection services	53,463	-	-	-
*For professional services	22,115	1,640	-	-
*Operating contribution	2,245	-	-	26
*To fund pension obligation	148	-	-	-
<b>Total other governmental funds</b>				
<b>Riverside University Health System-Medical Center</b>				
*Operating contribution	-	-	-	-
*To fund pension obligation	-	-	-	-
<b>Total Riverside University Health System-Medical Center</b>				
<b>Waste Resources</b>				
*To fund pension obligation	-	-	-	-
<b>Total Waste Resources</b>				
<b>Housing Authority</b>				
*To fund pension obligation	-	-	-	-
<b>Total Housing Authority</b>				
<b>Other Enterprise Funds</b>				
*To fund pension obligation	-	-	-	-
<b>Total other enterprise funds</b>				
<b>Internal Service Funds</b>				
Business Services	-	-	-	-
*Operating contribution	235	-	-	-
*To fund pension obligation	-	-	-	-
<b>Total Internal Service Funds</b>				
<b>Total transfers in</b>	<u>\$ 108,979</u>	<u>\$ 16,607</u>	<u>\$ 2,005</u>	<u>\$ 9,211</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, 2018**

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

**Transfers (Continued)**

(b) Between Governmental and Business-type Activities:<sup>2</sup>

Transfer In					Total Transfers Out	*Principal purpose for transfer
Other Governmental Funds	Riverside University Health Systems-Medical Center	Other Enterprise Funds	Internal Service Funds			
General Fund						
\$ -	\$ -	\$ -	\$ -	\$ 8,075	*To finance capital projects	
57,563	-	-	-	59,568	*For debt service payments	
8,568	15,935	-	3,500	28,203	*Operating contribution	
4,321	-	-	-	8,428	*For professional services	
24,813	-	-	-	24,813	*To fund pension obligation	
				129,087	<b>Total general fund</b>	
Transportation						
-	-	-	-	249	Capital projects	
43	-	-	-	2,641	*For professional services	
917	-	-	-	917	*To fund pension obligation	
				3,807	<b>Total transportation</b>	
Flood Control						
2,847	-	-	-	2,847	*For debt service payments	
				2,847	<b>Total Flood Control</b>	
Teeter Debt Service						
-	-	-	-	82	*For debt service payments	
				82	<b>Total teeter debt service</b>	
Public Facilities Improvements Capital Projects						
2,023	5,000	-	1,193	45,535	*To finance capital projects	
310	-	-	-	310	*For professional services	
				45,845	<b>Total public facilities imprv cap proj</b>	
Other Governmental Funds						
11,151	-	-	-	13,438	*To finance capital projects	
299	-	-	-	307	*For debt service payments	
-	-	-	-	53,463	*For Fire protection services	
8,143	-	-	-	31,898	*For professional services	
2,750	-	243	295	5,559	*Operating contribution	
662	-	-	-	810	*To fund pension obligation	
				105,475	<b>Total other governmental funds</b>	
Riverside University Health System-Medical Center						
-	-	11,250	-	11,250	*Operating contribution	
5,371	-	-	-	5,371	*To fund pension obligation	
				16,621	<b>Total Riverside University Health System-Medical Center</b>	
Waste Resources						
308	-	-	-	308	*To fund pension obligation	
				308	<b>Total Waste Resources</b>	
Housing Authority						
185	-	-	-	185	*To fund pension obligation	
				185	<b>Total Housing Authority</b>	
Other Enterprise Funds						
278	-	-	-	278	*To fund pension obligation	
				278	<b>Total other enterprise funds</b>	
Internal Service Funds						
-	-	-	4,565	4,565	Business Services	
-	-	-	-	235	*Operating contribution	
2,034	-	-	-	2,034	*To fund pension obligation	
				6,834	<b>Total Internal Service Funds</b>	
\$ 132,586	\$ 20,935	\$ 11,493	\$ 9,553	\$ 311,369	<b>Total transfers in</b>	

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows (In thousands):

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
<b>Governmental activities:</b>					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 561,581	\$ 13,200	\$ (457)	\$ 7,596	\$ 581,920
Construction in progress	756,804	176,144	(421)	(194,313)	738,214
Total capital assets, not being depreciated	1,318,385	189,344	(878)	(186,717)	1,320,134
<i>Capital assets, being depreciated:</i>					
Infrastructure	3,449,859	42,649	(723)	76,261	3,568,046
Land improvements	110	-	-	-	110
Structures and improvements	1,692,570	70,130	(10,878)	104,534	1,856,356
Equipment	561,203	26,197	(28,521)	(3,141)	555,738
Total capital assets, being depreciated	5,703,742	138,976	(40,122)	177,654	5,980,250
Less accumulated depreciation for:					
Infrastructure	(1,467,144)	(114,114)	37	-	(1,581,221)
Land improvements	(28)	(1)	-	-	(29)
Structures and improvements	(498,938)	(44,822)	5,488	-	(538,272)
Equipment	(336,834)	(42,012)	30,065	3,024	(345,757)
Total accumulated depreciation	(2,302,944)	(200,949)	35,590	3,024	(2,465,279)
Total capital assets, being depreciated, net	3,400,798	(61,973)	(4,532)	180,678	3,514,971
Governmental activities capital assets, net	\$ 4,719,183	\$ 127,371	\$ (5,410)	\$ (6,039)	\$ 4,835,105



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

Capital asset activity for the year ended June 30, 2018 was as follows (In thousands):

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
<b>Business-type activities:</b>					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 21,359	\$ -	\$ -	\$ -	\$ 21,359
Construction in progress	36,345	47,386	(28,626)	(1,173)	53,932
Concession arrangements	8,830	-	-	-	8,830
Total capital assets, not being depreciated	66,534	47,386	(28,626)	(1,173)	84,121
<i>Capital assets, being depreciated:</i>					
Infrastructure	101,932	928	(775)	775	102,860
Land improvements	21,123	244	(244)	244	21,367
Structures and improvements	249,290	13,636	(154)	154	262,926
Equipment	174,836	24,716	(16,672)	9,063	191,943
Total capital assets, being depreciated	547,181	39,524	(17,845)	10,236	579,096
Less accumulated depreciation for:					
Infrastructure	(52,154)	(4,517)	-	-	(56,671)
Land improvements	(13,430)	(1,257)	-	-	(14,687)
Structures and improvements	(123,961)	(6,919)	-	-	(130,880)
Equipment	(114,200)	(15,142)	2,046	(3,024)	(130,320)
Total accumulated depreciation	(303,745)	(27,835)	2,046	(3,024)	(332,558)
Total capital assets, being depreciated, net	243,436	11,689	(15,799)	7,212	246,538
Business-type activities capital assets, net	\$ 309,970	\$ 59,075	\$ (44,425)	\$ 6,039	\$ 330,659

**Depreciation**

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

General government	\$ 45,412
Public protection	12,178
Health and sanitation	1,354
Public assistance	1,226
Public ways and facilities	111,251
Recreation and cultural services	2,919
Education	3,222
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	23,387
Total depreciation expense – governmental functions	<u>\$ 200,949</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

RUHS-Medical Center	\$ 19,530
Waste Resources	6,758
Housing Authority	1,149
RUHS-CHC	390
Flood Control	5
County Service Areas	3
	<u>3</u>
Total depreciation expense – business-type functions	<u><u>\$ 27,835</u></u>

**Capital Leases**

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

	Governmental Activities	Business-type Activities
Land	\$ 488	\$ -
Structures and improvements	65,792	-
Equipment	142,607	19,174
Less: Accumulated amortization	<u>(79,329)</u>	<u>(10,687)</u>
Total leased property, net	<u><u>\$ 129,558</u></u>	<u><u>\$ 8,487</u></u>

**Discretely Presented Component Unit**

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2018 was as follows (In thousands):

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 373	\$ -	\$ -	\$ -	\$ 373
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373</u>
Capital assets, being depreciated					
Building and improvements	1,898	-	-	-	1,898
Machinery and equipment	100	-	-	-	100
Total capital assets, being depreciated	<u>1,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,998</u>
Less accumulated depreciation for:					
Building and improvements	(167)	(54)	-	-	(221)
Machinery and equipment	(65)	(14)	-	-	(79)
Total accumulated depreciation	<u>(232)</u>	<u>(68)</u>	<u>-</u>	<u>-</u>	<u>(300)</u>
Total capital assets, being depreciated, net	<u>1,766</u>	<u>(68)</u>	<u>-</u>	<u>-</u>	<u>1,698</u>
Total capital assets, net	<u><u>\$ 2,139</u></u>	<u><u>\$ (68)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,071</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

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

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

**McIntyre Park Campground**

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

**Riviera RV Resort**

On or about January 1, 1970, and as later amended, the County and later the Park entered into an agreement with Cavan Inc. The lease was assigned to J&W Enterprises, then to Alpine Capital LLC, then Reynolds Riviera Resorts, and lastly to The Cove RV Resort (the “Company”) as of December 2016. 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 \$8.3 hundred or seven percent of gross receipts earned from operation of the RV Park. The Park reports the RV Park as a capital asset with a carrying amount of \$131.4 thousand at year-end. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.

**Lake Skinner Recreation Area**

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Gopher Hole Camp Store**

On February 7, 2017, the Park entered into an agreement with Pyramid Enterprises, Inc. d.b.a. Rocky Mountain Recreation Company of Piru, California (the “Company”) to lease the Rancho Jurupa Regional Park Gopher Hole camp store. Under the provisions of the agreement, the Company is permitted to engage in the operation of the store, office, storage 107, and storage 102. The Company will pay the Park ten percent of gross receipts earned from operation of the store each month. All remaining areas will remain under the control and responsibility of the Park. The term of the agreement is 3 years, with the option to renew 2 more years.

**Edom Hill Transfer Station**

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

**Cove Waterpark and Dropzone Waterpark**

On April 18, 2017, the Economic Development Agency (the Agency) entered into a 5-year agreement with Standguard Aquatics, Inc., a Georgia Corporation (the “Company”) to operate and maintain the Cove Waterpark and the Dropzone Waterpark (the “Waterparks”) in a clean, safe and good condition. The Waterparks are to be operated as paid recreational and competitive use facilities with food and beverage and other concessions as provided by the Agency. The Company shall pay the Agency a quarterly percentage rent. The percentage rent shall be calculated by multiplying the gross revenues from the Waterparks for the applicable quarterly period by a factor of 10 percent. The Agency 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 Agency also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability. The term of the agreement is 5 years, renewable in one 5 year extension.

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

	<b>Date SCA Entered Into</b>	<b>Term of SCA</b>	<b>Expiration of SCA</b>	<b>Revenue Sharing</b>	<b>Minimum Rent Payment (per month)</b>
McIntyre Park Campground	10/15/1985	62 years	10/15/2047	Between 10.0% and 17.0% of the revenues it earns from the operation of the campground.	\$ -
Riviera RV Resort	1/1/1970	74 years	6/30/2044	Greater of \$8.3 hundred or 7.0% of gross receipts earned from operation of the RV park.	-
Lake Skinner Recreation Area	11/1/2007	15 years	10/31/2022	Greater of the combination of 7.0% of all retail gross sales, 9.0% of all rental gross sales, and 2.0% of all fuel gross sales or \$2.5 thousand.	-
Gopher Hole Camp Store	2/7/2017	3 years	2/7/2020	10.0% of monthly gross revenues from the operation of the store.	-
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.	-
Cove and Dropzone Waterparks	4/18/2017	5 years	5/18/2022	10.0% of the quarterly gross revenues from the operation of the waterparks.	-
					<u>\$ -</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

Capital assets balance for the SCAs for the fiscal year ended June 30, 2018, and over the terms of the agreements are as follows (In thousands):

	<b>Land, Structures, &amp; Structure Improvements</b>
McIntyre Park Campground	\$ 52
Riviera RV Resort	131
Lake Skinner Recreation Area	-
Gopher Hole Camp Store	-
Edom Hill Transfer Station	8,830
Cove and Dropzone Waterparks	46,810
	<u><u>\$ 55,823</u></u>

The deferred inflows of resources activity for the SCA for the year ended June 30, 2018 are as follows (In thousands):

<b>SCA Capital Assets</b>	<b>Balance July 1, 2017</b>	<b>Additions/ Restatements</b>	<b>Amortization<sup>1</sup></b>	<b>Balance June 30, 2018</b>
McIntyre Park Campground <sup>2</sup>	\$ -	\$ -	\$ -	\$ -
Riviera RV Resort <sup>2</sup>	-	-	-	-
Lake Skinner Recreation Area <sup>2</sup>	-	-	-	-
Gopher Hole Camp Store <sup>2</sup>	-	-	-	-
Edom Hill Transfer Station	6,659	-	(434)	6,225
Cove and Dropzone Waterparks <sup>2</sup>	-	-	-	-
Total deferred inflows	<u><u>\$ 6,659</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (434)</u></u>	<u><u>\$ 6,225</u></u>

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

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

State and federal laws and regulations require Waste Resources to place a final cover on all active landfills when closed and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Waste Resources will recognize the remaining estimated cost of \$10.6 million as the remaining estimated capacity of 17.7 million tons is filled. Waste Resources expects all currently permitted landfill capacities to be filled by 2098. The total estimated closure liability of \$20.7 million and post-closure care cost of \$31.8 million is based on what it would cost to perform all closure and post-closure care costs at present value. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

In addition to the liability amounts calculated per California Department of Resources, Recycling, and Recovery (CalRecycle) regulations that are designated to the Escrow Funds, Waste Resources is also responsible for the post-closure care costs related to twenty-six (26) other landfill sites that have been inactive or closed since before 1988. Liability for these sites fluctuates dependent on the needs of each site and changes to, or the implementation of, laws and regulations. As of June 30, 2018, the post-closure liability is estimated at \$32.6 million.

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

Facility Name (City)	Total Estimate	Capacity Used as of June 30, 2018	Outstanding Recognized Liability	Estimated Years Remaining
Badlands (Moreno Valley)	\$ 10,392	68.6%	\$ 7,125	4
Blythe (Blythe)	5,016	33.1%	1,659	29
Edom Hill (Cathedral City)	5,583	100.0%	5,583	-
Lamb Canyon (Beaumont)	8,141	53.7%	4,369	11
Desert Center (Desert Center)	404	69.8%	282	69
Mecca II (Mecca)	980	98.8%	968	80
Oasis (Oasis)	732	94.1%	689	45
Total Closure Estimate	<u>\$ 31,248</u>		<u>\$ 20,675</u>	

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Post-Closure Escrow Fund Landfill Sites**

Facility Name (City)	Estimated Liability
Badlands (Moreno Valley)	\$ 8,262
Blythe (Blythe)	2,564
Coachella (Coachella)	1,420
Double Butte (Winchester)	2,167
Edom Hill (Cathedral City)	2,661
Highgrove (Riverside)	1,774
Lamb Canyon (Beaumont)	5,906
Mead Valley (Perris)	1,379
Anza (Anza)	1,612
Desert Center (Desert Center)	1,243
Mecca II (Mecca)	1,540
Oasis (Oasis)	1,304
Total Post-Closure Estimate	<u>\$ 31,832</u>

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

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

**NOTE 11 – OPERATING LEASES**

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2018 (In thousands):

<u>Year Ending June 30</u>	
2019	\$ 45,383
2020	41,990
2021	37,268
2022	32,421
2023	27,160
2024 - 2028	62,452
2029 - 2033	14,748
2034 - 2038	1,017
2039 - 2043	394
2044 - 2048	180
Total Minimum Payments	<u>\$ 263,013</u>

Total rental expenditure/expense for the year ended June 30, 2018 was \$113.0 million, of which \$9.0 million was recorded in the enterprise funds.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

Under both the accrual and modified accrual bases 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, 2018 of advances from grantors and third parties is as follows (In thousands):

	Balance June 30, 2018
<b>General Fund:</b>	
Advances on state and federal grants for mental health services	\$ 168,686
Advances on state funding for social services	91,892
Advances on state grants for probation services	18,431
Advances on state grants and other 3rd party advances for public health services	15,182
Advances on state and federal grants for sheriff services	4,817
Advances on state grants and other federal grants for environmental health services	3,138
Advances on state grants and other 3rd party advances for emergency management services	990
Advances on state grants for district attorney services	920
Advances on state grants and other 3rd party advances for animal services	410
Advances on state grants for veteran services	275
Advances from 3rd party for registrar of voters services	172
Advances on state and federal grants for fire protection services	141
Advances on state grants for public defender services	138
Other advances	126
Total general fund	<u>305,318</u>
<b>Transportation Special Revenue Fund:</b>	
Developer fees	10,587
Federal exchange and state match	2,381
Advances from developers for median projects	1,674
Survey fees	798
Road deposits	338
Utility relocation	320
Deposit based fees	312
Advances for community facilities districts improvement projects	122
Total transportation special revenue fund	<u>16,532</u>
<b>Flood Special Revenue Fund:</b>	
Advances for flood control projects	500
Total flood special revenue fund	<u>500</u>
<b>Public Facilities Improvements Capital Projects Fund:</b>	
Advances for facility renewal projects	896
Total public facilities improvements capital projects fund	<u>896</u>
<b>Other Governmental Funds:</b>	
Advance from state for the community recidivism reduction grant program	878
Camping and recreation fees	584
Developer impact fees	660
Advance from state for community service block grant	320
Advances for aviation projects	35
Advance from 3rd parties for recreational events	3
Total other governmental funds	<u>2,480</u>
<b>Grand total of advances from grantors and third parties</b>	<u><u>\$ 325,726</u></u>



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 13 – SHORT-TERM DEBT**

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

On July 1, 2017, the County issued \$340.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANs), which will be paid by June 30, 2018. The notes were issued with a yield rate of 0.9% and a stated interest rate of 2.0%. 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 2017-18, the County retired \$83.5 million and issued \$80.4 million 2017 Series A teeter obligation notes (tax-exempt) which includes a premium of \$1.7 million, leaving an outstanding balance of \$80.4 million at June 30, 2018.

Short-term debt activity for the year ended June 30, 2018, was as follows (In thousands):

	Balance				Balance	
	June 30, 2017		Additions	Reductions	June 30, 2018	
TRANs	\$ -	\$	340,000	\$ (340,000)	\$ -	
Teeter notes	83,462		80,403	(83,462)	80,403	
Total	<u>\$ 83,462</u>	<u>\$</u>	<u>420,403</u>	<u>\$ (423,462)</u>	<u>\$ 80,403</u>	

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 14 – LONG-TERM OBLIGATIONS**

Long-term obligations of the County consist of capital lease obligations, bonds, notes, and other liabilities that are payable from the general, debt service, enterprise, and internal service funds. The calculated legal debt limit for the County is \$3.3 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, 2018 (In thousands):

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2019	\$ 28,049	\$ 5,250
2020	22,074	4,257
2021	13,938	2,911
2022	8,314	2,250
2023	5,961	1,435
2024-2028	21,302	5,364
2029-2033	25,862	5,005
2034-2038	13,849	-
Total minimum payments	139,349	26,472
Less amount representing interest	(22,507)	(4,951)
Present value of net minimum lease payments	<u>\$ 116,842</u>	<u>\$ 21,521</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

The following schedules provide details of all certificates of participation, bonds payable, and notes payable for the County that are outstanding as of June 30, 2018 (In thousands):

<u>Type of Indebtedness</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding at June 30, 2018</u>
<b>Governmental activities:</b>				
<b>Certificates of Participation</b>				
<b><u>CORAL</u></b>				
1990 Monterey Avenue: Serial Certificates	\$ 8,800	Variable	2020	\$ 2,200
2009 Series A - Public Safety Communication and Woodcrest Library Refunding Projects	45,685	Variable	2039	44,905
2009 Larson Justice Center Refunding: Serial Certificates	<u>24,680</u>	2.00% - 5.00%	2021	<u>11,469</u>
Total CORAL	<u>152,940</u>			<u>58,574</u>
<b><u>District Court Financing Corporation</u></b>				
U.S. District Court Project: Term/Series 1999	2,165	7.59%	2020	963
U.S. District Court Project: Term/Series 2002	<u>925</u>	3.00%	2020	<u>145</u>
Total District Court Financing Corporation	<u>3,090</u>			<u>1,108</u>
<b><u>Flood Control</u></b>				
Zone 4 - 2015 Negotiable Promissory Note	21,000	2.00% - 5.00%	2025	<u>18,446</u>
Total Flood Control	<u>21,000</u>			<u>18,446</u>
<b>Total certificates of participations</b>	<u><u>\$ 177,030</u></u>			<u><u>\$ 78,128</u></u>
<b>Bonds payable</b>				
<b><u>CORAL</u></b>				
2012 CAC Annex Refunding Project	\$ 33,360	2.00% - 5.00%	2031	\$ 27,548
2008 A Southwest Justice Center: Term Certificates	78,895	5.16%	2032	68,245
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	62,110
2014 Lease Refunding Court Facilities Project, Series A	10,890	2.00% - 5.00%	2033	8,827
2014 Lease Refunding Court Facilities Project, Series B	<u>7,605</u>	0.55% - 2.73%	2019	<u>2,630</u>
Total CORAL	<u>198,498</u>			<u>171,093</u>
<b><u>Taxable Pension Obligation Bonds</u></b>				
Pension Obligation Bonds (Series 2005-A)	<u>400,000</u>	4.91% - 5.04%	2035	<u>266,365</u>
Total Taxable Pension Obligation Bonds	<u>400,000</u>			<u>266,365</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**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, 2018</b>
<b>Bonds payable (continued)</b>				
<b><u>Inland Empire Tobacco Securitization Authority</u></b>				
Series 2007 A	\$ 87,650	5.10%	2021	\$ 42,440
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	23,458
Series 2007 E	18,948	7.63%	2057	18,949
Series 2007 F	27,076	8.00%	2057	27,076
Total Inland Empire Tobacco Securitization Authority	294,084			248,876
<b><u>Riverside County Public Financing Authority</u></b>				
Series 2012	17,640	3.00% - 5.00%	2021	13,195
Series 2015	325,000	2.00% - 5.00%	2046	343,303
Total Riverside County Public Financing Authority	342,640			356,498
<b><u>Riverside County Infrastructure Financing Authority</u></b>				
Series 2015 A	72,825	2.00% - 5.00%	2054	73,936
Series 2016 A	36,740	2.00% - 4.00%	2032	41,115
Series 2016 A-T	3,245	1.18% - 1.34%	2019	1,625
Series 2017 A	46,970	3.00% - 4.00%	2045	49,576
Series 2017 B	11,595	3.00% - 5.00%	2038	12,061
Series 2017 C	10,610	3.125% - 5.00%	2047	11,088
Total Riverside Infrastructure Financing Authority	181,985			189,401
<b>Total bonds payable</b>	<b>\$ 1,417,207</b>			<b>\$ 1,232,233</b>
<b>Loans payable</b>				
<b><u>CORAL</u></b>				
2011 Monroe Park Building Refunding	\$ 5,535	3.54%	2021	\$ 1,600
Total 2011 Monroe Park Building Refunding	5,535			1,600
<b>Total loans payable</b>	<b>\$ 5,535</b>			<b>\$ 1,600</b>
<b>Total governmental activities</b>	<b>\$ 1,599,772</b>			<b>\$ 1,311,961</b>
<b>Business-Type Activities</b>				
<b>Bonds payable</b>				
<b><u>Riverside University Health Systems - Medical Center (RUHS-MC)</u></b>				
1997 A Serial Capital Appreciation Bonds (net of future capital appreciation of \$130.5 million)	\$ 41,170	5.70% - 6.01%	2026	\$ 30,204
1997 Term bonds (Series C)	1,532	5.81%	2019	1,488
2012 Term bonds (Series A)	87,510	2.00% - 5.00%	2029	42,880
2012 Term bonds (Series B)	3,020	3.25%	2019	3,001
Total RUHS-MC	133,232			77,573
<b><u>Housing Authority</u></b>				
1998 Series A: Term Bonds	2,405	6.85%	2019	\$ 200
Total Housing Authority	2,405			200
<b>Total bonds payable</b>	<b>\$ 135,637</b>			<b>\$ 77,773</b>
<b>Total business-type activities</b>	<b>\$ 135,637</b>			<b>\$ 77,773</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

As of June 30, 2018, annual debt service requirements of governmental activities to maturity are as follows (In thousands):

<b>Governmental</b> Fiscal Year Ending June 30	Loans Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2019	\$ 620	\$ 51	\$ 17,581	\$ 3,203
2020	650	29	18,323	2,314
2021	330	6	18,570	1,407
2022	-	-	9,110	784
2023	-	-	2,660	513
2024 - 2028	-	-	6,330	1,105
2029 - 2033	-	-	1,255	629
2034 - 2038	-	-	1,675	339
2039 - 2043	-	-	815	33
Total requirements	1,600	86	76,319	10,327
Bond discount/premium, net	-	-	1,809	-
<b>Total</b>	<b>\$ 1,600</b>	<b>\$ 86</b>	<b>\$ 78,128</b>	<b>\$ 10,327</b>

<b>Governmental</b> Fiscal Year Ending June 30	Bonds Payable	
	Principal	Interest
2019	\$ 134,108	\$ 50,571
2020	53,163	43,603
2021	48,465	40,187
2022	52,375	37,861
2023	56,570	35,300
2024 - 2028	206,630	138,971
2029 - 2033	202,674	95,806
2034 - 2038	156,898	60,219
2039 - 2043	110,890	31,613
2044 - 2048	99,208	7,134
2049 - 2053	3,840	-
2054 - 2058	65,642	4,671
Total requirements	1,190,463	545,936
Bond discount/premium, net	41,770	-
<b>Total</b>	<b>\$ 1,232,233</b>	<b>\$ 545,936</b>

As of June 30, 2018, annual debt service requirements of business-type activities unit to maturity are as follows (In thousands):

<b>Business-type</b> Fiscal Year Ending June 30	Bonds Payable		Other Long-term Liabilities	
	Principal	Interest	Principal	Interest
2019	\$ 13,182	\$ 8,180	\$ 1,178	\$ -
2020	4,981	15,769	-	-
2021	4,664	16,086	-	-
2022	4,376	16,374	-	-
2023	4,125	16,626	-	-
2024 - 2028	32,577	53,345	6,795	-
2029 - 2033	9,536	381	780	-
2034 - 2038	-	-	-	-
2039 - 2043	-	-	-	-
2044 - 2048	-	-	-	-
2049 - 2053	-	-	-	-
2054 - 2058	-	-	-	-
2059 - 2063	-	-	-	-
2064 - 2068	-	-	3,704	-
Total requirements	73,441	126,761	12,457	-
Bond discount/premium, net	4,332	-	-	-
<b>Total</b>	<b>\$ 77,773</b>	<b>\$ 126,761</b>	<b>\$ 12,457</b>	<b>\$ -</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Accreted Interest Payable**

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2018 (In thousands):

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<b><u>Governmental Activities:</u></b>				
<b><u>Certificates of Participation:</u></b>				
Court Financing (U.S. District Court Project)	\$ 3,019	\$ -	\$ (1,007)	\$ 2,012
<b><u>Bonds:</u></b>				
Inland Empire Tobacco Securitization Authority	164,127	21,826	-	185,953
Total governmental-type activities	<u>\$ 167,146</u>	<u>\$ 21,826</u>	<u>\$ (1,007)</u>	<u>\$ 187,965</u>
<b><u>Business-type Activities:</u></b>				
<b><u>Lease Revenue Bonds:</u></b>				
Riverside University Health Systems - Medical Center (1997A Hosp)	\$ 72,900	\$ 6,318	\$ (2,847)	\$ 76,371
Total business-type activities	<u>\$ 72,900</u>	<u>\$ 6,318</u>	<u>\$ (2,847)</u>	<u>\$ 76,371</u>

The accreted interest payable balances at June 30, 2018 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 or redemption premiums, if any, or interest on the Series 2007 Bonds.

The increases of \$21.8 million and \$6.3 million represent the current year's accretion for governmental activities and business-type activities, respectively. The accumulated accretion for business-type activities is \$76.4 million at June 30, 2018. The accumulated accretion for U.S. District Court Financing and the Inland Empire Tobacco Securitization Authority in governmental activities is \$188.0 million. The un-accreted balances at June 30, 2018 are \$33.9 million for the 1997-A Hospital RUHS-MC project, and \$3.3 billion for the Inland Empire Tobacco Securitization Authority Bonds.

**Bonds, Certificates of Participation / Refunding**

In December 2017, the Infrastructure Financing Authority issued \$47.0 million in lease revenue refunding bonds, 2017 Series A. The 2017 Series bond is being issued for the purpose of (i) refunding the outstanding Riverside Community Properties Development, Inc. Lease Revenue Bonds, 2013 (Riverside County Law Building Project) and (ii) pay the costs incurred in connection with the issuance of the bonds. The bonds have an interest rate of 3% to 4%.

In December 2017, the Infrastructure Financing Authority also issued \$22.2 million in lease revenue refunding bonds, 2017 Series B and Series C. The Series B Bonds are being issued for the purpose of (i) refunding all of the outstanding Southwest Communities Financing Authority 2008 Lease Revenue Bonds Series A (County of Riverside Capital Projects) and (ii) pay the costs incurred in connection with the issuance of the Series B Bonds. The Series C Bonds are being issued for the purpose of (i) financing the acquisition and construction of certain capital improvements to be owned and operated by the County and (ii) pay the costs incurred in connection with the issuance of the Series C bonds. The new bonds have an interest rate of 3% to 5%.

**Defeasance of Debt**

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Defeasance of Debt (continued)**

over the new debt's life. The transaction resulted in an economic gain of \$3.7 million and a reduction of \$1.5 million in future debt service payments.

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

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

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

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 costs of issuance incurred in connection with this refunding. The refunding resulted in a redemption premium of \$639.4 thousand for the 1997 Series B lease revenue bonds and a net premium of \$6.9 million for the 2012 Series A and Taxable Series B. The reacquisition price exceeded the net carry amount of the old debt by \$26.6 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$8.0 million and a reduction of \$7.1 million in future debt service payments.

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

In October 2016, the Infrastructure Finance Authority issued \$40.0 million in lease revenue bonds (2016 Series A and Series A-T) for the purpose of refunding the outstanding Riverside County Palm Desert Financing Authority Lease Revenue Bonds (County Facilities Projects) 2008 Series A, with a total outstanding principal amount of \$40.4 million, to finance the acquisition, construction and installation of certain capital improvements to be owned and operated by the County, and to pay costs incurred in connection with the issuance of the bonds. The refunding resulted in an unamortized bond premium of \$5.2 million, loss on refunding of \$3.8 million, and a net carrying value of \$41.3 million.

In December 2017, the Infrastructure Financing Authority issued \$47.0 million in lease revenue refunding bonds, 2017 Series A. The 2017 Series bond is being issued for the purpose of (i) refunding the outstanding Riverside Community Properties Development, Inc. Lease Revenue Bonds, 2013 (Riverside County Law Building Project)

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Defeasance of Debt (continued)**

The outstanding principal balance on the 2017 Series A, or \$46,970,000, is stated net of related unamortized bond premiums of \$2,606,484, resulting in net carrying value of \$49,576,484.

In December 2017, the Infrastructure Financing Authority also issued 2017 Series B & C lease revenue bonds (County of Riverside Capital Projects) for \$11.6 million and \$10.6 million respectively. The 2017 Series B lease revenue bonds were issued to refund the outstanding Southwest Communities Financing Authority 2008 Lease Revenue Bonds Series A with a principal balance outstanding of \$13.2 million. The 2017 Series C lease revenue bonds were issued to provide funds to finance the acquisition and construction of certain capital improvements to be owned and operated by the County.

The outstanding principal balance on the 2017 Series B, or \$11,135,000, is stated net of related unamortized bond premiums of \$926,369, resulting in a net carrying value of \$12,061,369.

The outstanding principal balance on the 2017 Series C, or \$10,550,000, is stated net of related unamortized bond premiums of \$538,299, resulting in a net carrying value of \$11,088,299.

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

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

A total of \$24.0 million of Mortgage Revenue Bonds have been issued and \$17.9 million is outstanding as of June 30, 2018. 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 \$87.0 million at June 30, 2018, 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.

**State Appellate Court Financing**

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



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Interest Rate Swap**

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

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

CORAL receives an interest rate equal to an amount not to exceed the maximum interest rate payable on the bonds, expressed as a decimal, equal to 64.0% of the monthly London Interbank Offered Rate (LIBOR) in the relevant calculation period. Conversely, the bonds' variable-rate coupons have historically been similar to the Bond Market Association Municipal Swap Index (BMA). Under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the interest rate swap contract qualifies as a derivative financial instrument and a cash flow hedging. CORAL's net cash outflow or payment under the interest rate swap contract was \$301.6 thousand for the year ended June 30, 2018.

*Fair Value:* As of June 30, 2018 and 2017, the swap had a negative fair value of \$16.8 million and \$21.7 million, respectively, a decrease in fair value of \$4.9 million occurred during the fiscal year 2017-18. The fair value was recorded in the CORAL's statement of net position as interest rate swap liability and deferred outflows of resources in the assets section. Because the coupons on the Southwest Justice Center Series 2008 A Leasehold Revenue Refunding Bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was the quoted market price from Wells Fargo Bank, N.A. at June 30, 2018.

*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's) or Baa2 (Moody's), a collateral agreement will be executed within 30 days or the fair value of the swap will be fully collateralized by the counterparty.

*Basis Risks:* The swap exposes CORAL to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2018, CORAL's rate was 64.0% of LIBOR, or 0.1%, whereas BMA or the reset rate on bonds was 0.1%. The synthetic rate on the bonds at June 30, 2018 was 5.2%.

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Changes in long-term liabilities**

*Swap Payment and Associated Debt:* Using rates as of June 30, 2018, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows (In thousands):

<b>Fiscal Year Ending June 30, 2018</b>	<b>Variable Rate Bonds</b>		<b>Net Swap Payments</b>	<b>Total Interest</b>
	<b>Principal</b>	<b>Interest</b>		
2019	\$ 3,000	\$ 958	\$ 2,470	\$ 3,428
2020	3,205	913	2,354	3,267
2021	3,410	865	2,231	3,096
2022	3,620	814	2,100	2,914
2023	3,825	760	1,961	2,721
2024-2028	18,200	2,892	7,462	10,354
2029-2033	17,370	1,052	2,709	3,761
	<u>\$ 52,630</u>	<u>\$ 8,254</u>	<u>\$ 21,287</u>	<u>\$ 29,541</u>

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

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2018 (In thousands):

	<b>Balance June 30, 2017</b>	<b>New Additions</b>	<b>Payments / Reclass</b>	<b>Balance June 30, 2018</b>	<b>Amounts Due Within One Year</b>
<b><u>Governmental activities:</u></b>					
Debt long-term liabilities:					
Bonds payable	\$ 1,206,942	\$ 73,271	\$ (47,980)	\$ 1,232,233	\$ 134,108
Capital lease obligations	180,290	12,101	(75,549)	116,842	25,269
Certificates of participation	94,467	-	(16,339)	78,128	17,581
Loans payable	2,205	-	(605)	1,600	620
Total debt long-term liabilities	<u>1,483,904</u>	<u>85,372</u>	<u>(140,473)</u>	<u>1,428,803</u>	<u>177,578</u>
Other long-term liabilities:					
Accreted interest payable	167,146	21,826	(1,007)	187,965	-
Compensated absences (a)	238,119	273	(7,611)	230,781	146,200
Estimated claims liabilities (b)	203,898	102,854	(60,490)	246,262	61,295
Net OPEB liability	-	12,927	-	12,927	-
Net pension liabilities (d)	2,220,528	624,577	-	2,845,105	-
Accrued remediation costs (c)	1,502	-	(319)	1,183	429
Total other long-term liabilities	<u>2,831,193</u>	<u>762,457</u>	<u>(69,427)</u>	<u>3,524,223</u>	<u>207,924</u>
Total governmental activities – long-term liabilities	<u>\$ 4,315,097</u>	<u>\$ 847,829</u>	<u>\$ (209,900)</u>	<u>\$ 4,953,026</u>	<u>\$ 385,502</u>

- (a) General Fund, Special Revenue Funds, and Internal Service Funds are used to liquidate the compensated absences.
- (b) Internal Service Funds are used to liquidate the estimated claims liabilities.
- (c) General Fund is used to liquidate the remediation costs.
- (d) General Fund, Special Revenue, Capital Projects and Internal Service Funds are used to liquidate net pension liabilities.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

The following is a summary of business-type and discretely presented component unit activities long-term liabilities transactions for the year ended June 30, 2018 (In thousands):

	Balance	New	Payments	Balance	Amounts
	June 30, 2017	Additions	/ Reclass	June 30, 2018	Due Within One Year
<b><u>Business-type activities:</u></b>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses	\$ 92,371	\$ -	\$ (14,598)	\$ 77,773	\$ 13,182
Capital lease	8,423	15,323	(2,225)	21,521	4,669
Total debt long-term liabilities	100,794	15,323	(16,823)	99,294	17,851
Other long-term liabilities:					
Accreted interest payable	72,900	6,318	(2,847)	76,371	243
Accrued closure and post-closure costs	82,587	2,494	-	85,081	851
Compensated absences	30,834	6,099	(257)	36,676	21,825
Accrued remediation costs	45,254	400	-	45,654	913
OPEB obligation, net	135	2,077	-	2,212	-
Total OPEB liability	-	630	-	630	-
Net pension liabilities	317,678	118,422	-	436,100	-
Other long-term liabilities (a)	6,795	5,662	-	12,457	1,178
Total other long-term liabilities	556,183	142,102	(3,104)	695,181	25,010
Total business-type activities – long-term liabilities	\$ 656,977	\$ 157,425	\$ (19,927)	\$ 794,475	\$ 42,861

**Discretely Presented Component Unit**

Other long-term liabilities:					
Compensated absences	\$ 200	\$ 10	\$ -	\$ 210	\$ 115
Net pension liability	2,988	2,243	-	5,231	-
Total discretely presented component unit – long-term liabilities	\$ 3,188	\$ 2,253	\$ -	\$ 5,441	\$ 115

(a) For Business-type Activities, Other long-term liabilities consist of the following:

Housing Authority has two note payable, totaling \$11.3 million, Riverside University Health System has a note payable of \$1.2 million.

**Disclosure of Pledged Revenues**

*Inland Empire Tobacco Securitization Authority*, a blended component unit of the County, issued \$294.1 million of tobacco asset-backed bonds. The bonds are solely secured by pledging a portion of County tobacco assets\*\*\* made payable to the County pursuant to agreements with the State and other parties. The portion of revenues that will be used to pay the debt service are (i) the County tobacco assets to the extent consisting of or relating to amounts due to the County after the first \$10.0 million has been paid to the County in each year beginning on January 1, 2008 and ending on December 31, 2020, (ii) the County tobacco assets to the extent consisting of or relating to amounts due to the County after the first \$11.5 million has been paid to the County in each year beginning on January 1, 2021 and ending on December 31, 2026, (iii) the County tobacco assets to the extent consisting of or relating to amounts due to the County from and after January 1, 2027, and (iv) the County tobacco assets to the extent consisting of or relating to the applicable percentage of a lump sum payment of 14.1% to the County and 85.9% to the Inland Empire Tobacco Securitization Authority for calendar year 2017. During the fiscal year ended June 30, 2018, \$19.4 million was received by the Inland Empire Tobacco Securitization Authority; \$10.0 million, or 51.5%, was distributed to the County per the above agreement, leaving \$13.2 million, or 48.5%, of the specific tobacco settlement revenues available to be pledged (see page 167). The County is under no obligation to make payments of the principal or accreted value or redemption premiums, if any, or interest on the Series 2007 bonds in the event that revenues are insufficient for the payment thereof.

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Disclosure of Pledged Revenues (Continued)**

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

The Housing Authority reports the \$218.0 thousand received each year as revenue. MBIA Insurance Corporation has issued a surety bond in lieu of a cash funded reserve. The outstanding balance as of June 30, 2018, before applying the deferred charge, was \$390.0 thousand.

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

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred outflows of resources in the government-wide and proprietary fund financial statements. These items are a consumption of net position or fund balance by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The County has three items that are reportable on the government-wide statement of net position: the first item relates to outflows from changes in the net pension liability (Notes 20 and 21), the second item relates to changes in the OPEB liability (Note 22) and the third item relates to the interest rate swap (Note 14) that have met all requirements other than timing. Deferred outflows of resources that are reported in the proprietary funds are included in the government-wide statement of net position.

Deferred outflows of resources balances for the year ended June 30, 2018 were as follows (In thousands):

	<u>Balance June 30, 2018</u>
<b>Government-wide deferred outflows of resources:</b>	
Governmental activities:	
Interest rate swap	\$ 16,845
OPEB	9,903
Pension	<u>1,321,193</u>
Total governmental activities	<u>1,347,941</u>
Business-type activities:	
OPEB	1,683
Pension	<u>212,590</u>
Total business-type activities	<u>214,273</u>
Total government-wide deferred outflows of resources	<u><u>\$ 1,562,214</u></u>
<b>Discretely presented component unit</b>	
<b>deferred outflows of resources:</b>	
Pension	<u>\$ 2,649</u>
Total discretely presented component unit	
deferred outflows of resources	<u><u>\$ 2,649</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

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

Deferred inflows of resources balances for the year ended June 30, 2018 were as follows (In thousands):

	<u>Balance June 30, 2018</u>
<b>Government-wide deferred inflows of resources:</b>	
Governmental activities:	
Teeter tax loss reserve	\$ 23,250
OPEB	808
Pension	366,523
Total governmental activities	<u>390,581</u>
Business-type activities:	
Service concession arrangement	6,225
OPEB	298
Housing Opportunities for Persons with Aids (HOPWA) grant	585
Pension	54,880
Total business-type activities	<u>61,988</u>
Total government-wide deferred inflows of resources	<u><u>\$ 452,569</u></u>
<b>Governmental funds deferred inflows of resources:</b>	
General Fund:	
SB 90	\$ 23,973
Teeter tax loss reserve	23,250
Property tax	4,613
Total general fund	<u>51,836</u>
Flood Control Special Revenue Fund:	
Property tax	924
Special assessments	51
Total flood control special revenue fund	<u>975</u>
Other Governmental Funds:	
Property tax	4
Total other governmental funds	<u>4</u>
Total governmental funds deferred inflows of resources	<u><u>\$ 52,815</u></u>
<b>Discretely presented component unit deferred inflows of resources:</b>	
Pension	\$ 80
Total discretely presented component unit deferred inflows of resources	<u><u>\$ 80</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 16 – FUND BALANCES**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (See Note 1 for a description of each category.) A detailed schedule of fund balances as of June 30, 2018 is as follows (In thousands):

	<b>Major Funds</b>					
				<b>Public Facilities Improvements Capital Projects</b>	<b>Public Financing Authority</b>	<b>Total Major Governmental Funds</b>
<b>Fund balances:</b>	<b>General Fund</b>	<b>Transportation</b>	<b>Flood Control</b>			
<b>Nonspendable</b>						
Inventory	\$ 2,360	\$ 1,217	\$ -	\$ -	\$ -	\$ 3,577
Prepaid items	781	5	-	-	-	786
Imprest cash	329	1	1	-	-	331
Permanent fund	-	-	-	-	-	-
<b>Total nonspendable</b>	<b>3,470</b>	<b>1,223</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>4,694</b>
<b>Restricted</b>						
Aging	-	-	-	-	-	-
Air quality planning	229	-	-	-	-	229
Airport	-	-	-	-	-	-
Auto theft interdiction	562	-	-	-	-	562
CAP local initiative program	-	-	-	-	-	-
Construction & capital projects	8,409	-	-	154,583	15,671	178,663
Court services	9,395	-	-	-	-	9,395
Debt services	1,759	-	-	2,379	-	4,138
District attorney	17,126	-	-	-	-	17,126
Domestic violence	2,139	-	-	-	-	2,139
Emergency medical services	7,095	-	-	-	-	7,095
Emergency preparedness	-	-	-	-	-	-
Endowment care	-	-	-	-	-	-
Environmental health	327	-	-	-	-	327
Public ways and facilities	-	-	236,080	17,402	-	253,482
Fire protection	-	-	-	-	-	-
Geographical info system	-	-	-	-	-	-
Hazmat	2,659	-	-	-	-	2,659
Humane services	134	-	-	-	-	134
Landscape maintenance	-	3,380	-	-	-	3,380
Libraries	-	-	-	-	-	-
Mental health	9,041	-	-	-	-	9,041
Modernization	8,792	-	-	-	-	8,792
Other purposes	3,935	-	-	-	-	3,935
Parks and recreation	-	-	-	9,413	-	9,413
Public assistance	2,725	-	-	-	-	2,725
Public health	1,540	-	-	-	-	1,540
Public protection	2,969	-	-	-	-	2,969
Public safety revenue	1,794	-	-	-	-	1,794
Roads	-	61,979	-	-	-	61,979
Sheriff patrol	8,908	-	-	-	-	8,908
Teeter tax losses	6,343	-	-	-	-	6,343
<b>Total restricted</b>	<b>95,881</b>	<b>65,359</b>	<b>236,080</b>	<b>183,777</b>	<b>15,671</b>	<b>596,768</b>

Note: Encumbrances - see Note 23 – Contingencies and Commitments

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

<b>Nonmajor Funds</b>						
<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,577	<b>Fund balances:</b>
7	-	580	-	587	1,373	<b>Nonspendable</b>
49	-	-	-	49	380	Inventory
-	-	-	701	701	701	Prepaid items
<b>56</b>	<b>-</b>	<b>580</b>	<b>701</b>	<b>1,337</b>	<b>6,031</b>	Imprest cash
						Permanent fund
						<b>Total nonspendable</b>
						<b>Restricted</b>
415	-	-	-	415	415	Aging
434	-	-	-	434	663	Air quality planning
1,344	-	-	-	1,344	1,344	Airport
-	-	-	-	-	562	Auto theft interdiction
371	-	-	-	371	371	CAP local initiative program
-	-	11,716	-	11,716	190,379	Construction & capital projects
-	-	-	-	-	9,395	Court services
-	44,768	114	-	44,882	49,020	Debt services
-	-	-	-	-	17,126	District attorney
-	-	-	-	-	2,139	Domestic violence
-	-	-	-	-	7,095	Emergency medical services
2,778	-	-	-	2,778	2,778	Emergency preparedness
-	-	-	52	52	52	Endowment care
-	-	-	-	-	327	Environmental health
-	-	-	-	-	253,482	Public ways and facilities
16,742	-	-	-	16,742	16,742	Fire protection
1,590	-	-	-	1,590	1,590	Geographical info system
-	-	-	-	-	2,659	Hazmat
-	-	-	-	-	134	Humane services
22,532	-	-	-	22,532	25,912	Landscape maintenance
31,487	-	-	-	31,487	31,487	Libraries
-	-	-	-	-	9,041	Mental health
-	-	-	-	-	8,792	Modernization
464	-	-	-	464	4,399	Other purposes
5,274	-	7,679	-	12,953	22,366	Parks and recreation
5,605	-	-	-	5,605	8,330	Public assistance
5,469	-	-	-	5,469	7,009	Public health
17	-	-	-	17	2,986	Public protection
-	-	-	-	-	1,794	Public safety revenue
1,718	-	-	-	1,718	63,697	Roads
5,417	-	-	-	5,417	14,325	Sheriff patrol
-	-	-	-	-	6,343	Teeter tax losses
<b>101,657</b>	<b>44,768</b>	<b>19,509</b>	<b>52</b>	<b>165,986</b>	<b>762,754</b>	<b>Total restricted</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

	<b>Major Funds</b>					
				<b>Public Facilities Improvements Capital Projects</b>	<b>Public Financing Authority</b>	<b>Total Major Governmental Funds</b>
	<b>General Fund</b>	<b>Transportation</b>	<b>Flood Control</b>			
<b>Fund balances:</b>						
<b>Committed</b>						
Code enforcement	\$ -	\$ 3,474	\$ -	\$ -	\$ -	\$ 3,474
Community improvement	172	-	-	-	-	172
Construction & capital projects	500	3	-	3,375	-	3,878
EDA special projects	-	-	-	-	-	-
Environmental programs	1,595	351	-	-	-	1,946
Legal services	1,214	-	-	-	-	1,214
Other purposes	2,637	-	-	-	-	2,637
Parks	-	-	-	-	-	-
Sheriff correction	16,793	-	-	-	-	16,793
Solar program	-	-	-	-	-	-
Youth protection	379	-	-	-	-	379
<b>Total committed</b>	<b>23,290</b>	<b>3,828</b>	<b>-</b>	<b>3,375</b>	<b>-</b>	<b>30,493</b>
<b>Assigned</b>						
Airports	-	-	-	-	-	-
Capital improvement projects	278	-	-	5	-	283
Construction & capital projects	-	-	-	1,220	-	1,220
Debt service	-	-	-	-	-	-
Equipment	-	6,303	-	-	-	6,303
Other purposes	86	-	-	-	-	86
Probation	3,494	-	-	-	-	3,494
Professional services	734	-	-	-	-	734
Public health	488	-	-	-	-	488
Public protection	2,676	-	-	-	-	2,676
Roads	-	8,816	-	-	-	8,816
Sheriff correction	4,708	-	-	-	-	4,708
<b>Total assigned</b>	<b>12,464</b>	<b>15,119</b>	<b>-</b>	<b>1,225</b>	<b>-</b>	<b>28,808</b>
<b>Unassigned</b>	<b>234,477</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>234,477</b>
<b>Total fund balances</b>	<b>\$ 369,582</b>	<b>\$ 85,529</b>	<b>\$ 236,081</b>	<b>\$ 188,377</b>	<b>\$ 15,671</b>	<b>\$ 895,240</b>

Note: Encumbrances - see Note 23 – Contingencies and Commitments



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

<b>Nonmajor Funds</b>						
<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Projects Funds</b>	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,474	<b>Fund balances:</b>
-	-	-	-	-	172	<b>Committed</b>
-	-	-	-	-	3,878	Code enforcement
900	-	-	-	900	900	Community improvement
-	-	-	-	-	1,946	Construction & capital projects
-	-	-	-	-	1,214	EDA special projects
-	-	-	-	-	2,637	Environmental programs
4,757	-	-	-	4,757	4,757	Legal services
-	-	-	-	-	16,793	Other purposes
703	-	-	-	703	703	Parks
-	-	-	-	-	379	Sheriff correction
<b>6,360</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,360</b>	<b>36,853</b>	Solar program
						Youth protection
						<b>Total committed</b>
						<b>Assigned</b>
1,626	-	-	-	1,626	1,626	Airports
-	-	-	-	-	283	Capital improvement projects
-	-	5,947	-	5,947	7,167	Construction & capital projects
-	4,055	-	-	4,055	4,055	Debt service
-	-	-	-	-	6,303	Equipment
3,148	-	-	-	3,148	3,234	Other purposes
-	-	-	-	-	3,494	Probation
-	-	-	-	-	734	Professional services
-	-	-	-	-	488	Public health
-	-	-	-	-	2,676	Public protection
-	-	-	-	-	8,816	Roads
-	-	-	-	-	4,708	Sheriff correction
<b>4,774</b>	<b>4,055</b>	<b>5,947</b>	<b>-</b>	<b>14,776</b>	<b>43,584</b>	<b>Total assigned</b>
-	-	-	-	-	<b>234,477</b>	<b>Unassigned</b>
<b>\$ 112,847</b>	<b>\$ 48,823</b>	<b>\$ 26,036</b>	<b>\$ 753</b>	<b>\$ 188,459</b>	<b>\$ 1,083,699</b>	<b>Total fund balances</b>



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**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**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 were incurred but are not reported (IBNR) at fiscal year end. The funding of these estimates is based on actuarial experience and projections. The County fully self-insures short-term disability and unemployment insurance. Life insurance and long-term disability programs are fully insured. Depending on the plan, group health, dental, and vision may be either self-insured or fully insured.

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

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

The activities related to such programs are accounted for in Internal Service Funds (ISF). Accordingly, estimated liabilities for claims, including loss adjustment expenses, filed or to be filed, for incidents that have occurred through June 30, 2018, 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 2017-18, the Board approved to continue reduced funding at slightly below the 60.0% confidence level for the general liability ISF and for the workers' compensation ISF. Funding for the medical malpractice ISF was at the 70.0% confidence level. Revenues for these internal service funds are primarily provided by other County departments and are intended to cover the self-insured claim payments, insurance premiums, and operating expenses. The revenue is not used to cover catastrophic events and/or other uninsured liabilities. Cash available in the risk management and workers' compensation ISF at June 30, 2018, plus revenues to be collected during fiscal year 2018-19, are \$246.3 million. The liabilities are discounted at 2.0% for general liability and medical malpractice and 2.5% for workers' compensation.

	Auto & General Liabilities	Medical Malpractice	Workers' Compensation	Total
Unpaid claims, beginning of FY 2016-17	\$ 85,709	\$ 14,896	\$ 103,293	\$ 203,898
Increase in provision for insured events of prior years	2,424	(511)	4,592	6,505
Incurred claims for current year	62,861	3,914	29,574	96,349
Claim payments	(35,038)	(2,022)	(23,430)	(60,490)
Unpaid claims, end of FY 2017-18	<u>\$ 115,956</u>	<u>\$ 16,277</u>	<u>\$ 114,029</u>	<u>\$ 246,262</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed at a per diem rate based upon estimated certified public expenditures (CPEs) and outpatient services are reimbursed under a schedule of maximum allowable reimbursement provided by the California Department of Health Care Services. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed based upon pre-established rates for diagnostic-related groups. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology subject to payment caps and indexing formulas. RUHS-MC is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by RUHS-MC and audit thereof by the Medicare fiscal intermediary. Normal estimation differences between final settlements and amounts accrued in previous years are reflected in net patient services revenue. The fiscal intermediary has audited RUHS-MC's Medicare cost reports through June 30, 2015 and Medi-Cal cost reports through June 30, 2016. RUHS-MC has received notices of program reimbursement (NPR), a written notice reflecting the intermediary's final determination of the total amount of reimbursement due the medical center for Medicare through June 30, 2015. For Medi-Cal Fee for Service, RUHS-MC is settled through the California public hospital P-14 cost reports. Notice of final settlement has been received through June 30, 2009.

California's 1115 Waiver Renewal Medi-Cal 2020 was approved on December 30, 2015 by the Centers for Medicare and Medicaid Services. In connection with Medi-Cal 2020, the Global Payment Program (GPP) establishes a statewide pool of funding for uninsured by combining Disproportionate Share Hospital Program (DSH) and uncompensated care funding. GPP incentivizes Designated Public Hospitals (DPH) to deliver more cost-effective and higher value care for indigent, uninsured individuals. GPP combines funding into global budgets for DPHs to draw down by earning points for services provided to uninsured patients. For fiscal year ending June 30, 2018, RUHS-MC recognized \$56.3 million of GPP revenue. The Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program is designed to build upon the foundational delivery system transformation work, expansion of coverage, and increased access to coordinated primary care achieved through the prior California Section 1115 Bridge to Reform demonstration. PRIME is a pay-for-performance program that uses evidence-based quality improvement methods to achieve performance targets and improve health outcomes for patients. RUHS-MC recognized \$30.3 million in PRIME for fiscal year ending June 30, 2018.

**Redirection of 1991 State Health Realignment**

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

The redirected amount was determined according to an agreed to formula option for California's twelve public hospital system counties, thirty-four County Medical Services Program (CMSP) counties, and the remaining twelve counties (Article 13 counties). The formula options were developed in consultation with the counties and California

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

Department of Health Care Services (DHCS) to ensure continued viability of the county safety net. For CMSP counties, AB 85 outlines that 60% of health-realignment that would have otherwise been received will be redirected, while the remaining two county groups had an option to either have 60% of health realignment redirected, or to use a formula-based approach that takes into account a county's cost and revenue experience, and redirect 80% (70% in FY 13-14) of the savings realized by the county.

RUHS-MC is fully reserved for any estimated liabilities due back to the State for any State health realignment overpayments. RUHS-MC recognized \$6.8 million in revenue for the fiscal year ending June 30, 2018 from state health realignment.

**NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS**

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

A representation of the jointly governed organizations on which the County served at June 30, 2018 follows:

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

Coachella Valley Association of Governments (the Association) 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, and Temecula, and the County of Riverside for the purpose of planning, acquiring, administering, operating, and maintaining land and facilities for ecosystem conservation and habitat reserves for the Stephen's Kangaroo Rat and other endangered species under Article 1, Chapter 5, Division 7, Title 1 of the Government Code.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

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

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

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

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

Palm Springs Visitors and Convention Bureau was 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 was formed in January 2004 with the responsibility of issuing the permits required to implement the Multi-Species Habitat Conservation Plan, which will ultimately create a 500,000-acre reserve system in the County. The conservation plan's proposed reserve system protects habitat for 146 varieties of species.

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

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

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 20 – RETIREMENT PLAN**

**General Information about the Pension Plans**

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

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

Summary of Benefits by plan:

	Plan	Employer Paid Member Contribution (EPMC)	Earliest Retirement Age	PEPRA Compensation Limits	Final Compensation	Effective Date
<u><b>Tier I</b></u>						
County Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
County Safety	3.0% at 50	Yes	50	N/A	12 months	N/A
Flood Control Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Park District Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Waste Resources Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
<u><b>Tier II</b></u>						
County Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
County Safety	2.0% at 50	No	50	N/A	36 months	8/23/2012
Flood Control Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Park District Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Waste Resources Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A
<u><b>Tier III (PEPRA)</b></u>						
County Miscellaneous	2.0% at 62	No	52	\$ 121,388	36 months	1/1/2013
County Safety	2.7% at 57	No	50	\$ 145,666	36 months	1/1/2013
Flood Control Miscellaneous	2.0% at 62	No	52	\$ 121,388	36 months	1/1/2013
Park District Miscellaneous	2.0% at 62	No	52	\$ 121,388	36 months	1/1/2013
Waste Resources Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

*Employees covered by benefit terms.* At June 30, 2018, the following employees were covered by the benefit terms:

	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	10,132	2,391	232	75	105
Inactive employees entitled to but yet receiving benefits	12,580	1,167	129	165	47
Active employees	17,201	3,731	227	169	22
	<u>39,913</u>	<u>7,289</u>	<u>588</u>	<u>409</u>	<u>174</u>

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

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

For fiscal year 2017-18, the employer and employee contribution rates were:

	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
County contribution rates:					
County Tier I	16.9%	28.2%	24.7%	13.5%	13.5%
County Tier II	16.9%	28.2%	24.7%	7.9%	N/A
County Tier III	16.9%	28.2%	24.7%	6.9%	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% *	5.5%	6.5%	N/A

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

**Net Pension Liability**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

*Actuarial assumptions.* For the measurement period ending June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

By Plan	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial Assumptions:					
Discount Rate	7.15%	7.15%	7.15%	7.15%	7.15%
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services
Investment Rate of Return	7.15%	7.15%	7.15%	7.15%	7.15%
Mortality Rate Table for all Plans <sup>(1)</sup>	Derived using CalPERS' Membership Data for all Funds				
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter				

- <sup>(1)</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. More details on this table are available in the 2014 experience study report (based on CalPERS demographic data from 1997 to 2011).

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

*Change of assumptions.* In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

*Discount rate.* The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term,

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80	2.27
Inflation Sensitive	6.0%	0.60	1.39
Private Equity	12.0%	6.60	6.63
Real Estate	11.0%	2.80	5.21
Infrastructure and Forestland	3.0%	3.90	5.36
Liquidity	2.0%	(2.20)	(2.70)

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

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

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

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

	<u>County</u>		<u>Flood Control</u>	
<u>Measurement Period June 30, 2017</u>	<u>Miscellaneous</u>	<u>County Safety</u>	<u>Miscellaneous</u>	<u>Total</u>
Total pension liability				
Service cost	\$ 211,842	\$ 101,987	\$ 3,196	\$ 317,025
Interest	501,855	229,003	13,182	744,040
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	151,001	13,324	4,317	168,642
Changes of assumptions	450,226	215,024	11,057	676,307
Benefit payments, including refunds of employee contributions	(259,302)	(115,929)	(8,387)	(383,618)
Net change in total pension liability	1,055,622	443,409	23,365	1,522,396
Total pension liability - beginning (a)	6,198,152	2,981,468	171,582	9,351,202
Total pension liability - ending (c)	\$ 7,253,774	\$ 3,424,877	\$ 194,947	\$ 10,873,598
Plan fiduciary net position				
Contributions - employer	\$ 164,307	\$ 85,091	\$ 3,899	\$ 253,297
Contributions - employee	87,201	33,623	1,343	122,167
Net investment income	540,579	243,597	12,842	797,018
Benefit payments, including refunds of employee contributions	(259,302)	(115,929)	(8,387)	(383,618)
Administrative expense	(7,122)	(3,184)	(171)	(10,477)
Net change in plan fiduciary net position	525,663	243,198	9,526	778,387
Plan fiduciary net position - beginning (b)	4,564,796	2,156,829	116,480	6,838,105
Plan fiduciary net position - ending (d)	\$ 5,090,459	\$ 2,400,027	\$ 126,006	\$ 7,616,492
Net pension liability - beginning (a) - (b)	1,633,356	824,639	55,102	2,513,097
Net pension liability - ending (c) - (d)	\$ 2,163,315	\$ 1,024,850	\$ 68,941	\$ 3,257,106

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

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

	Park District Miscellaneous Increase (Decrease)			Waste Resources Miscellaneous Increase (Decrease)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Net Pension Liability
	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)	
Balance at 06/30/2016	\$ 37,974	\$ 28,823	\$ 9,151	\$ 45,402	\$ 33,112	\$ 12,290	\$ 21,441
Balance at 06/30/2017	\$ 43,486	\$ 32,747	\$ 10,739	\$ 50,676	\$ 36,548	\$ 14,128	\$ 24,867
Net changes during 2016-17	\$ 5,512	\$ 3,924	\$ 1,588	\$ 5,274	\$ 3,436	\$ 1,838	\$ 3,426

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

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Total Net Pension Liability
County Miscellaneous	\$ 1,738,414	\$ 419,670	\$ 5,231	2,163,315
County Safety	1,024,850	-	-	1,024,850
Flood Control Miscellaneous	66,639	2,302	-	68,941
Park District Miscellaneous	10,739	-	-	10,739
Waste Resources Miscellaneous	-	14,128	-	14,128
Total:	<u>\$ 2,840,642</u>	<u>\$ 436,100</u>	<u>\$ 5,231</u>	<u>3,281,973</u>

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

The following presents the County's net pension liability, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate (In thousands):

Net Pension Liability By Plan	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
County Miscellaneous	\$ 3,288,949	\$ 2,163,315	\$ 1,258,283
County Safety	1,564,505	1,024,850	588,548
Flood Control Miscellaneous	95,643	68,941	46,917
Park District Miscellaneous	16,741	10,739	5,769
Waste Resources Miscellaneous	22,024	14,128	7,589
Total:	<u>\$ 4,987,862</u>	<u>\$ 3,281,973</u>	<u>\$ 1,907,106</u>

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

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

*Recognition of Gains and Losses*

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

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

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is five year straight-line amortization. All other amounts are straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning measurement period.

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

The EARSL for the plan for the 2016-17 measurement period was obtained by dividing the total service years of the sum of remaining service lifetimes of the active employees by the total number of participants (active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. The future service is based on the members' probability of decrementing due to an event other than receiving cash refund.

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

For the measurement period ending June 30, 2017, the Park District and Waste Resources reported a liability of \$10.7 million and \$14.1 million, respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The proportion of the net pension liability was based on a projection of long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Park District's and Waste Resources' proportions were 0.27243 percent and 0.35839 percent, respectively, which was an increase of 0.00898 percent and 0.00462 percent, respectively, from their proportion measured as of June 30, 2016.

For the year-ended June 30, 2018, the County recognized pension expense of \$663.4 million. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

At June 30, 2018, the deferred outflows of resources and deferred inflows of resources related to pensions are reported from the following sources (In thousands):

	Agent Multiple-Employer			Cost Sharing Multiple-Employer		
	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Deferred Outflows of Resources By Plan:						
Difference between projected and actual earnings on pension plan investments - investment earnings less than projected	\$ 304,010	\$ 136,988	\$ 7,462	\$ 1,879	\$ 2,163	\$ 452,502
Difference between expected and actual experience	198,216	55,146	4,904	15	17	258,298
Change of assumptions	345,521	179,186	7,986	1,815	2,142	536,650
Adjustment due to differences in proportions	-	-	-	574	687	1,261
Sub-total	847,747	371,320	20,352	4,283	5,009	1,248,711
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	182,070	91,224	4,252	1,094	900	279,540
Total	\$ 1,029,817	\$ 462,544	\$ 24,604	\$ 5,377	\$ 5,909	\$ 1,528,251

\$279.5 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

	Agent Multiple-Employer			Cost Sharing Multiple-Employer		
Deferred Inflows of Resources By Plan:	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Difference between projected and actual earnings on pension plan investments - investment earnings less than projected	\$ (239,072)	\$ (107,715)	\$ (5,743)	\$ (1,469)	\$ (1,712)	\$ (355,711)
Difference between expected and actual experience	-	-	-	(210)	(243)	(453)
Change of assumptions	(33,232)	(27,248)	(596)	(138)	(161)	(61,375)
Adjustment due to differences in proportions	-	-	-	-	(297)	(297)
Difference in employer contributions and proportionate share of contributions	-	-	-	(130)	-	(130)
Total	\$ (272,304)	\$ (134,963)	\$ (6,339)	\$ (1,947)	\$ (2,413)	\$ (417,966)

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

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Total
Deferred Outflows of Resources	\$ 1,313,012	\$ 212,590	\$ 2,649	\$ 1,528,251
Deferred Inflows of Resources	\$ (363,006)	\$ (54,880)	\$ (80)	\$ (417,966)

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

Year Ended	County		Flood Control	Park District	Waste Resources	
June 30	Miscellaneous	County Safety	Miscellaneous	Miscellaneous	Miscellaneous	Total
2019	\$ 148,675	\$ 40,136	\$ 4,824	\$ 670	\$ 616	\$ 194,921
2020	243,878	75,985	6,837	1,195	1,337	329,232
2021	180,740	53,322	3,283	714	844	238,903
2022	2,150	27,311	(931)	(243)	(201)	28,086
2023	-	39,603	-	-	-	39,603
Thereafter	-	-	-	-	-	-
	<u>\$ 575,443</u>	<u>\$ 236,357</u>	<u>\$ 14,013</u>	<u>\$ 2,336</u>	<u>\$ 2,596</u>	<u>\$ 830,745</u>

**Payable to the Pension Plan**

At June 30, 2018, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2018.

**NOTE 21 – DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

*Plan Description.* The County provides a Part-time and Temporary Employees' Retirement Plan (the Plan) to provide retirement benefits to eligible employees as a substitute for benefits under social security. The Plan is an IRS Section 401(a) defined benefit plan and agent multiple-employer defined benefit pension plan under GASB No. Statement No. 68. This Plan is self-funded and self-administered. Effective July 20, 2010, the County Board of Supervisors appointed U.S. Bank as the Plan's investment consultant, investment manager and trustee. Contributions made to the Plan are deposited with U.S. Bank, who maintains the responsibility of investing contributions in a diversified portfolio and reported at fair value. No financial report has been issued separately for public view under the defined benefit pension plan.

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

*Employees covered by benefit terms.* At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	250
Inactive employees entitled to but yet receiving benefits	6,860
Active employees	<u>2,019</u>
	<u>9,129</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

*Contributions.* Participants in the Plan are required to contribute 3.75% of their compensation to the Plan. According to the July 1, 2017 valuation, the County's current required contribution rate is 1.87%. Overall, the Plan's unfunded actuarially accrued liability (UAAL) decreased from the prior valuation due to the net result of the following: 1) assets were higher than expected due to favorable investment return on plan assets (13.12% actual compared to 6.0% assumed), 2) demographic experience was different than expected which resulted in a liability loss, 3) updates to the assumed mortality improvement scale resulted in a reduction in liabilities, and 4) higher discount rate resulted in a GASB liability gain. The Plan's current funded ratio is 90%. The Plan actuary calculates the minimum recommended employer contribution rate through preparation of an actuarial valuation report and the County determines the contribution rates. Administrative costs of the Plan are paid by the Trustee from Plan assets.

**Net Pension Liability**

The County's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

*Actuarial assumptions.* The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The mortality rates for active employees are based on RP-2006 combined annuitant/non-annuitant table with the generational future improvement from 2006 using scale MP-2017. The mortality rates for inactive employees no longer accruing benefits are based on the most recent CalPERS mortality table developed in 1997-2011 CalPERS Experience Study, with generational future improvement from 2008 using scale MP-2017.

The actuarial assumption used in the July 1, 2017 valuation was based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2017.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Nominal</u>	
		<u>Return</u>	<u>Expected Volatility</u>
Cash	0.70%	1.7%	0.3%
Domestic Equity	48.46%	7.1%	15.7%
Developed International Equity	17.93%	8.4%	17.1%
Aggregate Fixed Income	32.91%	2.2%	3.3%

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

*Discount rate.* The discount rate used to measure the total pension liability was 6.0 percent. The projected cash flow used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (In thousands):

	Governmental Activities Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
<b>Measurement Period June 30, 2016</b>	<b>\$ 38,789</b>	<b>\$ 32,133</b>	<b>\$ 6,656</b>
<b>Changes of the year:</b>			
Service cost	1,914	-	1,914
Interest Cost	2,358	-	2,358
Differences between expected and actual experience	1,457	-	1,457
Change of assumptions	(746)	-	(746)
Benefit payments, including refunds of employee contributions	(1,757)	(1,757)	-
Contributions - employer	-	1,341	(1,341)
Contributions - employee	-	1,674	(1,674)
Net investment income (loss)	-	4,289	(4,289)
Administrative expense	-	(128)	128
<b>Net changes</b>	<b>3,226</b>	<b>5,419</b>	<b>(2,193)</b>
<b>Measurement Period June 30, 2017</b>	<b>\$ 42,015</b>	<b>\$ 37,552</b>	<b>\$ 4,463</b>

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

- 1) Update to GASB Statement No. 68 discount rate from 5.92% as of 7/1/2016 to 6.00% as of 7/1/2017 to reflect revised projection of assets and municipal bond index as of 7/1/2017.
- 2) Update to assumed mortality improvement scale from MP-2016 to MP-2017.

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

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Net Pension Liability	\$ 11,197	\$ 4,463	\$ (1,187)



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

*Pension plan fiduciary net position*

Statement of Fiduciary Net Position June 30, 2018		Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended June 30, 2018	
<u>ASSETS</u>	Pension Trust	ADDITIONS:	
Cash and investments	\$ 41,468	Contributions to pension trust:	
Accounts receivable	162	Employer	\$ 815
Total assets	<u>41,630</u>	Employee	1,630
		Investment income	<u>3,261</u>
		Total additions	<u>5,706</u>
<u>LIABILITIES</u>		DEDUCTIONS:	
Accounts payable	-	Benefits paid to participants	<u>1,687</u>
Total liabilities	<u>-</u>	Total deductions	<u>1,687</u>
<u>NET POSITION</u>		Net position, beginning of the year	<u>37,611</u>
Restricted for pension benefits	<u>\$ 41,630</u>	Net position, end of the year	<u>\$ 41,630</u>

*Subsequent Events*

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

*Recognition of Gains and Losses*

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

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

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is five year straight-line amortization. All other amounts are straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning measurement period.

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

The EARSL for the Plan for the 2016-17 measurement period is 7.97 years, which was obtained by dividing the total service years of 72,758 (the sum of remaining service lifetimes of the active employees) by 9,129 (total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving cash refund.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**

For the year ended June 30, 2018, the County recognized pension expense of \$1.4 million. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (In thousands):

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,507	\$ -
Changes of assumptions	1,905	(1,097)
Net difference between projected and actual earnings on pension plan investments	1,996	(2,420)
Sub-total	7,408	(3,517)
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	773	-
Total	<u>\$ 8,181</u>	<u>\$ (3,517)</u>

\$773.0 thousand reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a deduction of the net pension liability in the year ended June 30, 2018.

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

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	\$ 573
2020	1,109
2021	724
2022	316
2023	649
Thereafter	520
	<u>\$ 3,891</u>

**Payable to the Pension Plan**

At June 30, 2018, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2018.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

***General Information about the OPEB Plan***

*Plan description.* The County and its Special Districts, Flood Control, Park District, and Waste Resources, provide a postemployment benefits plan to all full-time general and public safety employees. The postemployment benefit plan is an agent multiple-employer defined benefit OPEB plan. A qualified Internal Revenue Code Section 115 Trust has been established for the County and its Special Districts, with the exception of Waste Resources, with the California Employers' Retiree Benefit Trust (CERBT) for the purpose of receiving employer contributions that will prefund health and other post employment costs for retirees and their beneficiaries. The CERBT administers each plan's assets and issues a financial report available for public review, which includes financial statements and required supplementary information for the trust fund. The CERBT report may be obtained from CalPERS Affiliate Programs Services Division, CERBT (OPEB), P.O. Box 1494 Sacramento, CA 95812-1494. Waste Resources Postretirement Benefits Plan is a single employer defined benefit OPEB plan administered by the Waste Resources Department and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Benefits provided.* The County provides retiree medical benefits for eligible retirees enrolled County sponsored plans. Benefit provisions are established and amended through negotiations between the County and the respective unions. Former employees eligible for CalPERS pension benefits but who are not eligible for retirement at termination of employment are not eligible for retiree health benefits. The benefits are provided in the form of monthly County contributions toward the retiree's medical premium and contribution of \$25 per month to the Riverside Sheriffs' Association (RSA) Benefits 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.

*Employees covered by benefit terms.* At June 30, 2018, the following employees were covered by the benefit terms:

	County		Waste	
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Resources Miscellaneous
Inactive employees or beneficiaries currently receiving benefit payments	2,194	32	8	23
Inactive employees entitled to but not yet receiving benefit payments	-	-	-	-
Active employees	19,171	226	112	19
	<u>21,365</u>	<u>258</u>	<u>120</u>	<u>42</u>

*Contributions.* 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 County contributes a portion of an eligible retiree's medical plan premium under a County's sponsored health plan (either at retirement or during a subsequent annual enrollment) for the retiree's lifetime. The current monthly amount paid by the County ranges from \$25 - \$256, depending on the retiree's bargaining unit at retirement. Contributions are based on the employee's bargaining unit at the time of retirement, as shown on next page:

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Bargaining Unit	Monthly Contribution			
	County	Flood Control	Park District	Waste
	Miscellaneous and Safety	Miscellaneous	Miscellaneous	Resources Miscellaneous
Confidential	\$ 256.00	\$ 256.00	N/A	N/A
Law Enforcement Management Unit	\$ 133.12	N/A	N/A	N/A
Law Enforcement Executive Staff	\$ 256.00	N/A	N/A	N/A
LIUNA	\$ 25.00	\$ 25.00	N/A	N/A
Management (General)	\$ 256.00	\$ 256.00	\$ 256.00	\$ 256.00
District Attorneys	\$ 256.00	N/A	N/A	N/A
RSA Law Enforcement	\$ 25.00	N/A	N/A	N/A
RSA Public Safety	\$ 133.12	N/A	N/A	N/A
SEIU	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Unrepresented	\$ 256.00	N/A	N/A	N/A

***Net OPEB (Asset)/Liability***

The net OPEB (asset)/liability of the County, Flood Control and Park District was measured as of June 30, 2017, and the total OPEB (asset)/liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of July 1, 2017.

*Actuarial assumptions.* The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	County	Flood Control	Park District
	Miscellaneous and Safety	Miscellaneous	Miscellaneous
Inflation	2.75%	2.75%	2.75%
Salary Increases	3.0%	3.0%	3.0%
Investment Rate of Return*	6.73%	6.12%	7.28%

\*Net of OPEB plan investment expense, including inflation

County Miscellaneous and Safety Plan: The healthcare cost trend rate for the Pre Medicare Plan was 7.9 percent, decreasing 0.4 percent per year to an ultimate rate of 5.0 percent for 2018 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.8 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2018 and later years.

Flood Control Miscellaneous Plan: The medical trend rates are not applied to the Park District Miscellaneous plan. All benefits are assumed to remain at their current level.

Mortality rates are based on the most recent CalPERS mortality table developed in the 1997 to 2011 CalPERS Experience study, with generational future improvements from 2008 using scale MP-2017.

The actuarial assumptions used in the July 1 2017 valuation were based on the results of the 1997 to 2011 CalPERS Experience Study.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

***Total OPEB Liability***

The Waste Resources' total OPEB liability of \$630.3 thousand was measured as of June 30, 2017, and was determined by an actuarial valuation as of July 1, 2017.

*Actuarial assumptions and other inputs.* The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	Waste Resources <u>Miscellaneous</u>
Inflation	2.75%
Salary Increases	3.0%
Discount rate	3.58%
Healthcare cost trend rates	All benefits are assumed to remain at current level.
Retiree's share of benefit-related costs	Retirees pay the premiums in excess of the County contributions.

Since the plan is unfunded, the discount rates used in the valuation equal to 20-year municipal bond yields that are in effect as of 7/1/2016 and 7/1/2017.

Mortality rates are based on the most recent CalPERS mortality table developed in the 1997 to 2011 CalPERS Experience Study, with generational future improvements using scale MP-2017.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study period for the period of July 1, 2016 to June 30, 2017.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	40.0%	5.71%
Fixed Income	39.0%	2.40%
Treasury Inflation-Protected Securities	10.0%	2.55%
Real Estate Investment Trust	8.0%	7.88%
Commodities	3.0%	4.95%
Total	<u>100.0%</u>	

*Discount rate.* The discount rate used to measure the total OPEB liability was 3.58 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore,

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Changes in the Net OPEB (Asset)/Liability for Agent Multiple-Employer Defined Benefit OPEB Plan Administered Through Trusts**

	County			
Measurement Period June 30, 2017	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Total
Total OPEB liability				
Service cost	\$ 700	\$ 4	\$ 3	\$ 707
Interest on the total OPEB liability	3,010	30	8	3,048
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	5,814	19	23	5,856
Changes of assumptions	3,186	(2)	(2)	3,182
Benefit payments	(2,841)	(32)	(8)	(2,881)
Net change in total OPEB liability	9,869	19	24	9,912
Total OPEB liability - beginning (a)	42,049	498	116	42,663
Total OPEB liability - ending (c)	\$ 51,918	\$ 517	\$ 140	\$ 52,575
Plan fiduciary net position				
Contributions - employer	\$ 1,909	\$ -	\$ -	\$ 1,909
Contributions - employee	-	-	-	-
Net investment income	3,612	23	33	3,668
Benefit payments	(2,841)	(32)	(8)	(2,881)
Administrative expense	(17)	-	-	(17)
Net change in plan fiduciary net position	2,663	(9)	25	2,679
Plan fiduciary net position - beginning (b)	34,116	555	308	34,979
Plan fiduciary net position - ending (d)	\$ 36,779	\$ 546	\$ 333	\$ 37,658
Net OPEB (asset)/liability - beginning (a) - (b)	7,933	(57)	(192)	7,684
Net OPEB (asset)/liability - ending (c) - (d)	\$ 15,139	\$ (29)	\$ (193)	\$ 14,917

The assumptions were changed from the prior valuation as follow:

County Miscellaneous and Safety Plan: 1) Discount rate changed from 7.28% to 6.73%, 2) Mortality improvement was updated from scale MP-2016 to scale MP-2017, and 3) The claims table was updated to reflect most recent CalPERS monthly premiums available for 2018. Aging factors are also updated to reflect the most recent CalPERS demographic experience, and 4) Medical trend rate was updated to reflect the current long term expected growth of medical benefits.

Flood Control Miscellaneous Plan: Mortality improvement was updated to use scale MP-2017.

Park District Miscellaneous Plan: Mortality improvement was updated to use scale MP-2017.

Waste Resources Miscellaneous Plan: Mortality improvement was updated to use scale MP-2017 and discount rate changed from 2.85% to 3.58%.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Changes in the Total OPEB Liability for Agent Multiple-Employer Defined Benefit OPEB Plan Not Administered Through Trusts**

	Business-type Activities Waste Resources <u>Miscellaneous</u>
Measurement Period June 30, 2017	
Changes for the year:	
Service cost	\$ 4
Interest	25
Changes of benefit terms	-
Differences between expected and actual experience	(183)
Changes in assumptions or other inputs	(81)
Benefit payments	(40)
Net changes	(275)
Total OPEB liability - beginning	905
Total OPEB liability - ending	<u>\$ 630</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017, and mortality improvement was updated to use scale MP-2017.

The following tables shows the Net OPEB Asset and Liability, and Total OPEB Liability by primary government (In thousands).

	Governmental Activities	Business-type Activities	Total
Net OPEB Asset	\$ 222	\$ -	\$ 222
Net OPEB Liability	\$ 12,927	\$ 2,212	\$ 15,139
Total OPEB Liability	\$ -	\$ 630	\$ 630

*Sensitivity of the net OPEB (asset)/liability to changes in the discount rate.* The following presents the net OPEB (asset)/liability, as well as what the net OPEB (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>Net OPEB (Asset)/Liability</u>		
	1% Decrease (5.73%)	Discount Rate (6.73%)	1% Increase (7.73%)
County Miscellaneous and Safety	\$ 22,061	\$ 15,139	\$ 9,502

	<u>Net OPEB (Asset)/Liability</u>		
	1% Decrease (5.12%)	Discount Rate (6.12%)	1% Increase (7.12%)
Flood Control Miscellaneous	\$ 27	\$ (29)	\$ (76)

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

	Net OPEB (Asset)/Liability		
	1% Decrease	Discount Rate	1% Increase
	(6.28%)	(7.28%)	(8.28%)
Park District Miscellaneous	\$ (178)	\$ (193)	\$ (206)

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Total OPEB Liability		
	1% Decrease	Discount Rate	1% Increase
	(2.58%)	(3.58%)	(4.58%)
Waste Resources Miscellaneous	\$ 707	\$ 630	\$ 566

*Sensitivity of the net OPEB (asset)/liability to changes in the healthcare cost trend rates.* The following presents the net OPEB (asset)/liability, as well as what the net OPEB (asset)/liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(6.9% decreasing to 4.0%)	(7.9% decreasing to 5.0%)	(8.9% decreasing to 6.0%)
County Miscellaneous and Safety (Pre Medicare Plan)	\$ 11,230	\$ 15,139	\$ 20,065

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(7.8% decreasing to 4.0%)	(8.8% decreasing to 5.0%)	(9.8% decreasing to 6.0%)
County Miscellaneous and Safety (Post Medicare Plan)	\$ 11,230	\$ 15,139	\$ 20,065

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Flood Control Miscellaneous*	\$ (29)	\$ (29)	\$ (29)

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Park District Miscellaneous*	\$ (193)	\$ (193)	\$ (193)

\*The medical trend rates are not applied to Flood Control and Park District Miscellaneous plans. All benefits are assumed to remain at their current level.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Total OPEB Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Waste Resources Miscellaneous	\$ 630	\$ 630	\$ 630

The medical trend rates are not applied to the Waste Resources Miscellaneous plan. All benefits are assumed to remain at their current level.

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, \$1.9 million was recognized as OPEB expense. At June 30, 2018, the deferred outflows of resources and deferred inflows of resources related to OPEB were reported from the following sources.

	County				Total
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	
Deferred Outflows of Resources By Plan:					
Difference between expected and actual experience	\$ 5,196	\$ 17	\$ 21	\$ -	\$ 5,234
Difference between expected and actual earnings on OPEB plan investments	-	8	-	-	8
Changes of assumptions	2,849	-	-	-	2,849
Sub-total	8,045	25	21	-	8,091
Contributions made in fiscal year ending 6/30/2018 after measurement date	3,457	36	-	2	3,495
Total	\$ 11,502	\$ 61	\$ 21	\$ 2	\$ 11,586

\$3.5 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

	County				Total
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	
Deferred Inflows of Resources By Plan:					
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ (112)	\$ (112)
Difference between expected and actual earnings on OPEB plan investments	(932)	-	(8)	-	(940)
Changes of assumptions	-	(2)	(3)	(49)	(54)
Total	\$ (932)	\$ (2)	\$ (11)	\$ (161)	\$ (1,106)

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

The table below summarizes the total deferred outflows of resources and deferred inflows of resources by primary government (In thousands).

	Governmental Activities	Business-type Activities	Total
Deferred Outflows of Resources	\$ 9,903	\$ 1,683	\$ 11,586
Deferred Inflows of Resources	\$ (808)	\$ (298)	\$ (1,106)

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

Year Ended June 30	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
2019	\$ 722	\$ 4	\$ -	\$ (102)	\$ 624
2020	722	4	-	(59)	667
2021	722	4	-	-	726
2022	722	4	-	-	726
2023	955	2	3	-	960
Thereafter	3,270	5	7	-	3,282
	<u>\$ 7,113</u>	<u>\$ 23</u>	<u>\$ 10</u>	<u>\$ (161)</u>	<u>\$ 6,985</u>

**Payable to the OPEB Plan**

At June 30, 2018, there is no outstanding amount of contributions payable to the OPEB plan required for the year ended June 30, 2018.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 23 – COMMITMENTS AND CONTINGENCIES**

**Lawsuits and Other Claims**

The County has been named as a defendant in various lawsuits and claims arising in the normal course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, such loss has been accrued in the accompanying basic financial statements. Litigation where loss to the County is reasonably possible has not been accrued. In the opinion of management, the ultimate outcome of these claims will not materially affect the operations of the County.

**Federal Grant Revenue**

Compliance examinations for the fiscal year ended June 30, 2017, indicated no items found of noncompliance with Federal grants and regulations. The fiscal year 2017-18 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2019.

**Commitments**

At June 30, 2018 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. \$201.0 million will be payable upon future performance under the contracts.

**Landfill Construction and Consulting Contracts**

Waste Resources enters into various construction and consulting contracts to facilitate its landfill operations and continues the process of installing landfill liners as needed at Badlands and Lamb Canyon landfills, in accordance with state and federal laws and regulations. Waste Resources does not anticipate a new area landfill expansion at the Lamb Canyon landfill in the next five years, but does plan to complete two expansion projects at Badlands landfill which will increase refuse airspace and days of site life in the current burial area. The northwestern berm construction at the Badlands landfill will cost approximately \$1.9 million and the cost of the 7.2-acre liner expansion on the north part of the site is now estimated at \$2.2 million. Both Badlands landfill projects are expected to be completed in the next five years.

**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 is required. In addition to groundwater contamination, asbestos has been found in six facilities. As of June 30, 2018, the accrued remediation liability is \$983.7 thousand. 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*

The Waste Resources Department has established restricted cash funds to set aside for future remediation costs as they are required to be performed. Investments of \$33.4 million are held for these purposes at June 30, 2018 and are classified as accrued remediation in the statements of net position.

The Waste Resources Department is aware of air/gas contamination at 17 landfills, 11 of which are closed, and required to have corrective action plans. Based on engineering studies, Waste Resources estimates the present value of the total costs of corrective action for foreseeable water quality contaminant releases, and/or non-water quality corrective action measures, at \$41.9 million as of June 30, 2018.

In addition to the liability amounts calculated per CalRecycle regulations that are designated to the Escrow Funds, the Waste Resources Department is also responsible for the corrective action costs related to 19 other landfill sites that

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 23 – COMMITMENTS AND CONTINGENCIES (Continued)**

have been inactive or closed since before 1988. Liability for these sites fluctuates dependent on the needs of each site and changes to or the implementation of laws and regulations. As of June 30, 2018, the post-closure liability is estimated at \$3.8 million.

**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 source(s) of funding, encumbrances are reported as part of restricted or assigned fund balance on the governmental funds balance sheet. As of June 30, 2018, the encumbrance balances for the governmental funds are reported as follows (In thousands):

	<u>Restricted</u>	<u>Assigned</u>	<u>Total</u>
<b>Major Governmental Funds</b>			
<b>General Fund:</b>			
Criminal justice system review	\$ -	\$ 207	\$ 207
Energy projects	-	12	12
Fire protection	-	2,627	2,627
Health care programs	-	488	488
Legal services	-	8	8
Other purpose	-	19	19
Probation programs	-	3,494	3,494
Sheriff correction	-	1,728	1,728
Sheriff court services	-	7	7
Sheriff patrol	-	2,493	2,493
Sheriff support	-	460	460
Veteran services	-	74	74
Donations	-	176	176
Treasurer tax collector projects	-	324	324
Sheriff coroner	-	20	20
Agricultural commissioner projects	-	49	49
Facilities maintenance	-	278	278
<b>Transportation:</b>			
Equipment	1,188	-	1,188
Roads	281	-	281
<b>Nonmajor Governmental Funds</b>			
<b>Special Revenue Funds:</b>			
Library services	47	-	47
Public ways and facilities	67	-	67
Purpose of fund	127	190	317
Parks projects	12	-	12
<b>Capital Projects Funds:</b>			
Capital improvement projects	-	1,067	1,067
Parks projects	40	-	40
<b>Total Encumbrances</b>	<b>\$ 1,762</b>	<b>\$ 13,721</b>	<b>\$ 15,483</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

**NOTE 24 – SUBSEQUENT EVENTS**

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

On July 2, 2018, the County issued \$340.0 million in Tax and Revenue Anticipation Notes in the form of a 2019 Maturity bond due June 28, 2019. The stated interest rate for the bond is set at 4.0% per annum with a yield of 1.55%. 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 2019 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2019 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 2018, Fitch, one of the three major credit ratings, has assigned the County's bonds and certificates of participation ratings as follows:

- Riverside County implied general obligation (GO) bond rating at 'AA-'.
- Riverside County pension obligation bonds (POB-Series 2005A) at 'A+'.
- Riverside County certificates of participation (COPs-, 2005A, 2007A, 2007B, 2009) at 'A+'.
- Riverside County Asset Leasing Corporation certificates of participation (CORAL- COPS/Series 2006A and lease revenue bonds (LRBs), Series 1997A, 1997B, 1997C, 2013A) at 'A+'.
- Riverside County Public Financing Authority (LRBs) (Series 2012 and 2015) at 'A+'.
- Riverside County Infrastructure Financing Authority Lease Revenue Bonds (2015 Series A, 2016 Series A and A-T, Series 2017 A, B, and C) at 'A+'.

Fitch's reasoning is summarized in the following paragraphs:

The County's economy is large, diverse, and well-situated for long-term growth. It has affordable housing stock, capacity for additional development, proximity to employment centers including San Bernardino, Orange County, and Los Angeles, and a location along a major distribution route. The County is exposed to considerable housing market and tax base volatility as it was one of the worst – affected regions in the country during the economic downturn. However, both the housing market and assessed values have improved significantly over the past several years and a large amount of state revenue in the budget moderates the effect of this cyclicity on overall revenues.

State and federal health, social services, and criminal justice pass-through funds comprise a substantial amount of the County's budget, as is typical for California counties. The County's non-discretionary general fund revenues are primarily provided by state funds and federal funds, which account for an estimated 64% of the fiscal 2019 budget. Discretionary revenues (i.e., excluding state and federal funds) comprise about 24% of the County's fiscal 2019 total general fund revenues and are primarily generated by property taxes.

Growth in total general fund revenues have been generally above U.S. economic performance. Property tax revenue has increased each of the last five years, with assessed value increasing 5.5% in fiscal 2018. The County estimates fiscal 2019 general fund discretionary revenues will increase approximately 4.0% over the prior year.

The County has limited capacity to independently raise revenues under state law, particularly Proposition 13, which fixes the countywide property tax rate at 1.0% and limits assessment growth to no more than 2.0% per year absent a change in ownership, as well as Proposition 218, which requires voter approval for new or increased general taxes.

Discretionary spending is focused on public safety, which accounts for 78.0% of the discretionary fiscal 2019 budget, public assistance at 5.5%, and health and sanitation at 3.0%.

The County's fixed-costs burden is relatively low with carrying costs for debt, pensions, and retiree healthcare accounting for 10.0% of fiscal 2017 governmental spending. Labor relations with some employee groups continue to be pressured. The County's employees are represented by six labor organizations.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

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

Contracts for three of those bargaining units expired in 2016. The County has reached an impasse and is currently in the fact finding phase with two of those bargaining units with no firm date for resolution. One of those units implemented a two-day strike in early September 2017. In addition, members of another bargaining unit recently rejected a tentative agreement with the County in October, after which the County imposed its last, best and final offer. According to the County, the primary negotiation issues relate to merit increases. In addition, the County is in negotiations with two other bargaining units whose contracts recently expired. The County has the ability to ultimately impose terms and contracts are not subject to binding arbitration. The County has demonstrated its capacity to implement layoffs and furloughs in times of revenue decline.

The County estimates the ongoing cost of a recently settled inmate class action lawsuit at about \$40.0 million per year. This amount compares to a fiscal 2019 general fund discretionary revenues of \$799.5 million and overall budget of \$5.6 billion. It has identified offsets, including adjusting and delaying staffing for the new John J. Benoit Detention Center and establishing a requirement for County departments to absorb any staffing cost increases. In addition, the County continues to implement recommendations from a Strategic Plan for Criminal Justice produced by KPMG Consulting for the County and a preliminary jail utilization report provided by California Forward, a bipartisan governance reform organization. The County expects implementation of both to result in considerable cost savings, as well as revenue recovery.

The County's very strong gap-closing capacity is derived from its ability to manage spending, relatively low expected revenue volatility and available reserves. The unrestricted general fund balance at year-end fiscal 2017 was \$251 million, or 8.1% of total general fund spending. Fitch expects that the County would maintain reserves at solid levels throughout a moderate economic downturn, primarily by adjusting spending.

To balance the fiscal 2019 budget, most departments were directed to make 4.0% cuts to their allocation of discretionary County revenue by using departmental reserves and eliminating unfilled positions. The general fund discretionary reserve was budgeted at \$179.0 million (or about 22.0% of discretionary revenues) for fiscal 2019. The County expects to begin adding to reserves in fiscal 2022 to meet its board policy reserve target of 25.0% of discretionary revenue. Spending restraint will be required in order to meet that target, given expected increased costs for salaries and benefits, uncertainty about future homecare worker costs, and operating costs related to the new correctional facility. In addition, the County will face the challenges of absorbing settlement costs associated with the inmate class action lawsuit mentioned earlier, additional health and mental health professional staffing, and managing exposure to its hospital operations (particularly in the evolving healthcare environment).

**Teeter Obligation Notes, Series A**

On October 24, 2018, the County issued \$74.2 million in 2018 Teeter Obligation Notes, Series A (Tax-Exempt) to refund a portion of the outstanding 2017 Teeter Obligation Notes, Series A, 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 2018 Notes bear an interest rate of 4.0% for 2018 Teeter Obligation Note, Series A and a maturity date of October 24, 2019, 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 2018-19 will be 18.9% and 21.6%, respectively. Fiscal year 2019-20 contribution rates for miscellaneous and safety are estimated at 21.6% and 37.4%, respectively. They will be accounted for in fiscal year 2018-19 and future budget years.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2018**

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

**Successor Agency to the Redevelopment Agency for the County of Riverside, California**

On October 2, 2018, the Agency entered into a settlement agreement with Cardenas Markets, Inc. regarding their litigation on the 2012 ground lease agreement. As part of the settlement agreement, the Agency agreed to sell Cardenas Markets, Inc. certain real property in the City of Jurupa for \$600.0 thousand to terminate the 2012 ground lease agreement.



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# **REQUIRED SUPPLEMENTARY INFORMATION**



**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE  
MEASUREMENT PERIOD**  
(Dollar amounts in thousands)

**County Miscellaneous, Agent Multiple Employer Plan**

Measurement Period	2016-17 <sup>(1)</sup>	2015-16 <sup>(1)</sup>	2014-15 <sup>(1)</sup>	2013-14 <sup>(1)</sup>
<b>Total pension liability</b>				
Service cost	\$ 211,842	\$ 175,662	\$ 162,257	\$ 158,164
Interest on total pension liability	501,855	457,630	418,860	377,221
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	151,001	141,472	15,756	-
Changes of assumptions	450,226	-	(109,320)	-
Benefit payments, including refunds of employee contributions	(259,302)	(234,668)	(217,701)	(195,420)
<b>Net change in total pension liability</b>	<b>1,055,622</b>	<b>540,096</b>	<b>269,852</b>	<b>339,965</b>
<b>Total pension liability - beginning</b>	<b>6,198,152</b>	<b>5,658,056</b>	<b>5,388,204</b>	<b>5,048,239</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 7,253,774</b>	<b>\$ 6,198,152</b>	<b>\$ 5,658,056</b>	<b>\$ 5,388,204</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 164,307	\$ 157,639	\$ 98,867	\$ 134,673
Contributions - employee	87,201	82,884	76,078	69,872
Net investment income	540,579	24,832	104,069	666,911
Benefit payments, including refunds of employee contributions	(259,302)	(234,668)	(217,701)	(195,420)
Administrative expense	(7,122)	(2,894)	(5,345)	-
<b>Net change in plan fiduciary net position</b>	<b>525,663</b>	<b>27,793</b>	<b>55,968</b>	<b>676,036</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,564,796</b>	<b>4,537,003</b>	<b>4,481,035</b>	<b>3,804,999</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 5,090,459</b>	<b>\$ 4,564,796</b>	<b>\$ 4,537,003</b>	<b>\$ 4,481,035</b>
<b>Plan's net pension liability - ending (a) - (b)</b>	<b>\$ 2,163,315</b>	<b>\$ 1,633,356</b>	<b>\$ 1,121,053</b>	<b>\$ 907,169</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>70.2%</b>	<b>73.6%</b>	<b>80.2%</b>	<b>83.2%</b>
<b>Covered payroll <sup>(2)</sup></b>	<b>\$ 1,056,636</b>	<b>\$ 1,010,690</b>	<b>\$ 909,644</b>	<b>\$ 842,865</b>
<b>Plan's net pension liability as a percentage of covered payroll</b>	<b>204.7%</b>	<b>161.6%</b>	<b>123.2%</b>	<b>107.6%</b>

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

<sup>(2)</sup> Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE  
MEASUREMENT PERIOD (Continued)**  
(Dollar amounts in thousands)

**County Safety, Agent Multiple Employer Plan**

Measurement Period	2016-17 <sup>(1)</sup>	2015-16 <sup>(1)</sup>	2014-15 <sup>(1)</sup>	2013-14 <sup>(1)</sup>
<b>Total pension liability</b>				
Service cost	\$ 101,987	\$ 86,039	\$ 80,457	\$ 77,706
Interest on total pension liability	229,003	212,548	195,332	181,393
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	13,324	47,893	22,825	-
Changes of assumptions	215,024	-	(53,617)	-
Benefit payments, including refunds of employee contributions	(115,929)	(105,002)	(97,869)	(91,921)
<b>Net change in total pension liability</b>	<b>443,409</b>	<b>241,478</b>	<b>147,128</b>	<b>167,178</b>
<b>Total pension liability - beginning</b>	<b>2,981,468</b>	<b>2,739,990</b>	<b>2,592,862</b>	<b>2,425,684</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 3,424,877</b>	<b>\$ 2,981,468</b>	<b>\$ 2,739,990</b>	<b>\$ 2,592,862</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 85,091	\$ 76,363	\$ 65,364	\$ 72,947
Contributions - employee	33,623	32,073	30,313	28,396
Net investment income	243,597	10,790	46,730	312,502
Benefit payments, including refunds of employee contributions	(115,929)	(105,002)	(97,869)	(91,921)
Administrative expense	(3,184)	(1,306)	(2,398)	-
<b>Net change in plan fiduciary net position</b>	<b>243,198</b>	<b>12,918</b>	<b>42,140</b>	<b>321,924</b>
<b>Plan fiduciary net position - beginning</b>	<b>2,156,829</b>	<b>2,143,911</b>	<b>2,101,771</b>	<b>1,779,847</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 2,400,027</b>	<b>\$ 2,156,829</b>	<b>\$ 2,143,911</b>	<b>\$ 2,101,771</b>
<b>Plan's net pension liability - ending (a) - (b)</b>	<b>\$ 1,024,850</b>	<b>\$ 824,639</b>	<b>\$ 596,079</b>	<b>\$ 491,091</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>70.1%</b>	<b>72.3%</b>	<b>78.2%</b>	<b>81.1%</b>
<b>Covered payroll <sup>(2)</sup></b>	<b>\$ 340,897</b>	<b>\$ 341,419</b>	<b>\$ 320,550</b>	<b>\$ 279,508</b>
<b>Plan's net pension liability as a percentage of covered payroll</b>	<b>300.6%</b>	<b>241.5%</b>	<b>186.0%</b>	<b>175.7%</b>

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

<sup>(2)</sup> Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE  
MEASUREMENT PERIOD (Continued)**  
(Dollar amounts in thousands)

***Flood Control Miscellaneous, Agent Multiple Employer Plan***

Measurement Period	2016-17 <sup>(1)</sup>	2015-16 <sup>(1)</sup>	2014-15 <sup>(1)</sup>	2013-14 <sup>(1)</sup>
<b>Total pension liability</b>				
Service cost	\$ 3,196	\$ 2,736	\$ 2,606	\$ 2,659
Interest on total pension liability	13,182	12,356	11,562	10,889
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	4,317	3,136	1,641	-
Changes of assumptions	11,057	-	(2,831)	-
Benefit payments, including refunds of employee contributions	(8,387)	(7,290)	(6,729)	(6,007)
<b>Net change in total pension liability</b>	<b>23,365</b>	<b>10,938</b>	<b>6,249</b>	<b>7,541</b>
<b>Total pension liability - beginning</b>	<b>171,582</b>	<b>160,644</b>	<b>154,395</b>	<b>146,854</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 194,947</b>	<b>\$ 171,582</b>	<b>\$ 160,644</b>	<b>\$ 154,395</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 3,899	\$ 3,445	\$ 2,918	\$ 2,793
Contributions - employee	1,343	1,356	1,276	1,394
Net investment income	12,842	666	2,660	17,670
Benefit payments, including refunds of employee contributions	(8,387)	(7,290)	(6,729)	(6,007)
Administrative expense	(171)	(73)	(133)	-
<b>Net change in plan fiduciary net position</b>	<b>9,526</b>	<b>(1,896)</b>	<b>(8)</b>	<b>15,850</b>
<b>Plan fiduciary net position - beginning</b>	<b>116,480</b>	<b>118,376</b>	<b>118,384</b>	<b>102,534</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 126,006</b>	<b>\$ 116,480</b>	<b>\$ 118,376</b>	<b>\$ 118,384</b>
<b>Plan's net pension liability - ending (a) - (b)</b>	<b>\$ 68,941</b>	<b>\$ 55,102</b>	<b>\$ 42,268</b>	<b>\$ 36,011</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>64.6%</b>	<b>67.9%</b>	<b>73.7%</b>	<b>76.7%</b>
<b>Covered payroll <sup>(2)</sup></b>	<b>\$ 17,428</b>	<b>\$ 16,643</b>	<b>\$ 15,838</b>	<b>\$ 15,385</b>
<b>Plan's net pension liability as a percentage of covered payroll</b>	<b>395.6%</b>	<b>331.1%</b>	<b>266.9%</b>	<b>234.1%</b>

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

<sup>(2)</sup> Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

**Notes to Schedule:**

**Benefit changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes of assumptions:** In the measurement period ended June 30, 2017, the discount rate was reduced from 7.65 percent to 7.15 percent.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF PLAN CONTRIBUTIONS**  
(Dollar amounts in thousands)

***County Miscellaneous, Agent Multiple Employer Plan***

<b>Fiscal year</b>	<b>2017-18*</b>	<b>2016-17*</b>	<b>2015-16*</b>	<b>2014-15*</b>
Actuarially determined contribution	\$ 184,572	\$ 160,437	\$ 143,300	\$ 126,838
Contributions in relation to the actuarially determined contribution	(182,070)	(178,196)	(159,154)	(132,619)
Contribution deficiency (excess)	<u>\$ 2,503</u>	<u>\$ (17,759)</u>	<u>\$ (15,854)</u>	<u>\$ (5,781)</u>
Covered payroll **	\$ 78,438	\$ 1,056,636	\$ 1,010,690	\$ 909,644
Contributions as a percentage of covered payroll	232.1%	16.9%	15.7%	14.6%

\* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

\*\* Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

***County Safety, Agent Multiple Employer Plan***

<b>Fiscal year</b>	<b>2017-18*</b>	<b>2016-17*</b>	<b>2015-16*</b>	<b>2014-15*</b>
Actuarially determined contribution	\$ 98,314	\$ 85,699	\$ 69,936	\$ 62,624
Contributions in relation to the actuarially determined contribution	(91,224)	(91,330)	(83,166)	(71,228)
Contribution deficiency (excess)	<u>\$ 7,090</u>	<u>\$ (5,631)</u>	<u>\$ (13,230)</u>	<u>\$ (8,604)</u>
Covered payroll **	\$ 29,871	\$ 340,897	\$ 341,419	\$ 320,550
Contributions as a percentage of covered payroll	305.4%	26.8%	24.4%	22.2%

\* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

\*\* Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF PLAN CONTRIBUTIONS (Continued)**  
(Dollar amounts in thousands)

***Flood Control Miscellaneous, Agent Multiple Employer Plan***

<b>Fiscal year</b>	<b>2017-18*</b>	<b>2016-17*</b>	<b>2015-16*</b>	<b>2014-15*</b>
Actuarially determined contribution	\$ 4,252	\$ 3,896	\$ 3,442	\$ 2,918
Contributions in relation to the actuarially determined contribution	(4,252)	(3,896)	(3,442)	(2,918)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 17,545	\$ 17,428	\$ 16,643	\$ 15,838
Contributions as a percentage of covered payroll	24.2%	22.4%	20.7%	18.4%

\* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

\*\* Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

**Notes to Schedule**

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2017-18 were derived from the June 30, 2016 funding valuation report.

	<u>County Miscellaneous</u>	<u>County Safety</u>	<u>Flood Control Miscellaneous</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	25 Years as of the Valuation Date	25 Years as of the Valuation Date	25 Years as of the Valuation Date
Asset valuation method	Market Value of Assets	Market Value of Assets	Market Value of Assets
Inflation	2.75%	2.75%	2.75%
Salary increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll growth	3.0%	3.0%	3.0%
Investment rate of return*	7.15%	7.15%	7.15%

The Retirement Age is determined by the probabilities of retirement which are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

The Mortality is based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

\* Net of pension plan investment and administrative expenses; includes inflation.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND  
RELATED RATIOS**

**As of the Measurement Date**  
(Dollar amounts in thousands)

***Park District Miscellaneous, Cost Sharing Multiple Employer Plan***

<b>Measurement Period</b>	<b>2016-17 <sup>(1)</sup></b>	<b>2015-16 <sup>(1)</sup></b>	<b>2014-15 <sup>(1)</sup></b>	<b>2013-14 <sup>(1)</sup></b>
Employer's proportion of the net pension liability (asset)	0.27243%	0.26345%	0.25620%	0.09946%
Employer's proportionate share of the net pension liability (asset) \$	10,739	\$ 9,151	\$ 7,029	\$ 6,189
Employer's covered payroll <sup>(2)</sup> \$	6,201	\$ 6,791	\$ 5,799	\$ 4,992
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	173.2%	134.8%	121.2%	124.0%
Pension plan's fiduciary net position as a percentage of the total pension liability	75.3%	75.9%	80.2%	81.8%

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

<sup>(2)</sup> Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

***Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan***

<b>Measurement Period</b>	<b>2016-17 <sup>(1)</sup></b>	<b>2015-16 <sup>(1)</sup></b>	<b>2014-15 <sup>(1)</sup></b>	<b>2013-14 <sup>(1)</sup></b>
Employer's proportion of the net pension liability (asset)	0.35839%	0.35378%	0.35266%	0.13583%
Employer's proportionate share of the net pension liability (asset) \$	14,128	\$ 12,290	\$ 9,675	\$ 8,452
Employer's covered payroll <sup>(2)</sup> \$	1,981	\$ 2,339	\$ 2,298	\$ 3,082
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	713.2%	525.4%	421.0%	274.2%
Pension plan's fiduciary net position as a percentage of the total pension liability	72.1%	72.9%	77.4%	79.8%

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

<sup>(2)</sup> Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.



**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF PLAN CONTRIBUTIONS**  
(Dollar amounts in thousands)

***Park District Miscellaneous, Cost Sharing Multiple Employer Plan***

<b>Fiscal year</b>	<b>2017-18*</b>	<b>2016-17*</b>	<b>2015-16*</b>	<b>2014-15*</b>
Actuarially determined contribution	\$ 1,094	\$ 1,094	\$ 1,062	\$ 950
Contributions in relation to the actuarially determined contribution	(1,094)	(1,094)	(1,062)	(950)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll**	\$ 5,415	\$ 6,201	\$ 6,791	\$ 5,799
Contributions as a percentage of covered payroll	20.2%	17.6%	15.6%	16.4%

\* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

\*\* Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

***Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan***

<b>Fiscal year</b>	<b>2017-18*</b>	<b>2016-17*</b>	<b>2015-16*</b>	<b>2014-15*</b>
Actuarially determined contribution	\$ 1,020	\$ 905	\$ 863	\$ 623
Contributions in relation to the actuarially determined contribution	(900)	(832)	(411)	(189)
Contribution deficiency (excess)	<u>\$ 120</u>	<u>\$ 73</u>	<u>\$ 452</u>	<u>\$ 434</u>
Covered payroll**	\$ 1,816	\$ 1,981	\$ 2,339	\$ 2,298
Contributions as a percentage of covered payroll	49.6%	42.0%	17.6%	8.2%

\* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

\*\* Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

**Notes to Schedule**

*Benefit changes:* The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

*Changes of assumptions:* In measurement period ended June 30, 2017, the discount rate reduced from 7.65 percent to 7.15 percent.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE  
MEASUREMENT PERIOD**  
(Dollar amounts in thousands)

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

Measurement Period	2016-17 <sup>(1)</sup>	2015-16 <sup>(1)</sup>	2014-15 <sup>(1)</sup>	2013-14 <sup>(1)</sup>
<b>Total pension liability</b>				
Service cost	\$ 1,914	\$ 1,718	\$ 1,512	\$ 1,557
Interest cost	2,358	2,186	1,983	1,800
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	1,457	1,524	795	1,146
Changes of assumptions	(746)	(594)	2,939	-
Benefit payments, including refunds of employee contributions	(1,757)	(1,507)	(1,511)	(1,762)
<b>Net change in total pension liability</b>	<u>3,226</u>	<u>3,327</u>	<u>5,718</u>	<u>2,741</u>
<b>Total pension liability - beginning</b>	<u>38,789</u>	<u>35,462</u>	<u>29,744</u>	<u>27,003</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 42,015</u></u>	<u><u>\$ 38,789</u></u>	<u><u>\$ 35,462</u></u>	<u><u>\$ 29,744</u></u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 1,341	\$ 668	\$ 607	\$ 956
Contributions - employee	1,674	1,399	1,267	1,394
Net investment income (expense)	4,289	(117)	131	4,437
Benefit payments, including refunds of employee contributions	(1,757)	(1,507)	(1,511)	(1,762)
Administrative expense	(128)	(189)	(217)	(228)
Other	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>5,419</u>	<u>254</u>	<u>277</u>	<u>4,797</u>
<b>Plan fiduciary net position - beginning</b>	<u>32,133</u>	<u>31,879</u>	<u>31,602</u>	<u>26,805</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 37,552</u></u>	<u><u>\$ 32,133</u></u>	<u><u>\$ 31,879</u></u>	<u><u>\$ 31,602</u></u>
<b>Net pension liability (asset) - ending (a) - (b)</b>	<u><u>\$ 4,463</u></u>	<u><u>\$ 6,656</u></u>	<u><u>\$ 3,583</u></u>	<u><u>\$ (1,858)</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a)</b>	89.4%	82.8%	89.9%	106.2%
<b>Covered payroll <sup>(2)</sup></b>	\$ 44,525	\$ 39,761	\$ 32,963	\$ 29,517
<b>Net pension liability (asset) as a percentage of covered payroll</b>	10.0%	16.7%	10.9%	6.3%

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

<sup>(2)</sup> Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

**Notes to Schedule:**

*Changes of assumptions:*

- 1) Update to GASB Statement No. 68 discount rate from 5.92% as of 7/1/2016 to 6.0% as of 7/1/2017 to reflect revised projection of assets and municipal bond index as of 7/1/2017.
- 2) Update to assumed mortality improvement scale from MP-2016 to MP-2017.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF PLAN CONTRIBUTIONS**  
(Dollar amounts in thousands)

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

<b>Fiscal Year</b>	<b>2017-18*</b>	<b>2016-17*</b>	<b>2015-16*</b>	<b>2014-15*</b>
Actuarially determined contribution	\$ 657	\$ 727	\$ 122	\$ 252
Contributions in relation to the actuarially determined contribution	(773)	(1,365)	(639)	(529)
Contribution deficiency (excess)	<u>\$ (116)</u>	<u>\$ (638)</u>	<u>\$ (517)</u>	<u>\$ (277)</u>
Covered payroll **	\$ 43,357	\$ 44,525	\$ 39,761	\$ 32,963
Contributions as a percentage of covered payroll	-1.8%	3.1%	1.6%	1.6%

\* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

\*\* Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

**Notes to Schedule**

Valuation date: July 1, 2017  
Methods and assumptions used to determine contribution rates:  
Actuarial cost method: Entry Age Normal  
Amortization method: Level-Dollar Projected Payroll  
Remaining amortization period: 20 –year Amortization of Unfunded Liability, plus Normal Cost, less expected Employee Contributions  
Asset valuation method: Market Value  
Inflation: 3.0%  
Salary increases: 3.0%  
Investment rate of return: 6.0% (net of administrative expense)  
Retirement age: 65  
Mortality: *Actives*  
RP-2006 combined annuitant/non-annuitant mortality table with generational future improvement from 2006 using scale MP-2017.  
*Full-time Actives (no longer accruing benefits)*  
Mortality rates are based on the most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2017.

Age	30	40	50	60	70	80	90
Male	0.05%	0.08%	0.16%	0.35%	1.77%	5.28%	16.19%
Female	0.03%	0.05%	0.11%	0.22%	1.26%	3.69%	12.33%

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**  
(Dollar amounts in thousands)

*Agent Multiple Employer Plan Administered Through Trusts*

	<b>County</b>		
	<b>Miscellaneous and Safety</b>	<b>Flood Control Miscellaneous</b>	<b>Park District Miscellaneous</b>
<b>Measurement Period</b>	2016-17 <sup>(1)</sup>	2016-17 <sup>(1)</sup>	2016-17 <sup>(1)</sup>
<b>Total OPEB liability</b>			
Service cost	\$ 700	\$ 4	\$ 3
Interest cost	3,010	30	8
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	5,814	19	23
Changes of assumptions	3,186	(2)	(2)
Benefit payments	(2,841)	(32)	(8)
<b>Net change in total OPEB liability</b>	9,869	19	24
<b>Total OPEB liability - beginning</b>	42,049	498	116
<b>Total OPEB liability - ending (a)</b>	<u>\$ 51,918</u>	<u>\$ 517</u>	<u>\$ 140</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 1,909	\$ -	\$ -
Contributions - employee	-	-	-
Net investment income	3,612	23	33
Benefit payments	(2,841)	(32)	(8)
Administrative expense	(17)	-	-
<b>Net change in plan fiduciary net position</b>	2,663	(9)	25
<b>Plan fiduciary net position - beginning</b>	34,116	555	308
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 36,779</u>	<u>\$ 546</u>	<u>\$ 333</u>
<b>County's net OPEB liability (asset) - ending (a) - (b)</b>	<u>\$ 15,139</u>	<u>\$ (29)</u>	<u>\$ (193)</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability (asset)</b>	70.8%	105.6%	237.9%
<b>Covered payroll</b>	\$ 1,382,037	\$ 17,428	\$ 6,201
<b>County's net OPEB liability (asset) as a percentage of covered payroll</b>	1.1%	-0.2%	-3.1%

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

**Notes to Schedule:**

*Changes of assumptions:* The mortality improvement was updated from scale MP-2016 to scale MP-2017. For County Misc. and Safety Plan, the discount rate reduced from 7.28 percent to 6.73 percent. The claims table was updated to reflect most recent CalPERS monthly premiums available for 2018. Aging factors are also updated to reflect the most recent CalPERS demographic experience. The medical trend rate was updated to reflect the current long-term expected growth of medical benefits.

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

**SCHEDULE OF PLAN CONTRIBUTIONS**  
(Dollar amounts in thousands)

*Agent Multiple Employer Plan Administrated Through Trusts*

	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous
Fiscal year	2017-18*	2017-18*	2017-18*
Actuarially determined contribution <sup>(1)</sup>	\$ 1,288	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	(3,457)	(36)	-
Contribution deficiency (excess)	\$ (2,170)	\$ (36)	\$ -
Covered payroll	\$ 1,390,971	\$ 17,545	\$ 5,683
Contributions as a percentage of covered payroll	0.2%	0.2%	0.0%

<sup>(1)</sup> No actuarially determined contribution in Flood Control and Park District Miscellaneous plans due to assets being greater than the Present Value of Benefit.

\* Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

**Notes to Schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	20 Years as of the Valuation Date	20 Years as of the Valuation Date	20 Years as of the Valuation Date
Asset valuation method	5 Year Asset Smoothing	5 Year Asset Smoothing	5 Year Asset Smoothing
Inflation	2.75%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%
Investment rate of return	6.73%	6.12%	7.28%
Retirement Age	Retirement rates developed in the 1997-2011 CalPERS Experience Study		
Mortality			
	Most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2017		

Healthcare cost trend rates: For County Misc. and Safety Plan, the healthcare cost trend rate for the Pre Medicare Plan was 7.9 percent, decreasing 0.4 percent per year to an ultimate rate of 5.0 percent for 2018 and later years. The

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

healthcare cost trend rate for the Post Medicare Plan was 8.8 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2018 and later years. For Flood Control and Park District Misc. plans, the healthcare cost trend rates are not applicable. All benefits are assumed to remain at current level.

**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
(Dollar amounts in thousands)

*Agent Multiple Employer Plan Not Administered Through Trusts*

Measurement Period	Waste Resources Miscellaneous	
	2016-17 <sup>(1)</sup>	
<b>Total OPEB liability</b>		
Service cost	\$	4
Interest cost		25
Changes of benefit terms		-
Differences between expected and actual experiences		(183)
Changes of assumptions		(81)
Benefit payments		(40)
<b>Net change in total OPEB liability</b>		(275)
<b>Total OPEB liability - beginning</b>		905
<b>Total OPEB liability - ending</b>	\$	630
<b>Covered payroll</b>	\$	1,931
<b>Total OPEB liability as a percentage of covered payroll</b>		32.6%

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017, and mortality improvement was updated to use scale MP-2017.

**SCHEDULE OF PLAN CONTRIBUTIONS**  
(Dollar amounts in thousands)

*Agent Multiple Employer Plan Not Administered Through Trusts*

Fiscal year	Waste Resources Miscellaneous	
	2017-18*	
Actuarially determined contribution <sup>(1)</sup>	\$	-
Contributions in relation to the actuarially determined contribution		-
Contribution deficiency (excess)	\$	-
<b>Covered payroll</b>	\$	1,816
<b>Contributions as a percentage of covered payroll</b>		0.0%

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2018**

(1) The Schedule of Plan Contributions is not required. The funding is not based on actuarially determined contributions and contributions are neither statutorily nor contractually established.

\* Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

**Notes to Schedule:** The total OPEB liability was measured as of June 30, 2017 and determined by an actuarial valuation dated June 30, 2016, based on the following methods and assumptions:

	Waste Resources Miscellaneous
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll
Amortization a period	20 Years as of the Valuation Date
Asset valuation method	5 Year Asset Smoothing
Inflation	2.75%
Healthcare cost trend rates	Not applicable. All benefits are assumed to remain at current level.
Salary increases	3.00%
Investment rate of return	3.58%
Retirement Age	Retirement rates developed in the 1997-2011 CalPERS Experience Study
	Most recent CalPERS mortality table developed in the 1997-2011
Mortality	CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2017



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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, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 94	\$ 94
Other revenue	2,766	761	-	(761)
Total revenues	2,766	761	94	(667)
EXPENDITURES:				
Debt service:				
Interest	2,446	2,424	1,766	(658)
Cost of issuance	320	260	251	(9)
Total expenditures	2,766	2,684	2,017	(667)
Excess (deficiency) of revenues over (under) expenditures	-	(1,923)	(1,923)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,005	2,005	-
Transfers out	-	(82)	(82)	-
Total other financing sources (uses)	-	1,923	1,923	-
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, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ 400	\$ 400	\$ 1,391	\$ 991
Rents and concessions	360	360	358	(2)
Aid from other governmental agencies:				
State	-	-	45,987	45,987
Other	33,305	33,305	32,899	(406)
Charges for services	106,385	100,944	50,105	(50,839)
Other revenue	8,281	26,067	5,747	(20,320)
Total revenues	148,731	161,076	136,487	(24,589)
EXPENDITURES:				
Current:				
General government	132,227	132,293	71,718	(60,575)
Public ways and facilities	17,010	7,921	385	(7,536)
Debt service:				
Interest	-	65	65	-
Total expenditures	149,237	140,279	72,168	(68,111)
Excess (deficiency) of revenues over (under) expenditures	(506)	20,797	64,319	43,522
OTHER FINANCING SOURCES (USES):				
Transfers in	-	9,211	9,211	-
Transfers out	-	(45,845)	(45,845)	-
Total other financing sources (uses)	-	(36,634)	(36,634)	-
NET CHANGE IN FUND BALANCE	(506)	(15,837)	27,685	43,522
Fund balance, beginning of year	160,692	160,692	160,692	-
FUND BALANCE, END OF YEAR	\$ 160,186	\$ 144,855	\$ 188,377	\$ 43,522

# **NONMAJOR GOVERNMENTAL FUNDS**



**COUNTY OF RIVERSIDE**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018  
(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	\$ 113,326	\$ -	\$ 11,277	\$ 751	\$ 125,354
Accounts receivable	477	2,273	-	-	2,750
Interest receivable	193	88	50	2	333
Taxes receivable	1,276	-	-	-	1,276
Due from other governments	7,843	-	2,769	-	10,612
Due from other funds	1,093	-	-	-	1,093
Prepaid items and deposits	12	-	1,957	-	1,969
Restricted cash and investments	-	46,841	11,976	-	58,817
Total assets	124,220	49,202	28,029	753	202,204
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 124,220	\$ 49,202	\$ 28,029	\$ 753	\$ 202,204
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ 5,187	\$ 379	\$ 1,413	\$ -	\$ 6,979
Salaries and benefits payable	3,141	-	128	-	3,269
Due to other governments	35	-	-	-	35
Due to other funds	39	-	452	-	491
Interest payable	2	-	-	-	2
Deposits payable	485	-	-	-	485
Advances from grantors and third parties	2,480	-	-	-	2,480
Total liabilities	11,369	379	1,993	-	13,741
Deferred inflows of resources	4	-	-	-	4
Fund balances:					
Nonspendable	56	-	580	701	1,337
Restricted	101,657	44,768	19,509	52	165,986
Committed	6,360	-	-	-	6,360
Assigned	4,774	4,055	5,947	-	14,776
Total fund balances	112,847	48,823	26,036	753	188,459
Total liabilities, deferred inflows of resources, and fund balances	\$ 124,220	\$ 49,202	\$ 28,029	\$ 753	\$ 202,204

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2018  
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>REVENUES:</b>					
Taxes	\$ 67,017	\$ -	\$ -	\$ -	\$ 67,017
Licenses, permits and franchise fees	731	-	-	-	731
Fines, forfeitures and penalties	1,100	-	180	-	1,280
Use of money and property:					
Investment earnings	535	1,448	206	7	2,196
Rents and concessions	7,486	3,759	-	-	11,245
Aid from other governmental agencies:					
Federal	63,126	-	-	-	63,126
State	6,851	-	694	-	7,545
Other	26,553	-	-	-	26,553
Charges for services	32,763	2,972	2,587	78	38,400
Other revenue	6,522	16,257	2,653	-	25,432
Total revenues	<u>212,684</u>	<u>24,436</u>	<u>6,320</u>	<u>85</u>	<u>243,525</u>
<b>EXPENDITURES:</b>					
Current:					
General government	21,903	16,832	504	-	39,239
Public protection	8,484	-	-	-	8,484
Public ways and facilities	17,834	-	-	-	17,834
Health and sanitation	1,809	-	-	-	1,809
Public assistance	61,442	-	-	-	61,442
Education	20,828	-	-	-	20,828
Recreation and cultural services	13,239	-	2,822	-	16,061
Debt service:					
Principal	-	62,057	-	-	62,057
Interest	-	52,253	-	-	52,253
Cost of issuance	-	850	-	-	850
Capital outlay	-	-	10,118	-	10,118
Total expenditures	<u>145,539</u>	<u>131,992</u>	<u>13,444</u>	<u>-</u>	<u>290,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,145</u>	<u>(107,556)</u>	<u>(7,124)</u>	<u>85</u>	<u>(47,450)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	23,134	95,098	14,354	-	132,586
Transfers out	(91,419)	(11,339)	(2,717)	-	(105,475)
Issuance of debt	-	10,610	-	-	10,610
Issuance of refunding bonds	-	58,565	-	-	58,565
Premium on long-term debt	-	4,096	-	-	4,096
Payment to escrow agent	-	(64,285)	-	-	(64,285)
Total other financing sources (uses)	<u>(68,285)</u>	<u>92,745</u>	<u>11,637</u>	<u>-</u>	<u>36,097</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,140)</b>	<b>(14,811)</b>	<b>4,513</b>	<b>85</b>	<b>(11,353)</b>
Fund balances, beginning of year, as previously reported	105,772	63,634	21,523	668	191,597
Adjustments to beginning fund balances	8,215	-	-	-	8,215
Fund balances, beginning of year	<u>113,987</u>	<u>63,634</u>	<u>21,523</u>	<u>668</u>	<u>199,812</u>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 112,847</b>	<b>\$ 48,823</b>	<b>\$ 26,036</b>	<b>\$ 753</b>	<b>\$ 188,459</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, Economic Development Agency (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 areas 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, Assessment District Community Facility District 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, 2018

(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	\$ 57,312	\$ 23,019	\$ 11,023	\$ 303
Accounts receivable	342	-	92	-
Interest receivable	32	79	38	1
Taxes receivable	968	206	87	-
Due from other governments	5,840	-	260	138
Due from other funds	1,055	30	-	-
Prepaid items and deposits	12	-	-	-
Total assets	<u>65,561</u>	<u>23,334</u>	<u>11,500</u>	<u>442</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 65,561</u>	<u>\$ 23,334</u>	<u>\$ 11,500</u>	<u>\$ 442</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 4,154	\$ 341	\$ 307	\$ -
Salaries and benefits payable	1,632	168	560	-
Due to other governments	23	1	8	-
Due to other funds	31	-	-	8
Interest payable	-	-	-	-
Deposits payable	1	92	-	-
Advances from grantors and third parties	1,665	193	584	-
Total liabilities	<u>7,506</u>	<u>795</u>	<u>1,459</u>	<u>8</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (Note 16):				
Nonspendable	33	1	10	-
Restricted	55,250	22,532	5,274	434
Committed	900	-	4,757	-
Assigned	1,872	6	-	-
Total fund balances	<u>58,055</u>	<u>22,539</u>	<u>10,041</u>	<u>434</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 65,561</u>	<u>\$ 23,334</u>	<u>\$ 11,500</u>	<u>\$ 442</u>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ 491	\$ 885	\$ 20,293	\$ 113,326	Cash and investments
-	-	43	477	Accounts receivable
-	3	40	193	Interest receivable
-	4	11	1,276	Taxes receivable
1,181	-	424	7,843	Due from other governments
-	-	8	1,093	Due from other funds
-	-	-	12	Prepaid items and deposits
1,672	892	20,819	124,220	Total assets
-	-	-	-	Deferred outflows of resources
\$ 1,672	\$ 892	\$ 20,819	\$ 124,220	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 1	\$ 23	\$ 361	\$ 5,187	Accounts payable
330	-	451	3,141	Salaries and benefits payable
-	-	3	35	Due to other governments
-	-	-	39	Due to other funds
2	-	-	2	Interest payable
-	392	-	485	Deposits payable
-	-	38	2,480	Advances from grantors and third parties
333	415	853	11,369	Total liabilities
-	4	-	4	Deferred inflows of resources
				Fund balances (Note 16):
-	-	12	56	Nonspendable
1,339	473	16,355	101,657	Restricted
-	-	703	6,360	Committed
-	-	2,896	4,774	Assigned
1,339	473	19,966	112,847	Total fund balances
\$ 1,672	\$ 892	\$ 20,819	\$ 124,220	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, 2018  
(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
<b>REVENUES:</b>				
Taxes	\$ 59,961	\$ 885	\$ 5,225	\$ -
Licenses, permits, and franchise fees	-	-	-	-
Fines, forfeitures, and penalties	293	-	-	127
Use of money and property:				
Investment earnings	97	208	106	1
Rents and concessions	643	-	765	-
Aid from other governmental agencies:				
Federal	58,672	-	3	-
State	3,422	9	160	478
Other	23,801	195	972	-
Charges for services	902	11,054	6,930	-
Other revenue	5,992	30	84	-
Total revenues	<u>153,783</u>	<u>12,381</u>	<u>14,245</u>	<u>606</u>
<b>EXPENDITURES:</b>				
Current:				
General government	14,345	-	-	305
Public protection	2,222	240	586	-
Public ways and facilities	5	8,262	-	-
Health and sanitation	1,040	769	-	-
Public assistance	54,986	-	-	-
Education	20,828	-	-	-
Recreation and cultural services	-	582	12,657	-
Total expenditures	<u>93,426</u>	<u>9,853</u>	<u>13,243</u>	<u>305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60,357</u>	<u>2,528</u>	<u>1,002</u>	<u>301</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	16,414	3,237	485	-
Transfers out	<u>(76,025)</u>	<u>(5,888)</u>	<u>(2,102)</u>	<u>(174)</u>
Total other financing sources (uses)	<u>(59,611)</u>	<u>(2,651)</u>	<u>(1,617)</u>	<u>(174)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>746</b>	<b>(123)</b>	<b>(615)</b>	<b>127</b>
<b>Fund balances, beginning of year,</b>				
as previously reported	49,094	22,662	10,656	307
Adjustments to beginning fund balances	8,215	-	-	-
Fund balances, beginning of year, as restated	<u>57,309</u>	<u>22,662</u>	<u>10,656</u>	<u>307</u>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 58,055</b>	<b>\$ 22,539</b>	<b>\$ 10,041</b>	<b>\$ 434</b>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
\$ -	\$ 245	\$ 701	\$ 67,017	REVENUES:
-	-	731	731	Taxes
-	-	680	1,100	Licenses, permits, and franchise fees
-	7	116	535	Fines, forfeitures, and penalties
-	-	6,078	7,486	Use of money and property:
2,678	-	1,773	63,126	Investment earnings
2,738	3	41	6,851	Rents and concessions
-	28	1,557	26,553	Aid from other governmental agencies:
28	291	13,558	32,763	Federal
-	50	366	6,522	State
5,444	624	25,601	212,684	Other
				Charges for services
				Other revenue
				Total revenues
				EXPENDITURES:
				Current:
-	-	7,253	21,903	General government
-	202	5,234	8,484	Public protection
-	-	9,567	17,834	Public ways and facilities
-	-	-	1,809	Health and sanitation
6,456	-	-	61,442	Public assistance
-	-	-	20,828	Education
-	-	-	13,239	Recreation and cultural services
6,456	202	22,054	145,539	Total expenditures
(1,012)	422	3,547	67,145	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES):
1,087	-	1,911	23,134	Transfers in
(498)	(288)	(6,444)	(91,419)	Transfers out
589	(288)	(4,533)	(68,285)	Total other financing sources (uses)
(423)	134	(986)	(1,140)	NET CHANGE IN FUND BALANCES
				Fund balances, beginning of year, as previously reported
1,762	339	20,952	105,772	Adjustments to beginning fund balances
-	-	-	8,215	Fund balances, beginning of year, as restated
1,762	339	20,952	113,987	FUND BALANCES, END OF YEAR
\$ 1,339	\$ 473	\$ 19,966	\$ 112,847	

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Community Services Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 56,935	\$ 57,022	\$ 59,961	\$ 2,939
Fines, forfeitures, and penalties	400	400	293	(107)
Use of money and property:				
Investment earnings	5	6	97	91
Rents and concessions	1,071	758	643	(115)
Aid from other governmental agencies:				
Federal	70,255	73,228	58,672	(14,556)
State	21,648	4,882	3,422	(1,460)
Other	21,867	21,907	23,801	1,894
Charges for services	36,913	1,774	902	(872)
Other revenue	12,386	6,761	5,992	(769)
Total revenues	221,480	166,738	153,783	(12,955)
<b>EXPENDITURES:</b>				
Current:				
General government	16,087	17,551	14,345	(3,206)
Public protection	68,060	5,526	2,222	(3,304)
Public ways and facilities	-	356	5	(351)
Health and sanitation	48,353	4,033	1,040	(2,993)
Public assistance	75,532	71,069	54,986	(16,083)
Education	25,431	22,830	20,828	(2,002)
Recreation and cultural services	-	-	-	-
Total expenditures	233,463	121,365	93,426	(27,939)
Excess (deficiency) of revenues over (under) expenditures	(11,983)	45,373	60,357	14,984
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	16,414	16,414	-
Transfers out	-	(76,025)	(76,025)	-
Total other financing sources (uses)	-	(59,611)	(59,611)	-
<b>NET CHANGE IN FUND BALANCE</b>	(11,983)	(14,238)	746	14,984
Fund balance, beginning of year, as previously reported	49,094	49,094	49,094	-
Adjustments to beginning fund balance	-	-	8,215	8,215
Fund balance, beginning of year, as restated	49,094	49,094	57,309	8,215
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 37,111</b>	<b>\$ 34,856</b>	<b>\$ 58,055</b>	<b>\$ 23,199</b>



**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 County Service Areas Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 816	\$ 816	\$ 885	\$ 69
Use of money and property:				
Investment earnings	54	54	208	154
Rents and concessions	1	1	-	(1)
Aid from other governmental agencies:				
State	8	8	9	1
Other	169	169	195	26
Charges for services	14,699	11,677	11,054	(623)
Other revenue	37	51	30	(21)
Total revenues	15,784	12,776	12,381	(395)
EXPENDITURES:				
Current:				
Public protection	791	880	240	(640)
Public ways and facilities	14,333	11,359	8,262	(3,097)
Health and sanitation	780	780	769	(11)
Recreation and cultural services	2,085	1,825	582	(1,243)
Total expenditures	17,989	14,844	9,853	(4,991)
Excess (deficiency) of revenues over (under) expenditures	(2,205)	(2,068)	2,528	4,596
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,237	3,237	-
Transfers out	-	(5,888)	(5,888)	-
Total other financing sources (uses)	-	(2,651)	(2,651)	-
NET CHANGE IN FUND BALANCE	(2,205)	(4,719)	(123)	4,596
Fund balance, beginning of year	22,662	22,662	22,662	-
FUND BALANCE, END OF YEAR	\$ 20,457	\$ 17,943	\$ 22,539	\$ 4,596

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Regional Park and Open-Space Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 5,030	\$ 5,030	\$ 5,225	\$ 195
Use of money and property:				
Investment earnings	31	31	106	75
Rents and concessions	461	461	765	304
Aid from other governmental agencies:				
Federal	-	-	3	3
State	152	152	160	8
Other	745	745	972	227
Charges for services	7,464	7,450	6,930	(520)
Other revenue	665	194	84	(110)
Total revenues	14,548	14,063	14,245	182
EXPENDITURES:				
Current:				
Public protection	694	722	586	(136)
Recreation and cultural services	14,647	13,931	12,657	(1,274)
Total expenditures	15,341	14,653	13,243	(1,410)
Excess (deficiency) of revenues over (under) expenditures	(793)	(590)	1,002	1,592
OTHER FINANCING SOURCES (USES):				
Transfers in	-	485	485	-
Transfers out	-	(2,102)	(2,102)	-
Total other financing sources (uses)	-	(1,617)	(1,617)	-
NET CHANGE IN FUND BALANCE	(793)	(2,207)	(615)	1,592
Fund balance, beginning of year	10,656	10,656	10,656	-
FUND BALANCE, END OF YEAR	\$ 9,863	\$ 8,449	\$ 10,041	\$ 1,592

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Air Quality Improvement Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Fines, forfeitures and penalties	\$ 75	\$ 75	\$ 127	\$ 52
Use of money and property:				
Investment earnings	1	1	1	-
Aid from other governmental agencies:				
State	477	477	478	1
Total revenues	553	553	606	53
EXPENDITURES:				
Current:				
General government	597	423	305	(118)
Total expenditures	597	423	305	(118)
Excess (deficiency) of revenues over (under) expenditures	(44)	130	301	171
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(174)	(174)	-
Total other financing sources (uses)	-	(174)	(174)	-
NET CHANGE IN FUND BALANCE	(44)	(44)	127	171
Fund balance, beginning of year	307	307	307	-
FUND BALANCE, END OF YEAR	\$ 263	\$ 263	\$ 434	\$ 171

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 In-Home Support Services Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Aid from other governmental agencies:				
Federal	\$ 3,415	\$ 3,415	\$ 2,678	\$ (737)
State	2,051	2,051	2,738	687
Charges for services	1,087	-	28	28
Total revenues	6,553	5,466	5,444	(22)
EXPENDITURES:				
Current:				
Public assistance	8,057	7,559	6,456	(1,103)
Total expenditures	8,057	7,559	6,456	(1,103)
Excess (deficiency) of revenues over (under) expenditures	(1,504)	(2,093)	(1,012)	1,081
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,087	1,087	-
Transfers out	-	(498)	(498)	-
Total other financing sources (uses)	-	589	589	-
NET CHANGE IN FUND BALANCE	(1,504)	(1,504)	(423)	1,081
Fund balance, beginning of year	1,762	1,762	1,762	-
FUND BALANCE, END OF YEAR	\$ 258	\$ 258	\$ 1,339	\$ 1,081

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Perris Valley Cemetery District Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 263	\$ 263	\$ 245	\$ (18)
Use of money and property:				
Investment earnings	3	3	7	4
Aid from other governmental agencies:				
State	3	3	3	-
Other	25	25	28	3
Charges for services	280	280	291	11
Other revenue	-	50	50	-
Total revenues	<u>574</u>	<u>624</u>	<u>624</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public protection	573	378	202	(176)
Total expenditures	<u>573</u>	<u>378</u>	<u>202</u>	<u>(176)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>246</u>	<u>422</u>	<u>176</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(288)	(288)	-
Total other financing sources (uses)	<u>-</u>	<u>(288)</u>	<u>(288)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1	(42)	134	176
Fund balance, beginning of year	339	339	339	-
FUND BALANCE, END OF YEAR	<u>\$ 340</u>	<u>\$ 297</u>	<u>\$ 473</u>	<u>\$ 176</u>

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Other Special Revenue Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 645	\$ 645	\$ 701	\$ 56
Licenses, permits, and franchise fees	720	720	731	11
Fines, forfeitures, and penalties	2	471	680	209
Use of money and property:				
Investment earnings	60	60	116	56
Rents and concessions	6,545	6,714	6,078	(636)
Aid from other governmental agencies:				
Federal	2,640	4,192	1,773	(2,419)
State	274	309	41	(268)
Other	1,635	1,643	1,557	(86)
Charges for services	13,526	13,254	13,558	304
Other revenue	1,516	529	366	(163)
Total revenues	<u>27,563</u>	<u>28,537</u>	<u>25,601</u>	<u>(2,936)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	9,426	7,872	7,253	(619)
Public protection	6,036	5,854	5,234	(620)
Public ways and facilities	12,977	13,370	9,567	(3,803)
Total expenditures	<u>28,439</u>	<u>27,096</u>	<u>22,054</u>	<u>(5,042)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(876)</u>	<u>1,441</u>	<u>3,547</u>	<u>2,106</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,911	1,911	-
Transfers out	-	(6,444)	(6,444)	-
Total other financing sources (uses)	<u>-</u>	<u>(4,533)</u>	<u>(4,533)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(876)	(3,092)	(986)	2,106
Fund balance, beginning of year	20,952	20,952	20,952	-
FUND BALANCE, END OF YEAR	<u>\$ 20,076</u>	<u>\$ 17,860</u>	<u>\$ 19,966</u>	<u>\$ 2,106</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 of participation.

### **INFRASTRUCTURE FINANCING AUTHORITY**

The Infrastructure Financing Authority is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement by and between the County of Riverside and the Riverside County Flood Control and Water Conservation District. The authority is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County.

### **TAXABLE PENSION OBLIGATION BONDS (PENSION OBLIGATION)**

This fund is used to account for Series 2005 bonds that were issued to satisfy a portion of Riverside County's unfunded accrued actuarial liability for the California Public Employees' Retirement System (CalPERS).

### **INLAND EMPIRE TOBACCO SECURITIZATION AUTHORITY**

The Inland Empire Tobacco Securitization Authority was established to assist the County of Riverside in the construction of certain capital projects, financed from the proceeds of the tobacco settlement revenues.

### **PUBLIC FINANCING AUTHORITY**

The Public Financing Authority was formed for the purpose of assisting in financing public improvements of the County, the Riverside County Redevelopment Successor Agency and other local agencies.

### **FLOOD CONTROL**

The Flood Control debt service fund was established to service the debt incurred by Zone 4 for the construction of Zone 4 flood controls facilities. The fund receives transfers from Zone 4 revenues to pay principal and interest on promissory notes.

**COUNTY OF RIVERSIDE**

Combining Balance Sheet

Debt Service Funds

June 30, 2018

(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Accounts receivable	\$ -	\$ -	\$ -	\$ 2,273
Interest receivable	26	2	-	32
Restricted cash and investments	13,020	1,195	171	11,710
Total assets	<u>13,046</u>	<u>1,197</u>	<u>171</u>	<u>14,015</u>
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 13,046</u>	<u>\$ 1,197</u>	<u>171</u>	<u>\$ 14,015</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 272	\$ 107	\$ -	\$ -
Total liabilities	<u>272</u>	<u>107</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (Note 16):				
Restricted	12,774	1,090	171	9,960
Assigned	-	-	-	4,055
Total fund balances	<u>12,774</u>	<u>1,090</u>	<u>171</u>	<u>14,015</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,046</u>	<u>\$ 1,197</u>	<u>\$ 171</u>	<u>\$ 14,015</u>

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ -	\$ -	\$ -	\$ 2,273	Accounts receivable
26	2	-	88	Interest receivable
19,341	1,404	-	46,841	Restricted cash and investments
19,367	1,406	-	49,202	Total assets
-	-	-	-	Deferred outflows of resources
\$ 19,367	\$ 1,406	\$ -	\$ 49,202	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ -	\$ -	\$ -	\$ 379	Accounts payable
-	-	-	379	Total liabilities
-	-	-	-	Deferred inflows of resources
19,367	1,406	-	44,768	Fund balances (Note 16):
-	-	-	4,055	Restricted
19,367	1,406	-	48,823	Assigned
				Total fund balances
\$ 19,367	\$ 1,406	\$ -	\$ 49,202	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, 2018

(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation
REVENUES:				
Use of money and property:				
Investment earnings	\$ 189	\$ 22	\$ 4	\$ 989
Rents and concessions	121	2,398	-	-
Charges for services	-	-	-	2,972
Other revenue	8	-	3,075	-
Total revenues	<u>318</u>	<u>2,420</u>	<u>3,079</u>	<u>3,961</u>
EXPENDITURES:				
Current:				
General government	2,547	2,428	-	11,748
Debt service:				
Principal	20,780	497	5,370	20,170
Interest	9,073	327	5,495	14,105
Cost of issuance	-	-	850	-
Total expenditures	<u>32,400</u>	<u>3,252</u>	<u>11,715</u>	<u>46,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,082)</u>	<u>(832)</u>	<u>(8,636)</u>	<u>(42,062)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	25,710	-	10,981	34,569
Transfers out	(178)	-	(11,161)	-
Issuance of debt	-	-	10,610	-
Issuance of refunding bonds	-	-	58,565	-
Premium on long-term debt	-	-	4,096	-
Payment to escrow agent	-	-	(64,285)	-
Total other financing sources (uses)	<u>25,532</u>	<u>-</u>	<u>8,806</u>	<u>34,569</u>
NET CHANGE IN FUND BALANCES	<u>(6,550)</u>	<u>(832)</u>	<u>170</u>	<u>(7,493)</u>
Fund balances, beginning of year	19,324	1,922	1	21,508
FUND BALANCES, END OF YEAR	<u>\$ 12,774</u>	<u>\$ 1,090</u>	<u>\$ 171</u>	<u>\$ 14,015</u>

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
				REVENUES:
				Use of money and property:
\$ 225	\$ 19	\$ -	\$ 1,448	Investment earnings
-	1,240	-	3,759	Rents and concessions
-	-	-	2,972	Charges for services
13,174	-	-	16,257	Other revenue
13,399	1,259	-	24,436	Total revenues
				EXPENDITURES:
				Current:
109	-	-	16,832	General government
				Debt service:
7,105	6,155	1,980	62,057	Principal
6,301	16,085	867	52,253	Interest
-	-	-	850	Cost of issuance
13,515	22,240	2,847	131,992	Total expenditures
				Excess (deficiency) of revenues
(116)	(20,981)	(2,847)	(107,556)	over (under) expenditures
				OTHER FINANCING SOURCES (USES):
-	20,991	2,847	95,098	Transfers in
-	-	-	(11,339)	Transfers out
-	-	-	10,610	Issuance of debt
-	-	-	58,565	Issuance of refunding bonds
-	-	-	4,096	Premium on long-term debt
-	-	-	(64,285)	Payment to escrow agent
-	20,991	2,847	92,745	Total other financing sources (uses)
(116)	10	-	(14,811)	NET CHANGE IN FUND BALANCES
19,483	1,396	-	63,634	Fund balances, beginning of year
\$ 19,367	\$ 1,406	\$ -	\$ 48,823	FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Pension Obligation Debt Service Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 989	\$ 989
Aid from other governmental agencies:				
Charges for services	37,776	3,207	2,972	(235)
Total revenues	37,776	3,207	3,961	754
EXPENDITURES:				
Current:				
General government	3,501	12,001	11,748	(253)
Debt service:				
Principal	20,170	20,170	20,170	-
Interest	14,105	14,105	14,105	-
Total expenditures	37,776	46,276	46,023	(253)
Excess (deficiency) of revenues over (under) expenditures	-	(43,069)	(42,062)	1,007
OTHER FINANCING SOURCES (USES):				
Transfers in	-	34,569	34,569	-
Total other financing sources (uses)	-	34,569	34,569	-
NET CHANGE IN FUND BALANCE	-	(8,500)	(7,493)	1,007
Fund balance, beginning of year	21,508	21,508	21,508	-
FUND BALANCE, END OF YEAR	\$ 21,508	\$ 13,008	\$ 14,015	\$ 1,007

# **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.

### **INFRASTRUCTURE FINANCING AUTHORITY**

The Infrastructure Financing Authority is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement by and between the County of Riverside and the Riverside County Flood Control and Water Conservation District. The authority is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County.

**COUNTY OF RIVERSIDE**

## Combining Balance Sheet

## Capital Projects Funds

June 30, 2018

(Dollars in Thousands)

	PSEC	CORAL	Flood Control
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Cash and investments	\$ 253	\$ -	\$ 18
Interest receivable	-	1	-
Due from other governments	-	-	-
Prepaid items and deposits	580	-	-
Restricted cash and investments	-	134	-
Total assets	833	135	18
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 833	\$ 135	\$ 18
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ -	\$ 21	\$ -
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Total liabilities	-	21	-
Deferred inflows of resources	-	-	-
Fund balances (Note 16):			
Nonspendable	580	-	-
Restricted	-	114	18
Assigned	253	-	-
Total fund balances	833	114	18
Total liabilities, deferred inflows of resources, and fund balances	\$ 833	\$ 135	\$ 18

Regional Park and Open-Space	CREST	Infrastructure Financing Authority	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ 4,693	\$ 6,313	\$ -	\$ 11,277	Cash and investments
12	25	12	50	Interest receivable
2,769	-	-	2,769	Due from other governments
1,377	-	-	1,957	Prepaid items and deposits
-	-	11,842	11,976	Restricted cash and investments
8,851	6,338	11,854	28,029	Total assets
-	-	-	-	Deferred outflows of resources
\$ 8,851	\$ 6,338	\$ 11,854	\$ 28,029	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 1,172	\$ 64	\$ 156	\$ 1,413	Accounts payable
-	128	-	128	Salaries and benefits payable
-	452	-	452	Due to other funds
1,172	644	156	1,993	Total liabilities
-	-	-	-	Deferred inflows of resources
				Fund balances (Note 16):
-	-	-	580	Nonspendable
7,679	-	11,698	19,509	Restricted
-	5,694	-	5,947	Assigned
7,679	5,694	11,698	26,036	Total fund balances
\$ 8,851	\$ 6,338	\$ 11,854	\$ 28,029	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, 2018

(Dollars in Thousands)

	PSEC	CORAL	Flood Control
REVENUES:			
Fines, forfeitures, penalties	\$ -	\$ -	\$ -
Use of money and property:			
Investment earnings	-	20	-
Aid from other governmental agencies:			
State	-	-	-
Charges for services	-	-	-
Other revenue	-	-	-
Total revenues	-	20	-
EXPENDITURES:			
Current:			
General government	-	504	-
Recreation and cultural services	-	-	-
Capital outlay	-	1,111	-
Total expenditures	-	1,615	-
Excess (deficiency) of revenues over (under) expenditures	-	(1,595)	-
OTHER FINANCING SOURCES (USES):			
Transfers in	-	170	-
Transfers out	-	-	-
Total other financing sources (uses)	-	170	-
NET CHANGE IN FUND BALANCES	-	(1,425)	-
Fund balances, beginning of year	833	1,539	18
FUND BALANCES, END OF YEAR	\$ 833	\$ 114	\$ 18

Regional Park and Open-Space	CREST	Infrastructure Financing Authority	Total	
\$ 180	\$ -	\$ -	\$ 180	REVENUES:
35	70	81	206	Fines, forfeitures, penalties
694	-	-	694	Use of money and property:
-	2,587	-	2,587	Investment earnings
2,653	-	-	2,653	Aid from other governmental agencies:
3,562	2,657	81	6,320	State
				Charges for services
				Other revenue
				Total revenues
				EXPENDITURES:
				Current:
-	-	-	504	General government
2,822	-	-	2,822	Recreation and cultural services
-	3,121	5,886	10,118	Capital outlay
2,822	3,121	5,886	13,444	Total expenditures
740	(464)	(5,805)	(7,124)	Excess (deficiency) of revenues over (under) expenditures
3,023	-	11,161	14,354	OTHER FINANCING SOURCES (USES):
(1,557)	(1,041)	(119)	(2,717)	Transfers in
1,466	(1,041)	11,042	11,637	Transfers out
2,206	(1,505)	5,237	4,513	Total other financing sources (uses)
5,473	7,199	6,461	21,523	NET CHANGE IN FUND BALANCES
\$ 7,679	\$ 5,694	\$ 11,698	\$ 26,036	Fund balances, beginning of year
				FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Flood Control Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Other revenue	\$ 1,250	\$ 1,250	\$ -	\$ (1,250)
Total revenues	1,250	1,250	-	(1,250)
EXPENDITURES:				
Capital outlay	1,250	1,250	-	(1,250)
Total expenditures	1,250	1,250	-	(1,250)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	18	18	18	-
FUND BALANCE, END OF YEAR	<u>\$ 18</u>	<u>\$ 18</u>	<u>\$ 18</u>	<u>\$ -</u>

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 Regional Park and Open-Space Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 180	\$ 180
Use of money and property:				
Investment earnings	15	15	35	20
Aid from other governmental agencies:				
State	3,098	3,203	694	(2,509)
Other revenue	3,811	2,042	2,653	611
Total revenues	6,924	5,260	3,562	(1,698)
EXPENDITURES:				
Current:				
Recreation and cultural services	7,379	6,284	2,822	(3,462)
Total expenditures	7,379	6,284	2,822	(3,462)
Excess (deficiency) of revenues over (under) expenditures	(455)	(1,024)	740	1,764
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,023	3,023	-
Transfers out	-	(1,557)	(1,557)	-
Total other financing sources (uses)	-	1,466	1,466	-
NET CHANGE IN FUND BALANCE	(455)	442	2,206	1,764
Fund balance, beginning of year	5,473	5,473	5,473	-
FUND BALANCE, END OF YEAR	\$ 5,018	\$ 5,915	\$ 7,679	\$ 1,764

**COUNTY OF RIVERSIDE**  
 Budgetary Comparison Schedule  
 CREST Capital Projects Fund  
 For the Fiscal Year Ended June 30, 2018  
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ 25	\$ 25	\$ 70	\$ 45
Charges for services	4,605	4,605	2,587	(2,018)
Total revenues	4,630	4,630	2,657	(1,973)
EXPENDITURES:				
Current:				
Capital outlay	14,213	13,172	3,121	(10,051)
Total expenditures	14,213	13,172	3,121	(10,051)
Excess (deficiency) of revenues over (under) expenditures	(9,583)	(8,542)	(464)	8,078
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,041)	(1,041)	-
Total other financing sources (uses)	-	(1,041)	(1,041)	-
NET CHANGE IN FUND BALANCE	(9,583)	(9,583)	(1,505)	8,078
Fund balance, beginning of year	7,199	7,199	7,199	-
FUND BALANCE, END OF YEAR	\$ (2,384)	\$ (2,384)	\$ 5,694	\$ 8,078



# 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, 2018

(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	
Assets:	
Cash and investments	\$ 751
Interest receivable	2
Total assets	<u>753</u>
Deferred outflows of resources	-
Total assets and deferred outflows of resources	<u><u>\$ 753</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:</b>	
Liabilities:	
Total liabilities	<u>\$ -</u>
Deferred inflows of resources	<u>-</u>
Fund balance (Note 16):	
Nonspendable	701
Restricted	52
Total fund balance	<u><u>753</u></u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 753</u></u>

**COUNTY OF RIVERSIDE**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Permanent Fund  
For the Fiscal Year Ended June 30, 2018  
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
REVENUES:	
Use of money and property:	
Investment earnings	\$        7
Charges for services	78
Total revenues	<u>85</u>
EXPENDITURES:	
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>85</u>
NET CHANGE IN FUND BALANCE	85
Fund balance, beginning of year	<u>668</u>
FUND BALANCE, END OF YEAR	<u><u>\$      753</u></u>



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# **NONMAJOR ENTERPRISE FUNDS**





# **COUNTY OF RIVERSIDE**

## **NONMAJOR ENTERPRISE FUNDS**

These funds are used to account for operations providing goods or services to the general public. The accounting for these funds is similar to private enterprise accounting (accrual basis of accounting). The intent of the County's governing board is that all costs associated with providing these goods or services be financed or recovered primarily through user charges.

### **COUNTY SERVICE AREAS**

These three funds were established to account for revenues, expenses, and the allocation of net income for County Service Areas 62 (sewer), 62 (water), and 122.

### **FLOOD CONTROL**

These three funds were established to account for transactions resulting from topographical map sales, subdivision operations, and issuance of encroachment permits.

### **RIVERSIDE UNIVERSITY HEALTH SYSTEM - COMMUNITY HEALTH CENTERS**

This fund was established to account for transactions resulting from several clinics spread across the County providing primary care and preventive services.

**COUNTY OF RIVERSIDE**  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2018  
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
<b>ASSETS:</b>				
Current assets:				
Cash and investments	\$ 429	\$ 1,103	\$ -	\$ 1,532
Accounts receivable-net	-	298	1,377	1,675
Interest receivable	1	15	-	16
Taxes receivable	10	-	-	10
Due from other governments	-	5	3,624	3,629
Due from other funds	-	8	14,930	14,938
Inventories	-	-	377	377
Restricted cash and investments	-	3,222	-	3,222
Prepaid items and deposits	-	-	253	253
Total current assets	440	4,651	20,561	25,652
Noncurrent assets:				
Capital assets:				
Depreciable assets	5	71	11,156	11,232
Total noncurrent assets	5	71	11,156	11,232
Total assets	445	4,722	31,717	36,884
DEFERRED OUTFLOWS OF RESOURCES	-	732	11,110	11,842
<b>LIABILITIES:</b>				
Current liabilities:				
Cash overdrawn	-	-	15,595	15,595
Accounts payable	36	3,274	738	4,048
Salaries and benefits payable	-	74	2,182	2,256
Due to other governments	-	-	9,244	9,244
Due to other funds	-	13	5,899	5,912
Interest payable	-	-	43	43
Deposits payable	125	-	22	147
Other liabilities	-	227	-	227
Compensated absences	-	8	1,120	1,128
Capital lease obligation	-	-	492	492
Total current liabilities	161	3,596	35,335	39,092
Noncurrent liabilities:				
Compensated absences	-	86	1,898	1,984
Capital lease obligations	-	-	10,291	10,291
Net OPEB liability	-	-	229	229
Net pension liability	-	2,302	11,842	14,144
Total noncurrent liabilities	-	2,388	24,260	26,648
Total liabilities	161	5,984	59,595	65,740
DEFERRED INFLOWS OF RESOURCES	-	213	1,215	1,428
<b>NET POSITION:</b>				
Net investment in capital assets	5	71	373	449
Unrestricted	279	(814)	(18,356)	(18,891)
Total net position	\$ 284	\$ (743)	\$ (17,983)	\$ (18,442)

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2018  
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
<b>OPERATING REVENUES:</b>				
Net patient revenue (Notes 1 and 18)	\$ -	\$ -	\$ 19,375	\$ 19,375
Charges for services	353	1,737	10,808	12,898
Other	25	12	8,028	8,065
Total operating revenues	378	1,749	38,211	40,338
<b>OPERATING EXPENSES:</b>				
Personnel services	-	1,522	38,238	39,760
Communications	7	-	218	225
Insurance	3	-	313	316
Maintenance of building and equipment	120	-	2,569	2,689
Supplies	7	18	2,137	2,162
Purchased services	8	1,256	8,612	9,876
Depreciation and amortization	3	5	390	398
Rents and leases of equipment	-	-	2,941	2,941
Utilities	80	-	367	447
Other	15	14	262	291
Total operating expenses	243	2,815	56,047	59,105
Operating income (loss)	135	(1,066)	(17,836)	(18,767)
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income (loss)	3	74	(204)	(127)
Interest expense	-	-	(200)	(200)
Total nonoperating revenues (expenses)	3	74	(404)	(327)
Income (loss) before capital contributions and transfers	138	(992)	(18,240)	(19,094)
Capital contributions	-	-	1	1
Transfers in	-	-	11,493	11,493
Transfers out	-	-	(278)	(278)
<b>CHANGE IN NET POSITION</b>	138	(992)	(7,024)	(7,878)
Net position, beginning of year, as previously reported	146	249	-	395
Adjustments to beginning net position (Note 3)	-	-	(10,959)	(10,959)
Net position, beginning of year, as restated	146	249	(10,959)	(10,564)
<b>NET POSITION, END OF YEAR</b>	<u>\$ 284</u>	<u>\$ (743)</u>	<u>\$ (17,983)</u>	<u>\$ (18,442)</u>

**COUNTY OF RIVERSIDE**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2018  
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
Cash flows from operating activities				
Cash receipts (payments due) from customers	\$ 378	\$ 1,720	\$ 40,039	\$ 42,137
Cash receipts (payments due) from other funds	(1)	(7)	(14,784)	(14,792)
Cash paid to suppliers for goods and services	(216)	(1,265)	(14,046)	(15,527)
Cash paid to employees for services	-	(1,159)	(35,844)	(37,003)
Net cash provided by (used in) operating activities	161	(711)	(24,635)	(25,185)
Cash flows from noncapital financing activities				
Transfers received	-	-	11,493	11,493
Transfers paid	-	-	(278)	(278)
Net cash provided by (used in) noncapital financing activities	-	-	11,215	11,215
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(1)	(75)	(11,471)	(11,547)
Principal paid on capital leases	-	-	10,783	10,783
Capital contributions	-	-	1	1
Interest paid on long-term debt	-	-	(157)	(157)
Net cash provided by (used in) capital and related financing activities	(1)	(75)	(844)	(920)
Cash flows from investing activities				
Investment income (loss)	2	70	(204)	(132)
Net cash provided by (used in) investing activities	2	70	(204)	(132)
Net increase (decrease) in cash and cash equivalents	162	(716)	(14,468)	(15,022)
Cash and cash equivalents, beginning of year	267	5,041	(1,127)	4,181
Cash and cash equivalents, end of year	\$ 429	\$ 4,325	\$ (15,595)	\$ (10,841)
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments per Statement of Net Position	\$ 429	\$ 1,103	\$ (15,595)	\$ (14,063)
Restricted cash and investments per Statement of Net Position	-	3,222	-	3,222
Total cash and cash equivalents per Statement of Net Position	\$ 429	\$ 4,325	\$ (15,595)	\$ (10,841)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 135	\$ (1,066)	\$ (17,836)	\$ (18,767)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	3	5	390	398
Decrease (Increase) accounts receivable	-	(31)	368	337
Decrease (Increase) taxes receivable	(1)	-	-	(1)
Decrease (Increase) due from other funds	-	(7)	(14,784)	(14,791)
Decrease (Increase) due from other governments	-	2	1,460	1,462
Decrease (Increase) inventories	-	-	(355)	(355)
Decrease (Increase) prepaid items and deposits	-	-	(253)	(253)
Increase (Decrease) accounts payable	14	(19)	405	400
Increase (Decrease) due to other funds	-	6	4,844	4,850
Increase (Decrease) due to other governments	-	-	(1,290)	(1,290)
Increase (Decrease) deposits payable	10	-	22	32
Increase (Decrease) other liabilities	-	36	-	36
Increase (Decrease) net pension liability	-	496	4,578	5,074
Increase (Decrease) net OPEB liability	-	-	109	109
Increase (Decrease) deferred OPEB	-	-	(160)	(160)
Increase (Decrease) deferred pensions	-	(134)	(2,538)	(2,672)
Increase (Decrease) salaries and benefits payable	-	-	40	40
Increase (Decrease) compensated absences	-	1	365	366
Net cash provided by (used in) operating activities	\$ 161	\$ (711)	\$ (24,635)	\$ (25,185)
Noncash investing, capital, and financing activities			\$ 10,941	\$ 10,941

# **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.

### **HUMAN RESOURCES**

This fund finances the operation and maintenance of the Human Capital Management System which, provide all human resources requirements including talent management, recruitment, onboarding, time and labor, payroll and employee benefits administration to County departments on a cost-reimbursement basis.

### **RISK MANAGEMENT**

These funds account for the financing of employee insurance benefits and County self-insurance programs. These funds include medical, dental, disability, and unemployment insurance as well as general liability, medical malpractice, and workers' compensation.

### **TEMPORARY ASSISTANCE POOL (TAP)**

The purpose of this fund is to provide a ready source of temporary workers to County departments, with lower overhead costs than are typically charged by outside temporary employment agencies.

### **ECONOMIC DEVELOPMENT AGENCY, (EDA) FACILITIES MANAGEMENT**

The purpose of this fund is 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, 2018  
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
<b>ASSETS:</b>					
Current assets:					
Cash and investments	\$ 82	\$ 10,435	\$ 22,103	\$ 635	\$ 1,844
Accounts receivable-net	-	62	242	17	2
Interest receivable	-	23	60	6	7
Due from other governments	-	106	172	54	6
Due from other funds	-	-	-	-	-
Inventories	-	672	1,447	120	153
Prepaid items and deposits	-	-	162	-	-
Total current assets	82	11,298	24,186	832	2,012
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	-	766	235	-	-
Depreciable assets	-	33,183	37,182	294	173
Total noncurrent assets	-	33,949	37,417	294	173
Total assets	82	45,247	61,603	1,126	2,185
DEFERRED OUTFLOWS OF RESOURCES	-	2,759	37,579	430	394
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	-	946	2,034	16	42
Salaries and benefits payable	17	370	3,439	46	25
Due to other governments	-	1	14	-	11
Due to other funds	-	-	-	-	-
Other liabilities	-	118	-	-	-
Accrued remediation costs	-	95	-	-	-
Compensated absences	10	290	4,600	92	36
Capital lease obligations	-	7,407	9,963	-	-
Estimated claims liabilities	-	-	-	-	-
Total current liabilities	27	9,227	20,050	154	114
Noncurrent liabilities:					
Compensated absences	-	107	2,649	-	47
Advances from other funds	-	-	-	-	-
Capital lease obligations	-	6,373	14,307	-	-
Accrued remediation costs	-	104	-	-	-
Estimated claims liabilities	-	-	-	-	-
Net OPEB liability	-	35	280	6	3
Net pension liability	-	5,899	86,021	871	984
Total noncurrent liabilities	-	12,518	103,257	877	1,034
Total liabilities	27	21,745	123,307	1,031	1,148
DEFERRED INFLOWS OF RESOURCES	-	773	12,322	109	130
<b>NET POSITION:</b>					
Net investment in capital assets	-	20,169	13,147	294	173
Unrestricted	55	5,319	(49,594)	122	1,128
Total net position	\$ 55	\$ 25,488	\$ (36,447)	\$ 416	\$ 1,301



Human Resources	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
						ASSETS:
						Current assets:
\$ 600	\$ 219,871	\$ 863	\$ 11,109	\$ 7,506	\$ 275,048	Cash and investments
-	7,325	-	2	9	7,659	Accounts receivable-net
-	745	-	27	25	893	Interest receivable
-	-	-	803	-	1,141	Due from other governments
-	-	-	-	353	353	Due from other funds
-	-	-	140	277	2,809	Inventories
-	381	-	-	-	543	Prepaid items and deposits
600	228,322	863	12,081	8,170	288,446	Total current assets
						Noncurrent assets:
						Capital assets:
-	-	-	-	-	1,001	Nondepreciable assets
-	9	-	14	2,280	73,135	Depreciable assets
-	9	-	14	2,280	74,136	Total noncurrent assets
600	228,331	863	12,095	10,450	362,582	Total assets
-	12,299	1,431	16,432	-	71,324	DEFERRED OUTFLOWS OF RESOURCES
						LIABILITIES:
						Current liabilities:
-	22,654	54	1,910	70	27,726	Accounts payable
-	1,761	152	1,789	86	7,685	Salaries and benefits payable
-	2	-	3	46	77	Due to other governments
-	-	-	2,114	17	2,131	Due to other funds
-	119	-	1,303	-	1,540	Other liabilities
-	-	-	-	-	95	Accrued remediation costs
-	1,949	149	2,141	12	9,279	Compensated absences
-	-	-	-	-	17,370	Capital lease obligations
-	61,295	-	-	-	61,295	Estimated claims liabilities
-	87,780	355	9,260	231	127,198	Total current liabilities
						Noncurrent liabilities:
-	1,349	25	641	126	4,944	Compensated absences
-	-	-	3,342	-	3,342	Advances from other funds
-	-	-	-	-	20,680	Capital lease obligations
-	-	-	-	-	104	Accrued remediation costs
-	184,967	-	-	-	184,967	Estimated claims liabilities
-	119	22	224	-	689	Net OPEB liability
-	25,818	2,941	35,144	-	157,678	Net pension liability
-	212,253	2,988	39,351	126	372,404	Total noncurrent liabilities
-	300,033	3,343	48,611	357	499,602	Total liabilities
-	3,358	359	4,640	-	21,691	DEFERRED INFLOWS OF RESOURCES
						NET POSITION:
-	9	-	14	2,280	36,086	Net investment in capital assets
600	(62,770)	(1,408)	(24,738)	7,813	(123,473)	Unrestricted
\$ 600	\$ (62,761)	\$ (1,408)	\$ (24,724)	\$ 10,093	\$ (87,387)	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, 2018

(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
OPERATING REVENUES:					
Charges for services	\$ 1,004	\$ 29,508	\$ 117,547	\$ 1,199	\$ 3,043
Other revenue	-	17	2,196	240	661
Total operating revenues	1,004	29,525	119,743	1,439	3,704
OPERATING EXPENSES:					
Cost of materials used	-	1,497	-	-	-
Personnel services	636	4,823	63,327	919	484
Communications	7	114	10,560	1	55
Insurance	66	157	517	8	29
Maintenance of building and equipment	68	3,311	20,317	42	693
Insurance claims	-	-	-	-	-
Supplies	13	6,977	3,046	1,412	2,985
Purchased services	357	1,641	6,710	709	470
Depreciation and amortization	27	12,966	9,345	100	13
Rents and leases of equipment	108	1,097	3,824	-	-
Utilities	64	129	1,503	11	60
Remediation	-	5	-	-	-
Other	16	213	747	70	30
Total operating expenses	1,362	32,930	119,896	3,272	4,819
Operating income (loss)	(358)	(3,405)	(153)	(1,833)	(1,115)
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	4	55	116	23	27
Interest expense	-	(198)	(599)	-	-
Gain (loss) on disposal of capital assets	-	999	(2,187)	(47)	55
Other nonoperating revenues (expenses)	(189)	-	(6)	(29)	-
Total nonoperating revenues (expenses)	(185)	856	(2,676)	(53)	82
Income (loss) before capital contributions and transfers	(543)	(2,549)	(2,829)	(1,886)	(1,033)
Capital contributions	-	-	-	-	-
Transfers in	1	-	3,684	-	-
Transfers out	(14)	(79)	(1,035)	(14)	(7)
CHANGE IN NET POSITION	(556)	(2,628)	(180)	(1,900)	(1,040)
Net position, beginning of year, as previously reported	(213)	28,130	(36,155)	1,127	2,342
Adjustments to beginning net position (Note 3)	824	(14)	(112)	1,189	(1)
Net position, beginning of year, as restated	611	28,116	(36,267)	2,316	2,341
NET POSITION, END OF YEAR	\$ 55	\$ 25,488	\$ (36,447)	\$ 416	\$ 1,301

Human Resources	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
\$ -	\$ 52,451	\$ 3,829	\$ 101,021	\$ 1,072	\$ 310,674	OPERATING REVENUES:
-	11,869	-	13,240	6,083	34,306	Charges for services
-	64,320	3,829	114,261	7,155	344,980	Other revenue
						Total operating revenues
-	-	-	-	74	1,571	OPERATING EXPENSES:
-	23,034	3,176	31,620	1,662	129,681	Cost of materials used
-	60	-	103	-	10,900	Personnel services
-	23,395	54	592	-	24,818	Communications
-	33	3	16,167	709	41,343	Insurance
-	186,254	-	-	-	186,254	Maintenance of building and equipment
-	4,589	158	3,891	1,116	24,187	Insurance claims
-	6,030	840	11,946	2,134	30,837	Supplies
-	14	-	26	896	23,387	Purchased services
-	1,200	239	51,162	6	57,636	Depreciation and amortization
-	29	-	1,273	1	3,070	Rents and leases of equipment
-	-	-	-	-	5	Utilities
-	2,655	68	1,256	377	5,432	Remediation
-	247,293	4,538	118,036	6,975	539,121	Other
-	(182,973)	(709)	(3,775)	180	(194,141)	Total operating expenses
						Operating income (loss)
-	1,850	-	30	63	2,168	NONOPERATING REVENUES (EXPENSES):
-	-	-	-	-	(797)	Investment income (loss)
-	-	-	-	97	(1,083)	Interest expense
-	-	-	-	-	(224)	Gain (loss) on disposal of capital assets
-	1,850	-	30	160	64	Other nonoperating revenues (expenses)
						Total nonoperating revenues (expenses)
-	(181,123)	(709)	(3,745)	340	(194,077)	Income (loss) before capital contributions
-	151,567	-	-	-	151,567	and transfers
600	3,964	-	1,304	-	9,553	Capital contributions
-	(4,935)	(277)	(473)	-	(6,834)	Transfers in
600	(30,527)	(986)	(2,914)	340	(39,791)	Transfers out
						CHANGE IN NET POSITION
-	(32,187)	(414)	(21,721)	9,753	(49,338)	Net position, beginning of year, as previously reported
-	(47)	(8)	(89)	-	1,742	Adjustments to beginning net position (Note 3)
-	(32,234)	(422)	(21,810)	9,753	(47,596)	Net position, beginning of year, as restated
\$ 600	\$ (62,761)	\$ (1,408)	\$ (24,724)	\$ 10,093	\$ (87,387)	NET POSITION, END OF YEAR

**COUNTY OF RIVERSIDE**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2018  
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
Cash flows from operating activities					
Cash receipts (payments due) from customers	\$ -	\$ (7)	\$ (165)	\$ 26	\$ (2)
Cash receipts (payments due) from other funds	1,018	29,684	119,826	1,439	3,704
Cash paid to suppliers for goods and services	(844)	(14,759)	(46,705)	(2,280)	(4,417)
Cash paid to employees for services	(744)	(4,382)	(54,074)	(781)	(434)
Net cash provided by (used in) operating activities	(570)	10,536	18,882	(1,596)	(1,149)
Cash flows from noncapital financing activities					
Advances (to) from other funds	-	-	(2,500)	-	-
Contributions (to) from others	(189)	-	(6)	(29)	-
Transfers received	1	-	3,684	-	-
Transfers paid	(14)	(79)	(1,035)	(14)	(7)
Net cash provided by (used in) noncapital financing activities	(202)	(79)	143	(43)	(7)
Cash flows from capital and related financing activities					
Proceeds (loss) from sale of capital assets	189	999	(2,187)	44	55
Acquisition and construction of capital assets	-	(2,003)	(1,396)	-	(55)
Principal paid on capital leases	-	(9,401)	(14,687)	-	-
Capital contributions	-	-	-	-	-
Interest paid on long-term debt	-	(198)	(599)	-	-
Net cash provided by (used in) capital and related financing activities	189	(10,603)	(18,869)	44	-
Cash flows from investing activities					
Investment income (loss)	5	41	74	19	23
Net cash provided by (used in) investing activities	5	41	74	19	23
Net increase (decrease) in cash and cash equivalents	(578)	(105)	230	(1,576)	(1,133)
Cash and cash equivalents, beginning of year	660	10,540	21,873	2,211	2,977
Cash and cash equivalents, end of year	<u>\$ 82</u>	<u>\$ 10,435</u>	<u>\$ 22,103</u>	<u>\$ 635</u>	<u>\$ 1,844</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and investments per Statement of Net Position	\$ 82	\$ 10,435	\$ 22,103	\$ 635	\$ 1,844
Restricted cash and investments per Statement of Net Position	-	-	-	-	-
Total cash and cash equivalents per Statement of Net Position	<u>\$ 82</u>	<u>\$ 10,435</u>	<u>\$ 22,103</u>	<u>\$ 635</u>	<u>\$ 1,844</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ (358)	\$ (3,405)	\$ (153)	\$ (1,833)	\$ (1,115)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	27	12,966	9,345	100	13
Decrease (Increase) accounts receivable	-	159	83	-	-
Decrease (Increase) due from other funds	14	-	-	-	-
Decrease (Increase) due from other governments	-	(7)	(165)	26	(2)
Decrease (Increase) inventories	-	(84)	(335)	78	190
Decrease (Increase) prepaid items and deposits	-	428	1,303	-	-
Increase (Decrease) accounts payable	(4)	30	(463)	(105)	(289)
Increase (Decrease) due to other funds	(141)	-	-	-	-
Increase (Decrease) due to other governments	-	1	14	-	4
Increase (Decrease) accrued remediation costs	-	(9)	-	-	-
Increase (Decrease) other liabilities	-	16	-	-	-
Increase (Decrease) estimated claims liability	-	-	-	-	-
Increase (Decrease) net pension liability	(283)	1,395	18,391	254	123
Increase (Decrease) net OPEB liability	-	21	168	6	2
Increase (Decrease) deferred pensions	283	(699)	(8,814)	(149)	(10)
Increase (Decrease) salaries and benefits payable	(47)	(46)	(202)	(3)	(37)
Increase (Decrease) compensated absences	(61)	(230)	(290)	30	(28)
Net cash provided by (used in) operating activities	<u>\$ (570)</u>	<u>\$ 10,536</u>	<u>\$ 18,882</u>	<u>\$ (1,596)</u>	<u>\$ (1,149)</u>
Noncash investing, capital, and financing					
Capital lease obligations		<u>\$ 7,870</u>	<u>\$ (2,255)</u>		

Human Resources	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total
\$ -	\$ -	\$ -	\$ 391	\$ -	\$ 243
-	69,782	3,829	114,847	6,962	351,091
-	(184,011)	(1,338)	(86,324)	(4,459)	(345,137)
-	(19,617)	(2,796)	(27,387)	(1,679)	(111,894)
-	(133,846)	(305)	1,527	824	(105,697)
-	-	-	-	-	(2,500)
-	-	-	-	-	(224)
600	3,964	-	1,304	-	9,553
-	(4,935)	(277)	(473)	-	(6,834)
600	(971)	(277)	831	-	(5)
-	-	-	-	97	(803)
-	-	-	(7)	(423)	(3,884)
-	-	-	-	-	(24,088)
-	151,567	-	-	-	151,567
-	-	-	-	-	(797)
-	151,567	-	(7)	(326)	121,995
-	1,349	-	8	46	1,565
-	1,349	-	8	46	1,565
600	18,099	(582)	2,359	544	17,858
-	201,772	1,445	8,750	6,962	257,190
\$ 600	\$ 219,871	\$ 863	\$ 11,109	\$ 7,506	\$ 275,048

Cash flows from operating activities  
Cash receipts (payments due) from customers  
Cash receipts (payments due) from other funds  
Cash paid to suppliers for goods and services  
Cash paid to employees for services  
Net cash provided by (used in) operating activities  
Cash flows from noncapital financing activities  
Advances (to) from other funds  
Contributions (to) from others  
Transfers received  
Transfers paid  
Net cash provided by (used in) noncapital financing activities  
Cash flows from capital and related financing activities  
Proceeds (loss) from sale of capital assets  
Acquisition and construction of capital assets  
Principal paid on capital leases  
Capital contributions  
Interest paid on long-term debt  
Net cash provided by (used in) capital and related financing activities  
Cash flows from investing activities  
Investment income (loss)  
Net cash provided by (used in) investing activities  
Net increase (decrease) in cash and cash equivalents  
Cash and cash equivalents, beginning of year  
Cash and cash equivalents, end of year

\$ 600	\$ 219,871	\$ 863	\$ 11,109	\$ 7,506	\$ 275,048
-	-	-	-	-	-
\$ 600	\$ 219,871	\$ 863	\$ 11,109	\$ 7,506	\$ 275,048

Reconciliation of cash and cash equivalents to the  
Statement of Net Position  
Cash and investments per Statement of Net Position  
Restricted cash and investments per Statement of Net  
Position  
Total cash and cash equivalents per Statement of Net  
Position

\$ -	\$ (182,973)	\$ (709)	\$ (3,775)	\$ 180	\$ (194,141)
-	14	-	26	896	23,387
-	5,284	-	5	1	5,532
-	178	-	581	(194)	579
-	-	-	391	-	243
-	-	-	82	(1)	(70)
-	17	-	-	-	1,748
-	(2,016)	24	(1,430)	(59)	(4,312)
-	(190)	-	1,199	8	876
-	2	-	2	10	33
-	-	-	-	-	(9)
-	57	-	213	-	286
-	42,364	-	-	-	42,364
-	6,578	750	8,366	-	35,574
-	72	14	135	-	418
-	(3,456)	(385)	(4,244)	-	(17,474)
-	83	(4)	(7)	(8)	(271)
-	140	5	(17)	(9)	(460)
\$ -	\$ (133,846)	\$ (305)	\$ 1,527	\$ 824	\$ (105,697)

Reconciliation of operating income (loss) to net cash  
provided by (used in) operating activities  
Operating income (loss)  
Adjustments to reconcile operating income (loss)  
to net cash provided by (used in) operating activities  
Depreciation and amortization  
Decrease (Increase) accounts receivable  
Decrease (Increase) due from other funds  
Decrease (Increase) due from other governments  
Decrease (Increase) inventories  
Decrease (Increase) prepaid items and deposits  
Increase (Decrease) accounts payable  
Increase (Decrease) due to other funds  
Increase (Decrease) due to other governments  
Increase (Decrease) accrued remediation costs  
Increase (Decrease) other liabilities  
Increase (Decrease) estimated claims liability  
Increase (Decrease) net pension liability  
Increase (Decrease) net OPEB liability  
Increase (Decrease) deferred pensions  
Increase (Decrease) salaries and benefits payable  
Increase (Decrease) compensated absences  
Net cash provided by (used in) operating activities

\$ 5,615

Noncash investing, capital, and financing activities:  
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 a trustee or agency capacity for others and therefore cannot be used to support the government's own programs and are excluded from the government-wide financial statements.

### **OTHER**

This fund was established to account for a wide array of fiduciary responsibilities. Some of these responsibilities include tax payments clearing, asset forfeiture, State Controller clearing, child support collections, undistributed bond proceeds, and family support clearing.

### **PAYROLL DEDUCTIONS**

The purpose of this fund is to collect deductions from employee wages. The deductions are owed to a variety of third parties for health insurance, union dues, unemployment insurance, withholding tax, flexible spending accounts, and dental insurance.

### **PROPERTY TAX ASSESSMENTS**

The Property Tax Assessment Agency Fund was set up to help Riverside County account for apportioned taxes clearing, delinquent mobile home fees, property tax refunds, special assessments, and Teeter Plan collections.

### **WARRANTS**

This fund was established as a clearing fund for various categories of warrants issued by Riverside County.

**COUNTY OF RIVERSIDE**  
Combining Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2018  
(Dollars in Thousands)

	Other	Payroll Deductions	Property Tax Assessments	Warrants	Total
<b>ASSETS:</b>					
Cash and investments	\$ 142,710	\$ 11,260	\$ 82,102	\$ 56,906	\$ 292,978
Accounts receivable	372	-	-	1	373
Interest receivable	190	-	117	1	308
Taxes receivable	61	-	31,242	-	31,303
Total assets	<u>\$ 143,333</u>	<u>\$ 11,260</u>	<u>\$ 113,461</u>	<u>\$ 56,908</u>	<u>\$ 324,962</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ 132,258	\$ 11,260	\$ 600	\$ 56,908	\$ 201,026
Due to other governments	11,075	-	112,861	-	123,936
Total liabilities	<u>\$ 143,333</u>	<u>\$ 11,260</u>	<u>\$ 113,461</u>	<u>\$ 56,908</u>	<u>\$ 324,962</u>

# COUNTY OF RIVERSIDE

## Combining Statement of Changes in Fiduciary Assets and Liabilities

### Agency Funds

For the Fiscal Year Ended June 30, 2018

(Dollars in Thousands)

Other	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Assets</u>				
Cash and investments	\$ 127,232	\$ 6,306,515	\$ 6,291,037	\$ 142,710
Accounts receivable	366	665	659	372
Interest receivable	65	188	63	190
Taxes receivable	64	61	64	61
Total assets	<u>\$ 127,727</u>	<u>\$ 6,307,429</u>	<u>\$ 6,291,823</u>	<u>\$ 143,333</u>
<u>Liabilities</u>				
Accounts payable	\$ 95,225	\$ 751,904	\$ 714,871	\$ 132,258
Due to other governments	32,502	5,601,192	5,622,619	11,075
Total liabilities	<u>\$ 127,727</u>	<u>\$ 6,353,096</u>	<u>\$ 6,337,490</u>	<u>\$ 143,333</u>
<u>Payroll Deductions</u>				
<u>Assets</u>				
Cash and investments	\$ 10,840	\$ 2,170,852	\$ 2,170,432	\$ 11,260
Total assets	<u>\$ 10,840</u>	<u>\$ 2,170,852</u>	<u>\$ 2,170,432</u>	<u>\$ 11,260</u>
<u>Liabilities</u>				
Accounts payable	\$ 10,840	\$ 1,467,657	\$ 1,467,237	\$ 11,260
Total liabilities	<u>\$ 10,840</u>	<u>\$ 1,467,657</u>	<u>\$ 1,467,237</u>	<u>\$ 11,260</u>
<u>Property Tax Assessments</u>				
<u>Assets</u>				
Cash and investments	\$ 85,945	\$ 5,159,380	\$ 5,163,223	\$ 82,102
Interest receivable	10	117	10	117
Taxes receivable	31,508	31,242	31,508	31,242
Total assets	<u>\$ 117,463</u>	<u>\$ 5,190,739</u>	<u>\$ 5,194,741</u>	<u>\$ 113,461</u>
<u>Liabilities</u>				
Accounts payable	\$ 654	\$ 186,003	\$ 186,057	\$ 600
Due to other governments	116,809	5,416,429	5,420,377	112,861
Total liabilities	<u>\$ 117,463</u>	<u>\$ 5,602,432</u>	<u>\$ 5,606,434</u>	<u>\$ 113,461</u>

# COUNTY OF RIVERSIDE

## Combining Statement of Changes in Fiduciary Assets and Liabilities

### Agency Funds (Continued)

For the Fiscal Year Ended June 30, 2018

(Dollars in Thousands)

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
<u>Warrants</u>				
<u>Assets</u>				
Cash and investments	\$ 53,117	\$ 11,126,246	\$ 11,122,457	\$ 56,906
Accounts receivable	-	1	-	1
Interest receivable	-	1	-	1
Total assets	<u>\$ 53,117</u>	<u>\$ 11,126,248</u>	<u>\$ 11,122,457</u>	<u>\$ 56,908</u>
<u>Liabilities</u>				
Accounts payable	\$ 53,117	\$ 6,254,833	\$ 6,251,042	\$ 56,908
Total liabilities	<u>\$ 53,117</u>	<u>\$ 6,254,833</u>	<u>\$ 6,251,042</u>	<u>\$ 56,908</u>
 <u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 277,134	\$ 24,762,993	\$ 24,747,149	\$ 292,978
Accounts receivable	366	666	659	373
Interest receivable	75	306	73	308
Taxes receivable	31,572	31,303	31,572	31,303
Total assets	<u>\$ 309,147</u>	<u>\$ 24,795,268</u>	<u>\$ 24,779,453</u>	<u>\$ 324,962</u>
<u>Liabilities</u>				
Accounts payable	\$ 159,836	\$ 8,660,397	\$ 8,619,207	\$ 201,026
Due to other governments	149,311	11,017,621	11,042,996	123,936
Total liabilities	<u>\$ 309,147</u>	<u>\$ 19,678,018</u>	<u>\$ 19,662,203</u>	<u>\$ 324,962</u>

# **STATISTICAL SECTION**



## Statistical Section

This section of the County of Riverside (the County) Comprehensive Annual Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, and required supplementary information, and assessing the County's financial condition.

### Contents

### Table(s)

#### **Financial Trends Information**

**T1 – T5**

These tables contain trend information to assist readers in understanding and assessing how the County's financial position has changed over time.

- Net Position by Component
- Changes in Net Position
- Governmental Activities Tax Revenues by Source
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

#### **Revenue Capacity Information**

**T6 – T10**

These tables contain information to assist readers in understanding and assessing the factors affecting the County's local revenue sources, property tax, sales and use tax, and other taxes.

- General Government Tax Revenues by Source
- Assessed Value and Estimated Actual Value of Taxable Property
- Property Tax Rates, Direct and Overlapping Governments
- Principal Property Tax Payers
- Property Tax Levies and Collections

#### **Debt Capacity Information**

**T11 – T15**

These tables contain information to assist readers in understanding and assessing the County's current level of outstanding debt, and the County's ability to issue additional debt.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
- Pledged-Revenue Coverage

#### **Economic and Demographic Information**

**T16 – T17**

These tables provide economic and demographic information to assist readers in understanding the socioeconomic environment within which the County operates, and to facilitate the comparisons of financial information over time.

- Demographic and Economic Statistics
- Principal Employers

#### **Operating Information**

**T18 – T20**

These tables provide contextual information about the County's operations and resources to assist readers in understanding and assessing the County's financial condition as it relates to the services that the County provides.

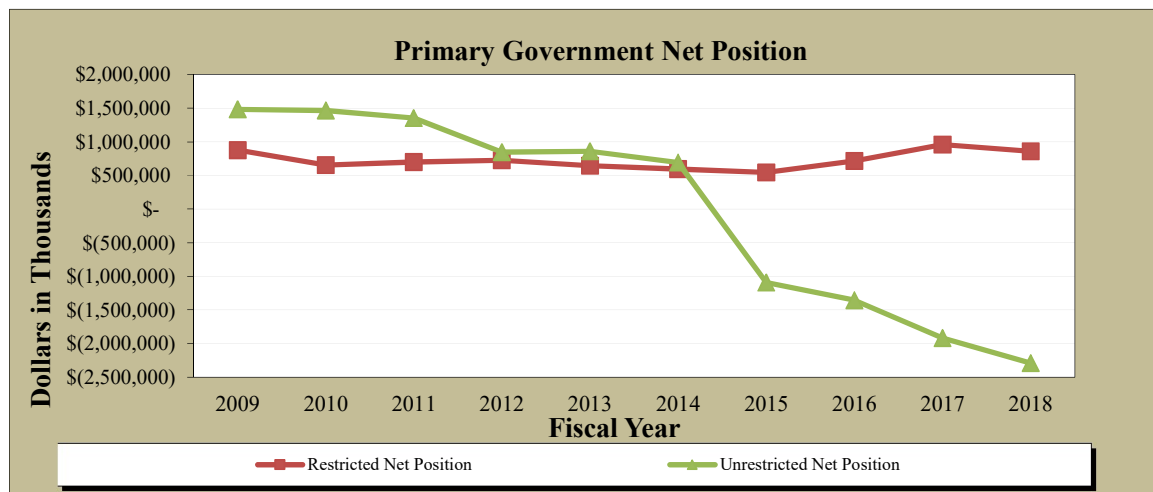
- Full-time Equivalent County Government Employees by Function/Program
- Operating Indicators by Function
- Capital Asset Statistics by Function

Source: Unless otherwise noted, the information in these tables is derived from Riverside County's Comprehensive Annual Financial Reports for the relevant years.

Table 1

**COUNTY OF RIVERSIDE**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2018**

	Fiscal Year Ending June 30				
	2018	2017	2016	2015	2014
<b>Governmental activities</b>					
Net investment in capital assets	\$ 3,505,380	\$ 3,355,072	\$ 3,240,888	\$ 3,009,048	\$ 3,165,319
Restricted	799,830	911,249	667,696	489,359	499,463
Unrestricted	(1,947,282)	(1,689,770)	(1,242,905)	(971,969)	718,105
Governmental activities, total net position	<u>\$ 2,357,928</u>	<u>\$ 2,576,551</u>	<u>\$ 2,665,679</u>	<u>\$ 2,526,438</u>	<u>\$ 4,382,887</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 218,159	\$ 202,150	\$ 112,906	\$ 95,160	\$ 147,806
Restricted	58,136	47,468	49,241	56,569	96,904
Unrestricted	(344,312)	(225,964)	(113,124)	(122,341)	(27,903)
Business-type activities, total net position	<u>\$ (68,017)</u>	<u>\$ 23,654</u>	<u>\$ 49,023</u>	<u>\$ 29,388</u>	<u>\$ 216,807</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 3,723,539	\$ 3,557,222	\$ 3,353,794	\$ 3,104,208	\$ 3,313,125
Restricted	857,966	958,717	716,937	545,928	596,367
Unrestricted	(2,291,594)	(1,915,734)	(1,356,029)	(1,094,310)	690,202
Primary government, total net position	<u>\$ 2,289,911</u>	<u>\$ 2,600,205</u>	<u>\$ 2,714,702</u>	<u>\$ 2,555,826</u>	<u>\$ 4,599,694</u>



Source: Auditor-Controller, County of Riverside



Table 1

Fiscal Year Ending June 30					
2013	2012	2011	2010	2009	
					<b>Governmental activities</b>
\$ 2,998,987	\$ 2,740,429	\$ 1,687,128	\$ 1,594,275	\$ 1,204,971	Net investment in capital assets
550,326	683,835	656,347	604,942	824,139	Restricted
771,883	851,269	1,295,657	1,395,141	1,402,813	Unrestricted
<u>\$ 4,321,196</u>	<u>\$ 4,275,533</u>	<u>\$ 3,639,132</u>	<u>\$ 3,594,358</u>	<u>\$ 3,431,923</u>	Governmental activities, total net position
					<b>Business-type activities</b>
\$ 118,594	\$ 130,510	\$ 113,489	\$ 96,901	\$ 81,512	Net investment in capital assets
94,346	41,103	43,086	50,386	52,502	Restricted
88,852	(5,456)	59,550	72,397	80,238	Unrestricted
<u>\$ 301,792</u>	<u>\$ 166,157</u>	<u>\$ 216,125</u>	<u>\$ 219,684</u>	<u>\$ 214,252</u>	Business-type activities, total net position
					<b>Primary government</b>
\$ 3,117,581	\$ 2,870,939	\$ 1,800,617	\$ 1,691,176	\$ 1,286,483	Net investment in capital assets
644,672	724,938	699,433	655,328	876,641	Restricted
860,735	845,813	1,355,207	1,467,538	1,483,051	Unrestricted
<u>\$ 4,622,988</u>	<u>\$ 4,441,690</u>	<u>\$ 3,855,257</u>	<u>\$ 3,814,042</u>	<u>\$ 3,646,175</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, 2018**

	<b>Fiscal Year Ending June 30</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Program revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 192,894	\$ 230,767	\$ 201,495	\$ 164,830	\$ 162,926
Public protection	434,301	417,682	398,070	371,237	352,178
Other activities	89,778	118,140	135,204	109,773	100,791
Operating grants and contributions	1,951,911	1,912,480	1,907,919	1,800,158	1,593,627
Capital grants and contributions	77,352	49,088	54,134	31,579	29,890
Governmental activities program revenues	<u>2,746,236</u>	<u>2,728,157</u>	<u>2,696,822</u>	<u>2,477,577</u>	<u>2,239,412</u>
Business-type activities:					
Charges for services:					
Riverside University Health					
Systems - Medical Center	560,187	544,060	511,666	504,811	400,630
Other activities	227,588	172,851	164,860	161,008	155,336
Capital grants and contributions	87	552	2,234	536	450
Business-type activities program revenues	<u>787,862</u>	<u>717,463</u>	<u>678,760</u>	<u>666,355</u>	<u>556,416</u>
Primary government program revenues	<u>3,534,098</u>	<u>3,445,620</u>	<u>3,375,582</u>	<u>3,143,932</u>	<u>2,795,828</u>
<b>Expenses</b>					
Governmental activities:					
General government	275,973	277,276	283,081	179,575	228,146
Public protection	1,606,348	1,465,762	1,328,608	1,217,731	1,191,438
Public ways and facilities	215,360	199,023	149,768	177,870	108,380
Health and sanitation	611,960	559,906	468,382	499,669	460,963
Public assistance	1,067,151	1,024,047	980,550	970,415	851,246
Education	23,560	24,603	23,283	23,409	24,420
Recreation and cultural services	17,345	17,980	20,758	18,335	20,077
Interest on long-term debt	63,685	69,874	46,306	45,904	47,236
Governmental activities expenses	<u>3,881,382</u>	<u>3,638,471</u>	<u>3,300,736</u>	<u>3,132,908</u>	<u>2,931,906</u>
Business-type activities:					
Riverside University Health					
Systems - Medical Center	636,169	582,419	506,338	468,562	482,240
Waste Resources Department	88,964	87,115	75,358	56,299	62,721
Housing Authority	98,591	91,783	88,166	90,903	94,716
Flood Control	5,183	3,903	3,591	3,056	2,561
Riverside University Health					
Systems - Community Health Centers	56,247	-	-	-	-
County Service Areas	243	370	413	390	429
Business-type activities expenses	<u>885,397</u>	<u>765,590</u>	<u>673,866</u>	<u>619,210</u>	<u>642,667</u>
Primary government expenses	<u>4,766,779</u>	<u>4,404,061</u>	<u>3,974,602</u>	<u>3,752,118</u>	<u>3,574,573</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(1,135,146)	(910,314)	(603,914)	(655,331)	(692,494)
Business-type activities	<u>(97,535)</u>	<u>(48,127)</u>	<u>4,894</u>	<u>47,145</u>	<u>(86,251)</u>
Primary government, net (expense) / revenue	<u>\$ (1,232,681)</u>	<u>\$ (958,441)</u>	<u>\$ (599,020)</u>	<u>\$ (608,186)</u>	<u>\$ (778,745)</u>

Source:

Auditor-Controller, County of Riverside

Table 2

Fiscal Year Ending June 30					
2013	2012	2011	2010	2009	
					<b>Program revenues</b>
					Governmental activities:
					Charges for services:
\$ 138,851	\$ 147,510	\$ 159,570	\$ 140,723	\$ 143,644	General government
339,379	316,778	326,237	331,162	311,565	Public protection
110,231	116,509	105,931	95,438	100,819	Other activities
1,503,390	1,447,694	1,393,016	1,384,791	1,344,611	Operating grants and contributions
27,695	27,909	32,114	31,112	29,771	Capital grants and contributions
2,119,546	2,056,400	2,016,868	1,983,226	1,930,410	Governmental activities program revenues
					Business-type activities:
					Charges for services:
					Riverside University Health
450,340	371,827	386,533	367,273	360,584	Systems - Medical Center
150,407	133,838	140,327	134,257	139,206	Other activities
698	335	-	1,165	310	Capital grants and contributions
601,445	506,000	526,860	502,695	500,100	Business-type activities program revenues
2,720,991	2,562,400	2,543,728	2,485,921	2,430,510	Primary government program revenues
					<b>Expenses</b>
					Governmental activities:
194,641	270,474	298,032	323,949	285,393	General government
1,065,373	1,047,202	1,021,288	1,062,213	1,095,587	Public protection
89,469	84,797	87,424	31,024	31,283	Public ways and facilities
422,982	374,950	369,984	347,634	392,945	Health and sanitation
807,611	827,092	907,202	820,637	770,484	Public assistance
18,998	10,376	15,816	19,866	15,954	Education
12,274	15,806	9,364	12,206	6,039	Recreation and cultural services
29,453	39,098	88,998	80,754	89,741	Interest on long-term debt
2,640,801	2,669,795	2,798,108	2,698,283	2,687,426	Governmental activities expenses
					Business-type activities:
					Riverside University Health
473,916	417,074	401,120	389,991	379,278	Systems - Medical Center
53,069	57,272	56,688	49,956	61,116	Waste Resources Department
90,678	91,469	86,027	81,426	81,139	Housing Authority
2,472	2,306	3,711	3,233	3,816	Flood Control
					Riverside University Health
-	-	-	-	-	Systems - Community Health Centers
459	456	383	454	457	County Service Areas
620,594	568,577	547,929	525,060	525,806	Business-type activities expenses
3,261,395	3,238,372	3,346,037	3,223,343	3,213,232	Primary government expenses
					<b>Net (expense)/revenue</b>
(521,255)	(613,395)	(781,240)	(715,057)	(757,016)	Governmental activities
(19,149)	(62,577)	(21,069)	(22,365)	(25,706)	Business-type activities
\$ (540,404)	\$ (675,972)	\$ (802,309)	\$ (737,422)	\$ (782,722)	Primary government, net (expense) / revenue

Continued

Table 2

**COUNTY OF RIVERSIDE**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2018**

	<b>Fiscal Year Ending June 30</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Continued:					
Primary government, net (expense) / revenue	\$ (1,232,681)	\$ (958,441)	\$ (599,020)	\$ (608,186)	\$ (778,745)
<b>General revenues and other changes in net position</b>					
Governmental activities:					
Taxes:					
Property taxes	387,305	367,937	346,851	327,504	297,107
Sales and use tax	27,557	27,881	29,573	32,851	35,443
Other taxes	18,634	20,844	22,005	18,632	27,764
Intergovernmental revenue - not restricted to programs:					
Unrestricted intergovernmental revenue	262,745	258,999	232,453	244,003	227,303
Investment earnings	26,613	12,918	12,948	8,700	11,317
Other	238,724	164,297	160,521	164,177	167,992
Transfers	(15,036)	(19,916)	(22,478)	(11,250)	(9,644)
Extraordinary item	-	-	-	-	-
Governmental activities	946,542	832,960	781,873	784,617	757,282
Business-type activities:					
Investment earnings	3,228	2,182	2,720	895	1,319
Other	-	-	-	-	-
Transfers	15,036	19,916	22,478	11,250	9,645
Extraordinary item	78	1,152	(2,803)	(905)	(9,698)
Business-type activities	18,342	23,250	22,395	11,240	1,266
Total primary government	964,884	856,210	804,268	795,857	758,548
<b>Change in net position</b>					
Governmental activities	(188,604)	(77,354)	177,959	129,286	64,788
Business-type activities	(79,193)	(24,877)	27,289	58,385	(84,985)
Primary government change in net position	\$ (267,797)	\$ (102,231)	\$ 205,248	\$ 187,671	\$ (20,197)

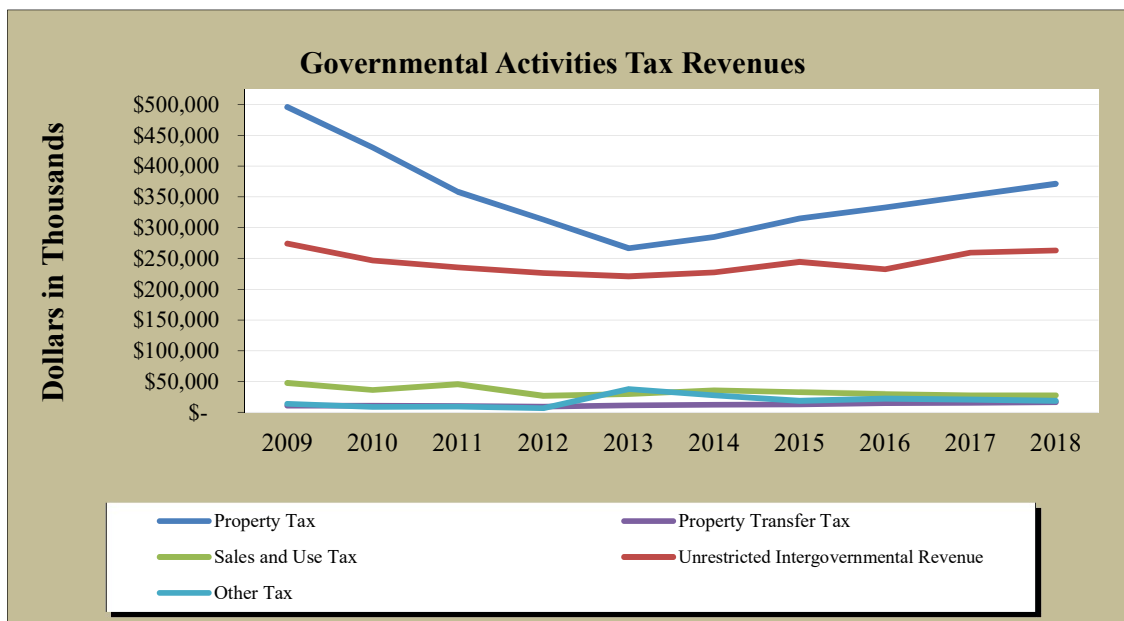
Table 2

Fiscal Year Ending June 30					
2013	2012	2011	2010	2009	
\$ (540,404)	\$ (675,972)	\$ (802,309)	\$ (737,422)	\$ (782,722)	Continued:
					Primary government, net (expense) / revenue
					<b>General revenues and other changes in net position</b>
					Governmental activities:
					Taxes:
277,417	322,337	367,867	440,282	506,222	Property taxes
29,751	26,744	45,489	36,289	47,683	Sales and use tax
37,883	6,715	9,004	8,610	13,771	Other taxes
					Intergovernmental revenue - not restricted to programs:
220,811	226,384	235,153	246,493	273,825	Unrestricted intergovernmental revenue
2,035	11,801	19,494	29,026	87,041	Investment earnings
168,454	169,399	142,966	91,044	121,880	Other
(1,049)	(11,702)	(10,355)	(17,436)	(25,713)	Transfers
(158,337)	502,638	-	-	-	Extraordinary item
576,965	1,254,316	809,618	834,308	1,024,709	Governmental activities
					Business-type activities:
(33)	907	538	1,442	6,142	Investment earnings
-	-	6,617	-	-	Other
1,049	11,702	10,355	17,436	25,713	Transfers
154,589	-	-	-	-	Extraordinary item
155,605	12,609	17,510	18,878	31,855	Business-type activities
732,570	1,266,925	827,128	853,186	1,056,564	Total primary government
					<b>Change in net position</b>
55,710	640,921	28,378	119,251	267,693	Governmental activities
136,456	(49,968)	(3,559)	(3,487)	6,149	Business-type activities
\$ 192,166	\$ 590,953	\$ 24,819	\$ 115,764	\$ 273,842	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, 2018**

<b>Fiscal Year Ending June 30</b>	<b>Property Tax</b>	<b>Property Transfer Tax</b>	<b>Sales and Use Tax</b>	<b>Unrestricted Intergovernmental Revenue</b>	<b>Other Tax</b>	<b>Total</b>
<b>2018</b>	\$ 370,860	\$ 16,445	\$ 27,557	\$ 262,745	\$ 18,634	\$ 696,241
<b>2017</b>	352,132	15,805	27,881	258,999	20,844	675,661
<b>2016</b>	332,338	14,513	29,573	232,453	22,005	630,882
<b>2015</b>	314,599	12,905	32,851	244,003	18,632	622,990
<b>2014</b>	284,819	12,288	35,443	227,303	27,764	587,617
<b>2013</b>	266,294	11,123	29,751	220,811	37,883	565,862
<b>2012</b>	312,972	9,365	26,744	226,384	6,715	582,180
<b>2011</b>	357,908	9,959	45,489	235,153	9,004	657,513
<b>2010</b>	429,604	10,678	36,289	246,493	8,610	731,674
<b>2009</b>	495,598	10,624	47,683	273,825	13,771	841,501





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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, 2018**

	Fiscal Year Ending June 30				
	2018	2017	2016	2015	2014
<b>General Fund</b>					
Nonspendable	\$ 3,470	\$ 2,314	\$ 2,369	\$ 2,001	\$ 2,045
Restricted	95,881	95,130	99,639	122,967	117,595
Committed	23,290	21,907	40,310	39,422	32,820
Assigned	12,464	10,989	11,870	5,144	7,772
Unassigned	234,477	217,891	217,322	225,855	203,444
Total general fund	369,582	348,231	371,510	395,389	363,676
<b>Transportation</b>					
Nonspendable	1,223	1,113	3,654	3,776	1,101
Restricted	65,359	61,357	68,191	49,875	62,767
Committed	3,828	3,092	2,847	2,719	2,244
Assigned	15,119	15,256	12,578	14,782	14,063
Total transportation	85,529	80,818	87,270	71,152	80,175
<b>Flood Control</b>					
Nonspendable	1	68	366	731	1
Restricted	236,080	225,328	205,957	236,749	-
Committed	-	-	-	-	258,580
Assigned	-	-	-	3,174	-
Total Flood Control	236,081	225,396	225,396	206,323	240,654
<b>Public Facilities Improvements</b>					
Restricted	183,777	150,711	119,441	120,141	123,860
Committed	3,375	5,124	4,877	3,000	3,000
Assigned	1,225	4,857	9,331	15,480	7,803
Total public facilities improvements	188,377	160,692	133,649	138,621	134,663
<b>Public Financing Authority</b>					
Restricted	15,671	93,045	231,229	302,498	-
Total public financing authority	15,671	93,045	231,229	302,498	-
<b>Redevelopment Capital Projects</b>					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total redevelopment capital projects	-	-	-	-	-
<b>Nonmajor Governmental Funds</b>					
Nonspendable	1,337	1,263	1,225	1,181	1,208
Restricted	165,986	167,975	168,868	168,472	182,139
Committed reported in:					
Special revenue funds	6,360	4,906	2,830	4,402	9,750
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Assigned	14,776	17,453	29,186	34,552	32,370
Total nonmajor governmental funds	188,459	191,597	191,597	202,109	208,607
Total all governmental funds	\$ 1,083,699	\$ 1,099,779	\$ 1,240,651	\$ 1,316,092	\$ 1,027,775

Note: In fiscal year 2010-11 the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Fiscal year 2009-10 fund balances have been recharacterized to comply with GASB Statement No. 54 in order to facilitate year-to-year comparisons. In fiscal year 2011-12 Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2012-13 Transportation became a major fund, therefore only fiscal years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside



Table 4

**COUNTY OF RIVERSIDE**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2018**

	Fiscal Year Ending June 30			
	2013	2012	2011	2010
<b>General Fund</b>				
Nonspendable	\$ 3,247	\$ 1,834	\$ 2,214	\$ 3,201
Restricted	101,440	101,651	98,552	93,653
Committed	42,183	52,439	50,097	250,444
Assigned	10,460	8,764	3,463	2,998
Unassigned	199,919	171,910	189,236	36,190
Total general fund	357,249	336,598	343,562	386,486
<b>Transportation</b>				
Nonspendable	1,044	1,014	-	-
Restricted	79,127	95,805	-	-
Committed	1,310	1,811	-	-
Assigned	12,821	4,935	-	-
Total transportation	94,302	103,565	-	-
<b>Flood Control</b>				
Nonspendable	1	1	1	1
Restricted	-	-	-	-
Committed	253,117	252,368	237,211	222,944
Assigned	1,807	3,890	13,741	18,979
Total Flood Control	254,925	256,259	250,953	241,924
<b>Public Facilities Improvements</b>				
Restricted	153,404	131,184	158,628	200,501
Committed	1,912	-	6,451	10,850
Assigned	44,244	111,324	128,023	127,302
Total public facilities improvements	199,560	242,508	293,102	338,653
<b>Public Financing Authority</b>				
Restricted	-	-	-	-
Total public financing authority	-	-	-	-
<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	1,168	1,241	84,769	84,744
Restricted	174,552	354,214	410,787	434,900
Committed reported in:				
Special revenue funds	15,763	12,973	21,381	6,196
Debt service funds	-	-	1,206	1,206
Capital projects funds	151	323	1,690	355
Assigned	17,088	25,763	86,572	30,314
Total nonmajor governmental funds	208,722	394,514	606,405	557,715
Total all governmental funds	\$ 1,114,758	\$ 1,333,444	\$ 1,765,575	\$ 1,793,125

Note: In fiscal year 2010-11 the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Fiscal year 2009-10 fund balances have been recharacterized to comply with GASB Statement No. 54 in order to facilitate year-to-year comparisons. In fiscal year 2011-12 Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2012-13 Transportation became a major fund, therefore only fiscal years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside

Table 4

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

**June 30, 2018**

	<b>Fiscal Year Ending June 30</b>
	<b>2009</b>
<b>General Fund</b>	
Reserved	\$ 91,196
Unreserved, designated	203,821
Unreserved, undesignated	<u>77,104</u>
Total general fund	<u>372,121</u>
<b>Transportation</b>	
Reserved	-
Unreserved, designated	-
Unreserved, undesignated	<u>-</u>
Total transportation	<u>-</u>
<b>Flood Control</b>	
Reserved	1,794
Unreserved, designated	30,149
Unreserved, undesignated	<u>196,973</u>
Total Flood Control	<u>228,916</u>
<b>Public Facilities Improvements</b>	
Reserved	538,431
Unreserved, undesignated	<u>-</u>
Total public facilities improvements	<u>538,431</u>
<b>Redevelopment Capital Projects</b>	
Reserved	189,627
Unreserved, undesignated	<u>116,076</u>
Total redevelopment capital projects	<u>305,703</u>
<b>Nonmajor Governmental Funds</b>	
Reserved	371,076
Unreserved, designated reported in:	
Special revenue funds	27,666
Capital projects funds	6,933
Unreserved, undesignated reported in:	
Special revenue funds	151,939
Total nonmajor governmental funds	<u>557,614</u>
Total all governmental funds	<u><u>\$ 2,002,785</u></u>

Note: In fiscal year 2010-11 the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Fiscal year 2009-10 fund balances have been recharacterized to comply with GASB Statement No. 54 in order to facilitate year-to-year comparisons. In fiscal year 2011-12 Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2012-13 Transportation became a major fund, therefore only fiscal years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside



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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, 2018**

	<b>Fiscal Year Ending June 30</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Revenues</b>					
Taxes	\$ 433,684	\$ 416,940	\$ 398,139	\$ 379,358	\$ 361,900
Licenses, permits, and franchise fees	23,219	22,251	22,782	21,893	20,377
Fines, forfeitures, and penalties	65,833	71,196	74,349	79,059	82,290
Use of money and property:					
Investments earnings	24,449	12,234	11,736	7,989	10,187
Rents and concessions	25,318	24,990	51,695	25,548	29,925
Aid from other governmental agencies:					
Federal	675,110	691,080	686,964	634,269	544,478
State	1,441,178	1,356,683	1,345,344	1,304,580	1,172,107
Other	176,556	171,474	163,165	153,687	136,461
Charges for services	602,835	635,236	585,977	519,382	483,346
Other revenue	104,119	102,294	49,934	119,337	88,055
Total revenues	<u>3,572,301</u>	<u>3,504,378</u>	<u>3,390,085</u>	<u>3,245,102</u>	<u>2,929,126</u>
<b>Expenditures</b>					
General government	241,946	231,308	219,333	190,209	214,212
Public protection	1,342,978	1,331,768	1,271,121	1,202,873	1,186,900
Public ways and facilities	217,851	226,388	299,431	292,096	177,965
Health and sanitation	545,785	538,734	470,022	482,545	421,494
Public assistance	977,633	988,773	983,963	928,098	851,061
Education	21,456	21,449	20,003	20,755	19,470
Recreation and cultural services	16,544	21,042	24,232	23,716	15,911
Debt service:					
Principal	70,419	48,711	68,951	83,928	70,840
Interest	63,295	63,899	44,091	44,005	45,953
Cost of issuance	1,431	1,074	895	950	623
Capital outlay	94,975	220,006	92,800	103,211	58,046
Total expenditures	<u>3,594,313</u>	<u>3,693,152</u>	<u>3,494,842</u>	<u>3,372,386</u>	<u>3,062,475</u>
Revenues over (under) expenditures	(22,012)	(188,774)	(104,757)	(127,284)	(133,349)
<b>Other financing sources (uses)</b>					
Transfers in	269,388	280,223	350,235	550,783	248,448
Transfers out	(287,143)	(299,908)	(373,384)	(559,368)	(253,012)
Issuance of debt	10,610	-	-	346,000	64,000
Issuance of refunding bonds	58,565	39,985	72,825	-	20,510
Discount on long-term debt	-	-	-	-	-
Premium on long-term debt	4,096	5,216	7,612	28,699	1,338
Redemption of refunded debt	-	-	(89,345)	-	-
Contribution to governmental agency	-	(33,353)	-	-	-
Payment to escrow agent	(64,285)	-	-	-	-
Proceeds from the sale of capital assets	-	11	-	-	-
Capital leases	6,486	64,289	11,829	54,529	2,965
Total other financing sources (uses)	<u>(2,283)</u>	<u>56,463</u>	<u>(20,228)</u>	<u>420,643</u>	<u>84,249</u>
Net change in fund balances	<u>\$ (24,295)</u>	<u>\$ (132,311)</u>	<u>\$ (124,985)</u>	<u>\$ 293,359</u>	<u>\$ (49,100)</u>
Debt service as a % of non-capital expenditures	4.08%	3.36%	3.63%	4.27%	4.21%

Source: Auditor-Controller, County of Riverside

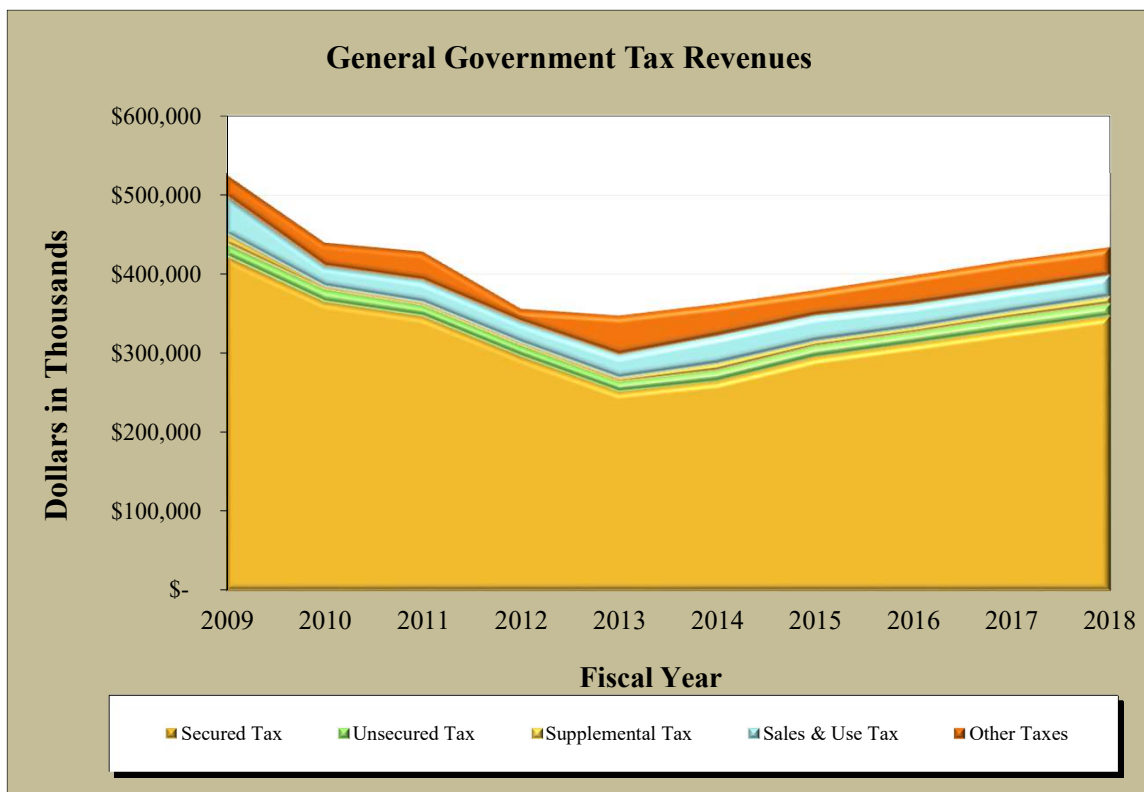
Table 5

Fiscal Year Ending June 30					
2013	2012	2011	2010	2009	
\$ 347,166	\$ 355,796	\$ 427,892	\$ 439,435	\$ 525,238	<b>Revenues</b>
18,798	19,513	20,294	19,197	22,546	Taxes
86,381	90,163	95,290	114,320	108,572	Licenses, permits, and franchise fees
					Fines, forfeitures, and penalties
					Use of money and property:
2,370	10,827	18,305	26,929	81,040	Investments earnings
19,246	19,588	17,659	17,393	17,151	Rents and concessions
					Aid from other governmental agencies:
569,330	577,654	609,531	636,167	546,030	Federal
1,047,485	986,658	921,329	857,191	955,389	State
132,120	156,678	130,362	172,598	140,757	Other
464,274	449,888	458,744	469,340	460,439	Charges for services
91,329	95,119	95,279	65,711	84,348	Other revenue
2,778,499	2,761,884	2,794,685	2,818,281	2,941,510	Total revenues
					<b>Expenditures</b>
208,242	291,227	311,025	554,315	430,712	General government
1,117,397	1,072,442	1,081,489	1,068,051	1,126,662	Public protection
177,467	168,015	176,184	130,310	148,544	Public ways and facilities
393,557	375,668	353,904	341,244	390,668	Health and sanitation
798,850	802,104	824,471	812,848	766,407	Public assistance
18,819	18,942	19,282	18,910	15,731	Education
16,590	15,220	18,755	12,620	12,801	Recreation and cultural services
					Debt service:
55,363	65,002	80,928	73,378	54,587	Principal
27,988	49,041	83,902	78,689	86,768	Interest
378	15	5,212	1,819	2,436	Cost of issuance
25,427	22,583	30,439	39,844	48,899	Capital outlay
2,840,078	2,880,259	2,985,591	3,132,028	3,084,215	Total expenditures
(61,579)	(118,375)	(190,906)	(313,747)	(142,705)	Revenues over (under) expenditures
					<b>Other financing sources (uses)</b>
231,574	323,052	267,985	463,296	538,029	Transfers in
(233,809)	(332,724)	(277,943)	(479,143)	(562,345)	Transfers out
-	-	170,481	81,745	-	Issuance of debt
19,140	33,360	-	70,365	78,895	Issuance of refunding bonds
-	-	-	(626)	-	Discount on long-term debt
759	2,840	-	937	-	Premium on long-term debt
(18,155)	(32,797)	-	-	-	Redemption of refunded debt
-	-	-	-	-	Contribution to governmental agency
-	-	-	(65,713)	(76,300)	Payment to escrow agent
-	-	6	-	-	Proceeds from the sale of capital assets
1,721	2,671	8,321	31,018	22,746	Capital leases
1,230	(3,598)	168,850	101,879	1,025	Total other financing sources (uses)
\$ (60,349)	\$ (121,973)	\$ (22,056)	\$ (211,868)	\$ (141,680)	Net change in fund balances
3.35%	4.50%	6.17%	5.85%	5.54%	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, 2018**

<b>Fiscal Year Ending June 30</b>	<b>Secured Tax</b>	<b>Unsecured Tax</b>	<b>Supplemental Tax</b>	<b>Sales &amp; Use Tax</b>	<b>Other Taxes</b>	<b>Total</b>
<b>2018</b>	\$ 346,927	\$ 15,208	\$ 8,913	\$ 27,557	\$ 35,079	\$ 433,684
<b>2017</b>	329,728	15,220	7,461	27,881	36,650	416,940
<b>2016</b>	312,004	13,798	6,247	29,573	36,517	398,139
<b>2015</b>	294,888	13,909	6,168	32,851	31,542	379,358
<b>2014</b>	264,643	13,597	8,165	35,443	40,052	361,900
<b>2013</b>	251,236	12,459	4,714	29,751	49,006	347,166
<b>2012</b>	295,974	13,499	3,498	26,626	16,199	355,796
<b>2011</b>	346,356	13,404	3,681	28,393	36,058	427,892
<b>2010</b>	364,810	15,270	3,778	25,762	29,815	439,435
<b>2009</b>	422,329	15,071	12,981	47,683	27,174	525,238



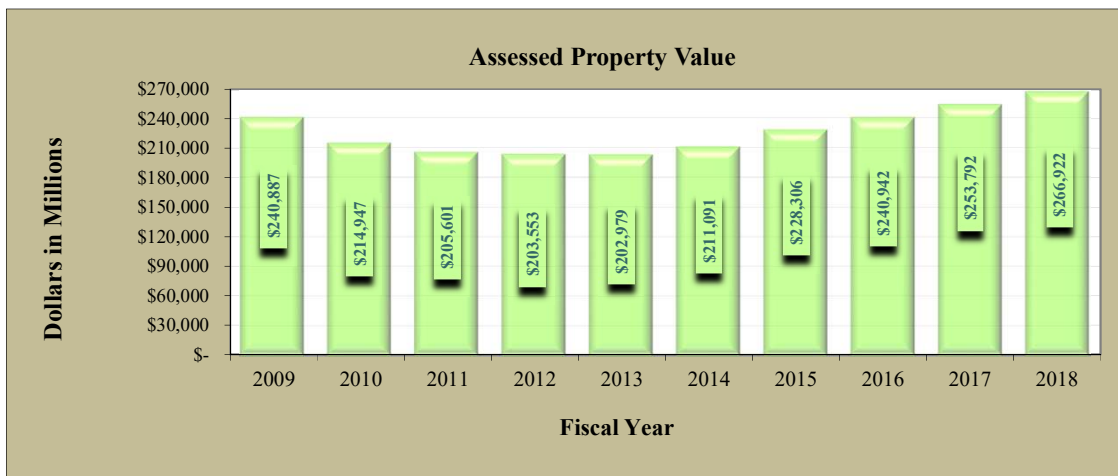


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Table 7

**COUNTY OF RIVERSIDE**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2018**

	<b>Fiscal Year Ending June 30</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Real property</b>					
Secured property	\$ 267,148,195	\$ 253,728,054	\$ 240,984,595	\$ 228,131,826	\$ 210,523,063
Unsecured property	8,320,830	8,200,349	7,717,964	7,676,875	7,868,150
<b>Total gross assessed value</b>	<b>275,469,025</b>	<b>261,928,403</b>	<b>248,702,559</b>	<b>235,808,701</b>	<b>218,391,213</b>
<b>Less:</b>					
Tax-exempt real property	8,546,894	8,136,300	7,760,338	7,502,942	7,300,462
<b>Total taxable assessed value</b>	<b>\$ 266,922,131</b>	<b>\$ 253,792,103</b>	<b>\$ 240,942,221</b>	<b>\$ 228,305,759</b>	<b>\$ 211,090,751</b>
<b>Total direct tax rate</b>	1.0	1.0	1.0	1.0	1.0
<b>Estimated actual taxable value</b>	<b>\$ 355,896,174</b>	<b>\$ 338,389,470</b>	<b>\$ 321,256,295</b>	<b>\$ 304,407,678</b>	<b>\$ 281,454,335</b>
<b>Assessed value as a % of actual value</b>	77.40%	77.40%	77.42%	77.46%	77.59%



Source: Auditor-Controller, County of Riverside



Table 7

Fiscal Year Ending June 30					
2013	2012	2011	2010	2009	
\$ 201,971,552	\$ 202,313,851	\$ 204,153,163	\$ 213,144,336	\$ 238,312,506	<b>Real property</b>
8,123,443	8,057,242	8,121,065	8,227,172	8,685,393	Secured property
210,094,995	210,371,093	212,274,228	221,371,508	246,997,899	Unsecured property
					<b>Total gross assessed value</b>
7,116,048	6,818,361	6,673,229	6,424,030	6,111,231	<b>Less:</b>
					Tax-exempt real property
<u>\$ 202,978,947</u>	<u>\$ 203,552,732</u>	<u>\$ 205,600,999</u>	<u>\$ 214,947,478</u>	<u>\$ 240,886,668</u>	<b>Total taxable assessed value</b>
1.0	1.0	1.0	1.0	1.0	<b>Total direct tax rate</b>
\$ 270,638,596	\$ 271,403,643	\$ 274,134,665	\$ 286,596,637	\$ 321,182,224	<b>Estimated actual taxable value</b>
77.63%	77.51%	77.43%	77.24%	76.90%	<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, 2018**

Fiscal Year Ending June 30	County Direct Rates		Range of Overlapping Rates			Total Direct & Overlapping Rates
	Secured Property Tax Levy	Debt Service	Total City Rate	Total School Districts Rate	Total Special Districts Rate	
<b>2018</b>	1.00000%	0.11550%	0% to .00608%	0 to .17609%	0% to .50000%	1.11550% to 1.50000%
<b>2017</b>	1.00000%	0.11550%	0% to .00617%	0 to .16601%	0% to .50000%	1.11550% to 1.50000%
<b>2016</b>	1.00000%	0.11440%	0% to .00576%	0 to .15335%	0% to .50000%	1.11440% to 1.50000%
<b>2015</b>	1.00000%	0.14640%	0% to .00626%	0 to .17234%	0% to .53052%	1.14640% to 1.53052%
<b>2014</b>	1.00000%	0.13830%	0% to .00673%	.01768% to .17571%	0% to .55075%	1.13830% to 1.55075%
<b>2013</b>	1.00000%	0.14340%	0% to .00572%	.01702% to .17570%	0% to .58076%	1.14340% to 1.58076%
<b>2012</b>	1.00000%	0.12540%	0% to .00571%	.01700% to .14030%	0% to .53864%	1.12540% to 1.53864%
<b>2011</b>	1.00000%	0.12540%	0% to .00575%	.01499% to .13224%	0% to .50000%	1.12540% to 1.50000%
<b>2010</b>	1.00000%	0.12220%	.00064% to .00577%	.01242% to .12628%	0% to .50000%	1.12220% to 1.50000%
<b>2009</b>	1.00000%	0.10950%	.00119% to .00747%	.01254% to .10963%	0% to .50000%	1.10950% to 1.50000%

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, 2018**

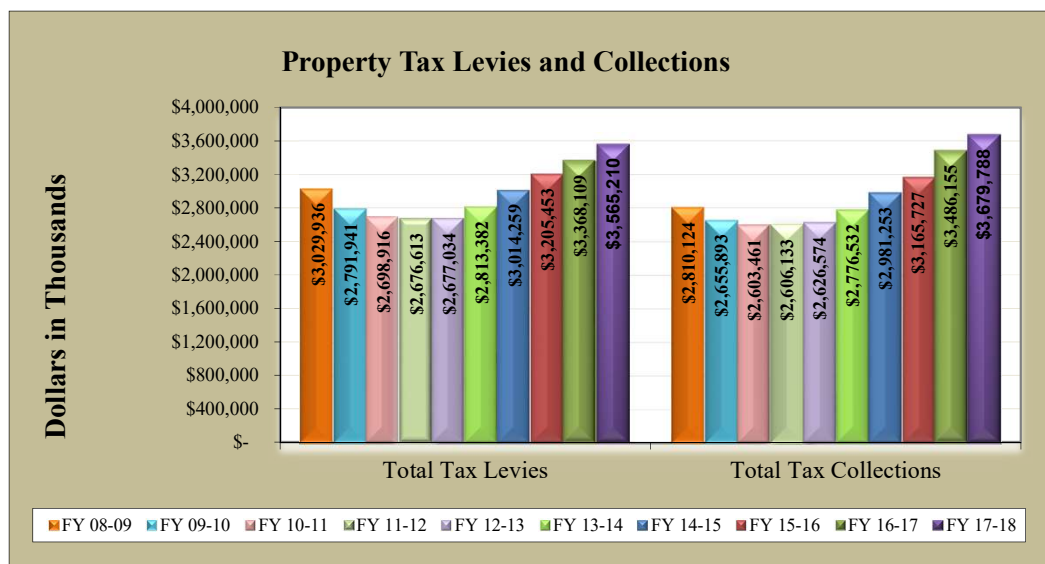
<u><b>Tax payer</b></u>	<b>Fiscal Year</b>			
	<b>2018</b>		<b>2009</b>	
	<b>Taxable Assessed Value</b>	<b>Percentage of Total County Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total County Taxable Assessed Value</b>
Southern California Edison Company	\$ 50,542	1.46%	\$ 15,492	0.51%
Centex Homes	-	0.00%	8,466	0.28%
Deutsche Bank National Trust Co.	-	0.00%	8,061	0.26%
Southern California Gas Company	11,816	0.31%	5,527	0.18%
Verizon California, Inc.	11,023	0.26%	10,975	0.36%
KB Home Coastal Inc.	-	0.00%	5,214	0.17%
CPV Sentienel, LLC	7,449	0.22%	-	0.00%
Lennar Homes of California Inc.	3,986	0.10%	-	0.00%
Inland Empire Energy Center LLC	-	0.00%	4,706	0.15%
US Bank National Association	-	0.00%	4,154	0.14%
KSL Desert Resorts, Inc.	-	0.00%	4,105	0.13%
Standard Pacific Corp.	-	0.00%	4,061	0.13%
Chelsea GCA Realty Partnership	3,389	0.00%	-	0.00%
Costco Wholesale Group	3,378	0.09%	-	0.00%
Tyler Mall Ltd Partnership	3,195	0.09%	-	0.00%
Riverside Healthcare System	3,071	0.09%	-	0.00%
Roripaugh Valley Restoration	2,994	0.09%	-	0.00%
<b>Total</b>	<b>\$ 100,843</b>	<b>2.71%</b>	<b>\$ 70,761</b>	<b>2.31%</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, 2018**

Fiscal Year Ending June 30	Total Secured Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Collections in Fiscal Year From Prior Levys	Total Collections as of June 30*	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 3,565,210	\$ 3,522,630	98.81%	\$ 157,158	\$ 3,679,788	103.21%
2017	3,368,109	3,322,587	98.65%	163,568	3,486,155	103.50%
2016	3,205,453	3,159,497	98.57%	6,230	3,165,727	98.76%
2015	3,014,259	2,968,113	98.47%	13,140	2,981,253	98.91%
2014	2,813,382	2,763,665	98.23%	12,867	2,776,532	98.69%
2013	2,677,034	2,618,818	97.83%	7,756	2,626,574	98.12%
2012	2,676,613	2,605,691	97.35%	442	2,606,133	97.37%
2011	2,698,916	2,603,461	96.46%	-	2,603,461	96.46%
2010	2,791,941	2,652,513	95.01%	3,380	2,655,893	95.13%
2009	3,029,936	2,807,718	92.67%	2,406	2,810,124	92.75%



\*Total collections as of June 30 include delinquent collections in the fiscal year from prior levys (not including interest and penalties) which may result in total collections to be more than 100% of current secured levy. Delinquent collections by year of levy is unavailable.

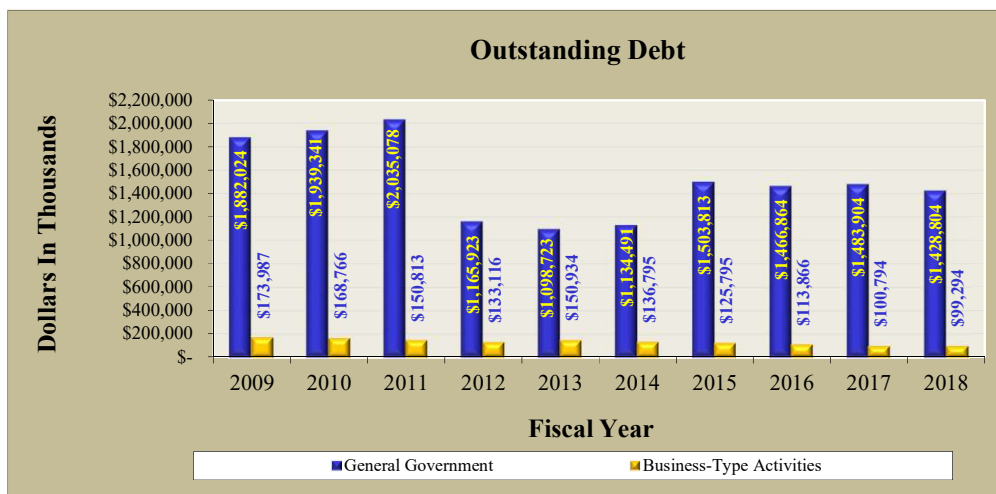


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Table 11

**COUNTY OF RIVERSIDE**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita Amount)**  
**June 30, 2018**

	Fiscal Year Ending June 30				
	2018	2017	2016	2015	2014
<b>General government</b>					
Bonds	\$ 1,232,234	\$ 1,206,942	\$ 1,195,027	\$ 1,141,497	\$ 810,186
Certificates of participation	78,128	94,467	108,937	211,688	240,593
Notes and loans	1,600	2,205	2,790	3,350	3,890
Capital leases	116,842	180,290	160,110	147,278	79,822
<b>Business-type activities</b>					
Bonds	77,773	92,371	106,428	119,917	132,941
Capital leases	21,521	8,423	7,438	5,878	3,854
<b>Total primary government</b>	<b>\$ 1,528,098</b>	<b>\$ 1,584,698</b>	<b>\$ 1,580,730</b>	<b>\$ 1,629,608</b>	<b>\$ 1,271,286</b>
<b>Percentage of personal income</b>	<b>1.75%</b>	<b>1.88%</b>	<b>1.95%</b>	<b>2.23%</b>	<b>1.65%</b>
<b>Per capita</b>	<b>\$ 633</b>	<b>\$ 665</b>	<b>\$ 673</b>	<b>\$ 765</b>	<b>\$ 558</b>



Note: Per Capita is an estimate for fiscal years 2016-17 and 2017-18

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

Table 11

				Fiscal Year Ending June 30						
2013		2012		2011		2010		2009		
										General government
\$	744,460	\$	750,492	\$	1,551,323	\$	1,408,017	\$	1,359,277	Bonds
	282,095		309,511		367,272		385,447		391,914	Certificates of participation
	4,420		4,925		5,355		21,987		13,222	Notes and loans
	67,748		100,995		111,128		123,890		117,611	Capital leases
										Business-type activities
	143,710		121,061		134,983		147,924		159,959	Bonds
	7,224		12,055		15,830		20,842		14,028	Capital leases
\$	1,249,657	\$	1,299,039	\$	2,185,891	\$	2,108,107	\$	2,056,011	Total primary government
	1.66%		1.78%		3.07%		3.37%		3.28%	Percentage of personal income
\$	554	\$	583	\$	986	\$	985	\$	975	Per capita

Table 12

**COUNTY OF RIVERSIDE**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita Amount)**  
**June 30, 2018**

	<b>Fiscal Year Ending June 30</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Bonds</b>	\$ 1,310,007	1,299,313	\$ 1,301,455	\$ 1,261,414	\$ 943,127
<b>Less:</b>					
Amounts available in debt service fund	48,823	63,634	67,680	71,947	80,405
<b>Total net obligation bonds outstanding</b>	<u>\$ 1,261,184</u>	<u>\$ 1,235,679</u>	<u>\$ 1,233,775</u>	<u>\$ 1,189,467</u>	<u>\$ 862,722</u>
<b>Percentage of estimated</b>					
Actual taxable value of property	0.35%	0.37%	0.38%	0.39%	0.31%
<b>Per capita</b>	\$ 522	\$ 518	\$ 525	\$ 515	\$ 378

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

Source: California State Department of Finance



Table 12

				<b>Fiscal Year Ending June 30</b>		
<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>		
\$ 888,170	\$ 871,553	\$ 1,686,306	\$ 1,555,941	\$ 1,519,236	<b>Bonds</b>	
					<b>Less:</b>	
79,951	78,236	151,405	127,206	147,568	Amounts available in debt service fund	
<u>\$ 808,219</u>	<u>\$ 793,317</u>	<u>\$ 1,534,901</u>	<u>\$ 1,428,735</u>	<u>\$ 1,371,668</u>	<b>Total net obligation bonds outstanding</b>	
					<b>Percentage of estimated</b>	
0.30%	0.30%	0.56%	0.51%	0.43%	<b>Actual taxable value of property</b>	
\$ 358	\$ 356	\$ 692	\$ 668	\$ 651	<b>Per capita</b>	

Table 13

**COUNTY OF RIVERSIDE**  
**Direct and Overlapping Governmental Activities Debt**  
**as of June 30, 2018**  
**(Dollars in Thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ 11,441,926	87.51256%	<u>\$ 10,013,122</u>
Subtotal, overlapping debt			10,013,122
County of Riverside direct debt			<u>1,428,804</u>
Total direct and overlapping debt			<u><u>\$ 11,441,926</u></u>

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

Source: California Municipal Statistics, Inc.



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Table 14

**COUNTY OF RIVERSIDE**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2018**

	<b>Fiscal Year Ending June 30</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Debt limit	\$ 3,336,527	\$ 3,172,401	\$ 3,011,778	\$ 2,853,822	\$ 2,638,634
Total net debt applicable to limit	<u>(1,261,184)</u>	<u>(1,235,679)</u>	<u>(1,233,775)</u>	<u>(1,189,467)</u>	<u>(862,722)</u>
Legal debt margin	<u>\$ 2,075,343</u>	<u>\$ 1,936,722</u>	<u>\$ 1,778,003</u>	<u>\$ 1,664,355</u>	<u>\$ 1,775,912</u>
Total net debt applicable to the limit as a percentage of debt limit	37.8%	39.0%	41.0%	41.7%	32.7%

**Legal Debt Margin Calculated for Fiscal Year 2018**

Assessed value	\$ 268,996,541
Less: Homeowners exemptions	<u>2,074,410</u>
Total assessed value	<u>266,922,131</u>
Debt limit (1.25% of total assessed value)	<u>3,336,527</u>
Debt applicable to limit:	
General obligation bonds (Governmental & Business-type)	1,310,007
Less: Amount set aside for repayment of general obligation debt	<u>48,823</u>
Total net debt applicable to limit	<u>1,261,184</u>
Legal debt margin	<u>\$ 2,075,343</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>2013</b>		<b>2012</b>		<b>2011</b>		<b>Fiscal Year Ending June 30</b>		
						<b>2010</b>	<b>2009</b>	
\$	2,537,237	\$	2,544,409	\$	2,570,012	\$	2,686,843	\$ 3,011,083 Debt limit
	(808,219)		(793,317)		(1,534,901)		(1,428,735)	(1,211,709) Total net debt applicable to limit
\$	1,729,018	\$	1,751,092	\$	1,035,111	\$	1,258,108	\$ 1,799,374 Legal debt margin
	31.8%		31.2%		59.7%		53.2%	40.2% Total net debt applicable to the limit as a percentage of debt limit

Table 15

**COUNTY OF RIVERSIDE**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2018**

Fiscal Year Ending June 30	Lease Revenue Bonds					
	Revenue from Lease Payments	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2018	\$ 25,436	\$ 3,681	\$ 21,755	\$ 21,352	\$ 17,258	56.35%
2017	25,491	1,901	23,590	20,525	17,974	61.27%
2016	27,319	1,182	26,137	19,844	18,648	67.90%
2015	24,867	3,464	21,403	19,221	19,268	55.61%
2014	25,770	1,666	24,104	16,370	16,147	74.13%
2013	25,182	1,517	23,665	14,159	12,707	88.09%
2012	22,779	2,805	19,974	16,325	15,583	62.60%
2011	16,067	2,072	13,995	15,355	16,039	44.58%
2010	30,318	3,336	26,982	14,455	16,642	86.77%
2009	39,334	10,682	28,652	13,160	16,865	95.43%

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

Source: Auditor-Controller, County of Riverside

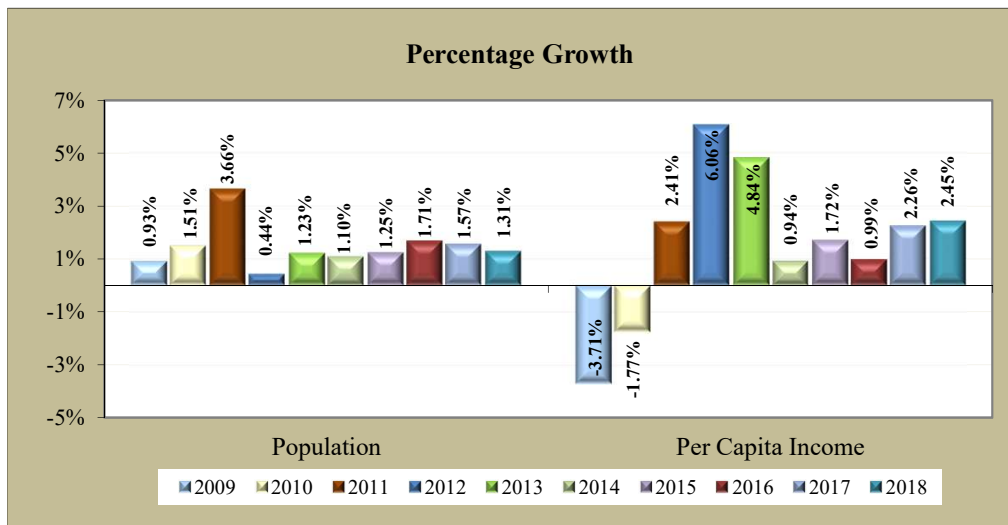
Table 15

Inland Empire Tobacco Securitization Bonds							Fiscal Year Ending June 30
Revenue from Tobacco Settlement	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage		
			Principal	Interest			
\$ 13,384	\$ 104	\$ 13,280	\$ 7,110	\$ 6,301	99.03%	2018	
9,492	107	9,385	3,000	6,445	99.36%	2017	
8,913	103	8,810	2,270	6,559	99.79%	2016	
9,092	113	8,979	2,325	6,665	99.88%	2015	
9,283	105	9,178	2,435	6,781	99.59%	2014	
15,687	123	15,564	8,650	7,193	98.24%	2013	
9,462	107	9,355	1,655	5,301	134.49%	2012	
9,290	123	9,167	6,135	3,615	94.02%	2011	
6,496	155	6,341	3,610	3,794	85.64%	2010	
9,500	134	9,366	4,235	3,995	113.80%	2009	

Table 16

**COUNTY OF RIVERSIDE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**June 30, 2018**

<b>Fiscal Year Ending June 30</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
<b>2018</b>	2,415,955	\$ 92,810,000 <sup>1</sup>	\$ 36,149 <sup>1</sup>	428,992	4.80%
<b>2017</b>	2,384,783	90,160,000 <sup>1</sup>	35286 <sup>1</sup>	428,489	5.60%
<b>2016</b>	2,347,828	86,888,000 <sup>1</sup>	34,506 <sup>1</sup>	427,537	5.90%
<b>2015</b>	2,308,441	81,296,000 <sup>1</sup>	34,169 <sup>1</sup>	425,883	6.60%
<b>2014</b>	2,279,967	78,239,388	33,590	426,227	8.40%
<b>2013</b>	2,255,059	76,289,477	33,278	425,968	10.20%
<b>2012</b>	2,227,577	71,555,000	31,742	425,707	12.60%
<b>2011</b>	2,217,778	69,438,900	29,927	424,086	14.40%
<b>2010</b>	2,139,535	64,376,498	29,222	423,986	14.50%
<b>2009</b>	2,107,653	63,228,086	29,748	419,643	14.00%



Note 1: Projection based on 10 years' running average (2008 - 2017)

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, 2018**

Employer	Fiscal Year			
	2018		2009	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
County of Riverside	22,038	2.15%	19,818	2.17%
March Air Reserve Base	9,000	0.88%	8,400	0.92%
University of California, Riverside	8,829	0.86%	7,147	0.78%
Wal-Mart	-	0.00%	6,550	0.72%
Kaiser Permanente Riverside Medical Center	5,500	0.54%	3,200	0.35%
Stater Brothers Markets	-	0.00%	6,500	0.71%
Corona-Norco Unified School District	5,478	0.53%	-	0.00%
Pechanga Resort & Casino	4,750	0.46%	5,000	0.55%
Riverside Unified School District	4,200	0.41%	5,099	0.56%
Hemet Unified School District	4,058	0.40%	-	0.00%
Riverside University Health Systems - Medical Center	3,965	0.39%	-	0.00%
Morongo Casino, Resort & Spa	3,800	0.37%	-	0.00%
Abbott Vascular	-	0.00%	4,500	0.49%
Riverside Community College District	-	0.00%	3,765	0.41%
Total	71,618	6.99%	69,979	7.66%

Source: Economic Development Agency

Table 18

**COUNTY OF RIVERSIDE**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**June 30, 2018**

<b>Function/Program</b>	<b>Full-time Equivalent Employees</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>General government</b>					
Legislative and administrative	85	85	88	84	86
Finance	395	407	422	408	415
Counsel	73	73	72	70	66
Personnel	184	185	185	180	157
Elections	30	30	31	23	24
Communication	-	-	-	-	-
Property management	414	424	398	404	394
Promotion	51	43	51	54	43
Other general	29	30	28	27	85
<b>Public protection</b>					
Judicial	1,175	1,161	1,214	1,202	1,239
Police protection	2,193	2,293	2,470	2,466	2,410
Detention and correction	2,205	2,321	2,419	2,389	2,216
Fire protection	239	226	227	227	212
Protection/inspection	79	77	82	76	83
Other protection	924	942	639	554	830
Administration	73	81	68	68	81
<b>Public ways and facilities</b>					
Public ways	353	345	384	387	375
Parking facilities	18	15	19	17	17
<b>Health and sanitation</b>					
Health	2,640	2,559	2,640	2,236	2,075
Hospital care	33	32	33	32	35
Public health ambulatory care	-	-	-	267	-
California children's services	143	145	141	142	139
<b>Public assistance</b>					
Aid programs	3,859	4,006	4,199	3,980	3,610
Veterans' services	16	16	14	14	13
Other assistance	174	185	207	270	271
<b>Education, recreation and culture</b>					
Library services	17	17	4	5	7
Agricultural extension	3	3	5	5	5
Cultural services	2	2	2	2	2
<b>County business-type functions</b>					
Hospital care	2,650	2,587	2,482	2,399	2,517
Sanitation	180	174	163	164	153
<b>Internal service</b>	655	2,037	3,213	2,876	2,763
<b>Special districts/Component units</b>	587	611	993	739	719
<b>Total</b>	<b>19,479</b>	<b>21,112</b>	<b>22,893</b>	<b>21,767</b>	<b>21,042</b>

Note: Temporary employees, 1,791, filled as of June 1, 2018 are included in the total number employees.

Source: County of Riverside, fiscal year 2018-19 Recommended Budget

Table 18

2013	2012	2011	2010	2009	Function/Program
					<b>General government</b>
89	81	87	98	92	Legislative and administrative
399	405	411	438	456	Finance
65	65	64	70	69	Counsel
154	159	172	167	182	Personnel
25	34	39	42	41	Elections
-	11	11	12	11	Communication
397	507	531	500	494	Property management
45	117	139	180	186	Promotion
32	31	32	36	36	Other general
					<b>Public protection</b>
1,221	1,294	1,345	1,444	1,485	Judicial
2,351	2,304	2,408	2,449	2,586	Police protection
2,169	2,085	2,067	2,076	2,220	Detention and correction
212	200	198	188	190	Fire protection
86	86	87	100	98	Protection/inspection
544	600	615	669	737	Other protection
82	75	62	65	58	Administration
					<b>Public ways and facilities</b>
370	411	413	465	506	Public ways
20	18	18	20	-	Parking facilities
					<b>Health and sanitation</b>
1,959	2,118	2,063	2,024	2,075	Health
37	34	31	31	30	Hospital care
266	-	-	-	-	Public health ambulatory care
134	140	138	143	148	California children's services
					<b>Public assistance</b>
3,484	3,334	3,089	3,132	3,159	Aid programs
13	12	12	12	12	Veterans' services
291	289	355	348	285	Other assistance
					<b>Education, recreation and culture</b>
7	10	1	-	1	Library services
5	5	5	5	5	Agricultural extension
2	3	3	3	3	Cultural services
					<b>County business-type functions</b>
2,581	2,351	2,295	2,246	2,186	Hospital care
153	160	174	198	211	Sanitation
2,641	2,775	2,315	2,418	1,723	<b>Internal service</b>
693	660	591	547	533	<b>Special districts/Component units</b>
<u>20,527</u>	<u>20,374</u>	<u>19,771</u>	<u>20,126</u>	<u>19,818</u>	<b>Total</b>

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2018**

		Fiscal Year Ending June 30				
		2018	2017	2016	2015	2014
<b>Function/Program</b>						
<b>Agricultural Commissioner</b>						
	Export phytosanitary certificates	c 14,450	13,478	13,546	14,825	16,067
	Pesticide use inspections	d 1,291	800	1,211	1,025	834
	Weights and measures regulated	142,684	141,939	141,092	139,701	138,321
	Agriculture quality inspections	678	605	350	497	524
	Plant pest inspections	5,479	7,468	9,846	10,792	11,635
	Nursery acreage inspected	6,082	6,727	7,708	7,020	7,064
	Weights and measures inspected	61,513	60,197	75,508	63,695	80,461
<b>Assessor-Clerk-Recorder</b>						
	Assessments	931,922	925,405	919,810	914,886	909,432
	Official records recorded	543,816	587,906	555,870	540,589	530,777
	Vital records copies issued	88,278	89,691	86,597	75,708	85,309
	Official records copies issued	21,251	23,093	23,014	18,307	22,329
<b>Auditor-Controller</b>						
	Invoices paid	367,557	280,498	359,917	368,001	425,003
	Vendor warrants (checks) issued	220,965	234,781	227,037	228,750	232,034
	Active vendors	24,487	35,198	28,697	30,604	84,680
	Payroll warrants (checks) issued	549,902	568,689	564,546	541,390	524,990
	Average payroll warrants (checks) per pay period	21,150	21,873	21,713	20,823	20,192
	Audits per fiscal year	54	55	35	26	34
	Tax bills levied	1,029,621	1,019,903	1,008,147	1,003,952	998,203
	Tax refunds/roll changes processed	34,098	53,234	19,561	47,556	22,435
<b>Community Action Partnership</b>						
	Utility assistance (households)	16,724	18,017	15,743	15,115	16,087
	Weatherization (households)	1,100	1,260	997	967	479
	Energy education attendees	a 17,834	7,428	10,398	6,395	4,991
	Disaster relief (residents)	b 22,305	13,400	13,734	13,387	24,274
	Income tax returns prepared	b 4,412	5,239	4,545	4,325	3,453
	After school programs (students)	3,400	2,703	2,198	2,114	20,700
	Leadership program enrollment	b -	-	-	-	-
	Mediation (cases)	2,101	2,009	2,579	2,527	2,723
<b>Environmental Health</b>						
	Facilities inspections	34,571	28,205	30,919	31,897	35,325
<b>Public Health</b>						
	Patient visits	161,578	124,031	143,956	134,481	124,099
	Patient services	322,763	242,554	299,048	290,900	363,442
<b>Animal Control Services</b>						
	Animal impounds (live animals)	36,442	38,858	41,773	37,644	37,037
	Spays and neuters completed	14,601	15,337	14,508	13,216	13,690
	Animal licenses sold	21,843	58,995	76,157	65,020	122,105
	Service calls fielded	37,193	40,039	41,614	40,251	-

Note:

- a - Number of pamphlets mailed
- b - Program not yet started / not tracked
- c - Phytosanitary = Plant pest cleanliness
- d - Pesticide Use Inspections = Environmental monitoring

Source: Various County Departments

Table 19

Fiscal Year Ending June 30					Function/Program
2013	2012	2011	2010	2009	
Agricultural Commissioner					
18,346	19,875	-	25,745	36,772 c	Export phytosanitary certificates
783	793	764	682	831 d	Pesticide use inspections
138,547	137,727	134,290	131,175	129,528	Weights and measures regulated
456	553	693	643	668	Agriculture quality inspections
10,361	11,931	9,584	9,667	48,944	Plant pest inspections
6,156	6,920	6,338	6,923	7,627	Nursery acreage inspected
63,653	51,074	56,751	77,278	80,862	Weights and measures inspected
Assessor-Clerk-Recorder					
906,467	904,706	904,040	941,928	942,174	Assessments
648,812	592,531	612,804	673,674	682,708	Official records recorded
78,405	78,768	80,391	87,194	97,422	Vital records copies issued
32,792	26,153	28,990	26,348	33,135	Official records copies issued
Auditor-Controller					
426,660	389,798	412,374	488,192	522,097	Invoices paid
259,458	255,463	265,979	300,428	320,613	Vendor warrants (checks) issued
80,011	78,887	65,090	64,761	59,685	Active vendors
509,376	509,468	506,870	532,904	532,202	Payroll warrants (checks) issued
19,591	19,595	19,495	19,737	20,469	Average payroll warrants (checks) per pay period
25	26	26	30	30	Audits per fiscal year
984,268	972,577	999,241	977,115	974,041	Tax bills levied
63,500	79,606	123,476	115,904	152,672	Tax refunds/roll changes processed
Community Action Partnership					
13,911	21,912	22,207	27,956	12,869	Utility assistance (households)
179	842	1,375	2,083	1,033	Weatherization (households)
6,368	14,950	13,807	11,725	10,775 a	Energy education attendees
11,316	13,968	12,058	17,989	15,336 b	Disaster relief (residents)
3,111	2,711	3,006	2,257	2,011 b	Income tax returns prepared
19,200	20,700	18,400	13,800	11,000	After school programs (students)
-	166	593	182	- b	Leadership program enrollment
1,905	2,181	2,178	2,237	1,821	Mediation (cases)
Environmental Health					
32,045	36,201	31,801	31,213	34,273	Facilities inspections
Public Health					
135,795	109,870	106,532	142,617	125,767	Patient visits
353,269	392,621	390,607	313,409	466,800	Patient services
Animal Control Services					
35,201	36,518	49,408	62,770	71,834	Animal impounds (live animals)
11,908	9,771	8,305	7,225	8,480	Spays and neuters completed
-	-	-	-	-	Animal licenses sold
-	-	-	-	-	Service calls fielded

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function (Continued)**  
**Last Ten Fiscal Years**  
**June 30, 2018**

<u>Function/Program</u>	<u>Fiscal Year Ending June 30</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>County Library</b>					
Total circulation - books	2,389,611	2,513,032	2,704,884	2,792,388	3,023,637
Reference questions answered	499,590	479,917	478,827	487,093	371,953
Patron door count	3,188,442	3,606,142	4,069,001	4,216,087	3,919,125
Programs offered	9,626	9,680	10,423	9,547	6,819
Program attendance	154,031	163,198	176,502	154,391	139,223
<b>Riverside University Health Systems - Medical Center</b>					
Emergency room treatments	76,654	77,963	88,780	84,697	88,853
Emergency room services - MH	11,749	12,854	12,896	12,989	13,531
Clinic visits	119,033	99,309	116,277	104,693	124,255
Admissions	19,143	17,826	19,863	19,404	22,738
Patient days	108,468	104,854	104,276	106,466	118,467
Discharges	19,156	18,397	19,147	19,387	22,773
<b>Fire</b>					
Medical assistance	127,810	119,868	112,799	103,407	99,058
Fires extinguished	17,849	15,975	14,988	13,823	13,632
Other services	23,744	24,053	22,163	22,680	20,846
Communities served	94	94	94	94	94
<b>Mental Health</b>					
Mental health clients (crisis/long-term care)	44,448	43,013	42,764	41,942	39,765
Substance abuse clients	11,292	8,950	11,205	15,457	15,457
Detention clients	13,325	13,690	12,627	12,137	12,137
Probate conservatorship clients	410	453	410	358	358
Mental health conservatorship clients	682	647	410	613	613
<b>Probation</b>					
Adults on probation	a 12,942	12,185	14,422	16,496	16,922
Juveniles in secure detention	b 112	137	153	134	156
Juveniles in treatment facilities	b 44	60	57	57	79
Juveniles in detention facilities	a 3,389	5,978	6,375	5,810	7,154
<b>Public Social Services</b>					
CalWORKs clients	24,741	26,306	29,090	32,030	33,159
Food stamp clients	121,542	127,778	132,274	128,656	121,949
Medi-Cal clients	346,407	351,817	341,519	298,461	186,911
In-home support services	30,008	27,564	24,888	25,703	23,061
Foster care placements	2,792	3,670	4,063	4,041	3,725
Child welfare services	9,779	9,761	10,471	10,757	9,958
Homeless program (bed nights)	4,190	7,384	7,384	7,384	8,296
Homeless program (meals)	8,380	14,767	14,767	14,767	16,592

Note: a - Average monthly population  
b - Average daily population

Source: Various County Departments

Table 19

Fiscal Year Ending June 30					Function/Program
2013	2012	2011	2010	2009	
County Library					
3,059,094	3,387,218	3,724,657	3,718,343	3,464,547	Total circulation - books
434,057	441,269	404,913	370,619	382,795	Reference questions answered
4,148,012	4,080,738	731,699	3,599,064	3,170,424	Patron door count
6,521	8,382	7,624	7,214	5,618	Programs offered
143,053	163,692	163,416	148,612	127,717	Program attendance
Riverside University Health Systems - Medical Center					
119,606	101,952	99,706	96,993	88,459	Emergency room treatments
14,275	16,750	15,376	14,288	9,702	Emergency room services - MH
125,471	127,546	129,041	131,624	129,171	Clinic visits
24,260	23,949	23,638	23,536	23,253	Admissions
124,599	121,949	123,250	121,915	118,452	Patient days
24,279	23,694	23,668	23,559	23,238	Discharges
Fire					
97,054	96,843	97,066	94,193	91,707	Medical assistance
13,517	12,990	4,271	4,449	4,406	Fires extinguished
20,049	11,856	16,522	17,076	18,486	Other services
94	78	78	78	78	Communities served
Mental Health					
37,591	35,696	33,260	30,657	30,065	Mental health clients (crisis/long-term care)
15,755	17,849	16,987	16,736	18,712	Substance abuse clients
11,899	10,544	8,874	10,831	12,781	Detention clients
278	351	424	474	256	Probate conservatorship clients
563	879	832	675	240	Mental health conservatorship clients
Probation					
17,406	14,992	16,271	17,790	17,469 a	Adults on probation
194	193	225	248	241 b	Juveniles in secure detention
86	107	128	125	112 b	Juveniles in treatment facilities
8,505	9,148	10,741	11,385	10,783 a	Juveniles in detention facilities
Public Social Services					
33,341	33,682	33,412	31,022	26,905	CalWORKs clients
116,333	107,076	91,606	74,484	52,877	Food stamp clients
135,570	130,562	124,061	116,758	107,904	Medi-Cal clients
20,641	19,070	18,201	16,852	16,307	In-home support services
3,237	3,113	3,130	3,085	3,486	Foster care placements
9,178	9,664	9,916	9,591	10,217	Child welfare services
8,296	8,331	10,746	12,900	10,854	Homeless program (bed nights)
16,592	16,660	21,494	25,800	21,707	Homeless program (meals)

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function (Continued)**  
**Last Ten Fiscal Years**  
**June 30, 2018**

		Fiscal Year Ending June 30				
		2018	2017	2016	2015	2014
<b><u>Function/Program</u></b>						
<b>Registrar of Voters</b>						
	Voting precincts	826	1,126	869	1,193	846
	Polling places	546	587	564	546	545
	Voters	a 983,917	1,022,375	911,269	891,630	887,000
	Poll workers	2,264	3,087	2,234	2,200	2,200
<b>Sheriff</b>						
	Number of bookings	50,371	49,896	49,864	54,025	60,826
	Coroner case load	15,397	14,476	13,885	12,958	12,164
	Calls for services	b 180,488	187,087	193,763	190,816	176,339
<b>Transportation and Land Management Agency</b>						
<b>- Building &amp; Safety</b>						
	Building permits issued	c -	-	-	1,028	905
	Building plans checked	c -	-	-	-	799
	Building structures inspected	c -	-	-	-	957
<b>Veterans' Services</b>						
	Phone inquiries answered	d 35,846	36,971	38,812	32,778	31,445
	Client interviews	d 24,563	21,183	25,072	17,281	17,448
	Claims filed	d 7,191	6,789	6,792	6,345	5,998
	Emails	d 14,280	14,280	9,884	6,584	3,138
	Veterans reached at outreach events	2,589	3,014	3,591	3,725	-
<b>Waste Resources</b>						
	Landfill tonnage	1,498,681	1,408,688	1,320,497	1,475,122	1,383,266
	Recycling tonnage	3,042	2,463	2,052	1,386	2,503

Notes: a - Number of voters that were mailed voting materials for all elections in the fiscal year  
b - Unincorporated areas  
c - Information not available for fiscal year 2017-18  
d - Program not yet started / not tracked

Source: Various County Departments



Table 19

Fiscal Year Ending June 30					
2013	2012	2011	2010	2009	Function/Program
Registrar of Voters					
1,218	853	1,649	2,370	2,387	Voting precincts
642	522	746	1,158	1,205	Polling places
943,402	852,217	1,009,933	1,815,892	1,747,556 a	Voters
2,960	2,300	3,281	4,186	6,287	Poll workers
Sheriff					
57,330	53,691	53,974	55,306	62,007	Number of bookings
11,639	10,947	10,555	10,027	9,582	Coroner case load
172,664	176,062	232,821	255,601	302,400 b	Calls for services
Transportation and Land Management Agency - Building & Safety					
1,116	836	863	1,568	1,337	Building permits issued
908	740	817	1,537	1,220 c	Building plans checked
901	676	1,168	1,774	2,650 c	Building structures inspected
Veterans' Services					
36,107	36,707	43,617	41,569	39,393 d	Phone inquiries answered
14,714	14,990	15,630	25,209	13,955 d	Client interviews
5,735	6,030	5,485	5,581	5,812 d	Claims filed
-	-	-	-	- d	Emails
-	-	-	-	-	Veterans reached at outreach events
Waste Resources					
1,102,626	1,071,309	1,071,394	1,032,942	1,024,267	Landfill tonnage
2,679	2,206	2,499	1,803	2,356	Recycling tonnage

Table 20

**COUNTY OF RIVERSIDE**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**June 30, 2018**

<b>Function/Program</b>	<b>Fiscal Year Ending June 30</b>				
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>County Libraries</b>					
Branch libraries	36	35	35	35	35
Book mobiles	2	2	2	2	2
Books in collection	1,337,332	1,341,967	1,168,364	1,382,932	1,393,689
Museum	-	1	1	-	-
<b>Riverside University Health Systems - Medical Center</b>					
Major clinics	4	4	4	4	4
Routine and specialty clinics	44	44	44	44	44
Beds licensed	439	439	439	439	439
<b>Fire</b>					
Stations	37	37	37	37	37
Trucks	158	158	158	158	145
<b>Parks and Recreation</b>					
Regional parks	11	11	11	14	11
Historic sites	5	5	5	5	5
Nature centers	4	4	4	4	4
Archaeological sites	6	6	6	5	6
Wildlife reserves	9	9	9	7	9
RV and mobile home parks	2	2	2	2	3
Managed areas	5	5	5	5	5
Recreational facilities	1	1	3	1	3
Community centers	-	-	1	1	-
<b>Sheriff</b>					
Patrol stations	10	10	10	10	10
Patrol vehicles	966	966	930	932	928
<b>Waste Resources</b>					
Landfills	6	6	6	6	6
Capacity in tons	62,668,370	62,668,370	62,191,202	54,232,021	54,230,474

Source: Various County Departments

Table 20

Fiscal Year Ending June 30					Function/Program
2013	2012	2011	2010	2009	
County Libraries					
35	33	33	33	33	Branch libraries
2	2	2	2	2	Book mobiles
1,657,925	1,570,834	1,668,434	1,612,925	1,564,186	Books in collection
-	-	-	-	-	Museum
Riverside University Health Systems - Medical Center					
4	4	4	4	4	Major clinics
37	-	30	30	30	Routine and specialty clinics
439	439	439	439	439	Beds licensed
Fire					
38	42	46	49	49	Stations
142	145	156	154	149	Trucks
Parks and Recreation					
11	11	12	12	13	Regional parks
5	5	4	4	6	Historic sites
4	4	4	4	5	Nature centers
6	6	6	6	7	Archaeological sites
9	9	9	9	16	Wildlife reserves
3	3	3	3	-	RV and mobile home parks
5	5	5	5	-	Managed areas
2	2	2	-	-	Recreational facilities
-	-	-	-	-	Community centers
Sheriff					
10	10	10	10	10	Patrol stations
916	915	896	883	923	Patrol vehicles
Waste Resources					
6	6	6	6	6	Landfills
54,230,474	54,189,339	54,177,558	51,794,663	51,794,663	Capacity in tons

# RIVERSIDE COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT



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COUNTY AUDITOR-CONTROLLER