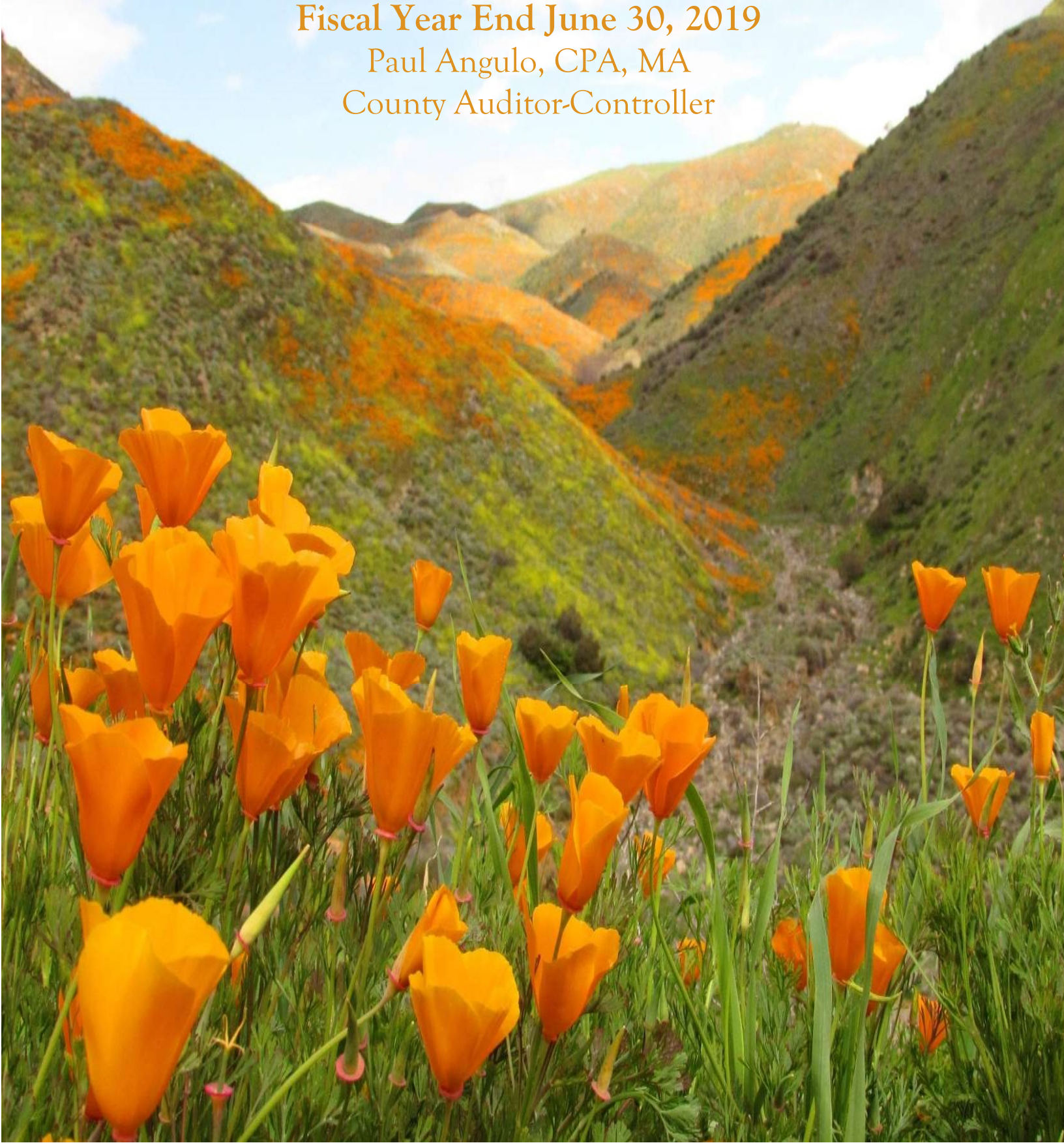


County of Riverside, California

Comprehensive Annual Financial Report

Fiscal Year End June 30, 2019

Paul Angulo, CPA, MA
County Auditor-Controller



**COUNTY OF RIVERSIDE, CALIFORNIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019**



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

COUNTY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2019

TABLE OF CONTENTS

INTRODUCTORY SECTION:	Page
Letter of Transmittal.....	vii
Principal County Officials.....	xiv
Organization Chart	xv
GFOA Certificate of Achievement for Excellence in Financial Reporting for 2018	xvi
 FINANCIAL SECTION:	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Required Supplementary Information).....	3
Basic Financial Statements:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position.....	25
Statement of Activities.....	26
<u>Fund Financial Statements:</u>	
<u>Governmental Funds:</u>	
Balance Sheet	30
Reconciliation of the Balance Sheet of Governmental Funds to the	
Statement of Net Position	33
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances	
of Governmental Funds to the Statement of Activities	37
<u>Budgetary Comparison Statements:</u>	
General Fund.....	38
Transportation Special Revenue Fund	40
Flood Control Special Revenue Fund	41
<u>Proprietary Funds:</u>	
Statement of Net Position.....	42
Statement of Revenues, Expenses, and Changes in Net Position	43
Statement of Cash Flows.....	44
<u>Fiduciary Funds:</u>	
Statement of Fiduciary Net Position	46
Statement of Changes in Fiduciary Net Position	47

COUNTY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2019

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED):	Page
Notes to the Basic Financial Statements:	
(1) Summary of Significant Accounting Policies	49
(2) Stewardship, Compliance and Accountability.....	61
(3) Restatements of Beginning Fund Balances/Net Position	62
(4) Cash and Investments	64
(5) Restricted Cash and Investments	68
(6) Receivables.....	69
(7) Interfund Transactions.....	70
(8) Capital Assets	74
(9) Service Concession Arrangements	77
(10) Landfill Closure and Post-Closure Care Costs	80
(11) Operating Leases	81
(12) Advances from Grantors and Third Parties	82
(13) Short-Term Debt.....	83
(14) Long-Term Obligations.....	84
(15) Deferred Outflows and Inflows of Resources	94
(16) Fund Balances	96
(17) Risk Management.....	101
(18) Medi-Cal and Medicare Programs.....	102
(19) Jointly Governed Organizations	103
(20) Retirement Plan	105
(21) Defined Benefit Pension Plan.....	112
(22) Postemployment Benefits Other than Pensions.....	117
(23) Commitments and Contingencies.....	125
(24) Subsequent Events.....	127
Required Supplementary Information (other than MD&A):	
Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period - Agent Multiple Employer Plan	129
Schedule of Plan Contributions - Agent Multiple Employer Plan	132
Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios- Cost Sharing Multiple Employer Plan	134
Schedule of Plan Contributions – Cost Sharing Multiple Employer Plan	135
Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period - Riverside County – Part-time and Temporary Help Retirement.....	136
Schedule of Plan Contributions - Riverside County – Part-time and Temporary Help Retirement	137

COUNTY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2019

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED):	Page
Required Supplementary Information (other than MD&A):	
Schedule of Changes in Net OPEB Liability and Related Ratios -	
Agent Multiple Employer Plan Administered Through Trusts	139
Schedule of Plan Contributions -	
Agent Multiple Employer Plan Administered Through Trusts	141
Schedule of Changes in Total OPEB Liability and Related Ratios -	
Agent Multiple Employer Plan Not Administered Through Trusts	143
Schedule of Plan Contributions -	
Agent Multiple Employer Plan Not Administered Through Trusts	143
Combining and Individual Fund Statements and Budgetary Schedules:	
Budgetary Comparison Schedule – Teeter Debt Service Fund	145
Budgetary Comparison Schedule – Public Facilities Improvements Capital Projects Fund	146
<u>Nonmajor Governmental Funds:</u>	
Combining Balance Sheet	147
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	148
<i>Special Revenue Funds:</i>	149
Combining Balance Sheet	150
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	152
Budgetary Comparison Schedule – Community Services	154
Budgetary Comparison Schedule – County Service Areas	155
Budgetary Comparison Schedule – Regional Park and Open-Space	156
Budgetary Comparison Schedule – Air Quality Improvement	157
Budgetary Comparison Schedule – In-Home Support Services	158
Budgetary Comparison Schedule – Perris Valley Cemetery District	159
Budgetary Comparison Schedule – Other Special Revenue Fund	160
<i>Debt Service Funds:</i>	161
Combining Balance Sheet	162
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	164
Budgetary Comparison Schedule – Pension Obligation Bond	166
<i>Capital Projects Funds:</i>	167
Combining Balance Sheet	168
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	170
Budgetary Comparison Schedule – PSEC	172
Budgetary Comparison Schedule – Flood Control	173

COUNTY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2019

TABLE OF CONTENTS

FINANCIAL SECTION (CONTINUED):	Page
<i>Capital Projects Funds:</i>	
Budgetary Comparison Schedule – Regional Park and Open-Space District.....	174
Budgetary Comparison Schedule – CREST	175
<i>Permanent Fund:</i>	177
Balance Sheet	178
Statement of Revenues, Expenditures, and Changes in Fund Balance	179
<u>Nonmajor Enterprise Funds:</u>	181
Combining Statement of Net Position	182
Combining Statement of Revenues, Expenses, and Changes in Net Position	183
Combining Statement of Cash Flows.....	184
<u>Internal Service Funds:</u>	185
Combining Statement of Net Position	186
Combining Statement of Revenues, Expenses, and Changes in Net Position	188
Combining Statement of Cash Flows.....	190
<u>Fiduciary Funds:</u>	193
<i>Agency Funds:</i>	
Combining Statement of Fiduciary Assets and Liabilities.....	194
Combining Statement of Changes in Fiduciary Assets and Liabilities.....	195
 STATISTICAL SECTION (Unaudited):	
Statistical Section Table Index	197
Table 1 Net Position by Component.....	198
Table 2 Changes in Net Position	200
Table 3 Governmental Activities Tax Revenues by Source	204
Table 4 Fund Balances of Governmental Funds.....	206
Table 5 Changes in Fund Balances of Governmental Funds.....	208
Table 6 General Government Tax Revenues by Source.....	210
Table 7 Assessed Value and Estimated Actual Value of Taxable Property	212
Table 8 Property Tax Rates – Direct and Overlapping Governments	214
Table 9 Principal Property Tax Payers	215
Table 10 Property Tax Levies and Collections.....	216
Table 11 Ratios of Outstanding Debt by Type	218
Table 12 Ratios of General Bonded Debt Outstanding	220
Table 13 Direct and Overlapping Governmental Activities Debt	222

COUNTY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2019

TABLE OF CONTENTS

STATISTICAL SECTION (CONTINUED):	Page
Table 14 Legal Debt Margin Information	224
Table 15 Pledged-Revenue Coverage.....	226
Table 16 Demographic and Economic Statistics	228
Table 17 Principal Employers	229
Table 18 Full-time Equivalent County Government Employees by Function/Program.....	230
Table 19 Operating Indicators by Function	232
Table 20 Capital Asset Statistics by Function	238



(This Page Intentionally Left Blank)

INTRODUCTORY SECTION



COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER
County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802



Paul Angulo, CPA, MA
Auditor-Controller

December 12, 2019

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, 2019, 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, 2019. 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 328,101, Moreno Valley 208,297, Corona 168,101, Murrieta 118,125, and Temecula 113,826. 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, 2019, was reported as 2,440,124, an increase of 1.1 percent as compared to the revised estimate for January 1, 2018. Approximately 16.2 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.

Environment	Public and Official Records
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.
Flood Control	Roads and Highways
Flood Control and water conservation.	Road maintenance, land development, engineering services, and survey.
Health	Taxes
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.
Housing	Voting
First time home buyer programs, low income housing, rental assistance program, homeless shelter, and neighborhood stabilization program.	Polling locations, vote by mail.
Senior and Retirement	
Aging & disability resource connection program, community outreach, community elderly abuse education, legal assistance, and senior employment.	

FACTORS AFFECTING ECONOMIC CONDITION

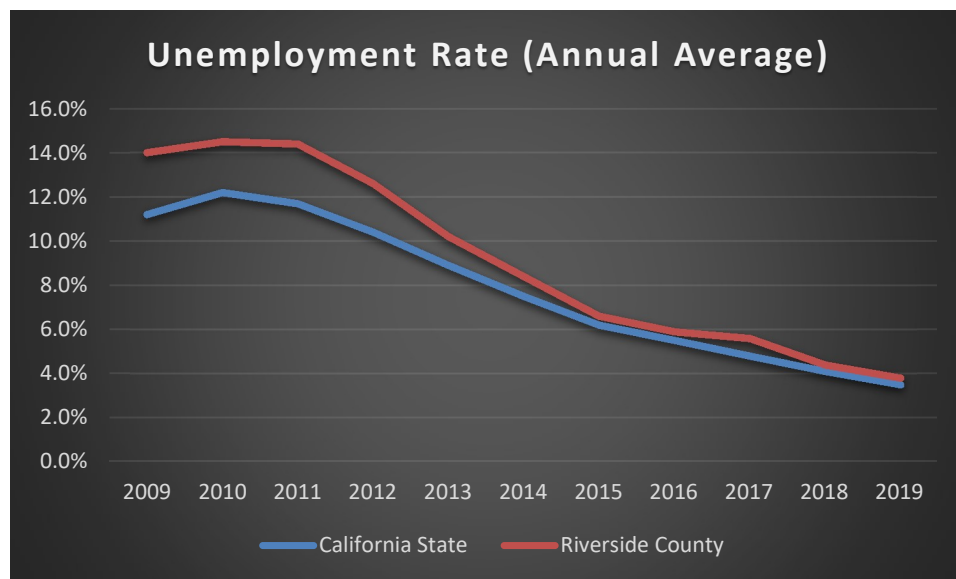
State Economy

The Governor's Budget Revision was issued in May 2019. The May Revision projects Fiscal Year 2019-20 general fund revenues and transfers of approximately \$143.84 billion, total expenditures of approximately \$147.03 billion and a year-end fund balance of approximately \$3.03 billion, of which \$1.39 billion would be reserved for liquidation of encumbrances and approximately \$1.65 billion would be deposited in a reserve fund for economic uncertainties.

The May Revision includes a projected balance of \$16.52 billion in the Budget Stabilization Account/Rainy Day Fund by the end of Fiscal Year 2019-20. The May Revision provides that the State has built a strong fiscal foundation by paying down debts and liabilities and building reserves that will help manage the effects of an economic downturn. Although the May Revision does not predict a recession, it cautions that growing uncertainty related to the global political and economic climate, federal policies, rising costs and the length of the current economic expansion require that the Fiscal Year 2019-2020 Budget be prudent. The May Revision allocates \$15.00 billion (\$1.40 billion more than the Proposed Fiscal Year 2019-2020 Budget) to building budgetary resiliency and paying down the State's unfunded retirement liabilities. As a result, the State's Rainy Day Fund is expected to reach its constitutional cap in Fiscal Year 2020-2021, two years earlier than predicted in the Proposed Fiscal Year 2019-2020 Budget. Furthermore, the May Revision provides that by the end of Fiscal Year 2022-2023, the Rainy Day Fund balance is projected to be \$18.70 billion.

The State's economy, in the first part of 2019, remains on a steady growth track despite concerns about how long the current expansion will continue. Like the nation, the state economy benefited from expansionary fiscal policy in the form of tax cuts coupled with increases in government spending that pushed the labor market closer to full employment and fueled solid job gains.

California's economy and many of its metro areas continue to be at or near record lows in terms of unemployment rates, picking up where they left off last year. The statewide rate was 4.2% in January, coasting just a hair above the all-time low of 4.1% for several months running. Indeed, recent increases in California's labor force have kept the unemployment rate above the four percent threshold.



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. As of September 2019 (Preliminary), the State's average unemployment rate decreased from 4.1% to 3.9% and the County's unemployment rate decreased from 4.4% to 3.8%.

Source: Employment Development Department, Labor Market Information Division, Preliminary September 2019

Local Economy

Beacon Economics' current forecast for Riverside County represents a positive outlook that the economy is trending in the right direction, but at a slower pace as compared to recent years. For the time being, the robust growth of recent years has slowed down across the region, state, and nation. Even so, local revenues are projected to grow at a healthy, though not extraordinary, pace through fiscal year 2023-2024, and the national and state economies are projected to continue experiencing gains that are somewhat similar to those of recent memory.

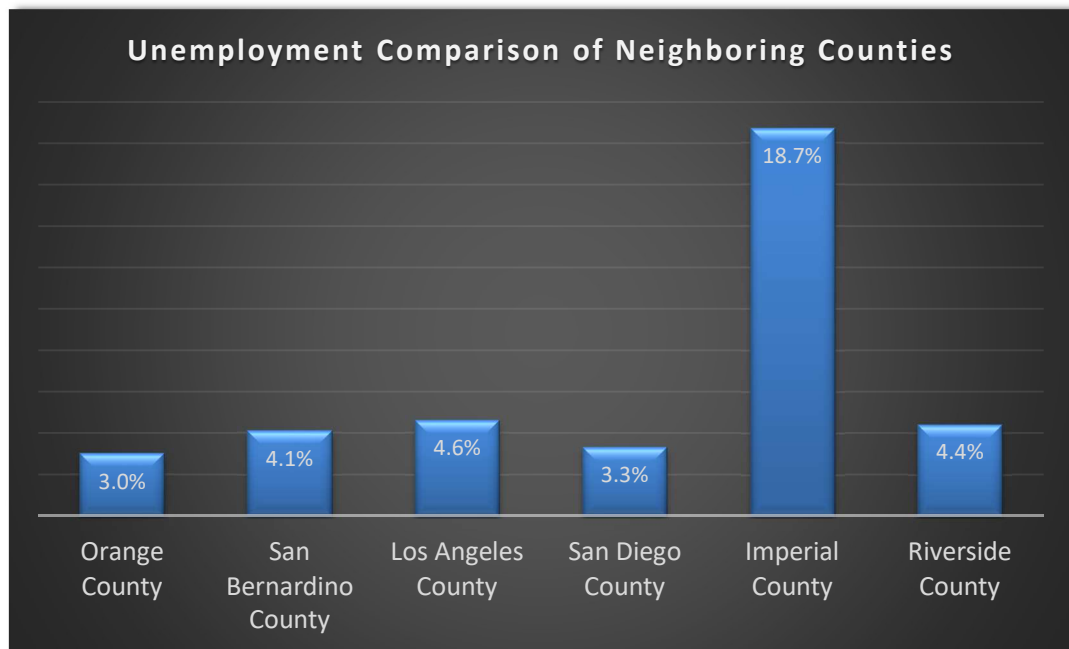
The supply of existing homes for sale in Riverside County has trended up from the start of the current fiscal year. If a greater supply of homes softens prices over the next few months, the combination of lower mortgage rates and weak price gains may spur sales activity in the existing market, which would both increase assessed value and increase transfer tax revenues. These developments will likely have a greater impact on fiscal year 2020.

The Riverside County economy has experienced slower growth in recent months after years of spectacularly robust gains. This is a function of both the economy reaching full employment capacity and weakness in individual industries. Still, with low unemployment and continued wage gains fueling spending, the County can expect ongoing - although slightly tempered - growth in sales tax revenues.

According to Beacon Economics, consumer and business spending revenues ticked up in fiscal year 2018, thanks to continued growth in economic activity, jobs, and wages. The Inland Empire as a whole experienced a full percentage

point decrease in its unemployment rate from fiscal years 2018 to 2019, while nonfarm job growth accelerated to 3.9% year-over-year. However, the regional economy has slowed markedly in fiscal year 2019, with average year-over-year job growth through the third quarter pacing at 2.5%. The slowdown has been more evident recently, with average job growth from January through March falling to a year-over-year pace of 1.3%.

With the neighboring Southern California economies of Orange, Los Angeles, and San Diego Counties also experiencing considerable slowdowns in both job and labor force growth, the entire Southern California labor market may be close to capacity. On a positive note, the California Department of Finance reported that Riverside County experienced a net in migration of 14,780 individuals in 2018, the most among all California counties and accounting for about 71% of total state migration on net. Riverside County continues to be a magnet for new residents, including significant numbers of Southern California residents who choose to move inland from more unaffordable coastal counties. In turn, the County should expect modest growth in taxable sales, all else being equal.



Source: Employment Development Department, Labor Market Division, June 2019

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, 2018. This was the thirty-first 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, 2018. This was the thirteenth 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, 2019

ELECTED OFFICIALS

Board of Supervisors



KEVIN
JEFFRIES
First District



KAREN
SPIEGEL
Second District



CHUCK
WASHINGTON
Third District



V. MANUEL
PEREZ
Fourth District



JEFF
HEWITT
Fifth District

COUNTYWIDE ELECTED OFFICIALS



MICHAEL HESTRIN
District Attorney



CHAD BIANCO
Sheriff
Coroner
Public Administrator



PAUL ANGULO
Auditor
Controller



PETER ALDANA
Assessor
Clerk
Recorder



JON
CHRISTENSEN
Treasurer
Tax Collector

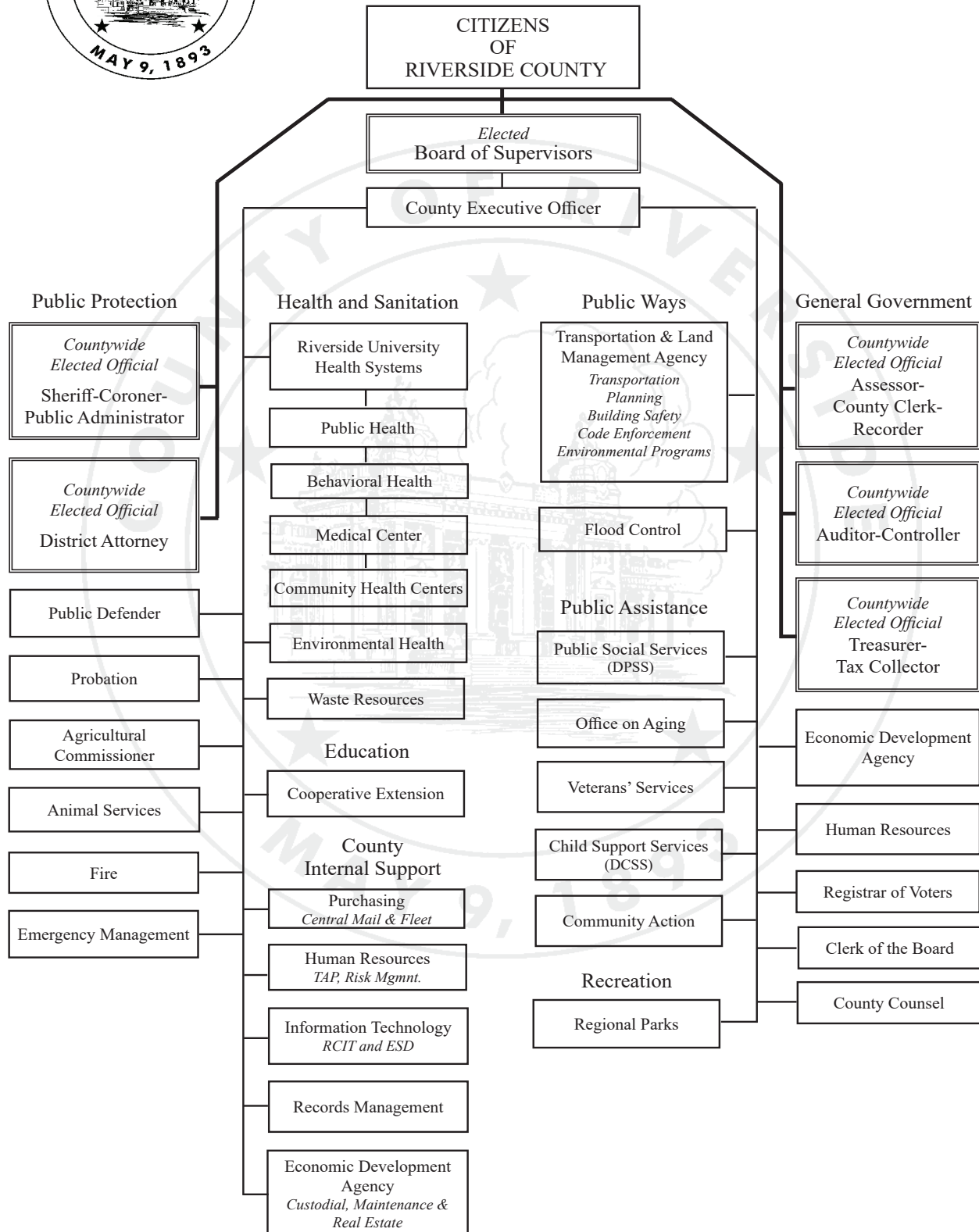
APPOINTED OFFICIALS

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**

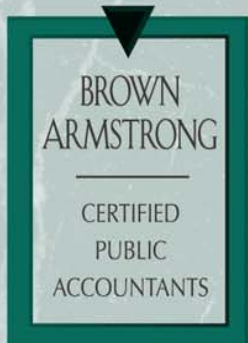
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

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, 2019, 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%	11%
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.

BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE
SUITE 300
BAKERSFIELD, CA 93309
TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

FRESNO OFFICE

10 RIVER PARK PLACE EAST
SUITE 208
FRESNO, CA 93720
TEL 559.476.3592

STOCKTON OFFICE

1919 GRAND CANAL BLVD
SUITE C6
STOCKTON, CA 95207
TEL 888.565.1040

WWW.BACPAS.COM

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, 2019, 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.

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 129-138; 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 139-144 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (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 12, 2019, 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 12, 2019

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, 2019. 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 2018-19, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.21 billion (*net position*). The net position included \$3.90 billion of net investment in capital assets, \$809.8 million of restricted resources for the County's ongoing obligations related to programs with external restrictions, and \$2.50 billion deficit of unrestricted resources.
- As of June 30, 2019, the County's governmental funds reported combined fund balances of \$1.11 billion, an increase of \$26.3 million in comparison with the prior year. Approximately 24.8% of this amount (\$275.2 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 \$307.7 million, or approximately 10.2% of total general fund expenditures.
- The 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 2018-19, the Inland Empire Tobacco Securitization Authority (the Authority), a blended component unit of the County issued \$100.0 million of Series 2019 Turbo Current Interest Bonds with a final turbo redemption date of June 1, 2028. The proceeds of the Series 2019 Turbo Current Interest Bonds along with other available funds under the Authority, were deposited into an escrow account to refund and defease the outstanding 2007 Series A Turbo Current Interest Bonds and 2007 Series B Turbo Convertible Capital Appreciation Bonds, to fund the Debt Service Reserve Account and Debt Service Account for the Series 2019 Turbo Current Interest Bonds, and pay the cost of issuance incurred in connection with the issuance of the Series 2019 Turbo Current Interest Bonds. \$30.3 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

Management's Discussion & Analysis (Unaudited)

flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. For example, property tax revenues are recorded when accrued but not yet collected, and when expenditures for compensated absences are accrued, but not yet paid.

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 Systems – 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, central 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 49-128 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, and changes in total OPEB liability and related ratios. Required supplementary information can be found on pages 129-144 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 145-196 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, 2019, in comparison to the prior fiscal year 2017-18. 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 \$2.21 billion, representing a decrease of \$77.9 million (\$101.1 million changes in net position and a restatement of \$23.2 million, see Note 3), or 3.4%. A more detailed statement can be found on page 25 in the government-wide financial statements.

STATEMENT OF NET POSITION

June 30, 2019 and 2018

(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percentage Change
Assets:								
Current and other assets	\$ 2,418,904	\$ 2,278,347	\$ 477,346	\$ 473,888	\$ 2,896,250	\$ 2,752,235	\$ 144,015	5.2%
Capital assets	4,935,151	4,835,105	335,431	330,659	5,270,582	5,165,764	104,818	2.0%
Total assets	7,354,055	7,113,452	812,777	804,547	8,166,832	7,917,999	248,833	3.1%
Deferred outflows of resources:	846,545	1,347,941	132,874	214,273	979,419	1,562,214	(582,795)	-37.3%
Total deferred outflows of resources	846,545	1,347,941	132,874	214,273	979,419	1,562,214	(582,795)	-37.3%
Liabilities:								
Current liabilities	802,583	759,858	242,546	230,374	1,045,129	990,232	54,897	5.5%
Long-term liabilities	4,935,506	4,953,026	821,739	794,475	5,757,245	5,747,501	9,744	0.2%
Total liabilities	5,738,089	5,712,884	1,064,285	1,024,849	6,802,374	6,737,733	64,641	1.0%
Deferred inflows of resources:	112,046	390,581	19,815	61,988	131,861	452,569	(320,708)	-70.9%
Total deferred inflows of resources	112,046	390,581	19,815	61,988	131,861	452,569	(320,708)	-70.9%
Net position:								
Net investment in capital assets	3,673,404	3,505,380	224,427	218,159	3,897,831	3,723,539	174,292	4.7%
Restricted	769,225	799,830	40,585	58,136	809,810	857,966	(48,156)	-5.6%
Unrestricted	(2,092,164)	(1,947,282)	(403,461)	(344,312)	(2,495,625)	(2,291,594)	(204,031)	8.9%
Total net position	\$ 2,350,465	\$ 2,357,928	\$ (138,449)	\$ (68,017)	\$ 2,212,016	\$ 2,289,911	\$ (77,895)	-3.4%

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, 2019:

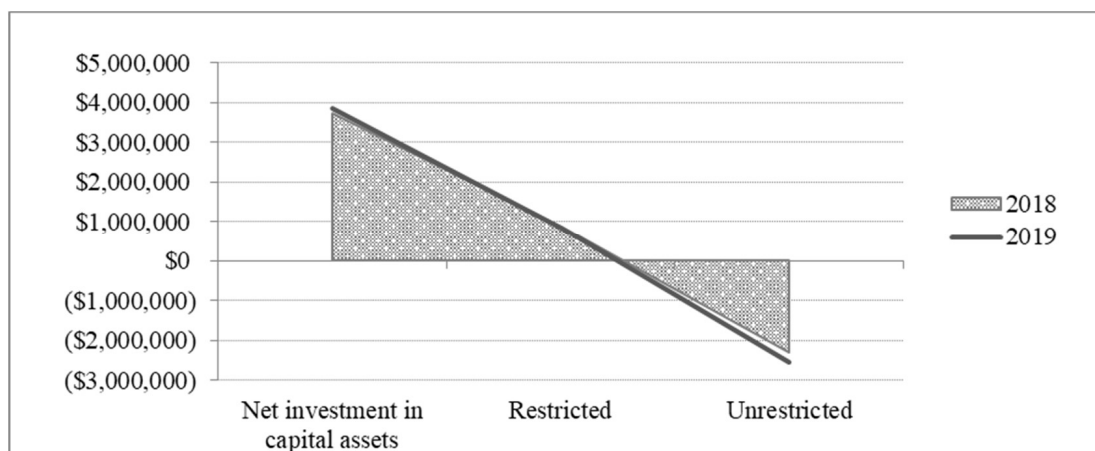
The largest portion of the County's net position reflects its net investment in capital assets of \$3.90 billion, an increase of \$174.3 million, or 4.7%, from prior fiscal year. This component consists of capital assets such as land and easements, structures and improvements, infrastructure, and equipment, 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 \$809.8 million, a decrease of \$48.2 million, or 5.6%, 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 \$2.50 billion, a decrease of \$204.0 million, or 8.9%, from the 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. The factors contributing to increased pension costs include salary increases, retirements, and retiree cost-of-livings were greater than expected, terminations and retiree deaths were fewer than expected.

The decrease in overall net position of governmental and business-type activities was attributed to several contributing factors. The annual contribution to retirement plans for fiscal year 2018-19 was \$312.4 million, an increase of \$32.5 million, or 11.6%, from fiscal year 2017-18. There were also increased expenditures in public ways and facilities of \$29.2 million and a decrease of \$14.9 million in general government expenditures. The operating expenses in business-type activities increased by \$58.7 million, or 6.6%. There was an increase of \$27.3 million, or 4.3%, by RUHS-MC. This was mostly related to increases in personnel salary costs. Operating expenses increased by \$23.5 million, or 41.9%, for RUHS-CHC. This was mainly due to increases in salaries and benefits, professional services and depreciation expense.

Statement of Net Position
June 30, 2019 and 2018
(In thousands)



Management's Discussion & Analysis (Unaudited)

The following table provides information from the Statement of Activities of the County as of June 30, 2019 as compared to the prior year:

CHANGES IN NET POSITION

For the fiscal years ended June 30, 2019 and 2018

(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percentage Change
Revenues:								
Program revenues:								
Charges for services	\$ 759,487	\$ 716,973	\$ 837,924	\$ 787,775	\$ 1,597,411	\$ 1,504,748	\$ 92,663	6.2%
Operating grants and contributions	2,010,351	1,951,911	-	-	2,010,351	1,951,911	58,440	3.0%
Capital grants and contributions	47,530	77,352	-	87	47,530	77,439	(29,909)	-38.6%
General revenues:								
Property taxes	407,895	387,305	-	-	407,895	387,305	20,590	5.3%
Sales and use taxes	33,673	27,557	-	-	33,673	27,557	6,116	22.2%
Unrestricted intergovernmental revenue	281,336	262,745	-	-	281,336	262,745	18,591	7.1%
Investment earnings	69,755	26,613	8,330	3,228	78,085	29,841	48,244	161.7%
Other	285,511	257,358	-	-	285,511	257,358	28,153	10.9%
Total revenues	3,895,538	3,707,814	846,254	791,090	4,741,792	4,498,904	242,888	5.4%
Expenses:								
General government	261,113	275,973	-	-	261,113	275,973	(14,860)	-5.4%
Public protection	1,600,054	1,606,348	-	-	1,600,054	1,606,348	(6,294)	-0.4%
Public ways and facilities	244,547	215,360	-	-	244,547	215,360	29,187	13.6%
Health and sanitation	611,195	611,960	-	-	611,195	611,960	(765)	-0.1%
Public assistance	1,067,788	1,067,151	-	-	1,067,788	1,067,151	637	0.1%
Education	25,220	23,560	-	-	25,220	23,560	1,660	7.0%
Recreation and cultural services	19,232	17,345	-	-	19,232	17,345	1,887	10.9%
Interest on long-term debt	69,630	63,685	-	-	69,630	63,685	5,945	9.3%
Riverside University Health Systems - Medical Center	-	-	663,496	636,169	663,496	636,169	27,327	4.3%
Waste Resources	-	-	102,278	88,964	102,278	88,964	13,314	15.0%
Housing Authority	-	-	95,929	98,591	95,929	98,591	(2,662)	-2.7%
County Service Areas	-	-	233	243	233	243	(10)	-4.1%
Flood Control	-	-	2,404	5,183	2,404	5,183	(2,779)	-53.6%
Riverside University Health Systems - Community Health Centers	-	-	79,792	56,247	79,792	56,247	23,545	41.9%
Total expenses	3,898,779	3,881,382	944,132	885,397	4,842,911	4,766,779	76,132	1.6%
Excess (deficiency) before transfers	(3,241)	(173,568)	(97,878)	(94,307)	(101,119)	(267,875)	166,756	-62.3%
Transfer in (out)	(28,292)	(15,036)	28,292	15,036	-	-	-	0.0%
Change in net position, before extraordinary items	(31,533)	(188,604)	(69,586)	(79,271)	(101,119)	(267,875)	166,756	-62.3%
Extraordinary items	-	-	-	78	-	78	(78)	-100.0%
Change in net position	(31,533)	(188,604)	(69,586)	(79,193)	(101,119)	(267,797)	166,678	-62.2%
Net position, beginning of year, as restated	2,381,998	2,546,532	(68,863)	11,176	2,313,135	2,557,708	(244,573)	-9.6%
Net position, end of year	\$ 2,350,465	\$ 2,357,928	\$ (138,449)	\$ (68,017)	\$ 2,212,016	\$ 2,289,911	\$ (77,895)	-3.4%

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 2018-19 and 2017-18 as shown in the table on page 9.

Revenues for governmental activities

Total revenues for governmental activities were \$3.90 billion, an increase of \$187.7 million, or 5.1%, from the previous year. This increase consisted of increases in program revenues of \$71.1 million and general revenues of \$116.6 million. The largest share of program revenues were operating grants and contributions which accounted for 71.4%. 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 increased by \$42.5 million, or 5.9%. A significant increase of \$40.7 million is due to reimbursement revenue for the completion of road construction projects for the Transportation department. A \$4.7 million increase due to higher number of billable jurisdictions participating in the November 2018 general elections, resulting from Senate Bill (SB) 415's requirement for jurisdictions with odd year elections to change to even year elections.
- Operating grants and contributions increased by \$58.4 million, or 3.0%. There was a significant increase of \$22.0 million in funding due to SB 1, which relates to Gasoline Tax and State Highway Users Tax. There was a \$20.1 million increase in Mental Health Services Act to continue providing services that are provided through the Behavioral Health department. Finally, a \$10.3 million increase was due to Assembly Bill (AB) 118 revenue to an increase in offsetting expenditures.
- Capital grants and contributions decreased by \$29.8 million, or 38.6%. The decrease is related to capital grant funding mainly related to the John J. Benoit Detention Center which is partially funded through AB 900. As construction nears completion funding has declined.

The increase in general revenues was largely attributable to:

- Property tax revenues increased by \$20.6 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 and residential markets.
- Investment earnings increased by \$43.1 million, or 162.1%. 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 \$28.2 million, or 10.9%. Approximately \$10.2 million was due to additional special district revenue. A \$4.5 million increase was related to the premium on the issuance of the Tax and Revenue Anticipation Notes (TRANS). Other increases were noted in miscellaneous revenues.

Expenses for governmental activities

Total expenses for governmental activities were \$3.90 billion for the current fiscal year, an increase of \$17.4 million, or 0.4% (\$11.4 million increase in functional expenses and \$5.9 million increase in interest expense), as compared to prior fiscal year. The following are the key components accounting for the variances:

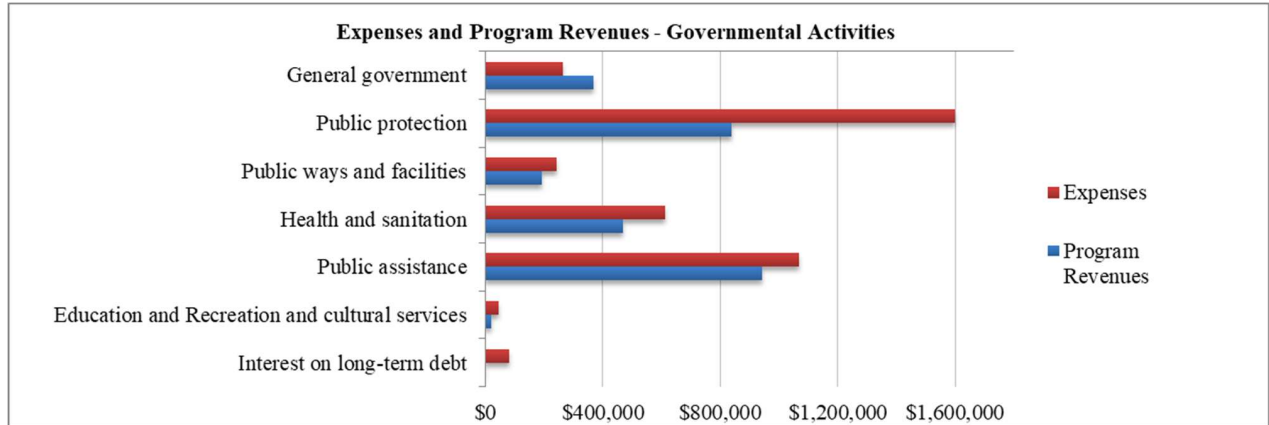
- The expenses in general government decreased by \$14.9 million, or 5.4%. This was due mainly to an \$11.9 million dollar decrease in consulting services.
- The expenses in public protection decreased by \$6.3 million, or 0.4%. There was an increase in salaries and benefits of \$20.6 million. This was a result of increased recruitment to meet state mandates and maintain service levels, merit increases, and employment leave paid for retirement. There was also a \$7.1 million increase in the purchase of several large capital assets. This was offset by a decrease of \$31.2 million in

Management's Discussion & Analysis (Unaudited)

insurance claims payments due to the number of insurance claims incurred and payment processing speeds were increased in the prior fiscal year.

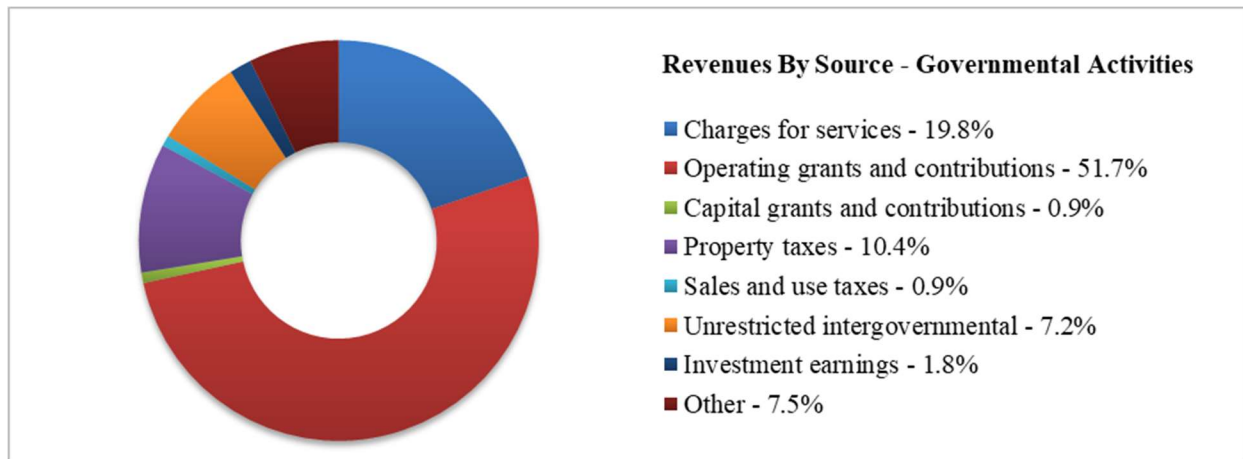
- The increase in public ways and facilities of \$29.2 million, or 13.6%, was mainly caused by the completion of road improvement projects including extension and resurfacing due to recent development in the communities.
- The \$5.9 million increase in interest on long-term debt is due mainly to the Tax and Revenue Anticipation Notes (TRANS) that carried a higher 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, 2019 (In thousands):



Management's Discussion & Analysis (Unaudited)

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



Business-type Activities

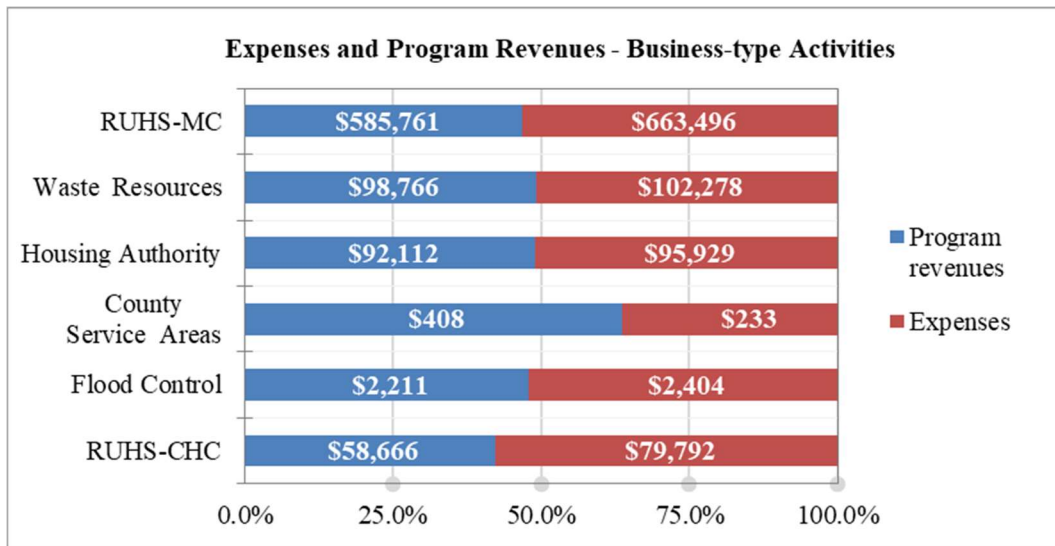
The County has three major business-type activity funds: RUHS-MC, Waste Resources, and Housing Authority. In addition, Flood Control, County Service Areas and RUHS-CHC are included in the business-type activities of the County. Business-type activities recover all or a significant portion of their costs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

Revenues: For the current year, \$837.9 million, or 99.0%, 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, \$585.8 million, was received by RUHS-MC as compared to \$560.2 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.

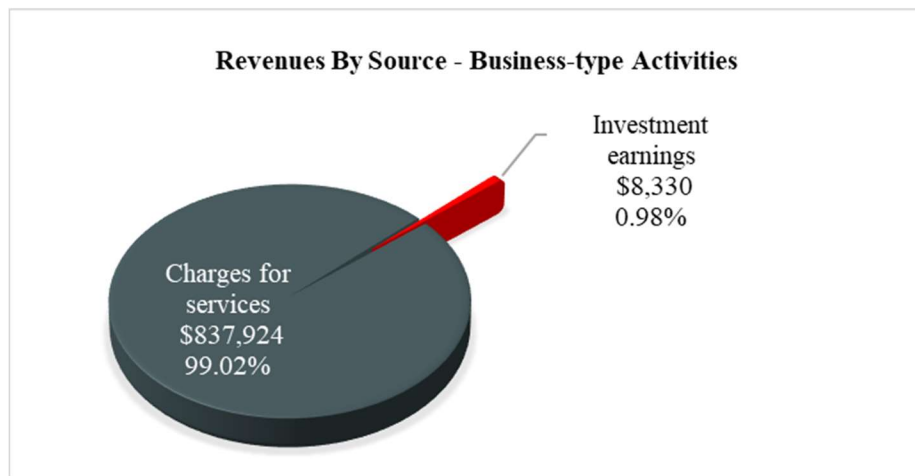
Expenses: Total expenses for business-type activities were \$944.1 million for the fiscal year compared to \$885.4 million for the prior fiscal year. This represents an increase of \$58.7 million, or 6.6%. The majority of the increases in expenses was incurred by RUHS-MC with an increase of \$27.3 million and RUHS-CHC with \$23.5 million. The increase by RUHS-MC was mainly attributed to salaries and benefits increases and increases in insurance expenses. The increase related to RUHS-CHC is mainly due to salaries and benefits increases, as well as an increase in professional services and depreciation expense.

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, 2019 (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.

Management's Discussion & Analysis (*Unaudited*)

As of June 30, 2019, the County's governmental funds reported combined fund balances of \$1.11 billion, an increase of \$26.3 million in comparison with the prior year. The components of total fund balance are as follows (See Note 16 - Fund Balances for additional information):

- Nonspendable fund balance – \$5.0 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 – \$738.6 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 – \$37.8 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 – \$53.5 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 – \$275.2 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 \$154.9 million, or 4.3%, from the prior fiscal year with \$3.73 billion being recognized for the fiscal year ended June 30, 2019. Expenditures increased by \$72.5 million, or 2.0%, from the prior fiscal year with \$3.67 billion being expended for governmental functions during fiscal year 2018-19. Overall, governmental fund balance increased by \$26.3 million, or 2.4%. In comparison, fiscal year 2017-18 had a decrease in governmental fund balance of \$24.3 million, or 2.2%, over fiscal year 2016-17.

The general fund is the primary operating fund of the County. At the end of fiscal year 2018-19, the general fund's total fund balance was \$412.4 million, as compared to \$369.6 million in fiscal year 2017-18. As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The nonspendable portion of fund balance was \$2.4 million, and the spendable portion was \$410.0 million. The current year unassigned fund balance is 9.1% of the total general fund expenditures of \$3.03 billion, as compared to 8.0% of the prior year expenditures total of \$2.94 billion. The total fund balance of the general fund for the current year is 13.6% of the total general fund expenditures as compared to 12.6% for the prior year.

The fund balance of the County's general fund increased by \$42.8 million during the current fiscal year. The overall increase in net position was due to an increase in state aid and investment earnings. 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 \$23.3 million, or 27.2%, due mainly to an increase of \$22.0 million in funding related to Senate Bill (SB) 1.

Flood control fund balance increased by \$21.2 million, or 9.0%. The increase in fund balance is primarily a result of an increase in property taxes and investment earnings received during the current fiscal year.

Public facilities improvements capital projects fund balance decreased from \$180.0 million to \$164.8 million, 8.5% or \$15.2 million. The decrease was caused mainly by the construction of the John J. Benoit Detention Center nearing completion.

Public financing authority fund balance decreased by \$23.2 million, or 96.6%. 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 \$22.5 million, or 12.0%, decrease in nonmajor governmental funds fund balance was essentially from the scheduled annual principal payments of outstanding debts in debt service funds.

Management's Discussion & Analysis (Unaudited)

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. 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 a negative \$29.7 million, compared to a positive \$6.6 million from prior fiscal year; this represents a decrease of \$36.3 million, or 550.2%. The funds accounting for the majority of the variance were RUHS-MC, Housing Authority, and Other. The total decrease in net position for RUHS-MC and Other were \$41.5 million and \$4.9 million, respectively. Factors concerning the finances of these two funds have been previously discussed in the business-type activities on page 12. The decrease of \$2.7 million for Housing Authority was mainly due to a decrease in total operating revenues due to the transfer of rental income and housing assistant subsidies from the Housing Authority to a property management company.

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, 2019 and 2018
(In thousands)

Revenues by Sources	2019		2018		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
Taxes	\$ 326,991	10.1%	\$ 303,836	9.8%	\$ 23,155	7.6%
Intergovernmental revenues	2,089,129	64.8%	2,036,517	65.8%	52,612	2.6%
Charges for services	499,566	15.5%	481,245	15.5%	18,321	3.8%
Other revenue	187,751	5.8%	158,219	5.1%	29,532	18.7%
Other financing sources	120,495	3.7%	115,465	3.7%	5,030	4.4%
Total	<u>\$ 3,223,932</u>	<u>100.0%</u>	<u>\$ 3,095,282</u>	<u>100%</u>	<u>\$ 128,650</u>	<u>4.2%</u>

General fund revenues had an overall increase of \$128.7 million, or 4.2%, 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 2018-19 with the main increase of approximately \$23.2 million noted in the secured property taxes.
- The increase of \$52.6 million in *Intergovernmental revenues* was primarily attributed to a \$75.2 million increase in state funding for mandated reimbursement in motor vehicle in lieu taxes, along with an increase in Mental Health Services Act revenue. The Mental Health Services Act revenue increased due to the continued implementation of new programs, as well as funding of the new augmented board and care facility in the desert. This was offset by a decrease in federal funding of \$29.2 million, mainly due to a decrease of \$24.1 million in treatment services.

Management's Discussion & Analysis (Unaudited)

- *Charges for services* increased by \$18.3 million, or 3.8%, primarily due to increases in contract law enforcement services and increases in revenues related to fire protection services provided during the fiscal year.
- The increase in *other financing sources* of approximately \$5.0 million, or 4.4%, was primarily related to the premium on the issuance of the Tax and Revenue Anticipation Notes (TRANS).

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, 2019 and 2018 (In thousands)

Expenditures by Function	2019		2018		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
General government	\$ 118,662	3.7%	\$ 130,989	4.3%	\$ (12,327)	-9.4%
Public protection	1,382,395	43.5%	1,328,734	43.2%	53,661	4.0%
Health and sanitation	558,905	17.6%	543,976	17.7%	14,929	2.74%
Public assistance	934,641	29.4%	916,191	29.8%	18,450	2.0%
Other expenditures	32,346	1.0%	24,954	0.8%	7,392	29.6%
Other financing uses	154,164	4.8%	129,087	4.2%	25,077	19.4%
Total	\$ 3,181,113	100.0%	\$ 3,073,931	100.0%	\$ 107,182	3.5%

Total expenditures for the general fund were \$3.18 billion, an increase of \$107.2 million, or 3.5%, from the prior year. Significant changes are as follows:

- The decrease in *General government* of \$12.3 million, or 9.4%, was due mainly to an \$11.9 million dollar decrease for consulting services.
- The increase in *Public protection* of \$53.7 million was mainly due to an increase in service and supplies of \$27.1 million. This was caused by an increase in operating expenditures across several departments. The main increases were noted in the Sheriff and Fire departments. The Sheriff department had a \$6.4 million increase due to an increase in the County internal service rates, a \$5.2 million increase due to recruitment costs and increases in professional services, and a \$1.2 million dollar increase due to the emergency repair of a dormitory water heater. The Fire department had a \$6.0 million increase in operating expenses, mainly due to the replacement of computer equipment. There was also an overall increase in salaries and benefits of \$20.6 million. This was a result of 68 new positions in the Sheriff department for the John J. Benoit Detention Center and 65 new positions for the Federal Consent Decree (Remedial Plan). The increase in salaries and benefits is also due to increased recruitment to meet state mandates and maintain service levels, merit increases, and employment leave paid for retirement. There was also a \$7.1 million increase in the purchase of several large capital assets between the Sheriff and Fire departments.
- The increase in *Health and sanitation* of \$14.9 million was primarily attributed to an \$8.1 million increase in intergovernmental activity.
- The increase in *Other expenditures* of \$7.4 million was due to an increase in interest on long-term debt as the Tax and Revenue Anticipation Notes (TRANS) carried a higher interest rate.
- The increase in *Other financing sources* of \$25.1 million was mainly due to contributions made to other County funds for financing debt service payments according to the debt service schedule, construction costs of capital projects, and County program activities.

Management's Discussion & Analysis (Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS

This section provides a summary of the primary factors 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 \$80.0 million, or 2.3%, from \$3.41 billion to the final revenue budget of \$3.33 billion. The major estimated revenue variances are described as follows:

Charges for current services: Decreased by \$82.2 million, or 13.5%, from \$607.5 million to \$525.3 million. The primary decrease was due to intergovernmental activities of \$87.4 million. This was offset by an increase in fire contract services of \$2.6 million by the Fire Department, and an increase of \$1.1 million of additional payroll and professional services provided by the Human Resources Department. Finally, the Sheriff Department received an additional \$1.0 million in law enforcement services provided to cities within Riverside County.

Other revenue: Decreased by \$22.1 million, or 21.0%, from \$105.2 million to \$83.0 million. The primary decrease was due to intergovernmental activities of \$26.8 million. This was offset by a \$4.0 million increase by the Executive Office to recognize a higher premium related to the Tax and Revenue Anticipation Notes.

Aid from other governmental agencies: Increased by \$23.3 million or 1.0% from \$2.26 billion to \$2.28 billion. California Public Safety Sales Tax increased by \$3.4 million and the Department of Social Services increased \$2.0 million as a result of SB850 which was signed into law on June 27, 2018 and authorized both the Homeless Emergency Aid and California Emergency Solutions and Housing Programs to address the homeless crisis throughout California. The balance was a combination of increases from Behavioral Health, the Fire Department, the Department of Child Social Services (DCSS) and the District Attorney.

Expenditure Appropriation Variances

The original adopted General Fund appropriation budget decreased by \$84.4 million, or 2.4%, from \$3.45 billion to the final appropriation budget of \$3.37 billion. The major expenditure appropriation variances are described as follows:

General government: The original adopted appropriation budget for General government decreased by \$47.8 million, or 20.9%, from \$228.5 million to the final appropriation budget of \$180.7 million. The major appropriation variances are described below.

- *Other charges* decreased by \$33.3 million, or 37.3%, from \$89.2 million to \$55.9 million. The primary decrease of \$52.0 million was due to intergovernmental activities. This was offset by an increase of \$17.8 million in contributions that were not originally budgeted and of which \$13.0 million were provided to the Federal Qualified Health Clinics to assist with their operational deficit. The Capital Improvement Fund received \$3.0 million to assist with acquisition costs for the Riverside County Emergency Operations Center and the Transportation department received \$1.5 million to assist with emergency storm damage road repair work, culvert and drainage repairs.
- *Appropriation for contingencies* decreased by \$14.4 million, or 98.2%, from \$14.7 million to \$0.3 million. The Department of Public Social Services General Assistance (GA) program experienced significant budget challenges in fiscal year 18/19 and was the main recipient of contingency funds. The Board of Supervisors adopted changes to the County-funded GA program pursuant to Welfare and Institutions Code Sections 17000, et seq., and supporting case law. These changes took effect July 1, 2018 and resulted in significantly increased caseload and administrative costs; as such, the GA program received \$12.2 million in fiscal year 18/19 in order to cover the increase in program costs.

Management's Discussion & Analysis (Unaudited)

Public protection: The original adopted appropriation budget for Public protection increased by \$19.9 million or 1.4%, from \$1.44 billion to the final appropriation budget of \$1.46 billion. The major appropriation variances are described below.

- *Services and supplies* increased by \$16.5 million, or 3.5%, from \$469.5 million to \$486.0 million. An increase of \$5.4 million was due to the Sheriff Department's Security Electronic System replacement at four Correctional Facilities. The Emergency Management Department increased by \$4.0 million in costs associated with the response to two of the largest fire events in Riverside County's history. Fire Protection increased its budget by \$3.6 million due to several perimeter fencing projects, and to removed dead, dying, and diseased trees.
- *Other charges* decreased by \$12.1 million, or 22.9%, from \$52.8 million to \$40.7 million. The main decrease was due to \$11.5 million from intergovernmental activities relating to operating transfers in and out of the same fund group.
- *Capital assets* increased by \$14.8 million, or 389.1%, from \$3.8 million to \$18.6 million. An increase of \$11.7 million was mainly due to the costs associated with security camera upgrades as well as the purchase of equipment and computer hardware by the Sheriff Department. The Fire Department also invested \$2.6 million toward the purchase of Fire Tractor.

Health and sanitation: The original adopted appropriation budget for Health and Sanitation decreased by \$1.8 million, or 0.3%, from \$678.8 million to the final appropriation budget of \$677.0 million. The major appropriation variances are described below.

- *Services and supplies* increased by \$14.7 million, or 11.2%, from \$131.2 million to \$145.9 million. This was mainly due to Behavior Health increasing their budget by \$7.6 million to cover Behavioral Health Integration Prevention and Early Intervention screening costs. Correctional Health increased their budget by \$3.7 million for information technology services, pharmaceuticals, outside hospitalization, and professional services costs. Public Health increased their budget by \$1.3 million for professional services and special program expenses.
- *Other charges* decreased by \$9.4 million, or 3.5%, from \$267.9 million to \$258.5 million. The decrease was related to the budget appropriation transfer of funds to services and supplies to cover Behavioral Health Integration Prevention and Early Intervention screening costs as explained above.

Debt services: The original adopted appropriation budget for Debt services decreased by \$63.4 million, or 63.2%, from \$100.3 million to the final appropriation budget of \$37.0 million. The major appropriation variances are described below.

- *Principal* decreased by \$49.7 million, or 85.1%, from \$58.4 million to \$8.7 million primarily due to intergovernmental activities.
- *Interest* decreased by \$13.7 million, or 32.9%, from \$41.6 million to \$27.9 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 \$109.0 million resulting from unexpended appropriations of \$340.4 million, or 10.1%, and overestimated revenue of \$231.3 million, or 6.9%. The following contributed to the variance:

Revenue Variances

General Fund actual revenues of \$3.10 billion were 6.9%, or \$231.3 million, less than the final revenue budget of \$3.33 billion. The major revenue variances are described as follows:

Taxes: Actual revenues of \$327.0 million were \$13.5 million, or 4.3%, more than the final budget of \$313.4 million due to an increase in property tax assessed values and as well as an increase in sales and uses tax.

Management's Discussion & Analysis (Unaudited)

Fine, forfeitures, and penalties: Actual revenues of \$64.5 million were \$3.9 million, or 6.5%, more than the final budget of \$60.6 million. The District Attorney's Office increased by \$2.6 million in revenue from the consumer fraud and environment crimes units. Sheriff Corrections received additional booking fee recovery revenue of \$2.2 million, and Sheriff Patrol received \$1.1 million from asset forfeitures. These were offset by a decrease of \$1.3 million from the Teeter overflow revenue and \$1.0 million from Environmental Health due to a reduction in code enforcement activity.

Investment Earnings: Actual revenues of \$41.3 million were \$23.2 million, or 128.0%, more than the final budget of \$18.1 million. The primary variance was due to the Treasurer-Tax Collector Office optimizing the investment selections and strategies which resulted in additional interest earnings. Additionally, the year-end fair market value calculation on investments was positive in the current year compare to being negative in the prior year.

Rents and concessions: Actual revenue of \$12.2 million were \$20.0 million, or 62.0%, less than final budget of \$32.2 million mainly due to intergovernmental activities of \$19.5 million.

Federal: Actual revenues of \$567.8 million were \$122.9 million, or 17.8%, less than the final budget of \$690.7 million. A majority of the decrease was due to the implementation of a new billing system and the timing of public assistance claims by the Department of Public Social Services. There was also a \$23.4 million decrease due to a decline in CalWORKs and Foster Care caseloads. Decreases were also experienced by Behavioral Health, Public Health, the Fire Department, the DCSS and the Sheriff Department.

State: Actual revenues of \$1.40 billion were \$72.6 million, or 4.9%, less than the final budget of \$1.48 billion. This category is closely aligned with federal revenues whereas decreases in federal funding also translates to decreases in state funding. Approximately \$64.3 million decrease in state public assistance was due to fluctuations in expenditures as this source of revenue is expenditure driven. Decreases in expenditures and therefore less claimable revenue were noted by the DPSS, Behavior Health and Public Health. There was also a \$14.7 million decrease in AB109 funding. This is offset by \$10.3 million increase in Public Safety Sales Tax Revenue.

Charges for services: Actual revenues of \$499.6 million were \$25.7 million, or 4.9%, less than the final budget of \$525.3 million. A majority of the variance is due to decreases of \$87.4 million in intergovernmental activities. This was offset by additional increases in the amount of \$57.7 million for contract cities fire protection services and \$8.6 million in Sheriff's contract city law enforcement service revenues.

Other revenue: Actual revenues of \$49.7 million were \$33.4 million, or 40.2%, less than the final budget of \$83.0 million. The majority of this variance is related to operating transfers in and out of pension activities.

Expenditure Variances

General Fund actual expenditures of \$3.03 billion were \$340.4 million, or 10.1%, less than the final appropriation budget of \$3.37 billion. The major appropriation variances are described as follows:

General government: Actual expenditures of \$118.7 million were \$62.1 million, or 34.3%, less than the final budget of \$165.1 million.

- *Salaries and employee benefits* decreased by \$8.3 million, or 7.8%. Assessor had decreases of \$1.2 million due to attrition salary savings. Human Resources had decreases of \$2.7 million due to vacant positions and the Treasurer Tax Collector had a decrease of \$1.3 million due to office reorganization and vacant positions.
- *Services and supplies* decreased by \$13.8 million, or 15.0%. Assessor had a decrease of \$2.2 million from department cost allocation reductions. The Economic Development Agency (EDA) had decreases in water and heating fuel utility costs that were \$3.0 million less than budgeted. The Executive Office had a decrease of \$2.3 million due to several work streams resulting in contractual savings. The remaining balance of the decrease was attributed to conservative spending decisions by departments Countywide.
- *Other charges* decreased by \$44.0 million, or 78.8%, mainly due to decreases in contributions to other funds as directed by the Executive Office and intergovernmental activities.
- *Intrafund transfers* decreased by \$4.7 million, or 6.3%, mainly due to a decrease of \$2.7 million by EDA's Energy Division having reductions in utilities costs and in project reimbursement costs.

Management's Discussion & Analysis (Unaudited)

Public protection: Actual expenditures of \$1.38 billion were \$76.2 million, or 5.2%, less than the final budget of \$1.46 billion.

- *Salaries and employee benefits* decreased by \$33.9 million, or 3.6%, mainly due to salary savings and the hiring freeze. The following departments had decreases in their salaries and employee benefits: \$13.0 million for Probation, Sheriff had \$5.9 million, District Attorney had \$4.1 million, and \$2.6 million for Fire.
- *Services and supplies* were \$28.2 million, or 5.8%, less than the final budget. The Fire Department had decreases of \$12.0 million in professional services and weed abatement charges. Other public safety departments experienced savings due to conservative spending.
- *Capital assets* were \$6.2 million, or 33.6%, less than the final budget due to postponed projects by the Fire Department.
- *Intrafund transfers* were \$2.4 million, or 16.0%, more than the final budget mainly due to the Sheriff Department receipt of \$1.7 million from the Emergency Management Department for their services provided during the Cranston and Holy fires. The Emergency Management Department also received an additional transfer of \$1.3 million for fire related expenses.

Health and sanitation: Actual expenditures of \$558.9 million were \$118.1 million, or 17.4%, less than the final budget of \$677.0 million.

- *Salaries and employee benefits* were \$55.3 million, or 16.3%, less than the final budget mainly due to hiring freezes. Behavioral Health Department had salary savings of \$43.7 million. Public Health had \$7.7 million in savings, and Environmental Health Department had \$2.4 million in salary savings.
- *Other charges* were \$55.5 million, or 21.5%, less than the final budget mostly due to several contract programs at Behavior Health not being fully operational during the fiscal year. These programs include \$23.5 million of constructions costs for the Desert Augmented Board and Care facility and \$16.0 million from Children and Crisis contract services. Finally, there was a decrease of \$15.1 million as they continue the process of fully implementing the Drug Medi-Cal Waiver program.
- *Intrafund transfers* were \$3.8 million, or 5.6%, more than the final budget mainly due to transfer increases to Behavioral Health for approximately \$3.6 million.

Public assistance: Actual expenditures of \$934.6 million were \$76.7 million, or 7.6%, less than the final budget of \$1.01 billion.

- *Salaries and employee benefits* actual expenditures of \$333.9 million were \$20.3 million, or 5.7%, less than the final budget of \$354.2 million. This is primarily due to a decrease of \$20.1 million from the Department of Public Social Services salaries due to the Countywide hiring freeze.
- *Services and supplies* were \$18.1 million, or 13.8%, less than the final budget of \$131.5 million primarily due to the Department of Public Social Services experiencing lower expenditures related to consultants and data processing services. Additionally, new project costs rolled over to the next fiscal year due to the implementation of the billing system causing timing issues with rent-lease building and professional services.
- *Other charges* were \$38.3 million, or 7.3%, less than the final budget of \$526.0 million mainly due to \$31.1 million decreases in client services, due to drop in caseload for CalWorks and Foster Care programs. The remaining variance was due to intergovernmental activities.

Debt services: Actual expenditures of \$23.4 million were \$13.5 million, or 36.6%, less than the final budget of \$52.6 million primarily due to decrease in transfers 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, 2019, the County's capital assets for both its governmental and business-type activities amounted to \$5.27 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 1.6%, or \$80.8 million, from \$5.19 billion in fiscal year 2017-18 to \$5.27 billion in fiscal year 2018-19.

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

- Infrastructure increased approximately \$49.8 million consisting of donated roads valued at \$28.7 million and \$21.1 million as a result of the completed projects related to various channels, storm drains, roads and traffic signals.
- Land easements increased approximately \$5.4 million. The major increase was due to the Flood Control District land valuation of \$5.1 million. The value is primarily comprised of parcels and easements conveyed via Grant Deed to the Flood Control District.
- Structures and improvements decreased approximately \$5.1 million for the current fiscal year. The overall decrease was attributed to depreciation for the current fiscal year.
- Equipment increased approximately \$30.3 million. The primary increase of \$47.6 million was due to the classification of the new integrated property tax management system from construction in progress and \$2.4 million was due to the increase in equipment vehicles and other miscellaneous equipment throughout the County. Whereas approximately \$19.7 million of vehicles and various equipment were retired in the current fiscal year.
- During the current fiscal year, construction in progress experienced additions in the amount of \$212.2 million related to existing and new projects. The major increases were noted as follows: the Transportation and Land Management Agency incurred an additional \$104.0 million for projects related to roads, bridges, sidewalks and signal lights; the Economic Development Agency incurred \$56.2 million in costs for existing projects such as the construction and street improvements of the East County Detention Center and Roy's Desert Resource Center; the Riverside University Health Systems – Medical Center incurred an additional \$10.9 million for projects such as the COGEN Plant Rehabilitation, Medical & Surgical Center Telecom/Cisco Network System, Emergency Room Expansion and the Cardiac Catheterization Lab; the Flood Control District incurred \$8.9 million for storm drains and channels; the Crest project incurred an additional \$4.8 million towards the new integrated property management system; the Park District incurred an additional \$4.7 million for projects related to District Headquarters Building E and to the trails located in Santa River and Salt Creek; the Sheriff's Department incurred \$4.1 million for the Security Electronic System replacement to four (4) Correctional Facilities; and the Waste Management Department incurred an additional cost of \$3.3 million for projects such as the Corona, Badlands & Lamb Canyon landfills drainage improvements and gas collection system expansion. During the current year approximately \$201.1 million of completed projects were transferred out of construction in progress to other capital asset classifications and \$9.8 million were retired due to canceled projects which resulted in an overall increase in construction in progress of approximately \$1.1 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		Business-type		Total		Total	
	Activities		Activities				Dollar	Percentage
	2019	2018	2019	2018	2019	2018	Change	Change
Infrastructure	\$ 2,037,710	\$ 1,986,825	\$ 45,099	\$ 46,189	\$ 2,082,809	\$ 2,033,014	\$ 49,795	2.4%
Land and easements	587,148	581,920	21,524	21,359	608,672	603,279	5,393	0.9%
Land improvements	80	81	5,904	6,680	5,984	6,761	(777)	-11.5%
Structures and improvements	1,298,668	1,318,084	146,321	132,046	1,444,989	1,450,130	(5,141)	-0.4%
Equipment	243,278	209,981	58,664	61,623	301,942	271,604	30,338	11.2%
Construction in progress	768,267	762,284	49,089	53,932	817,356	816,216	1,140	0.1%
Concession	-	-	8,830	8,830	8,830	8,830	-	0.0%
Total outstanding	\$ 4,935,151	\$ 4,859,175	\$ 335,431	\$ 330,659	\$ 5,270,582	\$ 5,189,834	\$ 80,748	1.6%

Additional information on the County's capital assets can be found in Note 8 on pages 74-76 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 \$499.0 thousand as of June 30, 2019. The calculated legal debt limit for the County is \$3.55 billion.

The following are credit ratings maintained by the County:

	<u>Moody's Investors</u>	<u>Standard &</u>	
	<u>Services, Inc.</u>	<u>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+

Management's Discussion & Analysis (Unaudited)

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, 2019.

COUNTY'S OUTSTANDING DEBT OBLIGATIONS

(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percentage Change
Loan payable	\$ 980	\$ 1,600	\$ -	\$ -	\$ 980	\$ 1,600	\$ (620)	-38.8%
Bonds payable	1,189,065	1,232,233	64,254	77,773	1,253,319	1,310,006	(56,687)	-4.3%
Certificates of participation	60,265	78,128	-	-	60,265	78,128	(17,863)	-22.9%
Capital leases	102,905	116,842	34,724	21,521	137,629	138,363	(734)	-0.5%
Total outstanding	\$ 1,353,215	\$ 1,428,803	\$ 98,978	\$ 99,294	\$ 1,452,193	\$ 1,528,097	\$ (75,904)	-5.0%

The County of Riverside's total debt decreased by 5.0%, or \$75.9 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 84-94 of this report.

ECONOMIC FACTORS AND THE FISCAL YEAR 2019-20 BUDGET OUTLOOK

Beacon Economics' current forecast for Riverside County represents a positive outlook that the economy is trending in the right direction. The residential and nonresidential property markets continue to be positive while unemployment rates are at its lowest. Local revenues are projected to grow at a healthy, though not extraordinary pace. The County's revenues forecast most closely associated with the local real estate market continue to exhibit positive growth, which would both increase the assessed property value and increase transfer tax revenues through fiscal year 2020. Riverside County continues to be a magnet for new residents, including significant numbers of Southern California residents who choose to move inland from more unaffordable coastal counties. In turn, the County should expect modest growth in taxable sales, all else being equal.

The following table reflects anticipated discretionary revenue totals and sources for fiscal year 2019-20.

Source	Final Budget Estimate (In millions)
Taxes	\$ 390,600
Other taxes	66,600
Licenses, permits, franchise taxes	7,000
Fines, forfeitures, penalties	19,100
Use of money and property	18,000
State	276,300
Federal	3,400
Miscellaneous	56,500
Total	<u>\$ 837,500</u>

The County's employee retirement benefit contribution rate for fiscal year 2018-19 for miscellaneous members is 18.9% and the safety contribution rate is 31.6%. 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 2019-20 rates are projected at 21.6% (Miscellaneous) and 37.4% (Safety). Additional information regarding the

Management's Discussion & Analysis *(Unaudited)*

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 - 11th Floor, P.O. Box 1326, Riverside, CA 92502-1326 Phone: (951) 955-3800; Fax: (951) 955-3802; website: www.auditorcontroller.org/ReportsPublications.

BASIC FINANCIAL STATEMENTS-
GOVERNMENT-WIDE FINANCIAL
STATEMENTS

COUNTY OF RIVERSIDE

Statement of Net Position

June 30, 2019

(Dollars in Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Children and Families Commission
ASSETS:				
Cash and investments (Note 4)	\$ 1,251,677	\$ 146,402	\$ 1,398,079	\$ 32,288
Receivables, net (Notes 1 and 6)	462,910	243,554	706,464	6,100
Internal balances (Note 7)	169,377	(169,377)	-	-
Inventories	5,714	8,220	13,934	-
Prepaid items and deposits	4,728	6,061	10,789	-
Restricted cash and investments (Notes 4 and 5)	500,797	106,332	607,129	-
Other noncurrent receivables (Note 6)	23,457	-	23,457	-
Loans receivable (Note 6)	-	99,534	99,534	-
OPEB asset, net (Note 22)	244	-	244	-
Land held for resale	-	36,620	36,620	-
Capital assets (Note 8):				
Nondepreciable assets	1,355,415	79,443	1,434,858	373
Depreciable assets, net	3,579,736	255,988	3,835,724	1,639
Total assets	7,354,055	812,777	8,166,832	40,400
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	846,545	132,874	979,419	2,141
LIABILITIES:				
Current liabilities:				
Cash overdrawn	-	24,304	24,304	-
Accounts payable	155,423	45,911	201,334	1,383
Salaries and benefits payable	122,753	31,437	154,190	266
Due to other governments	66,492	137,074	203,566	2,935
Interest payable	10,094	272	10,366	-
Deposits payable	1,026	189	1,215	-
Advances from grantors and third parties (Note 12)	349,110	-	349,110	-
Notes payable (Note 13)	75,754	-	75,754	-
Other liabilities	3,334	3,359	6,693	-
Interest rate swap (Notes 14 and 15)	18,597	-	18,597	-
Noncurrent liabilities:				
Due within one year				
Long-term liabilities (Note 14)	294,637	37,127	331,764	173
Landfill closure/post-closure care costs (Notes 10)	-	968	968	-
Pollution remediation (Note 23)	447	853	1,300	-
Due more than one year:				
Long-term liabilities (Note 14)	1,742,510	194,357	1,936,867	131
Landfill closure/post-closure care costs (Notes 10)	-	95,873	95,873	-
Pollution remediation (Note 23)	1,499	41,791	43,290	-
Net pension liability (Notes 20 and 21)	2,872,432	445,879	3,318,311	5,407
OPEB liabilities (Note 22)	23,981	4,891	28,872	-
Total liabilities	5,738,089	1,064,285	6,802,374	10,295
DEFERRED INFLOWS OF RESOURCES (Note 15)	112,046	19,815	131,861	450
NET POSITION:				
Net investment in capital assets	3,673,404	224,427	3,897,831	2,012
Restricted for:				
Children's programs	-	-	-	29,784
Endowment care - nonexpendable	802	-	802	-
Community development	204,765	-	204,765	-
Debt service	71,495	28,217	99,712	-
Health and sanitation	27,522	10,971	38,493	-
Public protection	58,899	-	58,899	-
Public ways and facilities	379,599	-	379,599	-
Other programs	26,143	1,397	27,540	-
Unrestricted	(2,092,164)	(403,461)	(2,495,625)	-
Total net position	\$ 2,350,465	\$ (138,449)	\$ 2,212,016	\$ 31,796

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, 2019
(Dollars in Thousands)

FUNCTION/PROGRAM ACTIVITIES:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 261,113	\$ 170,904	\$ 165,878	\$ 15,432
Public protection	1,600,054	448,722	390,515	-
Public ways and facilities	244,547	92,051	67,871	31,333
Health and sanitation	611,195	37,043	432,527	-
Public assistance	1,067,788	1,693	942,591	-
Education	25,220	431	9,510	-
Recreation and cultural services	19,232	8,643	1,459	765
Interest on long-term debt	69,630	-	-	-
Total governmental activities	3,898,779	759,487	2,010,351	47,530
Business-type activities:				
Riverside University Health Systems -				
Medical Center	663,496	585,761	-	-
Waste Resources Department	102,278	98,766	-	-
Housing Authority	95,929	92,112	-	-
Flood Control	2,404	2,211	-	-
Riverside University Health Systems -				
Community Health Centers	79,792	58,666	-	-
County Service Areas	233	408	-	-
Total business-type activities	944,132	837,924	-	-
Total primary government	\$ 4,842,911	\$ 1,597,411	\$ 2,010,351	\$ 47,530
Component unit:				
Children and Families Commission	\$ 30,528	\$ -	\$ 23,922	\$ -
Total component unit	\$ 30,528	\$ -	\$ 23,922	\$ -
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	
\$ 91,101	\$ -	\$ 91,101		FUNCTION/PROGRAM ACTIVITIES:
(760,817)	-	(760,817)		Primary government:
(53,292)	-	(53,292)		Governmental activities:
(141,625)	-	(141,625)		General government
(123,504)	-	(123,504)		Public protection
(15,279)	-	(15,279)		Public ways and facilities
(8,365)	-	(8,365)		Health and sanitation
(69,630)	-	(69,630)		Public assistance
				Education
				Recreation and cultural services
				Interest on long-term debt
(1,081,411)	-	(1,081,411)		Total governmental activities
				Business-type activities:
-	(77,735)	(77,735)		Riverside University Health Systems -
-	(3,512)	(3,512)		Medical Center
-	(3,817)	(3,817)		Waste Resources Department
-	(193)	(193)		Housing Authority
				Flood Control
-	(21,126)	(21,126)		Riverside University Health Systems -
-	175	175		Community Health Centers
-	(106,208)	(106,208)		County Service Areas
(1,081,411)	(106,208)	(1,187,619)		Total business-type activities
				Total primary government
			\$ (6,606)	Component unit:
			\$ (6,606)	Children and Families Commission
				Total component unit
				General revenues:
407,895	-	407,895	-	Taxes:
33,673	-	33,673	-	Property taxes
29,941	-	29,941	-	Sales and use taxes
281,336	-	281,336	-	Other taxes
69,755	8,330	78,085	1,154	Unrestricted intergovernmental revenue
255,570	-	255,570	44	Investment earnings
(28,292)	28,292	-	-	Other
1,049,878	36,622	1,086,500	1,198	Transfers
(31,533)	(69,586)	(101,119)	(5,408)	Total general revenues and transfers
				Changes in net position before extraordinary item
-	-	-	-	Extraordinary item
(31,533)	(69,586)	(101,119)	(5,408)	Extraordinary item
				Changes in net position
2,381,998	(68,863)	2,313,135	37,204	NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)
\$ 2,350,465	\$ (138,449)	\$ 2,212,016	\$ 31,796	NET POSITION, END OF YEAR

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



(This Page Intentionally Left Blank)

BASIC FINANCIAL STATEMENTS- FUND FINANCIAL STATEMENTS



(This Page Intentionally Left Blank)

COUNTY OF RIVERSIDE

Balance Sheet
Governmental Funds
June 30, 2019
(Dollars in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	General	Transportation	Flood Control	Teeter Debt Service
Assets:				
Cash and investments (Note 4)	\$ 207,950	\$ 148,108	\$ 260,190	\$ -
Accounts receivable (Notes 1 and 6)	15,111	142	89	-
Interest receivable (Note 6)	9,624	559	1,197	65
Taxes receivable (Note 6)	10,499	14	1,133	49,853
Due from other governments (Note 6)	343,679	21,309	820	-
Due from other funds (Note 7)	9,961	73	-	35
Inventories	2,087	1,277	-	-
Prepaid items and deposits	-	2,336	-	-
Restricted cash and investments (Notes 4 and 5)	411,861	-	1,904	32,515
Advances to other funds (Note 7)	4,869	-	-	-
Total assets	1,015,641	173,818	265,333	82,468
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,015,641	\$ 173,818	\$ 265,333	\$ 82,468
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 39,870	\$ 43,143	\$ 3,240	\$ -
Salaries and benefits payable	107,031	3,247	1,355	-
Due to other governments	64,974	1	1,313	-
Due to other funds (Note 7)	13,346	165	490	6,714
Interest payable	-	-	-	-
Deposits payable	28	501	-	-
Advances from grantors and third parties (Note 12)	318,534	17,970	533	-
Teeter notes payable (Note 13)	-	-	-	75,754
Advances from other funds (Note 7)	-	-	-	-
Total liabilities	543,783	65,027	6,931	82,468
Deferred inflows of resources (Note 15)	59,457	-	1,133	-
Fund balances (Note 16):				
Nonspendable	2,416	1,278	1	-
Restricted	102,288	87,536	257,268	-
Committed	18,320	4,519	-	-
Assigned	14,196	15,458	-	-
Unassigned	275,181	-	-	-
Total fund balances	412,401	108,791	257,269	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,015,641	\$ 173,818	\$ 265,333	\$ 82,468

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:
\$ 178,153	\$ -	\$ 129,632	\$ 924,033	Assets:
-	-	2,862	18,204	Cash and investments (Note 4)
697	94	499	12,735	Accounts receivable (Notes 1 and 6)
-	-	1,474	62,973	Interest receivable (Note 6)
1,235	-	11,086	378,129	Taxes receivable (Note 6)
9,044	-	290	19,403	Due from other governments (Note 6)
-	-	-	3,364	Due from other funds (Note 7)
-	-	1,601	3,937	Inventories
-	9,612	44,905	500,797	Prepaid items and deposits
-	-	-	4,869	Restricted cash and investments (Notes 4 and 5)
189,129	9,706	192,349	1,928,444	Advances to other funds (Note 7)
-	-	-	-	Total assets
\$ 189,129	\$ 9,706	\$ 192,349	\$ 1,928,444	Deferred outflows of resources
				Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 16,695	\$ -	\$ 9,898	\$ 112,846	Accounts payable
-	-	3,173	114,806	Salaries and benefits payable
-	-	64	66,352	Due to other governments
5,073	8,888	1,244	35,920	Due to other funds (Note 7)
-	-	4	4	Interest payable
-	-	497	1,026	Deposits payable
545	-	11,528	349,110	Advances from grantors and third parties (Note 12)
-	-	-	75,754	Teeter notes payable (Note 13)
2,000	-	-	2,000	Advances from other funds (Note 7)
24,313	8,888	26,408	757,818	Total liabilities
-	-	5	60,595	Deferred inflows of resources (Note 15)
				Fund balances (Note 16):
-	-	1,320	5,015	Nonspendable
143,969	818	146,731	738,610	Restricted
8,427	-	6,492	37,758	Committed
12,420	-	11,393	53,467	Assigned
-	-	-	275,181	Unassigned
164,816	818	165,936	1,110,031	Total fund balances
\$ 189,129	\$ 9,706	\$ 192,349	\$ 1,928,444	Total liabilities, deferred inflows of resources, and fund balances

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



(This Page Intentionally Left Blank)

COUNTY OF RIVERSIDE

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2019 (Dollars in Thousands)

Fund balances - total governmental funds (page 31) \$ 1,110,031

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. 4,872,120

Net other postemployment benefits (OPEB) assets are not current financial resources and, therefore, are not reported in the governmental funds. 244

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	\$ 19,651	
Deferred Outflows of Resources Related to Pensions	766,232	785,883

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. 37,454

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	(1,189,065)	
Capital lease obligations	(76,961)	
Certificates of participation	(60,265)	
Loans payable	(980)	
Accrued interest payable	(10,090)	
Accreted interest payable	(195,574)	
Accrued remediation cost	(1,788)	
Compensated absences	(213,931)	
Net OPEB liability	(22,697)	
Net Pension liability	(2,707,368)	(4,478,719)

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	(475)	
Deferred Inflows of Resources Related to Pensions	(84,814)	(85,289)

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.

	108,741	
Net position of governmental activities (page 25)	\$ 2,350,465	

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, 2019
(Dollars in Thousands)

	General	Transportation	Flood Control	Teeter Debt Service
REVENUES:				
Taxes	\$ 326,991	\$ 9,048	\$ 59,111	\$ -
Licenses, permits, and franchise fees	19,989	3,368	-	-
Fines, forfeitures, and penalties	64,521	7	-	-
Use of money and property:				
Investment earnings	41,315	3,096	7,299	663
Rents and concessions	12,244	-	166	-
Aid from other governmental agencies:				
Federal	567,753	10,572	-	-
State	1,404,112	79,372	599	-
Other	117,264	8,128	-	-
Charges for services	499,566	75,871	5,353	-
Other revenue	49,682	19,893	14,517	-
Total revenues	<u>3,103,437</u>	<u>209,355</u>	<u>87,045</u>	<u>663</u>
EXPENDITURES:				
Current:				
General government	118,662	-	-	-
Public protection	1,382,395	5,176	-	-
Public ways and facilities	-	193,310	63,292	-
Health and sanitation	558,905	-	-	-
Public assistance	934,641	-	-	-
Education	678	-	-	-
Recreation and cultural services	1,959	-	-	-
Debt service:				
Principal	7,491	391	-	-
Interest	15,581	16	-	1,443
Cost of issuance	350	-	-	224
Capital outlay	6,287	-	-	-
Total expenditures	<u>3,026,949</u>	<u>198,893</u>	<u>63,292</u>	<u>1,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>76,488</u>	<u>10,462</u>	<u>23,753</u>	<u>(1,004)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	114,208	16,335	272	1,443
Transfers out	(154,164)	(3,535)	(2,837)	(439)
Issuance of refunding bonds	-	-	-	-
Redemption of bonds	-	-	-	-
Capital leases	6,287	-	-	-
Total other financing sources (uses)	<u>(33,669)</u>	<u>12,800</u>	<u>(2,565)</u>	<u>1,004</u>
NET CHANGE IN FUND BALANCES	<u>42,819</u>	<u>23,262</u>	<u>21,188</u>	<u>-</u>
Fund balances, beginning of year	369,582	85,529	236,081	-
Adjustments to beginning fund balances (Note 3)	-	-	-	-
Fund balances, beginning of year, as restated	369,582	85,529	236,081	-
FUND BALANCES, END OF YEAR	<u>\$ 412,401</u>	<u>\$ 108,791</u>	<u>\$ 257,269</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
\$ -	\$ -	\$ 75,417	\$ 470,567
-	-	759	24,116
-	-	969	65,497
4,690	325	4,232	61,620
368	-	13,112	25,890
-	-	59,314	637,639
15,432	-	9,423	1,508,938
35,208	-	26,013	186,613
22,071	-	40,219	643,080
1,100	-	18,080	103,272
<u>78,869</u>	<u>325</u>	<u>247,538</u>	<u>3,727,232</u>
62,731	-	35,713	217,106
-	-	8,315	1,395,886
457	-	17,178	274,237
-	-	2,222	561,127
-	-	61,619	996,260
-	-	24,467	25,145
-	-	20,346	22,305
-	-	60,946	68,828
66	-	52,071	69,177
-	-	1,724	2,298
-	23,506	4,612	34,405
<u>63,254</u>	<u>23,506</u>	<u>289,213</u>	<u>3,666,774</u>
<u>15,615</u>	<u>(23,181)</u>	<u>(41,675)</u>	<u>60,458</u>
15,900	-	134,841	282,999
(46,748)	-	(104,854)	(312,577)
-	-	100,000	100,000
-	-	(110,835)	(110,835)
-	-	-	6,287
<u>(30,848)</u>	<u>-</u>	<u>19,152</u>	<u>(34,126)</u>
(15,233)	(23,181)	(22,523)	26,332
188,377	15,671	188,459	1,083,699
(8,328)	8,328	-	-
180,049	23,999	188,459	1,083,699
<u>\$ 164,816</u>	<u>\$ 818</u>	<u>\$ 165,936</u>	<u>\$ 1,110,031</u>

REVENUES:

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

EXPENDITURES:

Current:

General government
Public protection
Public ways and facilities
Health and sanitation
Public assistance
Education
Recreation and 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 refunding bonds
Redemption of bonds
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.



(This Page Intentionally Left Blank)

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, 2019
(Dollars in Thousands)

Net change in fund balances - total governmental funds (page 35) \$ 26,332

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	\$ 272,886	
Less loss on disposal of capital assets	(4,590)	
Less current year depreciation	<u>(181,216)</u>	87,080

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	169,769	
Issuance of long-term debt	<u>(106,287)</u>	63,482

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.

7,889

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	104	
Change in accreted interest	(7,609)	
Change in long-term compensated absences	2,628	
Change in pollution remediation obligation	(804)	
OPEB expense	125	
Pension expense	<u>(244,039)</u>	(249,595)

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.

33,279

Change in net position of governmental activities (page 27)	<u>\$ (31,533)</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, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 313,446	\$ 313,446	\$ 326,991	\$ 13,545
Licenses, permits, and fees	19,133	19,551	19,989	438
Fines, forfeitures, and penalties	60,132	60,606	64,521	3,915
Use of money and property:				
Investment earnings	18,118	18,118	41,315	23,197
Rents and concessions	32,126	32,225	12,244	(19,981)
Aid from other governmental agencies:				
Federal	681,560	690,696	567,753	(122,943)
State	1,462,532	1,476,700	1,404,112	(72,588)
Other	115,109	115,109	117,264	2,155
Charges for services	607,473	525,286	499,566	(25,720)
Other revenue	105,184	83,047	49,682	(33,365)
Total revenues	<u>3,414,813</u>	<u>3,334,784</u>	<u>3,103,437</u>	<u>(231,347)</u>
EXPENDITURES:				
Current:				
General government:				
Salaries and employee benefits	106,691	106,794	98,462	(8,332)
Services and supplies	92,124	92,049	78,247	(13,802)
Other charges	89,163	55,879	11,845	(44,034)
Capital assets	542	853	526	(327)
Intrafund transfers	(74,729)	(75,117)	(70,418)	4,699
Appropriation for contingencies	14,700	264	-	(264)
Total general government	<u>228,491</u>	<u>180,722</u>	<u>118,662</u>	<u>(62,060)</u>
Public protection:				
Salaries and employee benefits	924,833	928,167	894,295	(33,872)
Services and supplies	469,510	486,023	457,776	(28,247)
Other charges	52,807	40,726	35,285	(5,441)
Capital assets	3,805	18,609	12,360	(6,249)
Intrafund transfers	(12,264)	(14,935)	(17,321)	(2,386)
Total public protection	<u>1,438,691</u>	<u>1,458,590</u>	<u>1,382,395</u>	<u>(76,195)</u>
Health and sanitation:				
Salaries and employee benefits	344,907	339,638	284,380	(55,258)
Services and supplies	131,220	145,905	143,201	(2,704)
Other charges	267,916	258,488	202,944	(55,544)
Capital assets	1,163	1,467	666	(801)
Intrafund transfers	(66,360)	(68,484)	(72,286)	(3,802)
Total health and sanitation	<u>678,846</u>	<u>677,014</u>	<u>558,905</u>	<u>(118,109)</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, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Over(Under)
Public assistance:				
Salaries and employee benefits	\$ 351,079	\$ 354,179	\$ 333,898	\$ (20,281)
Services and supplies	131,444	131,462	113,316	(18,146)
Other charges	520,361	526,007	487,665	(38,342)
Capital assets	72	149	66	(83)
Intrafund transfers	(457)	(457)	(304)	153
Total public assistance	1,002,499	1,011,340	934,641	(76,699)
Education:				
Salaries and employee benefits	346	344	344	-
Services and supplies	328	334	334	-
Total education	674	678	678	-
Recreation and cultural services:				
Salaries and employee benefits	140	140	127	(13)
Services and supplies	1,882	1,947	1,917	(30)
Other charges	146	3	-	(3)
Capital assets	1	1	-	(1)
Intrafund transfers	(1)	(85)	(85)	-
Total recreation and cultural services	2,168	2,006	1,959	(47)
Debt service:				
Principal	58,387	8,687	7,491	(1,196)
Interest	41,593	27,926	15,581	(12,345)
Cost of issuance	350	350	350	-
Total debt service	100,330	36,963	23,422	(13,541)
Capital outlay	-	-	6,287	6,287
Total expenditures	3,451,699	3,367,313	3,026,949	(340,364)
Excess (deficiency) of revenues over (under) expenditures	(36,886)	(32,529)	76,488	109,017
OTHER FINANCING SOURCES (USES):				
Transfers in	-	114,208	114,208	-
Transfers out	-	(154,164)	(154,164)	-
Capital leases	-	-	6,287	6,287
Total other financing sources (uses)	-	(39,956)	(33,669)	6,287
NET CHANGE IN FUND BALANCE	(36,886)	(72,485)	42,819	115,304
Fund balance, beginning of year	369,582	369,582	369,582	-
FUND BALANCE, END OF YEAR	\$ 332,696	\$ 297,097	\$ 412,401	\$ 115,304

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, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	\$ 8,590	\$ 8,590	\$ 9,048	\$ 458
Licenses, permits, and franchise fees	3,114	3,114	3,368	254
Fines, forfeitures, and penalties	16	16	7	(9)
Use of money and property:				
Investment earnings	775	775	3,096	2,321
Aid from other governmental agencies:				
Federal	23,905	23,905	10,572	(13,333)
State	77,812	81,477	79,372	(2,105)
Other	16,142	16,142	8,128	(8,014)
Charges for services	89,675	75,808	75,871	63
Other revenue	14,203	13,485	19,893	6,408
Total revenues	234,232	223,312	209,355	(13,957)
EXPENDITURES:				
Current:				
Public protection	8,634	8,405	5,176	(3,229)
Public ways and facilities	229,049	233,870	193,310	(40,560)
Debt service:				
Principal	419	419	391	(28)
Interest	21	21	16	(5)
Total expenditures	238,123	242,715	198,893	(43,822)
Excess (deficiency) of revenues over (under) expenditures	(3,891)	(19,403)	10,462	29,865
OTHER FINANCING SOURCES (USES):				
Transfers in	-	16,335	16,335	-
Transfers out	-	(3,535)	(3,535)	-
Total other financing sources (uses)	-	12,800	12,800	-
NET CHANGE IN FUND BALANCE	(3,891)	(6,603)	23,262	29,865
Fund balance, beginning of year	85,529	85,529	85,529	-
FUND BALANCE, END OF YEAR	\$ 81,638	\$ 78,926	\$ 108,791	\$ 29,865

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, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	\$ 57,673	\$ 57,673	\$ 59,111	\$ 1,438
Use of money and property:				
Investment earnings	1,802	1,802	7,299	5,497
Rents and concessions	157	157	166	9
Aid from other governmental agencies:				
State	587	587	599	12
Charges for services	4,557	4,557	5,353	796
Other revenue	13,833	13,561	14,517	956
Total revenues	78,609	78,337	87,045	8,708
EXPENDITURES:				
Current:				
Public ways and facilities	147,408	149,130	63,292	(85,838)
Total expenditures	147,408	149,130	63,292	(85,838)
Excess (deficiency) of revenues over (under) expenditures	(68,799)	(70,793)	23,753	94,546
OTHER FINANCING SOURCES (USES):				
Transfers in	-	272	272	-
Transfers out	-	(2,837)	(2,837)	-
Total other financing sources (uses)	-	(2,565)	(2,565)	-
NET CHANGE IN FUND BALANCE	(68,799)	(73,358)	21,188	94,546
Fund balance, beginning of year	236,081	236,081	236,081	-
FUND BALANCE, END OF YEAR	\$ 167,282	\$ 162,723	\$ 257,269	\$ 94,546

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, 2019

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University					Internal Service Funds
	Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	
ASSETS:						
Current assets:						
Cash and investments (Note 4)	\$ 16,863	\$ 113,630	\$ 14,416	\$ 1,493	\$ 146,402	\$ 327,644
Accounts receivable - net (Notes 1 and 6)	46,310	7,852	434	1,329	55,925	11,848
Interest receivable (Note 6)	-	899	5	38	942	1,402
Taxes receivable (Note 6)	-	-	-	11	11	-
Due from other governments (Note 6)	183,890	99	1,235	1,452	186,676	1,076
Due from other funds (Note 7)	5,254	-	-	16,000	21,254	517
Advances to other funds (Note 7)	-	20,469	-	-	20,469	-
Inventories	7,659	347	-	214	8,220	2,350
Land held for sale	-	-	36,620	-	36,620	-
Prepaid items and deposits	5,948	-	6	107	6,061	791
Restricted cash and investments (Notes 4 and 5)	28,411	73,354	1,204	3,363	106,332	-
Total current assets	294,335	216,650	53,920	24,007	588,912	345,628
Noncurrent assets:						
Loans receivable (Note 6)	-	3,000	96,534	-	99,534	-
Capital assets (Note 8):						
Nondepreciable assets	48,422	27,390	3,631	-	79,443	1,460
Depreciable assets	159,251	61,157	9,952	25,628	255,988	61,571
Total noncurrent assets	207,673	91,547	110,117	25,628	434,965	63,031
Total assets	502,008	308,197	164,037	49,635	1,023,877	408,659
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	111,663	9,559	3,860	7,792	132,874	42,065
LIABILITIES:						
Current liabilities:						
Cash overdrawn	-	-	-	24,304	24,304	-
Accounts payable	35,858	5,310	431	4,312	45,911	42,576
Salaries and benefits payable	26,241	1,342	738	3,116	31,437	7,947
Due to other governments	134,666	54	19	2,335	137,074	140
Due to other funds (Note 7)	3,522	-	29	15	3,566	1,688
Interest payable	113	-	-	159	272	-
Deposits payable	5	38	-	146	189	-
Other liabilities	2,168	638	428	125	3,359	3,334
Accreted interest payable (Note 14)	1,210	-	-	-	1,210	-
Accrued closure and post-closure costs (Notes 10 and 23)	-	968	-	-	968	-
Accrued remediation costs (Note 23)	-	853	-	-	853	23
Compensated absences (Notes 1 and 14)	22,273	1,274	165	2,295	26,007	9,291
Capital lease obligations (Note 14)	3,419	-	-	1,510	4,929	13,337
Bonds payable (Note 14)	4,981	-	-	-	4,981	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	62,615
Total current liabilities	234,456	10,477	1,810	38,317	285,060	140,951
Noncurrent liabilities:						
Compensated absences (Note 2)	10,970	1,912	1,485	1,203	15,570	5,026
Advances from other funds (Note 7)	18,469	-	1,527	-	19,996	3,342
Accreted interest payable (Note 14)	78,712	-	-	-	78,712	-
Accrued closure and post-closure care costs (Note 10)	-	95,873	-	-	95,873	-
Accrued remediation costs (Notes 10 and 23)	-	41,791	-	-	41,791	135
Capital lease obligations (Notes 1 and 2)	5,687	-	-	24,108	29,795	12,607
Bonds payable (Note 14)	59,273	-	-	-	59,273	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	197,495
Net OPEB liability (Notes 14 and 22)	3,591	231	-	471	4,293	1,284
Total OPEB liability (Notes 14 and 22)	-	598	-	-	598	-
Net pension liability (Notes 14 and 20)	378,069	38,086	14,505	15,219	445,879	165,064
Other long-term liabilities (Note 14)	-	-	11,007	-	11,007	-
Total noncurrent liabilities	554,771	178,491	28,524	41,001	802,787	384,953
Total liabilities	789,227	188,968	30,334	79,318	1,087,847	525,904
DEFERRED INFLOWS OF RESOURCES (Note 15)	10,225	7,268	898	1,424	19,815	3,617
NET POSITION:						
Net investment in capital assets	134,313	88,547	1,557	10	224,427	37,087
Restricted for debt service	28,217	-	-	-	28,217	-
Restricted for health and sanitation	-	10,971	-	-	10,971	-
Restricted other	193	-	1,204	-	1,397	-
Unrestricted	(348,504)	22,002	133,904	(23,325)	(215,923)	(115,884)
Total net position	\$ (185,781)	\$ 121,520	\$ 136,665	\$ (23,315)	49,089	\$ (78,797)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(187,538)	
Net position of business-type activities					<u>\$ (138,449)</u>	

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, 2019
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University					Internal Service Funds
	Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	
OPERATING REVENUES:						
Net patient revenue (Notes 1 and 18)	\$ 542,810	\$ -	\$ -	\$ 17,435	\$ 560,245	\$ -
Charges for services	3,696	92,861	4,478	13,567	114,602	328,283
Other revenue	39,255	5,905	87,634	30,283	163,077	32,738
Total operating revenues	585,761	98,766	92,112	61,285	837,924	361,021
OPERATING EXPENSES:						
Cost of materials used	-	258	-	-	258	1,665
Personnel services	396,288	23,620	12,546	48,803	481,257	130,364
Communications	725	173	1	351	1,250	9,603
Insurance	12,431	1,149	-	546	14,126	28,103
Maintenance of building and equipment	11,158	3,687	3,380	1,515	19,740	44,898
Insurance claims	-	-	-	-	-	158,713
Supplies	68,248	2,193	-	4,531	74,972	22,264
Purchased services	92,460	4,439	2,332	15,769	115,000	34,562
Depreciation and amortization	21,114	7,945	1,206	1,931	32,196	22,203
Rents and leases of equipment	5,339	1,989	-	5,334	12,662	63,131
Public assistance	-	7	75,401	25	75,433	-
Utilities	4,314	288	736	531	5,869	2,713
Closure and post-closure care costs	-	11,760	-	-	11,760	-
Other	15,818	42,600	-	587	59,005	6,874
Total operating expenses	627,895	100,108	95,602	79,923	903,528	525,093
Operating loss	(42,134)	(1,342)	(3,490)	(18,638)	(65,604)	(164,072)
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	1,616	5,960	992	(238)	8,330	8,136
Interest expense	(8,488)	-	(9)	(1,196)	(9,693)	(557)
Gain (loss) on disposal of capital assets	(6,094)	(129)	1	-	(6,222)	750
Total nonoperating revenues (expenses)	(12,966)	5,831	984	(1,434)	(7,585)	8,329
Income (loss) before capital contributions and transfers	(55,100)	4,489	(2,506)	(20,072)	(73,189)	(155,743)
Capital contributions	-	-	-	-	-	163,047
Transfers in (Note 7)	22,035	-	-	16,242	38,277	5,936
Transfers out (Note 7)	(8,456)	(311)	(175)	(1,043)	(9,985)	(4,650)
Change in net position before extraordinary item	(41,521)	4,178	(2,681)	(4,873)	(44,897)	8,590
Extraordinary item	-	-	-	-	-	-
CHANGE IN NET POSITION	(41,521)	4,178	(2,681)	(4,873)	(44,897)	8,590
Net position, beginning of the year, as previously reported	(144,260)	117,342	140,192	(18,442)		(87,387)
Adjustments to beginning net position (Note 3)	-	-	(846)	-		-
Net position, beginning of the year, as restated	(144,260)	117,342	139,346	(18,442)		(87,387)
NET POSITION, END OF YEAR	\$ (185,781)	\$ 121,520	\$ 136,665	\$ (23,315)		\$ (78,797)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(24,689)	
Change in net position of business-type activities					\$ (69,586)	

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, 2019
(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	\$ 554,964	\$ 98,485	\$ 92,546	\$ 63,808	\$ 809,803	\$ 65
Cash receipts (payments due) from other funds	1,117	-	-	(1,063)	54	356,668
Cash paid to suppliers for goods and services	(222,830)	(58,806)	(82,855)	(41,525)	(406,016)	(342,244)
Cash paid to employees for services	(345,888)	(20,405)	(10,452)	(42,194)	(418,939)	(110,842)
Program loans	-	-	(4,997)	-	(4,997)	-
Net cash provided by (used in) operating activities	(12,637)	19,274	(5,758)	(20,974)	(20,095)	(96,353)
Cash flows from noncapital financing activities						
Advances to (from) other funds	-	2,000	-	-	2,000	-
Transfers received	22,035	-	-	16,242	38,277	5,936
Transfers paid	(8,456)	(311)	(175)	(1,043)	(9,985)	(4,650)
Net cash provided by (used in) noncapital financing activities	13,579	1,689	(175)	15,199	30,292	1,286
Cash flows from capital and related financing activities						
Proceeds (loss) from sale of capital assets	(6,094)	(129)	1	-	(6,222)	750
Acquisition and construction of capital assets	(12,227)	(8,363)	614	(16,327)	(36,303)	(5,773)
Principal paid on capital leases	(1,632)	-	-	14,835	13,203	(17,431)
Capital contributions	-	-	-	-	-	163,047
Principal paid on bonds payable	(9,768)	-	(200)	-	(9,968)	-
Interest paid on long-term debt	(8,625)	-	(9)	(1,080)	(9,714)	(557)
Net cash provided by (used in) capital and related financing activities	(38,346)	(8,492)	406	(2,572)	(49,004)	140,036
Cash flows from investing activities						
Investment income (loss)	1,616	5,656	987	(260)	7,999	7,627
Net cash provided by (used in) investing activities	1,616	5,656	987	(260)	7,999	7,627
Net increase (decrease) in cash and cash equivalents	(35,788)	18,127	(4,540)	(8,607)	(30,808)	52,596
Cash and cash equivalents, beginning of year	81,062	168,857	20,160	(10,841)	259,238	275,048
Cash and cash equivalents, end of year	\$ 45,274	\$ 186,984	\$ 15,620	\$ (19,448)	\$ 228,430	\$ 327,644
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	\$ 16,863	\$ 113,630	\$ 14,416	\$ (22,811)	\$ 122,098	\$ 327,644
Restricted cash and investments per Statement of Net Position	28,411	73,354	1,204	3,363	106,332	-
Total cash and cash equivalents per Statement of Net Position	\$ 45,274	\$ 186,984	\$ 15,620	\$ (19,448)	\$ 228,430	\$ 327,644

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, 2019
(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)	\$ (42,134)	\$ (1,342)	\$ (3,490)	\$ (18,638)	\$ (65,604)	\$ (164,072)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	21,114	7,945	1,206	1,931	32,196	22,203
Decrease (Increase) accounts receivable	1,115	(318)	1,669	346	2,812	(4,189)
Decrease (Increase) taxes receivable	-	-	-	(1)	(1)	-
Decrease (Increase) due from other funds	1,117	-	-	(1,062)	55	(164)
Decrease (Increase) due from other governments	(31,912)	37	(1,235)	2,177	(30,933)	65
Decrease (Increase) inventories	(70)	(55)	-	163	38	459
Decrease (Increase) prepaid items and deposits	(412)	-	(6)	146	(272)	(248)
Increase (Decrease) accounts payable	14,068	1,488	(768)	264	15,052	14,850
Increase (Decrease) due to other funds	(14,059)	-	29	(5,897)	(19,927)	(443)
Increase (Decrease) due to other governments	(793)	18	19	(6,909)	(7,665)	63
Increase (Decrease) deposits payable	5	-	-	(1)	4	-
Increase (Decrease) accrued closure costs	-	11,760	-	-	11,760	-
Increase (Decrease) accrued remediation costs	-	(3,010)	-	-	(3,010)	(41)
Increase (Decrease) other liabilities	(11,076)	(29)	(279)	(102)	(11,486)	1,794
Increase (Decrease) estimated claims liability	-	-	-	-	-	13,848
Increase (Decrease) net pension liability	8,259	192	253	1,075	9,779	7,386
Increase (Decrease) net OPEB liability	1,730	77	-	242	2,049	595
Increase (Decrease) deferred OPEB	(1,787)	(202)	-	(257)	(2,246)	-
Increase (Decrease) deferred pensions	33,492	2,967	1,145	4,303	41,907	11,185
Increase (Decrease) service concession arrangement	-	(435)	-	-	(435)	-
Increase (Decrease) salaries and benefits payable	4,275	55	738	860	5,928	262
Increase (Decrease) compensated absences	4,431	126	(42)	386	4,901	94
Decrease (Increase) loans receivable	-	-	(4,997)	-	(4,997)	-
Net cash provided by (used in) operating activities	<u>\$ (12,637)</u>	<u>\$ 19,274</u>	<u>\$ (5,758)</u>	<u>\$ (20,974)</u>	<u>\$ (20,095)</u>	<u>\$ (96,353)</u>
Noncash investing, capital, and financing activities:						
Capital lease obligations	<u>\$ 2,659</u>			<u>\$ 16,033</u>	<u>\$ 18,692</u>	<u>\$ 5,325</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, 2019
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust	Agency Funds
ASSETS:				
Cash and investments (Note 4)	\$ -	\$ -	\$ 121,148	\$ 352,401
Federal agency	-	2,679,533	-	-
Cash and cash equivalents	1,539	614,122	-	-
Mutual funds	70,617	-	-	-
Commercial paper	-	635,658	-	-
Negotiable CDs	-	24,177	-	-
Medium term notes	-	201,954	-	-
Municipal bonds	-	162,304	-	-
Bonds - U.S. Treasury	-	406,325	-	-
Local agency obligation	-	55	-	-
Accounts receivable	161	10,736	7	397
Interest receivable	-	22,676	312	627
Taxes receivable	-	-	-	35,867
Prepaid Insurance	-	-	3,777	-
Due from other governments	-	-	2,113	-
Land held for sale	-	-	13,491	-
Total assets	<u>72,317</u>	<u>4,757,540</u>	<u>140,848</u>	<u>389,292</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	-	-	35,006	-
LIABILITIES:				
Accounts payable	-	-	9,123	244,929
Due to other governments	-	-	4	144,363
Note payable	-	-	714,664	-
Interest payable	-	-	6,974	-
Accreted interest payable	-	-	12,498	-
Total liabilities	<u>-</u>	<u>-</u>	<u>743,263</u>	<u>\$ 389,292</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows of resources	-	-	1,769	
NET POSITION:				
Net position restricted for pensions	72,317	-	-	
Net position restricted for investment trust	-	4,757,540	-	
Net position restricted for private-purpose	-	-	(569,178)	
Net position (deficit) held in trust	<u>\$ 72,317</u>	<u>\$ 4,757,540</u>	<u>\$ (569,178)</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, 2019
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust
ADDITIONS:			
Employer contributions	\$ 10,685	\$ -	\$ -
Employee contributions	1,637	-	-
Contributions to pooled investments	-	31,275,516	-
Contributions to private-purpose trust	-	-	61,115
Investment income	3,644	-	2,307
Total additions	15,966	31,275,516	63,422
DEDUCTIONS:			
Distributions from pooled investments	-	31,058,454	-
Distributions from private-purpose trust	-	-	43,979
Benefit paid to participants	2,175	-	-
Administrative and other expenses	353	-	-
Total deductions	2,528	31,058,454	43,979
Change in net position	13,438	217,062	19,443
Net position held in trust, beginning of the year	58,879	4,540,478	(588,621)
Net position held in trust, end of the year	\$ 72,317	\$ 4,757,540	\$ (569,178)

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



(This Page Intentionally Left Blank)

**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 cultural 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, 2019

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 Support 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, 2019

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, 42.6%, or \$30.1 million, of the County's \$70.8 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, 2019

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 providing 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 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, 2019

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, 2019, 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, 2019

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 81.9% of the funds on deposit in the County treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 18.1% of the total funds on deposit in the County treasury represented discretionary deposits.

Receivables

The RUHS-MC accounts receivable are reported at their gross value and, where appropriate, are reduced by contractual allowances and the estimated uncollectible amounts. The estimated allowance for uncollectibles and allowance for contractals are \$100.4 million and \$210.9 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 2018-19 gross assessed valuation (for tax purposes) of the County was \$292.8 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, 2019

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 2018-19, \$13.0 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 is \$5.0 thousand; and infrastructure and intangibles is \$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, 2019

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, 2019, 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, 2019

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, 2019

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, 2019

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 \$275.2 is 34.4% 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. 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.

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.

Future Governmental Accounting Standards Board Statements

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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements (Continued)

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. 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 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.

Governmental Accounting Standards Board Statement No. 91

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 is effective for reporting periods beginning after December 15, 2020. The County has elected not to early implement this statement.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 2019, 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	\$ 185,781
EF - Flood Control	\$ 972
EF - Riverside University Health Systems - Community Health Centers	\$ 22,816
ISF - Information Services	\$ 36,666
ISF - Risk Management	\$ 41,092
ISF - Temporary Assistance Pool	\$ 1,373
ISF - EDA Facilities Management	\$ 27,217

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, 2019, expenditures exceeded appropriations in capital outlay by \$6.3 million in the general fund. This excess of expenditures resulted from the acquisition of \$6.3 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, 2019

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, 2019 is as follows (In thousands):

Government-wide:

Description	Primary Government	
	Governmental Activities	Business-type Activities
Government-wide net position as of June 30, 2018, as previously reported	\$ 2,357,928	\$ (68,017)
Government-wide financial statements:		
Prior period adjustments:		
Construction in progress adjustment (1)	24,070	-
Fund financial statements:		
Prior period adjustments:		
Land held for resale adjustment (2)	-	(814)
Prior year expenses adjustment (3)	-	(201)
Note receivable adjustment (4)	-	169
Net position as of June 30, 2018, as restated	<u>\$ 2,381,998</u>	<u>\$ (68,863)</u>

Fund Financials:

Description	Governmental Funds		Proprietary Funds
	Major Funds		Enterprise Funds
	Public Facilities Improvements		
	Capital Projects Fund	Public Financing Authority	Housing Authority
Fund balances or net position as of June 30, 2018, as previously reported	\$ 188,377	\$ 15,671	\$ 140,192
Prior Period Adjustments:			
Land held for resale adjustment (2)	-	-	(814)
Prior year expenses adjustment (3)	-	-	(201)
Note receivable adjustment (4)	-	-	169
Reclassified fund balances for expenditures not properly recorded (5)	(8,328)	8,328	-
Fund balances or net position as of June 30, 2018, as restated	<u>\$ 180,049</u>	<u>\$ 23,999</u>	<u>\$ 139,346</u>

- (1) A prior period adjustment of \$24.1 million was made to reflect the prior period construction-in-progress costs.
- (2) A prior period adjustment of \$814.0 thousand was made to reflect the prior period land held for resale due to the sale of several real properties.
- (3) A prior period adjustment of \$201.0 thousand was made to recognize the expenses in the period incurred per U.S. Department of Housing of Urban Development (HUD) regulations.
- (4) A prior period adjustment of \$169.0 thousand was made due to several notes receivable not being recorded in the prior year.
- (5) A prior period adjustment of \$8.3 million was made to restate the beginning balance of Public Facilities Improvements Capital Projects Fund by reimbursing the Public Financing Authority Fund for expenditures erroneously recorded for capital improvement projects which results in net to zero.



(This Page Intentionally Left Blank)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 4 – CASH AND INVESTMENTS

As of June 30, 2019, 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	\$ 1,251,677	\$ 146,402	\$ 32,288	\$ 5,269,833	\$ 6,700,200
Restricted cash and investments	500,797	106,332	-	-	607,129
Total cash and investments	\$ 1,752,474	\$ 252,734	\$ 32,288	\$ 5,269,833	\$ 7,307,329

As of June 30, 2019, cash and investments consist of the following (In thousands):

Deposits	\$ 245,566
Investments	7,061,763
Total cash and investments	<u>\$ 7,307,329</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. 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, 2019 reported under investments, CORAL had \$2.5 million and RUHS-Medical Center had \$2.0 million for a total amount of \$4.5 million in LAIF. Also reported under restricted cash, Housing Authority had \$0.1 million in LAIF.

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, 2019

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 \$336 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.

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, 2019

NOTE 4 – CASH AND INVESTMENTS (Continued)

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

As of June 30, 2019, the County and Component Units had the following investments (In thousands):

	June 30, 2019	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating (1)
County treasurer investments					
Investments by fair value level					
U.S. treasuries	\$ 588,211	0.875 - 2.458%	07/19 - 06/24	0.31	N/A
Federal home loan mortgage corporation	1,366,102	1.200 - 3.160%	07/19 - 06/24	2.13	N/A
Federal national mortgage association	398,153	1.000 - 2.875%	07/19 - 09/23	1.41	N/A
Federal home loan bank	1,105,191	1.500-2.717%	07/19 - 07/23	1.16	N/A
Federal farm credit bank	824,037	1.320 - 3.330%	08/19 - 06/24	1.73	N/A
Farmer mac	160,502	1.420 - 2.850%	07/19 - 06/23	0.12	N/A
Municipal notes	234,957	1.151 - 4.000%	07/19 - 06/23	0.02	AA-/Aa3/AA-
Commercial paper	920,200	2.260 - 2.790%	07/19 - 01/20	0.16	A1/P1/F1
Corporate notes	292,356	1.100 - 2.000%	08/19 - 03/21	0.60	AA/Aa2/AA
Total County treasurer investments by fair value level	5,889,709				
Investments measured at amortized cost					
Farmer mac	25,000	2.726%	5/29/2020	0.01	N/A
Negotiable certificates of deposit	35,000	3%	8/16/2019	0.13	A1/P1/F1
Managed rate accounts	778,000	2.480%	7/1/2019	0.00	N/A
Local agency obligations	80	2.845%	6/15/2020	0.96	N/A
CalTRUST short term fund	4,024	2.547%	7/1/2019	0.00	N/A
Money market mutual funds (2)	107,000	2.272- 2.283%	7/1/2019	0.00	AAA
Total investments measured at amortized cost	949,104				
Total County treasurer investments	6,838,813				
Investments measured at amortized cost					
Money market funds	120,134	0.000 - 2.32%		N/A	AAA/Aaa
Certificates of deposit	1,000	0.300%	10/18 - 10/19		
Local agency investment fund	4,502	2.390%	7/1/2019	N/A	N/A
Money Market Mutual funds	94,532	0.000 - 5.960%			
Investment agreements	2,782	4.828%	2/12/2035		
Total blended component unit investments	222,950				
measured at amortized cost					
Total blended component unit investments	222,950				
Total investments	\$ 7,061,763				

(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, 2019

NOTE 4 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The County has the following recurring fair value measurements as of June 30, 2019 (In thousands):

Fair Value Measurements Using						
Rating (1)	% of	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs		
June 30, 2019	Portfolio	(Level 1)	(Level 2)	(Level 3)	June 30, 2019	
					County treasurer investments	
					Investments by fair value level	
AA+/Aaa	8.60%	\$ 588,211		\$ 588,211	U.S. treasuries	
AA+/Aaa	19.98%		\$ 1,366,102	1,366,102	Federal home loan mortgage corporation	
AA+/Aaa	5.82%		398,153	398,153	Federal national mortgage association	
AA+/Aaa	16.16%		1,105,191	1,105,191	Federal home loan bank	
AA+/Aaa	12.05%		824,037	824,037	Federal farm credit bank	
N/R	2.35%		160,502	160,502	Farmer mac	
AAA/Aaa	3.44%		234,957	234,957	Municipal notes	
AAA/Aaa	13.46%		920,200	920,200	Commercial paper	
AAA/Aaa	4.27%		292,356	292,356	Corporate notes	
	86.12%	588,211	5,301,498	-	5,889,709	Total County treasurer investments by fair value level
					Investments measured at amortized cost	
N/R	0.37%			25,000	Farmer mac	
AA-/Aa2	0.51%			35,000	Negotiable certificates of deposit	
N/R	11.38%			778,000	Managed rate accounts	
N/R	0.00%			80	Local agency obligations	
AA+/Aaa	0.06%			4,024	CalTRUST short term fund	
AAA/Aaa	1.56%			107,000	Money market mutual funds (2)	
	13.88%			949,104	Total investments measured at amortized cost	
	100.00%	588,211	5,301,498	-	6,838,813	Total County treasurer investments
					Investments measured at amortized cost	
AAA/Aaa	53.88%			120,134	Money market funds	
	0.45%			1,000	Certificates of deposit	
N/R	2.02%			4,502	Local agency investment fund	
NR/Aaa	42.40%			94,532	Money Market Mutual funds	
	1.25%			2,782	Investment agreements	
	100.00%			222,950	Total blended component unit investments	
					measured at amortized cost	
	100.00%	-	-	-	222,950	Total blended component unit investments
		\$ 588,211	\$ 5,301,498	\$ -	\$ 7,061,763	Total investments

(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.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 5 – RESTRICTED CASH AND INVESTMENTS

The amount of assets restricted by legal and contractual requirements at June 30, 2019 is as follows (In thousands):

Governmental Activities

General Fund			\$	411,861
Flood Control				1,904
Teeter Debt Service				32,515
Public Financing Authority				9,612
Other Governmental Funds				
CORAL				
Local Agency Investment Fund	2,538			
Restricted Cash and Other Investments	10,686	13,224		
District Court Financing Corporation		1,063		
Infrastructure Financing Authority		11,464		
Pension Obligation		4,714		
Inland Empire Tobacco Securitization Authority		13,029		
Public Financing Authority		1,411		
Total Other Governmental Funds				44,905
Total Governmental Activities				500,797

Business-type Activities

Riverside University Health Systems - Medical Center				
Local Agency Investment Fund		1,964		
Restricted Cash and Other Investments		26,447		
Total Riverside University Health Systems - Medical Center				28,411
Waste Resources				
Remediation costs		34,687		
Closure and post-closure care costs		31,852		
Customer deposits		630		
Advances from grantors & 3rd parties		357		
Deposit payable		38		
Deferred inflow of resources		5,790		
Total Waste Resources				73,354
Housing Authority				
Section 8 Housing Choice Voucher HAP		921		
Replacement Reserves - Ripley		283		
Total Housing Authority				1,204
Other - Flood Control				3,363
Total Business-type Activities				106,332
Total Restricted Cash and Investments			\$	607,129

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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):

Receivables					Total
Governmental activities:					Governmental
	Accounts	Interest	Taxes	Due From Other Govts	Activities
General fund	\$ 15,111	\$ 9,624	\$ 10,499	\$ 343,679	\$ 378,913
Transportation	142	559	14	21,309	22,024
Flood Control	89	1,197	1,133	820	3,239
Teeter debt service	-	65	49,853	-	49,918
Public facilities improvement capital projects	-	697	-	1,235	1,932
Public Financing Authority	-	94	-	-	94
Other governmental funds	2,862	499	1,474	11,086	15,921
Internal service funds	11,848	1,402	-	1,076	14,326
Total receivables	<u>\$ 30,052</u>	<u>\$ 14,137</u>	<u>\$ 62,973</u>	<u>\$ 379,205</u>	<u>\$ 486,367</u>

Receivables						Allowance	Total
	Due From					for	Business-type
Business-type activities:	Accounts	Interest	Taxes	Loans	Other Govts	Uncollectibles	Activities
Riverside University Health Systems -							
Medical Center	\$ 357,584	\$ -	\$ -	\$ -	\$ 183,890	\$ (311,274)	\$ 230,200
Waste Resources	7,852	899	-	3,000	99	-	11,850
Housing Authority	354,072	5	-	96,534	1,235	(353,638)	98,208
Other	5,146	38	11	-	1,452	(3,817)	2,830
Total receivables	\$ 724,654	\$ 942	\$ 11	\$ 99,534	\$ 186,676	\$ (668,729)	\$ 343,088

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 7 – INTERFUND TRANSACTIONS

(a) Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2019 is as follows (In thousands):

<i>Due to/from other funds :</i>		<u>Receivable Fund</u>			
	<u>Payable Fund</u>	<u>General Fund</u>	<u>Transportation</u>	<u>Teeter Debt Service</u>	<u>Public Facilities Improvements Capital Projects</u>
General Fund					
Delinquent property tax		\$ -	\$ -	\$ 35	\$ -
Interfund activity		-	-	-	-
Total General Fund					
Transportation					
Interfund activity		165	-	-	-
Total Transportation					
Flood Control					
Interfund activity		-	-	-	-
Total Flood Control					
Teeter Debt Service					
Interfund activity		6,714	-	-	-
Total Teeter Debt Service					
Public Facilities Improvements Capital Projects					
Capital projects		-	-	-	-
Interfund activity		-	73	-	-
Total Public Facilities Imprv Cap Proj					
Public Financing Authority					
Capital projects		-	-	-	8,888
Total Public Financing Authority					
Other Governmental Funds					
Interfund activity		855	-	-	156
Total Other Governmental Funds					
Riverside University Health Systems-Medical Center					
Interfund activity		-	-	-	-
Law Enforcement		522	-	-	-
Total Riverside University Health Systems-Medical Center					
Total Waste Resources					
Housing Authority					
Interfund activity		29	-	-	-
Total Housing Authority					
Other Enterprise Funds					
Interfund activity		-	-	-	-
Total Other Enterprise Funds					
Internal Service Funds					
Interfund activity		1,676	-	-	-
Total Internal Service Funds					
Total Receivable		<u>\$ 9,961</u>	<u>\$ 73</u>	<u>\$ 35</u>	<u>\$ 9,044</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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

(a) Interfund Receivables/ Payables (Continued)

Receivable Fund Riverside						
Other Governmental Funds	University Health Systems-Medical Center	Other Enterprise Funds	Internal Service Funds	Total Payable		
					General Fund	
\$ -	\$ -	\$ -	\$ -	\$ 35	Delinquent property tax	
57	254	13,000	-	13,311	Interfund activity	
				13,346	Total General Fund	
					Transportaion	
-	-	-	-	165	Interfund activity	
				165	Total Transportation	
					Flood Control	
-	-	-	490	490	Interfund activity	
				490	Total Flood Control	
					Teeter Debt Service	
-	-	-	-	6,714	Interfund activity	
				6,714	Total Teeter Debt Service	
					Public Facilities Improvements Capital Projects	
-	5,000	-	-	5,000	Capital projects	
-	-	-	-	73	Interfund activity	
				5,073	Total Public Facilities Imprv Cap Proj	
					Public Financing Authority	
-	-	-	-	8,888	Capital projects	
				8,888	Total Public Financing Authority	
					Other Governmental Funds	
233	-	-	-	1,244	Interfund activity	
				1,244	Total Other Governmental Funds	
					Riverside University Health Systems-Medical Center	
-	-	3,000	-	3,000	Interfund activity	
-	-	-	-	522	Law Enforcement	
				3,522	Total Riverside Universide Health Systems-Medical Center	
				-	Total Waste Resources	
					Housing Authority	
-	-	-	-	29	Interfund activity	
				29	Total Housing Authority	
					Other Enterprise Funds	
-	-	-	15	15	Interfund activity	
				15	Total Other Enterprise Funds	
					Internal Service Funds	
-	-	-	12	1,688	Interfund activity	
				1,688	Total Internal Service Funds	
\$ 290	\$ 5,254	\$ 16,000	\$ 517	\$ 41,174	Total Receivable	

Advances to/from other funds (Continued):

Waste Resources advanced \$2.0 million to Public Facilities Capital Projects 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, 2019

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers

(b) Between Funds within the Governmental Activities:¹

Transfer Out	Transfer In				
	General Fund	Transportation	Flood Control	Teeter Debt Service	Public Facilities Improvements Capital Projects
General Fund					
*To finance capital projects	\$ -	\$ -	\$ -	\$ -	\$ 10,608
*For debt service payments	-	-	-	1,443	-
*Operating contribution	-	1,700	-	-	-
*For professional services	-	4,047	-	-	-
*To fund pension obligation	-	-	-	-	-
Total general fund					
Transportation					
*To finance capital projects	-	-	-	-	21
*For professional services	2,577	-	-	-	-
*To fund pension obligation	-	-	-	-	-
Total transportation					
Flood Control					
*For debt service payments	-	-	-	-	-
*To fund pension obligation	-	-	-	-	-
Total Flood Control					
Teeter Debt Service					
*For debt service payments	439	-	-	-	-
Total teeter debt service					
Public Facilities Improvements Capital Projects					
*To finance capital projects	29,298	4,949	-	-	-
*For professional services	-	-	-	-	-
Total public facilities imprv cap proj					
Other Governmental Funds					
*To finance capital projects	-	1,247	-	-	5,271
*For debt service payments	-	-	-	-	-
*For Fire protection services	66,192	-	-	-	-
*For professional services	14,415	3,874	-	-	-
*Operating contribution	1,137	518	-	-	-
*To fund pension obligation	150	-	-	-	-
Total other governmental funds					
Riverside University Health Systems-Medical Center					
*Operating contribution	-	-	-	-	-
*To fund pension obligation	-	-	-	-	-
Total Riverside University Health Systems-Medical Center					
Waste Resources					
*To fund pension obligation	-	-	-	-	-
Total Waste Resources					
Housing Authority					
*To fund pension obligation	-	-	-	-	-
Total Housing Authority					
Other Enterprise Funds					
*Operating contribution	-	-	272	-	-
*To fund pension obligation	-	-	-	-	-
Total other enterprise funds					
Internal Service Funds					
* Business Services	-	-	-	-	-
*To fund pension obligation	-	-	-	-	-
Total Internal Service Funds					
Total transfers in	\$ 114,208	\$ 16,335	\$ 272	\$ 1,443	\$ 15,900

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, 2019

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

(b) Between Governmental and Business-type Activities:

Transfer In						
Other Governmental Funds	Riverside University Health Systems Medical Center	Other Enterprise Funds	Internal Service Funds	Total Transfers Out		*Principal purpose for transfer
						General Fund
\$ -	\$ -	\$ -	\$ -	\$ 10,608		*To finance capital projects
67,390	-	-	-	68,833		*For debt service payments
8,409	15,935	13,000	1,753	40,797		*Operating contribution
5,566	-	-	-	9,613		*For professional services
24,313	-	-	-	24,313		*To fund pension obligation
				154,164		Total general fund
						Transportation
-	-	-	-	21		*To finance capital projects
33	-	-	-	2,610		*For professional services
904	-	-	-	904		*To fund pension obligation
				3,535		Total transportation
						Flood Control
2,836	-	-	-	2,836		*For debt service payments
1	-	-	-	1		*To fund pension obligation
				2,837		Total Flood Control
						Teeter Debt Service
-	-	-	-	439		*For debt service payments
				439		Total teeter debt service
						Public Facilities Improvements Capital Projects
4,703	6,100	-	1,382	46,432		*To finance capital projects
316	-	-	-	316		*For professional services
				46,748		Total public facilities imprv cap proj
						Other Governmental Funds
-	-	-	-	6,518		*To finance capital projects
38	-	-	-	38		*For debt service payments
-	-	-	-	66,192		*For Fire protection services
7,745	-	-	-	26,034		*For professional services
3,332	-	242	109	5,338		*Operating contribution
584	-	-	-	734		*To fund pension obligation
				104,854		Total other governmental funds
						Riverside University Health Systems-Medical Center
-	-	3,000	-	3,000		*Operating contribution
5,456	-	-	-	5,456		*To fund pension obligation
				8,456		Total Riverside University Health Systems-Medical Center
						Waste Resources
311	-	-	-	311		*To fund pension obligation
				311		Total Waste Resources
						Housing Authority
175	-	-	-	175		*To fund pension obligation
				175		Total Housing Authority
						Other Enterprise Funds
-	-	-	-	272		*Operating contribution
771	-	-	-	771		*To fund pension obligation
				1,043		Total other enterprise funds
						Internal Service Funds
-	-	-	2,692	2,692		* Business Services
1,958	-	-	-	1,958		*To fund pension obligation
				4,650		Total Internal Service Funds
\$ 134,841	\$ 22,035	\$ 16,242	\$ 5,936	\$ 327,212		Total transfers in

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows (In thousands):

	Balance June 30, 2018 as Restated	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2019
Governmental activities:					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 581,920	\$ 5,253	\$ (25)	\$ -	\$ 587,148
Construction in progress	762,284	197,952	(3,590)	(188,379)	768,267
Total capital assets, not being depreciated	1,344,204	203,205	(3,615)	(188,379)	1,355,415
<i>Capital assets, being depreciated:</i>					
Infrastructure	3,568,046	52,191	-	115,867	3,736,104
Land improvements	110	-	-	-	110
Structures and improvements	1,856,356	1,415	(480)	22,125	1,879,416
Equipment	555,738	27,177	(17,266)	50,376	616,025
Total capital assets, being depreciated	5,980,250	80,783	(17,746)	188,368	6,231,655
Less accumulated depreciation for:					
Infrastructure	(1,581,221)	(117,140)	-	(33)	(1,698,394)
Land improvements	(29)	(1)	-	-	(30)
Structures and improvements	(538,272)	(42,476)	-	-	(580,748)
Equipment	(345,757)	(43,802)	16,775	37	(372,747)
Total accumulated depreciation	(2,465,279)	(203,419)	16,775	4	(2,651,919)
Total capital assets, being depreciated, net	3,514,971	(122,636)	(971)	188,372	3,579,736
Governmental activities capital assets, net	\$ 4,859,175	\$ 80,569	\$ (4,586)	\$ (7)	\$ 4,935,151

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 8 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2019 was as follows (In thousands):

	Balance July 1, 2018	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2019
Business-type activities:					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 21,359	\$ -	\$ -	\$ 165	\$ 21,524
Construction in progress	53,932	14,209	(6,125)	(12,927)	49,089
Concession arrangements	8,830	-	-	-	8,830
Total capital assets, not being depreciated	84,121	14,209	(6,125)	(12,762)	79,443
<i>Capital assets, being depreciated:</i>					
Infrastructure	102,860	900	(1,560)	3,337	105,537
Land improvements	21,367	-	-	35	21,402
Structures and improvements	262,926	13,723	(136)	9,096	285,609
Equipment	191,943	16,516	(2,445)	305	206,319
Total capital assets, being depreciated	579,096	31,139	(4,141)	12,773	618,867
Less accumulated depreciation for:					
Infrastructure	(56,671)	(5,179)	1,412	-	(60,438)
Land improvements	(14,687)	(811)	-	-	(15,498)
Structures and improvements	(130,880)	(8,115)	(293)	-	(139,288)
Equipment	(130,320)	(18,091)	760	(4)	(147,655)
Total accumulated depreciation	(332,558)	(32,196)	1,879	(4)	(362,879)
Total capital assets, being depreciated, net	246,538	(1,057)	(2,262)	12,769	255,988
Business-type activities capital assets, net	\$ 330,659	\$ 13,152	\$ (8,387)	\$ 7	\$ 335,431

Depreciation

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

General government	\$ 43,870
Public protection	12,135
Health and sanitation	1,221
Public assistance	496
Public ways and facilities	117,348
Recreation and cultural services	2,905
Education	3,241
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	22,203
Total depreciation expense – governmental functions	<u>\$ 203,419</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 8 – CAPITAL ASSETS (Continued)

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

Riverside University Health Systems-Medical Center	\$ 21,114
Waste Resources	7,945
Housing Authority	1,206
Riverside University Health Systems-Community Health Centers	1,916
Flood Control	11
County Service Areas	4
Total depreciation expense – business-type functions	<u>\$ 32,196</u>

Capital Leases

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

	Governmental Activities	Business-type Activities
Land	\$ 488	\$ -
Structures and improvements	62,124	-
Equipment	135,876	30,857
Less: Accumulated amortization	(80,976)	(15,551)
Total leased property, net	<u>\$ 117,512</u>	<u>\$ 15,306</u>

Discretely Presented Component Unit

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2019 was as follows (In thousands):

	Balance July 1, 2018	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 373	\$ -	\$ -	\$ -	\$ 373
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	7	-	-	107
Total capital assets, being depreciated	<u>1,998</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>2,005</u>
Less accumulated depreciation for:					
Building and improvements	(221)	(54)	-	-	(275)
Machinery and equipment	(79)	(12)	-	-	(91)
Total accumulated depreciation	<u>(300)</u>	<u>(66)</u>	<u>-</u>	<u>-</u>	<u>(366)</u>
Total capital assets, being depreciated, net	<u>1,698</u>	<u>(59)</u>	<u>-</u>	<u>-</u>	<u>1,639</u>
Total capital assets, net	<u>\$ 2,071</u>	<u>\$ (59)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,012</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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 \$833 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 1, 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, 2019

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).

	Date SCA Entered Into	Term of SCA	Expiration of SCA	Revenue Sharing	Minimum Rent Payment (per month)
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 \$833 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, 2019

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

Capital assets balance for the SCAs for the fiscal year ended June 30, 2019, and over the terms of the agreements are as follows (In thousands):

	Land, Structures, & Structure Improvements
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	45,962
	<u>\$ 54,975</u>

The deferred inflows of resources activity for the SCA for the year ended June 30, 2019 are as follows (In thousands):

SCA Capital Assets	Balance July 1, 2018	Additions/ Restatements	Amortization¹	Balance June 30, 2019
McIntyre Park Campground ²	\$ -	\$ -	\$ -	\$ -
Riviera RV Resort ²	-	-	-	-
Lake Skinner Recreation Area ²	-	-	-	-
Gopher Hole Camp Store ²	-	-	-	-
Edom Hill Transfer Station	6,225	-	(435)	5,790
Cove and Dropzone Waterparks ²	-	-	-	-
Total deferred inflows	<u>\$ 6,225</u>	<u>\$ -</u>	<u>\$ (435)</u>	<u>\$ 5,790</u>

¹ Amortization calculated using the straight-line method for the term of the agreement for the SCA.

² 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, 2019

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 \$10.2 million as the remaining estimated capacity of 16.2 million tons is filled. Waste Resources expects all currently permitted landfill capacities to be filled by 2098. The total estimated closure liability of \$21.9 million and post-closure care cost of \$41.7 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, 2019, the post-closure liability is estimated at \$33.2 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, 2019	Outstanding Recognized Liability	Estimated Years Remaining
Badlands (Moreno Valley)	\$ 10,620	72.9%	\$ 7,746	3
Blythe (Blythe)	5,126	34.2%	1,754	28
Edom Hill (Cathedral City)	5,705	100.0%	5,705	-
Lamb Canyon (Beaumont)	8,321	56.5%	4,702	10
Desert Center (Desert Center)	443	59.0%	262	68
Mecca II (Mecca)	1,002	98.8%	990	79
Oasis (Oasis)	870	84.4%	734	44
Total Closure Estimate	<u>\$ 32,087</u>		<u>\$ 21,893</u>	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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

Post-Closure Escrow Fund Landfill Sites

Facility Name (City)	Estimated Liability
Badlands (Moreno Valley)	\$ 8,444
Blythe (Blythe)	2,621
Coachella (Coachella)	2,557
Double Butte (Winchester)	6,489
Edom Hill (Cathedral City)	3,846
Highgrove (Riverside)	4,354
Lamb Canyon (Beaumont)	6,035
Mead Valley (Perris)	1,410
Anza (Anza)	1,648
Desert Center (Desert Center)	1,274
Mecca II (Mecca)	1,574
Oasis (Oasis)	1,406
Total Post-Closure Estimate	<u>\$ 41,658</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, 2019 (In thousands):

<u>Year Ending June 30</u>	
2020	\$ 48,514
2021	43,801
2022	37,436
2023	31,602
2024	24,620
2025 - 2029	48,246
2030 - 2034	11,952
2035 - 2039	897
2040 - 2044	325
2045 - 2049	145
Total Minimum Payments	<u>\$ 247,538</u>

Total rental expenditure/expense for the year ended June 30, 2019 was \$123.0 million, of which \$12.7 million was recorded in the enterprise funds.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 2019 of advances from grantors and third parties is as follows (In thousands):

	Balance June 30, 2019
General Fund:	
Advances on state and federal grants for mental health services	\$ 153,795
Advances on state funding for social services	111,984
Advances on state grants and other 3rd party advances for public health services	19,993
Advances on state grants for probation services	19,166
Advances on state and federal grants for sheriff services	6,002
Advances on state grants and other federal grants for environmental health services	3,927
Advances on state grants and other 3rd party advances for emergency management services	990
Advances on state grants for district attorney services	942
Advances on state grants for planning and engineering services	764
Advances on state grants for veteran services	315
Advances on state grants and other 3rd party advances for animal services	282
Advances on state and federal grants for fire protection services	173
Advances on state grants for public defender services	89
Advances from 3rd party for registrar of voters services	17
Other advances	95
Total general fund	<u>318,534</u>
Transportation Special Revenue Fund:	
Developer fees	11,550
Advances from developers for median projects	2,912
Utility relocation	1,500
Survey fees	803
Federal exchange and state match	589
Deposit based fees	378
Advances for community facilities districts improvement projects	121
Road deposits	117
Total transportation special revenue fund	<u>17,970</u>
Flood Special Revenue Fund:	
Advances for flood control projects	533
Total flood special revenue fund	<u>533</u>
Public Facilities Improvements Capital Projects Fund:	
Advances for facility renewal projects	545
Total public facilities improvements capital projects fund	<u>545</u>
Other Governmental Funds:	
Advance for homeless housing relief	9,792
Advance from state for the community recidivism reduction grant program	694
Camping and recreation fees	634
Developer impact fees	387
Advances for aviation projects	20
Advance from 3rd parties for recreational events	1
Total other governmental funds	<u>11,528</u>
Grand total of advances from grantors and third parties	<u><u>\$ 349,110</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 13 – SHORT-TERM DEBT

Tax and Revenue Anticipation Notes (TRANs)

On July 1, 2018, the County issued \$340.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANs), which will be paid by June 30, 2019. The notes were issued with a yield rate of 1.55% and a stated interest rate of 4.0%. 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 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 2018-19, the County retired \$80.4 million and issued \$75.8 million 2018 Series A teeter obligation notes (tax-exempt) which includes a premium of \$1.7 million, leaving an outstanding balance of \$75.8 million at June 30, 2019.

Short-term debt activity for the year ended June 30, 2019, was as follows (In thousands):

	Balance				Balance	
	June 30, 2018		Additions	Reductions	June 30, 2019	
TRANs	\$ -	\$	340,000	\$ (340,000)	\$ -	
Teeter notes	80,403		75,754	(80,403)	75,754	
Total	\$ 80,403	\$	415,754	\$ (420,403)	\$ 75,754	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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 \$3.55 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, 2019 (In thousands):

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2020	\$ 24,742	\$ 6,226
2021	16,604	4,887
2022	10,879	4,234
2023	7,291	3,426
2024	5,625	3,072
2025-2029	23,142	14,442
2030-2034	27,478	8,093
2035-2039	7,669	-
Total minimum payments	123,430	44,380
Less amount representing interest	(20,525)	(9,656)
Present value of net minimum lease payments	<u>\$ 102,905</u>	<u>\$ 34,724</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 2019 (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, 2019</u>
Governmental activities:				
Certificates of Participation				
<u>CORAL</u>				
1990 Monterey Avenue: Serial Certificates	\$ 8,800	Variable	2020	\$ 1,500
2009 Series A - Public Safety Communication and Woodcrest Library Refunding Projects	45,685	Variable	2039	32,680
2009 Larson Justice Center Refunding: Serial Certificates	<u>24,680</u>	2.00% - 5.00%	2021	<u>9,363</u>
Total CORAL	<u>79,165</u>			<u>43,543</u>
<u>District Court Financing Corporation</u>				
U.S. District Court Project: Term/Series 1999	2,165	7.59%	2020	503
U.S. District Court Project: Term/Series 2002	<u>925</u>	3.00%	2020	<u>75</u>
Total District Court Financing Corporation	<u>3,090</u>			<u>578</u>
<u>Flood Control</u>				
Zone 4 - 2015 Negotiable Promissory Note	<u>21,000</u>	2.00% - 5.00%	2025	<u>16,144</u>
Total Flood Control	<u>21,000</u>			<u>16,144</u>
Total certificates of participations	<u><u>\$ 103,255</u></u>			<u><u>\$ 60,265</u></u>
Bonds payable				
<u>CORAL</u>				
2012 CAC Annex Refunding Project	\$ 33,360	2.00% - 5.00%	2031	\$ 25,979
2008 A Southwest Justice Center: Term Certificates	78,895	5.16%	2032	65,245
2013 Probation & RCIT: Term Bonds (Series A)	66,015	3.00% - 5.25%	2043	60,885
2014 Lease Refunding Court Facilities Project, Series A	10,890	2.00% - 5.00%	2033	8,138
2014 Lease Refunding Court Facilities Project, Series B	<u>7,605</u>	0.55% - 2.73%	2019	<u>1,325</u>
Total CORAL	<u>196,765</u>			<u>161,572</u>
<u>Taxable Pension Obligation Bonds</u>				
Pension Obligation Bonds (Series 2005-A)	<u>400,000</u>	4.91% - 5.04%	2035	<u>243,850</u>
Total Taxable Pension Obligation Bonds	<u>400,000</u>			<u>243,850</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Type of Indebtedness	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding at June 30, 2019
Bonds payable (continued)				
<u>Inland Empire Tobacco Securitization Authority</u>				
Series 2007 C-1	\$ 53,542	6.63%	2036	\$ 53,542
Series 2007 C-2	29,653	6.75%	2045	29,653
Series 2007 D	23,457	7.00%	2057	23,457
Series 2007 E	18,949	7.63%	2057	18,949
Series 2007 F	27,076	8.00%	2057	27,076
Series 2019	100,000	3.68%	2028	100,000
Total Inland Empire Tobacco Securitization Authority	252,677			252,677
<u>Riverside County Public Financing Authority</u>				
Series 2012	17,640	3.00% - 5.00%	2021	12,355
Series 2015	325,000	2.00% - 5.00%	2046	336,858
Total Riverside County Public Financing Authority	342,640			349,213
<u>Riverside County Infrastructure Financing Authority</u>				
Series 2015 A	72,825	2.00% - 5.00%	2054	70,673
Series 2016 A	36,740	2.00% - 4.00%	2032	40,307
Series 2017 A	46,970	3.00% - 4.00%	2045	48,214
Series 2017 B	11,595	3.00% - 5.00%	2038	11,674
Series 2017 C	10,610	3.125% - 5.00%	2047	10,885
Total Riverside Infrastructure Financing Authority	178,740			181,753
Total bonds payable	\$ 1,370,822			\$ 1,189,065
<u>Bonds from direct placement</u>				
<u>CORAL</u>				
2011 Monroe Park Building Refunding	\$ 5,535	3.54%	2021	\$ 980
Total 2011 Monroe Park Building Refunding	5,535			980
Total bonds from direct placement	\$ 5,535			\$ 980
Total governmental activities	\$ 1,479,612			\$ 1,250,310
Business-Type Activities				
Bonds payable				
<u>Riverside University Health Systems - Medical Center (RUHS-MC)</u>				
1997 A Serial Capital Appreciation Bonds (net of future capital appreciation of \$130.5 million)	\$ 41,170	5.70% - 6.01%	2026	\$ 29,123
2012 Term bonds (Series A)	87,510	2.00% - 5.00%	2029	35,131
Total RUHS-MC	128,680			64,254
Total bonds payable	\$ 128,680			\$ 64,254
Total business-type activities	\$ 128,680			\$ 64,254

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2019, annual debt service requirements of governmental activities to maturity are as follows (In thousands):

Governmental Fiscal Year Ending June 30	Bonds from Direct Placement		Certificates of Participation	
	Principal	Interest	Principal	Interest
2020	\$ 650	\$ 29	\$ 18,323	\$ 2,314
2021	330	6	18,570	1,407
2022	-	-	9,110	784
2023	-	-	2,660	513
2024	-	-	2,795	378
2025 - 2029	-	-	3,760	873
2030 - 2034	-	-	1,325	578
2035 - 2039	-	-	1,775	270
2040 - 2044	-	-	420	8
Total requirements	980	35	58,738	7,125
Bond discount/premium, net	-	-	1,527	-
Total	\$ 980	\$ 35	\$ 60,265	\$ 7,125

Governmental Fiscal Year Ending June 30	Bonds Payable	
	Principal	Interest
2020	\$ 55,220	\$ 46,036
2021	57,170	43,532
2022	61,240	40,885
2023	65,625	37,998
2024	70,280	34,906
2025 - 2029	234,205	134,391
2030 - 2034	208,252	90,324
2035 - 2039	137,989	51,513
2040 - 2044	117,293	26,281
2045 - 2049	72,580	4,183
2050 - 2054	6,060	-
2055 - 2059	63,422	4,671
Total requirements	1,149,336	514,720
Bond discount/premium, net	39,729	-
Total	\$ 1,189,065	\$ 514,720

As of June 30, 2019, annual debt service requirements of business-type activities unit to maturity are as follows (In thousands):

Business-type Fiscal Year Ending June 30	Bonds Payable		Other Long-term Liabilities	
	Principal	Interest	Principal	Interest
2020	\$ 4,981	\$ 15,769	\$ -	\$ -
2021	4,664	16,086	-	-
2022	4,376	16,374	-	-
2023	4,125	16,626	-	-
2024	3,878	16,873	-	-
2025 - 2029	38,234	36,854	6,795	-
2030 - 2034	-	-	508	-
2035 - 2039	-	-	-	-
2040 - 2044	-	-	-	-
2045 - 2049	-	-	-	-
2050 - 2054	-	-	-	-
2055 - 2059	-	-	-	-
2060 - 2064	-	-	-	-
2065 - 2069	-	-	3,704	-
Total requirements	60,258	118,582	11,007	-
Bond discount/premium, net	3,996	-	-	-
Total	\$ 64,254	\$ 118,582	\$ 11,007	\$ -

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 2019 (In thousands):

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
<u>Governmental Activities:</u>				
<u>Certificates of Participation:</u>				
Court Financing (U.S. District Court Project)	\$ 2,012	\$ -	\$ (1,007)	\$ 1,005
<u>Bonds:</u>				
Inland Empire Tobacco Securitization Authority	185,953	23,423	(14,807)	194,569
Total governmental-type activities	<u>\$ 187,965</u>	<u>\$ 23,423</u>	<u>\$ (15,814)</u>	<u>\$ 195,574</u>
<u>Business-type Activities:</u>				
<u>Lease Revenue Bonds:</u>				
Riverside University Health Systems - Medical Center (1997A Hosp)	\$ 76,371	\$ 6,461	\$ (2,910)	\$ 79,922
Total business-type activities	<u>\$ 76,371</u>	<u>\$ 6,461</u>	<u>\$ (2,910)</u>	<u>\$ 79,922</u>

The accreted interest payable balances at June 30, 2019 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 \$3.47 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 \$23.4 million and \$6.5 million represent current year's accretion for governmental activities and business-type activities, respectively. The accumulated accretion for business-type activities is \$80.0 million at June 30, 2019. The accumulated accretion for U.S. District Court Financing and the Inland Empire Tobacco Securitization Authority in governmental activities is \$195.6 million. The un-accreted balances at June 30, 2019 are \$27.5 million for the 1997-A Hospital RUHS-MC project, and \$3.27 billion for the Inland Empire Tobacco Securitization Authority Bonds.

Bonds, Certificates of Participation / Refunding

In May 2019, the Inland Empire Tobacco Securitization Authority issued \$100.0 million of tobacco settlement asset-backed refunding bonds, Series 2019 Turbo Current Interest Bonds. The proceeds of Series 2019 Turbo Current Interest Bonds along with other available funds under the Authority, were deposited into an escrow account to refund and defease the outstanding 2007 Series A Turbo Current Interest Bonds and 2007 Series B Turbo Convertible Capital Appreciation Bonds, to fund the Debt Service Reserve Account and Debt Service Account for the Series 2019 Turbo Current Interest Bonds, and pay the cost of issuance incurred in connection with the issuance of the Series 2019 Turbo Current Interest Bonds. The bonds have an interest rate of 3.68%. The reacquisition price exceeded the net carry amount of the old debt by \$3.8 million. This amount is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic loss of \$54.3 million and an increase of \$52.8 million in future debt service payments.

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, 2019

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) 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. 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. The reacquisition price exceeded the net carry amount of the old debt by \$3.8 million. This amount

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (continued)

is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic loss of \$451 thousand and an increase of \$273 thousand in future debt service payments.

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 refunding the outstanding Riverside Community Properties Development, Inc. Lease Revenue Bonds, 2013 (Riverside County Law Building Project) and pay the costs incurred in connections with the issuance of the bonds. The reacquisition price exceeded the net carry amount of the old debt by \$3.8 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 \$8.3 million and a decrease of \$4.4 million in future debt service payments.

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 reacquisition 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 life. The transaction resulted in an economic gain of \$11.9 million and a decrease of \$7.4 million in future debt service payments

In May 2019, the Inland Empire Tobacco Securitization Authority issued \$100.0 million of tobacco settlement asset-backed refunding bonds, Series 2019 Turbo Current Interest Bonds. The proceeds of Series 2019 Turbo Current Interest Bonds along with other available funds under the Authority, were deposited into an escrow account to refund and defease the outstanding 2007 Series A Turbo Current Interest Bonds and 2007 Series B Turbo Convertible Capital Appreciation Bonds, to fund the Debt Service Reserve Account and Debt Service Account for the Series 2019 Turbo Current Interest Bonds, and pay the cost of issuance incurred in connection with the issuance of the Series 2019 Turbo Current Interest Bonds. The bonds have an interest rate of 3.68%. The reacquisition price exceeded the net carry amount of the old debt by \$3.8 million. This amount is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic loss of \$54.3 million and an increase of \$52.8 million in future debt service payments.

Single Family and Multi-Family Mortgage Revenue Bonds

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

A total of \$23.2 million of Mortgage Revenue Bonds have been issued and \$17.1 million is outstanding as of June 30, 2019. 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 Housing Bond Conduit Financing 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 \$84.3 million at June 30, 2019, to provide financing or improvements benefiting certain property owners. Special assessment bonds consist of Community Facilities District Bonds and Assessment District Bonds.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Special Assessment Bonds (continued)

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.

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, 2019.

Fair Value: As of June 30, 2019 and 2018, the swap had a negative fair value of \$18.6 million and \$16.8 million, respectively, a decrease in fair value of \$1.8 million occurred during the fiscal year 2018-19. 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, 2019.

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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Interest Swap Rate (continued)

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, 2019, 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, 2019 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.

Changes in Long-term Liabilities

Swap Payment and Associated Debt: Using rates as of June 30, 2019, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows (In thousands):

Fiscal Year Ending June 30, 2019	Variable Rate Bonds		Net Swap Payments	Total Interest
	Principal	Interest		
2020	\$ 3,205	\$ 912	\$ 2,354	\$ 3,266
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	4,135	703	1,814	2,517
2025-2029	19,235	2,563	6,611	9,174
2030-2033	11,890	679	1,745	2,424
	<u>\$ 49,320</u>	<u>\$ 7,296</u>	<u>\$ 18,816</u>	<u>\$ 26,112</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, 2019 (In thousands):

	Balance June 30, 2018	New Additions	Payments / Reclass	Balance June 30, 2019	Amounts Due Within One Year
<u>Governmental activities:</u>					
Debt long-term liabilities:					
Bonds payable	\$ 1,232,233	\$ 100,000	\$ (143,168)	\$ 1,189,065	\$ 55,220
Capital lease obligations	116,842	11,612	(25,549)	102,905	22,106
Certificates of participation	78,128	-	(17,863)	60,265	18,323
Bonds from Direct Placement	1,600	-	(620)	980	650
Total debt long-term liabilities	<u>1,428,803</u>	<u>111,612</u>	<u>(187,200)</u>	<u>1,353,215</u>	<u>96,299</u>
Other long-term liabilities:					
Accreted interest payable	187,965	23,423	(15,814)	195,574	-
Compensated absences (a)	230,781	334	(2,867)	228,248	135,723
Estimated claims liabilities (b)	246,262	77,708	(63,860)	260,110	62,615
Total other long-term liabilities	<u>665,008</u>	<u>101,465</u>	<u>(82,541)</u>	<u>683,932</u>	<u>198,338</u>
Total governmental activities –	<u>\$ 2,093,811</u>	<u>\$ 213,077</u>	<u>\$ (269,741)</u>	<u>\$ 2,037,147</u>	<u>\$ 294,637</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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 2019 (In thousands):

	Balance June 30, 2018	New Additions	Payments / Reclass	Balance June 30, 2019	Amounts Due Within One Year
<u>Business-type activities:</u>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses	\$ 77,773	\$ -	\$ (13,518)	\$ 64,254	\$ 4,981
Capital lease	21,521	18,733	(5,530)	34,724	4,929
Total debt long-term liabilities	99,294	18,733	(19,048)	98,978	9,910
Other long-term liabilities:					
Accreted interest payable	76,371	6,461	(2,910)	79,922	1,210
Compensated absences	36,676	4,953	(52)	41,577	26,007
Other long-term liabilities (a)	12,457	-	(1,450)	11,007	-
Total other long-term liabilities	125,504	11,414	(4,412)	132,506	27,217
Total business-type activities – long- term liabilities	\$ 224,798	\$ 30,147	\$ (23,460)	\$ 231,484	\$ 37,127
<u>Discretely Presented Component Unit</u>					
Other long-term liabilities:					
Compensated absences	\$ 210	\$ 393	\$ (299)	\$ 304	\$ 173
Total discretely presented component unit – long-term liabilities	\$ 210	\$ 393	\$ (299)	\$ 304	\$ -

(a) Housing Authority has three notes payable, totaling \$11.0 million.

The County has an unused line of credit in the amount of \$66.1 million.

Disclosure of Pledged Revenues

Inland Empire Tobacco Securitization Authority, a blended component unit of the County, issued \$252.7 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 County Tobacco Assets are tobacco settlement revenues required to be paid to the State of California under the Master Settlement Agreement. The Agreement was entered into by participating cigarette manufacturers, 46 states, including California, and six other U.S. jurisdictions, in November 1998 in settlement of certain cigarette smoking-related litigation. The portion of revenues that will be used to pay the debt service are 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. Beginning on January 1, 2021 and ending on December 31, 2026 the portion of revenues that will be used to pay the debt service are 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. Finally, the County Tobacco Assets to the extent consisting of or relating to amounts due to the County from and after January 1, 2027, and the County Tobacco Assets to the extent consisting of or relating to the applicable percentage of a lump sum payment of 10.8% to the County and 85.9% to the Inland Empire Tobacco Securitization Authority for calendar year 2019. During the fiscal year ended June 30, 2019, \$22.5 million was received by the Inland Empire Tobacco Securitization Authority; \$10.0 million, or 44.5%, was distributed to the County per the above agreement, leaving \$12.5 million, or 55.5%, of the specific tobacco settlement revenues available to be pledged (see page 165). 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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 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, 2019 were as follows (In thousands):

	Balance June 30, 2019
Government-wide deferred outflows of resources:	
Governmental activities:	
Interest rate swap	\$ 18,597
OPEB	20,763
Pension	807,185
Total governmental activities	<u>846,545</u>
Business-type activities:	
OPEB	3,781
Pension	129,093
Total business-type activities	<u>132,874</u>
Total government-wide deferred outflows of resources	<u><u>\$ 979,419</u></u>
Discretely presented component unit	
deferred outflows of resources:	
Pension	<u>\$ 2,141</u>
Total discretely presented component unit	
deferred outflows of resources	<u><u>\$ 2,141</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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 government-wide and governmental fund 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, 2019 were as follows (In thousands):

	Balance June 30, 2019
Government-wide deferred inflows of resources:	
Governmental activities:	
Teeter tax loss reserve	\$ 23,141
OPEB	500
Pension	88,405
Total governmental activities	<u>112,046</u>
Business-type activities:	
Service concession arrangement	5,790
OPEB	148
Housing Opportunities for Persons with Aids (HOPWA) grant	587
Pension	13,290
Total business-type activities	<u>19,815</u>
Total government-wide deferred inflows of resources	<u><u>\$ 131,861</u></u>
Governmental funds deferred inflows of resources:	
General Fund:	
SB 90	\$ 23,457
Teeter tax loss reserve	23,141
Property tax	5,397
Miscellaneous unavailable revenue	7,462
Total general fund	<u>59,457</u>
Flood Control Special Revenue Fund:	
Property tax	1,064
Special assessments	69
Total flood control special revenue fund	<u>1,133</u>
Other Governmental Funds:	
Property tax	5
Total other governmental funds	<u>5</u>
Total governmental funds deferred inflows of resources	<u><u>\$ 60,595</u></u>
Discretely presented component unit	
deferred inflows of resources:	
Pension	\$ 450
Total discretely presented component unit	
deferred inflows of resources	<u><u>\$ 450</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 2019 is as follows (In thousands):

	Major Funds					
	General Fund	Transportation	Flood Control	Public Facilities Improvements Capital Projects	Public Financing Authority	Total Major Governmental Funds
Fund balances:						
Nonspendable						
Inventory	\$ 2,087	\$ 1,277	\$ -	\$ -	\$ -	\$ 3,364
Prepaid items	-	-	-	-	-	-
Imprest cash	329	1	1	-	-	331
Permanent fund	-	-	-	-	-	-
Total nonspendable	2,416	1,278	1	-	-	3,695
Restricted						
Aging	-	-	-	-	-	-
Air quality planning	115	-	-	-	-	115
Airport	-	-	-	-	-	-
Auto theft interdiction	554	-	-	-	-	554
CAP local initiative program	-	-	-	-	-	-
Construction & capital projects	8,217	-	-	120,827	818	129,862
Court services	9,826	-	-	-	-	9,826
Debt services	1,178	-	-	2,001	-	3,179
District attorney	15,457	-	-	-	-	15,457
Domestic violence	2,404	-	-	-	-	2,404
Emergency medical services	7,182	-	-	-	-	7,182
Emergency preparedness	-	-	-	-	-	-
Endowment care	-	-	-	-	-	-
Environmental health	335	-	-	-	-	335
Public ways and facilities	-	-	257,268	14,268	-	271,536
Fire protection	-	-	-	-	-	-
Geographical info system	-	-	-	-	-	-
Hazmat	2,706	-	-	-	-	2,706
Humane services	134	-	-	-	-	134
Landscape maintenance	-	3,820	-	-	-	3,820
Libraries	-	-	-	-	-	-
Mental health	12,779	-	-	-	-	12,779
Modernization	7,607	-	-	-	-	7,607
Other purposes	7,462	-	-	-	-	7,462
Parks and recreation	-	-	-	6,873	-	6,873
Public assistance	4,598	-	-	-	-	4,598
Public health	1,699	-	-	-	-	1,699
Public protection	2,965	-	-	-	-	2,965
Roads	-	83,716	-	-	-	83,716
Sheriff patrol	10,322	-	-	-	-	10,322
Teeter tax losses	6,748	-	-	-	-	6,748
Total restricted	102,288	87,536	257,268	143,969	818	591,879

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 16 – FUND BALANCES (Continued)

Nonmajor Funds							
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds	Total Governmental Funds		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,364	Fund balances:	
7	-	462	-	469	469	Nonspendable	
49	-	-	-	49	380	Inventory	
-	-	-	802	802	802	Prepaid items	
56	-	462	802	1,320	5,015	Imprest cash	
						Permanent fund	
						Total nonspendable	
183	-	-	-	183	183	Restricted	
548	-	-	-	548	663	Aging	
1,017	-	-	-	1,017	1,017	Air quality planning	
-	-	-	-	-	554	Airport	
8	-	-	-	8	8	Auto theft interdiction	
-	-	11,377	-	11,377	141,239	CAP local initiative program	
-	-	-	-	-	9,826	Construction & capital projects	
-	31,576	242	-	31,818	34,997	Court services	
-	-	-	-	-	15,457	Debt services	
-	-	-	-	-	2,404	District attorney	
-	-	-	-	-	7,182	Domestic violence	
2,163	-	-	-	2,163	2,163	Emergency medical services	
-	-	-	77	77	77	Emergency preparedness	
-	-	-	-	-	335	Endowment care	
-	-	-	-	-	271,536	Environmental health	
14,890	-	-	-	14,890	14,890	Public ways and facilities	
1,858	-	-	-	1,858	1,858	Fire protection	
-	-	-	-	-	1,858	Geographical info system	
-	-	-	-	-	2,706	Hazmat	
-	-	-	-	-	134	Humane services	
24,861	-	-	-	24,861	28,681	Landscape maintenance	
29,523	-	-	-	29,523	29,523	Libraries	
-	-	-	-	-	12,779	Mental health	
-	-	-	-	-	7,607	Modernization	
588	-	-	-	588	8,050	Other purposes	
4,852	-	4,930	-	9,782	16,655	Parks and recreation	
4,891	-	-	-	4,891	9,489	Public assistance	
7,607	-	-	-	7,607	9,306	Public health	
22	-	-	-	22	2,987	Public protection	
262	-	-	-	262	83,978	Roads	
5,256	-	-	-	5,256	15,578	Sheriff patrol	
-	-	-	-	-	6,748	Teeter tax losses	
98,529	31,576	16,549	77	146,731	738,610	Total restricted	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 16 – FUND BALANCES (Continued)

	Major Funds					
				Public Facilities Improvements Capital Projects	Public Financing Authority	Total Major Governmental Funds
Fund balances:	General Fund	Transportation	Flood Control			
Committed						
Code enforcement	\$ -	\$ 4,165	\$ -	\$ -	\$ -	\$ 4,165
Community improvement	172	-	-	-	-	172
Construction & capital projects	500	3	-	8,427	-	8,930
EDA special projects	-	-	-	-	-	-
Environmental programs	1,527	351	-	-	-	1,878
Legal services	1,214	-	-	-	-	1,214
Other purposes	788	-	-	-	-	788
Parks	-	-	-	-	-	-
Sheriff correction	13,772	-	-	-	-	13,772
Solar program	-	-	-	-	-	-
Youth protection	347	-	-	-	-	347
Total committed	18,320	4,519	-	8,427	-	31,266
Assigned						
Airports	-	-	-	-	-	-
Capital improvement projects	445	-	-	-	-	445
Construction & capital projects	-	-	-	12,420	-	12,420
Debt service	-	-	-	-	-	-
Equipment	-	6,393	-	-	-	6,393
Other purposes	448	-	-	-	-	448
Probation	4,662	-	-	-	-	4,662
Professional services	284	-	-	-	-	284
Public health	109	-	-	-	-	109
Public protection	2,548	-	-	-	-	2,548
Roads	-	9,065	-	-	-	9,065
Sheriff correction	5,700	-	-	-	-	5,700
Total assigned	14,196	15,458	-	12,420	-	42,074
Unassigned	275,181	-	-	-	-	275,181
Total fund balances	\$ 412,401	\$ 108,791	\$ 257,269	\$ 164,816	\$ 818	\$ 944,095

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 16 – FUND BALANCES (Continued)

Nonmajor Funds						
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,165	Fund balances:
-	-	-	-	-	172	Committed
-	-	-	-	-	8,930	Code enforcement
93	-	-	-	93	93	Community improvement
-	-	-	-	-	1,878	Construction & capital projects
-	-	-	-	-	1,214	EDA special projects
-	-	-	-	-	788	Environmental programs
5,548	-	-	-	5,548	5,548	Legal services
-	-	-	-	-	13,772	Other purposes
851	-	-	-	851	851	Parks
-	-	-	-	-	347	Sheriff correction
6,492	-	-	-	6,492	37,758	Solar program
						Youth protection
						Total committed
						Assigned
1,607	-	-	-	1,607	1,607	Airports
-	-	-	-	-	445	Capital improvement projects
-	-	2,863	-	2,863	15,283	Construction & capital projects
-	4,232	-	-	4,232	4,232	Debt service
-	-	-	-	-	6,393	Equipment
2,691	-	-	-	2,691	3,139	Other purposes
-	-	-	-	-	4,662	Probation
-	-	-	-	-	284	Professional services
-	-	-	-	-	109	Public health
-	-	-	-	-	2,548	Public protection
-	-	-	-	-	9,065	Roads
-	-	-	-	-	5,700	Sheriff correction
4,298	4,232	2,863	-	11,393	53,467	Total assigned
-	-	-	-	-	275,181	Unassigned
\$ 109,375	\$ 35,808	\$ 19,874	\$ 879	\$ 165,936	\$ 1,110,031	Total fund balances



(This Page Intentionally Left Blank)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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 claims are self-insured to \$5 million for each occurrence with a \$2 million corridor and the balance (to \$25 million for each occurrence of with an excess of the underlying policy of \$25 million for a total of \$50 million) is insured through CSAC Excess Insurance Authority ("CSAC EIA"), a joint powers authority and insurance risk sharing pool consisting of 55 counties in the State, as well as other non-county public entities. Medical malpractice is self-insured for the first \$1.1 million for each claim with a \$1.5 million limit on a claims-made basis in excess of the County's self-insured retention, followed by a \$20 million limit on an occurrence basis through CSAC EIA, for a total limit of \$21.5 million in excess of the County's self-insured retention. Workers' compensation claims are self-insured to \$2 million for each occurrence and the balance of statutory limits (unlimited) is insured through CSAC EIA. Long-term disability income claims are fully insured by an independent carrier.

The County's property insurance program provides insurance coverage for all-risk subject to a \$50,000 per occurrence deductible; flood coverage is subject to a \$100,000 per occurrence deductible within a 100-year flood zone and a \$50,000 deductible outside of a 100-year flood zone. In order to diversify risk, property exposure amongst all members within the program are categorized into "Towers" based on geography and building type. The County participates in four Towers, each of which provides \$100 million in all-risk including EQ and Flood limits. A \$300 million excess all risk only sits above the Towers, providing a total of \$600 million in all-risk limits for Towers I-VIII. With respect to earthquake coverage, each of the four Towers in which the County participates has a limit of \$100 million, with a \$365 million excess rooftop layer shared by Towers I-VI that is triggered by the depletion of the initial limit for one or more of the Towers in a policy year. The County has \$765 million in shared earthquake coverage that covers scheduled locations and buildings equal to or greater than \$1 million in value and lesser valued locations where such coverage is required by contract. Earthquake coverage is subject to a deductible equal to 5% of total value per unit per occurrence, subject to a \$100,000 minimum. Boiler and Machinery provides up to \$100 million in limits, subject to a \$5,000 deductible per event. Property insurance limits in each Tower are shared with other counties within that Tower on a per event basis. If a catastrophic event occurs and losses exceed the limits, the County would be responsible for such amounts.

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, 2019 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 2018-19, 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, 2019, plus revenues to be collected during fiscal year 2019-20, are \$260.1 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 2017-18	\$ 115,956	\$ 16,277	\$ 114,029	\$ 246,262
Increase in provision for insured events of prior years	2,458	304	203	2,965
Incurred claims for current year	36,504	5,271	32,968	74,743
Claim payments	(33,662)	(5,517)	(24,681)	(63,860)
Unpaid claims, end of FY 2018-19	<u>\$ 101,256</u>	<u>\$ 16,335</u>	<u>\$ 122,519</u>	<u>\$ 260,110</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 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, 2017 and Medi-Cal cost reports through June 30, 2017. 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, 2017. 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, 2019, RUHS-MC recognized \$55.4 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 \$34.3 million in PRIME for fiscal year ending June 30, 2019.

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, 2019

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 \$4.7 million in revenue for the fiscal year ending June 30, 2019 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, 2019 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, 2019

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, 2019

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 multiple 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>Tier I</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>Tier II</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>Tier III (PEPRA)</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	2.0% at 62	No	52	\$ 121,388	36 months	1/1/2013

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 20 – RETIREMENT PLAN (Continued)

Employees covered by benefit terms. At June 30, 2019, 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	10,821	2,554	247	85	108
Inactive employees entitled to but yet receiving benefits	13,052	1,250	137	210	46
Active employees	17,083	3,527	225	114	20
	<u>40,956</u>	<u>7,331</u>	<u>609</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 2018-19, 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	18.9%	31.6%	28.6%	14.4%	14.4%
County Tier II	18.9%	31.6%	28.6%	8.3%	N/A
County Tier III	18.9%	31.6%	28.6%	7.3%	7.3%
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%	6.5%

*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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 20 – RETIREMENT PLAN (Continued)

Actuarial assumptions. For the measurement period ending June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

	County		Flood Control	Park District	Waste
By Plan	Miscellaneous	County Safety	Miscellaneous	Miscellaneous	Resources
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	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	Varies by	Varies by	Varies by	Varies by	Varies by
	Entry Age and	Entry Age and	Entry Age and	Entry Age and	Entry Age and
	Services	Services	Services	Services	Services
Investment Rate of Return	7.15%	7.15%	7.15%	7.15%	7.15%
Mortality Rate Table for all Plans ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds				
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter				

- ⁽¹⁾ The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. More details on this table are available in the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015).

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, 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 under Forms and Publications.

Change of assumptions. The demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Discount rate. The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 20 – RETIREMENT PLAN (Continued)

equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class(1)	Current Target Allocation	Real Return Years 1 - 10 (2)	Real Return Years 11+ (3)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00	2.62
Inflation Assets	0.0%	0.77	1.81
Private Equity	8.0%	6.30	7.23
Real Assets	13.0%	3.75	4.93
Liquidity	1.0%	0.00	(0.92)

(1) Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

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

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

Measurement Period June 30, 2018	County		Flood Control	
	Miscellaneous	County Safety	Miscellaneous	Total
Total pension liability				
Service cost	\$ 215,186	\$ 99,309	\$ 3,239	\$ 317,734
Interest	532,726	241,592	13,568	787,886
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	51,597	(14,902)	(883)	35,812
Changes of assumptions	(58,382)	(15,727)	(1,005)	(75,114)
Benefit payments, including refunds of employee contributions	(291,902)	(129,977)	(9,835)	(431,714)
Net change in total pension liability	449,225	180,295	5,084	634,604
Total pension liability - beginning (a)	7,253,774	3,424,877	194,947	10,873,598
Total pension liability - ending (c)	\$ 7,702,999	\$ 3,605,172	\$ 200,031	\$ 11,508,202
Plan fiduciary net position				
Contributions - employer	\$ 185,512	\$ 92,283	\$ 4,253	\$ 282,048
Contributions - employee	87,471	30,586	1,269	119,326
Net investment income	449,040	202,786	10,586	662,412
Benefit payments, including refunds of employee contributions	(291,902)	(129,977)	(9,835)	(431,714)
Administrative expense	(8,297)	(3,760)	(196)	(12,253)
Other miscellaneous expense	(15,755)	(7,102)	(373)	(23,230)
Net change in plan fiduciary net position	406,069	184,816	5,704	596,589
Plan fiduciary net position - beginning (b)	5,090,459	2,400,027	126,006	7,616,492
Plan fiduciary net position - ending (d)	\$ 5,496,528	\$ 2,584,843	\$ 131,710	\$ 8,213,081
Net pension liability - beginning (a) - (b)	2,163,315	1,024,850	68,941	3,257,106
Net pension liability - ending (c) - (d)	\$ 2,206,471	\$ 1,020,329	\$ 68,321	\$ 3,295,121

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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 06/30/2017	\$ 43,486	\$ 32,747	\$ 10,739	\$ 50,676	\$ 36,548	\$ 14,128	\$ 24,867
Balance at 06/30/2018	\$ 45,782	\$ 35,276	\$ 10,506	\$ 51,692	\$ 37,823	\$ 13,869	\$ 24,375
Net changes during 2017-18	\$ 2,296	\$ 2,529	\$ (233)	\$ 1,016	\$ 1,275	\$ (259)	\$ (492)

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	\$ 1,771,316	\$ 429,748	\$ 5,407	2,206,471
County Safety	1,020,329	-	-	1,020,329
Flood Control Miscellaneous	66,059	2,262	-	68,321
Park District Miscellaneous	10,506	-	-	10,506
Waste Resources Miscellaneous	-	13,869	-	13,869
Total:	<u>\$ 2,868,210</u>	<u>\$ 445,879</u>	<u>\$ 5,407</u>	<u>3,319,496</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	\$ 3,377,222	\$ 2,206,471	\$ 1,261,800
County Safety	1,575,168	1,020,329	570,276
Flood Control Miscellaneous	95,171	68,321	46,150
Park District Miscellaneous	16,876	10,506	5,248
Waste Resources Miscellaneous	22,278	13,869	6,928
Total:	<u>\$ 5,086,715</u>	<u>\$ 3,319,496</u>	<u>\$ 1,890,402</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, 2019

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 2017-18 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, 2018, the Park District and Waste Resources reported a liability of \$10.5 million and \$13.9 million, respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. 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, 2018, the Park District's and Waste Resources' proportions were 0.27877 percent and 0.36801 percent, respectively, which was an increase of 0.00634 percent and 0.00961 percent, respectively, from their proportion measured as of June 30, 2017.

For the year-ended June 30, 2019, the County recognized pension expense of \$628.9 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, 2019

NOTE 20 – RETIREMENT PLAN (Continued)

At June 30, 2019, 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	\$ 9,780	\$ 4,057	\$ 343	\$ 52	\$ 68		\$ 14,300
Difference between expected and actual experience	167,218	41,459	2,512	403	532		212,124
Change of assumptions	240,779	143,349	4,914	1,198	1,582		391,822
Adjustment due to differences in proportions	-	-	-	405	91		496
Sub-total	417,777	188,865	7,769	2,058	2,273		618,742
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	207,080	98,581	5,019	1,229	1,022		312,931
Total	\$ 624,857	\$ 287,446	\$ 12,788	\$ 3,287	\$ 3,295		\$ 931,673

\$312.9 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, 2020.

	Agent Multiple-Employer			Cost-Sharing Multiple-Employer			
	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous		Total
Deferred Inflows of Resources By Plan:							
Difference between projected and actual earnings on pension plan investments - investment earnings less than projected	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Difference between expected and actual experience	-	(12,376)	(651)	(137)	(182)		(13,346)
Change of assumptions	(53,076)	(31,520)	(741)	(293)	(387)		(86,017)
Adjustment due to differences in proportions	-	-	-	-	(281)		(281)
Difference in employer contributions and proportionate share of contributions	-	-	-	(255)	-		(255)
Total	\$ (53,076)	\$ (43,896)	\$ (1,392)	\$ (685)	\$ (850)		\$ (99,899)

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	\$ 800,439	\$ 129,093	\$ 2,141	\$ 931,673
Deferred Inflows of Resources	\$ (86,159)	\$ (13,290)	\$ (450)	\$ (99,899)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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
2020	\$ 228,151	\$ 64,340	\$ 5,985	\$ 1,145	\$ 1,338	\$ 300,959
2021	165,023	41,677	2,431	653	682	210,466
2022	(13,539)	15,666	(1,684)	(332)	(472)	(361)
2023	(14,934)	27,958	(355)	(93)	(125)	12,451
2024	-	(4,672)	-	-	-	(4,672)
Thereafter	-	-	-	-	-	-
	<u>\$ 364,701</u>	<u>\$ 144,969</u>	<u>\$ 6,377</u>	<u>\$ 1,373</u>	<u>\$ 1,423</u>	<u>\$ 518,843</u>

Payable to the Pension Plan

At June 30, 2019, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2019.

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 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. For the measurement date June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	289
Inactive employees entitled to but yet receiving benefits	7,482
Active employees	<u>1,509</u>
	<u>9,280</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 2018 valuation, the County's current required contribution rate is 1.53%. Overall, the Plan's Net Pension Liability decreased slightly 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 (9.66% actual compared to 6.0% assumed); 2) demographic experience was different than expected, which resulted in a liability loss; 3) mortality assumptions were updated to reflect the revised mortality table developed in the 2017 CalPERS Experience Study, with generational future improvement scale MP-2018, resulting in an increase in liabilities; and 4) other demographic assumptions were updated to reflect the new assumptions developed in the 2017 CalPERS Experience Study, resulting in a small increase in liabilities. The Plan's current funded ratio is 82.5%. 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, 2018, 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, 2018 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	2.50%
Salary Increases	2.75%
Payroll Growth	2.75%
Investment Rate of Return:	6.00%

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-2018. The mortality rates for inactive employees no longer accruing benefits are based on the most recent CalPERS mortality table developed in 2017 CalPERS Experience Study, with generational future improvement from 2008 using scale MP-2018.

The actuarial assumption used in the June 30, 2018 valuation was based on the results of an actuarial experience study for the period July 1, 2017 - June 30, 2018.

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	1.11%	2.6%	0.5%
Domestic Equity	49.04%	7.3%	15.5%
Developed International Equity	15.00%	7.8%	17.2%
Aggregate Fixed Income	34.85%	3.1%	4.7%

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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)
Measurement Period June 30, 2017	\$ 42,015	\$ 37,552	\$ 4,463
Changes of the year:			
Service cost	1,300	-	1,300
Interest cost	2,548	-	2,548
Differences between expected and actual experience	1,621	-	1,621
Change of assumptions	40	-	40
Contributions - employer	-	816	(816)
Contributions - employee	-	1,633	(1,633)
Net investment income (loss)	-	3,648	(3,648)
Benefit payments, including refunds of employee contributions	(1,726)	(1,726)	-
Administrative expense	-	(347)	347
Net changes	3,783	4,024	(241)
Measurement Period June 30, 2018	\$ 45,798	\$ 41,576	\$ 4,222

Change of assumptions. The salary increases and payroll growth were updated from 3.00% to 2.75%. The demographic assumptions were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study. The assumed mortality improvement scale was updated from MP-2017 to MP-2018.

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	\$ 11,645	\$ 4,222	\$ (1,965)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension plan fiduciary net position

Statement of Fiduciary Net Position June 30, 2019		Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended June 30, 2019	
<u>ASSETS</u>	<u>Pension Trust</u>	ADDITIONS:	
Cash and investments	\$ 43,404	Contributions to pension trust:	
Accounts receivable	161	Employer	\$ 831
Total assets	<u>43,565</u>	Employee	1,637
		Investment income	1,894
		Total additions	<u>4,362</u>
<u>LIABILITIES</u>		DEDUCTIONS:	
Accounts payable	-	Benefits paid to participants	2,175
Total liabilities	<u>-</u>	Administrative and other expenses	252
		Total deductions	<u>2,427</u>
<u>NET POSITION</u>		Net position, beginning of the year	41,630
Restricted for pension benefits	<u>\$ 43,565</u>	Net position, end of the year	<u>\$ 43,565</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 2017-18 measurement period is 8.07 years, which was obtained by dividing the total service years of 74,890 (the sum of remaining service lifetimes of the active employees) by 9,280 (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, 2019

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, 2019, the County recognized pension expense of \$756.0 thousand. At June 30, 2019, 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	\$ 4,317	\$ -
Changes of assumptions	1,596	(929)
Net difference between projected and actual earnings on pension plan investments	-	(1,317)
Sub-total	5,913	(2,246)
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	833	-
Total	<u>\$ 6,746</u>	<u>\$ (2,246)</u>

\$833.0 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, 2020.

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
2020	\$ 1,038
2021	653
2022	245
2023	578
2024	640
Thereafter	513
	<u>\$ 3,667</u>

Payable to the Pension Plan

At June 30, 2019, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2019.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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 postemployment 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. For the measurement date June 30, 2018, the following employees were covered by the benefit terms:

	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Inactive employees or beneficiaries currently receiving benefit payemnts	2,283	31	8	23
Inactive employees entitled to but not yet receiving benefit payments	-	-	-	-
Active employees	18,754	221	112	19
	<u>21,037</u>	<u>252</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, 2019

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	\$ 136.00	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	\$ 136.00	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, 2018, and the total OPEB (asset)/liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of July 1, 2018.

Actuarial assumptions. The total OPEB liability in the July 1, 2018 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	2.50%	2.50%	2.75%
Salary Increases	2.75%	2.75%	3.00%
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 7.5 percent, decreasing 0.4 percent per year to an ultimate rate of 5.0 percent for 2019 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.3 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2019 and later years.

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

Mortality rates are based on the most recent CalPERS mortality table developed in the 2017 CalPERS Experience study, with generational future improvements from 2008 using scale MP-2018.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of the 2017 CalPERS Experience Study.

The actuarial valuation for Park District Miscellaneous Plan is every two years. The actuarial assumptions in the most recent valuation as of July 1, 2017 were based on the results of an actuarial experience study period for the period of July 1, 2016 to June 30, 2017. The mortality rates were 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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	County			Long-Term Expected Real Rate of Return
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	
	Target Allocation Strategy 2	Target Allocation Strategy 3	Target Allocation Strategy 1	
Global Equity	40.0%	22.0%	57.0%	5.71%
Fixed Income	39.0%	49.0%	27.0%	2.40%
Treasury Inflation-Protected Securities	10.0%	16.0%	5.0%	2.55%
Real Estate Investment Trust	8.0%	8.0%	8.0%	7.88%
Commodities	3.0%	5.0%	3.0%	4.95%
Total	100.0%	100.0%	100.0%	

Discount rate. The discount rate used to measure the total OPEB liability was 6.73 percent (County Miscellaneous and Safety), 6.12 percent (Flood Control Miscellaneous), and 7.28 (Park District Miscellaneous). 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, 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.

Total OPEB Liability

The Waste Resources' total OPEB liability of \$598.0 thousand was measured as of June 30, 2018, and was determined by the most recent actuarial valuation as of July 1, 2017. The actuarial valuation is every two years.

Actuarial assumptions and other inputs. The total OPEB liability in the 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	3.00%
Discount rate	3.87%
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 July 1, 2018.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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 most recent actuarial valuation as of July 1, 2017 were based on the results of an actuarial experience study period for the period of July 1, 2016 to June 30, 2017.

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

	County			
Measurement Period June 30, 2018	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Total
Total OPEB liability				
Service cost	\$ 882	\$ 4	\$ 1	\$ 887
Interest on the total OPEB liability	3,445	30	10	3,485
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	4,061	13	-	4,074
Changes of assumptions	11,334	8	-	11,342
Benefit payments	(3,262)	(36)	(11)	(3,309)
Net change in total OPEB liability	16,460	19	-	16,479
Total OPEB liability - beginning (a)	51,918	517	140	52,575
Total OPEB liability - ending (c)	<u>\$ 68,378</u>	<u>\$ 536</u>	<u>\$ 140</u>	<u>\$ 69,054</u>
Plan fiduciary net position				
Contributions - employer	\$ 4,262	\$ 36	\$ -	\$ 4,298
Contributions - employee	-	-	-	-
Net investment income	2,342	26	26	2,394
Benefit payments	(3,262)	(36)	(11)	(3,309)
Administrative expense	(17)	-	-	(17)
Net change in plan fiduciary net position	3,325	26	15	3,366
Plan fiduciary net position - beginning (b)	36,779	546	333	37,658
Plan fiduciary net position - ending (d)	<u>\$ 40,104</u>	<u>\$ 572</u>	<u>\$ 348</u>	<u>\$ 41,024</u>
Net OPEB (asset)/liability - beginning (a) - (b)	15,139	(29)	(193)	14,917
Net OPEB (asset)/liability - ending (c) - (d)	<u>\$ 28,274</u>	<u>\$ (36)</u>	<u>\$ (208)</u>	<u>\$ 28,030</u>

The assumptions were changed from the prior valuation as follow:

For County Miscellaneous and Safety Plan: 1) Payroll increase was updated from an assumed annual increase of 3.00% to 2.75%. This reduction reflects CalPERS reduction in the inflation assumption from 2.75% to 2.50%, 2) Demographic assumptions (i.e., mortality rates, termination rates, retirement rates and disability rates) were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study, 3) Mortality improvement was updated from scale MP-2017 to scale MP-2018, 4) 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 5) The health plan participant rates were updated from 20% to 40% to reflect the more recent experience.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Flood Control Miscellaneous Plan: 1) Payroll increase was updated from an assumed annual increase of 3.00% to 2.75%. This reduction reflects CalPERS reduction in the inflation assumption from 2.75% to 2.50%, 2) Demographic assumptions (i.e., mortality rates, termination rates, retirement rates and disability rates) were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study, and 3) Mortality improvement was updated from scale MP-2017 to scale MP-2018.

There was no change in assumptions from the prior valuation for the Park District Miscellaneous Plan.

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

	Business-type Activities Waste Resources Miscellaneous
Measurement Period June 30, 2018	
Changes for the year:	
Service cost	\$ 2
Interest	22
Changes of benefit terms	-
Differences between expected and actual experience	(19)
Changes in assumptions or other inputs	-
Benefit payments	(37)
Net changes	(32)
Total OPEB liability - beginning	630
Total OPEB liability - ending	<u>\$ 598</u>

As of July 1, 2018, the discount rate was changed from 3.58 percent to 3.87 percent. All other information is based on the census data, actuarial assumption, and plan provisions used in the most recent actuarial valuation as of July 1, 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)	\$ (244)	\$ -	\$ (244)
Net OPEB Liability	\$ 23,981	\$ 4,293	\$ 28,274
Total OPEB Liability	\$ -	\$ 598	\$ 598

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:

	Net OPEB (Asset)/Liability		
	1% Decrease (5.73%)	Discount Rate (6.73%)	1% Increase (7.73%)
County Miscellaneous and Safety	\$ 38,244	\$ 28,274	\$ 20,241

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

	Net OPEB (Asset)/Liability		
	1% Decrease	Discount Rate	1% Increase
	(5.12%)	(6.12%)	(7.12%)
Flood Control Miscellaneous	\$ (23)	\$ (36)	\$ (85)

	Net OPEB (Asset)/Liability		
	1% Decrease	Discount Rate	1% Increase
	(6.28%)	(7.28%)	(8.28%)
Park District Miscellaneous	\$ (194)	\$ (208)	\$ (221)

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
	(2.87%)	(3.87%)	(4.87%)
Waste Resources Miscellaneous	\$ 667	\$ 598	\$ 539

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
	(6.5% decreasing to 4.0%)	(7.5% decreasing to 5.0%)	(8.5% decreasing to 6.0%)
County Miscellaneous and Safety (Pre Medicare Plan)	\$ 38,243	\$ 28,274	\$ 20,241

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(7.3% decreasing to 4.0%)	(8.3% decreasing to 5.0%)	(9.3% decreasing to 6.0%)
County Miscellaneous and Safety (Post Medicare Plan)	\$ 38,244	\$ 28,274	\$ 20,241

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Flood Control Miscellaneous*	\$ (36)	\$ (36)	\$ (36)
Park District Miscellaneous*	\$ (208)	\$ (208)	\$ (208)

*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, 2019

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	\$ 598	\$ 598	\$ 598

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, 2019, \$3.6 million was recognized as OPEB expense. At June 30, 2019, 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	\$ 8,212	\$ 25	\$ 18	\$ -	\$ 8,255
Difference between expected and actual earnings on OPEB plan investments	-	12	-	-	12
Changes of assumptions	12,645	7	-	-	12,652
Sub-total	20,857	44	18	-	20,919
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	3,623	-	-	2	3,625
Total	\$ 24,480	\$ 44	\$ 18	\$ 2	\$ 24,544

\$3.6 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, 2020.

	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	\$ -	\$ -	\$ -	\$ (41)	\$ (41)
Difference between expected and actual earnings on OPEB plan investments	(566)	-	(8)	-	(574)
Changes of assumptions	-	(2)	(2)	(29)	(33)
Total	\$ (566)	\$ (2)	\$ (10)	\$ (70)	\$ (648)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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	\$ 20,763	\$ 3,781	\$ 24,544
Deferred Inflows of Resources	\$ (500)	\$ (148)	\$ (648)

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
2020	\$ 2,384	\$ 8	\$ -	\$ (69)	\$ 2,323
2021	2,384	8	-	(1)	2,391
2022	2,384	8	-	-	2,392
2023	2,617	6	1	-	2,624
2024	2,584	4	2	-	2,590
Thereafter	7,938	8	5	-	7,951
Total	\$ 20,291	\$ 42	\$ 8	\$ (70)	\$ 20,271

Payable to the OPEB Plan

At June 30, 2019, there is no outstanding amount of contributions payable to the OPEB plan required for the year ended June 30, 2019.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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, 2018, indicated no items found of noncompliance with Federal grants and regulations. The fiscal year 2018-19 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2020.

Commitments

At June 30, 2019 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. \$152.7 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 Activities

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, 2019, the accrued remediation liability is \$1.9 million. 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.

Business-type Activities

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 \$34.7 million are held for these purposes at June 30, 2019 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 \$38.7 million as of June 30, 2019.

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, 2019

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, 2019, the post-closure liability is estimated at \$3.9 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, 2019, the encumbrance balances for the governmental funds are reported as follows (In thousands):

	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Total</u>
Major Governmental Funds				
General Fund:				
Criminal justice system review	\$ -	\$ -	\$ 64	\$ 64
Energy projects	-	-	302	302
Fire protection	-	-	2,451	2,451
Health care programs	-	-	109	109
Human resources	-	-	144	144
Public protection	-	-	133	133
Probation programs	-	-	4,662	4,662
Sheriff correction	-	-	939	939
Sheriff court services	-	-	22	22
Sheriff patrol	-	-	2,817	2,817
Sheriff support	-	-	837	837
Purchasing projects	-	-	145	145
Facilities maintenance	-	-	445	445
Transportation:				
Roads	1,072	-	-	1,072
Construction projects	101	-	-	101
Equipment	1,988	-	-	1,988
Capital Projects Funds:				
Public Facilities projects	-	-	117	117
Nonmajor Governmental Funds				
Special Revenue Funds:				
Community Svcs	170	-	-	170
Parks projects	-	14	-	14
Capital Projects Funds:				
Parks projects	74	-	-	74
Total Encumbrances	\$ 3,405	\$ 14	\$ 13,187	\$ 16,606

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 24 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANs)

On July 1, 2019, the County issued \$340.0 million in Tax and Revenue Anticipation Notes in the form of a 2020 Maturity bond due June 30, 2020. The stated interest rate for the bond is set at 5.0% per annum with a yield of 1.3%. 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 2020 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2020 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

In October 2019, 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 Asset Leasing Corporation certificates of participation (Series 2009, 2009A and lease revenue bonds (LRBs), Series 2013A, 2014 A and B) 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 and federal 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 65.0% of the fiscal 2019 budget. Discretionary revenues (i.e., excluding state and federal funds) comprise about 24.0% of the County's fiscal 2019 total general fund revenues and are primarily generated by property taxes.

Growth in total general fund revenues has been generally above inflation but below U.S. economic performance. Property tax revenue has increased each of the last six years, with assessed value increasing 6.3% in fiscal 2019. The County estimates fiscal year 2020 general fund discretionary revenues will increase approximately 4.7% over the prior year.

The County has moderate capacity to independently raise revenues relative to its expected revenue volatility. Proposition 13 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 about three-quarters of discretionary spending, public assistance at 6.0%, and health and sanitation at 3.0%.

The County's fixed-costs burden is moderate with carrying costs for debt, pensions, and retiree healthcare accounting for 12.0% of fiscal year 2018 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, 2019

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 imposed contract terms on one of those bargaining units in October 2017 and imposed the terms of its last best and final offer on another unit in December 2018. Additionally, in March 2019, the County settled with the third bargaining unit with terms generally favorable to the County, reducing the number of step increases to one from two and for a lower total compensation increase than requested. According to the County, the primary negotiation issues relate to merit increases. The County has the ability to ultimately impose terms and contracts that 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 settled inmate class action lawsuit at about \$40.0 million per year. This amount is about 5.0% of fiscal year 2020 budgeted general fund discretionary revenues of \$837.0 million and 1.0% of the general fund budget of \$3.5 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 2018 was \$270.0 million, or 8.8% 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 year 2020 budget, the County made targeted reductions of about 2.5% of expenditures funded by discretionary County revenue. The County expects fiscal year 2019 results to show a draw of about \$22.0 million from unrestricted balance on a budget basis. The estimated reserve balance at the end of fiscal year 2019 is above the board policy reserve target of 25.0% of discretionary revenue. Spending restraint will be required given budget pressures, including rising pension contributions, costs associated with opening a new jail facility later in the year and the unexpected costs noted above.

Teeter Obligation Notes, Series A

On October 23, 2019, the County issued \$84.1 million in 2019 Teeter Obligation Notes, Series A (Tax-Exempt) to refund a portion of the outstanding 2018 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 2019 Notes bear an interest rate of 1.4% for 2019 Teeter Obligation Note, Series A and a maturity date of October 22, 2020, 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 2019-20 will be 21.6% and 37.4%, respectively. Fiscal year 2020-21 contribution rates for miscellaneous and safety are estimated at 24.5% and 43.0%, respectively. They will be accounted for in fiscal year 2019-20 and future budget years.

Riverside County Asset Leasing Corporation Lease Revenue Bonds

In September 26, 2019, CORAL issued \$12.9 million in taxable lease revenue refunding bonds, Taxable Lease Revenue Refunding Bonds, 2019 Series A. The 2019 Series A Bonds are being issued for the purpose of (i) refunding a portion of the outstanding 2013 Series A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) Bonds and (ii) pay the cost incurred in connection with the issuance of the bonds.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Total pension liability					
Service cost	\$ 215,186	\$ 211,842	\$ 175,662	\$ 162,257	\$ 158,164
Interest on total pension liability	532,726	501,855	457,630	418,860	377,221
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	51,597	151,001	141,472	15,756	-
Changes of assumptions	(58,382)	450,226	-	(109,320)	-
Benefit payments, including refunds of employee contributions	(291,902)	(259,302)	(234,668)	(217,701)	(195,420)
Net change in total pension liability	<u>449,225</u>	<u>1,055,622</u>	<u>540,096</u>	<u>269,852</u>	<u>339,965</u>
Total pension liability - beginning	<u>7,253,774</u>	<u>6,198,152</u>	<u>5,658,056</u>	<u>5,388,204</u>	<u>5,048,239</u>
Total pension liability - ending (a)	<u>\$ 7,702,999</u>	<u>\$ 7,253,774</u>	<u>\$ 6,198,152</u>	<u>\$ 5,658,056</u>	<u>\$ 5,388,204</u>
Plan fiduciary net position					
Contributions - employer	\$ 185,512	\$ 164,307	\$ 157,639	\$ 98,867	\$ 134,673
Contributions - employee	87,471	87,201	82,884	76,078	69,872
Net investment income	449,040	540,579	24,832	104,069	666,911
Benefit payments, including refunds of employee contributions	(291,902)	(259,302)	(234,668)	(217,701)	(195,420)
Administrative expense	(8,297)	(7,122)	(2,894)	(5,345)	-
Other miscellaneous expense	(15,755)	-	-	-	-
Net change in plan fiduciary net position	<u>406,069</u>	<u>525,663</u>	<u>27,793</u>	<u>55,968</u>	<u>676,036</u>
Plan fiduciary net position - beginning	<u>5,090,459</u>	<u>4,564,796</u>	<u>4,537,003</u>	<u>4,481,035</u>	<u>3,804,999</u>
Plan fiduciary net position - ending (b)	<u>\$ 5,496,528</u>	<u>\$ 5,090,459</u>	<u>\$ 4,564,796</u>	<u>\$ 4,537,003</u>	<u>\$ 4,481,035</u>
Plan's net pension liability - ending (a) - (b)	<u>\$ 2,206,471</u>	<u>\$ 2,163,315</u>	<u>\$ 1,633,356</u>	<u>\$ 1,121,053</u>	<u>\$ 907,169</u>
Plan fiduciary net position as a percentage of the total pension liability	71.4%	70.2%	73.6%	80.2%	83.2%
Covered payroll ⁽²⁾	\$ 1,068,222	\$ 1,056,636	\$ 1,010,690	\$ 909,644	\$ 842,865
Plan's net pension liability as a percentage of covered payroll	206.6%	204.7%	161.6%	123.2%	107.6%

⁽¹⁾ 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.

⁽²⁾ 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, 2019

**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	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Total pension liability					
Service cost	\$ 99,309	\$ 101,987	\$ 86,039	\$ 80,457	\$ 77,706
Interest on total pension liability	241,592	229,003	212,548	195,332	181,393
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(14,902)	13,324	47,893	22,825	-
Changes of assumptions	(15,727)	215,024	-	(53,617)	-
Benefit payments, including refunds of employee contributions	(129,977)	(115,929)	(105,002)	(97,869)	(91,921)
Net change in total pension liability	180,295	443,409	241,478	147,128	167,178
Total pension liability - beginning	3,424,877	2,981,468	2,739,990	2,592,862	2,425,684
Total pension liability - ending (a)	\$ 3,605,172	\$ 3,424,877	\$ 2,981,468	\$ 2,739,990	\$ 2,592,862
Plan fiduciary net position					
Contributions - employer	92,283	\$ 85,091	\$ 76,363	\$ 65,364	\$ 72,947
Contributions - employee	30,586	33,623	32,073	30,313	28,396
Net investment income	202,786	243,597	10,790	46,730	312,502
Benefit payments, including refunds of employee contributions	(129,977)	(115,929)	(105,002)	(97,869)	(91,921)
Administrative expense	(3,760)	(3,184)	(1,306)	(2,398)	-
Other miscellaneous expense	(7,102)	-	-	-	-
Net change in plan fiduciary net position	184,816	243,198	12,918	42,140	321,924
Plan fiduciary net position - beginning	2,400,027	2,156,829	2,143,911	2,101,771	1,779,847
Plan fiduciary net position - ending (b)	\$ 2,584,843	\$ 2,400,027	\$ 2,156,829	\$ 2,143,911	\$ 2,101,771
Plan's net pension liability - ending (a) - (b)	\$ 1,020,329	\$ 1,024,850	\$ 824,639	\$ 596,079	\$ 491,091
Plan fiduciary net position as a percentage of the total pension liability	71.7%	70.1%	72.3%	78.2%	81.1%
Covered payroll ⁽²⁾	\$ 322,749	\$ 340,897	\$ 341,419	\$ 320,550	\$ 279,508
Plan's net pension liability as a percentage of covered payroll	316.1%	300.6%	241.5%	186.0%	175.7%

⁽¹⁾ 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.

⁽²⁾ 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, 2019

**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	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Total pension liability					
Service cost	\$ 3,239	\$ 3,196	\$ 2,736	\$ 2,606	\$ 2,659
Interest on total pension liability	13,568	13,182	12,356	11,562	10,889
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(883)	4,317	3,136	1,641	-
Changes of assumptions	(1,005)	11,057	-	(2,831)	-
Benefit payments, including refunds of employee contributions	(9,835)	(8,387)	(7,290)	(6,729)	(6,007)
Net change in total pension liability	5,084	23,365	10,938	6,249	7,541
Total pension liability - beginning	194,947	171,582	160,644	154,395	146,854
Total pension liability - ending (a)	\$ 200,031	\$ 194,947	\$ 171,582	\$ 160,644	\$ 154,395
Plan fiduciary net position					
Contributions - employer	\$ 4,253	\$ 3,899	\$ 3,445	\$ 2,918	\$ 2,793
Contributions - employee	1,269	1,343	1,356	1,276	1,394
Net investment income	10,586	12,842	666	2,660	17,670
Benefit payments, including refunds of employee contributions	(9,835)	(8,387)	(7,290)	(6,729)	(6,007)
Administrative expense	(196)	(171)	(73)	(133)	-
Other miscellaneous expense	(373)	-	-	-	-
Net change in plan fiduciary net position	5,704	9,526	(1,896)	(8)	15,850
Plan fiduciary net position - beginning	126,006	116,480	118,376	118,384	102,534
Plan fiduciary net position - ending (b)	\$ 131,710	\$ 126,006	\$ 116,480	\$ 118,376	\$ 118,384
Plan's net pension liability - ending (a) - (b)	\$ 68,321	\$ 68,941	\$ 55,102	\$ 42,268	\$ 36,011
Plan fiduciary net position as a percentage of the total pension liability	65.8%	64.6%	67.9%	73.7%	76.7%
Covered payroll ⁽²⁾	\$ 17,581	\$ 17,428	\$ 16,643	\$ 15,838	\$ 15,385
Plan's net pension liability as a percentage of covered payroll	388.6%	395.6%	331.1%	266.9%	234.1%

⁽¹⁾ 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.

⁽²⁾ 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: The demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous, Agent Multiple Employer Plan

Fiscal year	2018-19*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 224,862	\$ 184,572	\$ 160,437	\$ 143,300	\$ 126,838
Contributions in relation to the actuarially determined contribution	(207,080)	(182,070)	(178,196)	(159,154)	(132,619)
Contribution deficiency (excess)	<u>\$ 17,782</u>	<u>\$ 2,503</u>	<u>\$ (17,759)</u>	<u>\$ (15,854)</u>	<u>\$ (5,781)</u>
Covered payroll **	\$ 1,144,873	\$ 1,068,222	\$ 1,056,636	\$ 1,010,690	\$ 909,644
Contributions as a percentage of covered payroll	18.1%	17.0%	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

Fiscal year	2018-19*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 117,149	\$ 98,314	\$ 85,699	\$ 69,936	\$ 62,624
Contributions in relation to the actuarially determined contribution	(98,581)	(91,224)	(91,330)	(83,166)	(71,228)
Contribution deficiency (excess)	<u>\$ 18,568</u>	<u>\$ 7,090</u>	<u>\$ (5,631)</u>	<u>\$ (13,230)</u>	<u>\$ (8,604)</u>
Covered payroll **	\$ 300,890	\$ 322,749	\$ 340,897	\$ 341,419	\$ 320,550
Contributions as a percentage of covered payroll	32.8%	28.3%	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, 2019

SCHEDULE OF PLAN CONTRIBUTIONS (Continued)
(Dollar amounts in thousands)

Flood Control Miscellaneous, Agent Multiple Employer Plan

Fiscal year	2017-18*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 5,019	\$ 4,252	\$ 3,896	\$ 3,442	\$ 2,918
Contributions in relation to the actuarially determined contribution	(5,019)	(4,252)	(3,896)	(3,442)	(2,918)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 18,108	\$ 17,581	\$ 17,428	\$ 16,643	\$ 15,838
Contributions as a percentage of covered payroll	27.7%	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 2018-19 were derived from the June 30, 2017 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	2.50%	2.50%	2.50%
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 December 2017 CalPERS Experience Study for the period from 1997 to 2015.

The Mortality is based on the December 2017 CalPERS Experience Study for the period from 1997 to 2015. The mortality table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. More details on this table are available in the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015).

* Net of pension plan investment and administrative expenses; includes inflation.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

**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

Measurement Period	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Employer's proportion of the net pension liability (asset)	0.27877%	0.27243%	0.26345%	0.25620%	0.09946%
Employer's proportionate share of the net pension liability (asset) \$	10,506	\$ 10,739	\$ 9,151	\$ 7,029	\$ 6,189
Employer's covered payroll ⁽²⁾ \$	5,415	\$ 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	194.0%	173.2%	134.8%	121.2%	124.0%
Pension plan's fiduciary net position as a percentage of the total pension liability	77.1%	75.3%	75.9%	80.2%	81.8%

⁽¹⁾ 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.

⁽²⁾ 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

Measurement Period	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Employer's proportion of the net pension liability (asset)	0.36801%	0.35839%	0.35378%	0.35266%	0.13583%
Employer's proportionate share of the net pension liability (asset) \$	13,869	\$ 14,128	\$ 12,290	\$ 9,675	\$ 8,452
Employer's covered payroll ⁽²⁾ \$	1,816	\$ 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	763.7%	713.2%	525.4%	421.0%	274.2%
Pension plan's fiduciary net position as a percentage of the total pension liability	73.2%	72.1%	72.9%	77.4%	79.8%

⁽¹⁾ 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.

⁽²⁾ 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, 2019

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Park District Miscellaneous, Cost Sharing Multiple Employer Plan

Fiscal year	2018-19*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 1,229	\$ 1,094	\$ 1,094	\$ 1,062	\$ 950
Contributions in relation to the actuarially determined contribution	(1,229)	(1,094)	(1,094)	(1,062)	(950)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll**	\$ 5,439	\$ 5,415	\$ 6,201	\$ 6,791	\$ 5,799
Contributions as a percentage of covered payroll	22.6%	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

Fiscal year	2018-19*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 1,166	\$ 1,020	\$ 905	\$ 863	\$ 623
Contributions in relation to the actuarially determined contribution	(1,022)	(900)	(832)	(411)	(189)
Contribution deficiency (excess)	<u>\$ 144</u>	<u>\$ 120</u>	<u>\$ 73</u>	<u>\$ 452</u>	<u>\$ 434</u>
Covered payroll**	1,615	\$ 1,816	\$ 1,981	\$ 2,339	\$ 2,298
Contributions as a percentage of covered payroll	63.3%	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: The demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

**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	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Total pension liability					
Service cost	\$ 1,300	\$ 1,914	\$ 1,718	\$ 1,512	\$ 1,557
Interest cost	2,548	2,358	2,186	1,983	1,800
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,621	1,457	1,524	795	1,146
Changes of assumptions	40	(746)	(594)	2,939	-
Benefit payments, including refunds of employee contributions	(1,726)	(1,757)	(1,507)	(1,511)	(1,762)
Net change in total pension liability	3,783	3,226	3,327	5,718	2,741
Total pension liability - beginning	42,015	38,789	35,462	29,744	27,003
Total pension liability - ending (a)	\$ 45,798	\$ 42,015	\$ 38,789	\$ 35,462	\$ 29,744
Plan fiduciary net position					
Contributions - employer	\$ 816	\$ 1,341	\$ 668	\$ 607	\$ 956
Contributions - employee	1,633	1,674	1,399	1,267	1,394
Net investment income (expense)	3,648	4,289	(117)	131	4,437
Benefit payments, including refunds of employee contributions	(1,726)	(1,757)	(1,507)	(1,511)	(1,762)
Administrative expense	(347)	(128)	(189)	(217)	(228)
Other	-	-	-	-	-
Net change in plan fiduciary net position	4,024	5,419	254	277	4,797
Plan fiduciary net position - beginning	37,552	32,133	31,879	31,602	26,805
Plan fiduciary net position - ending (b)	\$ 41,576	\$ 37,552	\$ 32,133	\$ 31,879	\$ 31,602
Net pension liability (asset) - ending (a) - (b)	\$ 4,222	\$ 4,463	\$ 6,656	\$ 3,583	\$ (1,858)
Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a)	90.8%	89.4%	82.8%	89.9%	106.2%
Covered payroll ⁽²⁾	\$ 43,357	\$ 44,525	\$ 39,761	\$ 32,963	\$ 29,517
Net pension liability (asset) as a percentage of covered payroll	9.7%	10.0%	16.7%	10.9%	6.3%

⁽¹⁾ 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.

⁽²⁾ 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:

Change of assumptions. The salary increases and payroll growth were updated from 3.00% to 2.75%. The demographic assumptions were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study. The assumed mortality improvement scale was updated from MP-2017 to MP-2018.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Riverside County – Part-time and Temporary Help Retirement

Fiscal Year	2018-19*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 475	\$ 657	\$ 727	\$ 122	\$ 252
Contributions in relation to the actuarially determined contribution	(833)	(773)	(1,365)	(639)	(529)
Contribution deficiency (excess)	<u>\$ (358)</u>	<u>\$ (116)</u>	<u>\$ (638)</u>	<u>\$ (517)</u>	<u>\$ (277)</u>
Covered payroll **	\$ 43,593	\$ 43,357	\$ 44,525	\$ 39,761	\$ 32,963
Contributions as a percentage of covered payroll	1.9%	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, 2018
Methods and assumptions used to determine contribution rates:
Actuarial cost method: Entry Age Normal
Amortization method: Level Percentage of Payroll
Remaining amortization period: 20 –year Amortization of Unfunded Liability, plus Normal Cost, less expected Employee Contributions
Asset valuation method: Market Value
Inflation: 2.50%
Salary increases: 2.75%
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-2018.
Full-time Actives (no longer accruing benefits)
Mortality rates are based on the most recent CalPERS mortality table developed in the 2017 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2018.

Age	30	40	50	60	70	80	90
Male	0.04%	0.07%	0.14%	0.71%	1.50%	4.64%	14.84%
Female	0.02%	0.04%	0.09%	0.50%	1.07%	3.44%	11.27%

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)

County Miscellaneous and Safety, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total OPEB liability		
Service cost	\$ 882	\$ 700
Interest cost	3,445	3,010
Changes of benefit terms	-	-
Differences between expected and actual experiences	4,061	5,814
Changes of assumptions	11,334	3,186
Benefit payments	(3,262)	(2,841)
Net change in total OPEB liability	16,460	9,869
Total OPEB liability - beginning	51,918	42,049
Total OPEB liability - ending (a)	\$ 68,378	\$ 51,918
Plan fiduciary net position		
Contributions - employer	\$ 4,262	\$ 1,909
Contributions - employee	-	-
Net investment income	2,342	3,612
Benefit payments	(3,262)	(2,841)
Administrative expense	(17)	(17)
Net change in plan fiduciary net position	3,325	2,663
Plan fiduciary net position - beginning	36,779	34,116
Plan fiduciary net position - ending (b)	\$ 40,104	\$ 36,779
County's net OPEB liability - ending (a) - (b)	\$ 28,274	\$ 15,139
Plan fiduciary net position as a percentage of the total OPEB liability	58.7%	70.8%
Covered payroll ⁽²⁾	\$ 1,390,971	\$ 1,382,037
County's net OPEB liability as a percentage of covered payroll	2.0%	1.1%

⁽¹⁾ 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 participation rates for health plan participants were updated from 20% to 40% to reflect the more recent experience. Demographic assumptions were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study. The mortality improvement was updated from scale MP-2017 to scale MP-2018. 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.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)

Flood Control Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total OPEB liability		
Service cost	\$ 4	\$ 4
Interest cost	30	30
Changes of benefit terms	-	-
Differences between expected and actual experiences	13	19
Changes of assumptions	8	(2)
Benefit payments	(36)	(32)
Net change in total OPEB liability	<u>19</u>	<u>19</u>
Total OPEB liability - beginning	<u>517</u>	<u>498</u>
Total OPEB liability - ending (a)	<u><u>\$ 536</u></u>	<u><u>\$ 517</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 36	\$ -
Contributions - employee	-	-
Net investment income	26	23
Benefit payments	(36)	(32)
Administrative expense	-	-
Net change in plan fiduciary net position	<u>26</u>	<u>(9)</u>
Plan fiduciary net position - beginning	<u>546</u>	<u>555</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 572</u></u>	<u><u>\$ 546</u></u>
District's net OPEB liability - ending (a) - (b)	<u><u>\$ (36)</u></u>	<u><u>\$ (29)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	106.7%	105.6%
Covered payroll ⁽²⁾	\$ 17,354	\$ 17,545
District's net OPEB liability as a percentage of covered payroll	-0.2%	-0.2%

⁽¹⁾ 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 payroll increase was updated from an assumed annual increase of 3.00% to 2.75%. This reduction reflects CalPERS reduction in the inflation assumption from 2.75% to 2.50%. The demographic assumptions (i.e., mortality rates, termination rates, retirement rates and disability rates) were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study. The mortality improvement was updated from scale MP-2017 to scale MP-2018.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)

Park District Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total OPEB liability		
Service cost	\$ 1	\$ 3
Interest cost	10	8
Changes of benefit terms	-	-
Differences between expected and actual experiences	-	23
Changes of assumptions	-	(2)
Benefit payments	(11)	(8)
Net change in total OPEB liability	-	24
Total OPEB liability - beginning	140	116
Total OPEB liability - ending (a)	\$ 140	\$ 140
Plan fiduciary net position		
Contributions - employer	\$ -	\$ -
Contributions - employee	-	-
Net investment income	26	33
Benefit payments	(11)	(8)
Administrative expense	-	-
Net change in plan fiduciary net position	15	25
Plan fiduciary net position - beginning	333	308
Plan fiduciary net position - ending (b)	\$ 348	\$ 333
District's net OPEB liability - ending (a) - (b)	\$ (208)	\$ (193)
Plan fiduciary net position as a percentage of the total OPEB liability	248.6%	237.9%
Covered payroll ⁽²⁾	\$ 5,683	\$ 6,201
District's net OPEB liability as a percentage of covered payroll	-3.7%	-3.1%

⁽¹⁾ 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: There was no change in assumptions from the prior valuation.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous and Safety, Agent Multiple Employer Plan Administered Through Trusts

Fiscal year	2018-19*	2017-18*
Actuarially determined contribution	\$ 2,141	\$ 1,288
Contributions in relation to the actuarially determined contribution	(3,469)	(3,457)
Contribution deficiency (excess)	<u>\$ (1,328)</u>	<u>\$ (2,169)</u>
Covered payroll	\$ 1,445,763	\$ 1,390,971
Contributions as a percentage of covered payroll	0.2%	0.2%

* 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.

Flood Control Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Fiscal year	2018-19*	2017-18*
Actuarially determined contribution ⁽¹⁾	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	(36)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (36)</u>
Covered payroll	\$ 17,831	\$ 17,354
Contributions as a percentage of covered payroll	0.0%	0.2%

⁽¹⁾ No actuarially determined contribution 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.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS (Continued)
(Dollar amounts in thousands)

Park District Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Fiscal year	2018-19*	2017-18*
Actuarially determined contribution ⁽¹⁾	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 5,853	\$ 5,683
Contributions as a percentage of covered payroll	0.0%	0.0%

⁽¹⁾ No actuarially determined contribution 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. The actuarial valuation for Park District Miscellaneous plan is every two years and the actuarially determined contribution rates are calculated as of June 30.

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	2.50%	2.50%	2.75%
Salary increases	2.75%	2.75%	3.00%
Investment rate of return	6.73%	6.12%	7.28%

For County and Safety Miscellaneous and Flood Control Miscellaneous plans, the retirement rates were developed in the 2017 CalPERS Experience Study and the mortality rate was based on the most recent CalPERS mortality table developed in the 2017 CalPERS Experience Study with generational future improvements from 2008 using scale MP-2018. For Park District Miscellaneous plan, the retirement rates were developed in the 1997-2011 CalPERS Experience Study and the mortality rate is 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.

Healthcare cost trend rates: For County Misc. and Safety Plans, the healthcare cost trend rate for the Pre Medicare Plan was 7.5 percent, decreasing 0.4 percent per year to an ultimate rate of 5.0 percent for 2019 and later years. The

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

healthcare cost trend rate for the Post Medicare Plan was 8.3 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2019 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)

Waste Resources Miscellaneous, Agent Multiple Employer Plan Not Administered Through Trusts

Measurement Period	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total OPEB liability		
Service cost	\$ 2	\$ 4
Interest cost	22	25
Changes of benefit terms	-	-
Differences between expected and actual experiences	(19)	(183)
Changes of assumptions	-	(81)
Benefit payments	(37)	(40)
Net change in total OPEB liability	(32)	(275)
Total OPEB liability - beginning	630	905
Total OPEB liability - ending	\$ 598	\$ 630
 Covered payroll	 \$ 1,816	 \$ 1,931
 Total OPEB liability as a percentage of covered payroll	 32.9%	 32.6%

⁽¹⁾ 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.

As of July 1, 2018, the discount rate was changed from 3.58 percent to 3.87 percent. All other information is based on the census data, actuarial assumption, and plan provisions used in the most recent actuarial valuation as of July 1, 2017.

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Waste Resources Miscellaneous, Agent Multiple Employer Plan Not Administered Through Trusts

Fiscal year	2018-19*	2017-18*
Actuarially determined contribution ⁽¹⁾	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-
Contribution deficiency (excess)	\$ -	\$ -
 Covered payroll	 \$ 1,615	 \$ 1,816
 Contributions as a percentage of covered payroll	 0.0%	 0.0%

⁽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.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS (Continued)
(Dollar amounts in thousands)

* 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 actuarial valuation is every two years. The total OPEB liability was measured as of June 30, 2018 and determined by the most recent actuarial valuation as of July 1, 2017, based on the following methods and assumptions:

	Waste Resources Miscellaneous
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll
Amortization 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	3.87%
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

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, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 663	\$ 663
Other revenue	2,742	1,299	-	(1,299)
Total revenues	2,742	1,299	663	(636)
EXPENDITURES:				
Current:				
General government	860	455	-	(455)
Debt service:				
Interest	1,443	1,443	1,443	-
Cost of issuance	439	405	224	(181)
Capital outlay	-	-	-	-
Total expenditures	2,742	2,303	1,667	(636)
Excess (deficiency) of revenues over (under) expenditures	-	(1,004)	(1,004)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,443	1,443	-
Transfers out	-	(439)	(439)	-
Total other financing sources (uses)	-	1,004	1,004	-
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, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	\$ 737	\$ 737	\$ 4,690	\$ 3,953
Rents and concessions	360	360	368	8
Aid from other governmental agencies:				
State	-	-	15,432	15,432
Other	34,616	34,616	35,208	592
Charges for services	85,679	77,425	22,071	(55,354)
Other revenue	6,796	1,673	1,100	(573)
Total revenues	<u>128,188</u>	<u>114,811</u>	<u>78,869</u>	<u>(35,942)</u>
EXPENDITURES:				
Current:				
General government	121,384	132,441	62,731	(69,710)
Public ways and facilities	9,785	5,156	457	(4,699)
Interest	-	-	66	66
Total expenditures	<u>131,169</u>	<u>137,597</u>	<u>63,254</u>	<u>(74,343)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,981)</u>	<u>(22,786)</u>	<u>15,615</u>	<u>38,401</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	15,900	15,900	-
Transfers out	-	(46,748)	(46,748)	-
Total other financing sources (uses)	<u>-</u>	<u>(30,848)</u>	<u>(30,848)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(2,981)</u>	<u>(53,634)</u>	<u>(15,233)</u>	<u>38,401</u>
Fund balance, beginning of year	188,377	188,377	180,049	(8,328)
FUND BALANCE, END OF YEAR	<u>\$ 185,396</u>	<u>\$ 134,743</u>	<u>\$ 164,816</u>	<u>\$ 30,073</u>

NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF RIVERSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Assets:					
Cash and investments	\$ 120,859	\$ 1	\$ 7,897	\$ 875	\$ 129,632
Accounts receivable	514	2,348	-	-	2,862
Interest receivable	307	100	88	4	499
Taxes receivable	1,474	-	-	-	1,474
Due from other governments	10,182	-	904	-	11,086
Due from other funds	90	200	-	-	290
Prepaid items and deposits	12	-	1,589	-	1,601
Restricted cash and investments	-	33,359	11,546	-	44,905
Total assets	133,438	36,008	22,024	879	192,349
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 133,438	\$ 36,008	\$ 22,024	\$ 879	\$ 192,349
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 8,891	\$ -	\$ 1,007	\$ -	\$ 9,898
Salaries and benefits payable	3,040	-	133	-	3,173
Due to other governments	64	-	-	-	64
Due to other funds	34	200	1,010	-	1,244
Interest payable	4	-	-	-	4
Deposits payable	497	-	-	-	497
Advances from grantors and third parties	11,528	-	-	-	11,528
Total liabilities	24,058	200	2,150	-	26,408
Deferred inflows of resources	5	-	-	-	5
Fund balances:					
Nonspendable	56	-	462	802	1,320
Restricted	98,529	31,576	16,549	77	146,731
Committed	6,492	-	-	-	6,492
Assigned	4,298	4,232	2,863	-	11,393
Total fund balances	109,375	35,808	19,874	879	165,936
Total liabilities, deferred inflows of resources, and fund balances	\$ 133,438	\$ 36,008	\$ 22,024	\$ 879	\$ 192,349

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES:					
Taxes	\$ 75,417	\$ -	\$ -	\$ -	\$ 75,417
Licenses, permits and franchise fees	759	-	-	-	759
Fines, forfeitures and penalties	969	-	-	-	969
Use of money and property:					
Investment earnings	1,866	1,894	448	24	4,232
Rents and concessions	8,650	4,176	286	-	13,112
Aid from other governmental agencies:					
Federal	59,314	-	-	-	59,314
State	7,992	-	1,431	-	9,423
Other	26,013	-	-	-	26,013
Charges for services	35,322	2,980	1,815	102	40,219
Other revenue	5,617	12,463	-	-	18,080
Total revenues	<u>221,919</u>	<u>21,513</u>	<u>3,980</u>	<u>126</u>	<u>247,538</u>
EXPENDITURES:					
Current:					
General government	21,937	13,658	118	-	35,713
Public protection	8,315	-	-	-	8,315
Public ways and facilities	17,178	-	-	-	17,178
Health and sanitation	2,222	-	-	-	2,222
Public assistance	61,619	-	-	-	61,619
Education	24,467	-	-	-	24,467
Recreation and cultural services	14,683	-	5,663	-	20,346
Debt service:					
Principal	-	60,946	-	-	60,946
Interest	-	52,071	-	-	52,071
Cost of issuance	-	1,724	-	-	1,724
Capital outlay	-	-	4,612	-	4,612
Total expenditures	<u>150,421</u>	<u>128,399</u>	<u>10,393</u>	<u>-</u>	<u>289,213</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71,498</u>	<u>(106,886)</u>	<u>(6,413)</u>	<u>126</u>	<u>(41,675)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	25,406	104,744	4,691	-	134,841
Transfers out	(100,376)	(38)	(4,440)	-	(104,854)
Issuance of refunding bonds	-	100,000	-	-	100,000
Redemption of bonds	-	(110,835)	-	-	(110,835)
Total other financing sources (uses)	<u>(74,970)</u>	<u>93,871</u>	<u>251</u>	<u>-</u>	<u>19,152</u>
NET CHANGE IN FUND BALANCES	(3,472)	(13,015)	(6,162)	126	(22,523)
Fund balances, beginning of year	112,847	48,823	26,036	753	188,459
FUND BALANCES, END OF YEAR	<u>\$ 109,375</u>	<u>\$ 35,808</u>	<u>\$ 19,874</u>	<u>\$ 879</u>	<u>\$ 165,936</u>

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, 2019

(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Cash and investments	\$ 62,366	\$ 25,196	\$ 11,554	\$ 436
Accounts receivable	314	-	166	-
Interest receivable	77	111	49	2
Taxes receivable	1,109	248	99	-
Due from other governments	7,950	-	150	137
Due from other funds	71	-	19	-
Prepaid items and deposits	12	-	-	-
Advances to other funds	-	-	-	-
Total assets	<u>71,899</u>	<u>25,555</u>	<u>12,037</u>	<u>575</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 71,899</u>	<u>\$ 25,555</u>	<u>\$ 12,037</u>	<u>\$ 575</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 6,892	\$ 415	\$ 633	\$ 14
Salaries and benefits payable	1,621	208	519	-
Due to other governments	44	-	6	13
Due to other funds	14	-	-	-
Interest payable	-	-	-	-
Deposits payable	-	63	-	-
Advances from grantors and third parties	10,873	-	634	-
Total liabilities	<u>19,444</u>	<u>686</u>	<u>1,792</u>	<u>27</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Nonspendable	33	1	10	-
Restricted	50,885	24,861	4,687	548
Committed	93	-	5,548	-
Assigned	1,444	7	-	-
Total fund balances	<u>52,455</u>	<u>24,869</u>	<u>10,245</u>	<u>548</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 71,899</u>	<u>\$ 25,555</u>	<u>\$ 12,037</u>	<u>\$ 575</u>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ 309	\$ 1,035	\$ 19,963	\$ 120,859	Cash and investments
-	-	34	514	Accounts receivable
-	5	63	307	Interest receivable
-	5	13	1,474	Taxes receivable
1,506	-	439	10,182	Due from other governments
-	-	-	90	Due from other funds
-	-	-	12	Prepaid items and deposits
-	-	-	-	Advances to other funds
1,815	1,045	20,512	133,438	Total assets
-	-	-	-	Deferred outflows of resources
\$ 1,815	\$ 1,045	\$ 20,512	\$ 133,438	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 4	\$ 26	\$ 907	\$ 8,891	Accounts payable
266	-	426	3,040	Salaries and benefits payable
-	-	1	64	Due to other governments
-	-	20	34	Due to other funds
4	-	-	4	Interest payable
-	434	-	497	Deposits payable
-	-	21	11,528	Advances from grantors and third parties
274	460	1,375	24,058	Total liabilities
-	5	-	5	Deferred inflows of resources
				Fund balances (Note 16):
-	-	12	56	Nonspendable
1,541	580	15,427	98,529	Restricted
-	-	851	6,492	Committed
-	-	2,847	4,298	Assigned
1,541	580	19,137	109,375	Total fund balances
\$ 1,815	\$ 1,045	\$ 20,512	\$ 133,438	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, 2019
(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
REVENUES:				
Taxes	\$ 67,351	\$ 945	\$ 6,119	\$ -
Licenses, permits, and franchise fees	-	-	-	-
Fines, forfeitures, and penalties	241	-	-	123
Use of money and property:				
Investment earnings	443	682	304	11
Rents and concessions	714	-	1,683	-
Aid from other governmental agencies:				
Federal	55,980	-	-	-
State	4,462	9	175	492
Other	23,575	199	535	-
Charges for services	1,097	14,538	5,666	-
Other revenue	4,742	66	259	-
Total revenues	<u>158,605</u>	<u>16,439</u>	<u>14,741</u>	<u>626</u>
EXPENDITURES:				
Current:				
General government	13,995	-	-	357
Public protection	2,153	67	602	-
Public ways and facilities	3	8,283	-	-
Health and sanitation	1,264	958	-	-
Public assistance	56,268	-	-	-
Education	24,467	-	-	-
Recreation and cultural services	-	926	13,757	-
Total expenditures	<u>98,150</u>	<u>10,234</u>	<u>14,359</u>	<u>357</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60,455</u>	<u>6,205</u>	<u>382</u>	<u>269</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	16,450	4,025	1,488	-
Transfers out	<u>(82,505)</u>	<u>(7,900)</u>	<u>(1,666)</u>	<u>(155)</u>
Total other financing sources (uses)	<u>(66,055)</u>	<u>(3,875)</u>	<u>(178)</u>	<u>(155)</u>
NET CHANGE IN FUND BALANCES	<u>(5,600)</u>	<u>2,330</u>	<u>204</u>	<u>114</u>
Fund balances, beginning of year	58,055	22,539	10,041	434
FUND BALANCES, END OF YEAR	<u><u>\$ 52,455</u></u>	<u><u>\$ 24,869</u></u>	<u><u>\$ 10,245</u></u>	<u><u>\$ 548</u></u>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
\$ -	\$ 274	\$ 728	\$ 75,417	REVENUES:
-	-	759	759	Taxes
-	-	605	969	Licenses, permits, and franchise fees
-	-	-	-	Fines, forfeitures, and penalties
-	29	397	1,866	Use of money and property:
-	-	6,253	8,650	Investment earnings
-	-	-	-	Rents and concessions
2,452	-	882	59,314	Aid from other governmental agencies:
2,726	3	125	7,992	Federal
-	23	1,681	26,013	State
-	310	13,711	35,322	Other
-	-	550	5,617	Charges for services
5,178	639	25,691	221,919	Other revenue
				Total revenues
				EXPENDITURES:
				Current:
-	-	7,585	21,937	General government
-	171	5,322	8,315	Public protection
-	-	8,892	17,178	Public ways and facilities
-	-	-	2,222	Health and sanitation
5,351	-	-	61,619	Public assistance
-	-	-	24,467	Education
-	-	-	14,683	Recreation and cultural services
5,351	171	21,799	150,421	Total expenditures
(173)	468	3,892	71,498	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES):
1,087	-	2,356	25,406	Transfers in
(712)	(361)	(7,077)	(100,376)	Transfers out
375	(361)	(4,721)	(74,970)	Total other financing sources (uses)
202	107	(829)	(3,472)	NET CHANGE IN FUND BALANCES
1,339	473	19,966	112,847	Fund balances, beginning of year
\$ 1,541	\$ 580	\$ 19,137	\$ 109,375	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Community Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 60,947	\$ 61,008	\$ 67,351	\$ 6,343
Fines, forfeitures, and penalties	350	350	241	(109)
Use of money and property:				
Investment earnings	18	18	443	425
Rents and concessions	690	690	714	24
Aid from other governmental agencies:				
Federal	67,375	74,583	55,980	(18,603)
State	4,332	5,291	4,462	(829)
Other	22,416	22,416	23,575	1,159
Charges for services	10,269	1,635	1,097	(538)
Other revenue	12,287	4,364	4,742	378
Total revenues	178,684	170,355	158,605	(11,750)
EXPENDITURES:				
Current:				
General government	17,631	17,508	13,995	(3,513)
Public protection	69,801	3,104	2,153	(951)
Public ways and facilities	286	286	3	(283)
Health and sanitation	1,059	1,603	1,264	(339)
Public assistance	72,472	71,019	56,268	(14,751)
Education	27,326	24,479	24,467	(12)
Total expenditures	188,575	117,999	98,150	(19,849)
Excess (deficiency) of revenues over (under) expenditures	(9,891)	52,356	60,455	8,099
OTHER FINANCING SOURCES (USES):				
Transfers in	-	16,450	16,450	-
Transfers out	-	(82,505)	(82,505)	-
Total other financing sources (uses)	-	(66,055)	(66,055)	-
NET CHANGE IN FUND BALANCE	(9,891)	(13,699)	(5,600)	8,099
Fund balance, beginning of year	58,055	58,055	58,055	-
FUND BALANCE, END OF YEAR	<u>\$ 48,164</u>	<u>\$ 44,356</u>	<u>\$ 52,455</u>	<u>\$ 8,099</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 County Service Areas Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 926	\$ 926	\$ 945	\$ 19
Use of money and property:				
Investment earnings	127	127	682	555
Rents and concessions	1	1	-	(1)
Aid from other governmental agencies:				
State	9	9	9	-
Other	179	179	199	20
Charges for services	14,863	11,139	14,538	3,399
Other revenue	164	75	66	(9)
Total revenues	16,269	12,456	16,439	3,983
EXPENDITURES:				
Current:				
Public protection	977	668	67	(601)
Public ways and facilities	17,201	10,816	8,283	(2,533)
Health and sanitation	780	990	958	(32)
Recreation and cultural services	2,180	1,796	926	(870)
Total expenditures	21,138	14,270	10,234	(4,036)
Excess (deficiency) of revenues over (under) expenditures	(4,869)	(1,814)	6,205	8,019
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,025	4,025	-
Transfers out	-	(7,900)	(7,900)	-
Total other financing sources (uses)	-	(3,875)	(3,875)	-
NET CHANGE IN FUND BALANCE	(4,869)	(5,689)	2,330	8,019
Fund balance, beginning of year	22,539	22,539	22,539	-
FUND BALANCE, END OF YEAR	\$ 17,670	\$ 16,850	\$ 24,869	\$ 8,019

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Regional Park and Open-Space Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 5,450	\$ 5,450	\$ 6,119	\$ 669
Use of money and property:				
Investment earnings	101	101	304	203
Rents and concessions	454	454	1,683	1,229
Aid from other governmental agencies:				
Federal	-	-	-	-
State	152	247	175	(72)
Other	800	800	535	(265)
Charges for services	7,814	6,828	5,666	(1,162)
Other revenue	841	1,264	259	(1,005)
Total revenues	15,612	15,144	14,741	(403)
EXPENDITURES:				
Current:				
Public protection	752	846	602	(244)
Recreation and cultural services	15,789	15,208	13,757	(1,451)
Total expenditures	16,541	16,054	14,359	(1,695)
Excess (deficiency) of revenues over (under) expenditures	(929)	(910)	382	1,292
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,488	1,488	-
Transfers out	-	(1,666)	(1,666)	-
Total other financing sources (uses)	-	(178)	(178)	-
NET CHANGE IN FUND BALANCE	(929)	(1,088)	204	1,292
Fund balance, beginning of year	10,041	10,041	10,041	-
FUND BALANCE, END OF YEAR	\$ 9,112	\$ 8,953	\$ 10,245	\$ 1,292

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Air Quality Improvement Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Fines, forfeitures and penalties	\$ 75	\$ 75	\$ 123	\$ 48
Use of money and property:				
Investment earnings	2	2	11	9
Aid from other governmental agencies:				
State	477	477	492	15
Total revenues	554	554	626	72
EXPENDITURES:				
Current:				
General government	597	516	357	(159)
Total expenditures	597	516	357	(159)
Excess (deficiency) of revenues over (under) expenditures	(43)	38	269	231
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(155)	(155)	-
Total other financing sources (uses)	-	(155)	(155)	-
NET CHANGE IN FUND BALANCE	(43)	(117)	114	231
Fund balance, beginning of year	434	434	434	-
FUND BALANCE, END OF YEAR	\$ 391	\$ 317	\$ 548	\$ 231

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 In-Home Support Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Aid from other governmental agencies:				
Federal	\$ 3,263	\$ 3,263	\$ 2,452	\$ (811)
State	2,848	2,848	2,726	(122)
Charges for services	1,137	50	-	(50)
Total revenues	<u>7,248</u>	<u>6,161</u>	<u>5,178</u>	<u>(983)</u>
EXPENDITURES:				
Current:				
Public assistance	7,796	7,084	5,351	(1,733)
Total expenditures	<u>7,796</u>	<u>7,084</u>	<u>5,351</u>	<u>(1,733)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(548)</u>	<u>(923)</u>	<u>(173)</u>	<u>750</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,087	1,087	-
Transfers out	-	(712)	(712)	-
Total other financing sources (uses)	<u>-</u>	<u>375</u>	<u>375</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(548)	(548)	202	750
Fund balance, beginning of year	1,339	1,339	1,339	-
FUND BALANCE, END OF YEAR	<u><u>\$ 791</u></u>	<u><u>\$ 791</u></u>	<u><u>\$ 1,541</u></u>	<u><u>\$ 750</u></u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Perris Valley Cemetery District Special Revenue Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 260	\$ 260	\$ 274	\$ 14
Use of money and property:				
Investment earnings	5	5	29	24
Aid from other governmental agencies:				
State	3	3	3	-
Other	25	25	23	(2)
Charges for services	280	280	310	30
Other revenue	-	-	-	-
Total revenues	<u>573</u>	<u>573</u>	<u>639</u>	<u>66</u>
EXPENDITURES:				
Current:				
Public protection	645	294	171	(123)
Total expenditures	<u>645</u>	<u>294</u>	<u>171</u>	<u>(123)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(72)</u>	<u>279</u>	<u>468</u>	<u>189</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(361)	(361)	-
Total other financing sources (uses)	<u>-</u>	<u>(361)</u>	<u>(361)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(72)	(82)	107	189
Fund balance, beginning of year	473	473	473	-
FUND BALANCE, END OF YEAR	<u>\$ 401</u>	<u>\$ 391</u>	<u>\$ 580</u>	<u>\$ 189</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 666	\$ 666	\$ 728	\$ 62
Licenses, permits, and franchise fees	755	755	759	4
Fines, forfeitures, and penalties	2	438	605	167
Use of money and property:				
Investment earnings	99	99	397	298
Rents and concessions	6,377	6,377	6,253	(124)
Aid from other governmental agencies:				
Federal	3,185	3,346	882	(2,464)
State	90	90	125	35
Other	1,517	1,682	1,681	(1)
Charges for services	14,093	13,805	13,711	(94)
Other revenue	2,520	470	550	80
Total revenues	29,304	27,728	25,691	(2,037)
EXPENDITURES:				
Current:				
General government	9,890	8,243	7,585	(658)
Public protection	6,002	5,869	5,322	(547)
Public ways and facilities	14,230	14,502	8,892	(5,610)
Total expenditures	30,122	28,614	21,799	(6,815)
Excess (deficiency) of revenues over (under) expenditures	(818)	(886)	3,892	4,778
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,356	2,356	-
Transfers out	-	(7,077)	(7,077)	-
Total other financing sources (uses)	-	(4,721)	(4,721)	-
NET CHANGE IN FUND BALANCE	(818)	(5,607)	(829)	4,778
Fund balance, beginning of year	19,966	19,966	19,966	-
FUND BALANCE, END OF YEAR	<u>\$ 19,148</u>	<u>\$ 14,359</u>	<u>\$ 19,137</u>	<u>\$ 4,778</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, 2019

(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	2,348
Interest receivable	34	3	-	39
Due from other funds	-	-	-	200
Restricted cash and investments	12,983	1,063	159	4,714
Total assets	<u>13,017</u>	<u>1,066</u>	<u>159</u>	<u>7,301</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 13,017</u>	<u>\$ 1,066</u>	<u>159</u>	<u>\$ 7,301</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	200
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Restricted	13,017	1,066	159	2,869
Assigned	-	-	-	4,232
Total fund balances	<u>13,017</u>	<u>1,066</u>	<u>159</u>	<u>7,101</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,017</u>	<u>\$ 1,066</u>	<u>\$ 159</u>	<u>\$ 7,301</u>

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ -	\$ -	\$ 1	\$ 1	Cash and investments
-	-	-	2,348	Accounts receivable
21	3	-	100	Interest receivable
-	-	-	200	Due from other funds
13,029	1,411	-	33,359	Restricted cash and investments
13,050	1,414	1	36,008	Total assets
-	-	-	-	Deferred outflows of resources
\$ 13,050	\$ 1,414	\$ 1	\$ 36,008	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ -	\$ -	\$ -	\$ -	Accounts payable
-	-	-	200	Due to other funds
-	-	-	200	Total liabilities
-	-	-	-	Deferred inflows of resources
13,050	1,414	1	31,576	Fund balances (Note 16):
-	-	-	4,232	Restricted
13,050	1,414	1	35,808	Assigned
				Total fund balances
\$ 13,050	\$ 1,414	\$ 1	\$ 36,008	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, 2019
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation
REVENUES:				
Use of money and property:				
Investment earnings	\$ 290	\$ 35	\$ 9	\$ 1,139
Rents and concessions	1,962	2,214	-	-
Charges for services	-	-	-	2,980
Other revenue	-	-	-	-
Total revenues	2,252	2,249	9	4,119
EXPENDITURES:				
Current:				
General government	2,243	1,525	-	9,854
Debt service:				
Principal	22,470	531	6,790	22,515
Interest	8,696	217	7,010	13,143
Cost of issuance	-	-	-	-
Total expenditures	33,409	2,273	13,800	45,512
Excess (deficiency) of revenues over (under) expenditures	(31,157)	(24)	(13,791)	(41,393)
OTHER FINANCING SOURCES (USES):				
Transfers in	31,400	-	13,779	34,479
Transfers out	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Redemption of bonds	-	-	-	-
Total other financing sources (uses)	31,400	-	13,779	34,479
NET CHANGE IN FUND BALANCES	243	(24)	(12)	(6,914)
Fund balances, beginning of year	12,774	1,090	171	14,015
FUND BALANCES, END OF YEAR	\$ 13,017	\$ 1,066	\$ 159	\$ 7,101

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
				REVENUES:
\$ 388	\$ 32	\$ 1	\$ 1,894	Use of money and property:
-	-	-	4,176	Investment earnings
-	-	-	2,980	Rents and concessions
12,463	-	-	12,463	Charges for services
12,851	32	1	21,513	Other revenue
				Total revenues
				EXPENDITURES:
				Current:
36	-	-	13,658	General government
				Debt service:
170	6,410	2,060	60,946	Principal
6,403	15,826	776	52,071	Interest
1,724	-	-	1,724	Cost of issuance
8,333	22,236	2,836	128,399	Total expenditures
				Excess (deficiency) of revenues
4,518	(22,204)	(2,835)	(106,886)	over (under) expenditures
				OTHER FINANCING SOURCES (USES):
38	22,212	2,836	104,744	Transfers in
(38)	-	-	(38)	Transfers out
100,000	-	-	100,000	Issuance of refunding bonds
(110,835)	-	-	(110,835)	Redemption of bonds
(10,835)	22,212	2,836	93,871	Total other financing sources (uses)
(6,317)	8	1	(13,015)	NET CHANGE IN FUND BALANCES
19,367	1,406	-	48,823	Fund balances, beginning of year
\$ 13,050	\$ 1,414	\$ 1	\$ 35,808	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Pension Obligation Debt Service Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 1,139	\$ 1,139
Charges for services	39,159	4,680	2,980	(1,700)
Total revenues	39,159	4,680	4,119	(561)
EXPENDITURES:				
Current:				
General government	3,501	13,356	9,854	(3,502)
Debt service:				
Principal	22,515	22,515	22,515	-
Interest	13,143	13,143	13,143	-
Total expenditures	39,159	49,014	45,512	(3,502)
Excess (deficiency) of revenues over (under) expenditures	-	(44,334)	(41,393)	2,941
OTHER FINANCING SOURCES (USES):				
Transfers in	-	34,479	34,479	-
Total other financing sources (uses)	-	34,479	34,479	-
NET CHANGE IN FUND BALANCE	-	(9,855)	(6,914)	2,941
Fund balance, beginning of year	14,015	14,015	14,015	-
FUND BALANCE, END OF YEAR	\$ 14,015	\$ 4,160	\$ 7,101	\$ 2,941

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, 2019

(Dollars in Thousands)

	PSEC	CORAL	Flood Control
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Cash and investments	\$ -	\$ -	\$ 19
Interest receivable	-	1	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Prepaid items and deposits	462	-	-
Restricted cash and investments	-	241	-
Total assets	<u>462</u>	<u>242</u>	<u>19</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 462</u>	<u>\$ 242</u>	<u>\$ 19</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-
Fund balances (Note 16):			
Nonspendable	462	-	-
Restricted	-	242	19
Assigned	-	-	-
Total fund balances	<u>462</u>	<u>242</u>	<u>19</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 462</u>	<u>\$ 242</u>	<u>\$ 19</u>

Regional Park and Open-Space	CREST	Infrastructure Financing Authority	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ 4,020	\$ 3,858	\$ -	\$ 7,897	Cash and investments
12	22	53	88	Interest receivable
904	-	-	904	Due from other governments
-	-	-	-	Due from other funds
1,127	-	-	1,589	Prepaid items and deposits
-	-	11,305	11,546	Restricted cash and investments
6,063	3,880	11,358	22,024	Total assets
-	-	-	-	Deferred outflows of resources
\$ 6,063	\$ 3,880	\$ 11,358	\$ 22,024	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 958	\$ 49	\$ -	\$ 1,007	Accounts payable
-	133	-	133	Salaries and benefits payable
175	835	-	1,010	Due to other funds
1,133	1,017	-	2,150	Total liabilities
-	-	-	-	Deferred inflows of resources
				Fund balances (Note 16):
-	-	-	462	Nonspendable
4,930	-	11,358	16,549	Restricted
-	2,863	-	2,863	Assigned
4,930	2,863	11,358	19,874	Total fund balances
\$ 6,063	\$ 3,880	\$ 11,358	\$ 22,024	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, 2019

(Dollars in Thousands)

	PSEC	CORAL	Flood Control
REVENUES:			
Fines, forfeitures, penalties	\$ -	\$ -	\$ -
Use of money and property:			
Investment earnings	-	4	1
Rents and concessions	-	286	-
Aid from other governmental agencies:			
State	-	-	-
Charges for services	-	-	-
Total revenues	-	290	1
EXPENDITURES:			
Current:			
General government	118	-	-
Recreation and cultural services	-	-	-
Debt service:			
Capital outlay	-	162	-
Total expenditures	118	162	-
Excess (deficiency) of revenues over (under) expenditures	(118)	128	1
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	-
Transfers out	(253)	-	-
Total other financing sources (uses)	(253)	-	-
NET CHANGE IN FUND BALANCES	(371)	128	1
Fund balances, beginning of year	833	114	18
FUND BALANCES, END OF YEAR	\$ 462	\$ 242	\$ 19

Regional Park and Open-Space	CREST	Infrastructure Financing Authority	Total	
\$ -	\$ -	\$ -	\$ -	REVENUES:
				Fines, forfeitures, penalties
127	157	159	448	Use of money and property:
-	-	-	286	Investment earnings
				Rents and concessions
1,431	-	-	1,431	Aid from other governmental agencies:
-	1,815	-	1,815	State
1,558	1,972	159	3,980	Charges for services
				Total revenues
				EXPENDITURES:
				Current:
-	-	-	118	General government
5,663	-	-	5,663	Recreation and cultural services
				Debt service:
-	3,951	499	4,612	Capital outlay
5,663	3,951	499	10,393	Total expenditures
				Excess (deficiency) of revenues
(4,105)	(1,979)	(340)	(6,413)	over (under) expenditures
				OTHER FINANCING SOURCES (USES):
4,691	-	-	4,691	Transfers in
(3,335)	(852)	-	(4,440)	Transfers out
1,356	(852)	-	251	Total other financing sources (uses)
(2,749)	(2,831)	(340)	(6,162)	NET CHANGE IN FUND BALANCES
7,679	5,694	11,698	26,036	Fund balances, beginning of year
\$ 4,930	\$ 2,863	\$ 11,358	\$ 19,874	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 PSEC Capital Projects Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	118	118	-
Total expenditures	-	118	118	-
Excess (deficiency) of revenues over (under) expenditures	-	(118)	(118)	-
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(253)	(253)	-
Total other financing sources (uses)	-	(253)	(253)	-
NET CHANGE IN FUND BALANCE	-	(371)	(371)	-
Fund balance, beginning of year	833	833	833	-
FUND BALANCE, END OF YEAR	\$ 833	\$ 462	\$ 462	\$ -

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Flood Control Capital Projects Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u> <u>Over(Under)</u>
REVENUES:				
Use of money and property:				
Investment earnings	\$ 1	\$ 1	\$ 1	\$ -
Other revenue	865	865	-	(865)
Total revenues	<u>866</u>	<u>866</u>	<u>1</u>	<u>(865)</u>
EXPENDITURES:				
Capital outlay	865	865	-	(865)
Total expenditures	<u>865</u>	<u>865</u>	<u>-</u>	<u>(865)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1	1	1	-
Fund balance, beginning of year	18	18	18	-
FUND BALANCE, END OF YEAR	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ -</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Regional Park and Open-Space Capital Projects Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Fines, forfeitures and penalties	\$ -	\$ -	\$ -	\$ -
Use of money and property:				
Investment earnings	47	47	127	80
Aid from other governmental agencies:				
State	3,364	3,564	1,431	(2,133)
Other revenue	3,196	370	-	(370)
Total revenues	6,607	3,981	1,558	(2,423)
EXPENDITURES:				
Current:				
Recreation and cultural services	7,481	8,118	5,663	(2,455)
Total expenditures	7,481	8,118	5,663	(2,455)
Excess (deficiency) of revenues over (under) expenditures	(874)	(4,137)	(4,105)	32
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,691	4,691	-
Transfers out	-	(3,335)	(3,335)	-
Total other financing sources (uses)	-	1,356	1,356	-
NET CHANGE IN FUND BALANCE	(874)	(2,781)	(2,749)	32
Fund balance, beginning of year	7,679	7,679	7,679	-
FUND BALANCE, END OF YEAR	\$ 6,805	\$ 4,898	\$ 4,930	\$ 32

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 CREST Capital Projects Fund
 For the Fiscal Year Ended June 30, 2019
 (Dollars in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over(Under)</u>
REVENUES:				
Investment earnings	\$ 25	\$ 25	\$ 157	\$ 132
Charges for services	3,313	3,313	1,815	(1,498)
Other revenue	4,000	4,000	-	(4,000)
Total revenues	<u>7,338</u>	<u>7,338</u>	<u>1,972</u>	<u>(5,366)</u>
EXPENDITURES:				
Current:				
Capital outlay	11,035	10,183	3,951	(6,232)
Total expenditures	<u>11,035</u>	<u>10,183</u>	<u>3,951</u>	<u>(6,232)</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(3,697)</u>	<u>(2,845)</u>	<u>(1,979)</u>	<u>866</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(852)	(852)	-
Total other financing sources (uses)	<u>-</u>	<u>(852)</u>	<u>(852)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(3,697)</u>	<u>(3,697)</u>	<u>(2,831)</u>	<u>866</u>
Fund balance, beginning of year	5,694	5,694	5,694	-
FUND BALANCE, END OF YEAR	<u>\$ 1,997</u>	<u>\$ 1,997</u>	<u>\$ 2,863</u>	<u>\$ 866</u>



(This Page Intentionally Left Blank)

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, 2019

(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Cash and investments	\$ 875
Interest receivable	4
Total assets	<u>879</u>
Deferred outflows of resources	-
Total assets and deferred outflows of resources	<u>\$ 879</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:	
Liabilities:	
Total liabilities	\$ -
Deferred inflows of resources	-
Fund balance (Note 16):	
Nonspendable	802
Restricted	<u>77</u>
Total fund balance	<u>879</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 879</u>

COUNTY OF RIVERSIDE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Permanent Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
REVENUES:	
Use of money and property:	
Investment earnings	\$ 24
Charges for services	102
Total revenues	<u>126</u>
EXPENDITURES:	
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>126</u>
NET CHANGE IN FUND BALANCE	126
Fund balance, beginning of year	753
Fund balances, beginning of year, as restated	<u>753</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 879</u></u>



(This Page Intentionally Left Blank)

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 SYSTEMS - 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, 2019
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
ASSETS:				
Current assets:				
Cash and investments	\$ 557	\$ 936	\$ -	\$ 1,493
Accounts receivable-net	-	268	1,061	1,329
Interest receivable	3	35	-	38
Taxes receivable	11	-	-	11
Due from other governments	-	32	1,420	1,452
Due from other funds	-	-	16,000	16,000
Inventories	-	-	214	214
Restricted cash and investments	-	3,363	-	3,363
Prepaid items and deposits	-	-	107	107
Total current assets	571	4,634	18,802	24,007
Noncurrent assets:				
Capital assets:				
Depreciable assets	46	76	25,506	25,628
Total noncurrent assets	46	76	25,506	25,628
Total assets	617	4,710	44,308	49,635
DEFERRED OUTFLOWS OF RESOURCES	-	423	7,369	7,792
LIABILITIES:				
Current liabilities:				
Cash overdrawn	-	-	24,304	24,304
Accounts payable	15	3,452	845	4,312
Salaries and benefits payable	-	111	3,005	3,116
Due to other governments	-	-	2,335	2,335
Due to other funds	-	15	-	15
Interest payable	-	-	159	159
Deposits payable	129	-	17	146
Other liabilities	-	125	-	125
Compensated absences	-	14	2,281	2,295
Capital lease obligation	-	-	1,510	1,510
Total current liabilities	144	3,717	34,456	38,317
Noncurrent liabilities:				
Compensated absences	-	80	1,123	1,203
Capital lease obligations	-	-	24,108	24,108
Net OPEB liability	-	-	471	471
Net pension liability	-	2,262	12,957	15,219
Total noncurrent liabilities	-	2,342	38,659	41,001
Total liabilities	144	6,059	73,115	79,318
DEFERRED INFLOWS OF RESOURCES	-	46	1,378	1,424
NET POSITION:				
Net investment in capital assets	46	76	(112)	10
Unrestricted	427	(1,048)	(22,704)	(23,325)
Total net position	\$ 473	\$ (972)	\$ (22,816)	\$ (23,315)

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
OPERATING REVENUES:				
Net patient revenue (Notes 1 and 18)	\$ -	\$ -	\$ 17,435	\$ 17,435
Charges for services	352	2,039	11,176	13,567
Other	56	172	30,055	30,283
Total operating revenues	408	2,211	58,666	61,285
OPERATING EXPENSES:				
Personnel services	-	1,230	47,573	48,803
Communications	6	-	345	351
Insurance	5	-	541	546
Maintenance of building and equipment	100	1	1,414	1,515
Supplies	14	9	4,508	4,531
Purchased services	12	954	14,803	15,769
Depreciation and amortization	4	11	1,916	1,931
Rents and leases of equipment	-	-	5,334	5,334
Public assistance	-	-	25	25
Utilities	79	-	452	531
Other	13	182	392	587
Total operating expenses	233	2,387	77,303	79,923
Operating income (loss)	175	(176)	(18,637)	(18,638)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	14	219	(471)	(238)
Interest expense	-	-	(1,196)	(1,196)
Total nonoperating revenues (expenses)	14	219	(1,667)	(1,434)
Income (loss) before capital contributions and transfers	189	43	(20,304)	(20,072)
Transfers in	-	-	16,242	16,242
Transfers out	-	(272)	(771)	(1,043)
CHANGE IN NET POSITION	189	(229)	(4,833)	(4,873)
Net position, beginning of year	284	(743)	(17,983)	(18,442)
NET POSITION, END OF YEAR	\$ 473	\$ (972)	\$ (22,816)	\$ (23,315)

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health	Total
Cash flows from operating activities				
Cash receipts (payments due) from customers	\$ 408	\$ 2,214	\$ 61,186	\$ 63,808
Cash receipts (payments due) from other funds	(1)	8	(1,070)	(1,063)
Cash paid to suppliers for goods and services	(246)	(1,068)	(40,211)	(41,525)
Cash paid to employees for services	-	(1,091)	(41,103)	(42,194)
Net cash provided by (used in) operating activities	161	63	(21,198)	(20,974)
Cash flows from noncapital financing activities				
Transfers received	-	-	16,242	16,242
Transfers paid	-	(272)	(771)	(1,043)
Net cash provided by (used in) noncapital financing activities	-	(272)	15,471	15,199
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(45)	(16)	(16,266)	(16,327)
Principal paid on capital leases	-	-	14,835	14,835
Interest paid on long-term debt	-	-	(1,080)	(1,080)
Net cash provided by (used in) capital and related financing activities	(45)	(16)	(2,511)	(2,572)
Cash flows from investing activities				
Investment income (loss)	12	199	(471)	(260)
Net cash provided by (used in) investing activities	12	199	(471)	(260)
Net increase (decrease) in cash and cash equivalents	128	(26)	(8,709)	(8,607)
Cash and cash equivalents, beginning of year	429	4,325	(15,595)	(10,841)
Cash and cash equivalents, end of year	\$ 557	\$ 4,299	\$ (24,304)	\$ (19,448)
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments per Statement of Net Position	\$ 557	\$ 936	\$ (24,304)	\$ (22,811)
Restricted cash and investments per Statement of Net Position	-	3,363	-	3,363
Total cash and cash equivalents per Statement of Net Position	\$ 557	\$ 4,299	\$ (24,304)	\$ (19,448)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 175	\$ (176)	\$ (18,637)	\$ (18,638)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	4	11	1,916	1,931
Decrease (Increase) accounts receivable	-	30	316	346
Decrease (Increase) taxes receivable	(1)	-	-	(1)
Decrease (Increase) due from other funds	-	8	(1,070)	(1,062)
Decrease (Increase) due from other governments	-	(27)	2,204	2,177
Decrease (Increase) inventories	-	-	163	163
Decrease (Increase) prepaid items and deposits	-	-	146	146
Increase (Decrease) accounts payable	(21)	178	107	264
Increase (Decrease) due to other funds	-	2	(5,899)	(5,897)
Increase (Decrease) due to other governments	-	-	(6,909)	(6,909)
Increase (Decrease) deposits payable	4	-	(5)	(1)
Increase (Decrease) other liabilities	-	(102)	-	(102)
Increase (Decrease) net pension liability	-	(40)	1,115	1,075
Increase (Decrease) net OPEB liability	-	-	242	242
Increase (Decrease) deferred OPEB	-	-	(257)	(257)
Increase (Decrease) deferred pensions	-	142	4,161	4,303
Increase (Decrease) salaries and benefits payable	-	37	823	860
Increase (Decrease) compensated absences	-	-	386	386
Net cash provided by (used in) operating activities	\$ 161	\$ 63	\$ (21,198)	\$ (20,974)

There were no significant noncash investing, financing, or capital activities.

Noncash investing, capital, and financing activities	\$	16,033	\$ 16,033
--	----	--------	-----------

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.

CENTRAL MAIL SERVICES

These funds account for the financing of central mail services provided to County departments on a cost-reimbursement basis.

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 provides 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, 2019
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
ASSETS:					
Current assets:					
Cash and investments	\$ 67	\$ 7,543	\$ 27,538	\$ 490	\$ 986
Accounts receivable-net	-	82	277	-	27
Interest receivable	-	14	94	1	7
Due from other governments	-	137	107	65	-
Due from other funds	-	-	-	-	-
Inventories	-	527	1,058	155	153
Prepaid items and deposits	-	-	433	-	-
Total current assets	67	8,303	29,507	711	1,173
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	-	1,225	235	-	-
Depreciable assets	-	29,010	29,835	258	103
Total noncurrent assets	-	30,235	30,070	258	103
Total assets	67	38,538	59,577	969	1,276
DEFERRED OUTFLOWS OF RESOURCES	-	1,660	20,859	265	236
LIABILITIES:					
Current liabilities:					
Accounts payable	-	790	2,342	13	26
Salaries and benefits payable	-	300	3,594	49	26
Due to other governments	-	1	-	-	6
Due to other funds	-	-	-	-	-
Other liabilities	-	772	-	-	-
Accrued remediation costs	-	23	-	-	-
Compensated absences	-	384	4,491	81	33
Capital lease obligations	-	5,649	7,688	-	-
Estimated claims liabilities	-	-	-	-	-
Total current liabilities	-	7,919	18,115	143	91
Noncurrent liabilities:					
Compensated absences	-	80	2,587	17	51
Advances from other funds	-	-	-	-	-
Capital lease obligations	-	5,988	6,619	-	-
Accrued remediation costs	-	135	-	-	-
Estimated claims liabilities	-	-	-	-	-
Net OPEB liability	-	63	527	11	5
Net pension liability	-	6,007	87,466	888	994
Total noncurrent liabilities	-	12,273	97,199	916	1,050
Total liabilities	-	20,192	115,314	1,059	1,141
DEFERRED INFLOWS OF RESOURCES	-	133	1,788	22	12
NET POSITION:					
Net investment in capital assets	-	18,598	15,763	258	103
Unrestricted	67	1,275	(52,429)	(105)	256
Total net position	\$ 67	\$ 19,873	\$ (36,666)	\$ 153	\$ 359

Human Resources	Risk Management	Temporary Assignment Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
						ASSETS:
						Current assets:
\$ -	\$ 266,467	\$ 1,318	\$ 15,070	\$ 8,165	\$ 327,644	Cash and investments
-	11,130	-	330	2	11,848	Accounts receivable-net
-	1,214	-	37	35	1,402	Interest receivable
-	-	-	767	-	1,076	Due from other governments
-	-	-	-	517	517	Due from other funds
-	-	-	170	287	2,350	Inventories
-	358	-	-	-	791	Prepaid items and deposits
-	279,169	1,318	16,374	9,006	345,628	Total current assets
						Noncurrent assets:
						Capital assets:
-	-	-	-	-	1,460	Nondepreciable assets
-	1	-	43	2,321	61,571	Depreciable assets
-	1	-	43	2,321	63,031	Total noncurrent assets
-	279,170	1,318	16,417	11,327	408,659	Total assets
-	7,384	890	9,921	850	42,065	DEFERRED OUTFLOWS OF RESOURCES
						LIABILITIES:
						Current liabilities:
-	34,838	122	4,359	86	42,576	Accounts payable
-	1,825	156	1,911	86	7,947	Salaries and benefits payable
-	1	-	1	131	140	Due to other governments
-	96	-	1,580	12	1,688	Due to other funds
-	310	-	2,252	-	3,334	Other liabilities
-	-	-	-	-	23	Accrued remediation costs
-	1,881	161	2,240	20	9,291	Compensated absences
-	-	-	-	-	13,337	Capital lease obligations
-	62,615	-	-	-	62,615	Estimated claims liabilities
-	101,566	439	12,343	335	140,951	Total current liabilities
						Noncurrent liabilities:
-	1,384	41	756	110	5,026	Compensated absences
-	-	-	3,342	-	3,342	Advances from other funds
-	-	-	-	-	12,607	Capital lease obligations
-	-	-	-	-	135	Accrued remediation costs
-	197,495	-	-	-	197,495	Estimated claims liabilities
-	219	36	423	-	1,284	Net OPEB liability
-	26,338	2,996	35,834	4,541	165,064	Net pension liability
-	225,436	3,073	40,355	4,651	384,953	Total noncurrent liabilities
-	327,002	3,512	52,698	4,986	525,904	Total liabilities
-	644	69	857	92	3,617	DEFERRED INFLOWS OF RESOURCES
						NET POSITION:
-	1	-	43	2,321	37,087	Net investment in capital assets
-	(41,093)	(1,373)	(27,260)	4,778	(115,884)	Unrestricted
\$ -	\$ (41,092)	\$ (1,373)	\$ (27,217)	\$ 7,099	\$ (78,797)	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, 2019
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
OPERATING REVENUES:					
Charges for services	\$ -	\$ 28,878	\$ 117,065	\$ 1,113	\$ 2,290
Other revenue	10	90	101	1,609	191
Total operating revenues	10	28,968	117,166	2,722	2,481
OPERATING EXPENSES:					
Cost of materials used	-	1,587	-	-	-
Personnel services	-	4,905	61,200	870	432
Communications	-	95	9,313	2	17
Insurance	-	212	561	11	12
Maintenance of building and equipment	-	3,763	23,108	2	32
Insurance claims	-	10	-	-	-
Supplies	-	7,983	1,429	1,311	2,560
Purchased services	-	2,242	7,378	596	312
Depreciation and amortization	-	12,898	8,244	36	14
Rents and leases of equipment	-	1,093	3,741	-	-
Utilities	-	163	1,424	25	-
Other	-	147	1,594	129	36
Total operating expenses	-	35,098	117,992	2,982	3,415
Operating income (loss)	10	(6,130)	(826)	(260)	(934)
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	2	194	539	9	49
Interest expense	-	(206)	(351)	-	-
Gain (loss) on disposal of capital assets	-	601	34	-	(50)
Total nonoperating revenues (expenses)	2	589	222	9	(1)
Income (loss) before capital contributions and transfers	12	(5,541)	(604)	(251)	(935)
Capital contributions	-	-	-	-	-
Transfers in	-	-	1,382	-	-
Transfers out	-	(74)	(997)	(12)	(7)
CHANGE IN NET POSITION	12	(5,615)	(219)	(263)	(942)
Net position, beginning of year	55	25,488	(36,447)	416	1,301
NET POSITION, END OF YEAR	\$ 67	\$ 19,873	\$ (36,666)	\$ 153	\$ 359

Human Resources	Risk Management	Temporary Assignment Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
\$ -	\$ 61,748	\$ 4,887	\$ 110,838	\$ 1,464	\$ 328,283	OPERATING REVENUES:
-	13,079	-	11,786	5,872	32,738	Charges for services
-	74,827	4,887	122,624	7,336	361,021	Other revenue
						Total operating revenues
-	-	-	-	78	1,665	OPERATING EXPENSES:
-	22,399	2,804	32,477	5,277	130,364	Cost of materials used
-	48	-	128	-	9,603	Personnel services
-	26,580	33	694	-	28,103	Communications
-	29	2	17,212	750	44,898	Insurance
-	158,703	-	-	-	158,713	Maintenance of building and equipment
-	4,831	158	2,842	1,150	22,264	Insurance claims
1,753	6,194	1,485	12,453	2,149	34,562	Supplies
-	8	-	9	994	22,203	Purchased services
-	1,373	242	56,672	10	63,131	Depreciation and amortization
-	34	-	1,067	-	2,713	Rents and leases of equipment
-	3,117	90	1,451	310	6,874	Utilities
1,753	223,316	4,814	125,005	10,718	525,093	Other
(1,753)	(148,489)	73	(2,381)	(3,382)	(164,072)	Total operating expenses
						Operating income (loss)
-	6,870	-	250	223	8,136	NONOPERATING REVENUES (EXPENSES):
-	-	-	-	-	(557)	Investment income (loss)
-	-	-	-	165	750	Interest expense
-	6,870	-	250	388	8,329	Gain (loss) on disposal of capital assets
						Total nonoperating revenues (expenses)
(1,753)	(141,619)	73	(2,131)	(2,994)	(155,743)	Income (loss) before capital contributions and transfers
-	163,047	-	-	-	163,047	Capital contributions
1,153	3,286	-	115	-	5,936	Transfers in
-	(3,045)	(38)	(477)	-	(4,650)	Transfers out
(600)	21,669	35	(2,493)	(2,994)	8,590	CHANGE IN NET POSITION
600	(62,761)	(1,408)	(24,724)	10,093	(87,387)	Net position, beginning of year
\$ -	\$ (41,092)	\$ (1,373)	\$ (27,217)	\$ 7,099	\$ (78,797)	NET POSITION, END OF YEAR

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
Cash flows from operating activities					
Cash receipts (payments due) from customers	\$ -	\$ (31)	\$ 65	\$ (11)	\$ 6
Cash receipts (payments due) from other funds	10	28,948	117,131	2,739	2,456
Cash paid to suppliers for goods and services	-	(16,693)	(48,136)	(2,114)	(2,990)
Cash paid to employees for services	(27)	(4,313)	(53,338)	(761)	(378)
Net cash provided by (used in) operating activities	(17)	7,911	15,722	(147)	(906)
Cash flows from noncapital financing activities					
Transfers received	-	-	1,382	-	-
Transfers paid	-	(74)	(997)	(12)	(7)
Net cash provided by (used in) noncapital financing activities	-	(74)	385	(12)	(7)
Cash flows from capital and related financing activities					
Proceeds (loss) from sale of capital assets	-	601	34	-	(50)
Acquisition and construction of capital assets	-	(3,859)	(897)	-	56
Principal paid on capital leases	-	(7,468)	(9,963)	-	-
Capital contributions	-	-	-	-	-
Interest paid on long-term debt	-	(206)	(351)	-	-
Net cash provided by (used in) capital and related financing activities	-	(10,932)	(11,177)	-	6
Cash flows from investing activities					
Investment income (loss)	2	203	505	14	49
Net cash provided by (used in) investing activities	2	203	505	14	49
Net increase (decrease) in cash and cash equivalents	(15)	(2,892)	5,435	(145)	(858)
Cash and cash equivalents, beginning of year	82	10,435	22,103	635	1,844
Cash and cash equivalents, end of year	<u>\$ 67</u>	<u>\$ 7,543</u>	<u>\$ 27,538</u>	<u>\$ 490</u>	<u>\$ 986</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and investments per Statement of Net Position	\$ 67	\$ 7,543	\$ 27,538	\$ 490	\$ 986
Total cash and cash equivalents per Statement of Net Position	<u>\$ 67</u>	<u>\$ 7,543</u>	<u>\$ 27,538</u>	<u>\$ 490</u>	<u>\$ 986</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ 10	\$ (6,130)	\$ (826)	\$ (260)	\$ (934)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	-	12,898	8,244	36	14
Decrease (Increase) accounts receivable	-	(20)	(35)	17	(25)
Decrease (Increase) due from other funds	-	-	-	-	-
Decrease (Increase) due from other governments	-	(31)	65	(11)	6
Decrease (Increase) inventories	-	145	389	(35)	-
Decrease (Increase) prepaid items and deposits	-	-	(271)	-	-
Increase (Decrease) accounts payable	-	(156)	308	(3)	(16)
Increase (Decrease) due to other funds	-	-	-	-	-
Increase (Decrease) due to other governments	-	-	(14)	-	(5)
Increase (Decrease) accrued remediation costs	-	(41)	-	-	-
Increase (Decrease) other liabilities	-	654	-	-	-
Increase (Decrease) estimated claims liability	-	-	-	-	-
Increase (Decrease) net pension liability	-	108	1,445	17	10
Increase (Decrease) net OPEB liability	-	28	247	5	2
Increase (Decrease) deferred pensions	-	459	6,186	78	40
Increase (Decrease) salaries and benefits payable	(17)	(70)	155	3	1
Increase (Decrease) compensated absences	(10)	67	(171)	6	1
Net cash provided by (used in) operating activities	<u>\$ (17)</u>	<u>\$ 7,911</u>	<u>\$ 15,722</u>	<u>\$ (147)</u>	<u>\$ (906)</u>
Noncash investing, capital, and financing					
Capital lease obligations		<u>\$ 5,325</u>	<u>\$ -</u>		



(This Page Intentionally Left Blank)

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 County'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, 2019
(Dollars in Thousands)

	Other	Payroll Deductions	Property Tax Assessments	Warrants	Total
ASSETS:					
Cash and investments	\$ 151,779	\$ 10,646	\$ 92,544	\$ 97,432	\$ 352,401
Accounts receivable	397	-	-	-	397
Interest receivable	243	-	384	-	627
Taxes receivable	68	-	35,799	-	35,867
Total assets	<u>\$ 152,487</u>	<u>\$ 10,646</u>	<u>\$ 128,727</u>	<u>\$ 97,432</u>	<u>\$ 389,292</u>
LIABILITIES:					
Accounts payable	\$ 133,950	\$ 10,646	\$ 2,901	\$ 97,432	\$ 244,929
Due to other governments	18,537	-	125,826	-	144,363
Total liabilities	<u>\$ 152,487</u>	<u>\$ 10,646</u>	<u>\$ 128,727</u>	<u>\$ 97,432</u>	<u>\$ 389,292</u>

COUNTY OF RIVERSIDE
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Other				
<u>Assets</u>				
Cash and investments	\$ 142,710	\$ 7,934,824	\$ 7,925,755	\$ 151,779
Accounts receivable	372	1,237	1,212	397
Interest receivable	190	248	195	243
Taxes receivable	61	68	61	68
Total assets	<u>\$ 143,333</u>	<u>\$ 7,936,377</u>	<u>\$ 7,927,223</u>	<u>\$ 152,487</u>
<u>Liabilities</u>				
Accounts payable	\$ 132,258	\$ 799,289	\$ 797,597	\$ 133,950
Due to other governments	11,075	7,206,502	7,199,040	18,537
Total liabilities	<u>\$ 143,333</u>	<u>\$ 8,005,791</u>	<u>\$ 7,996,637</u>	<u>\$ 152,487</u>
Payroll Deductions				
<u>Assets</u>				
Cash and investments	\$ 11,260	\$ 2,160,848	\$ 2,161,462	\$ 10,646
Total assets	<u>\$ 11,260</u>	<u>\$ 2,160,848</u>	<u>\$ 2,161,462</u>	<u>\$ 10,646</u>
<u>Liabilities</u>				
Accounts payable	\$ 11,260	\$ 2,226,808	\$ 2,227,422	\$ 10,646
Total liabilities	<u>\$ 11,260</u>	<u>\$ 2,226,808</u>	<u>\$ 2,227,422</u>	<u>\$ 10,646</u>
Property Tax Assessments				
<u>Assets</u>				
Cash and investments	\$ 82,102	\$ 5,981,325	\$ 5,970,883	\$ 92,544
Interest receivable	117	384	117	384
Taxes receivable	31,242	35,799	31,242	35,799
Total assets	<u>\$ 113,461</u>	<u>\$ 6,017,508</u>	<u>\$ 6,002,242</u>	<u>\$ 128,727</u>
<u>Liabilities</u>				
Accounts payable	\$ 600	\$ 173,670	\$ 171,369	\$ 2,901
Due to other governments	112,861	5,331,666	5,318,701	125,826
Total liabilities	<u>\$ 113,461</u>	<u>\$ 5,505,336</u>	<u>\$ 5,490,070</u>	<u>\$ 128,727</u>

COUNTY OF RIVERSIDE
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds (Continued)
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<hr/>				
Warrants				
<hr/>				
<u>Assets</u>				
Cash and investments	\$ 56,906	\$ 11,929,813	\$ 11,889,287	\$ 97,432
Accounts receivable	1	-	1	-
Interest receivable	1	-	1	-
Total assets	<u>\$ 56,908</u>	<u>\$ 11,929,813</u>	<u>\$ 11,889,289</u>	<u>\$ 97,432</u>
<u>Liabilities</u>				
Accounts payable	\$ 56,908	\$ 8,187,482	\$ 8,146,958	\$ 97,432
Total liabilities	<u>\$ 56,908</u>	<u>\$ 8,187,482</u>	<u>\$ 8,146,958</u>	<u>\$ 97,432</u>
<hr/>				
Total Agency Funds				
<hr/>				
<u>Assets</u>				
Cash and investments	\$ 292,978	\$ 28,006,810	\$ 27,947,387	\$ 352,401
Accounts receivable	373	1,237	1,213	397
Interest receivable	308	632	313	627
Taxes receivable	31,303	35,867	31,303	35,867
Total assets	<u>\$ 324,962</u>	<u>\$ 28,044,546</u>	<u>\$ 27,980,216</u>	<u>\$ 389,292</u>
<u>Liabilities</u>				
Accounts payable	\$ 201,026	\$ 11,387,249	\$ 11,343,346	\$ 244,929
Due to other governments	123,936	12,538,168	12,517,741	144,363
Total liabilities	<u>\$ 324,962</u>	<u>\$ 23,925,417</u>	<u>\$ 23,861,087</u>	<u>\$ 389,292</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.

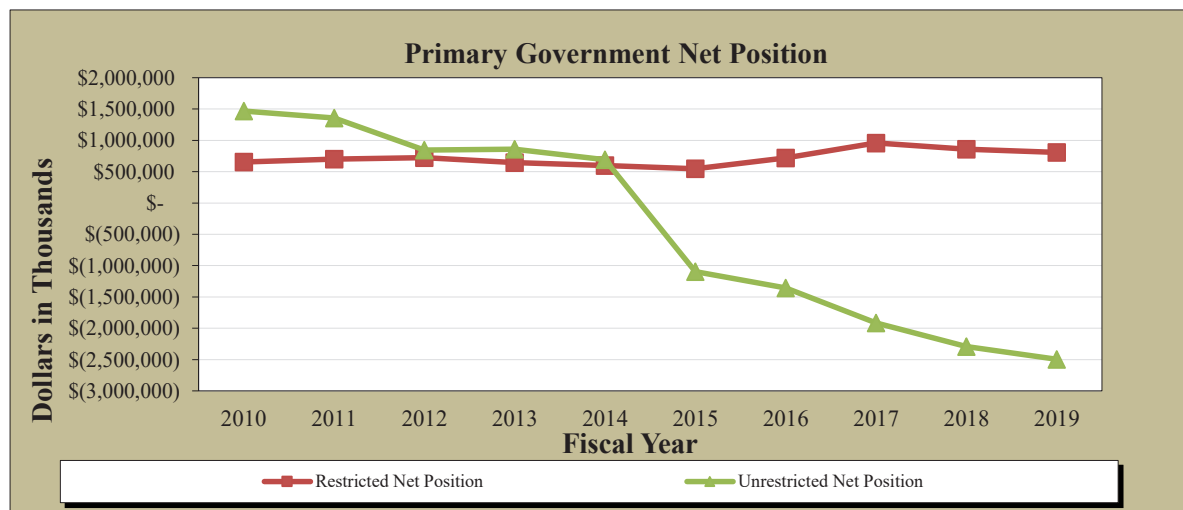
- Full-time Equivalent County Government Employees by Function/Program
- Operating Indicators by Function
- Capital Asset Statistics by Function

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, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Governmental activities					
Net investment in capital assets	\$ 3,673,404	\$ 3,505,380	\$ 3,355,072	\$ 3,240,888	\$ 3,009,048
Restricted	769,225	799,830	911,249	667,696	489,359
Unrestricted	(2,092,164)	(1,947,282)	(1,689,770)	(1,242,905)	(971,969)
Governmental activities, total net position	<u>\$ 2,350,465</u>	<u>\$ 2,357,928</u>	<u>\$ 2,576,551</u>	<u>\$ 2,665,679</u>	<u>\$ 2,526,438</u>
Business-type activities					
Net investment in capital assets	\$ 224,427	\$ 218,159	\$ 202,150	\$ 112,906	\$ 95,160
Restricted	40,585	58,136	47,468	49,241	56,569
Unrestricted	(403,461)	(344,312)	(225,964)	(113,124)	(122,341)
Business-type activities, total net position	<u>\$ (138,449)</u>	<u>\$ (68,017)</u>	<u>\$ 23,654</u>	<u>\$ 49,023</u>	<u>\$ 29,388</u>
Primary government					
Net investment in capital assets	\$ 3,897,831	\$ 3,723,539	\$ 3,557,222	\$ 3,353,794	\$ 3,104,208
Restricted	809,810	857,966	958,717	716,937	545,928
Unrestricted	(2,495,625)	(2,291,594)	(1,915,734)	(1,356,029)	(1,094,310)
Primary government, total net position	<u>\$ 2,212,016</u>	<u>\$ 2,289,911</u>	<u>\$ 2,600,205</u>	<u>\$ 2,714,702</u>	<u>\$ 2,555,826</u>



Fiscal Year Ending June 30					
2014	2013	2012	2011	2010	
					Governmental activities
\$ 3,165,319	\$ 2,998,987	\$ 2,740,429	\$ 1,687,128	\$ 1,594,275	Net investment in capital assets
499,463	550,326	683,835	656,347	604,942	Restricted
718,105	771,883	851,269	1,295,657	1,395,141	Unrestricted
<u>\$ 4,382,887</u>	<u>\$ 4,321,196</u>	<u>\$ 4,275,533</u>	<u>\$ 3,639,132</u>	<u>\$ 3,594,358</u>	Governmental activities, total net position
					Business-type activities
\$ 147,806	\$ 118,594	\$ 130,510	\$ 113,489	\$ 96,901	Net investment in capital assets
96,904	94,346	41,103	43,086	50,386	Restricted
(27,903)	88,852	(5,456)	59,550	72,397	Unrestricted
<u>\$ 216,807</u>	<u>\$ 301,792</u>	<u>\$ 166,157</u>	<u>\$ 216,125</u>	<u>\$ 219,684</u>	Business-type activities, total net position
					Primary government
\$ 3,313,125	\$ 3,117,581	\$ 2,870,939	\$ 1,800,617	\$ 1,691,176	Net investment in capital assets
596,367	644,672	724,938	699,433	655,328	Restricted
690,202	860,735	845,813	1,355,207	1,467,538	Unrestricted
<u>\$ 4,599,694</u>	<u>\$ 4,622,988</u>	<u>\$ 4,441,690</u>	<u>\$ 3,855,257</u>	<u>\$ 3,814,042</u>	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, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 170,904	\$ 192,894	\$ 230,767	\$ 201,495	\$ 164,830
Public protection	448,722	434,301	417,682	398,070	371,237
Other activities	139,861	89,778	118,140	135,204	109,773
Operating grants and contributions	2,010,351	1,951,911	1,912,480	1,907,919	1,800,158
Capital grants and contributions	47,530	77,352	49,088	54,134	31,579
Governmental activities program revenues	<u>2,817,368</u>	<u>2,746,236</u>	<u>2,728,157</u>	<u>2,696,822</u>	<u>2,477,577</u>
Business-type activities:					
Charges for services:					
Riverside University Health					
Systems - Medical Center	585,761	560,187	544,060	511,666	504,811
Other activities	252,163	227,588	172,851	164,860	161,008
Capital grants and contributions	-	87	552	2,234	536
Business-type activities program revenues	<u>837,924</u>	<u>787,862</u>	<u>717,463</u>	<u>678,760</u>	<u>666,355</u>
Primary government program revenues	<u>3,655,292</u>	<u>3,534,098</u>	<u>3,445,620</u>	<u>3,375,582</u>	<u>3,143,932</u>
Expenses					
Governmental activities:					
General government	261,113	275,973	277,276	283,081	179,575
Public protection	1,600,054	1,606,348	1,465,762	1,328,608	1,217,731
Public ways and facilities	244,547	215,360	199,023	149,768	177,870
Health and sanitation	611,195	611,960	559,906	468,382	499,669
Public assistance	1,067,788	1,067,151	1,024,047	980,550	970,415
Education	25,220	23,560	24,603	23,283	23,409
Recreation and cultural services	19,232	17,345	17,980	20,758	18,335
Interest on long-term debt	69,630	63,685	69,874	46,306	45,904
Governmental activities expenses	<u>3,898,779</u>	<u>3,881,382</u>	<u>3,638,471</u>	<u>3,300,736</u>	<u>3,132,908</u>
Business-type activities:					
Riverside University Health					
Systems - Medical Center	663,496	636,169	582,419	506,338	468,562
Waste Resources Department	102,278	88,964	87,115	75,358	56,299
Housing Authority	95,929	98,591	91,783	88,166	90,903
Flood Control	2,404	5,183	3,903	3,591	3,056
Riverside University Health					
Systems - Community Health Centers	79,792	56,247	-	-	-
County Service Areas	233	243	370	413	390
Business-type activities expenses	<u>944,132</u>	<u>885,397</u>	<u>765,590</u>	<u>673,866</u>	<u>619,210</u>
Primary government expenses	<u>4,842,911</u>	<u>4,766,779</u>	<u>4,404,061</u>	<u>3,974,602</u>	<u>3,752,118</u>
Net (expense)/revenue					
Governmental activities	(1,081,411)	(1,135,146)	(910,314)	(603,914)	(655,331)
Business-type activities	(106,208)	(97,535)	(48,127)	4,894	47,145
Primary government, net (expense) / revenue	<u>\$ (1,187,619)</u>	<u>\$ (1,232,681)</u>	<u>\$ (958,441)</u>	<u>\$ (599,020)</u>	<u>\$ (608,186)</u>

Source:

Auditor-Controller, County of Riverside

Table 2

Fiscal Year Ending June 30					
2014	2013	2012	2011	2010	
					Program revenues
					Governmental activities:
					Charges for services:
\$ 162,926	\$ 138,851	\$ 147,510	\$ 159,570	\$ 140,723	General government
352,178	339,379	316,778	326,237	331,162	Public protection
100,791	110,231	116,509	105,931	95,438	Other activities
1,593,627	1,503,390	1,447,694	1,393,016	1,384,791	Operating grants and contributions
29,890	27,695	27,909	32,114	31,112	Capital grants and contributions
2,239,412	2,119,546	2,056,400	2,016,868	1,983,226	Governmental activities program revenues
					Business-type activities:
					Charges for services:
400,630	450,340	371,827	386,533	367,273	Riverside University Health
155,336	150,407	133,838	140,327	134,257	Systems - Medical Center
450	698	335	-	1,165	Other activities
556,416	601,445	506,000	526,860	502,695	Capital grants and contributions
2,795,828	2,720,991	2,562,400	2,543,728	2,485,921	Business-type activities program revenues
					Primary government program revenues
					Expenses
					Governmental activities:
228,146	194,641	270,474	298,032	323,949	General government
1,191,438	1,065,373	1,047,202	1,021,288	1,062,213	Public protection
108,380	89,469	84,797	87,424	31,024	Public ways and facilities
460,963	422,982	374,950	369,984	347,634	Health and sanitation
851,246	807,611	827,092	907,202	820,637	Public assistance
24,420	18,998	10,376	15,816	19,866	Education
20,077	12,274	15,806	9,364	12,206	Recreation and cultural services
47,236	29,453	39,098	88,998	80,754	Interest on long-term debt
2,931,906	2,640,801	2,669,795	2,798,108	2,698,283	Governmental activities expenses
					Business-type activities:
482,240	473,916	417,074	401,120	389,991	Riverside University Health
62,721	53,069	57,272	56,688	49,956	Systems - Medical Center
94,716	90,678	91,469	86,027	81,426	Waste Resources Department
2,561	2,472	2,306	3,711	3,233	Housing Authority
-	-	-	-	-	Flood Control
429	459	456	383	454	Riverside University Health
642,667	620,594	568,577	547,929	525,060	Systems - Community Health Centers
3,574,573	3,261,395	3,238,372	3,346,037	3,223,343	County Service Areas
					Business-type activities expenses
					Primary government expenses
					Net (expense)/revenue
(692,494)	(521,255)	(613,395)	(781,240)	(715,057)	Governmental activities
(86,251)	(19,149)	(62,577)	(21,069)	(22,365)	Business-type activities
\$ (778,745)	\$ (540,404)	\$ (675,972)	\$ (802,309)	\$ (737,422)	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, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Continued:					
Primary government, net (expense) / revenue	\$ (1,187,619)	\$ (1,232,681)	\$ (958,441)	\$ (599,020)	\$ (608,186)
General revenues and other changes in net position					
Governmental activities:					
Taxes:					
Property taxes	407,895	387,305	367,937	346,851	327,504
Sales and use tax	33,673	27,557	27,881	29,573	32,851
Other taxes	29,941	18,634	20,844	22,005	18,632
Intergovernmental revenue - not restricted to programs:					
Unrestricted intergovernmental revenue	281,336	262,745	258,999	232,453	244,003
Investment earnings	69,755	26,613	12,918	12,948	8,700
Other	255,570	238,724	164,297	160,521	164,177
Transfers	(28,292)	(15,036)	(19,916)	(22,478)	(11,250)
Extraordinary item	-	-	-	-	-
Governmental activities	1,049,878	946,542	832,960	781,873	784,617
Business-type activities:					
Investment earnings	8,330	3,228	2,182	2,720	895
Other	-	-	-	-	-
Transfers	28,292	15,036	19,916	22,478	11,250
Extraordinary item	-	78	1,152	(2,803)	(905)
Business-type activities	36,622	18,342	23,250	22,395	11,240
Total primary government	1,086,500	964,884	856,210	804,268	795,857
Change in net position					
Governmental activities	(31,533)	(188,604)	(77,354)	177,959	129,286
Business-type activities	(69,586)	(79,193)	(24,877)	27,289	58,385
Primary government change in net position	\$ (101,119)	\$ (267,797)	\$ (102,231)	\$ 205,248	\$ 187,671

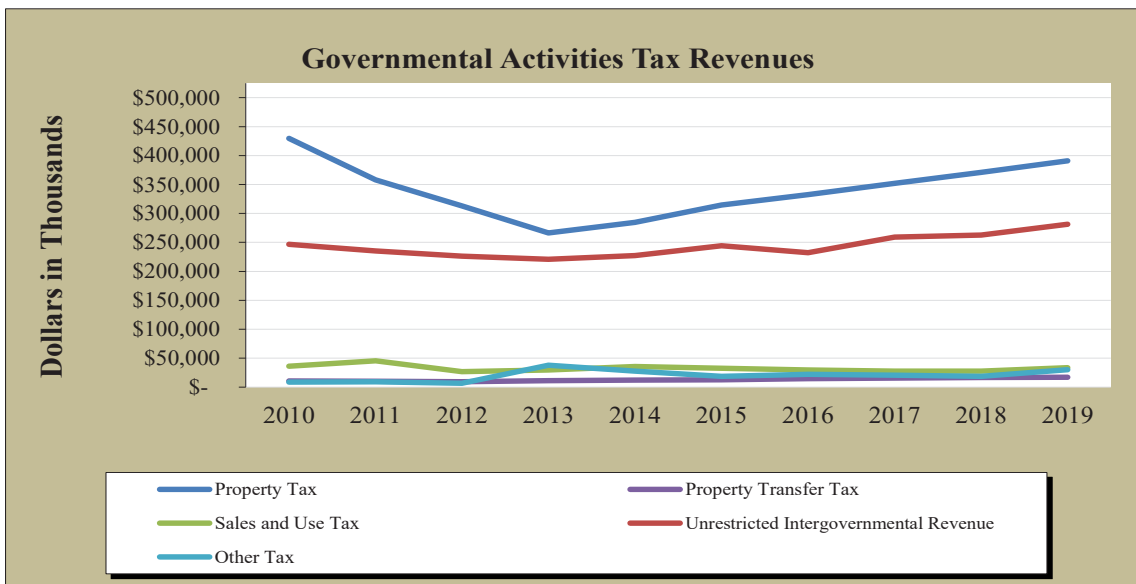
Table 2

Fiscal Year Ending June 30					
2014	2013	2012	2011	2010	
\$ (778,745)	\$ (540,404)	\$ (675,972)	\$ (802,309)	\$ (737,422)	Continued:
					Primary government, net (expense) / revenue
					General revenues and other changes in net position
					Governmental activities:
					Taxes:
297,107	277,417	322,337	367,867	440,282	Property taxes
35,443	29,751	26,744	45,489	36,289	Sales and use tax
27,764	37,883	6,715	9,004	8,610	Other taxes
					Intergovernmental revenue - not restricted to programs:
227,303	220,811	226,384	235,153	246,493	Unrestricted intergovernmental revenue
11,317	2,035	11,801	19,494	29,026	Investment earnings
167,992	168,454	169,399	142,966	91,044	Other
(9,644)	(1,049)	(11,702)	(10,355)	(17,436)	Transfers
-	(158,337)	502,638	-	-	Extraordinary item
757,282	576,965	1,254,316	809,618	834,308	Governmental activities
					Business-type activities:
1,319	(33)	907	538	1,442	Investment earnings
-	-	-	6,617	-	Other
9,645	1,049	11,702	10,355	17,436	Transfers
(9,698)	154,589	-	-	-	Extraordinary item
1,266	155,605	12,609	17,510	18,878	Business-type activities
758,548	732,570	1,266,925	827,128	853,186	Total primary government
					Change in net position
64,788	55,710	640,921	28,378	119,251	Governmental activities
(84,985)	136,456	(49,968)	(3,559)	(3,487)	Business-type activities
\$ (20,197)	\$ 192,166	\$ 590,953	\$ 24,819	\$ 115,764	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, 2019

Fiscal Year Ending June 30	Property Tax	Property Transfer Tax	Sales and Use Tax	Unrestricted Intergovernmental Revenue	Other Tax	Total
2019	\$ 390,794	\$ 17,101	\$ 33,673	\$ 281,336	\$ 29,941	\$ 752,845
2018	370,860	16,445	27,557	262,745	18,634	696,241
2017	352,132	15,805	27,881	258,999	20,844	675,661
2016	332,338	14,513	29,573	232,453	22,005	630,882
2015	314,599	12,905	32,851	244,003	18,632	622,990
2014	284,819	12,288	35,443	227,303	27,764	587,617
2013	266,294	11,123	29,751	220,811	37,883	565,862
2012	312,972	9,365	26,744	226,384	6,715	582,180
2011	357,908	9,959	45,489	235,153	9,004	657,513
2010	429,604	10,678	36,289	246,493	8,610	731,674



Source: Auditor-Controller, County of Riverside



(This Page Intentionally Left Blank)

Table 4

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
General Fund					
Nonspendable	\$ 2,416	\$ 3,470	\$ 2,314	\$ 2,369	\$ 2,001
Restricted	102,288	95,881	95,130	99,639	122,967
Committed	18,320	23,290	21,907	40,310	39,422
Assigned	14,196	12,464	10,989	11,870	5,144
Unassigned	275,181	234,477	217,891	217,322	225,855
Total general fund	412,401	369,582	348,231	371,510	395,389
Transportation					
Nonspendable	1,278	1,223	1,113	3,654	3,776
Restricted	87,536	65,359	61,357	68,191	49,875
Committed	4,519	3,828	3,092	2,847	2,719
Assigned	15,458	15,119	15,256	12,578	14,782
Total transportation	108,791	85,529	80,818	87,270	71,152
Flood Control					
Nonspendable	1	1	68	366	731
Restricted	257,268	236,080	225,328	205,957	236,749
Committed	-	-	-	-	-
Assigned	-	-	-	-	3,174
Total Flood Control	257,269	236,081	225,396	206,323	240,654
Public Facilities Improvements					
Restricted	143,969	183,777	150,711	119,441	120,141
Committed	8,427	3,375	5,124	4,877	3,000
Assigned	12,420	1,225	4,857	9,331	15,480
Total public facilities improvements	164,816	188,377	160,692	133,649	138,621
Public Financing Authority					
Restricted	818	15,671	93,045	231,229	302,498
Total public financing authority	818	15,671	93,045	231,229	302,498
Redevelopment Capital Projects					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total redevelopment capital projects	-	-	-	-	-
Nonmajor Governmental Funds					
Nonspendable	1,320	1,337	1,263	1,225	1,181
Restricted	146,731	165,986	167,975	168,868	168,472
Committed reported in:					
Special revenue funds	6,492	6,360	4,906	2,830	4,402
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Assigned	11,393	14,776	17,453	29,186	34,552
Total nonmajor governmental funds	165,936	188,459	191,597	202,109	208,607
Total all governmental funds	\$ 1,110,031	\$ 1,083,699	\$ 1,099,779	\$ 1,232,090	\$ 1,356,921

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, 2015-16, 2016-17, 2017-18, and 2018-19 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

	Fiscal Year Ending June 30				
	2014	2013	2012	2011	2010
General Fund					
Nonspendable	\$ 2,045	\$ 3,247	\$ 1,834	\$ 2,214	\$ 3,201
Restricted	117,595	101,440	101,651	98,552	93,653
Committed	32,820	42,183	52,439	50,097	250,444
Assigned	7,772	10,460	8,764	3,463	2,998
Unassigned	203,444	199,919	171,910	189,236	36,190
Total general fund	363,676	357,249	336,598	343,562	386,486
Transportation					
Nonspendable	1,101	1,044	1,014	-	-
Restricted	62,767	79,127	95,805	-	-
Committed	2,244	1,310	1,811	-	-
Assigned	14,063	12,821	4,935	-	-
Total transportation	80,175	94,302	103,565	-	-
Flood Control					
Nonspendable	1	1	1	1	1
Restricted	-	-	-	-	-
Committed	258,580	253,117	252,368	237,211	222,944
Assigned	-	1,807	3,890	13,741	18,979
Total Flood Control	258,581	254,925	256,259	250,953	241,924
Public Facilities Improvements					
Restricted	123,860	153,404	131,184	158,628	200,501
Committed	3,000	1,912	-	6,451	10,850
Assigned	7,803	44,244	111,324	128,023	127,302
Total public facilities improvements	134,663	199,560	242,508	293,102	338,653
Public Financing Authority					
Restricted	-	-	-	-	-
Total public financing authority	-	-	-	-	-
Redevelopment Capital Projects					
Nonspendable	-	-	-	72,055	79,257
Committed	-	-	-	115,617	93,028
Assigned	-	-	-	83,881	96,062
Total redevelopment capital projects	-	-	-	271,553	268,347
Nonmajor Governmental Funds					
Nonspendable	1,208	1,168	1,241	84,769	84,744
Restricted	182,139	174,552	354,214	410,787	434,900
Committed reported in:					
Special revenue funds	9,750	15,763	12,973	21,381	6,196
Debt service funds	-	-	-	1,206	1,206
Capital projects funds	-	151	323	1,690	355
Assigned	32,370	17,088	25,763	86,572	30,314
Total nonmajor governmental funds	225,467	208,722	394,514	606,405	557,715
Total all governmental funds	\$ 1,062,562	\$ 1,114,758	\$ 1,333,444	\$ 1,765,575	\$ 1,793,125

Note: In fiscal year 2010-11 the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Fiscal year 2009-10 fund balances have been recharacterized to comply with GASB Statement No. 54 in order to facilitate year-to-year comparisons. In fiscal year 2011-12 Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2012-13 Transportation became a major fund, therefore only fiscal years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside

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, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Revenues					
Taxes	\$ 470,567	\$ 433,684	\$ 416,940	\$ 398,139	\$ 379,358
Licenses, permits, and franchise fees	24,116	23,219	22,251	22,782	21,893
Fines, forfeitures, and penalties	65,497	65,833	71,196	74,349	79,059
Use of money and property:					
Investments earnings	61,620	24,449	12,234	11,736	7,989
Rents and concessions	25,890	25,318	24,990	51,695	25,548
Aid from other governmental agencies:					
Federal	637,639	675,110	691,080	686,964	634,269
State	1,508,938	1,441,178	1,356,683	1,345,344	1,304,580
Other	186,613	176,556	171,474	163,165	153,687
Charges for services	643,080	602,835	635,236	585,977	519,382
Other revenue	103,272	104,119	102,294	49,934	119,337
Total revenues	<u>3,727,232</u>	<u>3,572,301</u>	<u>3,504,378</u>	<u>3,390,085</u>	<u>3,245,102</u>
Expenditures					
General government	217,106	241,946	231,308	219,333	190,209
Public protection	1,395,886	1,342,978	1,331,768	1,271,121	1,202,873
Public ways and facilities	274,237	217,851	226,388	299,431	292,096
Health and sanitation	561,127	545,785	538,734	470,022	482,545
Public assistance	996,260	977,633	988,773	983,963	928,098
Education	25,145	21,456	21,449	20,003	20,755
Recreation and cultural services	22,305	16,544	21,042	24,232	23,716
Debt service:					
Principal	68,828	70,419	48,711	68,951	83,928
Interest	69,177	63,295	63,899	44,091	44,005
Cost of issuance	2,298	1,431	1,074	895	950
Capital outlay	34,405	94,975	220,006	92,800	103,211
Total expenditures	<u>3,666,774</u>	<u>3,594,313</u>	<u>3,693,152</u>	<u>3,494,842</u>	<u>3,372,386</u>
Revenues over (under) expenditures	<u>60,458</u>	<u>(22,012)</u>	<u>(188,774)</u>	<u>(104,757)</u>	<u>(127,284)</u>
Other financing sources (uses)					
Transfers in	282,999	269,388	280,223	350,235	550,783
Transfers out	(312,577)	(287,143)	(299,908)	(373,384)	(559,368)
Issuance of debt	-	10,610	-	-	346,000
Issuance of refunding bonds	100,000	58,565	39,985	72,825	-
Discount on long-term debt	-	-	-	-	-
Premium on long-term debt	-	4,096	5,216	7,612	28,699
Redemption of bonds	(110,835)	-	-	-	-
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	6,287	6,486	64,289	11,829	54,529
Total other financing sources (uses)	<u>(34,126)</u>	<u>(2,283)</u>	<u>56,463</u>	<u>(20,228)</u>	<u>420,643</u>
Net change in fund balances	<u>\$ 26,332</u>	<u>\$ (24,295)</u>	<u>\$ (132,311)</u>	<u>\$ (124,985)</u>	<u>\$ 293,359</u>
Debt service as a % of non-capital expenditures	4.07%	4.08%	3.36%	3.63%	4.27%

Source: Auditor-Controller, County of Riverside

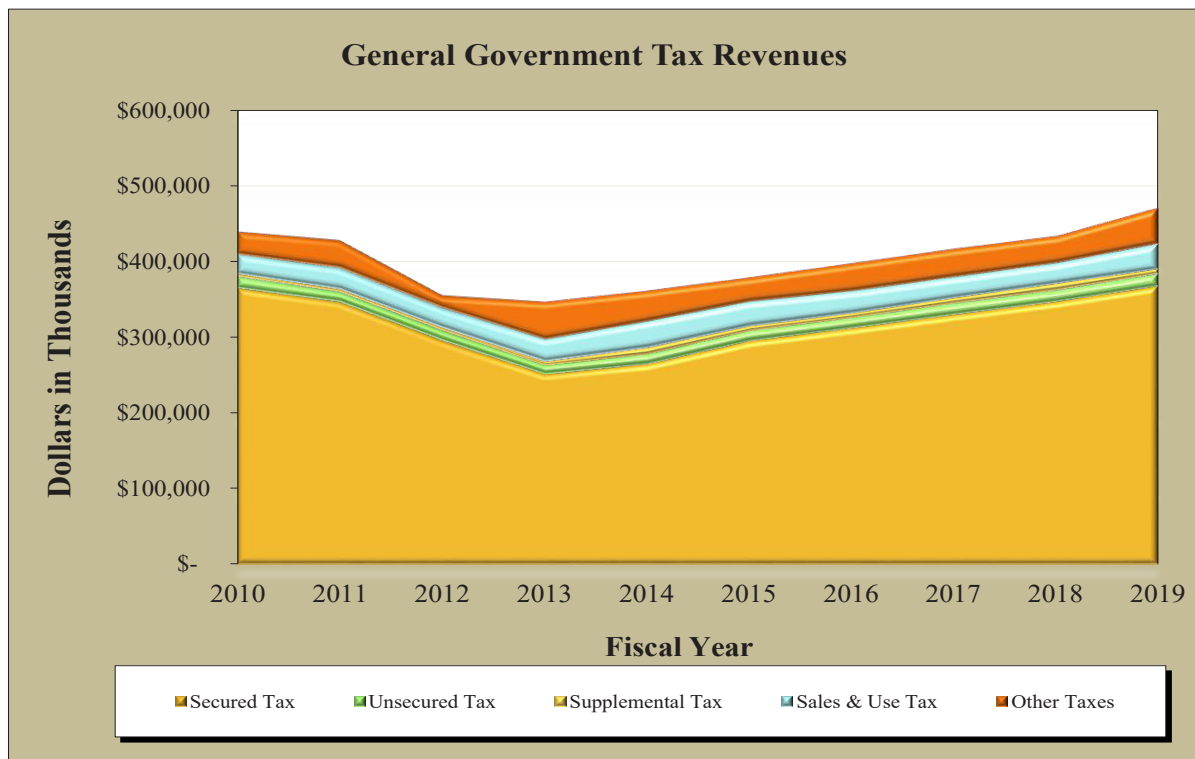
Table 5

Fiscal Year Ending June 30					
2014	2013	2012	2011	2010	
\$ 361,900	\$ 347,166	\$ 355,796	\$ 427,892	\$ 439,435	Revenues
20,377	18,798	19,513	20,294	19,197	Taxes
82,290	86,381	90,163	95,290	114,320	Licenses, permits, and franchise fees
					Fines, forfeitures, and penalties
10,187	2,370	10,827	18,305	26,929	Use of money and property:
29,925	19,246	19,588	17,659	17,393	Investments earnings
					Rents and concessions
					Aid from other governmental agencies:
544,478	569,330	577,654	609,531	636,167	Federal
1,172,107	1,047,485	986,658	921,329	857,191	State
136,461	132,120	156,678	130,362	172,598	Other
483,346	464,274	449,888	458,744	469,340	Charges for services
88,055	91,329	95,119	95,279	65,711	Other revenue
2,929,126	2,778,499	2,761,884	2,794,685	2,818,281	Total revenues
					Expenditures
214,212	208,242	291,227	311,025	554,315	General government
1,186,900	1,117,397	1,072,442	1,081,489	1,068,051	Public protection
177,965	177,467	168,015	176,184	130,310	Public ways and facilities
421,494	393,557	375,668	353,904	341,244	Health and sanitation
851,061	798,850	802,104	824,471	812,848	Public assistance
19,470	18,819	18,942	19,282	18,910	Education
15,911	16,590	15,220	18,755	12,620	Recreation and cultural services
					Debt service:
70,840	55,363	65,002	80,928	73,378	Principal
45,953	27,988	49,041	83,902	78,689	Interest
623	378	15	5,212	1,819	Cost of issuance
58,046	25,427	22,583	30,439	39,844	Capital outlay
3,062,475	2,840,078	2,880,259	2,985,591	3,132,028	Total expenditures
(133,349)	(61,579)	(118,375)	(190,906)	(313,747)	Revenues over (under) expenditures
					Other financing sources (uses)
248,448	231,574	323,052	267,985	463,296	Transfers in
(253,012)	(233,809)	(332,724)	(277,943)	(479,143)	Transfers out
64,000	-	-	170,481	81,745	Issuance of debt
20,510	19,140	33,360	-	70,365	Issuance of refunding bonds
-	-	-	-	(626)	Discount on long-term debt
1,338	759	2,840	-	937	Premium on long-term debt
-	-	-	-	-	Redemption of bonds
-	(18,155)	(32,797)	-	-	Redemption of refunded debt
-	-	-	-	-	Contribution to governmental agency
-	-	-	-	(65,713)	Payment to escrow agent
-	-	-	6	-	Proceeds from the sale of capital assets
2,965	1,721	2,671	8,321	31,018	Capital leases
84,249	1,230	(3,598)	168,850	101,879	Total other financing sources (uses)
\$ (49,100)	\$ (60,349)	\$ (121,973)	\$ (22,056)	\$ (211,868)	Net change in fund balances
4.21%	3.35%	4.50%	6.17%	5.85%	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, 2019

Fiscal Year Ending June 30	Secured Tax	Unsecured Tax	Supplemental Tax	Sales & Use Tax	Other Taxes	Total
2019	\$ 367,329	\$ 16,252	\$ 6,271	\$ 33,673	\$ 47,042	\$ 470,567
2018	346,927	15,208	8,913	27,557	35,079	433,684
2017	329,728	15,220	7,461	27,881	36,650	416,940
2016	312,004	13,798	6,247	29,573	36,517	398,139
2015	294,888	13,909	6,168	32,851	31,542	379,358
2014	264,643	13,597	8,165	35,443	40,052	361,900
2013	251,236	12,459	4,714	29,751	49,006	347,166
2012	295,974	13,499	3,498	26,626	16,199	355,796
2011	346,356	13,404	3,681	28,393	36,058	427,892
2010	364,810	15,270	3,778	25,762	29,815	439,435



Source: Auditor-Controller, County of Riverside

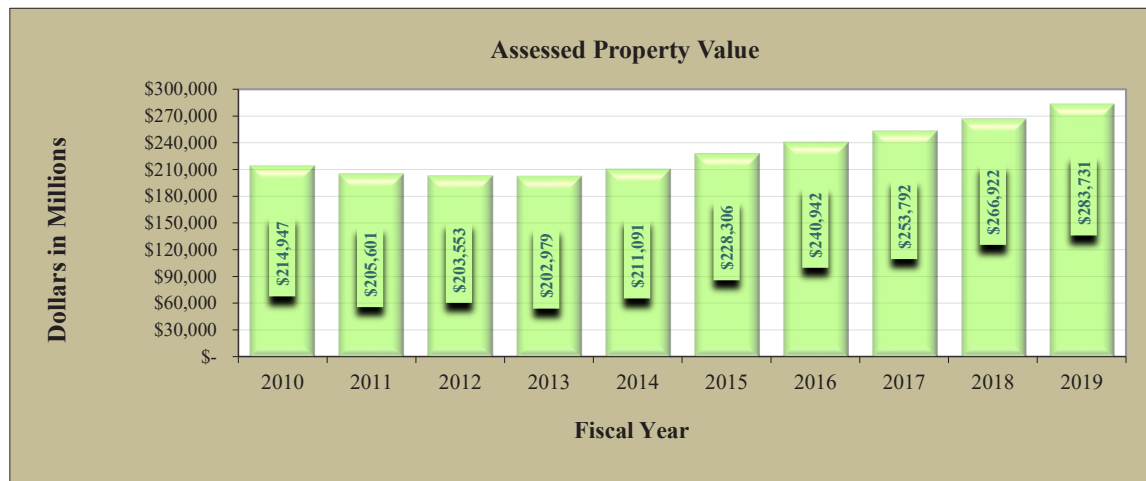


(This Page Intentionally Left Blank)

Table 7

COUNTY OF RIVERSIDE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Real property					
Secured property	\$ 283,711,524	\$ 267,148,195	\$ 253,728,054	\$ 240,984,595	\$ 228,131,826
Unsecured property	9,113,732	8,320,830	8,200,349	7,717,964	7,676,875
Total gross assessed value	292,825,256	275,469,025	261,928,403	248,702,559	235,808,701
Less:					
Tax-exempt real property	9,093,789	8,546,894	8,136,300	7,760,338	7,502,942
Total taxable assessed value	\$ 283,731,467	\$ 266,922,131	\$ 253,792,103	\$ 240,942,221	\$ 228,305,759
Total direct tax rate	1.0	1.0	1.0	1.0	1.0
Estimated actual taxable value	\$ 378,308,623	\$ 355,896,174	\$ 338,389,470	\$ 321,256,295	\$ 304,407,678
Assessed value as a % of actual value	77.40%	77.40%	77.40%	77.42%	77.46%



Source: Auditor-Controller, County of Riverside

Table 7

Fiscal Year Ending June 30					
2014	2013	2012	2011	2010	
\$ 210,523,063	\$ 201,971,552	\$ 202,313,851	\$ 204,153,163	\$ 213,144,336	Real property
7,868,150	8,123,443	8,057,242	8,121,065	8,227,172	Secured Property
218,391,213	210,094,995	210,371,093	212,274,228	221,371,508	Unsecured Property
					Total gross assessed value
7,300,462	7,116,048	6,818,361	6,673,229	6,424,030	Less:
					Tax-exempt real property
<u>\$ 211,090,751</u>	<u>\$ 202,978,947</u>	<u>\$ 203,552,732</u>	<u>\$ 205,600,999</u>	<u>\$ 214,947,478</u>	Total taxable assessed value
1.0	1.0	1.0	1.0	1.0	Total direct tax rate
\$ 281,454,335	\$ 270,638,596	\$ 271,403,643	\$ 274,134,665	\$ 286,596,637	Estimated actual taxable value
77.59%	77.63%	77.51%	77.43%	77.24%	Assessed value as a % of actual value

Table 8

COUNTY OF RIVERSIDE
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
June 30, 2019

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	
2019	1.00000%	0.11550%	0% to .00592%	0 to .15291%	0% to .50000%	1.11550% to 1.50000%
2018	1.00000%	0.11550%	0% to .00608%	0 to .17609%	0% to .50000%	1.11550% to 1.50000%
2017	1.00000%	0.11550%	0% to .00617%	0 to .16601%	0% to .50000%	1.11550% to 1.50000%
2016	1.00000%	0.11440%	0% to .00576%	0 to .15335%	0% to .50000%	1.11440% to 1.50000%
2015	1.00000%	0.14640%	0% to .00626%	0 to .17234%	0% to .53052%	1.14640% to 1.53052%
2014	1.00000%	0.13830%	0% to .00673%	.01768% to .17571%	0% to .55075%	1.13830% to 1.55075%
2013	1.00000%	0.14340%	0% to .00572%	.01702% to .17570%	0% to .58076%	1.14340% to 1.58076%
2012	1.00000%	0.12540%	0% to .00571%	.01700% to .14030%	0% to .53864%	1.12540% to 1.53864%
2011	1.00000%	0.12540%	0% to .00575%	.01499% to .13224%	0% to .50000%	1.12540% to 1.50000%
2010	1.00000%	0.12220%	.00064% to .00577%	.01242% to .12628%	0% to .50000%	1.12220% to 1.50000%

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, 2019

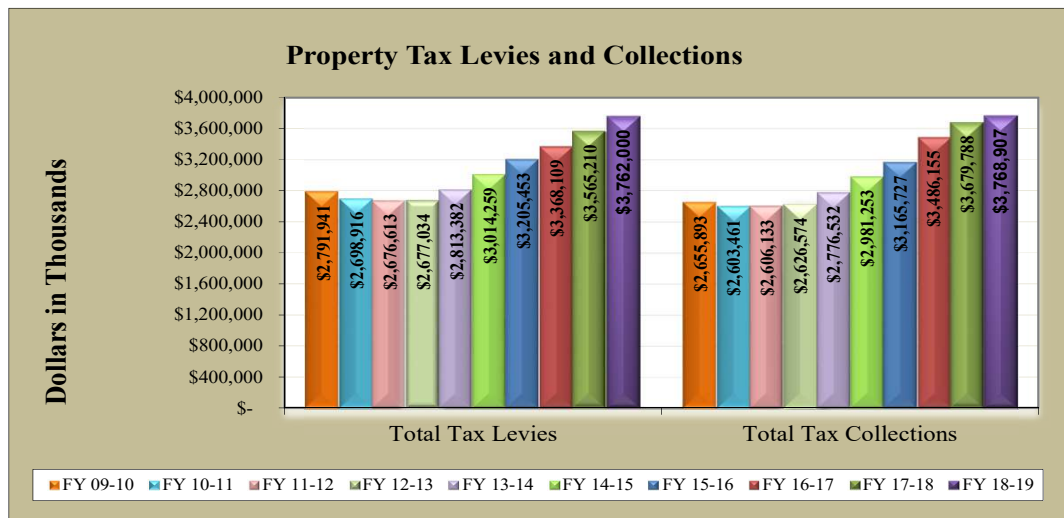
<u>Tax payer</u>	Fiscal Year			
	2019		2010	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Southern California Edison Company	\$ 54,572	1.38%	\$ 16,374	0.56%
Centex Homes	-	0.00%	4,586	0.16%
Deutsche Bank National Trust Co.	-	0.00%	7,610	0.26%
Southern California Gas Company	14,674	0.37%	5,694	0.19%
Verizon California, Inc.	8,268	0.21%	8,607	0.29%
CPV Sentinel, LLC	6,755	0.17%	-	0.00%
Lennar Homes of California Inc.	3,773	0.10%	-	0.00%
Inland Empire Energy Center LLC	-	0.00%	7,768	0.26%
US Bank National Association	-	0.00%	5,420	0.18%
Bank of New York	-	0.00%	3,744	0.13%
Abott Vascular Inc.	-	0.00%	3,238	0.11%
Costco Wholesale Group	3,655	0.09%	-	0.00%
Riverside Healthcare System	3,543	0.09%	-	0.00%
Tyler Mall Ltd Partnership	3,531	0.09%	3,270	0.11%
Chelsea GCA Realty Partnership	3,444	0.09%	-	0.00%
Walgreen Co.	3,255	0.08%	-	0.00%
Total	\$ 105,470	2.67%	\$ 66,311	2.25%

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, 2019

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
2019	\$ 3,762,000	\$ 3,704,818	98.48%	\$ 64,089	\$ 3,768,907	100.18%
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%



*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.

Source: Auditor-Controller, County of Riverside

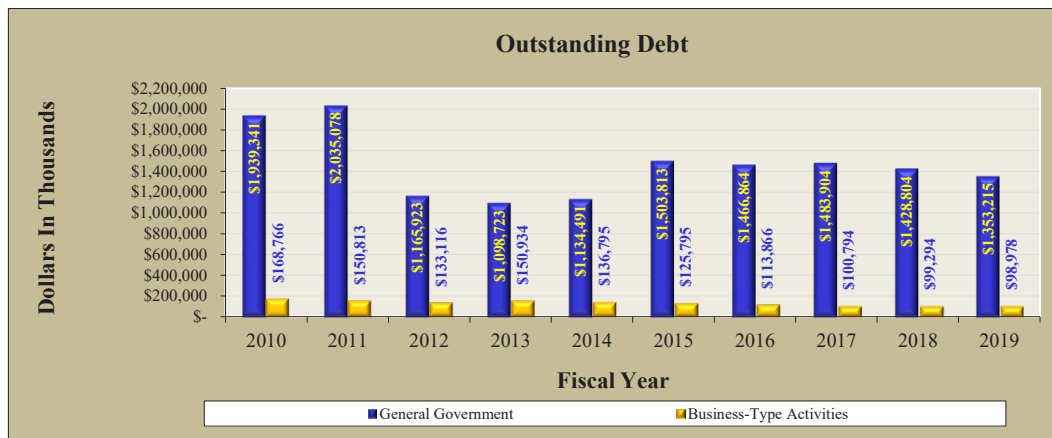


(This Page Intentionally Left Blank)

Table 11

COUNTY OF RIVERSIDE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
General government					
Bonds	\$ 1,189,065	\$ 1,232,234	\$ 1,206,942	\$ 1,195,027	\$ 1,141,497
Certificates of participation	60,265	78,128	94,467	108,937	211,688
Notes and loans	980	1,600	2,205	2,790	3,350
Capital leases	102,905	116,842	180,290	160,110	147,278
Business-type activities					
Bonds	64,254	77,773	92,371	106,428	119,917
Capital leases	34,724	21,521	8,423	7,438	5,878
Total primary government	\$ 1,452,193	\$ 1,528,098	\$ 1,584,698	\$ 1,580,730	\$ 1,629,608
Percentage of personal income	1.61%	1.75%	1.88%	1.95%	2.23%
Per capita	\$ 595	\$ 633	\$ 665	\$ 673	\$ 765



Note: Per Capita is an estimate for fiscal years 2017-18 and 2018-19

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

Table 11

				Fiscal Year Ending June 30		
2014	2013	2012	2011	2010		
General government						
\$ 810,186	\$ 744,460	\$ 750,492	\$ 1,551,323	\$ 1,408,017	Bonds	
240,593	282,095	309,511	367,272	385,447	Certificates of participation	
3,890	4,420	4,925	5,355	21,987	Notes and loans	
79,822	67,748	100,995	111,128	123,890	Capital leases	
Business-type activities						
132,941	143,710	121,061	134,983	147,924	Bonds	
3,854	7,224	12,055	15,830	20,842	Capital leases	
\$ 1,271,286	\$ 1,249,657	\$ 1,299,039	\$ 2,185,891	\$ 2,108,107	Total primary government	
1.65%	1.66%	1.78%	3.07%	3.37%	Percentage of personal income	
\$ 558	\$ 554	\$ 583	\$ 986	\$ 985	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, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Bonds	\$ 1,253,319	1,310,007	1,299,313	\$ 1,301,455	\$ 1,261,414
Less:					
Amounts available in debt service fund	35,808	48,823	63,634	67,680	71,947
Total net obligation bonds outstanding	\$ 1,217,511	\$ 1,261,184	\$ 1,235,679	\$ 1,233,775	\$ 1,189,467
Percentage of estimated					
Actual taxable value of property	0.32%	0.35%	0.37%	0.38%	0.39%
Per capita	\$ 499	\$ 522	\$ 518	\$ 525	\$ 515

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

Source: California State Department of Finance

Table 12

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

Table 13

COUNTY OF RIVERSIDE
Direct and Overlapping Governmental Activities Debt
as of June 30, 2019
(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	\$ 11,742,280	88.47572%	\$ 10,389,067
Subtotal, overlapping debt			10,389,067
County of Riverside direct debt			1,353,213
Total direct and overlapping debt			\$ 11,742,280

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.



(This Page Intentionally Left Blank)

Table 14

COUNTY OF RIVERSIDE
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2019

	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
Debt limit	\$ 3,546,643	\$ 3,336,527	\$ 3,172,401	\$ 3,011,778	\$ 2,853,822
Total net debt applicable to limit	<u>(1,217,511)</u>	<u>(1,261,184)</u>	<u>(1,235,679)</u>	<u>(1,233,775)</u>	<u>(1,189,467)</u>
Legal debt margin	<u>\$ 2,329,132</u>	<u>\$ 2,075,343</u>	<u>\$ 1,936,722</u>	<u>\$ 1,778,003</u>	<u>\$ 1,664,355</u>
Total net debt applicable to the limit as a percentage of debt limit	34.3%	37.8%	39.0%	41.0%	41.7%

Legal Debt Margin Calculated for Fiscal Year 2019

Assessed value	\$ 285,788,852
Less: Homeowners exemptions	<u>2,057,385</u>
Total assessed value	<u>283,731,467</u>
Debt limit (1.25% of total assessed value)	<u>3,546,643</u>
Debt applicable to limit:	
General obligation bonds (Governmental & Business-type)	1,253,319
Less: Amount set aside for repayment of general obligation debt	<u>35,808</u>
Total net debt applicable to limit	<u>1,217,511</u>
Legal debt margin	<u>\$ 2,329,132</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

<u>2014</u>		<u>2013</u>		<u>2012</u>		<u>Fiscal Year Ending June 30</u>		
						<u>2011</u>	<u>2010</u>	
\$	2,638,634	\$	2,537,237	\$	2,544,409	\$	2,570,012	\$ 2,686,843 Debt limit
	<u>(862,722)</u>		<u>(808,219)</u>		<u>(793,317)</u>		<u>(1,534,901)</u>	<u>(1,428,735)</u> Total net debt applicable to limit
\$	<u>1,775,912</u>	\$	<u>1,729,018</u>	\$	<u>1,751,092</u>	\$	<u>1,035,111</u>	<u>\$ 1,258,108</u> Legal debt margin
	32.7%		31.8%		31.2%		59.7%	53.2% 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, 2019

Fiscal Year Ending June 30	Lease Revenue Bonds					
	Revenue from Lease Payments	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2019	\$ 18,866	\$ 2,248	\$ 16,618	\$ 12,541	\$ 15,534	59.19%
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%

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

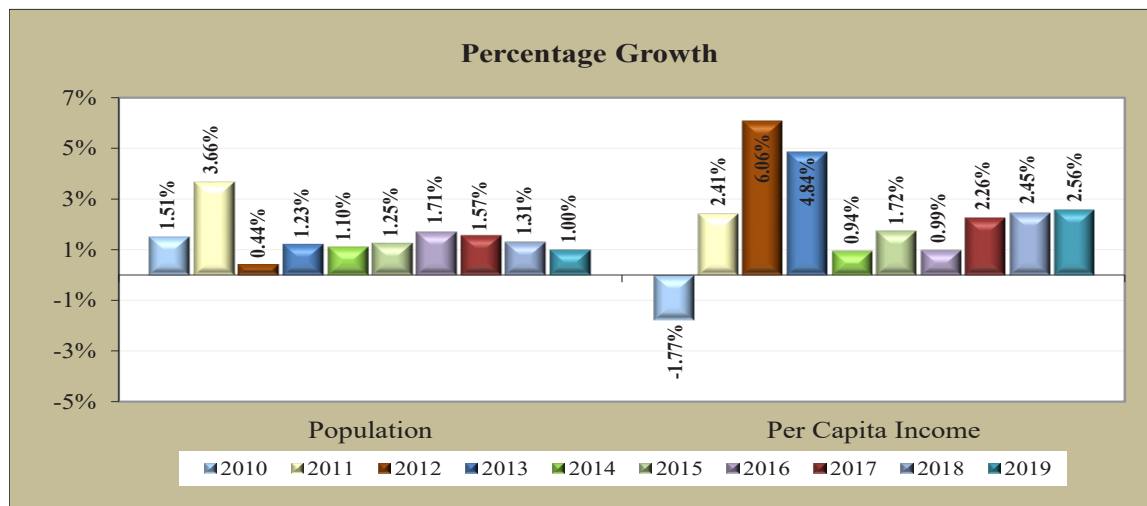
Table 15

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			
\$ 12,866	\$ 36	\$ 12,829	\$ 1,894	\$ 6,403	154.63%	2019	
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	

Table 16

COUNTY OF RIVERSIDE
Demographic and Economic Statistics
Last Ten Fiscal Years
June 30, 2019

Fiscal Year Ending June 30	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2019	2,440,124	\$ 95,775,000 ¹	\$ 37,074 ¹	428,494	4.40%
2018	2,415,955	92,810,000 ¹	36,149 ¹	428,992	4.80%
2017	2,384,783	90,160,000 ¹	35,286 ¹	428,489	5.60%
2016	2,347,828	86,888,000 ¹	34,506 ¹	427,537	5.90%
2015	2,308,441	81,296,000 ¹	34,169 ¹	425,883	6.60%
2014	2,279,967	78,239,388	33,590	426,227	8.40%
2013	2,255,059	76,289,477	33,278	425,968	10.20%
2012	2,227,577	71,555,000	31,742	425,707	12.60%
2011	2,217,778	69,438,900	29,927	424,086	14.40%
2010	2,139,535	64,376,498	29,222	423,986	14.50%



Note 1: Projection based on 10 years' running average (2009 - 2018)

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, 2019

	Fiscal Year			
	2019		2010	
Employer	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
County of Riverside	21,215	2.04%	18,456	2.36%
March Air Reserve Base	9,000	0.87%	8,600	1.10%
University of California, Riverside	8,735	0.84%	7,321	0.94%
Wal-Mart	-	0.00%	6,550	0.84%
Kaiser Permanente Riverside Medical Center	5,592	0.54%	3,600	0.46%
Stater Brothers Markets	-	0.00%	6,900	0.88%
Corona-Norco Unified School District	4,989	0.48%	-	0.00%
Pechanga Resort & Casino	4,683	0.45%	4,000	0.51%
Riverside Unified School District	4,335	0.42%	5,099	0.65%
Hemet Unified School District	4,302	0.41%	-	0.00%
Eisenhower Medical Center	3,743	0.36%	-	0.00%
Moreno Valley Unified School District	3,684	0.36%	-	0.00%
Abbott Vascular	-	0.00%	4,500	0.58%
Temecula Valley Unified School District	-	0.00%	2,752	0.35%
Total	70,278	6.78%	67,778	8.67%

Source: Economic Development Agency

Table 18

COUNTY OF RIVERSIDE
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
June 30, 2019

Function/Program	Full-time Equivalent Employees				
	2019	2018	2017	2016	2015
General government					
Legislative and administrative	91	85	85	88	84
Finance	387	395	407	422	408
Counsel	77	73	73	72	70
Personnel	574	184	185	185	180
Elections	31	30	30	31	23
Communication	40	-	-	-	-
Property management	427	414	424	398	404
Promotion	67	51	43	51	54
Other general	28	29	30	28	27
Public protection					
Judicial	1,309	1,175	1,161	1,214	1,202
Police protection	2,183	2,193	2,293	2,470	2,466
Detention and correction	2,215	2,205	2,321	2,419	2,389
Fire protection	239	239	226	227	227
Protection/inspection	82	79	77	82	76
Other protection	366	924	942	639	554
Administration	-	73	81	68	68
Public ways and facilities					
Public ways	361	353	345	384	387
Parking facilities	10	18	15	19	17
Health and sanitation					
Health	2,691	2,640	2,559	2,640	2,236
Hospital care	179	33	32	33	32
Public health ambulatory care	-	-	-	-	267
California children's services	137	143	145	141	142
Public assistance					
Aid programs	3,856	3,859	4,006	4,199	3,980
Veterans' services	17	16	16	14	14
Other assistance	296	174	185	207	270
Education, recreation and culture					
Library services	9	17	17	4	5
Agricultural extension	5	3	3	5	5
Cultural services	2	2	2	2	2
County business-type functions					
Hospital care	2,864	2,650	2,587	2,482	2,399
Sanitation	248	180	174	163	164
Internal service	543	655	2,037	3,213	2,876
Special districts/Component units	410	587	611	993	739
Total	19,744	19,479	21,112	22,893	21,767

Note: Temporary employees, 1,828, filled as of June 1, 2019 are included in the total number employees.

Source: County of Riverside, fiscal year 2019-20 Recommended Budget

Table 18

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

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function
Last Ten Fiscal Years
June 30, 2019

		Fiscal Year Ending June 30				
		2019	2018	2017	2016	2015
Function/Program						
Agricultural Commissioner						
Export phytosanitary certificates	c	19,143	14,450	13,478	13,546	14,825
Pesticide use inspections	d	2,154	1,291	800	1,211	1,025
Weights and measures regulated		140,721	142,684	141,939	141,092	139,701
Agriculture quality inspections		472	678	605	350	497
Plant pest inspections		7,247	5,479	7,468	9,846	10,792
Nursery acreage inspected		9,650	6,082	6,727	7,708	7,020
Weights and measures inspected		43,318	61,513	60,197	75,508	63,695
Assessor-Clerk-Recorder						
Assessments		934,810	931,922	925,405	919,810	914,886
Official records recorded		478,622	543,816	587,906	555,870	540,589
Vital records copies issued		90,788	88,278	89,691	86,597	75,708
Official records copies issued		19,905	21,251	23,093	23,014	18,307
Auditor-Controller						
Invoices paid		370,388	367,557	280,498	359,917	368,001
Vendor warrants (checks) issued		200,693	220,965	234,781	227,037	228,750
Active vendors		30,820	24,487	35,198	28,697	30,604
Payroll warrants (checks) issued		541,369	549,902	568,689	564,546	541,390
Average payroll warrants (checks) per pay period		20,822	21,150	21,873	21,713	20,823
Audits per fiscal year		28	54	55	35	26
Tax bills levied		929,514	1,029,621	1,019,903	1,008,147	1,003,952
Tax refunds/roll changes processed		30,607	34,098	53,234	19,561	47,556
Community Action Partnership						
Utility assistance (households)		19,583	16,724	18,017	15,743	15,115
Weatherization (households)		445	1,100	1,260	997	967
Energy education attendees	a	20,028	17,834	7,428	10,398	6,395
Disaster relief (residents)		27,734	22,305	13,400	13,734	13,387
Income tax returns prepared		4,450	4,412	5,239	4,545	4,325
After school programs (students)		3,452	3,400	2,703	2,198	2,114
Leadership program enrollment	b	-	-	-	-	-
Mediation (cases)		2,231	2,101	2,009	2,579	2,527
Environmental Health						
Facilities inspections		30,528	34,571	28,205	30,919	31,897
Public Health						
Patient visits		159,386	161,578	124,031	143,956	134,481
Patient services		363,417	322,763	242,554	299,048	290,900
Animal Control Services						
Animal impounds (live animals)		39,780	36,442	38,858	41,773	37,644
Spays and neuters completed		14,411	14,601	15,337	14,508	13,216
Animal licenses sold		23,841	21,843	58,995	76,157	65,020
Service calls fielded		35,248	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
2014	2013	2012	2011	2010	
Agricultural Commissioner					
16,067	18,346	19,875	-	25,745	c Export phytosanitary certificates
834	783	793	764	682	d Pesticide use inspections
138,321	138,547	137,727	134,290	131,175	Weights and measures regulated
524	456	553	693	643	Agriculture quality inspections
11,635	10,361	11,931	9,584	9,667	Plant pest inspections
7,064	6,156	6,920	6,338	6,923	Nursery acreage inspected
80,461	63,653	51,074	56,751	77,278	Weights and measures inspected
Assessor-Clerk-Recorder					
909,432	906,467	904,706	904,040	941,928	Assessments
530,777	648,812	592,531	612,804	673,674	Official records recorded
85,309	78,405	78,768	80,391	87,194	Vital records copies issued
22,329	32,792	26,153	28,990	26,348	Official records copies issued
Auditor-Controller					
425,003	426,660	389,798	412,374	488,192	Invoices paid
232,034	259,458	255,463	265,979	300,428	Vendor warrants (checks) issued
84,680	80,011	78,887	65,090	64,761	Active vendors
524,990	509,376	509,468	506,870	532,904	Payroll warrants (checks) issued
20,192	19,591	19,595	19,495	19,737	Average payroll warrants (checks) per pay period
34	25	26	26	30	Audits per fiscal year
998,203	984,268	972,577	999,241	977,115	Tax bills levied
22,435	63,500	79,606	123,476	115,904	Tax refunds/roll changes processed
Community Action Partnership					
16,087	13,911	21,912	22,207	27,956	Utility assistance (households)
479	179	842	1,375	2,083	Weatherization (households)
4,991	6,368	14,950	13,807	11,725	a Energy education attendees
24,274	11,316	13,968	12,058	17,989	Disaster relief (residents)
3,453	3,111	2,711	3,006	2,257	Income tax returns prepared
20,700	19,200	20,700	18,400	13,800	After school programs (students)
-	-	166	593	182	b Leadership program enrollment
2,723	1,905	2,181	2,178	2,237	Mediation (cases)
Environmental Health					
35,325	32,045	36,201	31,801	31,213	Facilities inspections
Public Health					
124,099	135,795	109,870	106,532	142,617	Patient visits
363,442	353,269	392,621	390,607	313,409	Patient services
Animal Control Services					
37,037	35,201	36,518	49,408	62,770	Animal impounds (live animals)
13,690	11,908	9,771	8,305	7,225	Spays and neuters completed
122,105	-	-	-	-	Animal licenses sold
-	-	-	-	-	Service calls fielded

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2019

<u>Function/Program</u>	<u>Fiscal Year Ending June 30</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County Library					
Total circulation - books	2,875,249	2,389,611	2,513,032	2,704,884	2,792,388
Reference questions answered	445,397	499,590	479,917	478,827	487,093
Patron door count	3,253,888	3,188,442	3,606,142	4,069,001	4,216,087
Programs offered	7,510	9,626	9,680	10,423	9,547
Program attendance	162,126	154,031	163,198	176,502	154,391
Riverside University Health Systems - Medical Center					
Emergency room treatments	79,604	76,654	77,963	88,780	84,697
Emergency room services - MH	11,162	11,749	12,854	12,896	12,989
Clinic visits	121,087	119,033	99,309	116,277	104,693
Admissions	20,151	19,143	17,826	19,863	19,404
Patient days	114,239	108,468	104,854	104,276	106,466
Discharges	20,151	19,156	18,397	19,147	19,387
Fire					
Medical assistance	120,821	127,810	119,868	112,799	103,407
Fires extinguished	17,649	17,849	15,975	14,988	13,823
Other services	22,536	23,744	24,053	22,163	22,680
Communities served	94	94	94	94	94
Mental Health					
Mental health clients (crisis/long-term care)	46,675	44,448	43,013	42,764	41,942
Substance abuse clients	15,354	11,292	8,950	11,205	15,457
Detention clients	17,020	13,325	13,690	12,627	12,137
Probate conservatorship clients	425	410	453	410	358
Mental health conservatorship clients	628	682	647	410	613
Probation					
Adults on probation	a 13,016	12,942	12,185	14,422	16,496
Juveniles in secure detention	b 108	112	137	153	134
Juveniles in treatment facilities	b 42	44	60	57	57
Juveniles in detention facilities	a 3,275	3,389	5,978	6,375	5,810
Public Social Services					
CalWORKs clients	22,262	24,741	26,306	29,090	32,030
Food stamp clients	113,714	121,542	127,778	132,274	128,656
Medi-Cal clients	351,453	346,407	351,817	341,519	298,461
In-home support services	31,957	30,008	27,564	24,888	25,703
Foster care placements	2,318	2,792	3,670	4,063	4,041
Child welfare services	9,858	9,779	9,761	10,471	10,757
Homeless program (bed nights)	5,201	4,190	7,384	7,384	7,384
Homeless program (meals)	8,015	8,380	14,767	14,767	14,767

Note: a - Average monthly population
b - Average daily population

Source: Various County Departments

Table 19

Fiscal Year Ending June 30					Function/Program
2014	2013	2012	2011	2010	
County Library					
3,023,637	3,059,094	3,387,218	3,724,657	3,718,343	Total circulation - books
371,953	434,057	441,269	404,913	370,619	Reference questions answered
3,919,125	4,148,012	4,080,738	731,699	3,599,064	Patron door count
6,819	6,521	8,382	7,624	7,214	Programs offered
139,223	143,053	163,692	163,416	148,612	Program attendance
Riverside University Health Systems - Medical Center					
88,853	119,606	101,952	99,706	96,993	Emergency room treatments
13,531	14,275	16,750	15,376	14,288	Emergency room services - MH
124,255	125,471	127,546	129,041	131,624	Clinic visits
22,738	24,260	23,949	23,638	23,536	Admissions
118,467	124,599	121,949	123,250	121,915	Patient days
22,773	24,279	23,694	23,668	23,559	Discharges
Fire					
99,058	97,054	96,843	97,066	94,193	Medical assistance
13,632	13,517	12,990	4,271	4,449	Fires extinguished
20,846	20,049	11,856	16,522	17,076	Other services
94	94	78	78	78	Communities served
Mental Health					
39,765	37,591	35,696	33,260	30,657	Mental health clients (crisis/long-term care)
15,457	15,755	17,849	16,987	16,736	Substance abuse clients
12,137	11,899	10,544	8,874	10,831	Detention clients
358	278	351	424	474	Probate conservatorship clients
613	563	879	832	675	Mental health conservatorship clients
Probation					
16,922	17,406	14,992	16,271	17,790 a	Adults on probation
156	194	193	225	248 b	Juveniles in secure detention
79	86	107	128	125 b	Juveniles in treatment facilities
7,154	8,505	9,148	10,741	11,385 a	Juveniles in detention facilities
Public Social Services					
33,159	33,341	33,682	33,412	31,022	CalWORKs clients
121,949	116,333	107,076	91,606	74,484	Food stamp clients
186,911	135,570	130,562	124,061	116,758	Medi-Cal clients
23,061	20,641	19,070	18,201	16,852	In-home support services
3,725	3,237	3,113	3,130	3,085	Foster care placements
9,958	9,178	9,664	9,916	9,591	Child welfare services
8,296	8,296	8,331	10,746	12,900	Homeless program (bed nights)
16,592	16,592	16,660	21,494	25,800	Homeless program (meals)

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2019

<u>Function/Program</u>		<u>Fiscal Year Ending June 30</u>				
		<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Registrar of Voters						
	Voting precincts	1,072	826	1,126	869	1,193
	Polling places	584	546	587	564	546
	Voters	a 1,041,122	983,917	1,022,375	911,269	891,630
	Poll workers	2,755	2,264	3,087	2,234	2,200
Sheriff						
	Number of bookings	49,033	50,371	49,896	49,864	54,025
	Coroner case load	15,493	15,397	14,476	13,885	12,958
	Calls for services	b 174,741	180,488	187,087	193,763	190,816
Transportation and Land Management Agency						
- Building & Safety						
	Building permits issued	c -	-	-	-	1,028
	Building plans checked	c -	-	-	-	-
	Building structures inspected	c -	-	-	-	-
Veterans' Services						
	Phone inquiries answered	d 29,619	35,846	36,971	38,812	32,778
	Client interviews	d 46,988	24,563	21,183	25,072	17,281
	Claims filed	d 7,354	7,191	6,789	6,792	6,345
	Emails	d 11,581	14,280	14,280	9,884	6,584
	Veterans reached at outreach events	24,304	2,589	3,014	3,591	3,725
Waste Resources						
	Landfill tonnage	1,515,254	1,498,681	1,408,688	1,320,497	1,475,122
	Recycling tonnage	3,527	3,042	2,463	2,052	1,386

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 2018-19
d - Program not yet started / not tracked

Source: Various County Departments

Table 19

Fiscal Year Ending June 30					Function/Program
2014	2013	2012	2011	2010	
Registrar of Voters					
846	1,218	853	1,649	2,370	Voting precincts
545	642	522	746	1,158	Polling places
887,000	943,402	852,217	1,009,933	1,815,892 a	Voters
2,200	2,960	2,300	3,281	4,186	Poll workers
Sheriff					
60,826	57,330	53,691	53,974	55,306	Number of bookings
12,164	11,639	10,947	10,555	10,027	Coroner case load
176,339	172,664	176,062	232,821	255,601 b	Calls for services
Transportation and Land Management Agency - Building & Safety					
905	1,116	836	863	1,568	Building permits issued
799	908	740	817	1,537 c	Building plans checked
957	901	676	1,168	1,774 c	Building structures inspected
Veterans' Services					
31,445	36,107	36,707	43,617	41,569 d	Phone inquiries answered
17,448	14,714	14,990	15,630	25,209 d	Client interviews
5,998	5,735	6,030	5,485	5,581 d	Claims filed
3,138	-	-	-	- d	Emails
-	-	-	-	-	Veterans reached at outreach events
Waste Resources					
1,383,266	1,102,626	1,071,309	1,071,394	1,032,942	Landfill tonnage
2,503	2,679	2,206	2,499	1,803	Recycling tonnage

Table 20

COUNTY OF RIVERSIDE
Capital Asset Statistics by Function
Last Ten Fiscal Years
June 30, 2019

Function/Program	Fiscal Year Ending June 30				
	2019	2018	2017	2016	2015
County Libraries					
Branch libraries	35	36	35	35	35
Book mobiles	2	2	2	2	2
Books in collection	829,893	1,337,332	1,341,967	1,168,364	1,382,932
Museum	1	-	1	1	-
Riverside University Health Systems - Medical Center					
Major clinics	4	4	4	4	4
Routine and specialty clinics	44	44	44	44	44
Beds licensed	439	439	439	439	439
Fire					
Stations	37	37	37	37	37
Trucks	162	158	158	158	158
Parks and Recreation					
Regional parks	11	11	11	11	14
Historic sites	5	5	5	5	5
Nature centers	4	4	4	4	4
Archaeological sites	6	6	6	6	5
Wildlife reserves	9	9	9	9	7
RV and mobile home parks	2	2	2	2	2
Managed areas	5	5	5	5	5
Recreational facilities	1	1	1	3	1
Community centers	-	-	-	1	1
Sheriff					
Patrol stations	10	10	10	10	10
Patrol vehicles	977	966	966	930	932
Waste Resources					
Landfills	6	6	6	6	6
Capacity in tons	62,713,411	62,668,370	62,668,370	62,191,202	54,232,021

Source: Various County Departments

Table 20

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

Riverside County Comprehensive Annual Financial Report



Paul Angulo, CPA, MA
County Auditor-Controller