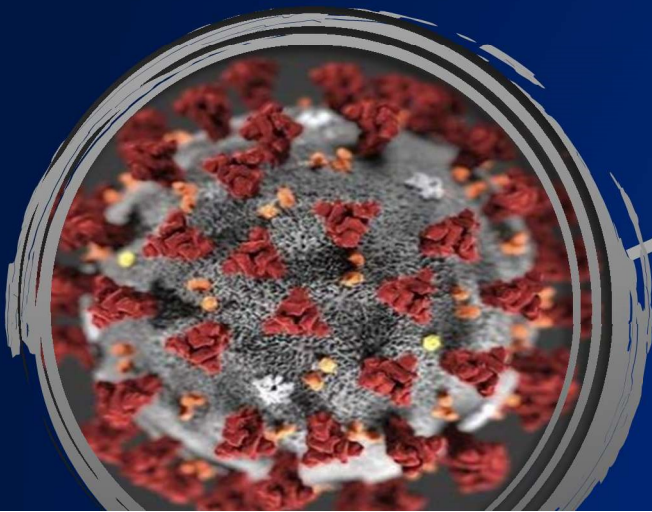


Riverside County, California

Paul Angulo, CPA, MA
County Auditor-Controller

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020



**COUNTY OF RIVERSIDE, CALIFORNIA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020**



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

COUNTY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2020

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INTRODUCTORY SECTION





**COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER**

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Riverside, CA 92502-1326
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Fax (951) 955-3802**



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

**Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller**

December 4, 2020

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, 2020, 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, 2020. 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 328,155, Moreno Valley 208,838, Corona 168,248, Murrieta 115,561, and Temecula 111,970. 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, 2020, was reported as 2,442,304, an increase of 0.8 percent as compared to the revised estimate for January 1, 2019. Approximately 15.8 percent of the residents live in unincorporated areas.

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

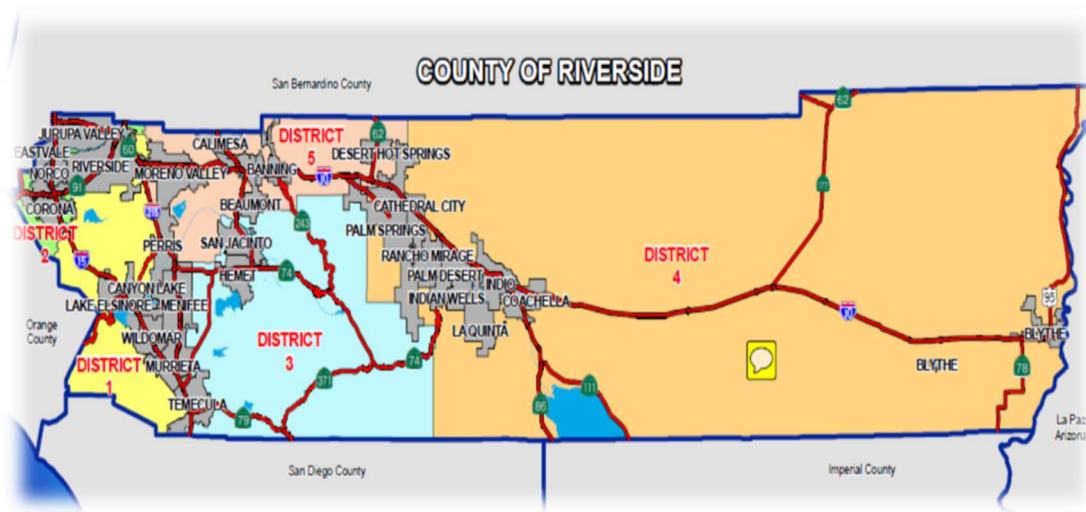
The First District includes areas within the cities of Riverside, Canyon Lake, Lake Elsinore, Wildomar and the unincorporated communities of DeLuz, Gavilan Hills, Good Hope, Lake Hills, Lake Mathews, LaCresta, Mead Valley, Meadowbrook, Spring Hills, Temescal Valley, Tenaja, Warm Springs, and Woodcrest.

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

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

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

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



Source: Riverside County GIS

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

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

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

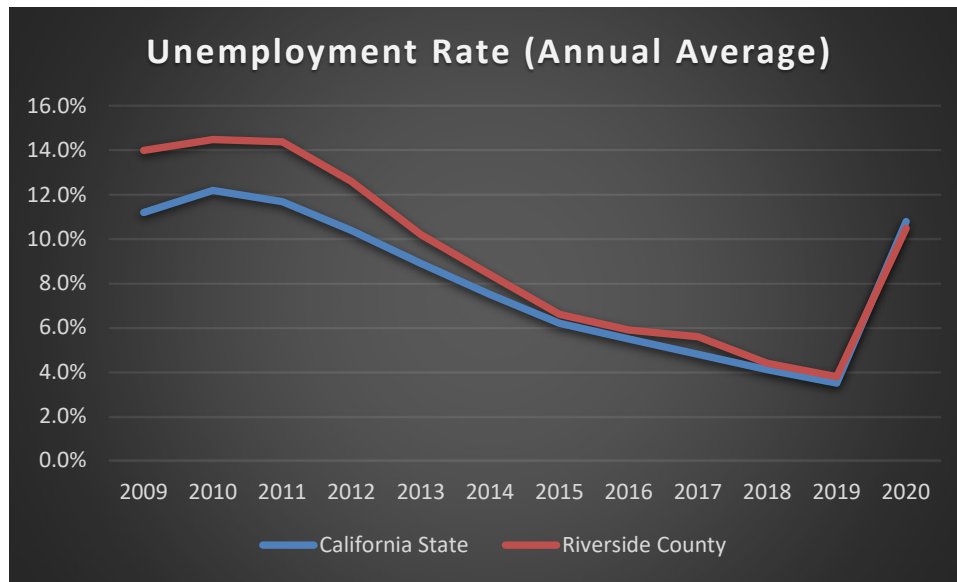
Environment	Public Works and Services
Solid waste, liquid waste, medical waste, sewage disposal, water systems, wells, backflow devices, food services, public pools and mobile home parks, vector control, hazardous materials services, fire protection services, waste reduction, and recycling.	Public infrastructure and municipal services including economic development, roads, flood control, waste resources, and code enforcement.
Flood Control	Public and Official Records
Flood Control and water conservation.	Official recorded documents, fictitious business names search, grantor/grantee search, vital records, and court records search.
Health	Roads and Highways
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.	Road maintenance, land development, engineering services, and survey.
Housing	Taxes
First time home buyer programs, low income housing, rental assistance program, homeless shelter, and neighborhood stabilization program.	Property tax portal, tax bills, Assessor-County Clerk Recorder, Treasurer-Tax Collector, and Auditor-Controller.
Senior and Retirement	Voting
Aging & disability resource connection program, community outreach, community elderly abuse education, legal assistance, and senior employment.	Polling locations, vote by mail.

FACTORS AFFECTING ECONOMIC CONDITION

State Economy

The Governor's Budget Revision was issued in May 2020. The May Revision projects fiscal year 2020-21 general fund revenues and transfers of approximately \$137.15 billion, total expenditures of approximately \$133.90 billion and a year-end fund balance of approximately \$5.14 billion, of which \$3.18 billion would be reserved for liquidation of encumbrances and approximately \$1.96 billion would be deposited in a reserve fund for economic uncertainties.

The May Revision includes a projected balance of \$8.35 billion in the Budget Stabilization Account/Rainy Day Fund by the end of fiscal year 2020-21. The May Revision provides that the State started with a strong fiscal foundation by eliminating past budgetary debts and deferrals and was making extraordinary payments to reduce pension liabilities. However, the Coronavirus (COVID-19) pandemic and resulting recession has changed the fiscal landscape dramatically. Unemployment claims have surged— with increased claims of 4.4 million from mid-March to early May, and a projected 2020 unemployment rate of 18%. The May Revision provides that job losses and business closures are sharply reducing State revenues. Compared to the Proposed fiscal year 2020-21 Budget, General Fund revenues are projected to decline over \$41 billion. This revenue drop, combined with increased cost in health and human services programs and the added cost to address COVID-19, leads to a projected budget deficit of approximately \$54 billion before implementation of the changes proposed in the May Revision.



The unemployment rate for the State of California and Riverside County displays an unexpected upward surge during the fiscal year 2019-20. During fiscal year 2019-20, the State's average unemployment rate increased from 3.5% to 10.8% and the County's unemployment rate increased from 3.8% to 10.5%. The rise in the number of unemployed workers is a result of the global pandemic, COVID-19.

Source: Employment Development Department, Labor Market Information Division, Preliminary September 2020

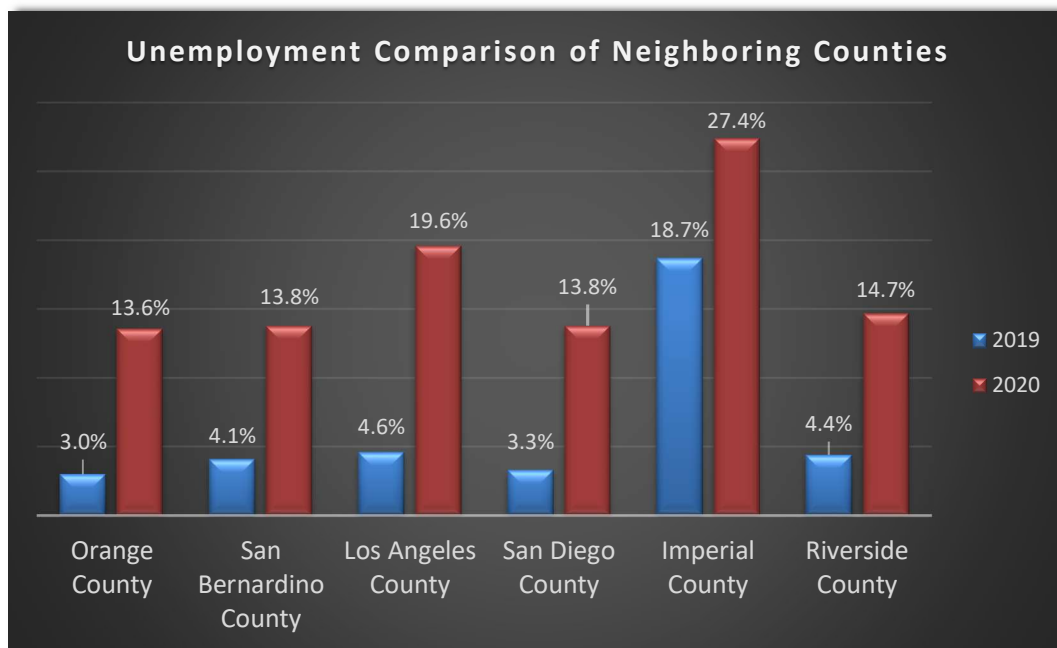
Local Economy

Beacon Economics' current forecast for Riverside County represents three fiscal projections scenarios that provide a positive and negative outlook on the economy as a consequence of COVID-19. The spread of COVID-19 is having a significant impact throughout the world, including in our County. The potential impact to the County related to the COVID-19 outbreak includes, but is not limited to, disruption of the regional and local economy with corresponding decreases in the County's revenue. In order to reduce the negative impact on the County's revenue losses in the current fiscal year, the County has directed all departments to eliminate all non-mission critical, non-essential spending with impact to net County cost.

According to Beacon Economics, the nature of the pandemic makes traditional economic models unsuitable. Therefore, a guided framework was constructed to shape three scenarios that will show projections of revenue predicted on economic theorems. Prior to COVID-19, scenario 1: Baseline, reflected Gross Domestic Product (GDP) growing 2.0% to 2.3% for the 2020 calendar year with unemployment averaging near 3.4% and total nonfarm jobs exceeding 153.8 million by year-end. The following scenario projects a return to Pre-COVID-19 trend by October 1, 2020. Scenario 2 predicts COVID-19 will be contained by the end of the first quarter of fiscal year 2020-21, with the U.S. economy back to pre-COVID 19 employment levels and business activity by the second quarter of 2020-21. The third scenario projects a return to Pre-COVID-19 trend by fourth quarter of calendar year 2021. This scenario assumes that the United States economy will not return to its pre-COVID-19 path during the current fiscal year 2020-21. Despite with no vaccine available in the current calendar year, Riverside County taxable sales will recover throughout the duration of the scenario.

With the COVID-19 pandemic impacting business activities, homebuilding has ceased as construction is deemed non-essential. Homebuyers that planned to visit open houses have placed those plans on hold amid the Coronavirus pandemic. A decline in home buying will slow the growth of property and documentary transfer taxes receipts, and reassessments of property values amid recessionary factors which will hurt revenue. As the current pandemic continues, residents lack the confidence and financial ability to become potential homebuyers. However, there are suggestions once containment has been reached that residents will regain confidence and the housing demand may resurge.

Riverside County revenues that are driven primarily by consumer and business spending will be significantly impacted in the region as a result of the global pandemic. Additionally, the leisure and hospitality industry was hit the hardest in April, sustaining roughly 47% of all job losses. Compared to last fiscal year 2019-20, the unemployment rate increased 11.6% within the State of California and 11.0% in the County. As public health mandates continue and business activities cease operations, consumers and investors may have less confidence in the market even after the containments end, which can result in limited growth when business reopens once again.



The unemployment rate between the surrounding counties exhibits a spike in the unemployment rate between fiscal year 2018-2019 and fiscal year 2019-2020. The COVID-19 outbreak and the economic downturn has produced higher rates of unemployment in the Southern California counties. As a result, the neighboring counties all shot up on average of 6% in fiscal year 2018-2019 to 17% in fiscal year 2019-2020.

Source: Employment Development Department, Labor Market Division, June 2020

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, 2019. This was the thirty-second 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, 2019. This was the fourteenth 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, 2020

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

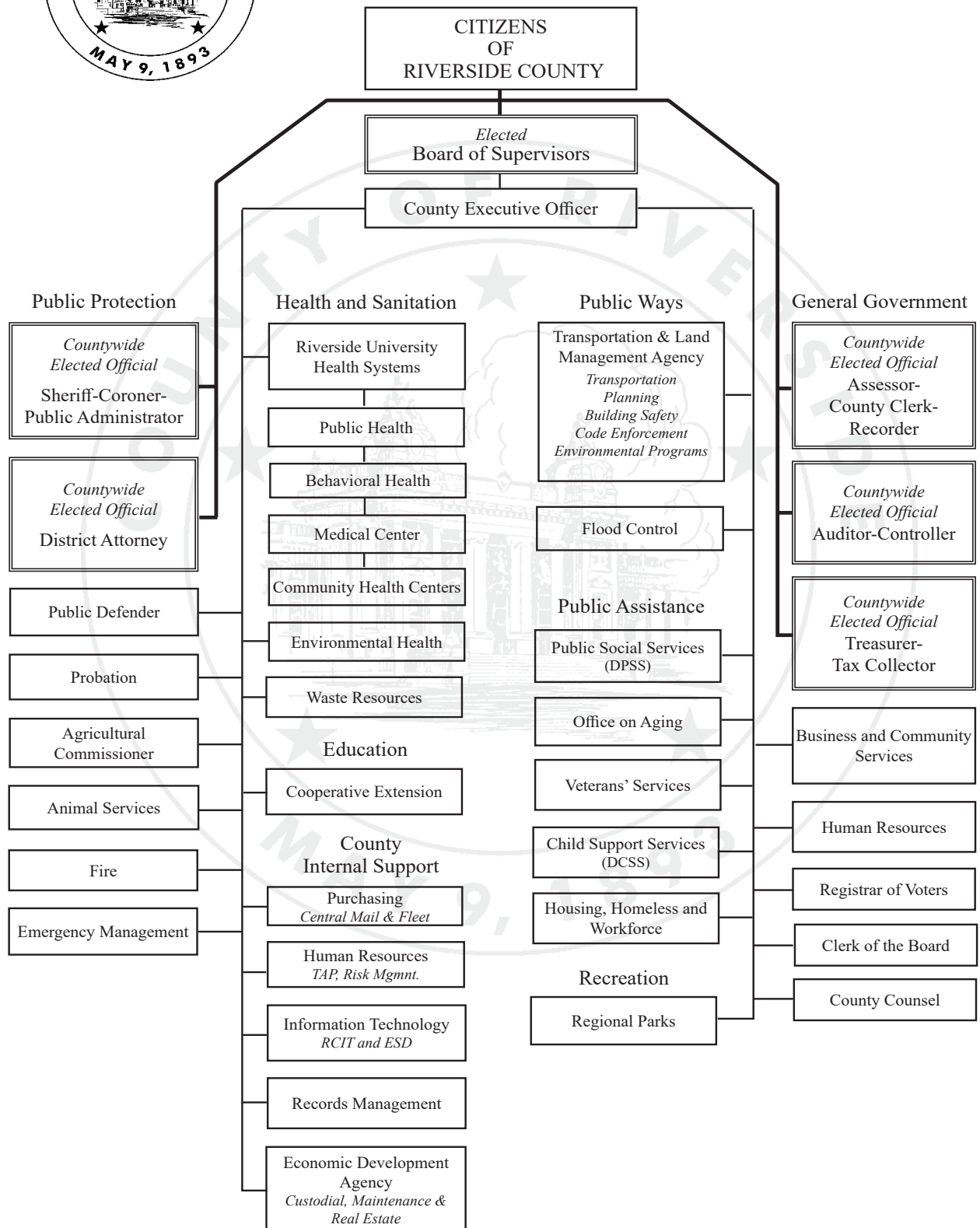
APPOINTED OFFICIALS

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

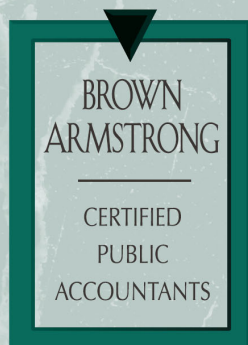
June 30, 2019

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, 2020, 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	18%	3%
Business-Type Activities	15%	11%
Aggregate Remaining Fund Information	2%	1%
Discretely Presented Component Unit	100%	100%

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

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

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

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

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Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, 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 132-144; 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 145-151 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 4, 2020, 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 4, 2020

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, 2020. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal beginning on page vii and the County's basic financial statements which begin on page 25.

FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2019-20, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1.36 billion (*net position*). The net position included \$3.27 billion of net investment in capital assets, \$792.5 million of restricted resources for the County's ongoing obligations related to programs with external restrictions, and \$2.71 billion deficit of unrestricted resources.
- As of June 30, 2020, the County's governmental funds reported combined fund balances of \$1.19 billion, an increase of \$81.5 million in comparison with the prior year. Approximately 21.6% of this amount (\$258.0 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 \$286.5 million, or approximately 8.7% of total general fund expenditures.
- The change in capital assets net of accumulated depreciation resulted from major increases in structures and improvements.
- During fiscal year 2019-20, the County issued \$720.0 million in Taxable Pension Obligation Bonds, Series 2020. The Series 2020 bonds were issued to refund a portion of the County's obligations to the California Public Employee's Retirement System (CalPERS) under the CalPERS Contract, evidencing a portion of the County's obligation to pay the County's unfunded accrued actuarial liability to CalPERS and pay the costs of issuance related to the Series 2020 Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

The *statement of activities*, presented on page 9 in summary and on pages 26-27 in detail, provides information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. For example, property tax revenues are recorded when accrued but not yet collected, and when expenditures for compensated absences are accrued, but not yet paid.

Management's Discussion & Analysis (Unaudited)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. Governmental activities include six major funds, twenty-one nonmajor funds, and a representative allocation of the County's internal service funds. The six major governmental funds are the general fund, transportation special revenue fund, flood control special revenue fund, teeter debt service fund, CARES Act Coronavirus Relief special revenue fund, and pension obligation debt service 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 30-48, 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.

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

Management's Discussion & Analysis (Unaudited)

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, CARES Act Coronavirus Relief special revenue fund, and pension obligation debt service 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 (PSEC), 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 43-46, 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 custodial funds. The fiduciary fund financial statements, on pages 47-48, are presented on the economic resources measurement focus and the accrual basis of accounting.

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 49-129 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,

Management's Discussion & Analysis (Unaudited)

employer contributions to the OPEB plan, and changes in total OPEB liability and related ratios. Required supplementary information can be found on pages 132-151 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 153-203 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, 2020, in comparison to the prior fiscal year 2018-19. 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 \$1.36 billion, representing a decrease of \$855.1 million (\$854.9 million changes in net position and a restatement of \$225 thousand, see Note 3), or 38.7%. A more detailed statement can be found on page 25 in the government-wide financial statements.

STATEMENT OF NET POSITION

June 30, 2020 and 2019
(In thousands)

	Governmental		Business-type		Total		Total	
	Activities		Activities		Total		Dollar	Percentage
	2020	2019	2020	2019	2020	2019	Change	Change
Assets:								
Current and other assets	\$ 2,975,153	\$ 2,418,904	\$ 573,787	\$ 477,346	\$ 3,548,940	\$ 2,896,250	\$ 652,690	22.5%
Capital assets	5,000,676	4,935,151	541,267	335,431	5,541,943	5,270,582	271,361	5.1%
Total assets	7,975,829	7,354,055	1,115,054	812,777	9,090,883	8,166,832	924,051	11.3%
Deferred outflows of resources:	764,006	846,545	109,422	132,874	873,428	979,419	(105,991)	-10.8%
Total deferred outflows of resources	764,006	846,545	109,422	132,874	873,428	979,419	(105,991)	-10.8%
Liabilities:								
Current liabilities	1,210,919	802,583	359,427	242,546	1,570,346	1,045,129	525,217	50.3%
Long-term liabilities	5,824,415	4,935,506	1,066,385	821,739	6,890,800	5,757,245	1,133,555	19.7%
Total liabilities	7,035,334	5,738,089	1,425,812	1,064,285	8,461,146	6,802,374	1,658,772	24.4%
Deferred inflows of resources:	124,935	112,046	21,330	19,815	146,265	131,861	14,404	10.9%
Total deferred inflows of resources	124,935	112,046	21,330	19,815	146,265	131,861	14,404	10.9%
Net position:								
Net investment in capital assets	3,042,172	3,673,404	228,265	224,427	3,270,437	3,897,831	(627,394)	-16.1%
Restricted	735,739	769,225	56,744	40,585	792,483	809,810	(17,327)	-2.1%
Unrestricted	(2,198,345)	(2,092,164)	(507,675)	(403,461)	(2,706,020)	(2,495,625)	(210,395)	-8.4%
Total net position	\$ 1,579,566	\$ 2,350,465	\$ (222,666)	\$ (138,449)	\$ 1,356,900	\$ 2,212,016	\$ (855,116)	-38.7%

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, 2020:

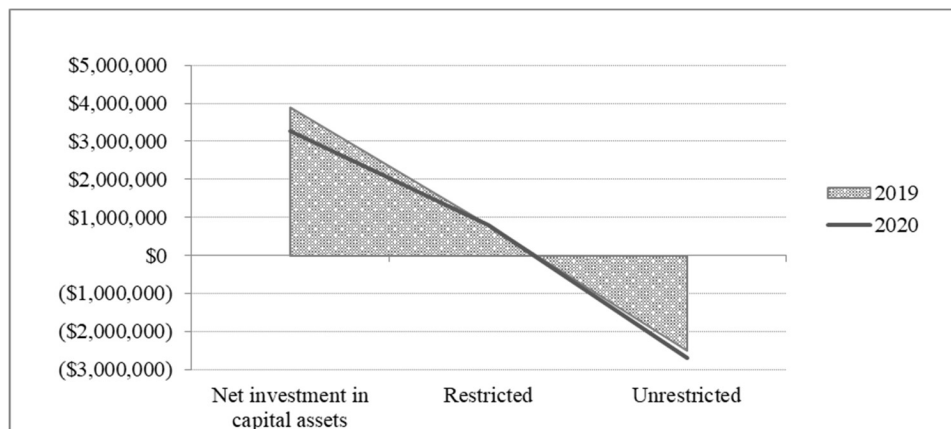
The largest portion of the County's net position reflects its net investment in capital assets of \$3.27 billion, a decrease of \$627.4 million, or 16.1%, from prior fiscal year. This component consists of capital assets such as land and easements, structures and improvements, infrastructure, and equipment, 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 \$792.5 million, a decrease of \$17.3 million, or 2.1%, 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 \$2.71 billion, a decrease of \$210.4 million, or 8.4%, 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 2019-20 was \$1.10 billion, an increase of \$787.8 million, or 252.2%, from fiscal year 2018-19. The significant increase was due to the issuance of the Taxable Pension Obligation Bonds, Series 2020. The Series 2020 bonds were issued to refund a portion of the County's obligation to the CalPERS under the CalPERS Contract, evidencing a portion of the County's obligation to pay the County's unfunded accrued actuarial liability to CalPERS. There were also increased expenditures in public protection of \$609.1 million and an increase of \$168.7 million in public assistance expenditures. The operating expenses in business-type activities increased by \$95.6 million, or 10.1%. There was an increase of \$74.8 million, or 11.3%, by RUHS-MC. This was mostly related to increases in personnel salary costs, professional services and supplies. Operating expenses increased by \$15.6 million, or 19.5%, for RUHS-CHC. This was mainly due to increases in salaries and benefits, professional services and depreciation expense.

**Statement of Net Position
June 30, 2020 and 2019
(In thousands)**



Management's Discussion & Analysis (Unaudited)

The following table provides information from the Statement of Activities of the County for the fiscal year ended June 30, 2020 as compared to the prior year:

CHANGES IN NET POSITION

For the fiscal years ended June 30, 2020 and 2019
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2020	2019	2020	2019	2020	2019	Dollar Change	Percentage Change
Revenues:								
Program revenues:								
Charges for services	\$ 768,139	\$ 759,487	\$ 895,026	\$ 837,924	\$ 1,663,165	\$ 1,597,411	\$ 65,754	4.1%
Operating grants and contributions	2,291,206	2,010,351	-	-	2,291,206	2,010,351	280,855	14.0%
Capital grants and contributions	32,453	47,530	355	-	32,808	47,530	(14,722)	-31.0%
General revenues:								
Property taxes	424,417	407,895	-	-	424,417	407,895	16,522	4.1%
Sales and use taxes	30,745	33,673	-	-	30,745	33,673	(2,928)	-8.7%
Unrestricted intergovernmental revenue	320,206	281,336	-	-	320,206	281,336	38,870	13.8%
Investment earnings	44,139	69,755	4,841	8,330	48,980	78,085	(29,105)	-37.3%
Other	279,802	285,511	-	-	279,802	285,511	(5,709)	-2.0%
Total revenues	4,191,107	3,895,538	900,222	846,254	5,091,329	4,741,792	349,537	7.4%
Expenses:								
General government	336,802	261,113	-	-	336,802	261,113	75,689	29.0%
Public protection	2,209,120	1,600,054	-	-	2,209,120	1,600,054	609,066	38.1%
Public ways and facilities	239,741	244,547	-	-	239,741	244,547	(4,806)	-2.0%
Health and sanitation	759,480	611,195	-	-	759,480	611,195	148,285	24.3%
Public assistance	1,236,525	1,067,788	-	-	1,236,525	1,067,788	168,737	15.8%
Education	32,607	25,220	-	-	32,607	25,220	7,387	29.3%
Recreation and cultural services	22,939	19,232	-	-	22,939	19,232	3,707	19.3%
Interest on long-term debt	69,034	69,630	-	-	69,034	69,630	(596)	-0.9%
Riverside University Health Systems - Medical Center	-	-	738,306	663,496	738,306	663,496	74,810	11.3%
Waste Resources	-	-	104,445	102,278	104,445	102,278	2,167	2.1%
Housing Authority	-	-	99,066	95,929	99,066	95,929	3,137	3.3%
County Service Areas	-	-	254	233	254	233	21	9.0%
Flood Control	-	-	2,245	2,404	2,245	2,404	(159)	-6.6%
Riverside University Health Systems - Community Health Centers	-	-	95,371	79,792	95,371	79,792	15,579	19.5%
Total expenses	4,906,248	3,898,779	1,039,687	944,132	5,945,935	4,842,911	1,103,024	22.8%
Excess (deficiency) before transfers	(715,141)	(3,241)	(139,465)	(97,878)	(854,606)	(101,119)	(753,487)	745.1%
Transfer in (out)	(55,533)	(28,292)	55,533	28,292	-	-	-	0.0%
Change in net position, before extraordinary items	(770,674)	(31,533)	(83,932)	(69,586)	(854,606)	(101,119)	(753,487)	745.1%
Extraordinary items	-	-	(285)	-	(285)	-	(285)	100.0%
Change in net position	(770,674)	(31,533)	(84,217)	(69,586)	(854,891)	(101,119)	(753,772)	745.4%
Net position, beginning of year, as restated	2,350,240	2,381,998	(138,449)	(68,863)	2,211,791	2,313,135	(101,344)	-4.4%
Net position, end of year	\$ 1,579,566	\$ 2,350,465	\$ (222,666)	\$ (138,449)	\$ 1,356,900	\$ 2,212,016	\$ (855,116)	-38.7%

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 2019-20 and 2018-19 as shown in the table on page 9.

Revenues for governmental activities

Total revenues for governmental activities were \$4.19 billion, an increase of \$295.6 million, or 7.6%, from the previous year. This increase consisted of increases in program revenues of \$274.4 million and general revenues of \$21.1 million. The largest share of program revenues were operating grants and contributions which accounted for 74.1%. Operating grants and contributions are monies received from parties outside the County and are generally restricted to one or more specific programs such as State and Federal revenue for public assistance and health and sanitation. Charges for services are revenues that arise from charges to external customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. General revenues are used to support program activities Countywide. Example of general revenues include property tax, sales and use tax, as well as other County levied tax, investment income, rents and concessions, contributions and donation, and sales of surplus property.

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

- Charges for services increased by \$8.7 million, or 1.1%. An increase of \$15.6 million in public protection was due to an increase in contract law enforcement services. This was offset by a decrease in Assembly Bill (AB) 233 Realignment revenue of \$2.8 million and an overall decrease of \$3.1 million in general government.
- Operating grants and contributions increased by \$280.9 million, or 14.0%. There was a significant increase of \$148.8 million in federal revenue, which relates to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. There was a \$41.3 million increase in federal assistance programs. Finally, a \$27.5 million increase was due to Assembly Bill (AB) 118 revenue due to an increase in offsetting expenditures.
- Capital grants and contributions decreased by \$15.1 million, or 31.7%. The decrease is related to capital grant funding of Phase I of the newly constructed John J. Benoit Detention Center, which is partially funded through AB 900. Phase I of the state-of-the-art detention center has been completed.

The increase in general revenues was largely attributable to:

- Property tax revenues increased by \$16.5 million, or 4.1%. 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.
- Unrestricted intergovernmental revenues increased by \$38.9 million, or 13.8%. \$23.8 million is due to an increase in realignment revenue from vehicle license fees (VLF) and \$15.1 million due to an increase in motor vehicle in-lieu taxes.
- Investment earnings decreased by \$25.6 million, or 36.7%. The decrease was due to actions taken by the Federal Reserve which have caused interest earnings to decline.

Expenses for governmental activities

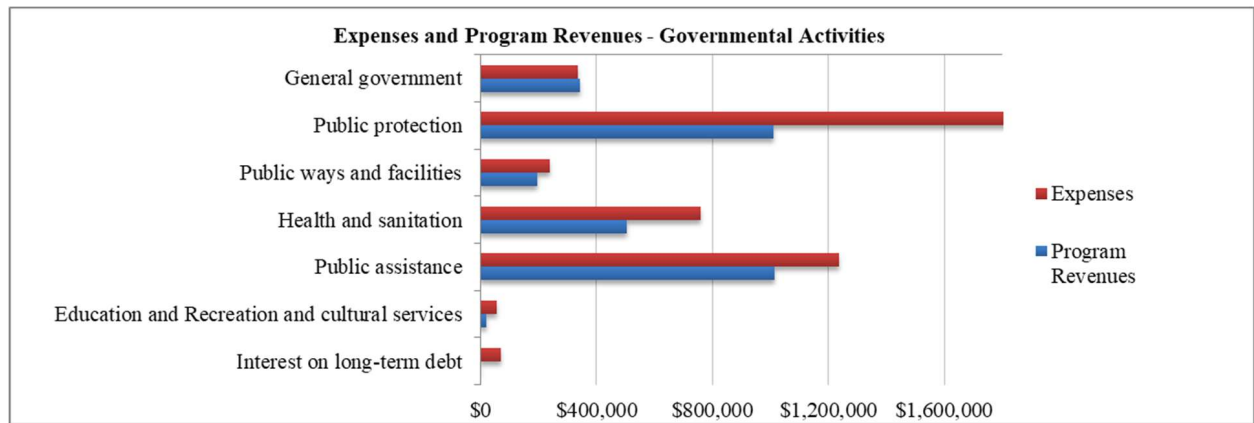
Total expenses for governmental activities were \$4.91 billion for the current fiscal year, an increase of \$1.00 billion, or 25.8% (the \$1.00 billion increase is related to functional expenses and only a \$596 thousand increase in interest expense), as compared to prior fiscal year. The following are the key components accounting for the variances:

- The expenses in general government increased by \$75.7 million, or 29.0%. An increase of \$36.5 million was due to a payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. There was an \$11.4 million dollar increase in the Community Services fund related to federal funding received in response to the COVID-19 pandemic. This funding was used to provide grant assistance to small businesses in the County.
- The expenses in public protection increased by \$609.1 million, or 38.1%. This was mainly due to an increase of \$517.4 million due to a payment to CalPERS to pay a portion of the County's unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020.

Management's Discussion & Analysis (Unaudited)

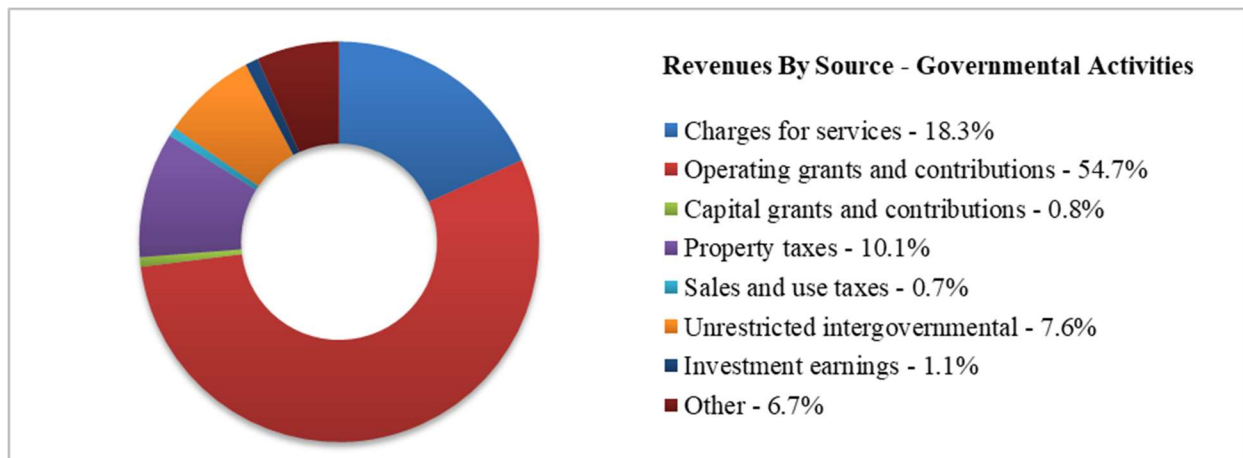
- The expenses in health and sanitation increased by \$148.3 million, or 24.3%. An increase of \$63.4 million was due to a payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. There was also a \$69.0 million increase in the general fund, mainly related to an increase in mental health treatment services.
- Of the \$168.7 million, or 15.8%, increase in public assistance, \$76.5 million was due to a payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. There was an additional \$55.7 million increase related to mandated public services that were provided through the Department of Public Social Services (DPSS).

The following chart displays expenses and the associated program revenues by function for the governmental activities for the fiscal year ended June 30, 2020 (In thousands):



Management's Discussion & Analysis (Unaudited)

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



Business-type Activities

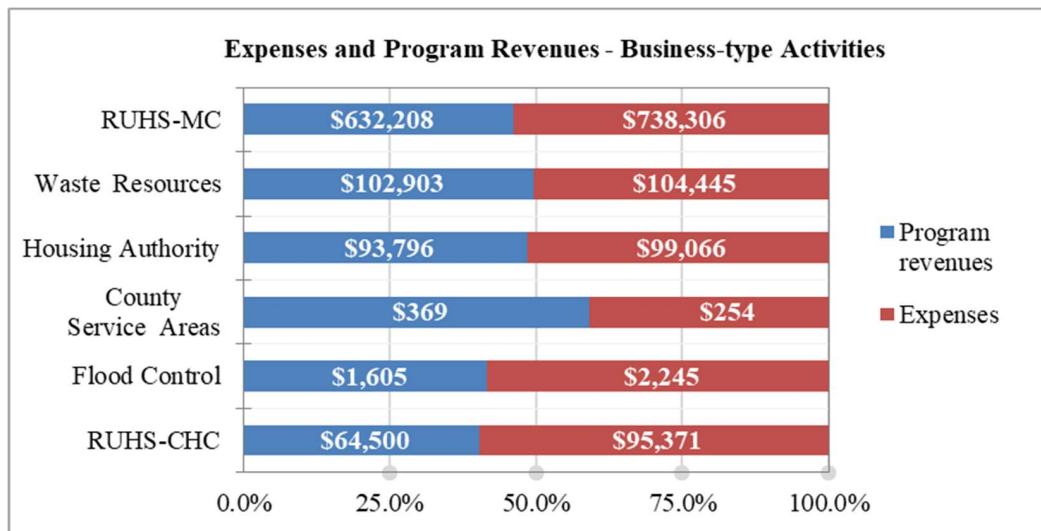
The County has three major business-type activity funds: RUHS-MC, Waste Resources, and Housing Authority. In addition, Flood Control, County Service Areas and RUHS-CHC are included in the business-type activities of the County. Business-type activities recover all or a significant portion of their costs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

Revenues: For the current year, \$895.0 million, or 99.4%, 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, \$631.9 million, was received by RUHS-MC as compared to \$585.8 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.

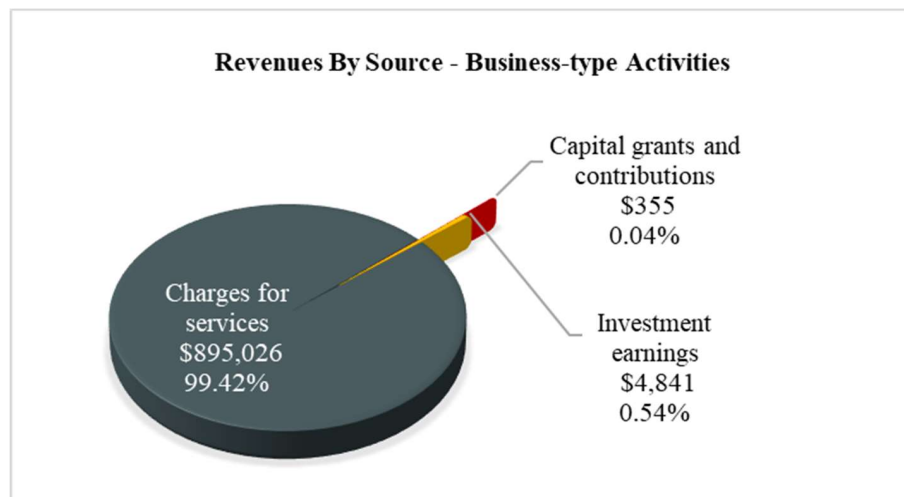
Expenses: Total expenses for business-type activities were \$1.04 billion for the fiscal year compared to \$944.1 million for the prior fiscal year. This represents an increase of \$95.6 million, or 10.1%. The majority of the increase in expenses was incurred by RUHS-MC with an increase of \$74.8 million and RUHS-CHC with \$15.6 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 was 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, 2020 (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, 2020, the County's governmental funds reported combined fund balances of \$1.19 billion, an increase of \$81.5 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 – \$9.8 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 – \$791.4 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 – \$35.7 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 – \$96.7 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 – \$258.0 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 \$317.2 million, or 8.5%, from the prior fiscal year with \$4.04 billion being recognized for the fiscal year ended June 30, 2020. Expenditures increased by \$987.7 million, or 26.9%, from the prior fiscal year with \$4.65 billion being expended for governmental functions during fiscal year 2019-20. Overall, governmental fund balance increased by \$76.4 million, or 6.9%. In comparison, fiscal year 2018-19 had an increase in governmental fund balance of \$26.3 million, or 2.4%, over fiscal year 2017-18.

The general fund is the primary operating fund of the County. At the end of fiscal year 2019-20, the general fund's total fund balance was \$401.7 million, as compared to \$412.4 million in fiscal year 2018-19. 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 \$2.5 million, and the spendable portion was \$399.2 million. The current year unassigned fund balance is 7.8% of the total general fund expenditures of \$3.30 billion, as compared to 9.1% of the prior year expenditures total of \$3.03 billion. The total fund balance of the general fund for the current year is 12.2% of the total general fund expenditures as compared to 13.6% for the prior year.

The fund balance of the County's general fund decreased by \$10.7 million during the current fiscal year. The overall decrease in net position was due to an increase in expenditures for public protection, health and sanitation, and public assistance. Other factors contributing to the decrease 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 \$7.0 million, or 6.7%, due mainly to an increase in funding related to Senate Bill (SB) 1 and SB132. There was also a \$4.7 million restatement, see Note 3 – Restatements of Beginning Fund Balances/Net Position for additional information.

Flood control fund balance increased by \$16.3 million, or 6.3%. The increase in fund balance is primarily a result of an increase in property taxes and redevelopment revenues received during the current fiscal year.

CARES Act Coronavirus Relief fund increased by \$1.8 million, or 100.0%. The increase is due to the establishment of the special revenue fund in fiscal year 2019-20 to account for federal assistance received in response to the coronavirus pandemic.

Pension Obligation fund increased by \$5.9 million, or 82.9%. The increase is due to the issuance of the Taxable Pension Obligation Bonds, Series 2020.

Other Governmental Funds

The \$54.2 million, or 16.1%, increase in nonmajor governmental funds fund balance was primarily due to federal funding received in the special revenue funds in response to the coronavirus pandemic. In fiscal year 2020, the Public Facilities Improvement and Public Financing Authority Funds became nonmajor funds and the CARES Act Coronavirus Relief Fund and the Pension Obligation Fund became major 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 \$52.2 million, compared to a negative \$29.9 million from prior fiscal year; this represents a decrease of \$22.2 million, or 74.5%. The funds accounting for the majority of the variance were RUHS-MC, Internal Service Funds, and Other. The total decrease in net position for RUHS-MC and Other were \$54.4 million and \$7.3 million, respectively. Factors concerning the finances of these two funds have been previously discussed in the business-type activities on page 12. These decreases were offset by an increase of \$40.3 million in the Internal Service funds. This was mainly due mainly to the Risk Management fund with an increase in net position of \$40.1 million.

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, 2020 and 2019
(In thousands)

Revenues by Source	2020		2019		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
Taxes	\$ 336,983	9.7%	\$ 326,991	10.1%	\$ 9,992	3.1%
Intergovernmental revenues	2,257,054	65.2%	2,089,129	64.8%	167,925	8.0%
Charges for services	510,103	14.7%	499,566	15.5%	10,537	2.1%
Other revenue	176,612	5.1%	187,751	5.8%	(11,139)	-5.9%
Other financing sources	183,121	5.3%	120,495	3.8%	62,626	52.0%
Total	<u>\$ 3,463,873</u>	<u>100.0%</u>	<u>\$ 3,223,932</u>	<u>100.0%</u>	<u>\$ 239,941</u>	<u>7.4%</u>

General fund revenues had an overall increase of \$239.9 million, or 7.4%, from the prior year. The increase was due primarily to the changes in the following:

- The increase in *Taxes* of \$10.0 million during the current fiscal year was due to the increase on the assessment roll value for fiscal year 2019-20 with the main increase noted for secured property taxes.
- The increase of \$167.9 million in *Intergovernmental revenues* was primarily attributed to increases of \$79.3 million in additional State funding which includes increases for mandated reimbursement in motor vehicle in lieu taxes of approximately \$15.0 million, increases in mental health services of \$14.2 million, additional realignment revenue for family support services \$8.7 million, revenue increases in child welfare services of \$21.8 million, and an increase of \$23.8 million in realignment revenue from vehicle license fees (VLF). Another major increase in intergovernmental revenues of approximately \$79.1 million was in Federal funding which included increases of \$8.3 million in additional grants to fund the substance abuse and prevention treatment programs, \$18.5 million increase in Medi-Cal Part A funding, \$3.4 million in additional funding in block grants, \$41.3 million increase in public assistance programs along with a \$3.4 million increase to administer the programs that are provided by the DPSS.

Management's Discussion & Analysis (Unaudited)

- *Charges for services* increased by \$10.5 million primarily due to increases in contract law enforcement service revenues.
- The decrease in *Other revenue* of approximately \$11.1 million relates to the decrease in investment earnings during the current fiscal year as interest rates declined.
- The increase in *Other financing sources* of approximately \$62.6 million was primarily related to the purchase of a helicopter by the Sheriff Department that is being financed through a capital lease and transfers received to help with COVID-19 related costs.

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, 2020 and 2019 (In thousands)

Expenditures by Function	2020		2019		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
General government	\$ 120,724	3.5%	\$ 118,662	3.7%	\$ 2,062	1.7%
Public protection	1,477,295	42.5%	1,382,395	43.5%	94,900	6.9%
Health and sanitation	627,950	18.1%	558,905	17.6%	69,045	12.4%
Public assistance	1,010,175	29.1%	934,641	29.4%	75,534	8.1%
Other expenditures	56,548	1.6%	32,346	1.0%	24,202	74.8%
Other financing uses	179,954	5.2%	154,164	4.8%	25,790	16.7%
Total	\$ 3,472,646	100.0%	\$ 3,181,113	100.0%	\$ 291,533	9.2%

General fund expenditures had an overall increase of \$291.5 million, or 9.2%, from the prior year. Significant changes are as follows:

- The increase in *Public protection* of \$94.9 million was due to increases in salaries and employee benefits of \$69.4 million and service and supplies of \$28.0 million. The increases in salaries and employee benefits were noted in the Sheriff and District Attorney Departments to pay for the hiring of new employees, pay for overtime salaries, and pay for pension benefits. The expenditure increases in services and supplies were mainly incurred to combat COVID-19 related costs.
- The increase in *Health and sanitation* of \$69.0 million was attributed to a \$7.0 million increase in salaries and employee benefit costs, \$9.5 million increase in intergovernmental activity and \$47.9 million in other charges of which \$35.8 million related to mental health treatment expenditures.
- The increase in *Public assistance* of \$75.5 million relates to a \$16.7 million increase in salaries and employee benefit costs, \$58.5 million increase in other charges of which \$55.7 million related to mandated public services that were provided through DPSS.
- The increase in *Other expenditures* of \$24.2 million was due to an increase of approximately \$3.8 million in interest on long-term debt as the Tax and Revenue Anticipation Notes (TRANS) carried a higher interest rate. Additionally, an increase of approximately \$18.1 million in capital outlay related to the purchase of a helicopter by the Sheriff Department.
- The increase in *Other financing uses* of \$25.8 million was mainly due to contributions of \$13.3 million for construction cost of capital projects, \$11.2 million for financing debt service payments according to the debt service schedules for the various outstanding bonds of the County, and \$2.1 million to fund increases in pension obligations.

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 \$34.9 million, or 1.0%, from \$3.60 billion to the final revenue budget of \$3.57 billion. The major estimated revenue variances are described as follows:

Aid from other governmental agencies: Increased by \$99.7 million or 4.2%, from \$2.39 billion to \$2.49 billion. The primary increase of \$50.2 million was from the Department of Public Social Services (DPSS) as a result of a \$17.2 million increase related to a Memorandum of Understanding (MOU) between the Riverside County In-Home Supportive Services (IHSS) Public Authority and United Domestic Workers Union (UDW) to receive additional funding to cover provider wages and health benefits. Due to the COVID-19 pandemic, DPSS anticipated significant caseload increases and as a result a \$26.5 million budget increase was necessary to operate the child welfare services program. Also, an additional \$13.7 million in Foster Care Assistance, Emergency Assistance and Adoptions Assistance was necessary to operate the programs. Realignment budget revenues for the Mental Health Department increased by \$31.2 million to account for the additional funding. Finally, the Sheriff Department budget increased by \$7.4 million to account for a grant award received for the purchase of body worn cameras for the officers and other capital asset purchases.

Charges for current services: Decreased by \$79.1 million, or 12.4%, from \$638.1 million to \$559.1 million. The primary decrease was due to intergovernmental activities of \$92.0 million. Additionally, a decrease of \$2.3 million from the Animal Control Department was recorded to account for rate changes to city contracts. The previously mentioned decreases were offset by a budget increase related to sheriff patrol services of approximately \$15.0 million from contracts with cities.

Other revenue: Decreased by \$56.9 million, or 53.3%, from \$106.7 million to \$49.8 million. The primary decrease was due to intergovernmental activities of \$66.7 million, which was offset by \$2.8 million increase to account for a higher premium related to the Tax and Revenue Anticipation Notes. Also, the Sheriff Department received CARES ACT funding through contributions from another fund in the amount of \$7.1 million.

Expenditure Appropriation Variances

The original adopted general fund appropriation budget increase by \$11.7 million, or 0.3%, from \$3.65 billion to the final appropriation budget of \$3.66 billion. The major expenditure appropriation variances are described as follows:

General government: The original recommended appropriation budget for General government decreased by \$53.4 million, or 21.3%, from \$251.4 million to the final appropriation budget of \$198.0 million. The major appropriation variances are described below.

- *Services and supplies* increased by \$5.7 million or 6.8%, from \$83.8 million to \$89.5 million. An increase of \$1.9 million was due to the Registrar of Voters upgrading its system for the elections. Also, an increase of \$1.4 million was noted related to the County 2020 census activities.
- *Other charges* decreased by \$54.4 million, or 49.8%, from \$109.2 million to \$54.8 million. The primary decrease of \$61.8 million was due to intergovernmental activities, which was offset by an increase of \$7.0 million in contributions to other County departments and of which \$2.9 million was for a facility renewal project; \$3.2 million to pay for software costs related to an upgrade for HCM PeopleSoft, and \$1.0 million was provided to pay for the financing of a helicopter.

Management's Discussion & Analysis (Unaudited)

- *Appropriation for contingencies* decreased by \$4.6 million or 26.2%, from \$17.6 million to \$13.0 million. Contingency budgets are established to cover urgent, unforeseeable budget overrun and mission-critical issues. The primary decrease was due to the current COVID-19 pandemic that the Executive Office advance of contingency funding to the Emergency Management Department to cover COVID-19 related expenditures.

Public protection: The original recommended appropriation budget for Public protection increased by \$57.1 million or 3.8%, from \$1.51 billion to the final appropriation budget of \$1.56 billion. The major appropriation variances are described below.

- *Salaries and employee benefits* increased by \$25.6 million, or 2.7% from \$966.4 million to \$992.0 million. There was an increase in salaries and employee benefits in the Sheriff and District Attorney to pay for the hiring of new employees, pay for overtime salaries, and pay for pension benefits.
- *Services and supplies* increased by \$24.1 million, or 4.9%, from \$494.8 million to \$519.0 million. The primary increase of \$14.3 million by the Emergency Management Department was for the purchase of additional personal protective equipment (PPE) related to the pandemic virus COVID-19. An increase of \$2.1 million relates to the Sheriff Department to purchase body-worn cameras (BWC) as a promising tool to improve law enforcement interaction with the public. The Fire Department increased its budget by \$2.9 million to account for unfinished projects from the prior fiscal year. Finally, District Attorney increased \$1.5 million due to the department upgrading laptops and software to be on track with current technology.
- *Other charges* decreased by \$4.5 million, or 8.8%, from \$51.3 million to \$46.8 million. The main decrease was due to \$14.1 million from intergovernmental activities relating to operating transfers in and out of the same fund group. This was offset by an increase of \$4.5 million from the Sheriff and Fire Department for lease payments. Finally, \$5.3 million of the variance related to year end encumbrances for various general fund departments.
- *Capital assets* increased by \$11.9 million, or 140.7%, from \$8.5 million to \$20.4 million. The primary increase of \$11.5 million came from the Sheriff Department related to a software system upgrade and costs to purchase a training mobile unit.

Public assistance: The original recommended appropriation budget for Public assistance increased by \$50.1 million, or 4.8%, from \$1.05 billion to the final appropriation budget of \$1.10 billion. The major appropriation variances are described below.

- *Salaries and employee benefits* increased by \$25.5 million, or 6.8% from \$372.7 million to \$398.2 million. The primary increase of \$25.5 million is due to DPSS increased staffing to operate a child welfare services program.
- *Other charges* increased by \$23.7 million, or 4.3% from \$547.0 million to \$570.7 million. The primary increase of \$18.4 million from DPSS is to cover the costs of health care benefits. Additionally, DPSS had an increase of \$14.9 million to support the Foster Care Assistance, Adoptions Assistance, and Emergency Assistance programs. These increases were offset by a decrease of \$9.6 million in 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 \$84.5 million resulting from unexpended appropriations of \$372.1 million, or 10.2%, and revenues were below budget by \$287.6 million, or 8.1%. The following contributed to the variance:

Revenue Variances

General fund actual revenues of \$3.28 billion were 8.1%, or \$287.6 million, less than the final revenue budget of \$3.57 billion. The major revenue variances are described as follows:

Management's Discussion & Analysis (Unaudited)

Fine, forfeitures, and penalties: Actual revenues of \$54.3 million were \$10.2 million, or 15.7%, less than the final budget of \$64.5 million. The primary decrease of \$9.7 million is due to lower trial court revenue collections and the decrease of Teeter overflow revenue collection due to the COVID-19 pandemic.

Investment earnings: Actual revenues of \$24.9 million were \$6.7 million, or 36.5%, more than the final budget of \$18.2 million. The primary increase of \$3.4 million was due to the Treasurer-Tax Collector Office optimizing the investment selections and strategies which resulted in additional interest earnings.

Rents and concessions: Actual revenues of \$15.2 million were \$20.2 million, or 57.0%, less than final budget of \$35.4 million mainly due to intergovernmental activities of \$19.9 million.

Federal: Actual revenues of \$646.9 million were \$102.5 million, or 13.7%, less than the final budget of \$749.4 million. A large revenue decrease of \$63.8 million from came from the Behavior Health Department due to fluctuations of less expenditures related to reimbursable grant revenues. DPSS also experience a \$45.8 million decrease due to a decline in CalWORKs and Foster Care caseloads.

State: Actual revenues of \$1.48 billion were \$133.7 million, or 8.3%, less than the final budget of \$1.62 billion. The two largest contributors to this variance was a decrease of \$51.5 million due to a shifting in mental health program services in the Behavior Health Department to fight the COVID-19 pandemic. DPSS also experienced a \$55.9 million decrease due to a decline in categorical aid funding and for administrative funding related to their programs.

Charges for services: Actual revenues of \$510.1 million were \$49.0 million, or 8.8%, less than the final budget of \$559.1 million. A decrease of \$21.9 million was noted in the Fire Department budget related to their fire protection service contract revenues with cities and other agencies. There was also a \$18.4 million decrease in intergovernmental activities

Expenditure Variances

General fund actual expenditures of \$3.29 billion were \$372.1 million, or 10.2%, less than the final appropriation budget of \$3.66 billion. The major appropriation variances are described as follows:

General government: Actual expenditures of \$120.7 million were \$77.3 million, or 39.0%, less than the final budget of \$198.0 million.

- *Salaries and employee benefits* decreased by \$9.0 million, or 8.0%, mainly due to budget cuts requested by the Executive Office/Board of Supervisors.
- *Services and supplies* decreased by \$8.6 million, or 9.6%. During the COVID-19 pandemic restrictions, the Assessor had a decrease of \$1.3 million from departmental cost saving reductions in administrative, mailing and information technology support services. The Economic Development Agency (EDA) had a decrease in utility costs of \$1.7 million due to telecommuting options of employees. The Executive Office had a decrease of \$1.2 million in court services. The Human Resources Department had a decrease of \$1.3 million in travel and training savings.
- *Other charges* decreased by \$48.2 million, or 87.9%, mainly due to decreases in contributions to other funds as directed by the Executive Office and intergovernmental activities.
- *Appropriation for contingencies* were \$13.0 million, or 100.0% less than budgeted. This budget is established to assist general fund departments with unforeseen shortfalls, but the transactions are recorded under the actual general fund department.

Public protection: Actual expenditures of \$1.48 billion were \$86.8 million, or 5.6%, less than the final budget of \$1.56 billion.

- *Salaries and employee benefits* decreased by \$28.4 million, or 2.9% the primary decrease was due to hiring freezes.

Management's Discussion & Analysis (Unaudited)

- *Services and supplies* were \$33.2 million, or 6.4%, less than the final budget of \$520.0 million. The primary decrease was due to COVID-19, as departments began noticing a decrease in their revenue sources, they immediately implemented decreasing on their expenditures to ensure they were going to be aligned with the revenues received during the fiscal year.
- *Other charges* decreased by \$11.9 million, or 25.5%, mainly due to decreased intergovernmental activities.
- *Capital assets* were \$10.3 million, or 50.6%, less than the final budget of \$20.4 million due to postponed capital projects by the Assessor, Fire and Sheriff Departments.
- *Intrafund transfers* were \$3.0 million, or 21.4%, more than the final budget mainly due to the Emergency Management Department (EMD) receipt of \$2.7 million related to COVID-19 emergency response expenditures.

Health and sanitation: Actual expenditures of \$628.0 million were \$118.4 million, or 15.9%, less than the final budget of \$746.3 million.

- *Salaries and employee benefits* were \$48.2 million, or 14.2%, less than the final budget mainly due to hiring freezes. Behavioral Health Department had salary savings of \$39.9 million. Correction Health Department had \$2.0 million, Public Health Department had \$4.6 million in savings, and Environmental Health Department had \$1.2 million in salary savings.
- *Services and supplies* were \$14.9 million, or 9.1%, less than the final budget, the Behavioral Health Department had a decrease of approximately \$11.1 million due to a shifting in mental health program services to combat COVID-19.
- *Other charges* were \$65.6 million, or 20.7%, less than the final budget primary due to the decrease of \$6.8 million in vehicle license fees revenue. The Behavior Health Department decreased by \$57.5 million as several contract programs were not fully operational during the fiscal year.
- *Intrafund transfers* were \$11.2 million, or 15.1%, less than the final budget mainly due to a decrease of \$8.3 million in the Behavior Health Department related to the allocation of administration costs and a decrease of \$4.4 million in correctional health claim costs.

Public assistance: Actual expenditures of \$1.01 billion were \$89.4 million, or 8.1%, less than the final budget of \$1.10 billion.

- *Salaries and employee benefits* actual expenditures of \$350.6 million were \$47.6 million, or 11.9%, less than the final budget of \$398.2 million. This is primarily due to a decrease of \$47.4 million from the Department of Public Social Services salaries due to the Countywide hiring freeze.
- *Services and supplies* were \$17.3 million, or 13.2%, less than the final budget of \$130.8 million primarily due to the DPSS decrease of \$17.2 million in reductions related to IT (Information Technology) services, \$2.0 million reduction in training expenditures due to COVID-19, and \$8.1 million decrease related to space occupancy reductions and cancellation of various facilities projects.
- *Other charges* were \$24.6 million, or 4.3%, less than the final budget primary due to decreases in DPSS childcare services as this program was transferred to a State agency.

Management's Discussion & Analysis (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020, the County's capital assets for both its governmental and business-type activities amounted to \$5.54 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 5.3%, or \$276.5 million, from \$5.27 billion in fiscal year 2018-19 to \$5.54 billion in fiscal year 2019-20.

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

- Land easements increased approximately \$9.7 million. The major increase was due to the Flood Control District land valuation. The value is primarily comprised of 110 acres for use as a Flood Control Basin known as the Potrero Creek Debris Basin.
- During the current fiscal year, construction in progress experienced additions in the amount of \$217.3 million related to existing and new projects. The major increases were noted as follows: the Transportation and Land Management Agency incurred an additional \$117.0 million for projects related to roads, bridges, sidewalks and signal lights; the Economic Development Agency incurred \$29.7 million in costs for existing projects such as the construction and street improvements of the John J. Benoit Detention Center and Roy's Desert Resource Center; the Riverside County Information Technology incurred \$13.7 million in new costs for the PSEC Microwave Network Replacement, Motorola System upgrade and PeopleSoft Human Capital Management System upgrade; the RUHS-MC incurred an additional \$12.9 million for existing projects such as the Emergency Room Expansion, Lobby/Cafe Entry Connection, Medical & Surgical Center (MSC) Telecom/Cisco Network System and bridge connection to MSC Building; the Sheriff's Department incurred \$11.6 million for the Airbus H145 helicopter; the Crest project incurred an additional \$10.6 million towards the new integrated property management system; the County Airports incurred an additional \$3.2 million for pavement projects such as the French Valley Airport and Jacqueline Cochran Airport; the Flood Control District incurred \$2.8 million for storm drains and channels; the Waste Management incurred an additional cost of \$2.7 million for projects such as the Lamb Canyon (LC) Fleet Maintenance Structure and LC Flare Station Number 2; and the Park District incurred an additional \$2.6 million towards constructing new regional trails and continued work on the Santa Ana River Trail. During the current year, approximately \$67.9 million of completed projects were transferred out of construction in progress to other capital asset classifications and \$5.9 million were adjusted cost and retired due to cancelled projects. Overall, the construction in progress increased approximately \$143.5 million.
- Infrastructure decreased approximately \$35.1 million. The overall decrease was attributed to depreciation expense for the current fiscal year.
- Structures and improvements increased approximately \$151.2 million as a result of the following acquisitions: the Riverside University Health Systems incurred additional costs of \$191.5 million for the new Medical Office Building; the Park District incurred an additional \$4.6 million to the completion of the District Headquarters Building E expansion; the Sheriff's Department incurred an additional \$2.9 million for the 53 modular buildings; and the Probation Department incurred approximately \$2.0 million towards the Palm Springs Probation Services Expansion project. The overall total depreciation expense for the year was about \$49.9 million.
- Equipment increased approximately \$7.9 million. The primary increase was due to the Riverside University Health Systems acquisition of various equipment for the new Medical Office Building and Waste Management acquisition of various vehicles.

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)

As of June 30, 2020 and 2019 (In thousands)

	Governmental		Business-type		Total		Total	
	Activities		Activities				Dollar	Percentage
	2020	2019	2020	2019	2020	2019	Change	Change
Land and easements	\$ 597,379	\$ 587,652	\$ 21,524	\$ 21,524	\$ 618,903	\$ 609,176	\$ 9,727	1.6%
Construction in progress	898,168	762,613	57,008	49,089	955,176	811,702	143,474	17.7%
Concession	-	-	8,830	8,830	8,830	8,830	-	0.0%
Infrastructure	1,998,202	2,037,710	49,521	45,099	2,047,723	2,082,809	(35,086)	-1.7%
Land improvements	79	80	5,178	5,904	5,257	5,984	(727)	-12.1%
Structures and improvements	1,266,138	1,298,668	330,063	146,321	1,596,201	1,444,989	151,212	10.5%
Equipment	240,710	243,278	69,143	58,664	309,853	301,942	7,911	2.6%
Total outstanding	\$ 5,000,676	\$ 4,930,001	\$ 541,267	\$ 335,431	\$ 5,541,943	\$ 5,265,432	\$ 276,511	5.3%

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 \$773.0 thousand as of June 30, 2020. The calculated legal debt limit for the County is \$3.72 billion.

The following are credit ratings maintained by the County:

	<u>Moody's Investors</u>	<u>Standard &</u>	<u>Fitch</u>
	<u>Services, Inc.</u>	<u>Poor's Corp.</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, 2020.

COUNTY'S OUTSTANDING DEBT OBLIGATIONS

As of June 30, 2020 and 2019 (In thousands)

	Governmental		Business-type		Total		Total	
	Activities		Activities				Dollar	Percentage
	2020	2019	2020	2019	2020	2019	Change	Change
Bonds from direct placement	\$ 330	\$ 980	\$ -	\$ -	\$ 330	\$ 980	\$ (650)	-66.3%
Bonds payable	1,854,575	1,189,065	58,873	64,254	1,913,448	1,253,319	660,129	52.7%
Certificates of participation	41,669	60,265	-	-	41,669	60,265	(18,596)	-30.9%
Capital leases	129,287	102,905	242,102	34,724	371,389	137,629	233,760	169.8%
Total outstanding	\$ 2,025,861	\$ 1,353,215	\$ 300,975	\$ 98,978	\$ 2,326,836	\$ 1,452,193	\$ 874,643	60.2%

The County of Riverside's total debt increased by 60.2%, or \$874.6 million, during the current fiscal year. The increase was primarily due to the issuance of the Taxable Pension Obligation Bonds, Series 2020. In addition, there was an increase in the finance of capital leases. Additional information on the County's long-term debt can be found in Note 14 on pages 84-93 of this report.

ECONOMIC FACTORS AND THE FISCAL YEAR 2020-21 BUDGET OUTLOOK

Beacon Economics' current forecast for Riverside County represents three fiscal projection scenarios that provide a positive and negative outlook on the economy as a consequence of COVID-19. The spread of COVID-19 is having a significant impact throughout the world, including in our County. The potential impact to the County related to the COVID-19 outbreak includes, but is not limited to, disruption of the regional and local economy with corresponding decreases in the County's revenue. In order to reduce the negative impact on the County's revenue losses in the current fiscal year, the County has directed all departments to eliminate all non-mission critical, non-essential spending with impact to net County cost.

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

Source	Final Budget Estimate (In millions)
Taxes	\$ 409,600
Other taxes	60,500
Licenses, permits, franchise taxes	6,900
Fines, forfeitures, penalties	10,800
Use of money and property	4,000
State	291,100
Federal	3,400
Miscellaneous	55,800
Total	<u>\$ 842,100</u>

Management's Discussion & Analysis *(Unaudited)*

The County's employee retirement benefit contribution rate for fiscal year 2019-20 for miscellaneous members is 21.6% and the safety contribution rate is 37.4%. 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 2020-21 rates are projected at 24.5% (Miscellaneous) and 43.0% (Safety). Additional information regarding the County's retirement plans is included in Notes 20 and 21 of the financial statements and schedules of changes in net pension liability and related ratios and contributions, which are included in the required supplementary information section.

Requests for Information

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

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS



COUNTY OF RIVERSIDE

Statement of Net Position

June 30, 2020

(Dollars in Thousands)

	Primary Government			Component Unit
	Governmental	Business-type		Children and
	Activities	Activities	Total	Families
				Commission
ASSETS:				
Cash and investments (Note 4)	\$ 1,785,261	\$ 191,389	\$ 1,976,650	\$ 27,949
Receivables, net (Notes 1 and 6)	480,132	274,431	754,563	5,014
Internal balances (Note 7)	173,031	(173,031)	-	-
Inventories	5,778	10,260	16,038	-
Prepaid items and deposits	8,449	8,076	16,525	-
Restricted cash and investments (Notes 4 and 5)	498,185	127,737	625,922	-
Other noncurrent receivables (Note 6)	24,174	-	24,174	-
Loans receivable (Note 6)	-	98,305	98,305	-
OPEB asset, net (Note 22)	143	-	143	-
Land held for resale	-	36,620	36,620	-
Capital assets (Note 8):				
Nondepreciable assets	1,495,547	87,362	1,582,909	373
Depreciable assets, net	3,505,129	453,905	3,959,034	1,575
Total assets	7,975,829	1,115,054	9,090,883	34,911
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	764,006	109,422	873,428	1,311
LIABILITIES:				
Current liabilities:				
Cash overdrawn	-	36,300	36,300	-
Accounts payable	190,144	55,087	245,231	300
Salaries and benefits payable	146,198	34,891	181,089	306
Due to other governments	126,871	224,832	351,703	-
Interest payable	9,676	205	9,881	-
Deposits payable	1,034	183	1,217	-
Advances from grantors and third parties (Note 12)	628,781	-	628,781	-
Notes payable (Note 13)	84,342	-	84,342	-
Other liabilities	2,545	7,929	10,474	-
Interest rate swap (Notes 14 and 15)	21,328	-	21,328	-
Noncurrent liabilities:				
Due within one year				
Long-term liabilities (Note 14)	331,285	48,297	379,582	191
Landfill closure/post-closure care costs (Note 10)	-	1,024	1,024	-
Pollution remediation (Note 23)	977	868	1,845	-
Due more than one year:				
Long-term liabilities (Note 14)	2,405,203	380,063	2,785,266	151
Landfill closure/post-closure care costs (Note 10)	-	101,444	101,444	-
Pollution remediation (Note 23)	1,341	42,544	43,885	-
Net pension liability (Notes 20 and 21)	3,036,124	481,280	3,517,404	5,065
OPEB liabilities (Note 22)	49,485	10,865	60,350	-
Total liabilities	7,035,334	1,425,812	8,461,146	6,013
DEFERRED INFLOWS OF RESOURCES (Note 15)	124,935	21,330	146,265	970
NET POSITION:				
Net investment in capital assets	3,042,172	228,265	3,270,437	1,948
Restricted for:				
Children's programs	-	-	-	27,291
Endowment care - nonexpendable	1,017	-	1,017	-
Community development	172,052	-	172,052	-
Debt service	46,441	36,046	82,487	-
Health and sanitation	30,812	10,971	41,783	-
Public protection	66,125	-	66,125	-
Public ways and facilities	392,404	-	392,404	-
Other programs	26,888	9,727	36,615	-
Unrestricted	(2,198,345)	(507,675)	(2,706,020)	-
Total net position	\$ 1,579,566	\$ (222,666)	\$ 1,356,900	\$ 29,239

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, 2020
(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	\$ 336,802	\$ 167,806	\$ 175,964	\$ -
Public protection	2,209,120	461,197	549,153	-
Public ways and facilities	239,741	90,253	73,903	31,850
Health and sanitation	759,480	38,649	466,843	-
Public assistance	1,236,525	1,669	1,014,474	-
Education	32,607	249	9,952	-
Recreation and cultural services	22,939	8,316	917	603
Interest on long-term debt	69,034	-	-	-
Total governmental activities	4,906,248	768,139	2,291,206	32,453
Business-type activities:				
Riverside University Health Systems -				
Medical Center	738,306	631,853	-	355
Waste Resources Department	104,445	102,903	-	-
Housing Authority	99,066	93,796	-	-
Flood Control	2,245	1,605	-	-
Riverside University Health Systems -				
Community Health Centers	95,371	64,500	-	-
County Service Areas	254	369	-	-
Total business-type activities	1,039,687	895,026	-	355
Total primary government	\$ 5,945,935	\$ 1,663,165	\$ 2,291,206	\$ 32,808
Component unit:				
Children and Families Commission	\$ 28,996	\$ -	\$ 24,475	\$ -
Total component unit	\$ 28,996	\$ -	\$ 24,475	\$ -

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
\$ 6,968	\$ -	\$ 6,968	
(1,198,770)	-	(1,198,770)	
(43,735)	-	(43,735)	
(253,988)	-	(253,988)	
(220,382)	-	(220,382)	
(22,406)	-	(22,406)	
(13,103)	-	(13,103)	
(69,034)	-	(69,034)	
<u>(1,814,450)</u>	<u>-</u>	<u>(1,814,450)</u>	
-	(106,098)	(106,098)	
-	(1,542)	(1,542)	
-	(5,270)	(5,270)	
-	(640)	(640)	
-	(30,871)	(30,871)	
-	115	115	
<u>-</u>	<u>(144,306)</u>	<u>(144,306)</u>	
<u>(1,814,450)</u>	<u>(144,306)</u>	<u>(1,958,756)</u>	
			\$ (4,521)
			<u>\$ (4,521)</u>
424,417	-	424,417	-
30,745	-	30,745	-
30,996	-	30,996	-
320,206	-	320,206	-
44,139	4,841	48,980	573
248,806	-	248,806	1,391
(55,533)	55,533	-	-
<u>1,043,776</u>	<u>60,374</u>	<u>1,104,150</u>	<u>1,964</u>
(770,674)	(83,932)	(854,606)	(2,557)
-	(285)	(285)	-
<u>(770,674)</u>	<u>(84,217)</u>	<u>(854,891)</u>	<u>(2,557)</u>
<u>2,350,240</u>	<u>(138,449)</u>	<u>2,211,791</u>	<u>31,796</u>
<u>\$ 1,579,566</u>	<u>\$ (222,666)</u>	<u>\$ 1,356,900</u>	<u>\$ 29,239</u>

FUNCTION/PROGRAM ACTIVITIES:

Primary government:

Governmental activities:

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

Total governmental activities

Business-type activities:

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

Total business-type activities

Total primary government

Component unit:

Children and Families Commission

Total component unit

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.



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BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS





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COUNTY OF RIVERSIDE

Balance Sheet

Governmental Funds

June 30, 2020

(Dollars in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	General	Transportation	Flood Control	Teeter Debt Service
Assets:				
Cash and investments (Note 4)	\$ 308,199	\$ 156,300	\$ 276,355	\$ -
Accounts receivable (Notes 1 and 6)	18,686	6,101	112	-
Interest receivable (Note 6)	4,046	228	511	44
Taxes receivable (Note 6)	12,206	16	1,462	54,541
Due from other governments (Note 6)	360,840	13,899	1,396	-
Due from other funds (Note 7)	20,597	-	288	1,446
Inventories	2,075	1,244	-	-
Prepaid items and deposits	62	2,264	-	-
Restricted cash and investments (Notes 4 and 5)	417,867	-	1,866	35,025
Advances to other funds (Note 7)	4,869	-	-	-
Total assets	1,149,447	180,052	281,990	91,056
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,149,447	\$ 180,052	\$ 281,990	\$ 91,056
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 77,946	\$ 40,317	\$ 4,434	\$ -
Salaries and benefits payable	126,347	3,799	1,564	-
Due to other governments	126,314	2	448	-
Due to other funds (Note 7)	51,943	143	-	6,714
Interest payable	-	-	-	-
Deposits payable	14	501	-	-
Advances from grantors and third parties (Note 12)	303,583	24,193	532	-
Teeter notes payable (Note 13)	-	-	-	84,342
Advances from other funds (Note 7)	-	-	-	-
Total liabilities	686,147	68,955	6,978	91,056
Deferred inflows of resources (Note 15)	61,618	-	1,462	-
Fund balances (Note 16):				
Nonspendable	2,466	1,245	1	-
Restricted	112,711	89,403	273,549	-
Committed	14,844	4,587	-	-
Assigned	13,702	15,862	-	-
Unassigned	257,959	-	-	-
Total fund balances	401,682	111,097	273,550	-
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,149,447	\$ 180,052	\$ 281,990	\$ 91,056

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

CARES Act Coronavirus Relief	Pension Obligation	Other Governmental Funds	Total Governmental Funds	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ 283,487	\$ -	\$ 394,414	\$ 1,418,755	Cash and investments (Note 4)
-	4,393	1,032	30,324	Accounts receivable (Notes 1 and 6)
593	9	485	5,916	Interest receivable (Note 6)
-	-	1,904	70,129	Taxes receivable (Note 6)
-	-	12,849	388,984	Due from other governments (Note 6)
-	-	1,229	23,560	Due from other funds (Note 7)
-	-	-	3,319	Inventories
-	-	5,367	7,693	Prepaid items and deposits
-	8,711	34,716	498,185	Restricted cash and investments (Notes 4 and 5)
-	-	-	4,869	Advances to other funds (Note 7)
284,080	13,113	451,996	2,451,734	Total assets
-	-	-	-	Deferred outflows of resources
\$ 284,080	\$ 13,113	\$ 451,996	\$ 2,451,734	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ -	\$ 126	\$ 34,376	\$ 157,199	Accounts payable
-	-	5,465	137,175	Salaries and benefits payable
-	-	100	126,864	Due to other governments
-	-	1,928	60,728	Due to other funds (Note 7)
-	-	-	-	Interest payable
-	-	519	1,034	Deposits payable
282,306	-	18,167	628,781	Advances from grantors and third parties (Note 12)
-	-	-	84,342	Teeter notes payable (Note 13)
-	-	1,000	1,000	Advances from other funds (Note 7)
282,306	126	61,555	1,197,123	Total liabilities
-	-	6	63,086	Deferred inflows of resources (Note 15)
				Fund balances (Note 16):
-	-	6,073	9,785	Nonspendable
1,774	5,057	308,886	791,380	Restricted
-	-	16,221	35,652	Committed
-	7,930	59,255	96,749	Assigned
-	-	-	257,959	Unassigned
1,774	12,987	390,435	1,191,525	Total fund balances
\$ 284,080	\$ 13,113	\$ 451,996	\$ 2,451,734	Total liabilities, deferred inflows of resources, and fund balances

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



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COUNTY OF RIVERSIDE

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2020 (Dollars in Thousands)

Fund balances - total governmental funds (page 31) \$ 1,191,525

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. 4,919,647

Net other postemployment benefits (OPEB) assets are not current financial resources and, therefore, are not reported in the governmental funds. 143

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	\$ 46,159	
Deferred Outflows of Resources Related to Pensions	662,148	708,307

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. 35,599

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	(1,854,575)	
Capital lease obligations	(90,809)	
Certificates of participation	(41,669)	
Loans payable	(330)	
Accrued interest payable	(9,676)	
Accreted interest payable	(219,686)	
Accrued remediation cost	(2,208)	
Compensated absences	(220,683)	
Net OPEB liability	(46,801)	
Net Pension liability	(2,866,326)	(5,352,763)

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	(385)	
Deferred Inflows of Resources Related to Pensions	(92,962)	(93,347)

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.

	170,455	
Net position of governmental activities (page 25)	\$ 1,579,566	

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, 2020
(Dollars in Thousands)

	General	Transportation	Flood Control	Teeter Debt Service
REVENUES:				
Taxes	\$ 336,983	\$ 7,775	\$ 61,726	\$ -
Licenses, permits, and franchise fees	18,939	3,328	-	-
Fines, forfeitures, and penalties	54,332	26	-	-
Use of money and property:				
Investment earnings	24,881	1,939	4,311	244
Rents and concessions	15,232	-	289	-
Aid from other governmental agencies:				
Federal	646,890	14,199	5,399	-
State	1,483,441	80,623	581	-
Other	126,723	7,238	-	-
Charges for services	510,103	71,747	5,632	-
Other revenue	63,228	2,872	15,503	-
Total revenues	<u>3,280,752</u>	<u>189,747</u>	<u>93,441</u>	<u>244</u>
EXPENDITURES:				
Current:				
General government	120,724	-	-	-
Public protection	1,477,295	5,346	-	-
Public ways and facilities	-	182,331	74,329	-
Health and sanitation	627,950	-	-	-
Public assistance	1,010,175	-	-	-
Education	628	-	-	-
Recreation and cultural services	2,111	-	-	-
Debt service:				
Principal	9,682	927	-	-
Interest	19,388	40	-	2,968
Cost of issuance	330	-	-	305
Capital outlay	24,409	-	-	-
Total expenditures	<u>3,292,692</u>	<u>188,644</u>	<u>74,329</u>	<u>3,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,940)</u>	<u>1,103</u>	<u>19,112</u>	<u>(3,029)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	158,712	9,329	133	3,032
Transfers out	(179,954)	(3,409)	(2,964)	(3)
Issuance of debt	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Redemption of bonds	-	-	-	-
Capital leases	24,409	-	-	-
Total other financing sources (uses)	<u>3,167</u>	<u>5,920</u>	<u>(2,831)</u>	<u>3,029</u>
NET CHANGE IN FUND BALANCES	(8,773)	7,023	16,281	-
Fund balances, beginning of year, as previously reported	412,401	108,791	257,269	-
Adjustments to beginning fund balances (Note 3)	(1,946)	(4,717)	-	-
Fund balances, beginning of year, as restated	410,455	104,074	257,269	-
FUND BALANCES, END OF YEAR	<u>\$ 401,682</u>	<u>\$ 111,097</u>	<u>\$ 273,550</u>	<u>\$ -</u>

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

CARES Act Coronavirus Relief	Pension Obligation	Other Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ 78,841	\$ 485,325	REVENUES:
-	-	899	23,166	Taxes
-	-	745	55,103	Licenses, permits, and franchise fees
				Fines, forfeitures, and penalties
1,774	1,328	4,858	39,335	Use of money and property:
-	-	12,801	28,322	Investment earnings
				Rents and concessions
148,786	-	65,930	881,204	Aid from other governmental agencies:
-	-	9,272	1,573,917	Federal
-	-	58,724	192,685	State
-	4,563	68,576	660,621	Other
-	-	23,140	104,743	Charges for services
150,560	5,891	323,786	4,044,421	Other revenue
				Total revenues
				EXPENDITURES:
				Current:
-	46,379	96,001	263,104	General government
128	517,386	13,282	2,013,437	Public protection
-	11,048	20,026	287,734	Public ways and facilities
-	63,376	2,475	693,801	Health and sanitation
-	76,515	65,750	1,152,440	Public assistance
-	350	23,767	24,745	Education
-	927	17,502	20,540	Recreation and cultural services
				Debt service:
-	25,020	48,128	83,757	Principal
-	12,065	34,509	68,970	Interest
-	3,882	296	4,813	Cost of issuance
-	-	16,698	41,107	Capital outlay
128	756,948	338,434	4,654,448	Total expenditures
				Excess (deficiency) of revenues
150,432	(751,057)	(14,648)	(610,027)	over (under) expenditures
				OTHER FINANCING SOURCES (USES):
-	36,948	234,483	442,637	Transfers in
(148,658)	-	(165,988)	(500,976)	Transfers out
-	719,995	-	719,995	Issuance of debt
-	-	12,875	12,875	Issuance of refunding bonds
-	-	(12,559)	(12,559)	Redemption of bonds
-	-	-	24,409	Capital leases
(148,658)	756,943	68,811	686,381	Total other financing sources (uses)
1,774	5,886	54,163	76,354	NET CHANGE IN FUND BALANCES
-	7,101	324,469	1,110,031	Fund balances, beginning of year, as previously reported
-	-	11,803	5,140	Adjustments to beginning fund balances (Note 3)
-	7,101	336,272	1,115,171	Fund balances, beginning of year, as restated
\$ 1,774	\$ 12,987	\$ 390,435	\$ 1,191,525	FUND BALANCES, END OF YEAR

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



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COUNTY OF RIVERSIDE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

Net change in fund balances - total governmental funds (page 35) \$ 76,354

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	\$ 248,203	
Less loss on disposal of capital assets	(3,916)	
Less current year depreciation	<u>(191,608)</u>	52,679

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	97,167	
Issuance of long-term debt	<u>(757,279)</u>	(660,112)

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. (1,856)

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	418	
Change in accreted interest	(24,112)	
Change in long-term compensated absences	(6,752)	
Change in pollution remediation obligation	(420)	
OPEB expense	2,388	
Pension expense	<u>(271,190)</u>	(299,668)

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

		<u>61,929</u>
Change in net position of governmental activities (page 27)	<u>\$</u>	<u>(770,674)</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, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 333,852	\$ 333,852	\$ 336,983	\$ 3,131
Licenses, permits, and franchise fees	20,778	19,825	18,939	(886)
Fines, forfeitures, and penalties	62,488	64,487	54,332	(10,155)
Use of money and property:				
Investment earnings	18,227	18,227	24,881	6,654
Rents and concessions	35,080	35,394	15,232	(20,162)
Aid from other governmental agencies:				
Federal	714,989	749,388	646,890	(102,498)
State	1,551,852	1,617,165	1,483,441	(133,724)
Other	121,086	121,086	126,723	5,637
Charges for services	638,148	559,098	510,103	(48,995)
Other revenue	106,694	49,820	63,228	13,408
Total revenues	<u>3,603,194</u>	<u>3,568,342</u>	<u>3,280,752</u>	<u>(287,590)</u>
EXPENDITURES:				
Current:				
General government:				
Salaries and employee benefits	113,305	113,198	104,178	(9,020)
Services and supplies	83,773	89,475	80,870	(8,605)
Other charges	109,233	54,849	6,645	(48,204)
Capital assets	2,791	2,768	2,644	(124)
Intrafund transfers	(75,305)	(75,305)	(73,613)	1,692
Appropriation for contingencies	17,638	13,016	-	(13,016)
Total general government	<u>251,435</u>	<u>198,001</u>	<u>120,724</u>	<u>(77,277)</u>
Public protection:				
Salaries and employee benefits	966,383	992,043	963,662	(28,381)
Services and supplies	494,840	518,952	485,798	(33,154)
Other charges	51,322	46,814	34,873	(11,941)
Capital assets	8,494	20,443	10,103	(10,340)
Intrafund transfers	(14,036)	(14,118)	(17,141)	(3,023)
Total public protection	<u>1,507,003</u>	<u>1,564,134</u>	<u>1,477,295</u>	<u>(86,839)</u>
Health and sanitation:				
Salaries and employee benefits	339,115	339,627	291,383	(48,244)
Services and supplies	159,406	163,117	148,261	(14,856)
Other charges	311,491	316,356	250,803	(65,553)
Capital assets	1,171	1,165	270	(895)
Intrafund transfers	(73,963)	(73,963)	(62,767)	11,196
Total health and sanitation	<u>737,220</u>	<u>746,302</u>	<u>627,950</u>	<u>(118,352)</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, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Over(Under)
Public assistance:				
Salaries and employee benefits	\$ 372,720	\$ 398,176	\$ 350,594	\$ (47,582)
Services and supplies	129,861	130,834	113,561	(17,273)
Other charges	547,033	570,703	546,128	(24,575)
Capital assets	80	130	53	(77)
Intrafund transfers	(295)	(295)	(161)	134
Total public assistance	1,049,399	1,099,548	1,010,175	(89,373)
Education:				
Salaries and employee benefits	337	326	296	(30)
Services and supplies	337	343	332	(11)
Total education	674	669	628	(41)
Recreation and cultural services:				
Salaries and employee benefits	318	273	267	(6)
Services and supplies	1,832	1,950	1,928	(22)
Other charges	159	7	-	(7)
Capital assets	1	1	-	(1)
Intrafund transfers	(71)	(84)	(84)	-
Total recreation and cultural services	2,239	2,147	2,111	(36)
Debt service:				
Principal	90,545	23,067	9,682	(13,385)
Interest	14,516	30,548	19,388	(11,160)
Cost of issuance	-	330	330	-
Total debt service	105,061	53,945	29,400	(24,545)
Capital outlay	-	-	24,409	24,409
Total expenditures	3,653,031	3,664,746	3,292,692	(372,054)
Excess (deficiency) of revenues over (under) expenditures	(49,837)	(96,404)	(11,940)	84,464
OTHER FINANCING SOURCES (USES):				
Transfers in	-	158,712	158,712	-
Transfers out	-	(179,954)	(179,954)	-
Capital leases	-	-	24,409	24,409
Total other financing sources (uses)	-	(21,242)	3,167	24,409
NET CHANGE IN FUND BALANCE	(49,837)	(117,646)	(8,773)	108,873
Fund balance, beginning of year, as previously reported	412,401	412,401	412,401	-
Adjustment to beginning fund balance (Note 3)	-	-	(1,946)	(1,946)
Fund balance, beginning of year, as restated	412,401	412,401	410,455	(1,946)
FUND BALANCE, END OF YEAR	\$ 362,564	\$ 294,755	\$ 401,682	\$ 106,927

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, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 8,493	\$ 8,493	\$ 7,775	\$ (718)
Licenses, permits, and franchise fees	3,433	3,433	3,328	(105)
Fines, forfeitures, and penalties	16	16	26	10
Use of money and property:				
Investment earnings	1,517	1,517	1,939	422
Aid from other governmental agencies:				
Federal	33,184	33,184	14,199	(18,985)
State	80,539	80,539	80,623	84
Other	9,496	9,496	7,238	(2,258)
Charges for services	126,374	117,337	71,747	(45,590)
Other revenue	9,116	8,824	2,872	(5,952)
Total revenues	<u>272,168</u>	<u>262,839</u>	<u>189,747</u>	<u>(73,092)</u>
EXPENDITURES:				
Current:				
Public protection	8,826	8,697	5,346	(3,351)
Public ways and facilities	267,806	269,674	182,331	(87,343)
Debt service:				
Principal	1,243	1,243	927	(316)
Interest	102	102	40	(62)
Total expenditures	<u>277,977</u>	<u>279,716</u>	<u>188,644</u>	<u>(91,072)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,809)</u>	<u>(16,877)</u>	<u>1,103</u>	<u>17,980</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	9,329	9,329	-
Transfers out	-	(3,409)	(3,409)	-
Total other financing sources (uses)	<u>-</u>	<u>5,920</u>	<u>5,920</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(5,809)	(10,957)	7,023	17,980
Fund balance, beginning of year, as previously reported	108,791	108,791	108,791	-
Adjustment to beginning fund balance (Note 3)	-	-	(4,717)	(4,717)
Fund balance, beginning of year, as restated	<u>108,791</u>	<u>108,791</u>	<u>104,074</u>	<u>(4,717)</u>
FUND BALANCE, END OF YEAR	\$ 102,982	\$ 97,834	\$ 111,097	\$ 13,263

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, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 60,616	\$ 60,616	\$ 61,726	\$ 1,110
Use of money and property:				
Investment earnings	2,065	2,065	4,311	2,246
Rents and concessions	167	167	289	122
Aid from other governmental agencies:				
Federal	-	-	5,399	5,399
State	599	599	581	(18)
Charges for services	4,654	4,654	5,632	978
Other revenue	16,594	16,461	15,503	(958)
Total revenues	84,695	84,562	93,441	8,879
EXPENDITURES:				
Current:				
Public ways and facilities	140,218	137,254	74,329	(62,925)
Total expenditures	140,218	137,254	74,329	(62,925)
Excess (deficiency) of revenues over (under) expenditures	(55,523)	(52,692)	19,112	71,804
OTHER FINANCING SOURCES (USES):				
Transfers in	-	133	133	-
Transfers out	-	(2,964)	(2,964)	-
Total other financing sources (uses)	-	(2,831)	(2,831)	-
NET CHANGE IN FUND BALANCE	(55,523)	(55,523)	16,281	71,804
Fund balance, beginning of year	257,269	257,269	257,269	-
FUND BALANCE, END OF YEAR	\$ 201,746	\$ 201,746	\$ 273,550	\$ 71,804

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

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 CARES Act Coronavirus Relief Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (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	\$ -	\$ -	\$ 1,774	\$ 1,774
Aid from other governmental agencies:				
Federal	-	150,000	148,786	(1,214)
Total revenues	-	150,000	150,560	560
EXPENDITURES				
Current:				
Public protection	-	1,342	128	(1,214)
Total expenditures	-	1,342	128	(1,214)
Excess (deficiency) of revenues over (under) expenditures	-	148,658	150,432	1,774
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(148,658)	(148,658)	-
Total other financing sources (uses)	-	(148,658)	(148,658)	-
NET CHANGE IN FUND BALANCE	-	-	1,774	1,774
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 1,774	\$ 1,774

COUNTY OF RIVERSIDE

Statement of Net Position

Proprietary Funds

June 30, 2020

(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
ASSETS:						
Current assets:						
Cash and investments (Note 4)	\$ 64,745	\$ 119,869	\$ 5,485	\$ 1,290	\$ 191,389	\$ 366,506
Accounts receivable - net (Notes 1 and 6)	39,526	11,249	1,734	852	53,361	7,346
Interest receivable (Note 6)	-	370	3	14	387	602
Taxes receivable (Note 6)	-	-	-	12	12	-
Due from other governments (Note 6)	218,456	200	-	2,015	220,671	1,005
Due from other funds (Note 7)	25,307	-	-	40,115	65,422	1,254
Advances to other funds (Note 7)	-	19,469	-	-	19,469	-
Inventories	9,673	348	-	239	10,260	2,459
Land held for sale	-	-	36,620	-	36,620	-
Prepaid items and deposits	7,698	-	24	354	8,076	756
Restricted cash and investments (Notes 4 and 5)	36,238	74,540	10,504	6,455	127,737	-
Total current assets	401,643	226,045	54,370	51,346	733,404	379,928
Noncurrent assets:						
Loans receivable (Note 6)	-	2,000	96,305	-	98,305	-
Capital assets (Note 8):						
Nondepreciable assets	58,083	25,648	3,631	-	87,362	17,464
Depreciable assets	348,617	72,191	8,921	24,176	453,905	63,565
Total noncurrent assets	406,700	99,839	108,857	24,176	639,572	81,029
Total assets	808,343	325,884	163,227	75,522	1,372,976	460,957
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	92,739	8,749	2,702	5,232	109,422	34,372
LIABILITIES:						
Current liabilities:						
Cash overdrawn	-	-	-	36,300	36,300	-
Accounts payable	34,409	8,384	109	12,185	55,087	32,945
Salaries and benefits payable	28,457	1,702	728	4,004	34,891	9,023
Due to other governments	216,104	254	-	8,474	224,832	7
Due to other funds (Note 7)	28,465	-	14	288	28,767	741
Interest payable	150	-	-	55	205	-
Deposits payable	12	38	-	133	183	-
Other liabilities	4,937	275	2,546	171	7,929	2,545
Accreted interest payable (Note 14)	1,236	-	-	-	1,236	-
Accrued closure and post-closure care costs (Note 10)	-	1,024	-	-	1,024	-
Accrued remediation costs (Note 23)	-	868	-	-	868	47
Compensated absences (Notes 1 and 14)	23,865	1,387	154	2,489	27,895	9,613
Capital lease obligations (Note 14)	12,801	-	-	1,701	14,502	11,781
Bonds payable (Note 14)	4,664	-	-	-	4,664	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	60,864
Total current liabilities	355,100	13,932	3,551	65,800	438,383	127,566
Noncurrent liabilities:						
Compensated absences (Note 2)	11,754	2,080	1,388	1,280	16,502	5,259
Advances from other funds (Note 7)	18,469	-	1,527	-	19,996	3,342
Accreted interest payable (Note 14)	70,702	-	-	-	70,702	-
Accrued closure and post-closure care costs (Note 10)	-	101,444	-	-	101,444	-
Accrued remediation costs (Note 23)	-	42,544	-	-	42,544	63
Capital lease obligations (Notes 1 and 2)	204,950	-	-	22,650	227,600	26,697
Bonds payable (Note 14)	54,209	-	-	-	54,209	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	194,522
Net OPEB liability (Notes 14 and 22)	7,848	497	-	1,040	9,385	2,684
Total OPEB liability (Notes 14 and 22)	-	1,480	-	-	1,480	-
Net pension liability (Notes 14 and 20)	406,221	40,794	15,277	18,988	481,280	169,798
Other long-term liabilities (Note 14)	-	-	11,050	-	11,050	-
Total noncurrent liabilities	774,153	188,839	29,242	43,958	1,036,192	402,365
Total liabilities	1,129,253	202,771	32,793	109,758	1,474,575	529,931
DEFERRED INFLOWS OF RESOURCES (Note 15)	11,979	6,777	922	1,652	21,330	4,102
NET POSITION:						
Net investment in capital assets	130,076	97,839	525	(175)	228,265	42,551
Restricted for debt service	36,046	-	-	-	36,046	-
Restricted for health and sanitation	-	10,971	-	-	10,971	-
Restricted other	193	-	9,534	-	9,727	-
Unrestricted	(406,465)	16,275	122,155	(30,481)	(298,516)	(81,255)
Total net position	\$ (240,150)	\$ 125,085	\$ 132,214	\$ (30,656)	(13,507)	\$ (38,704)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(209,159)	
Net position of business-type activities					<u>\$ (222,666)</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, 2020
(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
OPERATING REVENUES:						
Net patient revenue (Notes 1 and 18)	\$ 576,732	\$ -	\$ -	\$ 16,909	\$ 593,641	\$ -
Charges for services	3,087	97,406	2,929	15,452	118,874	342,164
Other revenue	52,034	5,497	90,867	34,113	182,511	36,977
Total operating revenues	631,853	102,903	93,796	66,474	895,026	379,141
OPERATING EXPENSES:						
Cost of materials used	-	224	-	-	224	1,680
Personnel services	430,578	28,350	14,105	53,599	526,632	135,577
Communications	1,030	227	1	279	1,537	8,788
Insurance	10,848	1,167	-	718	12,733	33,764
Maintenance of building and equipment	16,965	3,494	2,648	1,962	25,069	39,228
Insurance claims	-	-	-	-	-	145,306
Supplies	78,304	2,298	-	3,002	83,604	22,210
Purchased services	114,693	6,090	2,872	24,543	148,198	32,668
Depreciation and amortization	26,041	7,274	1,088	2,959	37,362	19,284
Rents and leases of equipment	6,907	2,358	161	7,224	16,650	73,219
Public assistance	-	8	77,180	-	77,188	-
Utilities	4,235	318	712	592	5,857	2,767
Closure and post-closure care costs	-	5,627	-	-	5,627	-
Remediation costs	-	768	-	-	768	-
Other	20,019	44,574	18	346	64,957	6,712
Total operating expenses	709,620	102,777	98,785	95,224	1,006,406	521,203
Operating income (loss)	(77,767)	126	(4,989)	(28,750)	(111,380)	(142,062)
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	553	3,663	970	(345)	4,841	4,803
Interest expense	(8,651)	-	(4)	(1,288)	(9,943)	(481)
Gain (loss) on disposal of capital assets	(1,812)	93	2	-	(1,717)	287
Total nonoperating revenues (expenses)	(9,910)	3,756	968	(1,633)	(6,819)	4,609
Income (loss) before capital contributions and transfers	(87,677)	3,882	(4,021)	(30,383)	(118,199)	(137,453)
Capital contributions	355	-	-	-	355	174,955
Transfers in (Note 7)	38,614	45	25	23,854	62,538	8,480
Transfers out (Note 7)	(5,661)	(362)	(170)	(812)	(7,005)	(5,674)
Change in net position before extraordinary item	(54,369)	3,565	(4,166)	(7,341)	(62,311)	40,308
Extraordinary item	-	-	(285)	-	(285)	-
CHANGE IN NET POSITION	(54,369)	3,565	(4,451)	(7,341)	(62,596)	40,308
Net position, beginning of year, as previously reported	(185,781)	121,520	136,665	(23,315)		(78,797)
Adjustments to beginning net position (Note 3)	-	-	-	-		(215)
Net position, beginning of year, as restated	(185,781)	121,520	136,665	(23,315)		(79,012)
NET POSITION, END OF YEAR	\$ (240,150)	\$ 125,085	\$ 132,214	\$ (30,656)		\$ (38,704)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(21,621)	
Change in net position of business-type activities					\$ (84,217)	

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, 2020
(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	\$ 604,071	\$ 99,405	\$ 93,731	\$ 66,388	\$ 863,595	\$ 71
Cash receipts (payments due) from other funds	(20,053)	-	-	(24,116)	(44,169)	382,906
Cash paid to suppliers for goods and services	(149,057)	(58,282)	(81,805)	(24,620)	(313,764)	(382,688)
Cash paid to employees for services	(372,899)	(23,100)	(12,269)	(45,314)	(453,582)	(119,634)
Program loans	-	-	229	-	229	-
Net cash provided by (used in) operating activities	62,062	18,023	(114)	(27,662)	52,309	(119,345)
Cash flows from noncapital financing activities						
Advances to other funds	-	2,000	-	-	2,000	-
Transfers received	38,614	45	25	23,854	62,538	8,265
Transfers paid	(5,661)	(362)	(170)	(812)	(7,005)	(5,674)
Net cash provided by (used in) noncapital financing activities	32,953	1,683	(145)	23,042	57,533	2,591
Cash flows from capital and related financing activities						
Proceeds (loss) from sale of capital assets	(1,812)	93	(283)	-	(2,002)	287
Acquisition and construction of capital assets	(225,068)	(16,566)	(57)	(1,507)	(243,198)	(22,464)
Principal proceeds of (payments on) capital leases	208,645	-	-	(1,267)	207,378	(2,284)
Capital contributions	355	-	-	-	355	174,955
Principal paid on bonds payable	(13,365)	-	-	-	(13,365)	-
Interest paid on long-term debt	(8,614)	-	(4)	(1,392)	(10,010)	(481)
Net cash provided by (used in) capital and related financing activities	(39,859)	(16,473)	(344)	(4,166)	(60,842)	150,013
Cash flows from investing activities						
Investment income (loss)	553	4,192	972	(321)	5,396	5,603
Net cash provided by (used in) investing activities	553	4,192	972	(321)	5,396	5,603
Net increase (decrease) in cash and cash equivalents	55,709	7,425	369	(9,107)	54,396	38,862
Cash and cash equivalents, beginning of year	45,274	186,984	15,620	(19,448)	228,430	327,644
Cash and cash equivalents, end of year	<u>\$ 100,983</u>	<u>\$ 194,409</u>	<u>\$ 15,989</u>	<u>\$ (28,555)</u>	<u>\$ 282,826</u>	<u>\$ 366,506</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	\$ 64,745	\$ 119,869	\$ 5,485	\$ (35,010)	\$ 155,089	\$ 366,506
Restricted cash and investments per Statement of Net Position	36,238	74,540	10,504	6,455	127,737	-
Total cash and cash equivalents per Statement of Net Position	<u>\$ 100,983</u>	<u>\$ 194,409</u>	<u>\$ 15,989</u>	<u>\$ (28,555)</u>	<u>\$ 282,826</u>	<u>\$ 366,506</u>

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

COUNTY OF RIVERSIDE
Statement of Cash Flows
Proprietary Funds (Continued)
For the Fiscal Year Ended June 30, 2020
(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)	\$ (77,767)	\$ 126	\$ (4,989)	\$ (28,750)	\$ (111,380)	\$ (142,062)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	26,041	7,274	1,088	2,959	37,362	19,284
Decrease (Increase) accounts receivable	6,784	(3,397)	(1,300)	477	2,564	4,502
Decrease (Increase) taxes receivable	-	-	-	(1)	(1)	-
Decrease (Increase) due from other funds	(20,053)	-	-	(24,115)	(44,168)	(737)
Decrease (Increase) due from other governments	(34,566)	(101)	1,235	(563)	(33,995)	71
Decrease (Increase) inventories	(2,014)	(1)	-	(25)	(2,040)	(109)
Decrease (Increase) prepaid items and deposits	(1,750)	-	(18)	(247)	(2,015)	35
Increase (Decrease) accounts payable	(1,449)	3,074	(322)	7,873	9,176	(9,631)
Increase (Decrease) due to other funds	24,943	-	(15)	273	25,201	(947)
Increase (Decrease) due to other governments	81,438	200	(19)	6,139	87,758	(133)
Increase (Decrease) deposits payable	7	-	-	(13)	(6)	-
Increase (Decrease) accrued closure costs	-	5,627	-	-	5,627	-
Increase (Decrease) accrued remediation costs	-	768	-	-	768	(48)
Increase (Decrease) other liabilities	2,769	(363)	2,161	46	4,613	(789)
Increase (Decrease) estimated claims liability	-	-	-	-	-	(4,724)
Increase (Decrease) net pension liability	28,152	2,708	772	3,769	35,401	4,734
Increase (Decrease) net OPEB liability	4,257	1,148	-	569	5,974	1,400
Increase (Decrease) deferred OPEB	(4,644)	(769)	-	(618)	(6,031)	-
Increase (Decrease) deferred pensions	25,322	1,522	1,182	3,406	31,432	8,178
Increase (Decrease) service concession arrangement	-	(434)	-	-	(434)	-
Increase (Decrease) salaries and benefits payable	2,216	360	(10)	888	3,454	1,076
Increase (Decrease) compensated absences	2,376	281	(108)	271	2,820	555
Decrease (Increase) loans receivable	-	-	229	-	229	-
Net cash provided by (used in) operating activities	<u>\$ 62,062</u>	<u>\$ 18,023</u>	<u>\$ (114)</u>	<u>\$ (27,662)</u>	<u>\$ 52,309</u>	<u>\$ (119,345)</u>
Noncash investing, capital, and financing activities:						
Capital lease obligations	<u>\$ 215,594</u>			<u>\$ 14</u>	<u>\$ 215,608</u>	<u>\$ 26,708</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, 2020
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust	Custodial Funds	Total
ASSETS:					
Cash and investments	\$ 2,146	\$ 405	\$ 76,697	\$ 461,920	\$ 541,168
Receivables:					
Accounts receivable	748	-	-	16,259	17,007
Interest receivable	-	20	30	9,117	9,167
Taxes receivable	-	-	-	47,434	47,434
Investment at fair value:					
Short-term investments	-	360	-	220,801	221,161
Federal agency	-	4,803	-	2,949,708	2,954,511
Mutual funds	72,896	-	-	-	72,896
Commercial paper	-	270	-	165,739	166,009
Negotiable CDs	-	162	-	99,453	99,615
Medium term notes	-	92	-	56,226	56,318
Municipal bonds	-	141	-	86,611	86,752
Bonds - U.S. Treasury	-	2,194	-	1,347,170	1,349,364
Prepaid items and deposits	-	-	3,649	-	3,649
Due from other governments	-	-	1,694	-	1,694
Land held for sale	-	-	13,450	-	13,450
Total assets	<u>75,790</u>	<u>8,447</u>	<u>95,520</u>	<u>5,460,438</u>	<u>5,640,195</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	34,597	-	34,597
LIABILITIES:					
Cash overdrawn	-	-	-	16,253	16,253
Accounts payable	-	6,996	6	119,736	126,738
Due to other governments	511	-	-	137,243	137,754
Interest payable	-	-	6,747	-	6,747
Accreted interest payable	-	-	12,428	-	12,428
Bonds payable	-	-	673,151	-	673,151
Total liabilities	<u>511</u>	<u>6,996</u>	<u>692,332</u>	<u>273,232</u>	<u>973,071</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	1,669	-	1,669
NET POSITION:					
Restricted for:					
Pensions	75,279	-	-	-	75,279
Pool participants	-	1,451	-	5,183,282	5,184,733
Individuals, organizations & other governments	-	-	(563,884)	3,924	(559,960)
Total net position (deficit)	<u>\$ 75,279</u>	<u>\$ 1,451</u>	<u>\$ (563,884)</u>	<u>\$ 5,187,206</u>	<u>\$ 4,700,052</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, 2020
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust	Custodial Funds	Total
ADDITIONS					
Contributions:					
Members	\$ 1,680	\$ -	\$ -	\$ -	\$ 1,680
Employer	854	-	-	-	854
Contributions to pooled investments	-	-	-	1,047,718	1,047,718
Contributions to private-purpose trust	-	-	-	-	-
Total contributions	<u>2,534</u>	<u>-</u>	<u>-</u>	<u>1,047,718</u>	<u>1,050,252</u>
Property taxes-Successor Agency Redevelopment	-	-	39,704	-	39,704
Property Tax Trust Fund Distribution	-	-	-	-	-
Investment earnings:					
Net increase in fair value of investments	1,740	211	517	78,479	80,947
Interest, dividends, and other	1,286	-	716	4	2,006
Total investment earnings	<u>3,026</u>	<u>211</u>	<u>1,233</u>	<u>78,483</u>	<u>82,953</u>
Less investment costs:					
Investment activity costs	-	-	-	-	-
Net investment earnings	<u>3,026</u>	<u>211</u>	<u>1,233</u>	<u>78,483</u>	<u>82,953</u>
Property tax collection other governments	-	-	-	5,969,287	5,969,287
Other custodial fund collections	-	-	-	2,285,650	2,285,650
Gain or (loss) on sale of property	-	-	(41)	-	(41)
Miscellaneous	9	-	45	35	89
Total additions	<u>5,569</u>	<u>211</u>	<u>40,941</u>	<u>9,381,173</u>	<u>9,427,894</u>
DEDUCTIONS					
Benefit paid to participants or beneficiaries	2,225	-	-	-	2,225
Administrative expense	382	-	4,947	1	5,330
Distributions to shareholders	-	27,227	-	668,925	696,152
Beneficiary payments to individuals, organizations and other governments	-	-	-	2,548,567	2,548,567
Property taxes distributed to other governments	-	-	-	6,098,014	6,098,014
Interest expense	-	-	29,202	-	29,202
Loss on bond refunding	-	-	2,758	-	2,758
Debt issuance cost	-	-	505	-	505
Other expense	-	-	181	-	181
Total deductions	<u>2,607</u>	<u>27,227</u>	<u>37,593</u>	<u>9,315,507</u>	<u>9,382,934</u>
Net increase (decrease) in fiduciary net position	2,962	(27,016)	3,348	65,666	44,960
Net position, beginning of the year	72,317	4,757,540	(569,178)	-	4,260,679
Adjustments to beginning net position (Note 3)	-	(4,729,073)	1,946	5,121,540	394,413
Net position beginning of the year, as restated	<u>-</u>	<u>28,467</u>	<u>(567,232)</u>	<u>5,121,540</u>	<u>4,655,092</u>
Net position, end of the year	<u>\$ 75,279</u>	<u>\$ 1,451</u>	<u>\$ (563,884)</u>	<u>\$ 5,187,206</u>	<u>\$ 4,700,052</u>

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

BASIC FINANCIAL STATEMENTS – NOTES TO THE BASIC FINANCIAL STATEMENTS



COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements
June 30, 2020

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, 2020

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 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 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 IFA 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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Presentation of Financial Information Related to County Fiduciary Responsibilities (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, 41.2%, or \$31.2 million, of the County's \$74.0 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

CARES Act Coronavirus Relief fund accounts for revenues and expenditures related to the federal funding from the Coronavirus Relief Fund in response to Coronavirus (COVID-19) pandemic.

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.

Pension obligation debt service fund accounts for revenues and expenditures related to the funding of unfunded pension liability through the issuance of pension obligation bonds.

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 held in trust, as defined by GASB Statement No. 84, *Fiduciary Activities*. External investment pool participants include entities legally separate from the County, such as school and special districts governed by local boards, regional boards, and authorities. This fund accounts for assets, primarily cash and investments, held or invested by the County Treasurer and the related County liability to disburse these monies on demand to the related external entities. The County's investment trust fund uses the economic resources measurement focus and accrual basis of accounting.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Private-purpose trust fund accounts for resources held and administered by the County in a fiduciary capacity for individuals, private organizations, or other governments based on trust arrangements. The fund accounts for the resources held and administered by the County in a fiduciary capacity for the Redevelopment Successor Agency. The County's private purpose trust fund uses the economic resources measurement focus and accrual basis of accounting.

Custodial funds account for assets held by the County in a custodial capacity. The funds reported as custodial funds are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds, or private-purpose trust funds. The external portion of investment pools that are not held in trust, as defined by GASB Statement No. 84, *Fiduciary Activities*, are reported in a separate external investment pool column, under the custodial fund classification. These funds account for 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 custodial funds use the economic resources measurement focus and accrual basis of accounting.

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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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, 2020, which are carried at cost. Bond anticipation notes are carried at fair value/cost. Commercial paper is carried at amortized cost/cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value. Mutual funds are carried at fair value based on the funds' share price. Local Agency Obligations are carried at cost based on the value of each participating dollar.

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

State law requires that the County Treasurer hold all operating monies of the County, school districts, and certain special districts. Collectively, these mandatory deposits constituted approximately 78.9% of the funds on deposit in the County treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 21.1% 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 \$122.3 million and \$217.1 million, respectively. The RUHS-MC has contracted with a Medi-Cal managed care plan to provide services to patients enrolled with Medicare and Medi-Cal programs. The RUHS-MC receives a fixed monthly premium payment for each patient enrolled. Revenue under this agreement is recognized in the period in which the RUHS-MC is required to provide services.

Property Taxes

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and the Revenue and Taxation Code. Property is assessed by the County Assessor and State Board of Equalization at 100.0% of full cash or market value (with some exceptions) pursuant to Article XIII A of the California State Constitution and statutory provisions. The total for fiscal year 2019-20 gross assessed valuation (for tax purposes) of the County was \$308.94 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 and delinquent taxes was distributed. This results in the general fund receiving distributions of approximately 50.0-55.0% in December, 40.0-45.0% in April and the remaining balance in the fall of each year.

The Teeter plan also provides that all of the payments of redemption penalties and interest on delinquent secured property taxes of participating agencies flow to a Tax Loss Reserve Fund (TLRF). Any amounts on deposit in the TLRF greater than 1.0% of the tax levy for participating entities may flow to the County general fund. For fiscal year 2019-20, \$18.4 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 items 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		

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Leases

The County leases various assets under both operating and capital lease agreements. For governmental funds, assets under capital leases and the related lease obligations are reported in the government-wide financial statements. For

proprietary funds, the assets and related lease obligations are recorded in the appropriate enterprise or internal service fund and the government-wide financial statements.

Restricted Assets

The County maintains various restricted asset accounts as a result of debt agreements and certain state statutes. The agreements authorizing the issuance of CORAL and Housing Authority obligations include certain covenants pertaining to the disposition of bond proceeds for construction, acquisition, and bond redemption purposes. Waste 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, 2020, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net position was \$280.3 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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

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

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

Pensions

For purposes of measuring the net 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Restricted Net Position – This category presents 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, 2020

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 \$258.0 million is 30.8% 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. 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, 2019.

Governmental Accounting Standards Board Statement No. 95

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for reporting periods beginning after June 15, 2018, and later.

Future Governmental Accounting Standards Board Statements

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements (Continued)

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 June 15, 2021. 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, 2020. 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, 2019.

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, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 92

In January 2020, GASB Statement 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 92 is effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 93

In March 2020, GASB Statement 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 93 is effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements (Continued)

to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which 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; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end

of the arrangement. GASB Statement No. 94 is effective for reporting periods beginning after June 15, 2022. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 97

In May 2020, GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 for paragraphs 6-9 is effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020, 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	\$ 240,150
EF - Flood Control	\$ 1,495
EF - Riverside University Health Systems - Community Health Centers	\$ 29,760
ISF - Information Services	\$ 34,623
ISF - Central Mail	\$ 175
ISF - Supply	\$ 130
ISF - Risk Management	\$ 1,223
ISF - EDA Facilities Management	\$ 28,867

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, 2020, expenditures exceeded appropriations in capital outlay by \$24.4 million in the general fund. This excess of expenditures resulted from the acquisition of \$24.4 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, 2020

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, 2020 is as follows (In thousands):

Government-wide:

Description	Primary Government	
	Governmental Activities	Business-type Activities
Government-wide net position as of June 30, 2019, as previously reported	\$ 2,350,465	\$ (138,449)
Government-wide financial statements: Prior period adjustments:		
Capital assets adjustment (1)	(5,150)	-
Fund financial statements: Prior period adjustments:		
GASB Statement No. 84 Implementation (2)	4,925	-
Net position as of June 30, 2019, as restated	<u>\$ 2,350,240</u>	<u>\$ (138,449)</u>

Fund Financials:

Description	Governmental Funds				Proprietary Funds
	Major Funds		Nonmajor Fund		Internal Service Funds
			Public Facilities Improvements Capital	Other Special Revenue	Risk Management
	General Fund	Transportation			
Fund balances or net position as of June 30, 2019, as previously reported	\$ 412,401	\$ 108,791	\$ 164,816	\$ 19,137	\$ (41,092)
Prior Period Adjustments:					
GASB Statement No. 84 Implementation (2)	(1,946)	-	-	7,086	(215)
Fund type correction (3)	-	(4,717)	4,717	-	-
Fund balances or net position as of June 30, 2019, as restated	<u>\$ 410,455</u>	<u>\$ 104,074</u>	<u>\$ 169,533</u>	<u>\$ 26,223</u>	<u>\$ (41,307)</u>

Description	Fiduciary Funds		Custodial Funds			
	Investment Trust	Private Purpose Trust	External Investment Pool	Property Tax Assessment	Payroll Deductions	Other Custodial Fund
Fund balances or net position as of June 30, 2019, as previously reported	\$ 4,757,540	\$ (569,178)	\$ -	\$ -	\$ -	\$ -
Prior Period Adjustments:						
GASB Statement No. 84 Implementation (2)	(4,729,073)	1,946	4,726,908	128,727	10,646	255,259
Fund balances or net position as of June 30, 2019, as restated	<u>\$ 28,467</u>	<u>\$ (567,232)</u>	<u>\$ 4,726,908</u>	<u>\$ 128,727</u>	<u>\$ 10,646</u>	<u>\$ 255,259</u>

- (1) The prior period adjustment was made to correct an overstatement in construction in progress and record prior period costs previously not reported for land and easements.
- (2) The adjustment was made to reflect the prior period cost related to the implementation of GASB Statement No. 84 for Fiduciary Activities.
- (3) A prior period adjustment of \$4.7 million was made to restate the beginning balance of Transportation Fund by reimbursing the Public Facilities Improvements Capital Projects Fund for expenditures erroneously recorded which results in net to zero.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 4 – CASH AND INVESTMENTS

As of June 30, 2020, cash and investments are classified in the accompanying financial statements as follows (In thousands):

	Governmental	Business-type	Discretely Presented Component	Fiduciary	Total
	Activities	Activities	Unit	Funds	
Cash and investments	\$ 1,785,261	\$ 191,389	\$ 27,949	\$ 5,547,794	\$ 7,552,393
Restricted cash and investments	498,185	127,737	-	-	625,922
Total cash and investments	<u>\$ 2,283,446</u>	<u>\$ 319,126</u>	<u>\$ 27,949</u>	<u>\$ 5,547,794</u>	<u>\$ 8,178,315</u>

As of June 30, 2020, cash and investments consist of the following (In thousands):

Deposits	\$ 166,631
Investments	<u>8,011,684</u>
Total cash and investments	<u>\$ 8,178,315</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 value valuation of the pooled investment program portfolio and a monthly fair value valuation of all securities held against carrying cost. The quarterly report on the resources Pooled Money Investment Account is 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, 2020, reported under investments, CORAL had \$2.5 million and RUHS-Medical Center had \$11.6 million for a total amount of \$14.1 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, 2020

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 fair 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 \$324 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.countytreasurer.org/.

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%	N/A
Local agency investment fund (LAIF)	Daily Liquidity	Max \$50M	N/A
Cash/deposit account	N/A	N/A	N/A
Supra-national agency bond (SUPRA)	4 Years	20%	10%

* 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, 2020

NOTE 4 – CASH AND INVESTMENTS (Continued)

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

As of June 30, 2020, the County and Component Units had the following investments (In thousands):

	June 30, 2020	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating (I)
County treasurer investments					
Investments by fair value level					
U.S. treasuries	\$ 2,031,874	0.07 - 2.63%	07/20 - 11/24	0.47	N/A
Federal home loan mortgage corporation	1,325,088	0.12 - 3.00%	07/20 - 06/25	2.77	N/A
Federal national mortgage association	359,415	0.20 - 2.88%	07/20 - 06/25	2.09	N/A
Federal home loan bank	1,817,332	0.05 - 2.70%	07/20 - 03/25	0.73	N/A
Federal farm credit bank	766,106	0.20 - 2.70%	08/20 - 06/25	1.71	N/A
Farmer mac	155,965	0.19 - 2.96%	03/21 - 06/23	0.24	N/A
Municipal notes	130,631	1.37 - 4.00%	07/20 - 04/22	1.06	AA-/Aa3/AA-
Commercial paper	249,977	0.14 - 1.63%	07/20 - 09/20	0.07	A1/P1/F1
Corporate notes	84,803	1.65 - 2.25%	09/20 - 03/21	0.46	AA/Aa2/AA
Total County treasurer investments by fair value level	6,921,191				
Investments measured at amortized cost					
Farmer mac	25,003	0.72%	03/21	0.10	N/A
Certificates of deposit	100,000	1.62 - 1.65%	11/20	0.39	AA/Aa2/AA
Negotiable certificates of deposit	50,000	1.85%	07/20	0.00	A1/P1/F1
Managed rate accounts	375,000	0.09 - 0.50%	07/20	0.00	N/A
CalTRUST short term fund	4,024	1.09%	07/20	0.00	N/A
Money market mutual funds (II)	329,000	0.10 - 0.16%	07/20	0.00	AAA
Total investments measured at amortized cost	883,027				
Total County treasurer investments	7,804,218				
Investments measured at amortized cost					
Money market funds	100,145	0.00 - 0.16%		N/A	AAA/Aaa
Certificates of deposit	1,000	0.30%	10/19 - 10/20		
Local agency investment fund	14,139	1.89%	07/20	N/A	N/A
Money market mutual funds (II)	87,764	0.01 - 5.92%			
Investment agreements	4,418	4.83%	02/35		
Total blended component unit investments	207,466				
measured at amortized cost					
Total blended component unit investments	207,466				
Total investments	\$ 8,011,684				

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

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

N/A — Not Applicable

N/R — Not Required

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 4 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The County has the following recurring fair value measurements as of June 30, 2020 (In thousands):

Fair Value Measurements Using					
Rating (1)	% of	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	June 30, 2020
June 30, 2020	Portfolio				
					County treasurer investments
					Investments by fair value level
	26.04%	\$ 2,031,874		\$ 2,031,874	U.S. treasuries
AA+/Aaa	16.98%		\$ 1,325,088	1,325,088	Federal home loan mortgage corporation
AA+/Aaa	4.61%		359,415	359,415	Federal national mortgage association
AA+/Aaa	23.29%		1,817,332	1,817,332	Federal home loan bank
AA+/Aaa	9.82%		766,106	766,106	Federal farm credit bank
N/R	2.00%		155,965	155,965	Farmer mac
AAA/Aaa	1.67%		130,631	130,631	Municipal notes
AAA/Aaa	3.20%		249,977	249,977	Commercial paper
AAA/Aaa	1.09%		84,803	84,803	Corporate notes
	88.69%	2,031,874	4,889,317	-	6,921,191
					Total County treasurer investments by fair value level
					Investments measured at amortized cost
N/A	0.32%			25,003	Farmer mac
AAA/Aaa	1.28%			100,000	Certificates of deposit
AA-/Aa2	0.64%			50,000	Negotiable certificates of deposit
N/R	4.81%			375,000	Managed rate accounts
AAA/Aaa	0.05%			4,024	CalTRUST short term fund
AAA/Aaa	4.22%			329,000	Money market mutual funds (II)
	11.31%			883,027	Total investments measured at amortized cost
	100.00%	2,031,874	4,889,317	-	7,804,218
					Total County treasurer investments
					Investments measured at amortized cost
AAA/Aaa	48.27%			100,145	Money market funds
	0.48%			1,000	Certificates of deposit
N/R	6.82%			14,139	Local agency investment fund
N/R/Aaa	42.30%			87,764	Money market mutual funds (II)
	2.13%			4,418	Investment agreements
	100.00%			207,466	Total blended component unit investments
					measured at amortized cost
	100.00%	-	-	-	207,466
		\$ 2,031,874	\$ 4,889,317	\$ -	\$ 8,011,684
					Total investments

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

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

N/A — Not Applicable

N/R — Not Required

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

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

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

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 5 – RESTRICTED CASH AND INVESTMENTS

The amount of assets restricted by legal and contractual requirements at June 30, 2020, is as follows (In thousands):

Governmental Activities

General Fund		\$	417,867
Flood Control			1,866
Teeter Debt Service			35,025
Pension Obligation			8,711
Other Governmental Funds			
CORAL			
Local Agency Investment Fund	2,538		
Restricted Cash and Other Investments	9,816	12,354	
District Court Financing Corporation		840	
Infrastructure Financing Authority		7,157	
Inland Empire Tobacco Securitization		12,541	
Public Financing Authority		1,824	
Total Other Governmental Funds			<u>34,716</u>
Total Governmental Activities			<u>498,185</u>

Business-type Activities

Riverside University Health Systems - Medical Center			
Local Agency Investment Fund	11,601		
Restricted Cash and Other Investments	24,637		
Total Riverside University Health Systems - Medical Center			<u>36,238</u>
Waste Resources			74,540
Housing Authority			10,504
Flood Control			<u>6,455</u>
Total Business-type Activities			<u>127,737</u>
Total Restricted Cash and Investments		\$	<u>625,922</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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	\$ 18,686	\$ 4,046	\$ 12,206	\$ 360,840	\$ 395,778
Transportation	6,101	228	16	13,899	20,244
Flood Control	112	511	1,462	1,396	3,481
Teeter debt service	-	44	54,541	-	54,585
CARES Act Comavirus Relief	-	593	-	-	593
Pension Obligation	4,393	9	-	-	4,402
Other governmental funds	1,032	485	1,904	12,849	16,270
Internal service funds	7,346	602	-	1,005	8,953
Total receivables	<u>\$ 37,670</u>	<u>\$ 6,518</u>	<u>\$ 70,129</u>	<u>\$ 389,989</u>	<u>\$ 504,306</u>

Receivables						Due From	Allowance	Total
	Accounts	Interest	Taxes	Loans	Other Govts	for	Business-type	
Business-type activities:						Uncollectibles	Activities	
Riverside University Health Systems -								
Medical Center	\$ 378,935	\$ -	\$ -	\$ -	\$ 218,456	\$ (339,409)	\$ 257,982	
Waste Resources	11,249	370	-	2,000	200	-	13,819	
Housing Authority	2,129	3	-	96,305	-	(395)	98,042	
Other	10,709	14	12	-	2,015	(9,857)	2,893	
Total receivables	\$ 403,022	\$ 387	\$ 12	\$ 98,305	\$ 220,671	\$ (349,661)	\$ 372,736	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 7 – INTERFUND TRANSACTIONS

(a) Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2020 is as follows (In thousands):

Due to/from other funds :

Payable Fund	Receivable Fund			
	General Fund	Flood Control	Teeter Debt Service	Other Governmental Funds
General Fund				
Delinquent property tax	\$ -	\$ -	\$ 1,446	\$ -
Operating contribution	-	-	-	-
Interfund activity	-	-	-	1,089
Total General Fund				
Transportation				
Interfund activity	143	-	-	-
Total Transportation				
Teeter Debt Service				
Interfund activity	6,714	-	-	-
Total Teeter Debt Service				
Other Governmental Funds				
Interfund activity	1,023	-	-	140
Total Other Governmental Funds				
Riverside University Health Systems-Medical Center				
Interfund activity	11,962	-	-	-
Total Riverside University Health Systems-Medical Center				
Housing Authority				
Interfund activity	14	-	-	-
Total Housing Authority				
Other Enterprise Funds				
Interfund activity	-	288	-	-
Total Other Enterprise Funds				
Internal Service Funds				
Interfund activity	741	-	-	-
Total Internal Service Funds				
Total Receivable	<u>\$ 20,597</u>	<u>\$ 288</u>	<u>\$ 1,446</u>	<u>\$ 1,229</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, 2020

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

(a) Interfund Receivables/ Payables (Continued)

Riverside University Health Systems- Medical Center	Other Enterprise Funds	Internal Service Funds	Total Payable	
\$ -	\$ -	\$ -	\$ 1,446	General Fund
17,706	15,729	-	33,435	Delinquent property tax
7,601	7,873	499	17,062	Operating contribution
			51,943	Interfund activity
				Total General Fund
				Transportation
-	-	-	143	Interfund activity
			143	Total Transportation
				Teeter Debt Service
-	-	-	6,714	Interfund activity
			6,714	Total Teeter Debt Service
				Other Governmental Funds
-	10	755	1,928	Interfund activity
			1,928	Total Other Governmental Funds
				Riverside University Health Systems-Medical Center
-	16,503	-	28,465	Interfund activity
			28,465	Total Riverside University Health Systems-Medical
				Housing Authority
-	-	-	14	Interfund activity
			14	Total Housing Authority
				Other Enterprise Funds
-	-	-	288	Interfund activity
			288	Total Other Enterprise Funds
				Internal Service Funds
-	-	-	741	Interfund activity
			741	Total Internal Service Funds
<u>\$ 25,307</u>	<u>\$ 40,115</u>	<u>\$ 1,254</u>	<u>\$ 90,236</u>	Total Receivable

Advances to/from other funds (Continued):

Waste Resources advanced \$1.0 million to Public Facilities Capital Project Improvement Fund for East County Detention Cent
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, 2020

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	Pension Obligation	Other Governmental Funds
General Fund						
*To finance capital projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,938
*For debt service payments	-	-	-	3,032	-	66,968
*Operating contribution	-	75	-	-	-	21,196
*For professional services	-	3,056	-	-	-	6,693
*To fund pension obligation	-	-	-	-	26,371	-
Total general fund						
Transportation						
*To finance capital projects	-	-	-	-	-	18
*For professional services	2,438	-	-	-	-	4
*To fund pension obligation	-	-	-	-	949	-
Total transportation						
CARES Act Coronavirus Relief						
*Operating contribution	36,590	217	-	-	-	77,142
Total cares act coronavirus relief						
Flood Control						
*For debt service payments	-	-	-	-	-	2,963
*To fund pension obligation	-	-	-	-	1	-
Total Flood Control						
Teeter Debt Service						
*For debt service payments	3	-	-	-	-	-
Total teeter debt service						
Other Governmental Funds						
*To finance capital projects	33,114	3,495	-	-	-	14,162
*For debt service payments	-	-	-	-	-	12,084
*For Fire protection services	69,683	-	-	-	-	-
*For professional services	15,562	2,486	-	-	-	7,425
*Operating contribution	1,134	-	-	-	-	1,890
*To fund pension obligation	152	-	-	-	580	-
Total other governmental funds						
Riverside University Health System-Medical Center						
*To fund pension obligation	-	-	-	-	5,661	-
Total Riverside University Health System-Medical Center						
Waste Resources						
*To fund pension obligation	-	-	-	-	362	-
Total Waste Resources						
Housing Authority						
*To fund pension obligation	-	-	-	-	170	-
Total Housing Authority						
Other Enterprise Funds						
*To fund pension obligation	-	-	-	-	812	-
Total other enterprise funds						
Internal Service Funds						
* Business Services	-	-	-	-	-	-
*Operating contribution	36	-	133	-	-	-
*To fund pension obligation	-	-	-	-	2,042	-
Total Internal Service Funds						
Total transfers in	\$ 158,712	\$ 9,329	\$ 133	\$ 3,032	\$ 36,948	\$ 234,483

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, 2020

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

(b) Between Governmental and Business-type Activities:

Transfers In							
Riverside University Health Systems Medical Center	Waste Resources	Housing Authority	Other Enterprise Funds	Internal Service Funds	Total Transfers Out	*Principal purpose for transfer	
General Fund							
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,938	*To finance capital projects	
10,000	-	-	-	-	80,000	*For debt service payments	
7,601	-	-	7,873	3,151	39,896	*Operating contribution	
-	-	-	-	-	9,749	*For professional services	
-	-	-	-	-	26,371	*To fund pension obligation	
					179,954	Total general fund	
Transportation							
-	-	-	-	-	18	*To finance capital projects	
-	-	-	-	-	2,442	*For professional services	
-	-	-	-	-	949	*To fund pension obligation	
					3,409	Total transportation	
CARES Act Coronavirus Relief							
17,705	45	25	15,729	1,205	148,658	*Operating contribution	
					148,658	Total cares act coronavirus relief	
Flood Control							
-	-	-	-	-	2,963	*For debt service payments	
-	-	-	-	-	1	*To fund pension obligation	
					2,964	Total Flood Control	
Teeter Debt Service							
-	-	-	-	-	3	*For debt service payments	
					3	Total teeter debt service	
Other Governmental Funds							
3,277	-	-	-	-	54,048	*To finance capital projects	
-	-	-	-	-	12,084	*For debt service payments	
-	-	-	-	-	69,683	*For Fire protection services	
-	-	-	-	-	25,473	*For professional services	
-	-	-	252	692	3,968	*Operating contribution	
-	-	-	-	-	732	*To fund pension obligation	
					165,988	Total other governmental funds	
Riverside University Health System-Medical Center							
-	-	-	-	-	5,661	*To fund pension obligation	
					5,661	Total Riverside University Health System-Medical Center	
Waste Resources							
-	-	-	-	-	362	*To fund pension obligation	
					362	Total Waste Resources	
Housing Authority							
-	-	-	-	-	170	*To fund pension obligation	
					170	Total Housing Authority	
Other Enterprise Funds							
-	-	-	-	-	812	*To fund pension obligation	
					812	Total other enterprise funds	
Internal Service Funds							
-	-	-	-	3,432	3,432	* Business Services	
31	-	-	-	-	200	*Operating contribution	
-	-	-	-	-	2,042	*To fund pension obligation	
					5,674	Total Internal Service Funds	
\$ 38,614	\$ 45	\$ 25	\$ 23,854	\$ 8,480	\$ 513,655	Total transfers in	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows (In thousands):

	Balance June 30, 2019 as Restated	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2020
Governmental activities:					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 587,652	\$ 11,329	\$ (1,602)	\$ -	\$ 597,379
Construction in progress	762,613	201,657	(1,542)	(64,560)	898,168
Total capital assets, not being depreciated	1,350,265	212,986	(3,144)	(64,560)	1,495,547
<i>Capital assets, being depreciated:</i>					
Infrastructure	3,736,104	27,814	-	49,805	3,813,723
Land improvements	110	-	-	-	110
Structures and improvements	1,879,416	5,635	(887)	10,019	1,894,183
Equipment	616,025	40,157	(26,989)	4,727	633,920
Total capital assets, being depreciated	6,231,655	73,606	(27,876)	64,551	6,341,936
Less accumulated depreciation for:					
Infrastructure	(1,698,394)	(117,160)	-	33	(1,815,521)
Land improvements	(30)	(1)	-	-	(31)
Structures and improvements	(580,748)	(47,823)	526	-	(628,045)
Equipment	(372,747)	(45,908)	25,469	(24)	(393,210)
Total accumulated depreciation	(2,651,919)	(210,892)	25,995	9	(2,836,807)
Total capital assets, being depreciated, net	3,579,736	(137,286)	(1,881)	64,560	3,505,129
Governmental activities capital assets, net	\$ 4,930,001	\$ 75,700	\$ (5,025)	\$ -	\$ 5,000,676

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 8 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2020, was as follows (In thousands):

	Balance July 1, 2019	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2020
Business-type activities:					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 21,524	\$ 12	\$ (12)	\$ -	\$ 21,524
Construction in progress	49,089	15,645	(4,406)	(3,320)	57,008
Concession arrangements	8,830	-	-	-	8,830
Total capital assets, not being depreciated	79,443	15,657	(4,418)	(3,320)	87,362
<i>Capital assets, being depreciated:</i>					
Infrastructure	105,537	3,768	4,394	-	113,699
Land improvements	21,402	1	-	-	21,403
Structures and improvements	285,609	192,146	(68)	1,839	479,526
Equipment	206,319	34,701	(7,543)	1,495	234,972
Total capital assets, being depreciated	618,867	230,616	(3,217)	3,334	849,600
Less accumulated depreciation for:					
Infrastructure	(60,438)	(3,740)	-	-	(64,178)
Land improvements	(15,498)	(727)	-	-	(16,225)
Structures and improvements	(139,288)	(10,175)	-	-	(149,463)
Equipment	(147,655)	(22,720)	4,560	(14)	(165,829)
Total accumulated depreciation	(362,879)	(37,362)	4,560	(14)	(395,695)
Total capital assets, being depreciated, net	255,988	193,254	1,343	3,320	453,905
Business-type activities capital assets, net	\$ 335,431	\$ 208,911	\$ (3,075)	\$ -	\$ 541,267

Depreciation

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

General government	\$ 48,735
Public protection	13,476
Health and sanitation	1,147
Public assistance	200
Public ways and facilities	117,561
Recreation and cultural services	3,004
Education	7,485
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	19,284
Total depreciation expense – governmental functions	<u>\$ 210,892</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 8 – CAPITAL ASSETS (Continued)

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

RUHS-Medical Center	\$ 26,041
Waste Resources	7,274
Housing Authority	1,088
RUHS-CHC	2,927
Flood Control	21
County Service Areas	11
Total depreciation expense – business-type functions	<u>\$ 37,362</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	190,733
Equipment	127,917	43,979
Less: Accumulated amortization	(76,536)	(22,902)
Total leased property, net	<u>\$ 113,993</u>	<u>\$ 211,810</u>

Discretely Presented Component Unit

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2020, was as follows (In thousands):

	Balance July 1, 2019	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2020
Capital assets, not being depreciated:					
Land	\$ 373	\$ -	\$ -	\$ -	\$ 373
Total capital assets, not being depreciated	373	-	-	-	373
Capital assets, being depreciated					
Building and improvements	1,898	-	-	-	1,898
Machinery and equipment	107	-	-	-	107
Total capital assets, being depreciated	2,005	-	-	-	2,005
Less accumulated depreciation for:					
Building and improvements	(275)	(54)	-	-	(329)
Machinery and equipment	(91)	(10)	-	-	(101)
Total accumulated depreciation	(366)	(64)	-	-	(430)
Total capital assets, being depreciated, net	1,639	(64)	-	-	1,575
Total capital assets, net	<u>\$ 2,012</u>	<u>\$ (64)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,948</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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.

Cove 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 Resort 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, 2020

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

Gopher Hole Camp Store

On February 7, 2018, 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.	\$ -
Cove 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	2/7/2018	3 years	2/7/2021	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, 2020

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

Capital assets balance for the SCAs for the fiscal year ended June 30, 2020, and over the terms of the agreements are as follows (In thousands):

	Land, Structures, & Structure Improvements
McIntyre Park Campground	\$ 52
Cove RV Resort	131
Lake Skinner Recreation Area	-
Gopher Hole Camp Store	-
Edom Hill Transfer Station	8,830
Cove and Dropzone Waterparks	44,419
	<u>\$ 53,432</u>

The deferred inflows of resources activity for the SCA for the year ended June 30, 2020 are as follows (In thousands):

SCA Capital Assets	Balance July 1, 2019	Additions/ Restatements	Amortization¹	Balance June 30, 2020
McIntyre Park Campground ²	\$ -	\$ -	\$ -	\$ -
Cove RV Resort ²	-	-	-	-
Lake Skinner Recreation Area ²	-	-	-	-
Gopher Hole Camp Store ²	-	-	-	-
Edom Hill Transfer Station	5,790	-	(434)	5,356
Cove and Dropzone Waterparks ²	-	-	-	-
Total deferred inflows	<u>\$ 5,790</u>	<u>\$ -</u>	<u>\$ (434)</u>	<u>\$ 5,356</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, 2020

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 \$9.6 million as the remaining estimated capacity of 14.8 million tons is filled. Waste Resources expects all currently permitted landfill capacities to be filled by 2107. The total estimated closure liability of \$23.0 million and post-closure care costs of \$45.5 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 the 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, 2020, the post-closure liability is estimated at \$33.9 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, 2020	Outstanding Recognized Liability	Estimated Years Remaining
Badlands (Moreno Valley)	\$ 10,811	77.1%	\$ 8,336	2
Blythe (Blythe)	5,219	35.3%	1,843	27
Edom Hill (Cathedral City)	5,808	100.0%	5,808	0
Lamb Canyon (Beaumont)	8,470	59.3%	5,024	9
Desert Center (Desert Center)	451	59.1%	267	67
Mecca II (Mecca)	1,020	98.8%	1,007	78
Oasis (Oasis)	886	84.7%	752	43
Total Closure Estimate	<u>\$ 32,665</u>		<u>\$ 23,037</u>	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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

Post-Closure Escrow Fund Landfill Sites

Facility Name (City)	Estimated Liability
Badlands (Moreno Valley)	\$ 8,596
Blythe (Blythe)	2,667
Coachella (Coachella)	2,603
Double Butte (Winchester)	6,605
Edom Hill (Cathedral City)	3,915
Highgrove (Riverside)	4,433
Lamb Canyon (Beaumont)	6,144
Mead Valley (Perris)	3,557
Anza (Anza)	2,690
Desert Center (Desert Center)	1,297
Mecca II (Mecca)	1,603
Oasis (Oasis)	1,431
Total Post-Closure Estimate	<u>\$ 45,541</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 the six active landfills and the 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, 2020 (In thousands):

<u>Year Ending June 30</u>	
2021	\$ 47,267
2022	40,834
2023	34,902
2024	27,732
2025	19,025
2026 - 2030	41,228
2031 - 2035	9,710
2036 - 2040	775
2041 - 2045	279
2046 - 2050	108
Total Minimum Payments	<u>\$ 221,860</u>

Total rental expenditure/expense for the year ended June 30, 2020, was \$141.4 million, of which \$16.7 million was recorded in the enterprise funds.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020, of advances from grantors and third parties is as follows (In thousands):

	Balance June 30, 2020
General Fund:	
Advances on state and federal grants for mental health services	\$ 138,264
Advances on state funding for social services	95,637
Advances on state grants and third party advances for public health services	25,232
Advances on state grants for probation services	21,391
Advances on state and federal grants for sheriff services	7,289
Advances on state grants and other federal grants for environmental health services	4,015
Advances on state and federal grants for 2020 census and homeless assistance	3,555
Advances on state grants and third party advances for emergency management services	2,461
Advances on state grants for district attorney services	1,931
Advances on state grants for public safety	1,803
Advances on state grants for planning and engineering services	654
Advances on state grants for public defender services	348
Advances on state grants for veteran services	318
Advances on state grants and third party advances for animal services	297
Advances on state and federal grants for fire protection services	208
Advances for election services	115
Other advances	65
Total general fund	<u>303,583</u>
Transportation Special Revenue Fund:	
Developer fees	12,387
Utility relocation	6,556
Advances from developers for road and construction projects	3,870
Survey fees	861
Deposit based fees	410
Advances for community facilities districts improvement projects	109
Total transportation special revenue fund	<u>24,193</u>
Flood Control Special Revenue Fund:	
Advances for flood control projects	532
Total flood special revenue fund	<u>532</u>
CARES Act Coronavirus Relief Fund:	
Advances from the federal government for COVID-19 related expenditures	282,306
Total CARES act fund	<u>282,306</u>
Other Governmental Funds:	
Advances on state grant for homeless housing relief programs	11,922
Advances on state grant for bio-terrorism programs	2,145
Advances on state grant for health care services	1,434
Advances for facility renewal projects	1,241
Camping and recreation fees	553
Advances on state grant for community service block grant	542
Developer impact fees	306
Advances for aviation projects	19
Advances from third parties for recreational events	1
Other advances	4
Total other governmental funds	<u>18,167</u>
Grand total of advances from grantors and third parties	<u><u>\$ 628,781</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 13 – SHORT-TERM DEBT

Tax and Revenue Anticipation Notes (TRANs)

On July 1, 2019, the County issued \$340.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANs), which was paid by June 30, 2020. The notes were issued with a yield rate of 1.25% and a stated interest rate of 5.0%. This was to provide needed cash to cover the projected intra-period cash-flow deficits of the County's General Fund during the fiscal year July 1 through June 30.

Tax-Exempt Commercial Paper Notes (Teeter)

In December 1993, the County adopted the Teeter Plan, the alternative method for the distribution of secured property taxes and other assessments. In order to fulfill the requirements of the plan, the County obtained cash for the "buyout" of delinquent secured property taxes and the annual advance of current unpaid taxes to all entities that elected to participate in the Teeter Plan. The current financing takes place through the sale of Tax-Exempt Commercial Paper Notes (Teeter Notes). During fiscal year 2019-20, the County retired \$75.8 million and issued \$84.3 million 2019 Series A teeter obligation notes (tax-exempt) which includes a premium of \$228.0 thousand, leaving an outstanding balance of \$84.3 million at June 30, 2020.

Short-term debt activity for the year ended June 30, 2020, was as follows (In thousands):

	Balance		Balance	
	June 30, 2019	Additions	Reductions	June 30, 2020
TRANs	\$ -	\$ 340,000	\$ (340,000)	\$ -
Teeter notes	75,754	84,342	(75,754)	84,342
Total	<u>\$ 75,754</u>	<u>\$ 424,342</u>	<u>\$ (415,754)</u>	<u>\$ 84,342</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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 \$3.72 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 capital asset.

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, 2020 (In thousands):

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2021	\$ 26,546	\$ 15,712
2022	20,624	14,771
2023	16,041	13,964
2024	10,852	13,628
2025	9,862	11,934
2026-2030	36,735	45,618
2031-2035	33,265	38,064
2036-2040	1,104	39,976
2041-2045	-	56,665
Total minimum payments	155,029	250,332
Less amount representing interest	(25,742)	(8,230)
Present value of net minimum lease payments	<u>\$ 129,287</u>	<u>\$ 242,102</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2020 (In thousands):

	Balance June 30, 2019	New Additions	Payments / Reclass	Balance June 30, 2020	Amounts Due Within One Year
<u>Governmental activities:</u>					
Debt long-term liabilities:					
Bonds payable	\$ 1,189,065	\$ 732,870	\$ (67,360)	\$ 1,854,575	\$ 87,905
Capital lease obligations	102,905	51,117	(24,735)	129,287	22,571
Certificates of participation	60,265	-	(18,596)	41,669	18,570
Bonds from Direct Placement	980	-	(650)	330	330
Total debt long-term liabilities	1,353,215	783,987	(111,341)	2,025,861	129,376
Other long-term liabilities:					
Accreted interest payable	195,574	25,117	(1,005)	219,686	-
Compensated absences (a)	228,248	7,389	(82)	235,555	141,045
Estimated claims liabilities (b)	260,110	53,055	(57,779)	255,386	60,864
Total other long-term liabilities	683,932	85,561	(58,866)	710,627	201,909
Total governmental activities –	\$ 2,037,147	\$ 869,548	\$ (170,207)	\$ 2,736,488	\$ 331,285

- (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.

The following is a summary of business-type and discretely presented component unit activities long-term liabilities transactions for the year ended June 30, 2020 (In thousands):

	Balance June 30, 2019	New Additions	Payments / Reclass	Balance June 30, 2020	Amounts Due Within One Year
<u>Business-type activities:</u>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses	\$ 64,254	\$ -	\$ (5,381)	\$ 58,873	\$ 4,664
Capital lease	34,724	215,414	(8,036)	242,102	14,502
Total debt long-term liabilities	98,978	215,414	(13,417)	300,975	19,166
Other long-term liabilities:					
Accreted interest payable	79,922	6,540	(14,524)	71,938	1,236
Compensated absences	41,577	2,959	(139)	44,397	27,895
Other long-term liabilities (a)	11,007	43	-	11,050	-
Total other long-term liabilities	132,506	9,542	(14,663)	127,385	29,131
Total business-type activities – long-term liabilities	\$ 231,484	\$ 224,956	\$ (28,080)	\$ 428,360	\$ 48,297

- (a) For Business-type Activities under Other long-term liabilities consists of the following:
Housing Authority has three notes payable, totaling \$11.0 million.

	Balance June 30, 2019	Additions	Payments	Balance June 30, 2020	Amounts Due Within One Year
<u>Discretely Presented Component Unit</u>					
Other long-term liabilities:					
Compensated absences	\$ 304	\$ 50	\$ (12)	\$ 342	\$ 191
Total discretely presented component unit – long-term liabilities	\$ 304	\$ 50	\$ (12)	\$ 342	\$ 191

The County has an unused line of credit in the amount of \$17.1 million.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020 (In thousands):

Type of Indebtedness	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding at June 30, 2020
<u>Governmental activities:</u>				
Certificates of Participation				
<u>CORAL</u>				
1990 Monterey Avenue: Serial Certificates	\$ 8,800	Variable	2020	\$ 800
2009 Series A - Public Safety Communication and Woodcrest Library Refunding Projects	45,685	Variable	2039	19,955
2009 Larson Justice Center Refunding: Serial Certificates	24,680	2.00% - 5.00%	2021	7,172
Total CORAL	<u>79,165</u>			<u>27,927</u>
<u>Flood Control</u>				
Zone 4 - 2015 Negotiable Promissory Note	21,000	2.00% - 5.00%	2025	13,742
Total Flood Control	<u>21,000</u>			<u>13,742</u>
Total certificates of participations	<u>\$ 100,165</u>			<u>\$ 41,669</u>
Bonds payable				
<u>CORAL</u>				
2012 CAC Annex Refunding Project	\$ 33,360	2.00% - 5.00%	2031	\$ 24,369
2008 A Southwest Justice Center: Term Certificates	78,895	5.16%	2032	62,040
2013 Probation & RCIT: Term Bonds (Series A)	66,015	5.00% - 5.25%	2043	48,440
2014 Lease Refunding Court Facilities Project, Series A	10,890	2.00% - 5.00%	2033	7,711
2019 Taxable Lease Revenue Refunding Series A	12,875	1.87% - 3.40%	2044	12,875
Total CORAL	<u>202,035</u>			<u>155,435</u>
<u>Taxable Pension Obligation Bonds</u>				
Pension Obligation Bonds (Series 2005-A)	400,000	4.91% - 5.04%	2035	218,830
Pension Obligation Bonds (Series 2020)	719,995	2.17% - 3.17%	2038	719,995
Total Taxable Pension Obligation Bonds	<u>1,119,995</u>			<u>938,825</u>
<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	23,458	7.00%	2057	23,457
Series 2007 E	18,948	7.63%	2057	18,949
Series 2007 F	27,076	8.00%	2057	27,076
Series 2019	100,000	3.68%	2028	91,970
Total Inland Empire Tobacco Securitization Authority	<u>252,677</u>			<u>244,647</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Bonds payable (continued)

Riverside County Public Financing Authority

Series 2012	17,640	3.00% - 5.00%	2021	11,470
Series 2015	<u>325,000</u>	2.00% - 5.00%	2046	<u>330,122</u>
Total Riverside County Public Financing Authority	<u>342,640</u>			<u>341,592</u>

Riverside County Infrastructure Financing Authority

Series 2015 A	72,825	2.00% - 5.00%	2054	67,251
Series 2016 A	36,740	2.00% - 4.00%	2032	37,815
Series 2017 A	46,970	3.00% - 4.00%	2045	47,067
Series 2017 B	11,595	3.00% - 5.00%	2038	11,272
Series 2017 C	<u>10,610</u>	3.125% - 5.00%	2047	<u>10,671</u>
Total Riverside Infrastructure Financing Authority	<u>178,740</u>			<u>174,076</u>

Total bonds payable	<u>\$ 2,096,087</u>			<u>\$ 1,854,575</u>
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Bonds from direct placement

CORAL

2011 Monroe Park Building Refunding	<u>\$ 5,535</u>	3.54%	2021	<u>\$ 330</u>
Total 2011 Monroe Park Building Refunding	<u>5,535</u>			<u>330</u>

Total bonds from direct placement	<u>\$ 5,535</u>			<u>\$ 330</u>
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Total governmental activities	<u>\$ 2,201,787</u>			<u>\$ 1,896,574</u>
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Business-Type Activities

Bonds payable

Riverside University Health Systems - Medical Center (RUHS-MC)

1997 A Serial Capital Appreciation Bonds (net of future capital appreciation of \$130.5 million)	\$ 41,170	5.70% - 6.01%	2026	\$ 24,142
2012 Term bonds (Series A)	<u>87,510</u>	2.00% - 5.00%	2029	<u>34,731</u>
Total RUHS-MC	<u>128,680</u>			<u>58,873</u>

Total bonds payable	<u>\$ 128,680</u>			<u>\$ 58,873</u>
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Total business-type activities	<u>\$ 128,680</u>			<u>\$ 58,873</u>
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As of June 30, 2020, 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
2021	\$ 330	\$ 6	\$ 18,570	\$ 1,407
2022	-	-	9,110	784
2023	-	-	2,660	513
2024	-	-	2,795	378
2025	-	-	2,935	241
2026 - 2030	-	-	1,060	768
2031 - 2035	-	-	1,405	523
2036 - 2040	-	-	1,880	196
Total requirements	330	6	40,415	4,810
Bond discount/premium, net	-	-	1,254	-
Total	<u>\$ 330</u>	<u>\$ 6</u>	<u>\$ 41,669</u>	<u>\$ 4,810</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Annual debt service requirements of governmental activities (Continued)

Governmental Fiscal Year Ending June 30	Bonds Payable	
	Principal	Interest
2021	\$ 87,905	\$ 61,238
2022	92,305	63,155
2023	103,610	59,573
2024	111,210	55,592
2025	102,565	51,199
2026 - 2030	486,898	200,934
2031 - 2035	454,005	108,860
2036 - 2040	140,200	47,337
2041 - 2045	131,101	22,325
2046 - 2050	37,592	596
2051 - 2055	22,331	-
2056 - 2060	47,150	4,671
Total requirements	1,816,872	675,480
Bond discount/premium, net	37,703	-
Total	\$ 1,854,575	\$ 675,480

As of June 30, 2020, 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
2021	\$ 4,664	\$ 16,086	\$ -	\$ -
2022	4,376	16,374	-	-
2023	4,125	16,626	-	-
2024	3,878	16,873	-	-
2025	3,655	17,096	-	-
2026 - 2030	34,579	19,758	6,795	-
2031 - 2035	-	-	551	-
2036 - 2040	-	-	-	-
2041 - 2045	-	-	-	-
2046 - 2050	-	-	-	-
2051 - 2055	-	-	-	-
2056 - 2060	-	-	-	-
2061 - 2065	-	-	-	-
2066 - 2070	-	-	3,704	-
Total requirements	55,277	102,813	11,050	-
Bond discount/premium, net	3,596	-	-	-
Total	\$ 58,873	\$ 102,813	\$ 11,050	\$ -

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020 (In thousands):

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
<u>Governmental Activities:</u>				
<i>Certificates of Participation:</i>				
Court Financing (U.S. District Court Project)	\$ 1,005	\$ -	\$ (1,005)	\$ -
<i>Bonds:</i>				
Inland Empire Tobacco Securitization Authority	194,569	25,117	-	219,686
Total governmental-type activities	<u>\$ 195,574</u>	<u>\$ 25,117</u>	<u>\$ (1,005)</u>	<u>\$ 219,686</u>
<u>Business-type Activities:</u>				
<i>Lease Revenue Bonds:</i>				
Riverside University Health Systems - Medical Center (1997A Hosp)	\$ 79,922	\$ 6,540	\$ (14,524)	\$ 71,938
Total business-type activities	<u>\$ 79,922</u>	<u>\$ 6,540</u>	<u>\$ (14,524)</u>	<u>\$ 71,938</u>

The accreted interest payable balances at June 30, 2020, represent accreted interest on the 2007 Inland Empire Tobacco Securitization Authority Bonds and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were \$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 upon maturity will be \$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 \$25.1 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 was \$71.9 million at June 30, 2020. The accumulated accretion for the Inland Empire Tobacco Securitization Authority in governmental activities was \$219.7 million. The un-accreted balances at June 30, 2020 are \$21.0 million for the 1997-A Hospital RUHS-MC project, and \$3.25 billion for the Inland Empire Tobacco Securitization Authority Bonds.

Bonds, Certificates of Participation / Refunding

In September 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 refunding a portion of the outstanding 2013 Series A Bonds (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) and pay the cost incurred in connection with the issuance of the bonds. The transaction resulted in an economic gain of \$513.0 thousand.

In April 2020, the County issued \$720.0 million in taxable pension obligation bonds, Taxable Pension Obligation Bonds, Series 2020. The Series 2020 bonds were issued under a Trust Agreement, dated as of February 1, 2005, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2020 between the County and Wells Fargo Bank, National Association, as Trustee, to refund a portion of the County's obligations to the California Public Employee's Retirement System (CalPERS) under the CalPERS Contract, evidencing a portion of the County's obligation to pay the County's unfunded accrued actuarial liability to CalPERS and pay the costs of issuance related to the Series 2020 Bonds.

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, 2020

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 \$11.0 million in lease revenue bonds (2014 A 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 \$36.7 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,

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (continued)

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 carry amount of \$41.3 million. 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 \$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 (the 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.

In September 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 refunding a portion of the outstanding 2013 Series A Bonds (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) and pay the cost incurred in connection with the issuance of the bonds. The transaction resulted in an economic gain of \$513.0 thousand.

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 \$16.3 million is outstanding as of June 30, 2020. 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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Single Family and Multi-Family Mortgage Revenue Bonds (continued)

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 \$83.3 million at June 30, 2020, to provide financing or improvements benefiting certain property owners. Special assessment bonds consist of Community Facilities District Bonds and Assessment District Bonds. The County, including its special districts, is not liable for the payment of principal or interest on the bonds, which are obligations solely of the benefited property owners. Certain debt service transactions relating to certain special assessment bonds are accounted for in the agency funds.

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

State Appellate Court Financing

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

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 \$234.3 thousand for the year ended June 30, 2020.

Fair Value: As of June 30, 2020 and 2019, the swap had a negative fair value of \$21.3 million and \$18.6 million, respectively, a decrease in fair value of \$2.7 million occurred during the fiscal year 2019-20. 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, 2020.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Interest Swap Rate (continued)

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

Basis Risks: The swap exposes CORAL to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2020, 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, 2020 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 swaps' fair value.

Changes in Long-term Liabilities

Swap Payment and Associated Debt: Using rates as of June 30, 2020, 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, 2020	Variable Rate Bonds		Net Swap Payments	Total Interest
	Principal	Interest		
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	4,035	703	1,814	2,517
2025	4,135	644	1,662	2,306
2026-2030	20,270	2,215	5,714	7,929
2031-2033	6,100	382	981	1,363
	<u>\$ 45,395</u>	<u>\$ 6,383</u>	<u>\$ 16,463</u>	<u>\$ 22,846</u>

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

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, 2020, \$21.5 million was received by the Inland Empire Tobacco Securitization Authority; \$10.0 million, or 46.4 %, was distributed to the County per the above agreement, leaving \$11.5 million, or 53.6 %, of the specific tobacco settlement revenues available to be pledged (see page 173). 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, 2020

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, 2020 were as follows (In thousands):

	Balance June 30, 2020
Government-wide deferred outflows of resources:	
Governmental activities:	
Interest rate swap	\$ 21,328
OPEB	48,780
Pension	693,898
Total governmental activities	<u>764,006</u>
Business-type activities:	
OPEB	9,715
Pension	99,707
Total business-type activities	<u>109,422</u>
Total government-wide deferred outflows of resources	<u><u>\$ 873,428</u></u>
Discretely presented component unit	
deferred outflows of resources:	
Pension	<u>\$ 1,311</u>
Total discretely presented component unit	
deferred outflows of resources	<u><u>\$ 1,311</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020 were as follows (In thousands):

	Balance June 30, 2020
Government-wide deferred inflows of resources:	
Governmental activities:	
Teeter tax loss reserve	\$ 27,487
OPEB	403
Pension	97,045
Total governmental activities	<u>124,935</u>
Business-type activities:	
Service concession arrangement	5,356
OPEB	53
Housing Opportunities for Persons with Aids (HOPWA) grant	587
Pension	15,334
Total business-type activities	<u>21,330</u>
Total government-wide deferred inflows of resources	<u><u>\$ 146,265</u></u>
Governmental funds deferred inflows of resources:	
General Fund:	
SB 90	\$ 24,174
Teeter tax loss reserve	27,487
Property tax	5,899
Miscellaneous unavailable revenue	4,058
Total general fund	<u>61,618</u>
Flood Control Special Revenue Fund:	
Property tax	1,372
Special assessments	90
Total flood control special revenue fund	<u>1,462</u>
Other Governmental Funds:	
Property tax	6
Total other governmental funds	<u>6</u>
Total governmental funds deferred inflows of resources	<u><u>\$ 63,086</u></u>
Discretely presented component unit	
deferred inflows of resources:	
Pension	\$ 970
Total discretely presented component unit	
deferred inflows of resources	<u><u>\$ 970</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020 is as follows (In thousands):

	Major Funds					
	General Fund	Transportation	Flood Control	CARES Act Coronavirus Relief	Pension Obligation	Total Major Governmental Funds
Fund balances:						
Nonspendable						
Inventory	\$ 2,075	\$ 1,244	\$ -	\$ -	\$ -	\$ 3,319
Prepaid items	62	-	-	-	-	62
Imprest cash	329	1	1	-	-	331
Permanent fund	-	-	-	-	-	-
Total nonspendable	2,466	1,245	1	-	-	3,712
Restricted						
Aging	-	-	-	-	-	-
Air quality planning	105	-	-	-	-	105
Airport	-	-	-	-	-	-
Auto theft interdiction	1,272	-	-	-	-	1,272
CAP local initiative program	-	-	-	-	-	-
CARES Act	-	-	-	1,774	-	1,774
Construction & capital projects	3,086	-	-	-	-	3,086
Court services	11,197	-	-	-	-	11,197
Debt services	2,070	-	-	-	5,057	7,127
District attorney	14,854	-	-	-	-	14,854
Domestic violence	2,599	-	-	-	-	2,599
Emergency medical services	7,296	-	-	-	-	7,296
Emergency preparedness	-	-	-	-	-	-
Environmental health	381	-	-	-	-	381
Public ways and facilities	-	-	273,549	-	-	273,549
Fire protection	-	-	-	-	-	-
Geographical info system	-	-	-	-	-	-
Hazmat	1,495	-	-	-	-	1,495
Humane services	134	-	-	-	-	134
Landscape maintenance	-	4,091	-	-	-	4,091
Libraries	-	-	-	-	-	-
Mental health	14,227	-	-	-	-	14,227
Modernization	9,511	-	-	-	-	9,511
Other purposes	16,101	-	-	-	-	16,101
Parks and recreation	-	-	-	-	-	-
Public assistance	4,666	-	-	-	-	4,666
Public health	2,079	-	-	-	-	2,079
Public protection	4,637	-	-	-	-	4,637
Roads	-	85,312	-	-	-	85,312
Sheriff patrol	10,317	-	-	-	-	10,317
Teeter tax losses	6,684	-	-	-	-	6,684
Total restricted	112,711	89,403	273,549	1,774	5,057	482,494

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,319	Fund balances:
5,007	-	-	-	5,007	5,069	Nonspendable
49	-	-	-	49	380	Inventory
-	-	-	1,017	1,017	1,017	Prepaid items
5,056	-	-	1,017	6,073	9,785	Imprest cash
						Permanent fund
						Total nonspendable
355	-	-	-	355	355	Restricted
917	-	-	-	917	1,022	Aging
685	-	-	-	685	685	Air quality planning
-	-	-	-	-	1,272	Airport
2,059	-	-	-	2,059	2,059	Auto theft interdiction
-	-	-	-	-	1,774	CAP local initiative program
-	-	123,732	-	123,732	126,818	CARES Act
-	-	-	-	-	11,197	Construction & capital projects
-	26,221	1,667	-	27,888	35,015	Court services
-	-	-	-	-	14,854	Debt services
-	-	-	-	-	2,599	District attorney
-	-	-	-	-	7,296	Domestic violence
1,403	-	-	-	1,403	1,403	Emergency medical services
-	-	-	-	-	381	Emergency preparedness
-	-	13,693	-	13,693	287,242	Environmental health
8,857	-	-	-	8,857	8,857	Public ways and facilities
2,116	-	-	-	2,116	2,116	Fire protection
-	-	-	-	-	1,495	Geographical info system
-	-	-	-	-	134	Hazmat
29,328	-	-	-	29,328	33,419	Humane services
25,096	-	-	-	25,096	25,096	Landscape maintenance
-	-	-	-	-	14,227	Libraries
-	-	-	-	-	9,511	Mental health
-	-	-	-	-	16,101	Modernization
4,718	-	12,092	-	16,810	16,810	Other purposes
35,257	-	-	-	35,257	39,923	Parks and recreation
7,400	-	-	-	7,400	9,479	Public assistance
792	-	-	-	792	5,429	Public health
609	-	-	-	609	85,921	Public protection
11,889	-	-	-	11,889	22,206	Roads
-	-	-	-	-	6,684	Sheriff patrol
131,481	26,221	151,184	-	308,886	791,380	Teeter tax losses
						Total restricted

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 16 – FUND BALANCES (Continued)

	Major Funds					
	General Fund	Transportation	Flood Control	CARES Act Coronavirus Relief	Pension Obligation	Total Major Governmental Funds
Fund balances:						
Committed						
Code enforcement	\$ -	\$ 4,236	\$ -	\$ -	\$ -	\$ 4,236
Construction & capital projects	-	-	-	-	-	-
EDA special projects	-	-	-	-	-	-
Environmental programs	1,260	351	-	-	-	1,611
Legal services	300	-	-	-	-	300
Other purposes	613	-	-	-	-	613
Parks	-	-	-	-	-	-
Sheriff correction	12,331	-	-	-	-	12,331
Solar program	-	-	-	-	-	-
Youth protection	340	-	-	-	-	340
Total committed	14,844	4,587	-	-	-	19,431
Assigned						
Airports	-	-	-	-	-	-
Capital improvement projects	313	-	-	-	-	313
Construction & capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	7,930	7,930
Equipment	-	7,326	-	-	-	7,326
Other purposes	84	-	-	-	-	84
Probation	2,415	-	-	-	-	2,415
Professional services	304	-	-	-	-	304
Public health	229	-	-	-	-	229
Public protection	1,647	-	-	-	-	1,647
Roads	-	8,536	-	-	-	8,536
Sheriff correction	8,710	-	-	-	-	8,710
Small business assistance grant program	-	-	-	-	-	-
Total assigned	13,702	15,862	-	-	7,930	37,494
Unassigned	257,959	-	-	-	-	257,959
Total fund balances	\$ 401,682	\$ 111,097	\$ 273,550	\$ 1,774	\$ 12,987	\$ 801,090

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,236	Fund balances:
-	-	9,358	-	9,358	9,358	Committed
190	-	-	-	190	190	Code enforcement
-	-	-	-	-	1,611	Construction & capital projects
-	-	-	-	-	300	EDA special projects
128	-	-	-	128	741	Environmental programs
5,433	-	-	-	5,433	5,433	Legal services
-	-	-	-	-	12,331	Other purposes
1,112	-	-	-	1,112	1,112	Parks
-	-	-	-	-	340	Sheriff correction
6,863	-	9,358	-	16,221	35,652	Solar program
						Youth protection
						Total committed
						Assigned
1,804	-	-	-	1,804	1,804	Airports
-	-	-	-	-	313	Capital improvement projects
-	-	19,727	-	19,727	19,727	Construction & capital projects
-	-	-	-	-	7,930	Debt service
-	-	-	-	-	7,326	Equipment
2,204	-	-	-	2,204	2,288	Other purposes
-	-	-	-	-	2,415	Probation
-	-	-	-	-	304	Professional services
-	-	-	-	-	229	Public health
-	-	-	-	-	1,647	Public protection
-	-	-	-	-	8,536	Roads
-	-	-	-	-	8,710	Sheriff correction
35,520	-	-	-	35,520	35,520	Small business assistance grant program
39,528	-	19,727	-	59,255	96,749	Total assigned
						Unassigned
-	-	-	-	-	257,959	
\$ 182,928	\$ 26,221	\$ 180,269	\$ 1,017	\$ 390,435	\$ 1,191,525	Total fund balances



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COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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 or with an excess of the underlying policy of \$25 million for a total of \$50 million) is insured through Public Risk Innovation, Solutions, and Management (PRISM) formerly known as 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 PRISM, 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 PRISM. 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, 2020 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 2019-20, 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, 2020, plus revenues to be collected during fiscal year 2020-21, are \$255.4 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 2018-19	\$ 121,256	\$ 16,335	\$ 122,519	\$ 260,110
Increase in provision for insured events of prior years	8,907	1,021	386	10,314
Incurred claims for current year	4,403	(230)	38,568	42,741
Claim payments	(28,237)	(1,525)	(28,017)	(57,779)
Unpaid claims, end of FY 2019-20	<u>\$ 106,329</u>	<u>\$ 15,601</u>	<u>\$ 133,456</u>	<u>\$ 255,386</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2018 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 to 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, 2020, RUHS-MC recognized \$44.9 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 \$24.0 million in PRIME for fiscal year ending June 30, 2020.

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, 2020

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 \$4.9 million in revenue for the fiscal year ending June 30, 2020 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, 2020 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, 2020

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, 2020

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 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 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	No*	50	N/A	12 months	N/A
County Safety	3.0% at 50	No	50	N/A	12 months	N/A
Flood Control Miscellaneous	3.0% at 60	No	50	N/A	12 months	N/A
Park District Miscellaneous	3.0% at 60	No	50	N/A	12 months	N/A
Waste Resources Miscellaneous	3.0% at 60	No	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

*Riverside County Deputy District Attorneys Association Employee Contributions to the Retirement System: Classic Member Employees (as defined by the PEPRA) subject to the 3% at 60 Formula: Per Government Code Sec. 20692 the County has elected to pay the entire required member contribution (currently 8% of compensation earnable

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 20 – RETIREMENT PLAN (Continued)

General Information about the Pension Plans (Continued)

of pensionable income) as Employer Paid Member Contributions (“EPMC”). Pursuant to Government Code Section 20636(c)(4) the County has agreed to report the value of the EPMC to PERS as compensation earnable.

Employees covered by benefit terms. At June 30, 2020, 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	11,438	2,739	263	92	113
Inactive employees entitled to but yet receiving benefits	13,459	1,313	140	210	43
Active employees	16,817	3,296	220	110	17
	<u>41,714</u>	<u>7,348</u>	<u>623</u>	<u>412</u>	<u>173</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 2020, 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	21.6%	37.4%	33.9%	15.2%	15.2%
County Tier II	21.6%	37.4%	33.9%	8.7%	N/A
County Tier III	21.6%	37.4%	33.9%	7.1%	7.1%
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%	11.8% *	6.3%	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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 20 – RETIREMENT PLAN (Continued)

Actuarial assumptions. For the measurement period ending June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 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	The lessor of contract COLA or 2.5% 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 probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of assumptions. None in 2019. In 2018, 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 equivalent rate calculated above and adjusted to account for assumed administrative expenses.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 20 – RETIREMENT PLAN (Continued)

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, 2019	County Miscellaneous	County Safety	Flood Control Miscellaneous	Total
Total pension liability				
Service cost	\$ 211,449	\$ 93,738	\$ 3,114	\$ 308,301
Interest	567,030	255,679	14,237	836,946
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	41,592	(3,563)	2,633	40,662
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	(321,474)	(145,095)	(10,190)	(476,759)
Net change in total pension liability	498,597	200,759	9,794	709,150
Total pension liability - beginning (a)	7,702,999	3,605,172	200,031	11,508,202
Total pension liability - ending (c)	\$ 8,201,596	\$ 3,805,931	\$ 209,825	\$ 12,217,352
Plan fiduciary net position				
Contributions - employer	\$ 216,533	\$ 104,161	\$ 5,020	\$ 325,714
Contributions - employee	87,918	30,029	1,240	119,187
Net investment income	377,088	169,980	8,617	555,685
Benefit payments, including refunds of employee contributions	(321,474)	(145,095)	(10,190)	(476,759)
Administrative expense	(4,088)	(1,845)	(94)	(6,027)
Other miscellaneous expense	220	(200)	-	20
Net change in plan fiduciary net position	356,197	157,030	4,593	517,820
Plan fiduciary net position - beginning (b)	5,496,528	2,584,843	131,710	8,213,081
Plan fiduciary net position - ending (d)	\$ 5,852,725	\$ 2,741,873	\$ 136,303	\$ 8,730,901
Net pension liability - beginning (a) - (b)	2,206,471	1,020,329	68,321	3,295,121
Net pension liability - ending (c) - (d)	\$ 2,348,871	\$ 1,064,058	\$ 73,522	\$ 3,486,451

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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			Waste Resources Miscellaneous			Total Net Pension Liability
	Increase (Decrease)			Increase (Decrease)			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	
	(a)	(b)	(c) = (a) - (b)	(a)	(b) = (a) - (b)	(c) = (a) - (b)	
Balance at 06/30/2018	\$ 45,782	\$ 35,276	\$ 10,506	\$ 51,692	\$ 37,823	\$ 13,869	\$ 24,375
Balance at 06/30/2019	\$ 48,241	\$ 36,707	\$ 11,534	\$ 53,935	\$ 38,998	\$ 14,937	\$ 26,471
Net changes during 2018-19	\$ 2,459	\$ 1,431	\$ 1,028	\$ 2,243	\$ 1,175	\$ 1,068	\$ 2,096

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	Business-type	Discretely Presented	Total Net
	Activities	Activities	Component Unit	Pension Liability
County Miscellaneous	\$ 1,879,812	\$ 463,994	\$ 5,065	2,348,871
County Safety	1,064,058	-	-	1,064,058
Flood Control Miscellaneous	71,173	2,349	-	73,522
Park District Miscellaneous	11,534	-	-	11,534
Waste Resources Miscellaneous	-	14,937	-	14,937
Total:	<u>\$ 3,026,577</u>	<u>\$ 481,280</u>	<u>\$ 5,065</u>	<u>3,512,922</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	\$ 3,580,908	\$ 2,348,871	\$ 1,352,855
County Safety	1,643,165	1,064,058	593,998
Flood Control Miscellaneous	95,171	73,522	46,150
Park District Miscellaneous	18,023	11,534	6,178
Waste Resources Miscellaneous	23,959	14,937	7,489
Total:	<u>\$ 5,361,227</u>	<u>\$ 3,512,922</u>	<u>\$ 2,006,670</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, 2020

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 2018-19 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, 2019, the Park District and Waste Resources reported a liability of \$11.5 million and \$14.9 million, respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. 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, 2019, the Park District's and Waste Resources' proportions were 0.28803 percent and 0.37300 percent, respectively, which was an increase of 0.00926 percent and 0.00499 percent, respectively, from their proportion measured as of June 30, 2018.

For the year-ended June 30, 2020, the County recognized pension expense of \$738.0 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, 2020

NOTE 20 – RETIREMENT PLAN (Continued)

At June 30, 2020, 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		
Deferred Outflows of Resources By Plan:	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Difference between projected and actual earnings on pension plan investments - investment earnings less than projected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Difference between expected and actual experience	119,358	27,772	2,641	550	1,037	151,358
Change of assumptions	136,073	107,512	1,843	801	712	246,941
Adjustment due to differences in proportions	-	-	-	412	117	529
Sub-total	255,431	135,284	4,484	1,763	1,866	398,828
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	243,748	126,333	12,731	1,515	1,141	385,468
Total	\$ 499,179	\$ 261,617	\$ 17,215	\$ 3,278	\$ 3,007	\$ 784,296

\$385.5 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

	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 greater than projected	\$ (29,655)	\$ (13,532)	\$ (759)	\$ (202)	\$ (261)	\$ (44,409)
Difference between expected and actual experience	-	(12,754)	(418)	(62)	(80)	(13,314)
Change of assumptions	(32,430)	(20,065)	(476)	(195)	(252)	(53,418)
Adjustment due to differences in proportions	-	-	-	-	(165)	(165)
Difference in employer contributions and proportionate share of contributions	-	-	-	(364)	-	(364)
Total	\$ (62,085)	\$ (46,351)	\$ (1,653)	\$ (823)	\$ (758)	\$ (111,670)

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	\$ 683,278	\$ 99,707	\$ 1,311	\$ 784,296
Deferred Inflows of Resources	\$ (95,366)	\$ (15,334)	\$ (970)	\$ (111,670)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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
2021	\$ 180,620	\$ 43,819	\$ 3,273	\$ 908	\$ 1,034	\$ 229,654
2022	2,085	17,808	(843)	(107)	(136)	18,807
2023	690	30,100	272	99	157	31,318
2024	9,951	(2,530)	129	40	53	7,643
2025	-	(264)	-	-	-	(264)
Thereafter	-	-	-	-	-	-
	<u>\$ 193,346</u>	<u>\$ 88,933</u>	<u>\$ 2,831</u>	<u>\$ 940</u>	<u>\$ 1,108</u>	<u>\$ 287,158</u>

Payable to the Pension Plan

At June 30, 2020, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2020.

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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	321
Inactive employees entitled to but yet receiving benefits	7,488
Active employees	<u>1,503</u>
	<u>9,312</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2019 valuation, the County's current required contribution rate is 4.02%. Overall, the Plan's Net Pension Liability increased from the prior valuation due to the net result of the following: 1) demographic experience was different than expected, primarily due to fewer terminations than expected, which resulted in a liability loss; 2) termination assumptions were updated to reflect the recent experience, resulting in an increase in liabilities; 3) lump sum conversion rate was decreased from 5.00% to 4.00% to reflect the current bond market conditions, resulting in an increase in liability; and 4) assets were lower than expected due to unfavorable investment return on plan assets (4.66% actual compared to 6.0% assumed); 5) mortality assumptions were updated to reflect the recent public mortality table Pub-2010 amount weighted for General employees, with generational future improvement scale MP-2019, resulting in an increase in liabilities. The Plan's current funded ratio is 76.6%. 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, 2019, 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, 2019 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 PUB-2010 amount-weighted tables for general employees of all income levels, projected using improvement scale MP-2019 from 2010.

The actuarial assumption used in the June 30, 2019 valuation was based on the results of an actuarial experience study for the period July 1, 2018 - June 30, 2019.

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	1.77%	2.2%	0.2%
Domestic Equity	55.06%	5.9%	15.5%
Developed International Equity	11.97%	7.4%	17.1%
Aggregate Fixed Income	31.21%	1.5%	3.0%

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (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, 2018	\$ 45,798	\$ 41,576	\$ 4,222
Changes of the year:			
Service cost	1,082	-	1,082
Interest cost	2,747	-	2,747
Differences between expected and actual experience	2,732	-	2,732
Change of assumptions	2,985	-	2,985
Contributions - employer	-	832	(832)
Contributions - employee	-	1,701	(1,701)
Net investment income (loss)	-	1,939	(1,939)
Benefit payments, including refunds of employee contributions	(2,222)	(2,222)	-
Administrative expense	-	(251)	251
Net changes	7,324	1,999	5,325
Measurement Period June 30, 2019	\$ 53,122	\$ 43,575	\$ 9,547

Change of assumptions. The base mortality assumptions were updated to reflect the most recent public mortality table from RP-2006 to PUB-2010 amount-weighted for general employees. The mortality improvement scale was updated from MP-2018 to MP-2019.

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	\$ 18,504	\$ 9,547	\$ 2,546

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension plan fiduciary net position

Statement of Fiduciary Net Position June 30, 2020		Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended June 30, 2020	
ASSETS	Pension Trust	ADDITIONS:	
Cash and investments	\$ 45,120	Contributions to pension trust:	
Accounts receivable	237	Employer	\$ 867
Total assets	<u>45,357</u>	Employee	1,667
		Investment income	<u>1,740</u>
LIABILITIES		Total additions	<u>4,274</u>
Accounts payable	-	DEDUCTIONS:	
Total liabilities	<u>-</u>	Benefits paid to participants	2,225
		Administrative and other expenses	<u>257</u>
NET POSITION		Total deductions	<u>2,482</u>
Restricted for pension benefits	<u>\$ 45,357</u>	Net position, beginning of the year	<u>43,565</u>
		Net position, end of the year	<u>\$ 45,357</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 EARSLS is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSLS for the Plan for the 2018-19 measurement period is 8.78 years, which was obtained by dividing the total service years of 81,759 (the sum of remaining service lifetimes of the active employees) by 9,312 (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, 2020

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, 2020, the County recognized pension expense of \$1,685.0 thousand. At June 30, 2020, 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	\$ 5,928	\$ -
Changes of assumptions	3,891	(761)
Net difference between projected and actual earnings on pension plan investments	-	(918)
Sub-total	9,819	(1,679)
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	801	-
Total	<u>\$ 10,620</u>	<u>\$ (1,679)</u>

\$801.0 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, 2021.

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
2021	\$ 1,415
2022	1,007
2023	1,341
2024	1,403
2025	943
Thereafter	2,031
	<u>\$ 8,140</u>

Payable to the Pension Plan

At June 30, 2020, there was no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2020.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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. In fiscal year 2019-20, management and SEIU employees are offered medical benefits through CalPERS.

Employees covered by benefit terms. For the measurement date June 30, 2019, the following employees were covered by the benefit terms:

	County			Waste
	Miscellaneous	Flood Control	Park District	Resources
	and Safety	Miscellaneous	Miscellaneous	Miscellaneous
Inactive employees or beneficiaries currently receiving benefit payments	2,282	36	8	23
Inactive employees entitled to but not yet receiving benefit payments	-	-	-	-
Active employees	18,910	212	107	12
	<u>21,192</u>	<u>248</u>	<u>115</u>	<u>35</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, 2020

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	\$ 139.00	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
Management (128)	N/A	\$ 139.00	N/A	\$ 139.00
District Attorneys	\$ 256.00	N/A	N/A	N/A
RSA Law Enforcement	\$ 25.00	N/A	N/A	N/A
RSA Public Safety	\$ 139.00	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, 2019, and the total OPEB (asset)/liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of July 1, 2019.

Actuarial assumptions. The total OPEB liability in the July 1, 2019 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%	2.50%
Salary Increases	2.75%	2.75%	2.75%
Investment Rate of Return*	7.01%	6.22%	7.59%

*Net of Plan Investment Expenses, including inflation

County Miscellaneous and Safety Plan: The healthcare cost trend rate for the Pre Medicare Plan was 7.0 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.2 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2020 and later years.

Flood Control: The healthcare cost trend rate for the Pre Medicare Plan was 7.0 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.2 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2020 and later years.

Park District Miscellaneous: The healthcare cost trend rate for the Pre Medicare Plan was 7.0 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.2 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2020 and later years.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Net OPEB (Asset)/Liability (Continued)

Mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvements scale MP-2019.

The actuarial assumptions used in the July 1, 2019 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, 2019 were based on the results of an actuarial experience study period for the period of July 1, 2018 to June 30, 2019.

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 Miscellaneous and Safety Target Allocation	Flood Control Miscellaneous Target Allocation	Park District Miscellaneous Target Allocation	Long-Term Expected Real Rate of Return
	Strategy 2	Strategy 3	Strategy 1	
Global Equity	40.0%	22.0%	59.0%	5.98%
Fixed Income	43.0%	49.0%	25.0%	2.62%
Treasury Inflation-Protected Securities	5.0%	16.0%	5.0%	1.46%
Real Estate Investment Trust	8.0%	8.0%	8.0%	5.00%
Commodities	4.0%	5.0%	3.0%	2.87%
Total	100.0%	100.0%	100.0%	

Discount rate. The discount rate used to measure the total OPEB liability was 7.01 percent (County Miscellaneous and Safety), 6.22 percent (Flood Control Miscellaneous), and 7.59 (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 \$1.5 million was measured as of June 30, 2019, and was determined by the most recent actuarial valuation as of July 1, 2019. 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:

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Total OPEB Liability (Continued)

	Waste Resources <u>Miscellaneous</u>
Inflation	2.50%
Salary Increases	2.75%
Discount rate	3.51%
Healthcare cost trend rates	All benefits are assumed to decrease by 0.3% per year for the Pre Medicare Plan and 0.5% per year for the Post Medicare Plan to an ultimate rate of 4.5 percent for 2020 and later years.
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, 2019.

Mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvements using scale MP-2019.

The actuarial assumptions used in the most recent actuarial valuation as of July 1, 2019 were based on the assumptions developed in the 2017 CalPERS Experience Study.

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

	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Total
Measurement Period June 30, 2019				
Total OPEB liability				
Service cost	\$ 1,434	\$ 3	\$ 1	\$ 1,438
Interest on the total OPEB liability	4,581	32	10	4,623
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	2,528	37	(43)	2,522
Changes of assumptions	29,676	683	118	30,477
Benefit payments	(3,500)	(39)	(8)	(3,547)
Net change in total OPEB liability	34,719	716	78	35,513
Total OPEB liability - beginning (a)	68,378	536	140	69,054
Total OPEB liability - ending (c)	<u>\$ 103,097</u>	<u>\$ 1,252</u>	<u>\$ 218</u>	<u>\$ 104,567</u>
Plan fiduciary net position				
Contributions - employer	\$ 5,500	\$ -	\$ -	\$ 5,500
Contributions - employee	-	-	-	-
Net investment income	2,821	41	21	2,883
Benefit payments	(3,500)	(39)	(8)	(3,547)
Administrative expense	(20)	-	-	(20)
Net change in plan fiduciary net position	4,801	2	13	4,816
Plan fiduciary net position - beginning (b)	40,104	572	348	41,024
Plan fiduciary net position - ending (d)	<u>\$ 44,905</u>	<u>\$ 574</u>	<u>\$ 361</u>	<u>\$ 45,840</u>
Net OPEB (asset)/liability - beginning (a) - (b)	28,274	(36)	(208)	28,030
Net OPEB (asset)/liability - ending (c) - (d)	<u>\$ 58,192</u>	<u>\$ 678</u>	<u>\$ (143)</u>	<u>\$ 58,727</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

The assumptions were changed from the prior valuation as follow:

For County Miscellaneous and Safety Plan: 1) Discount rate was updated from 6.73% to 7.01% due to change in CERBT expected return on assets, 2) Mortality rates were updated from the 2017 CalPERS Experience Study to the Pub-2010 headcount-weighted tables for General employees of all income levels, 3) Mortality improvement was updated from scale MP-2018 to scale MP-2019, 4) The claims table was updated to reflect most recent CalPERS monthly premiums available for 2019, 5) Participation rates for CalPERS and RSA (immediate) health plan participants were updated from 40% to 60% to reflect the more recent experience.

Flood Control Miscellaneous Plan: 1) Discount rate was updated from 6.12% to 6.22% due to change in CERBT expected return on assets, 2) Mortality rates were updated from the 2017 CalPERS Experience Study to the Pub-2010 headcount-weighted tables for General employees of all income levels, 3) Mortality improvement was updated from scale MP-2018 to scale MP-2019.

Park District Miscellaneous Plan: 1) Discount rate was updated from 7.28% to 7.59% due to change in CERBT expected return on assets, 2) Demographic assumptions (i.e. termination rates, retirement rates, and disability rates) were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study, 3) Payroll growth rate was updated from 3.00% to 2.75% to reflect the recent experience from the 2017 CalPERS Experience Study, 4) Mortality rates were updated from the 2011 CalPERS Experience Study to the Pub-2010 headcount-weighted tables for General employees of all income levels, 5) Mortality improvement was updated from scale MP-2017 to scale MP-2019.

The introduction of CalPERS plans to certain retirees introduced a number of new assumptions to be included in the valuation as follows:

Flood Control and Park District Miscellaneous Plans: 1) Premium table and age rating assumption to develop anticipated CalPERS Costs, 2) Medical trends to reflect the current long term expected growth of medical benefits, 3) Participation rates for CalPERS health plans participants were set based on recent County experience of other CalPERS eligible retirees.

There were no new assumptions resulting from the introduction of CalPERS plans to certain retirees for the County Miscellaneous and Safety 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, 2019	
Changes for the year:	
Service cost	\$ 2
Interest	21
Changes of benefit terms	-
Differences between expected and actual experience	64
Changes in assumptions or other inputs	835
Benefit payments	(40)
Net changes	882
Total OPEB liability - beginning	598
Total OPEB liability - ending	<u>\$ 1,480</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

As of July 1, 2019, the discount rate was changed from 3.87 percent to 3.51 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, 2019.

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)	\$ (143)	\$ -	\$ (143)
Net OPEB Liability	\$ 49,485	\$ 9,385	\$ 58,870
Total OPEB Liability	\$ -	\$ 1,480	\$ 1,480

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 (6.01%)	Discount Rate (7.01%)	1% Increase (8.01%)
County Miscellaneous and Safety	\$ 73,554	\$ 58,192	\$ 45,769

	Net OPEB (Asset)/Liability		
	1% Decrease (5.22%)	Discount Rate (6.22%)	1% Increase (7.22%)
Flood Control Miscellaneous	\$ 860	\$ 678	\$ 531

	Net OPEB (Asset)/Liability		
	1% Decrease (6.59%)	Discount Rate (7.59%)	1% Increase (8.59%)
Park District Miscellaneous	\$ (112)	\$ (143)	\$ (168)

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 (2.51%)	Discount Rate (3.51%)	1% Increase (4.51%)
Waste Resources Miscellaneous	\$ 1,701	\$ 1,480	\$ 1,302

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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
	(6.0% decreasing to 3.5%)	(7.0% decreasing to 4.5%)	(8.0% decreasing to 5.5%)
County Miscellaneous and Safety (Pre Medicare Plan)	\$ 45,038	\$ 58,192	\$ 74,775

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(7.2% decreasing to 3.5%)	(8.2% decreasing to 4.5%)	(9.2% decreasing to 5.5%)
County Miscellaneous and Safety (Post Medicare Plan)	\$ 45,038	\$ 58,192	\$ 74,775

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(6.0% decreasing to 3.5%)	(7.0% decreasing to 4.5%)	(8.0% decreasing to 5.5%)
Flood Control Miscellaneous (Pre Medicare Plan)	\$ 526	\$ 678	\$ 869

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(7.2% decreasing to 3.5%)	(8.2% decreasing to 4.5%)	(9.2% decreasing to 5.5%)
Flood Control Miscellaneous (Post Medicare Plan)	\$ 526	\$ 678	\$ 869

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(6.0% decreasing to 3.5%)	(7.0% decreasing to 4.5%)	(8.0% decreasing to 5.5%)
Park District Miscellaneous (Pre Medicare Plan)	\$ (169)	\$ (143)	\$ (109)

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(7.2% decreasing to 3.5%)	(8.2% decreasing to 4.5%)	(9.2% decreasing to 5.5%)
Park District Miscellaneous (Post Medicare Plan)	\$ (169)	\$ (143)	\$ (109)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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
	(6.0% decreasing to 3.5%)	(7.0% decreasing to 4.5%)	(8.0% decreasing to 5.5%)
Waste Resources Miscellaneous (Pre Medicare Plan)	\$ 1,301	\$ 1,480	\$ 1,702

	Total OPEB Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(7.2% decreasing to 3.5%)	(8.2% decreasing to 4.5%)	(9.2% decreasing to 5.5%)
Waste Resources Miscellaneous (Post Medicare Plan)	\$ 1,301	\$ 1,480	\$ 1,702

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, 2020, \$7.3 million was recognized as OPEB expense. At June 30, 2020, the deferred outflows of resources and deferred inflows of resources related to OPEB were reported from the following sources.

	County				
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Deferred Outflows of Resources By Plan:					
Difference between expected and actual experience	\$ 9,456	\$ 55	\$ 15	\$ 29	\$ 9,555
Difference between expected and actual earnings on OPEB plan investments	-	2	-	-	2
Changes of assumptions	37,990	619	106	381	39,096
Sub-total	47,446	676	121	410	48,653
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	9,247	593	-	2	9,842
Total	\$ 56,693	\$ 1,269	\$ 121	\$ 412	\$ 58,495

\$9.8 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, 2021.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

	County				
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Deferred Inflows of Resources By Plan:					
Difference between expected and actual experience	\$ -	\$ -	\$ (38)	\$ -	\$ (38)
Difference between expected and actual earnings on OPEB plan investments	(410)	-	(3)	-	(413)
Changes of assumptions	-	(2)	(2)	(1)	(5)
Total	<u>\$ (410)</u>	<u>\$ (2)</u>	<u>\$ (43)</u>	<u>\$ (1)</u>	<u>\$ (456)</u>

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	\$ 48,780	\$ 9,715	\$ 58,495
Deferred Inflows of Resources	\$ (403)	\$ (53)	\$ (456)

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

	County				
Year Ended June 30	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
2021	\$ 5,402	\$ 80	\$ 8	\$ 409	\$ 5,899
2022	5,402	80	8	-	5,490
2023	5,635	78	10	-	5,723
2024	5,601	77	11	-	5,689
2025	5,613	78	10	-	5,701
Thereafter	19,383	281	31	-	19,695
Total	<u>\$ 47,036</u>	<u>\$ 674</u>	<u>\$ 78</u>	<u>\$ 409</u>	<u>\$ 48,197</u>

Payable to the OPEB Plan

At June 30, 2020, there was no outstanding amount of contributions payable to the OPEB plan required for the year ended June 30, 2020.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2019, indicated no items found of noncompliance with Federal grants and regulations. The fiscal year 2019-20 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2021.

Commitments

At June 30, 2020, 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. \$75.1 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 \$2.4 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, 2020, the accrued remediation liability is \$2.3 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 \$36.0 million are held for these purposes at June 30, 2020 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 \$39.5 million as of June 30, 2020.

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, 2020

NOTE 23 – COMMITMENTS AND CONTINGENCIES (Continued)

Remediation 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, 2020, 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 purchase 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, 2020, 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:				
Energy projects	\$ -	\$ -	\$ 75	\$ 75
Facilities maintenance	-	-	296	296
Fire protection	-	-	1,443	1,443
General government	-	-	23	23
Health care programs	-	-	229	229
Human resources	-	-	281	281
Probation programs	-	-	2,416	2,416
Public protection	21	-	274	295
Purchasing projects	-	-	9	9
Sheriff correction	-	-	4,057	4,057
Sheriff court services	-	-	342	342
Sheriff patrol	34	-	3,915	3,949
Sheriff support	-	-	343	343
Transportation:				
Construction projects	122	-	-	122
Equipment	673	-	-	673
Land surveying activities	1	-	-	1
Roads	299	-	-	299
Nonmajor Governmental Funds				
Special Revenue Funds:				
Community services	8	-	-	8
Education	111	-	-	111
Parks projects	18	-	-	18
Public assistance	99	-	-	99
Public protection	7	-	-	7
Public ways and facilities	64	-	-	64
Recreation & cultural services	51	-	-	51
Small business assistance grant program	-	-	35,520	35,520
Capital Projects Funds:				
Parks projects	133	-	-	133
Total Encumbrances	\$ 1,641	\$ -	\$ 49,223	\$ 50,864

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 24 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANS)

On July 1, 2020, the County issued \$340.0 million in Tax and Revenue Anticipation Notes in the form of a 2021 Maturity bond due June 30, 2021. The stated interest rate for the bond is set at 4.0% per annum with a yield of 0.3%. 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 2021 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2021 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 September 2020, 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, and lease revenue bonds (LRBs), Series 2013A) at 'A+'.
- Riverside County Public Financing Authority (LRBs) (Series 2012 and 2015) at 'A+'.
- Riverside County 2020 tax and revenue anticipation notes (TRANS) AT 'F1+'.

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.

Growth in total general fund revenues has been above inflation but below that of the U.S. Economy, and Fitch expects that trend to continue. State law limits the County's independent ability to raise revenues as tax rate increases require voter approval. The County maintains very strong gap-closing capacity as evidenced by sound reserve levels relative to solid spending flexibility and moderate expected revenue volatility. Given only moderate ability to raise revenues relative to expected volatility, the County's ability to manage its expenditure growth and maintain solid reserves is critical to maintaining its very strong financial resilience.

The recent coronavirus outbreak and related government containment measures worldwide create an uncertain global environment for U.S. state and local governments and related entities in the near term. While the County of Riverside's most recently available fiscal and economic data may not fully reflect impairment, material changes in revenues and expenditures are occurring across the country and are likely to worsen in the coming weeks and months as economic activity suffers and public health spending increases.

Fitch considers liquidity to be the most significant and immediate risk to state and local government financial operations presented by the pandemic. The County received \$431.0 million for COVID-19 expenses from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and estimated it had \$278.0 million in general fund cash as of June 30, 2020 and \$2.20 billion in available cash, including borrowable resources. By June 30, 2021, the County expects to have \$216.0 million in general fund cash and \$1.10 billion in available liquidity, including borrowable resources. This is equal to about 126 days spending based on fiscal year 2019 expenditures. These borrowable resources provide sufficient liquidity for its near-term operating needs.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 24 – SUBSEQUENT EVENTS (Continued)

Riverside County Bonds and Certificates of Participation (Continued)

The vast majority of the County's discretionary revenues are derived from property taxes, which to date have remained steady. For fiscal year 2020, the County's third quarter budget report estimated revenues below budget by about \$30.0 million, which included a roughly \$10.0 million loss of discretionary revenue related to sales taxes, fines and penalties and documentary transfer taxes, and approximately \$19.6 million from Proposition 172 sales tax revenues (approximating a 10% revenue loss of these sales taxes). To offset these revenue losses, the County suspended training and travel and other discretionary spending for roughly \$14.0 million in savings and used about \$45.0 million in reserves. The County ended fiscal year 2020 with an estimated \$284.0 million in unrestricted fund balance, equal to about 9.0% of spending.

Given moderate reserve draws in fiscal year 2020 and 2021, it is expected that the County will retain very strong gap closing capacity. The County ended fiscal year 2019 with a \$42.8 million surplus (about 1.3% of fiscal year 2019 expenditures and transfers out), most of which was added to the available fund balance, bringing its total to \$307.7 million, equal to almost 10.0% of fiscal year 2019 expenditures and transfers out. The County's available fund balance has been fairly steady over the last several years at about 8.0% - 9.0% of general fund spending with the largest surplus in fiscal year 2019.

Fitch believes the County has sufficient reserves and spending flexibility to withstand the potential revenue losses through fiscal year 2021. Should the revenue impact be materially larger or if the County is unable to offset the revenue loss without reducing reserves substantially, there could be downward rating pressure. There is no indication at this time that property values have been affected by the coronavirus pandemic (home sale prices have continued to increase), but that remains a risk, particularly in Fitch's downside scenario.

Teeter Obligation Notes, Series A

On October 21, 2020, the County issued \$99.6 million in 2020 Teeter Obligation Notes, Series A (Tax-Exempt) to refund a portion of the outstanding 2019 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 2020 Notes bear an interest rate of 0.5% for 2020 Teeter Obligation Note, Series A and a maturity date of October 21, 2021, 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 2020-21 will be 24.5% and 43.0%, respectively. Fiscal year 2021-22 contribution rates for miscellaneous and safety are estimated at 22.9% and 35.7%, respectively. They will be accounted for in fiscal year 2020-21 and future budget years.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. In response, The County of Riverside, followed by the Governor of California, issued a Shelter in Place order effective March 19, 2020, requiring non-essential business to temporarily close to the public. Measures taken to contain the virus have significantly affected economic activity, which in turn will have implications on revenue sources and stock market volatility. At the current time, management is unable to quantify the potential effects of this pandemic on its future financial statements.



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REQUIRED SUPPLEMENTARY INFORMATION





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COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

**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	2018-19 ⁽¹⁾	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total pension liability			
Service cost	\$ 211,449	\$ 215,186	\$ 211,842
Interest on total pension liability	567,030	532,726	501,855
Changes of benefit terms	-	-	-
Differences between expected and actual experience	41,592	51,597	151,001
Changes of assumptions	-	(58,382)	450,226
Benefit payments, including refunds of employee contributions	(321,474)	(291,902)	(259,302)
Net change in total pension liability	498,597	449,225	1,055,622
Total pension liability - beginning	7,702,999	7,253,774	6,198,152
Total pension liability - ending (a)	\$ 8,201,596	\$ 7,702,999	\$ 7,253,774
Plan fiduciary net position			
Contributions - employer	\$ 216,533	\$ 185,512	\$ 164,307
Contributions - employee	87,918	87,471	87,201
Net investment income	377,088	449,040	540,579
Benefit payments, including refunds of employee contributions	(321,474)	(291,902)	(259,302)
Administrative expense	(4,088)	(8,297)	(7,122)
Other miscellaneous expense	220	(15,755)	-
Net change in plan fiduciary net position	356,197	406,069	525,663
Plan fiduciary net position - beginning	5,496,528	5,090,459	4,564,796
Plan fiduciary net position - ending (b)	\$ 5,852,725	\$ 5,496,528	\$ 5,090,459
Plan's net pension liability - ending (a) - (b)	\$ 2,348,871	\$ 2,206,471	\$ 2,163,315
Plan fiduciary net position as a percentage of the total pension liability	71.4%	71.4%	70.2%
Covered payroll ⁽²⁾	\$ 1,144,873	\$ 1,068,222	\$ 1,056,636
Plan's net pension liability as a percentage of covered payroll	205.2%	206.6%	204.7%

⁽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, 2020

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE
MEASUREMENT PERIOD (Continued)**
(Dollar amounts in thousands)

County Miscellaneous, Agent Multiple Employer Plan

2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾	Measurement Period
			Total pension liability
\$ 175,662	\$ 162,257	\$ 158,164	Service cost
457,630	418,860	377,221	Interest on total pension liability
-	-	-	- Changes of benefit terms
141,472	15,756	-	- Differences between expected and actual experience
-	(109,320)	-	- Changes of assumptions
(234,668)	(217,701)	(195,420)	Benefit payments, including refunds of employee contributions
540,096	269,852	339,965	Net change in total pension liability
5,658,056	5,388,204	5,048,239	Total pension liability - beginning
<u>\$ 6,198,152</u>	<u>\$ 5,658,056</u>	<u>\$ 5,388,204</u>	Total pension liability - ending (a)
			Plan fiduciary net position
\$ 157,639	\$ 98,867	\$ 134,673	Contributions - employer
82,884	76,078	69,872	Contributions - employee
24,832	104,069	666,911	Net investment income
(234,668)	(217,701)	(195,420)	Benefit payments, including refunds of employee contributions
(2,894)	(5,345)	-	- Administrative expense
-	-	-	- Other miscellaneous expense
27,793	55,968	676,036	Net change in plan fiduciary net position
4,537,003	4,481,035	3,804,999	Plan fiduciary net position - beginning
<u>\$ 4,564,796</u>	<u>\$ 4,537,003</u>	<u>\$ 4,481,035</u>	Plan fiduciary net position - ending (b)
<u>\$ 1,633,356</u>	<u>\$ 1,121,053</u>	<u>\$ 907,169</u>	Plan's net pension liability - ending (a) - (b)
73.6%	80.2%	83.2%	Plan fiduciary net position as a percentage of the total pension liability
\$ 1,010,690	\$ 909,644	\$ 842,865	Covered payroll ⁽²⁾
161.6%	123.2%	107.6%	Plan's net pension liability as a percentage of covered payroll

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

**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	2018-19 ⁽¹⁾	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total pension liability			
Service cost	\$ 93,738	\$ 99,309	\$ 101,987
Interest on total pension liability	255,679	241,592	229,003
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(3,563)	(14,902)	13,324
Changes of assumptions	-	(15,727)	215,024
Benefit payments, including refunds of employee contributions	(145,095)	(129,977)	(115,929)
Net change in total pension liability	200,759	180,295	443,409
Total pension liability - beginning	3,605,172	3,424,877	2,981,468
Total pension liability - ending (a)	\$ 3,805,931	\$ 3,605,172	\$ 3,424,877
Plan fiduciary net position			
Contributions - employer	\$ 104,161	\$ 92,283	\$ 85,091
Contributions - employee	30,029	30,586	33,623
Net investment income	169,980	202,786	243,597
Benefit payments, including refunds of employee contributions	(145,095)	(129,977)	(115,929)
Administrative expense	(1,845)	(3,760)	(3,184)
Other miscellaneous expense	(200)	(7,102)	-
Net change in plan fiduciary net position	157,030	184,816	243,198
Plan fiduciary net position - beginning	2,584,843	2,400,027	2,156,829
Plan fiduciary net position - ending (b)	\$ 2,741,873	\$ 2,584,843	\$ 2,400,027
Plan's net pension liability - ending (a) - (b)	\$ 1,064,058	\$ 1,020,329	\$ 1,024,850
Plan fiduciary net position as a percentage of the total pension liability	72.0%	71.7%	70.1%
Covered payroll ⁽²⁾	\$ 300,890	\$ 322,749	\$ 340,897
Plan's net pension liability as a percentage of covered payroll	353.6%	316.1%	300.6%

⁽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, 2020

**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

2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾	Measurement Period
			Total pension liability
\$ 86,039	\$ 80,457	\$ 77,706	Service cost
212,548	195,332	181,393	Interest on total pension liability
-	-	-	- Changes of benefit terms
47,893	22,825	-	- Differences between expected and actual experience
-	(53,617)	-	- Changes of assumptions
(105,002)	(97,869)	(91,921)	Benefit payments, including refunds of employee contributions
241,478	147,128	167,178	Net change in total pension liability
2,739,990	2,592,862	2,425,684	Total pension liability - beginning
<u>\$ 2,981,468</u>	<u>\$ 2,739,990</u>	<u>\$ 2,592,862</u>	Total pension liability - ending (a)
			Plan fiduciary net position
\$ 76,363	\$ 65,364	\$ 72,947	Contributions - employer
32,073	30,313	28,396	Contributions - employee
10,790	46,730	312,502	Net investment income
(105,002)	(97,869)	(91,921)	Benefit payments, including refunds of employee contributions
(1,306)	(2,398)	-	- Administrative expense
-	-	-	- Other miscellaneous expense
12,918	42,140	321,924	Net change in plan fiduciary net position
2,143,911	2,101,771	1,779,847	Plan fiduciary net position - beginning
<u>\$ 2,156,829</u>	<u>\$ 2,143,911</u>	<u>\$ 2,101,771</u>	Plan fiduciary net position - ending (b)
<u>\$ 824,639</u>	<u>\$ 596,079</u>	<u>\$ 491,091</u>	Plan's net pension liability - ending (a) - (b)
72.3%	78.2%	81.1%	Plan fiduciary net position as a percentage of the total pension liability
\$ 341,419	\$ 320,550	\$ 279,508	Covered payroll ⁽²⁾
241.5%	186.0%	175.7%	Plan's net pension liability as a percentage of covered payroll

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

**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	2018-19 ⁽¹⁾	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total pension liability			
Service cost	\$ 3,114	\$ 3,239	\$ 3,196
Interest on total pension liability	14,237	13,568	13,182
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,633	(883)	4,317
Changes of assumptions	-	(1,005)	11,057
Benefit payments, including refunds of employee contributions	(10,190)	(9,835)	(8,387)
Net change in total pension liability	<u>9,794</u>	<u>5,084</u>	<u>23,365</u>
Total pension liability - beginning	<u>200,031</u>	<u>194,947</u>	<u>171,582</u>
Total pension liability - ending (a)	<u><u>\$ 209,825</u></u>	<u><u>\$ 200,031</u></u>	<u><u>\$ 194,947</u></u>
Plan fiduciary net position			
Contributions - employer	\$ 5,020	\$ 4,253	\$ 3,899
Contributions - employee	1,240	1,269	1,343
Net investment income	8,617	10,586	12,842
Benefit payments, including refunds of employee contributions	(10,190)	(9,835)	(8,387)
Administrative expense	(94)	(196)	(171)
Other miscellaneous expense	-	(373)	-
Net change in plan fiduciary net position	<u>4,593</u>	<u>5,704</u>	<u>9,526</u>
Plan fiduciary net position - beginning	<u>131,710</u>	<u>126,006</u>	<u>116,480</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 136,303</u></u>	<u><u>\$ 131,710</u></u>	<u><u>\$ 126,006</u></u>
Plan's net pension liability - ending (a) - (b)	<u><u>\$ 73,522</u></u>	<u><u>\$ 68,321</u></u>	<u><u>\$ 68,941</u></u>
Plan fiduciary net position as a percentage of the total pension liability	65.0%	65.8%	64.6%
Covered payroll ⁽²⁾	\$ 17,305	\$ 17,581	\$ 17,428
Plan's net pension liability as a percentage of covered payroll	424.9%	388.6%	395.6%

⁽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*.

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 with 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, 2020

**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

2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾	Measurement Period
			Total pension liability
\$ 2,736	\$ 2,606	\$ 2,659	Service cost
12,356	11,562	10,889	Interest on total pension liability
-	-	-	- Changes of benefit terms
3,136	1,641	-	- Differences between expected and actual experience
-	(2,831)	-	- Changes of assumptions
(7,290)	(6,729)	(6,007)	Benefit payments, including refunds of employee contributions
10,938	6,249	7,541	Net change in total pension liability
160,644	154,395	146,854	Total pension liability - beginning
<u>\$ 171,582</u>	<u>\$ 160,644</u>	<u>\$ 154,395</u>	Total pension liability - ending (a)
			Plan fiduciary net position
\$ 3,445	\$ 2,918	\$ 2,793	Contributions - employer
1,356	1,276	1,394	Contributions - employee
666	2,660	17,670	Net investment income
(7,290)	(6,729)	(6,007)	Benefit payments, including refunds of employee contributions
(73)	(133)	-	- Administrative expense
-	-	-	- Other miscellaneous expense
(1,896)	(8)	15,850	Net change in plan fiduciary net position
118,376	118,384	102,534	Plan fiduciary net position - beginning
<u>\$ 116,480</u>	<u>\$ 118,376</u>	<u>\$ 118,384</u>	Plan fiduciary net position - ending (b)
<u>\$ 55,102</u>	<u>\$ 42,268</u>	<u>\$ 36,011</u>	Plan's net pension liability - ending (a) - (b)
67.9%	73.7%	76.7%	Plan fiduciary net position as a percentage of the total pension liability
\$ 16,643	\$ 15,838	\$ 15,385	Covered payroll ⁽²⁾
331.1%	266.9%	234.1%	Plan's net pension liability as a percentage of covered payroll

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous, Agent Multiple Employer Plan

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	\$ 126,838	\$ (132,619)	\$ (5,781)	\$ 909,644	14.6%
2015-16	\$ 143,300	\$ (159,154)	\$ (15,854)	\$ 1,010,690	15.7%
2016-17	\$ 160,437	\$ (178,196)	\$ (17,759)	\$ 1,056,636	16.9%
2017-18	\$ 184,572	\$ (182,070)	\$ 2,502	\$ 1,068,222	17.0%
2018-19	\$ 224,862	\$ (207,080)	\$ 17,782	\$ 1,144,873	18.1%
2019-20	\$ 243,748	\$ (243,748)	\$ -	\$ 1,168,452	20.9%

* 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	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	\$ 62,624	\$ (71,228)	\$ (8,604)	\$ 320,550	22.2%
2015-16	\$ 69,936	\$ (83,166)	\$ (13,230)	\$ 341,419	24.4%
2016-17	\$ 85,699	\$ (91,330)	\$ (5,631)	\$ 340,897	26.8%
2017-18	\$ 98,314	\$ (91,224)	\$ 7,090	\$ 322,749	28.3%
2018-19	\$ 117,149	\$ (98,581)	\$ 18,568	\$ 300,890	32.8%
2019-20	\$ 126,333	\$ (126,333)	\$ -	\$ 311,708	40.5%

* 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, 2020

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

Flood Control Miscellaneous, Agent Multiple Employer Plan

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	\$ 2,918	\$ (2,918)	\$ -	\$ 15,838	18.4%
2015-16	\$ 3,442	\$ (3,442)	\$ -	\$ 16,643	20.7%
2016-17	\$ 3,896	\$ (3,896)	\$ -	\$ 17,428	22.4%
2017-18	\$ 4,252	\$ (4,252)	\$ -	\$ 17,581	24.2%
2018-19	\$ 5,019	\$ (5,019)	\$ -	\$ 17,305	29.0%
2019-20	\$ 6,015	\$ (12,731)	\$ (6,716)	\$ 17,824	71.4%

* 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 2019-20 were derived from the June 30, 2018 funding valuation report.

	County Miscellaneous	County Safety	Flood Control Miscellaneous
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	2.75%	2.75%	2.75%
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 Rate 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, 2020

**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 ⁽¹⁾	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll ⁽²⁾	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
2013-14	0.09946%	\$ 6,189	\$ 4,992	124.0%	81.8%
2014-15	0.25620%	\$ 7,029	\$ 5,799	121.2%	80.2%
2015-16	0.26345%	\$ 9,151	\$ 6,791	134.8%	75.9%
2016-17	0.27243%	\$ 10,739	\$ 6,201	173.2%	75.3%
2017-18	0.27877%	\$ 10,506	\$ 5,415	194.0%	77.1%
2018-19	0.28803%	\$ 11,534	\$ 5,439	212.1%	76.1%

⁽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*.

Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan

Measurement Period ⁽¹⁾	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll ⁽²⁾	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
2013-14	0.13583%	\$ 8,452	\$ 3,082	274.2%	79.8%
2014-15	0.35266%	\$ 9,675	\$ 2,298	421.0%	77.4%
2015-16	0.35378%	\$ 12,290	\$ 2,339	525.4%	72.9%
2016-17	0.35839%	\$ 14,128	\$ 1,981	713.2%	72.1%
2017-18	0.36801%	\$ 13,869	\$ 1,816	763.7%	73.2%
2018-19	0.37300%	\$ 14,937	\$ 1,615	924.9%	72.3%

⁽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*.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Park District Miscellaneous, Cost Sharing Multiple Employer Plan

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	\$ 950	\$ (950)	\$ -	\$ 5,799	16.4%
2015-16	\$ 1,062	\$ (1,062)	\$ -	\$ 6,791	15.6%
2016-17	\$ 1,094	\$ (1,094)	\$ -	\$ 6,201	17.6%
2017-18	\$ 1,094	\$ (1,094)	\$ -	\$ 5,415	20.2%
2018-19	\$ 1,229	\$ (1,229)	\$ -	\$ 5,439	22.6%
2019-20	\$ 1,515	\$ (1,515)	\$ -	\$ 5,464	27.7%

* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

** 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	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	\$ 623	\$ (189)	\$ 434	\$ 2,298	8.2%
2015-16	\$ 863	\$ (411)	\$ 452	\$ 2,339	17.6%
2016-17	\$ 905	\$ (832)	\$ 73	\$ 1,981	42.0%
2017-18	\$ 1,020	\$ (900)	\$ 120	\$ 1,816	49.6%
2018-19	\$ 1,166	\$ (1,022)	\$ 144	\$ 1,615	63.3%
2019-20	\$ 1,141	\$ (1,141)	\$ -	\$ 1,356	84.1%

* 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.

** 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 with 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, 2020

**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	2018-19 ⁽¹⁾	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total pension liability			
Service cost	\$ 1,082	\$ 1,300	\$ 1,914
Interest cost	2,747	2,548	2,358
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,732	1,621	1,457
Changes of assumptions	2,985	40	(746)
Benefit payments, including refunds of employee contributions	(2,222)	(1,726)	(1,757)
Net change in total pension liability	7,324	3,783	3,226
Total pension liability - beginning	45,798	42,015	38,789
Total pension liability - ending (a)	\$ 53,122	\$ 45,798	\$ 42,015
Plan fiduciary net position			
Contributions - employer	\$ 832	\$ 816	\$ 1,341
Contributions - employee	1,701	1,633	1,674
Net investment income (expense)	1,939	3,648	4,289
Benefit payments, including refunds of employee contributions	(2,222)	(1,726)	(1,757)
Administrative expense	(251)	(347)	(128)
Other	-	-	-
Net change in plan fiduciary net position	1,999	4,024	5,419
Plan fiduciary net position - beginning	41,576	37,552	32,133
Plan fiduciary net position - ending (b)	\$ 43,575	\$ 41,576	\$ 37,552
Net pension liability (asset) - ending (a) - (b)	\$ 9,547	\$ 4,222	\$ 4,463
Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a)	82.0%	90.8%	89.4%
Covered payroll ⁽²⁾	\$ 43,593	\$ 43,357	\$ 44,525
Net pension liability (asset) as a percentage of covered payroll	21.9%	9.7%	10.0%

⁽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, 2020

**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

2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾	Measurement Period
Total pension liability			
\$ 1,718	\$ 1,512	\$ 1,557	Service cost
2,186	1,983	1,800	Interest cost
-	-	-	Changes of benefit terms
1,524	795	1,146	Differences between expected and actual experience
(594)	2,939	-	Changes of assumptions
(1,507)	(1,511)	(1,762)	Benefit payments, including refunds of employee contributions
3,327	5,718	2,741	Net change in total pension liability
35,462	29,744	27,003	Total pension liability - beginning
<u>\$ 38,789</u>	<u>\$ 35,462</u>	<u>\$ 29,744</u>	Total pension liability - ending (a)
Plan fiduciary net position			
\$ 668	\$ 607	\$ 956	Contributions - employer
1,399	1,267	1,394	Contributions - employee
(117)	131	4,437	Net investment income (expense)
(1,507)	(1,511)	(1,762)	Benefit payments, including refunds of employee contributions
(189)	(217)	(228)	Administrative expense
-	-	-	Other
254	277	4,797	Net change in plan fiduciary net position
31,879	31,602	26,805	Plan fiduciary net position - beginning
<u>\$ 32,133</u>	<u>\$ 31,879</u>	<u>\$ 31,602</u>	Plan fiduciary net position - ending (b)
<u>\$ 6,656</u>	<u>\$ 3,583</u>	<u>\$ (1,858)</u>	Net pension liability (asset) - ending (a) - (b)
82.8%	89.9%	106.2%	Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a)
\$ 39,761	\$ 32,963	\$ 29,517	Covered payroll ⁽²⁾
16.7%	10.9%	6.3%	Net pension liability (asset) as a percentage of covered payroll

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Riverside County – Part-time and Temporary Help Retirement

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	\$ 252	\$ (529)	\$ (277)	\$ 32,963	1.6%
2015-16	\$ 122	\$ (639)	\$ (517)	\$ 39,761	1.6%
2016-17	\$ 727	\$ (1,365)	\$ (638)	\$ 44,525	3.1%
2017-18	\$ 657	\$ (773)	\$ (116)	\$ 43,357	1.8%
2018-19	\$ 475	\$ (833)	\$ (358)	\$ 43,593	1.9%
2019-20	\$ 801	\$ (801)	\$ -	\$ 39,633	2.0%

* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

** 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, 2020

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	2018-19 ⁽¹⁾	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total OPEB liability			
Service cost	\$ 1,434	\$ 882	\$ 700
Interest cost	4,581	3,445	3,010
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	2,528	4,061	5,814
Changes of assumptions	29,676	11,334	3,186
Benefit payments	(3,500)	(3,262)	(2,841)
Net change in total OPEB liability	34,719	16,460	9,869
Total OPEB liability - beginning	68,378	51,918	42,049
Total OPEB liability - ending (a)	\$ 103,097	\$ 68,378	\$ 51,918
Plan fiduciary net position			
Contributions - employer	\$ 5,500	\$ 4,262	\$ 1,909
Contributions - employee	-	-	-
Net investment income	2,821	2,342	3,612
Benefit payments	(3,500)	(3,262)	(2,841)
Administrative expense	(20)	(17)	(17)
Net change in plan fiduciary net position	4,801	3,325	2,663
Plan fiduciary net position - beginning	40,104	36,779	34,116
Plan fiduciary net position - ending (b)	\$ 44,905	\$ 40,104	\$ 36,779
County's net OPEB liability - ending (a) - (b)	\$ 58,192	\$ 28,274	\$ 15,139
Plan fiduciary net position as a percentage of the total OPEB liability	43.6%	58.7%	70.8%
Covered payroll ⁽²⁾	\$ 1,445,763	\$ 1,390,971	\$ 1,382,037
County's net OPEB liability as a percentage of covered payroll	4.0%	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.

⁽²⁾ Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

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, 2020

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

Flood Control Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	2018-19 ⁽¹⁾	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total OPEB liability			
Service cost	\$ 3	\$ 4	\$ 4
Interest cost	32	30	30
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	37	13	19
Changes of assumptions	683	8	(2)
Benefit payments	(39)	(36)	(32)
Net change in total OPEB liability	716	19	19
Total OPEB liability - beginning	536	517	498
Total OPEB liability - ending (a)	\$ 1,252	\$ 536	\$ 517
Plan fiduciary net position			
Contributions - employer	\$ -	\$ 36	\$ -
Contributions - employee	-	-	-
Net investment income	41	26	23
Benefit payments	(39)	(36)	(32)
Administrative expense	-	-	-
Net change in plan fiduciary net position	2	26	(9)
Plan fiduciary net position - beginning	572	546	555
Plan fiduciary net position - ending (b)	\$ 574	\$ 572	\$ 546
District's net OPEB (asset)/liability - ending (a) - (b)	\$ 678	\$ (36)	\$ (29)
Plan fiduciary net position as a percentage of the total OPEB (asset)/liability	45.8%	106.7%	105.6%
Covered payroll ⁽²⁾	\$ 16,956	\$ 17,354	\$ 17,545
District's net OPEB (asset)/liability as a percentage of covered	4.0%	-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.

⁽²⁾ Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

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, 2020

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

Park District Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	2018-19 ⁽¹⁾	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total OPEB liability			
Service cost	\$ 1	\$ 1	\$ 3
Interest cost	10	10	8
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	(43)	-	23
Changes of assumptions	118	-	(2)
Benefit payments	(8)	(11)	(8)
Net change in total OPEB liability	78	-	24
Total OPEB liability - beginning	140	140	116
Total OPEB liability - ending (a)	\$ 218	\$ 140	\$ 140
Plan fiduciary net position			
Contributions - employer	\$ -	\$ -	\$ -
Contributions - employee	-	-	-
Net investment income	21	26	33
Benefit payments	(8)	(11)	(8)
Administrative expense	-	-	-
Net change in plan fiduciary net position	13	15	25
Plan fiduciary net position - beginning	348	333	308
Plan fiduciary net position - ending (b)	\$ 361	\$ 348	\$ 333
District's net OPEB (asset)/liability - ending (a) - (b)	\$ (143)	\$ (208)	\$ (193)
Plan fiduciary net position as a percentage of the total OPEB (asset)/liability	165.6%	248.6%	237.9%
Covered payroll ⁽²⁾	\$ 5,853	\$ 5,683	\$ 6,201
District's net OPEB (asset)/liability as a percentage of covered	-2.4%	-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.

⁽²⁾ Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

Notes to Schedule:

Changes of assumptions: There was no change in assumptions from the prior valuation.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

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

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017-18	\$ 1,288	\$ (3,457)	\$ (2,169)	\$ 1,390,971	0.2%
2018-19	\$ 2,141	\$ (3,469)	\$ (1,328)	\$ 1,445,763	0.2%
2019-20	\$ 9,247	\$ (9,247)	\$ -	\$ 1,480,160	0.6%

* 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	(1) Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017-18	\$ -	\$ (36)	\$ (36)	\$ 17,354	0.2%
2018-19	\$ -	\$ -	\$ -	\$ 16,956	0.0%
2019-20	\$ 5	\$ (550)	\$ (545)	\$ 17,422	3.2%

(1) No actuarially determined contribution due to assets being greater than the Present Value of Benefits.

* 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.

Park District Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

*Fiscal Year	(1) Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017-18	\$ -	\$ -	\$ -	\$ 5,683	0.0%
2018-19	\$ -	\$ -	\$ -	\$ 5,853	0.0%
2019-20	\$ -	\$ -	\$ -	\$ 5,464	0.0%

(1) No actuarially determined contribution due to assets being greater than the Present Value of Benefits.

* 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, 2020

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

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%	2.50%
Salary increases	2.75%	2.75%	2.75%
Investment rate of return	7.01%	6.22%	7.59%

The retirement rates were developed in the 2017 CalPERS Experience Study and the mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvement scale MP-2019.

The healthcare cost trend rate for the Pre Medicare Plan was 6.99 percent, decreasing 0.34 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.22 percent, decreasing 0.51 percent per year to an ultimate rate of 4.5 percent for 2020 and later years

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

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	2018-19 ⁽¹⁾	2017-18 ⁽¹⁾	2016-17 ⁽¹⁾
Total OPEB liability			
Service cost	\$ 2	\$ 2	\$ 4
Interest cost	21	22	25
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	64	(19)	(183)
Changes of assumptions	835	-	(81)
Benefit payments	(40)	(37)	(40)
Net change in total OPEB liability	\$ 882	(32)	(275)
Total OPEB liability - beginning	598	630	905
Total OPEB liability - ending	\$ 1,480	\$ 598	\$ 630
Covered payroll ⁽²⁾	\$ 1,615	\$ 1,816	\$ 1,931
Total OPEB liability as a percentage of covered payroll	91.6%	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.

⁽²⁾ Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

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 assumptions, 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	⁽¹⁾ Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017-18	\$ -	\$ -	\$ -	\$ 1,816	0.0%
2018-19	\$ -	\$ -	\$ -	\$ 1,615	0.0%
2019-20	\$ -	\$ -	\$ -	\$ 1,356	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.

* 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, 2020

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

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
	<u>Miscellaneous</u>
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	2.50%
Salary increases	2.75%
Investment rate of return	3.51%

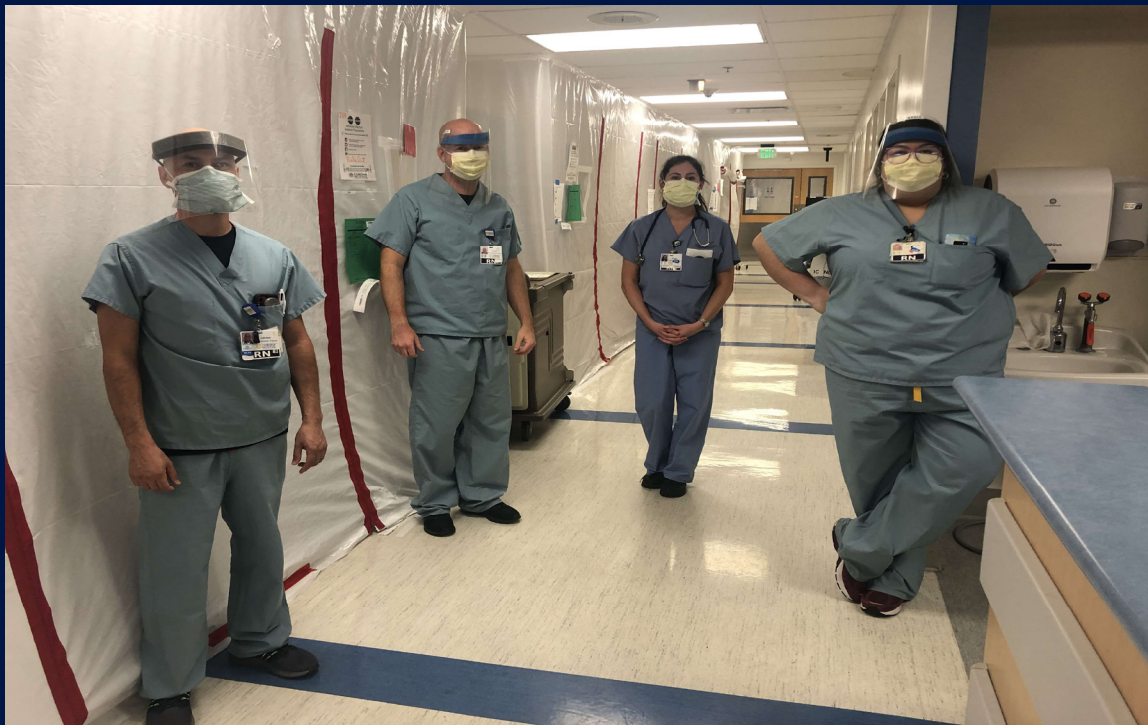
The retirement rates were developed in the 2017 CalPERS Experience Study and the mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvement scale MP-2019.

The healthcare cost trend rate for the Pre Medicare Plan was 6.99 percent, decreasing 0.34 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.22 percent, decreasing 0.51 percent per year to an ultimate rate of 4.5 percent for 2020 and later years



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES



COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Teeter Debt Service Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 244	\$ 244
Other revenue	3,264	232	-	(232)
Total revenues	3,264	232	244	12
EXPENDITURES:				
Current:				
General government	36	-	-	-
Debt service:				
Interest	2,968	2,968	2,968	-
Cost of issuance	260	305	305	-
Capital outlay	-	-	-	-
Total expenditures	3,264	3,273	3,273	-
Excess (deficiency) of revenues over (under) expenditures	-	(3,041)	(3,029)	12
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,032	3,032	-
Transfers out	-	(3)	(3)	-
Total other financing sources (uses)	-	3,029	3,029	-
NET CHANGE IN FUND BALANCE	-	(12)	-	12
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ (12)	\$ -	\$ 12

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Pension Obligation Debt Service Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	\$ 150	\$ 150	\$ 1,328	\$ 1,178
Charges for services	40,436	3,488	4,563	1,075
Total revenues	40,586	3,638	5,891	2,253
EXPENDITURES:				
Current:				
General government	3,501	49,755	46,379	(3,376)
Public protection	-	517,386	517,386	-
Public ways and facilities	-	11,048	11,048	-
Health and sanitation	-	63,376	63,376	-
Public assistance	-	76,515	76,515	-
Education	-	350	350	-
Recreation and cultural services	-	927	927	-
Debt service:				
Principal	25,020	25,020	25,020	-
Interest	12,065	12,065	12,065	-
Cost of issuance	-	4,139	3,882	(257)
Total expenditures	40,586	760,581	756,948	(3,633)
Excess (deficiency) of revenues over (under) expenditures	-	(756,943)	(751,057)	5,886
OTHER FINANCING SOURCES (USES):				
Transfers in	-	36,948	36,948	-
Issuance of refunding bonds	-	719,995	719,995	-
Total other financing sources (uses)	-	756,943	756,943	-
NET CHANGE IN FUND BALANCE	-	-	5,886	5,886
Fund balance, beginning of year	-	-	7,101	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 12,987	\$ 5,886

NONMAJOR GOVERNMENTAL FUNDS



COUNTY OF RIVERSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020
(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	\$ 205,251	\$ 2	\$ 188,146	\$ 1,015	\$ 394,414
Accounts receivable	1,032	-	-	-	1,032
Interest receivable	173	12	298	2	485
Taxes receivable	1,904	-	-	-	1,904
Due from other governments	11,481	-	1,368	-	12,849
Due from other funds	949	-	280	-	1,229
Prepaid items and deposits	5,001	-	366	-	5,367
Restricted cash and investments	-	27,047	7,669	-	34,716
Total assets	225,791	27,061	198,127	1,017	451,996
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 225,791	\$ 27,061	\$ 198,127	\$ 1,017	\$ 451,996
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 19,133	\$ 840	\$ 14,403	\$ -	\$ 34,376
Salaries and benefits payable	5,284	-	181	-	5,465
Due to other governments	100	-	-	-	100
Due to other funds	896	-	1,032	-	1,928
Deposits payable	519	-	-	-	519
Advances from grantors and third parties	16,925	-	1,242	-	18,167
Advance from other funds	-	-	1,000	-	1,000
Total liabilities	42,857	840	17,858	-	61,555
Deferred inflows of resources	6	-	-	-	6
Fund balances:					
Nonspendable	5,056	-	-	1,017	6,073
Restricted	131,481	26,221	151,184	-	308,886
Committed	6,863	-	9,358	-	16,221
Assigned	39,528	-	19,727	-	59,255
Total fund balances	182,928	26,221	180,269	1,017	390,435
Total liabilities, deferred inflows of resources, and fund balances	\$ 225,791	\$ 27,061	\$ 198,127	\$ 1,017	\$ 451,996

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2020

(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES:					
Taxes	\$ 78,841	\$ -	\$ -	\$ -	\$ 78,841
Licenses, permits and franchise fees	899	-	-	-	899
Fines, forfeitures and penalties	745	-	-	-	745
Use of money and property:					
Investment earnings	1,695	425	2,722	16	4,858
Rents and concessions	8,904	3,518	379	-	12,801
Aid from other governmental agencies:					
Federal	65,930	-	-	-	65,930
State	8,555	-	717	-	9,272
Other	24,106	-	34,618	-	58,724
Charges for services	36,840	-	31,614	122	68,576
Other revenue	8,873	11,817	2,450	-	23,140
Total revenues	<u>235,388</u>	<u>15,760</u>	<u>72,500</u>	<u>138</u>	<u>323,786</u>
EXPENDITURES:					
Current:					
General government	31,192	5,462	59,347	-	96,001
Public protection	13,282	-	-	-	13,282
Public ways and facilities	19,770	-	256	-	20,026
Health and sanitation	2,475	-	-	-	2,475
Public assistance	65,750	-	-	-	65,750
Education	23,767	-	-	-	23,767
Recreation and cultural services	14,804	-	2,698	-	17,502
Debt service:					
Principal	-	48,128	-	-	48,128
Interest	-	34,475	34	-	34,509
Cost of issuance	-	296	-	-	296
Capital outlay	-	-	16,698	-	16,698
Total expenditures	<u>171,040</u>	<u>88,361</u>	<u>79,033</u>	<u>-</u>	<u>338,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,348</u>	<u>(72,601)</u>	<u>(6,533)</u>	<u>138</u>	<u>(14,648)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	102,693	81,883	49,907	-	234,483
Transfers out	(100,574)	(12,084)	(53,330)	-	(165,988)
Issuance of refunding bonds	-	12,875	-	-	12,875
Redemption of bonds	-	(12,559)	-	-	(12,559)
Total other financing sources (uses)	<u>2,119</u>	<u>70,115</u>	<u>(3,423)</u>	<u>-</u>	<u>68,811</u>
NET CHANGE IN FUND BALANCES	<u>66,467</u>	<u>(2,486)</u>	<u>(9,956)</u>	<u>138</u>	<u>54,163</u>
Fund balances, beginning of year, as previously reported	109,375	28,707	185,508	879	324,469
Adjustments to beginning fund balances	7,086	-	4,717	-	11,803
Fund balances, beginning of year, as restated	<u>116,461</u>	<u>28,707</u>	<u>190,225</u>	<u>879</u>	<u>336,272</u>
FUND BALANCES, END OF YEAR	<u>\$ 182,928</u>	<u>\$ 26,221</u>	<u>\$ 180,269</u>	<u>\$ 1,017</u>	<u>\$ 390,435</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, 2020

(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	\$ 123,826	\$ 29,702	\$ 11,003	\$ 804
Accounts receivable	806	-	50	-
Interest receivable	48	53	17	1
Taxes receivable	1,422	333	127	-
Due from other governments	7,978	-	236	125
Due from other funds	140	-	19	-
Prepaid items and deposits	5,001	-	-	-
Total assets	139,221	30,088	11,452	930
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ 139,221	\$ 30,088	\$ 11,452	\$ 930
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 6,688	\$ 470	\$ 359	\$ -
Salaries and benefits payable	1,740	220	491	-
Due to other governments	78	-	5	13
Due to other funds	186	-	-	-
Deposits payable	-	63	-	-
Advances from grantors and third parties	16,352	-	553	-
Total liabilities	25,044	753	1,408	13
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Nonspendable	5,033	1	10	-
Restricted	72,193	29,328	4,601	917
Committed	190	-	5,433	-
Assigned	36,761	6	-	-
Total fund balances	114,177	29,335	10,044	917
Total liabilities, deferred inflows of resources, and fund balances	\$ 139,221	\$ 30,088	\$ 11,452	\$ 930

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ 697	\$ 1,231	\$ 37,988	\$ 205,251	Cash and investments
-	-	176	1,032	Accounts receivable
-	2	52	173	Interest receivable
-	6	16	1,904	Taxes receivable
614	-	2,528	11,481	Due from other governments
-	-	790	949	Due from other funds
-	-	-	5,001	Prepaid items and deposits
1,311	1,239	41,550	225,791	Total assets
-	-	-	-	Deferred outflows of resources
\$ 1,311	\$ 1,239	\$ 41,550	\$ 225,791	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 4	\$ 19	\$ 11,593	\$ 19,133	Accounts payable
291	-	2,542	5,284	Salaries and benefits payable
-	-	4	100	Due to other governments
-	-	710	896	Due to other funds
-	456	-	519	Deposits payable
-	-	20	16,925	Advances from grantors and third parties
295	475	14,869	42,857	Total liabilities
-	6	-	6	Deferred inflows of resources
-	-	12	5,056	Fund balances (Note 16):
1,016	758	22,668	131,481	Nonspendable
-	-	1,240	6,863	Restricted
-	-	2,761	39,528	Committed
1,016	758	26,681	182,928	Assigned
\$ 1,311	\$ 1,239	\$ 41,550	\$ 225,791	Total fund balances
				Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
REVENUES:				
Taxes	\$ 70,386	\$ 1,046	\$ 6,371	\$ -
Licenses, permits, and franchise fees	-	-	-	-
Fines, forfeitures, and penalties	132	-	-	91
Use of money and property:				
Investment earnings	625	431	149	11
Rents and concessions	915	-	1,330	-
Aid from other governmental agencies:				
Federal	60,803	-	-	-
State	5,396	9	128	505
Other	21,279	227	583	-
Charges for services	1,115	16,517	5,440	-
Other revenue	3,638	30	308	-
Total revenues	<u>164,289</u>	<u>18,260</u>	<u>14,309</u>	<u>607</u>
EXPENDITURES:				
Current:				
General government	22,932	-	-	131
Public protection	1,985	195	626	-
Public ways and facilities	5	8,316	-	-
Health and sanitation	1,523	952	-	-
Public assistance	60,414	-	-	-
Education	23,767	-	-	-
Recreation and cultural services	-	861	13,943	-
Total expenditures	<u>110,626</u>	<u>10,324</u>	<u>14,569</u>	<u>131</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,663</u>	<u>7,936</u>	<u>(260)</u>	<u>476</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	93,643	4,006	1,170	-
Transfers out	(85,584)	(7,476)	(1,111)	(107)
Total other financing sources (uses)	<u>8,059</u>	<u>(3,470)</u>	<u>59</u>	<u>(107)</u>
NET CHANGE IN FUND BALANCES	<u>61,722</u>	<u>4,466</u>	<u>(201)</u>	<u>369</u>
Fund balances, beginning of year, as previously reported	52,455	24,869	10,245	548
Adjustments to beginning fund balances	-	-	-	-
Fund balances, beginning of year, as restated	<u>52,455</u>	<u>24,869</u>	<u>10,245</u>	<u>548</u>
FUND BALANCES, END OF YEAR	<u>\$ 114,177</u>	<u>\$ 29,335</u>	<u>\$ 10,044</u>	<u>\$ 917</u>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
\$ -	\$ 292	\$ 746	\$ 78,841	REVENUES:
-	-	899	899	Taxes
-	-	522	745	Licenses, permits, and franchise fees
-	19	460	1,695	Fines, forfeitures, and penalties
-	-	6,659	8,904	Use of money and property:
1,852	-	3,275	65,930	Investment earnings
2,279	3	235	8,555	Rents and concessions
-	26	1,991	24,106	Aid from other governmental agencies:
-	419	13,349	36,840	Federal
-	-	4,897	8,873	State
4,131	759	33,033	235,388	Other
				Charges for services
				Other revenue
				Total revenues
				EXPENDITURES:
				Current:
-	-	8,129	31,192	General government
-	188	10,288	13,282	Public protection
-	-	11,449	19,770	Public ways and facilities
-	-	-	2,475	Health and sanitation
5,336	-	-	65,750	Public assistance
-	-	-	23,767	Education
-	-	-	14,804	Recreation and cultural services
5,336	188	29,866	171,040	Total expenditures
(1,205)	571	3,167	64,348	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES):
963	1	2,910	102,693	Transfers in
(283)	(394)	(5,619)	(100,574)	Transfers out
680	(393)	(2,709)	2,119	Total other financing sources (uses)
(525)	178	458	66,467	NET CHANGE IN FUND BALANCES
1,541	580	19,137	109,375	Fund balances, beginning of year, as previously reported
-	-	7,086	7,086	Adjustments to beginning fund balances
1,541	580	26,223	116,461	Fund balances, beginning of year, as restated
\$ 1,016	\$ 758	\$ 26,681	\$ 182,928	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Community Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 65,823	\$ 65,895	\$ 70,386	\$ 4,491
Fines, forfeitures, and penalties	334	334	132	(202)
Use of money and property:				
Investment earnings	64	64	625	561
Rents and concessions	425	511	915	404
Aid from other governmental agencies:				
Federal	79,365	57,362	60,803	3,441
State	4,374	8,126	5,396	(2,730)
Other	23,343	23,343	21,279	(2,064)
Charges for services	11,078	2,951	1,115	(1,836)
Other revenue	13,916	5,621	3,638	(1,983)
Total revenues	198,722	164,207	164,289	82
EXPENDITURES:				
Current:				
General government	18,473	65,474	22,932	(42,542)
Public protection	73,187	5,728	1,985	(3,743)
Public ways and facilities	289	288	5	(283)
Health and sanitation	2,000	2,755	1,523	(1,232)
Public assistance	84,268	84,051	60,414	(23,637)
Education	32,835	31,137	23,767	(7,370)
Total expenditures	211,052	189,433	110,626	(78,807)
Excess (deficiency) of revenues over (under) expenditures	(12,330)	(25,226)	53,663	78,889
OTHER FINANCING SOURCES (USES):				
Transfers in	-	93,643	93,643	-
Transfers out	-	(85,584)	(85,584)	-
Total other financing sources (uses)	-	8,059	8,059	-
NET CHANGE IN FUND BALANCE	(12,330)	(17,167)	61,722	78,889
Fund balance, beginning of year	52,455	52,455	52,455	-
FUND BALANCE, END OF YEAR	<u>\$ 40,125</u>	<u>\$ 35,288</u>	<u>\$ 114,177</u>	<u>\$ 78,889</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 County Service Areas Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 1,401	\$ 1,397	\$ 1,046	\$ (351)
Use of money and property:				
Investment earnings	225	220	431	211
Rents and concessions	1	1	-	(1)
Aid from other governmental agencies:				
State	9	9	9	-
Other	196	196	227	31
Charges for services	18,072	14,262	16,517	2,255
Other revenue	91	71	30	(41)
Total revenues	<u>19,995</u>	<u>16,156</u>	<u>18,260</u>	<u>2,104</u>
EXPENDITURES:				
Current:				
Public protection	929	801	195	(606)
Public ways and facilities	18,666	12,158	8,316	(3,842)
Health and sanitation	1,233	1,233	952	(281)
Recreation and cultural services	2,141	1,505	861	(644)
Total expenditures	<u>22,969</u>	<u>15,697</u>	<u>10,324</u>	<u>(5,373)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,974)</u>	<u>459</u>	<u>7,936</u>	<u>7,477</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,006	4,006	-
Transfers out	-	(7,476)	(7,476)	-
Total other financing sources (uses)	<u>-</u>	<u>(3,470)</u>	<u>(3,470)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(2,974)	(3,011)	4,466	7,477
Fund balance, beginning of year	24,869	24,869	24,869	-
FUND BALANCE, END OF YEAR	<u>\$ 21,895</u>	<u>\$ 21,858</u>	<u>\$ 29,335</u>	<u>\$ 7,477</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Regional Park and Open-Space Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 5,598	\$ 5,598	\$ 6,371	\$ 773
Use of money and property:				
Investment earnings	183	183	149	(34)
Rents and concessions	1,849	1,474	1,330	(144)
Aid from other governmental agencies:				
State	239	634	128	(506)
Other	816	816	583	(233)
Charges for services	6,561	5,867	5,440	(427)
Other revenue	1,007	46	308	262
Total revenues	16,253	14,618	14,309	(309)
EXPENDITURES:				
Current:				
Public protection	768	1,141	626	(515)
Recreation and cultural services	16,363	16,378	13,943	(2,435)
Total expenditures	17,131	17,519	14,569	(2,950)
Excess (deficiency) of revenues over (under) expenditures	(878)	(2,901)	(260)	2,641
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,170	1,170	-
Transfers out	-	(1,111)	(1,111)	-
Total other financing sources (uses)	-	59	59	-
NET CHANGE IN FUND BALANCE	(878)	(2,842)	(201)	2,641
Fund balance, beginning of year	10,245	10,245	10,245	-
FUND BALANCE, END OF YEAR	\$ 9,367	\$ 7,403	\$ 10,044	\$ 2,641

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Air Quality Improvement Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Fines, forfeitures and penalties	\$ 125	\$ 125	\$ 91	\$ (34)
Use of money and property:				
Investment earnings	2	2	11	9
Aid from other governmental agencies:				
State	477	477	505	28
Total revenues	604	604	607	3
EXPENDITURES:				
Current:				
General government	603	496	131	(365)
Total expenditures	603	496	131	(365)
Excess (deficiency) of revenues over (under) expenditures	1	108	476	368
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(107)	(107)	-
Total other financing sources (uses)	-	(107)	(107)	-
NET CHANGE IN FUND BALANCE	1	1	369	368
Fund balance, beginning of year	548	548	548	-
FUND BALANCE, END OF YEAR	<u>\$ 549</u>	<u>\$ 549</u>	<u>\$ 917</u>	<u>\$ 368</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 In-Home Support Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Aid from other governmental agencies:				
Federal	\$ 2,799	\$ 2,799	\$ 1,852	\$ (947)
State	2,408	2,408	2,279	(129)
Charges for services	1,087	124	-	(124)
Total revenues	6,294	5,331	4,131	(1,200)
EXPENDITURES:				
Current:				
Public assistance	6,837	6,554	5,336	(1,218)
Total expenditures	6,837	6,554	5,336	(1,218)
Excess (deficiency) of revenues over (under) expenditures	(543)	(1,223)	(1,205)	18
OTHER FINANCING SOURCES (USES):				
Transfers in	-	963	963	-
Transfers out	-	(283)	(283)	-
Total other financing sources (uses)	-	680	680	-
NET CHANGE IN FUND BALANCE	(543)	(543)	(525)	18
Fund balance, beginning of year	1,541	1,541	1,541	-
FUND BALANCE, END OF YEAR	<u>\$ 998</u>	<u>\$ 998</u>	<u>\$ 1,016</u>	<u>\$ 18</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Perris Valley Cemetery District Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 277	\$ 277	\$ 292	\$ 15
Use of money and property:				
Investment earnings	5	5	19	14
Aid from other governmental agencies:				
State	3	3	3	-
Other	26	26	26	-
Charges for services	283	282	419	137
Total revenues	594	593	759	166
EXPENDITURES:				
Current:				
Public protection	680	286	188	(98)
Total expenditures	680	286	188	(98)
Excess (deficiency) of revenues over (under) expenditures	(86)	307	571	264
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1	1	-
Transfers out	-	(394)	(394)	-
Total other financing sources (uses)	-	(393)	(393)	-
NET CHANGE IN FUND BALANCE	(86)	(86)	178	264
Fund balance, beginning of year	580	580	580	-
FUND BALANCE, END OF YEAR	\$ 494	\$ 494	\$ 758	\$ 264

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Other Special Revenue Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	\$ 695	\$ 695	\$ 746	\$ 51
Licenses, permits, and franchise fees	774	774	899	125
Fines, forfeitures, and penalties	3	406	522	116
Use of money and property:				
Investment earnings	133	385	460	75
Rents and concessions	6,468	6,468	6,659	191
Aid from other governmental agencies:				
Federal	5,232	5,232	3,275	(1,957)
State	89	89	235	146
Other	1,807	2,029	1,991	(38)
Charges for services	13,814	13,658	13,349	(309)
Other revenue	2,193	5,638	4,897	(741)
Total revenues	31,208	35,374	33,033	(2,341)
EXPENDITURES:				
Current:				
General government	10,006	9,690	8,129	(1,561)
Public protection	5,662	10,668	10,288	(380)
Public ways and facilities	16,219	13,952	11,449	(2,503)
Total expenditures	31,887	34,309	29,866	(4,443)
Excess (deficiency) of revenues over (under) expenditures	(679)	1,065	3,167	2,102
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,910	2,910	-
Transfers out	-	(5,619)	(5,619)	-
Total other financing sources (uses)	-	(2,709)	(2,709)	-
NET CHANGE IN FUND BALANCE	(679)	(1,644)	458	2,102
Fund balance, beginning of year, as previously reported	19,137	19,137	19,137	-
Adjustments to beginning fund balance	-	-	7,086	7,086
Fund balance, beginning of year, as restated	19,137	19,137	26,223	7,086
FUND BALANCE, END OF YEAR	<u>\$ 18,458</u>	<u>\$ 17,493</u>	<u>\$ 26,681</u>	<u>\$ 9,188</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.

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 control 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, 2020
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Cash and investments	\$ -	\$ -	\$ -
Accounts receivable	-	-	-
Interest receivable	11	-	-
Restricted cash and investments	12,108	840	158
Total assets	12,119	840	158
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ 12,119	\$ 840	158
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ -	\$ 840	\$ -
Total liabilities	-	840	-
Deferred inflows of resources	-	-	-
Fund balances (Note 16):			
Restricted	12,119	-	158
Total fund balances	12,119	-	158
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,119	\$ 840	\$ 158

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ -	\$ -	\$ 2	\$ 2	Cash and investments
-	-	-	-	Accounts receivable
1	-	-	12	Interest receivable
12,541	1,400	-	27,047	Restricted cash and investments
12,542	1,400	2	27,061	Total assets
-	-	-	-	Deferred outflows of resources
\$ 12,542	\$ 1,400	\$ 2	\$ 27,061	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ -	\$ -	\$ -	\$ 840	Accounts payable
-	-	-	840	Total liabilities
-	-	-	-	Deferred inflows of resources
12,542	1,400	2	26,221	Fund balances (Note 16):
12,542	1,400	2	26,221	Restricted
				Total fund balances
\$ 12,542	\$ 1,400	\$ 2	\$ 27,061	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, 2020

(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority
REVENUES:			
Use of money and property:			
Investment earnings	\$ 219	\$ 22	\$ 7
Rents and concessions	2,109	1,409	-
Other revenue	281	-	-
Total revenues	<u>2,609</u>	<u>1,431</u>	<u>7</u>
EXPENDITURES:			
Current:			
General government	3,810	1,173	-
Debt service:			
Principal	23,145	1,228	6,820
Interest	7,760	96	6,763
Cost of issuance	296	-	-
Total expenditures	<u>35,011</u>	<u>2,497</u>	<u>13,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,402)</u>	<u>(1,066)</u>	<u>(13,576)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	31,188	-	13,575
Transfers out	-	-	-
Issuance of refunding bonds	12,875	-	-
Redemption of bonds	(12,559)	-	-
Total other financing sources (uses)	<u>31,504</u>	<u>-</u>	<u>13,575</u>
NET CHANGE IN FUND BALANCES	(898)	(1,066)	(1)
Fund balances, beginning of year	13,017	1,066	159
FUND BALANCES, END OF YEAR	<u>\$ 12,119</u>	<u>\$ -</u>	<u>\$ 158</u>

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
				REVENUES:
				Use of money and property:
\$ 151	\$ 25	\$ 1	\$ 425	Investment earnings
-	-	-	3,518	Rents and concessions
11,536	-	-	11,817	Other revenue
11,687	25	1	15,760	Total revenues
				EXPENDITURES:
				Current:
479	-	-	5,462	General government
				Debt service:
8,030	6,745	2,160	48,128	Principal
3,686	15,499	671	34,475	Interest
-	-	-	296	Cost of issuance
12,195	22,244	2,831	88,361	Total expenditures
				Excess (deficiency) of revenues
(508)	(22,219)	(2,830)	(72,601)	over (under) expenditures
				OTHER FINANCING SOURCES (USES):
12,084	22,205	2,831	81,883	Transfers in
(12,084)	-	-	(12,084)	Transfers out
-	-	-	12,875	Issuance of refunding bonds
-	-	-	(12,559)	Redemption of bonds
-	22,205	2,831	70,115	Total other financing sources (uses)
(508)	(14)	1	(2,486)	NET CHANGE IN FUND BALANCES
13,050	1,414	1	28,707	Fund balances, beginning of year
\$ 12,542	\$ 1,400	\$ 2	\$ 26,221	FUND BALANCES, END OF YEAR



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CAPITAL PROJECT 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.

PUBLIC FACILITIES IMPROVEMENT CAPITAL PROJECTS

The Public Facilities Improvement Capital Projects Fund was established to account for capital acquisitions and/or improvements.

PUBLIC FINANCING AUTHORITY

The Public Financing Authority was formed for the purpose of assisting in acquiring equipment and facilities for public improvements of the County, the Riverside County Redevelopment Successor Agency and other local agencies.

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 formed for the purpose of assisting in acquiring equipment and facilities for public capital improvements of the County.

COUNTY OF RIVERSIDE

Combining Balance Sheet

Capital Projects Funds

June 30, 2020

(Dollars in Thousands)

	PSEC	CORAL	Flood Control	Regional Park and Open-Space
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Cash and investments	\$ -	\$ -	\$ 19	\$ 2,818
Interest receivable	-	-	-	6
Due from other governments	-	-	-	1,368
Due from other funds	-	-	-	-
Prepaid items and deposits	-	-	-	366
Restricted cash and investments	-	246	-	-
Total assets	-	246	19	4,558
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ -</u>	<u>\$ 246</u>	<u>\$ 19</u>	<u>\$ 4,558</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 169
Salaries and benefits payable	-	-	-	-
Due to other funds	-	-	-	19
Advances from grantors and third parties	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	188
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Restricted	-	246	19	4,370
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	-	246	19	4,370
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 246</u>	<u>\$ 19</u>	<u>\$ 4,558</u>

CREST	Public Facilities Improvement Capital Projects	Public Financing Authority	Infrastructure Financing Authority	Total	
					ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
					Assets:
\$ 7,789	\$ 177,520	\$ -	\$ -	\$ 188,146	Cash and investments
7	252	1	32	298	Interest receivable
-	-	-	-	1,368	Due from other governments
280	-	-	-	280	Due from other funds
-	-	-	-	366	Prepaid items and deposits
-	-	424	6,999	7,669	Restricted cash and investments
8,076	177,772	425	7,031	198,127	Total assets
-	-	-	-	-	Deferred outflows of resources
\$ 8,076	\$ 177,772	\$ 425	\$ 7,031	\$ 198,127	Total assets and deferred outflows of resources
					LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:
					Liabilities:
\$ 4,972	\$ 9,262	\$ -	\$ -	\$ 14,403	Accounts payable
181	-	-	-	181	Salaries and benefits payable
1,013	-	-	-	1,032	Due to other funds
-	1,242	-	-	1,242	Advances from grantors and third parties
-	1,000	-	-	1,000	Advances from other funds
6,166	11,504	-	-	17,858	Total liabilities
-	-	-	-	-	Deferred inflows of resources
					Fund balances (Note 16):
-	139,093	425	7,031	151,184	Restricted
-	9,358	-	-	9,358	Committed
1,910	17,817	-	-	19,727	Assigned
1,910	166,268	425	7,031	180,269	Total fund balances
\$ 8,076	\$ 177,772	\$ 425	\$ 7,031	\$ 198,127	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, 2020

(Dollars in Thousands)

	PSEC	CORAL	Flood Control	Regional Park and Open-Space
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ 4	\$ -	\$ 41
Rents and concessions	-	-	-	-
Aid from other governmental agencies:				
State	-	-	-	717
Other	-	-	-	-
Charges for services	-	-	-	-
Other revenue	-	-	-	852
Total revenues	-	4	-	1,610
EXPENDITURES:				
Current:				
General government	19	-	-	-
Public ways and facilities	-	-	-	-
Recreation and cultural services	-	-	-	2,698
Debt service:				
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	19	-	-	2,698
Excess (deficiency) of revenues over (under) expenditures	(19)	4	-	(1,088)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	708
Transfers out	(443)	-	-	(180)
Total other financing sources (uses)	(443)	-	-	528
NET CHANGE IN FUND BALANCES	(462)	4	-	(560)
Fund balances, beginning of year, as previously reported	462	242	19	4,930
Adjustments to beginning fund balances	-	-	-	-
Fund balances, beginning of year	462	242	19	4,930
FUND BALANCES, END OF YEAR	\$ -	\$ 246	\$ 19	\$ 4,370

CREST	Public Facilities Improvement Capital Projects	Public Financing Authority	Infrastructure Financing Authority	Total	
					REVENUES:
\$ 89	\$ 2,241	\$ 123	\$ 224	\$ 2,722	Use of money and property:
-	379	-	-	379	Investment earnings
					Rents and concessions
					Aid from other governmental agencies:
-	-	-	-	717	State
-	34,618	-	-	34,618	Other
2,073	29,541	-	-	31,614	Charges for services
-	1,598	-	-	2,450	Other revenue
2,162	68,377	123	224	72,500	Total revenues
					EXPENDITURES:
					Current:
-	59,328	-	-	59,347	General government
-	256	-	-	256	Public ways and facilities
-	-	-	-	2,698	Recreation and cultural services
					Debt service:
-	34	-	-	34	Interest
11,631	-	516	4,551	16,698	Capital outlay
11,631	59,618	516	4,551	79,033	Total expenditures
					Excess (deficiency) of revenues
(9,469)	8,759	(393)	(4,327)	(6,533)	over (under) expenditures
					OTHER FINANCING SOURCES (USES):
10,000	39,199	-	-	49,907	Transfers in
(1,484)	(51,223)	-	-	(53,330)	Transfers out
8,516	(12,024)	-	-	(3,423)	Total other financing sources (uses)
(953)	(3,265)	(393)	(4,327)	(9,956)	NET CHANGE IN FUND BALANCES
					Fund balances, beginning of year,
2,863	164,816	818	11,358	185,508	as previously reported
-	4,717	-	-	4,717	Adjustments to beginning fund balances
2,863	169,533	818	11,358	190,225	Fund balances, beginning of year
\$ 1,910	\$ 166,268	\$ 425	\$ 7,031	\$ 180,269	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 PSEC Capital Projects Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
General government	-	19	19	-
Total expenditures	-	19	19	-
Excess (deficiency) of revenues over (under) expenditures	-	(19)	(19)	-
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(443)	(443)	-
Total other financing sources (uses)	-	(443)	(443)	-
NET CHANGE IN FUND BALANCE	-	(462)	(462)	-
Fund balance, beginning of year	462	462	462	-
FUND BALANCE, END OF YEAR	\$ 462	\$ -	\$ -	\$ -

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Flood Control Capital Projects Fund
 For the Fiscal Year Ended June 30, 2020
 (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	1,640	1,640	-	(1,640)
Total revenues	<u>1,641</u>	<u>1,641</u>	<u>-</u>	<u>(1,641)</u>
EXPENDITURES:				
Capital outlay	<u>1,640</u>	<u>1,640</u>	<u>-</u>	<u>(1,640)</u>
Total expenditures	<u>1,640</u>	<u>1,640</u>	<u>-</u>	<u>(1,640)</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>1</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
NET CHANGE IN FUND BALANCE	1	1	-	(1)
Fund balance, beginning of year	19	19	19	-
FUND BALANCE, END OF YEAR	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 19</u>	<u>\$ (1)</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Regional Park and Open-Space Capital Projects Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	\$ 55	\$ 55	\$ 41	\$ (14)
Aid from other governmental agencies:				
State	2,081	2,331	717	(1,614)
Other revenue	292	2,206	852	(1,354)
Total revenues	2,428	4,592	1,610	(2,982)
EXPENDITURES:				
Current:				
Recreation and cultural services	3,700	6,466	2,698	(3,768)
Total expenditures	3,700	6,466	2,698	(3,768)
Excess (deficiency) of revenues over (under) expenditures	(1,272)	(1,874)	(1,088)	786
OTHER FINANCING SOURCES (USES):				
Transfers in	-	708	708	-
Transfers out	-	(180)	(180)	-
Total other financing sources (uses)	-	528	528	-
NET CHANGE IN FUND BALANCE	(1,272)	(1,346)	(560)	786
Fund balance, beginning of year	4,930	4,930	4,930	-
FUND BALANCE, END OF YEAR	<u>\$ 3,658</u>	<u>\$ 3,584</u>	<u>\$ 4,370</u>	<u>\$ 786</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 CREST Capital Projects Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	\$ 70	\$ 70	\$ 89	\$ 19
Charges for services	3,926	3,926	2,073	(1,853)
Other revenue	10,000	-	-	-
Total revenues	13,996	3,996	2,162	(1,834)
EXPENDITURES:				
Current:				
Capital outlay	11,035	9,551	11,631	2,080
Total expenditures	13,896	12,412	11,631	(781)
Excess (deficiency) of revenues over (under) expenditures	100	(8,416)	(9,469)	(1,053)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	10,000	10,000	-
Transfers out	-	(1,484)	(1,484)	-
Total other financing sources (uses)	-	8,516	8,516	-
NET CHANGE IN FUND BALANCE	100	100	(953)	(1,053)
Fund balance, beginning of year	2,863	2,863	2,863	-
FUND BALANCE, END OF YEAR	<u>\$ 2,963</u>	<u>\$ 2,963</u>	<u>\$ 1,910</u>	<u>\$ (1,053)</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Public Facilities Improvement Capital Projects Fund
 For the Fiscal Year Ended June 30, 2020
 (Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	\$ 797	\$ 797	\$ 2,241	\$ 1,444
Rents and concessions	360	360	379	19
Aid from other governmental agencies:				
State	-	-	-	-
Other	35,316	35,316	34,618	(698)
Charges for services	63,326	32,980	29,541	(3,439)
Other revenue	5,666	1,151	1,598	447
Total revenues	105,465	70,604	68,377	(2,227)
EXPENDITURES:				
Current:				
General government	170,474	130,274	59,328	(70,946)
Public ways and facilities	18,544	10,791	256	(10,535)
Debt service:				
Interest	-	-	34	34
Total expenditures	189,018	141,065	59,618	(81,447)
Excess (deficiency) of revenues over (under) expenditures	(83,553)	(70,461)	8,759	79,220
OTHER FINANCING SOURCES (USES):				
Transfers in	-	39,199	39,199	-
Transfers out	-	(51,223)	(51,223)	-
Total other financing sources (uses)	-	(12,024)	(12,024)	-
NET CHANGE IN FUND BALANCE	(83,553)	(82,485)	(3,265)	79,220
Fund balance, beginning of year, as previously reported	164,816	164,816	164,816	-
Adjustments to beginning fund balance	-	-	4,717	4,717
Fund balance, beginning of year	164,816	164,816	169,533	4,717
FUND BALANCE, END OF YEAR	\$ 81,263	\$ 82,331	\$ 166,268	\$ 83,937

PERMANENT FUNDS



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, 2020

(Dollars in Thousands)

	<u>Perris Valley Cemetery Endowment Fund</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Cash and investments	\$ 1,015
Interest receivable	<u>2</u>
Total assets	<u>1,017</u>
Deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,017</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:	
Liabilities:	
Total liabilities	<u>\$ -</u>
Deferred inflows of resources	<u>-</u>
Fund balance (Note 16):	
Nonspendable	<u>1,017</u>
Total fund balance	<u>1,017</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,017</u>

COUNTY OF RIVERSIDE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Permanent Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
REVENUES:	
Use of money and property:	
Investment earnings	\$ 16
Charges for services	122
Total revenues	<u>138</u>
EXPENDITURES:	
Total expenditures	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>138</u>
NET CHANGE IN FUND BALANCE	138
Fund balance, beginning of year	<u>879</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 1,017</u></u>



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NONMAJOR ENTERPRISE FUNDS



COUNTY OF RIVERSIDE

NONMAJOR ENTERPRISE FUNDS

These funds are used to account for operations providing goods or services to the general public. The accounting for these funds is similar to private enterprise accounting (accrual basis of accounting). The intent of the County's governing board is that all costs associated with providing these goods or services be financed or recovered primarily through user charges.

COUNTY SERVICE AREAS

These 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 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, 2020
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
ASSETS:				
Current assets:				
Cash and investments	\$ 693	\$ 597	\$ -	\$ 1,290
Accounts receivable - net	-	304	548	852
Interest receivable	1	13	-	14
Taxes receivable	12	-	-	12
Due from other governments	-	7	2,008	2,015
Due from other funds	-	-	40,115	40,115
Inventories	-	-	239	239
Restricted cash and investments	-	6,455	-	6,455
Prepaid items and deposits	-	-	354	354
Total current assets	706	7,376	43,264	51,346
Noncurrent assets:				
Capital assets:				
Depreciable assets	43	138	23,995	24,176
Total noncurrent assets	43	138	23,995	24,176
Total assets	749	7,514	67,259	75,522
DEFERRED OUTFLOWS OF RESOURCES	-	491	4,741	5,232
LIABILITIES:				
Current liabilities:				
Cash overdrawn	-	-	36,300	36,300
Accounts payable	19	6,523	5,643	12,185
Salaries and benefits payable	-	61	3,943	4,004
Due to other governments	-	-	8,474	8,474
Due to other funds	-	288	-	288
Interest payable	-	-	55	55
Deposits payable	131	-	2	133
Other liabilities	-	171	-	171
Compensated absences	-	6	2,483	2,489
Capital lease obligations	-	-	1,701	1,701
Total current liabilities	150	7,049	58,601	65,800
Noncurrent liabilities:				
Compensated absences	-	57	1,223	1,280
Capital lease obligations	-	-	22,650	22,650
Net OPEB liability	-	-	1,040	1,040
Net pension liability	-	2,349	16,639	18,988
Total noncurrent liabilities	-	2,406	41,552	43,958
Total liabilities	150	9,455	100,153	109,758
DEFERRED INFLOWS OF RESOURCES	-	45	1,607	1,652
NET POSITION:				
Net investment in capital assets	43	138	(356)	(175)
Unrestricted	556	(1,633)	(29,404)	(30,481)
Total net position	\$ 599	\$ (1,495)	\$ (29,760)	\$ (30,656)

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2020
(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)	\$ -	\$ -	\$ 16,909	\$ 16,909
Charges for services	345	1,579	13,528	15,452
Other revenue	24	26	34,063	34,113
Total operating revenues	369	1,605	64,500	66,474
OPERATING EXPENSES:				
Personnel services	-	1,194	52,405	53,599
Communications	7	-	272	279
Insurance	5	-	713	718
Maintenance of building and equipment	97	-	1,865	1,962
Supplies	7	10	2,985	3,002
Purchased services	30	1,005	23,508	24,543
Depreciation and amortization	11	21	2,927	2,959
Rents and leases of equipment	-	-	7,224	7,224
Utilities	86	-	506	592
Other	11	15	320	346
Total operating expenses	254	2,245	92,725	95,224
Operating income (loss)	115	(640)	(28,225)	(28,750)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	11	117	(473)	(345)
Interest expense	-	-	(1,288)	(1,288)
Total nonoperating revenues (expenses)	11	117	(1,761)	(1,633)
Income (loss) before capital contributions and transfers	126	(523)	(29,986)	(30,383)
Transfers in	-	-	23,854	23,854
Transfers out	-	-	(812)	(812)
CHANGE IN NET POSITION	126	(523)	(6,944)	(7,341)
Net position, beginning of year	473	(972)	(22,816)	(23,315)
NET POSITION, END OF YEAR	\$ 599	\$ (1,495)	\$ (29,760)	\$ (30,656)

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
Cash flows from operating activities				
Cash receipts (payments due) from customers	\$ 369	\$ 1,594	\$ 64,425	\$ 66,388
Cash receipts (payments due) from other funds	(1)	-	(24,115)	(24,116)
Cash paid to suppliers for goods and services	(237)	2,360	(26,743)	(24,620)
Cash paid to employees for services	-	(1,257)	(44,057)	(45,314)
Net cash provided by (used in) operating activities	131	2,697	(30,490)	(27,662)
Cash flows from noncapital financing activities				
Transfers received	-	-	23,854	23,854
Transfers paid	-	-	(812)	(812)
Net cash provided by (used in) noncapital financing activities	-	-	23,042	23,042
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(8)	(83)	(1,416)	(1,507)
Principal proceeds of (payments on) capital leases	-	-	(1,267)	(1,267)
Interest paid on long-term debt	-	-	(1,392)	(1,392)
Net cash provided by (used in) capital and related financing activities	(8)	(83)	(4,075)	(4,166)
Cash flows from investing activities				
Investment income (loss)	13	139	(473)	(321)
Net cash provided by (used in) investing activities	13	139	(473)	(321)
Net increase (decrease) in cash and cash equivalents	136	2,753	(11,996)	(9,107)
Cash and cash equivalents, beginning of year	557	4,299	(24,304)	(19,448)
Cash and cash equivalents, end of year	\$ 693	\$ 7,052	\$ (36,300)	\$ (28,555)
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments per Statement of Net Position	\$ 693	\$ 597	\$ (36,300)	\$ (35,010)
Restricted cash and investments per Statement of Net Position	-	6,455	-	6,455
Total cash and cash equivalents per Statement of Net Position	\$ 693	\$ 7,052	\$ (36,300)	\$ (28,555)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ 115	\$ (640)	\$ (28,225)	\$ (28,750)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	11	21	2,927	2,959
Decrease (Increase) accounts receivable	-	(36)	513	477
Decrease (Increase) taxes receivable	(1)	-	-	(1)
Decrease (Increase) due from other funds	-	-	(24,115)	(24,115)
Decrease (Increase) due from other governments	-	25	(588)	(563)
Decrease (Increase) inventories	-	-	(25)	(25)
Decrease (Increase) prepaid items and deposits	-	-	(247)	(247)
Increase (Decrease) accounts payable	4	3,071	4,798	7,873
Increase (Decrease) due to other funds	-	273	-	273
Increase (Decrease) due to other governments	-	-	6,139	6,139
Increase (Decrease) deposits payable	2	-	(15)	(13)
Increase (Decrease) other liabilities	-	46	-	46
Increase (Decrease) net pension liability	-	87	3,682	3,769
Increase (Decrease) net OPEB liability	-	-	569	569
Increase (Decrease) deferred OPEB	-	-	(618)	(618)
Increase (Decrease) deferred pensions	-	(69)	3,475	3,406
Increase (Decrease) salaries and benefits payable	-	(50)	938	888
Increase (Decrease) compensated absences	-	(31)	302	271
Net cash provided by (used in) operating activities	\$ 131	\$ 2,697	\$ (30,490)	\$ (27,662)

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

Noncash investing, capital, and financing activities	\$	14	\$	14
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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, 2020
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
ASSETS:					
Current assets:					
Cash and investments	\$ -	\$ 5,302	\$ 34,750	\$ 360	\$ 439
Accounts receivable - net	-	19	202	-	27
Interest receivable	-	2	44	-	2
Due from other governments	-	68	171	56	12
Due from other funds	-	-	-	-	-
Inventories	-	664	1,031	116	238
Prepaid items and deposits	-	-	443	-	-
Total current assets	-	6,055	36,641	532	718
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	-	2,310	15,154	-	-
Depreciable assets	-	35,717	24,397	222	143
Total noncurrent assets	-	38,027	39,551	222	143
Total assets	-	44,082	76,192	754	861
DEFERRED OUTFLOWS OF RESOURCES	-	1,434	17,386	224	212
LIABILITIES:					
Current liabilities:					
Accounts payable	-	1,378	2,487	14	40
Salaries and benefits payable	-	345	4,262	54	29
Due to other governments	-	1	-	-	6
Due to other funds	-	-	-	-	-
Other liabilities	-	-	-	-	-
Accrued remediation costs	-	47	-	-	-
Compensated absences	-	457	4,726	61	27
Capital lease obligations	-	7,398	4,383	-	-
Estimated claims liabilities	-	-	-	-	-
Total current liabilities	-	9,626	15,858	129	102
Noncurrent liabilities:					
Compensated absences	-	87	2,688	33	50
Advances from other funds	-	-	-	-	-
Capital lease obligations	-	12,572	14,125	-	-
Accrued remediation costs	-	63	-	-	-
Estimated claims liabilities	-	-	-	-	-
Net OPEB liability	-	127	1,190	21	11
Net pension liability	-	6,391	92,254	945	1,026
Total noncurrent liabilities	-	19,240	110,257	999	1,087
Total liabilities	-	28,866	126,115	1,128	1,189
DEFERRED INFLOWS OF RESOURCES	-	157	2,086	25	14
NET POSITION:					
Net investment in capital assets	-	18,057	21,043	222	143
Unrestricted	-	(1,564)	(55,666)	(397)	(273)
Total net position	\$ -	\$ 16,493	\$ (34,623)	\$ (175)	\$ (130)

Human Resources	Risk Management	Temporary Assignment Pool	EDA Facilities Management	Flood Control Equipment	Total	
						ASSETS:
						Current assets:
\$ -	\$ 300,065	\$ 3,399	\$ 15,480	\$ 6,711	\$ 366,506	Cash and investments
-	7,038	-	59	1	7,346	Accounts receivable - net
-	528	-	12	14	602	Interest receivable
-	-	-	698	-	1,005	Due from other governments
-	580	-	674	-	1,254	Due from other funds
-	-	-	128	282	2,459	Inventories
-	313	-	-	-	756	Prepaid items and deposits
-	308,524	3,399	17,051	7,008	379,928	Total current assets
						Noncurrent assets:
						Capital assets:
-	-	-	-	-	17,464	Nondepreciable assets
-	-	5	33	3,048	63,565	Depreciable assets
-	-	5	33	3,048	81,029	Total noncurrent assets
-	308,524	3,404	17,084	10,056	460,957	Total assets
-	6,044	776	8,296	-	34,372	DEFERRED OUTFLOWS OF RESOURCES
						LIABILITIES:
						Current liabilities:
-	25,681	211	2,936	198	32,945	Accounts payable
-	1,863	192	2,134	144	9,023	Salaries and benefits payable
-	-	-	-	-	7	Due to other governments
-	22	-	719	-	741	Due to other funds
-	388	-	2,157	-	2,545	Other liabilities
-	-	-	-	-	47	Accrued remediation costs
-	1,888	135	2,307	12	9,613	Compensated absences
-	-	-	-	-	11,781	Capital lease obligations
-	60,864	-	-	-	60,864	Estimated claims liabilities
-	90,706	538	10,253	354	127,566	Total current liabilities
						Noncurrent liabilities:
-	1,447	63	777	114	5,259	Compensated absences
-	-	-	3,342	-	3,342	Advances from other funds
-	-	-	-	-	26,697	Capital lease obligations
-	-	-	-	-	63	Accrued remediation costs
-	194,522	-	-	-	194,522	Estimated claims liabilities
-	452	69	814	-	2,684	Net OPEB liability
-	27,921	3,196	38,065	-	169,798	Net pension liability
-	224,342	3,328	42,998	114	402,365	Total noncurrent liabilities
-	315,048	3,866	53,251	468	529,931	Total liabilities
-	743	81	996	-	4,102	DEFERRED INFLOWS OF RESOURCES
						NET POSITION:
-	-	5	33	3,048	42,551	Net investment in capital assets
-	(1,223)	228	(28,900)	6,540	(81,255)	Unrestricted
\$ -	\$ (1,223)	\$ 233	\$ (28,867)	\$ 9,588	\$ (38,704)	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, 2020
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
OPERATING REVENUES:					
Charges for services	\$ -	\$ 30,374	\$ 113,631	\$ 1,166	\$ 2,779
Other revenue	-	360	42	1,723	153
Total operating revenues	-	30,734	113,673	2,889	2,932
OPERATING EXPENSES:					
Cost of materials used	-	1,642	-	-	-
Personnel services	-	5,521	66,512	861	464
Communications	-	110	8,478	5	14
Insurance	-	206	536	15	24
Maintenance of building and equipment	-	4,415	18,180	32	202
Insurance claims	-	-	-	-	-
Supplies	-	7,486	2,226	1,483	2,257
Purchased services	-	1,527	3,579	667	333
Depreciation and amortization	-	11,684	6,680	36	10
Rents and leases of equipment	-	1,092	5,171	-	-
Utilities	-	66	1,096	8	28
Other	-	161	1,187	101	116
Total operating expenses	-	33,910	113,645	3,208	3,448
Operating income (loss)	-	(3,176)	28	(319)	(516)
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	-	34	333	4	13
Interest expense	-	(274)	(207)	-	-
Gain (loss) on disposal of capital assets	-	114	83	-	13
Total nonoperating revenues (expenses)	-	(126)	209	4	26
Income (loss) before capital contributions and transfers	-	(3,302)	237	(315)	(490)
Capital contributions	-	-	14	-	-
Transfers in	-	7	2,845	-	8
Transfers out	(67)	(85)	(1,053)	(13)	(7)
CHANGE IN NET POSITION	(67)	(3,380)	2,043	(328)	(489)
Net position, beginning of year	67	19,873	(36,666)	153	359
Adjustments to beginning net position (Note 3)	-	-	-	-	-
Net position, beginning of year, as restated	67	19,873	(36,666)	153	359
NET POSITION, END OF YEAR	\$ -	\$ 16,493	\$ (34,623)	\$ (175)	\$ (130)

Human Resources	Risk Management	Temporary Assignment Pool	EDA Facilities Management	Flood Control Equipment	Total	
\$ -	\$ 66,149	\$ 6,938	\$ 120,048	\$ 1,079	\$ 342,164	OPERATING REVENUES:
-	11,669	-	14,170	8,860	36,977	Charges for services
-	77,818	6,938	134,218	9,939	379,141	Other revenue
						Total operating revenues
-	-	-	-	38	1,680	OPERATING EXPENSES:
-	22,707	3,137	34,245	2,130	135,577	Cost of materials used
-	78	-	103	-	8,788	Personnel services
-	32,258	54	671	-	33,764	Communications
-	95	32	15,464	808	39,228	Insurance
-	145,306	-	-	-	145,306	Maintenance of building and equipment
-	4,878	152	2,632	1,096	22,210	Insurance claims
1,753	6,490	1,429	14,448	2,442	32,668	Supplies
-	1	-	10	863	19,284	Purchased services
-	1,586	416	64,944	10	73,219	Depreciation and amortization
-	30	-	1,539	-	2,767	Rents and leases of equipment
-	3,080	73	1,737	257	6,712	Utilities
1,753	216,509	5,293	135,793	7,644	521,203	Other
(1,753)	(138,691)	1,645	(1,575)	2,295	(142,062)	Total operating expenses
						Operating income (loss)
-	4,183	-	114	122	4,803	NONOPERATING REVENUES (EXPENSES):
-	-	-	-	-	(481)	Investment income (loss)
-	-	5	-	72	287	Interest expense
-	4,183	5	114	194	4,609	Gain (loss) on disposal of capital assets
						Total nonoperating revenues (expenses)
(1,753)	(134,508)	1,650	(1,461)	2,489	(137,453)	Income (loss) before capital contributions and transfers
-	174,941	-	-	-	174,955	Capital contributions
1,753	3,565	-	302	-	8,480	Transfers in
-	(3,914)	(44)	(491)	-	(5,674)	Transfers out
-	40,084	1,606	(1,650)	2,489	40,308	CHANGE IN NET POSITION
-	(41,092)	(1,373)	(27,217)	7,099	(78,797)	Net position, beginning of year
-	(215)	-	-	-	(215)	Adjustments to beginning net position (Note 3)
-	(41,307)	(1,373)	(27,217)	7,099	(79,012)	Net position, beginning of year, as restated
\$ -	\$ (1,223)	\$ 233	\$ (28,867)	\$ 9,588	\$ (38,704)	NET POSITION, END OF YEAR

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

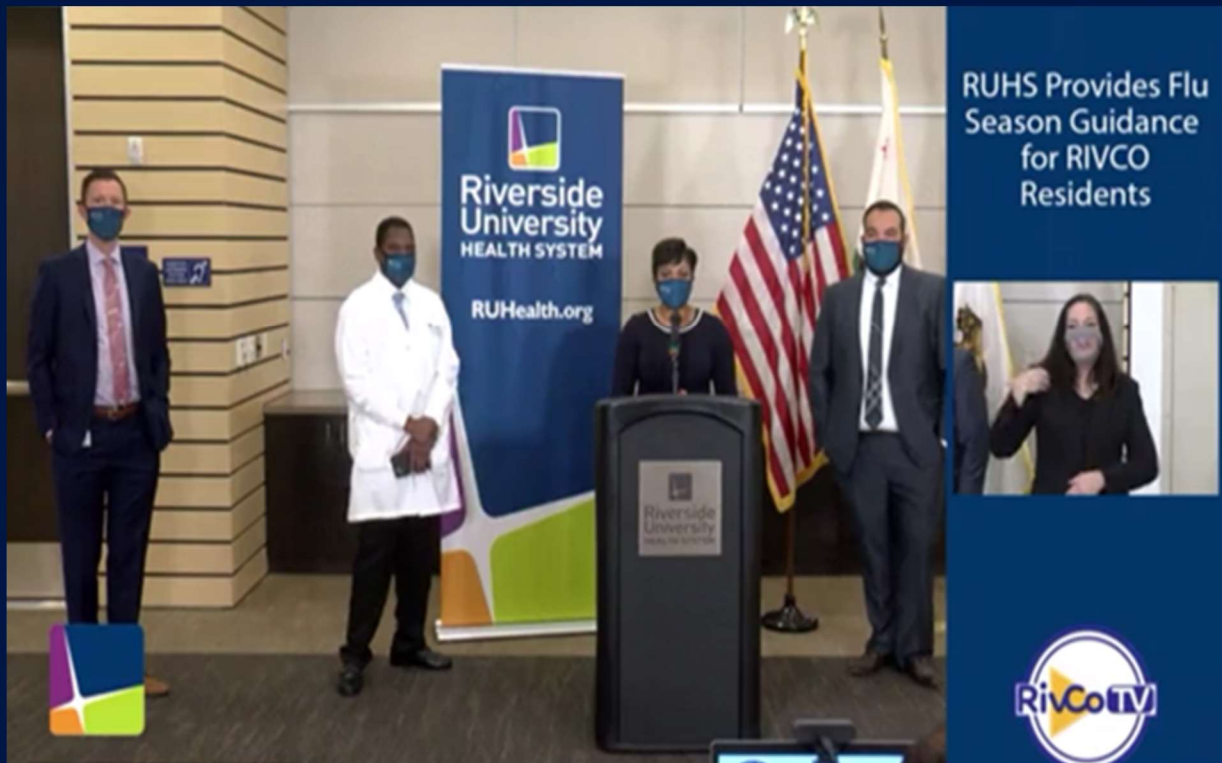
	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
Cash flows from operating activities					
Cash receipts (payments due) from customers	\$ -	\$ 69	\$ (64)	\$ 9	\$ (12)
Cash receipts (payments due) from other funds	-	30,797	113,748	2,889	2,932
Cash paid to suppliers for goods and services	-	(17,074)	(40,291)	(2,271)	(3,045)
Cash paid to employees for services	-	(4,698)	(56,286)	(749)	(404)
Net cash provided by (used in) operating activities	-	9,094	17,107	(122)	(529)
Cash flows from noncapital financing activities					
Transfers received	-	7	2,845	-	8
Transfers paid	(67)	(85)	(1,053)	(13)	(7)
Net cash provided by (used in) noncapital financing activities	(67)	(78)	1,792	(13)	1
Cash flows from capital and related financing activities					
Proceeds (loss) from sale of capital assets	-	114	83	-	13
Acquisition and construction of capital assets	-	(4,658)	(16,161)	-	(50)
Principal proceeds of (payment on) capital leases	-	(6,485)	4,201	-	-
Capital contributions	-	-	14	-	-
Interest paid on long-term debt	-	(274)	(207)	-	-
Net cash provided by (used in) capital and related financing activities	-	(11,303)	(12,070)	-	(37)
Cash flows from investing activities					
Investment income (loss)	-	46	383	5	18
Net cash provided by (used in) investing activities	-	46	383	5	18
Net increase (decrease) in cash and cash equivalents	(67)	(2,241)	7,212	(130)	(547)
Cash and cash equivalents, beginning of year	67	7,543	27,538	490	986
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 5,302</u>	<u>\$ 34,750</u>	<u>\$ 360</u>	<u>\$ 439</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and investments per Statement of Net Position	\$ -	\$ 5,302	\$ 34,750	\$ 360	\$ 439
Total cash and cash equivalents per Statement of Net Position	<u>\$ -</u>	<u>\$ 5,302</u>	<u>\$ 34,750</u>	<u>\$ 360</u>	<u>\$ 439</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	\$ -	\$ (3,176)	\$ 28	\$ (319)	\$ (516)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	-	11,684	6,680	36	10
Decrease (Increase) accounts receivable	-	63	75	-	-
Decrease (Increase) due from other funds	-	-	-	-	-
Decrease (Increase) due from other governments	-	69	(64)	9	(12)
Decrease (Increase) inventories	-	(137)	27	39	(85)
Decrease (Increase) prepaid items and deposits	-	-	(10)	-	-
Increase (Decrease) accounts payable	-	588	145	1	14
Increase (Decrease) due to other funds	-	-	-	-	-
Increase (Decrease) due to other governments	-	-	-	-	-
Increase (Decrease) accrued remediation costs	-	(48)	-	-	-
Increase (Decrease) other liabilities	-	(772)	-	-	-
Increase (Decrease) estimated claims liability	-	-	-	-	-
Increase (Decrease) net pension liability	-	384	4,788	57	32
Increase (Decrease) net OPEB liability	-	64	663	10	6
Increase (Decrease) deferred pensions	-	250	3,771	44	26
Increase (Decrease) salaries and benefits payable	-	45	668	5	3
Increase (Decrease) compensated absences	-	80	336	(4)	(7)
Net cash provided by (used in) operating activities	<u>\$ -</u>	<u>\$ 9,094</u>	<u>\$ 17,107</u>	<u>\$ (122)</u>	<u>\$ (529)</u>
Noncash investing, capital, and financing					
Capital lease obligations		<u>\$ 26,708</u>	<u>\$ -</u>		

Human Resources	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
\$ -	\$ -	\$ -	\$ 69	\$ -	\$ 71	Cash flows from operating activities
-	81,330	6,938	133,815	10,457	382,906	Cash receipts (payments due) from customers
(1,753)	(207,634)	(2,067)	(103,876)	(4,677)	(382,688)	Cash receipts (payments due) from other funds
-	(19,344)	(2,746)	(29,548)	(5,859)	(119,634)	Cash paid to suppliers for goods and services
(1,753)	(145,648)	2,125	460	(79)	(119,345)	Cash paid to employees for services
1,753	3,350	-	302	-	8,265	Net cash provided by (used in) operating activities
-	(3,914)	(44)	(491)	-	(5,674)	Cash flows from noncapital financing activities
1,753	(564)	(44)	(189)	-	2,591	Transfers received
-	-	5	-	72	287	Transfers paid
-	-	(5)	-	(1,590)	(22,464)	Net cash provided by (used in) noncapital financing activities
-	-	-	-	-	(2,284)	Cash flows from capital and related financing activities
-	174,941	-	-	-	174,955	Proceeds (loss) from sale of capital assets
-	-	-	-	-	(481)	Acquisition and construction of capital assets
-	174,941	-	-	(1,518)	150,013	Principal proceeds of (payment on) capital leases
-	4,869	-	139	143	5,603	Capital contributions
-	4,869	-	139	143	5,603	Interest paid on long-term debt
-	33,598	2,081	410	(1,454)	38,862	Net cash provided by (used in) capital and related financing activities
-	266,467	1,318	15,070	8,165	327,644	Cash flows from investing activities
\$ -	\$ 300,065	\$ 3,399	\$ 15,480	\$ 6,711	\$ 366,506	Investment income (loss)
\$ -	\$ 300,065	\$ 3,399	\$ 15,480	\$ 6,711	\$ 366,506	Net increase (decrease) in cash and cash equivalents
						Cash and cash equivalents, beginning of year
						Cash and cash equivalents, end of year
						Reconciliation of cash and cash equivalents to the Statement of Net Position
\$ -	\$ 300,065	\$ 3,399	\$ 15,480	\$ 6,711	\$ 366,506	Cash and investments per Statement of Net Position
\$ -	\$ 300,065	\$ 3,399	\$ 15,480	\$ 6,711	\$ 366,506	Total cash and cash equivalents per Statement of Net Position
\$ (1,753)	\$ (138,691)	\$ 1,645	\$ (1,575)	\$ 2,295	\$ (142,062)	Reconciliation of operating income (loss) to net cash provided by (used in) operating activities
-	1	-	10	863	19,284	Operating income (loss)
-	4,092	-	271	1	4,502	Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities
-	(580)	-	(674)	517	(737)	Depreciation and amortization
-	-	-	69	-	71	Decrease (Increase) accounts receivable
-	-	-	42	5	(109)	Decrease (Increase) due from other funds
-	45	-	-	-	35	Decrease (Increase) due from other governments
-	(9,157)	89	(1,423)	112	(9,631)	Decrease (Increase) inventories
-	(74)	-	(861)	(12)	(947)	Decrease (Increase) prepaid items and deposits
-	(1)	-	(1)	(131)	(133)	Increase (Decrease) accounts payable
-	-	-	-	-	(48)	Increase (Decrease) due to other funds
-	78	-	(95)	-	(789)	Increase (Decrease) due to other governments
-	(4,724)	-	-	-	(4,724)	Increase (Decrease) accrued remediation costs
-	1,583	200	2,231	(4,541)	4,734	Increase (Decrease) other liabilities
-	233	33	391	-	1,400	Increase (Decrease) estimated claims liability
-	1,439	126	1,764	758	8,178	Increase (Decrease) net pension liability
-	38	36	223	58	1,076	Increase (Decrease) net OPEB liability
-	70	(4)	88	(4)	555	Increase (Decrease) deferred pensions
\$ (1,753)	\$ (145,648)	\$ 2,125	\$ 460	\$ (79)	\$ (119,345)	Increase (Decrease) salaries and benefits payable
						Increase (Decrease) compensated absences
						Net cash provided by (used in) operating activities
						Noncash investing, capital, and financing activities:
						Capital lease obligations
					\$ 26,708	



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FIDUCIARY FUNDS



COUNTY OF RIVERSIDE

FIDUCIARY FUNDS

These funds were established for the purpose of accounting for assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's own programs and are excluded from the government-wide financial statements.

EXTERNAL INVESTMENT POOL

The External Investment Pool Funds are the external portion of the investment pool not held in a trust that meets the criteria in paragraph 18 of GASB Statement No. 84 which are required to be reported in a single column within the custodial funds classification.

PROPERTY TAX COLLECTION

The Property Tax Collection Funds were set up to help Riverside County account for apportioned taxes clearing, delinquent mobile home fees, property tax refunds, special assessments, and Teeter Plan collections.

PAYROLL DEDUCTIONS

The purpose of these funds 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.

OTHER CUSTODIAL

These funds were 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, family support clearing, and clearing fund for various categories of warrants issued by Riverside County.

COUNTY OF RIVERSIDE
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2020
(Dollars in Thousands)

	External Investment Pool	Property Tax Collection	Payroll Deductions	Other Custodial	Total
ASSETS:					
Cash and investments	\$ 248,632	\$ 63,398	\$ 11,068	\$ 138,822	\$ 461,920
Receivables:					
Accounts receivable	-	-	16,253	6	16,259
Interest receivable	8,942	97	-	78	9,117
Taxes receivable	-	39,005	-	8,429	47,434
Investment at fair value:					
Short-term investments	220,801	-	-	-	220,801
Federal agency	2,949,708	-	-	-	2,949,708
Mutual funds	-	-	-	-	-
Commercial paper	165,739	-	-	-	165,739
Negotiable CDs	99,453	-	-	-	99,453
Medium term notes	56,226	-	-	-	56,226
Municipal bonds	86,611	-	-	-	86,611
Bonds - U.S. Treasury	1,347,170	-	-	-	1,347,170
Total assets	<u>5,183,282</u>	<u>102,500</u>	<u>27,321</u>	<u>147,335</u>	<u>5,460,438</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES:					
Cash overdrawn	-	-	16,253	-	16,253
Accounts payable	-	6,122	5,643	107,971	119,736
Due to other governments	-	95,999	5,425	35,819	137,243
Total liabilities	<u>-</u>	<u>102,121</u>	<u>27,321</u>	<u>143,790</u>	<u>273,232</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Restricted for:					
Pool participants	5,183,282	-	-	-	5,183,282
Individuals, organizations & other governments	-	379	-	3,545	3,924
Total net position	<u>\$ 5,183,282</u>	<u>\$ 379</u>	<u>\$ -</u>	<u>\$ 3,545</u>	<u>\$ 5,187,206</u>

COUNTY OF RIVERSIDE
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	External Investment Pool	Property Tax Collection	Payroll Deductions	Other Custodial	Total
ADDITIONS					
Contributions:					
Contributions to pooled investments	\$ 1,047,718	\$ -	\$ -	\$ -	\$ 1,047,718
Total contributions	<u>1,047,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,047,718</u>
Investment earnings:					
Net increase in fair value of investments	77,437	379	-	663	78,479
Interest, dividends, and other	4	-	-	-	4
Total investment earnings	<u>77,441</u>	<u>379</u>	<u>-</u>	<u>663</u>	<u>78,483</u>
Less investment costs:					
Investment activity costs	-	-	-	-	-
Net investment earnings	<u>77,441</u>	<u>379</u>	<u>-</u>	<u>663</u>	<u>78,483</u>
Property tax collection other governments	-	5,969,287	-	-	5,969,287
Other custodial fund collections		-	2,285,622	28	2,285,650
Miscellaneous		-	-	35	35
Total additions	<u>1,125,159</u>	<u>5,969,666</u>	<u>2,285,622</u>	<u>726</u>	<u>9,381,173</u>
DEDUCTIONS					
Administrative expense	-	-	-	1	1
Distributions to shareholders	668,785	-	-	140	668,925
Beneficiary payments to individuals, organizations and other governments	-	-	2,296,268	252,299	2,548,567
Property taxes distributed to other governments	-	6,098,014	-	-	6,098,014
Total deductions	<u>668,785</u>	<u>6,098,014</u>	<u>2,296,268</u>	<u>252,440</u>	<u>9,315,507</u>
Net increase (decrease) in fiduciary net position	456,374	(128,348)	(10,646)	(251,714)	65,666
Net position, beginning of the year	-	-	-	-	-
Adjustments to beginning net position (Note 3)	4,726,908	128,727	10,646	255,259	5,121,540
Net position beginning of the year, as restated	<u>4,726,908</u>	<u>128,727</u>	<u>10,646</u>	<u>255,259</u>	<u>5,121,540</u>
Net position, end of the year	<u>\$ 5,183,282</u>	<u>\$ 379</u>	<u>\$ -</u>	<u>\$ 3,545</u>	<u>\$ 5,187,206</u>



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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.

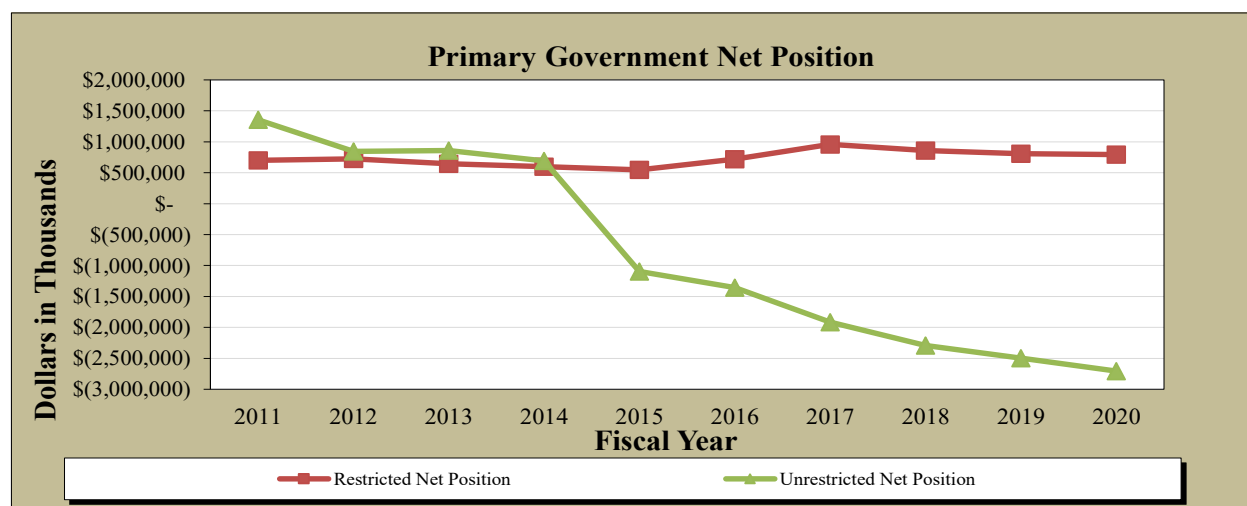
- Full-time Equivalent County Government Employees by Function/Program
- Operating Indicators by Function
- Capital Asset Statistics by Function

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, 2020

	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
Governmental activities					
Net investment in capital assets	\$ 3,042,172	\$ 3,673,404	\$ 3,505,380	\$ 3,355,072	\$ 3,240,888
Restricted	735,739	769,225	799,830	911,249	667,696
Unrestricted	(2,198,345)	(2,092,164)	(1,947,282)	(1,689,770)	(1,242,905)
Governmental activities, total net position	<u>\$ 1,579,566</u>	<u>\$ 2,350,465</u>	<u>\$ 2,357,928</u>	<u>\$ 2,576,551</u>	<u>\$ 2,665,679</u>
Business-type activities					
Net investment in capital assets	\$ 228,265	\$ 224,427	\$ 218,159	\$ 202,150	\$ 112,906
Restricted	56,744	40,585	58,136	47,468	49,241
Unrestricted	(507,675)	(403,461)	(344,312)	(225,964)	(113,124)
Business-type activities, total net position	<u>\$ (222,666)</u>	<u>\$ (138,449)</u>	<u>\$ (68,017)</u>	<u>\$ 23,654</u>	<u>\$ 49,023</u>
Primary government					
Net investment in capital assets	\$ 3,270,437	\$ 3,897,831	\$ 3,723,539	\$ 3,557,222	\$ 3,353,794
Restricted	792,483	809,810	857,966	958,717	716,937
Unrestricted	(2,706,020)	(2,495,625)	(2,291,594)	(1,915,734)	(1,356,029)
Primary government, total net position	<u>\$ 1,356,900</u>	<u>\$ 2,212,016</u>	<u>\$ 2,289,911</u>	<u>\$ 2,600,205</u>	<u>\$ 2,714,702</u>



Source: Auditor-Controller, County of Riverside

Table 1

Fiscal Year Ending June 30					
2015	2014	2013	2012	2011	
					Governmental activities
\$ 3,009,048	\$ 3,165,319	\$ 2,998,987	\$ 2,740,429	\$ 1,687,128	Net investment in capital assets
489,359	499,463	550,326	683,835	656,347	Restricted
(971,969)	718,105	771,883	851,269	1,295,657	Unrestricted
<u>\$ 2,526,438</u>	<u>\$ 4,382,887</u>	<u>\$ 4,321,196</u>	<u>\$ 4,275,533</u>	<u>\$ 3,639,132</u>	Governmental activities, total net position
					Business-type activities
\$ 95,160	\$ 147,806	\$ 118,594	\$ 130,510	\$ 113,489	Net investment in capital assets
56,569	96,904	94,346	41,103	43,086	Restricted
(122,341)	(27,903)	88,852	(5,456)	59,550	Unrestricted
<u>\$ 29,388</u>	<u>\$ 216,807</u>	<u>\$ 301,792</u>	<u>\$ 166,157</u>	<u>\$ 216,125</u>	Business-type activities, total net position
					Primary government
\$ 3,104,208	\$ 3,313,125	\$ 3,117,581	\$ 2,870,939	\$ 1,800,617	Net investment in capital assets
545,928	596,367	644,672	724,938	699,433	Restricted
(1,094,310)	690,202	860,735	845,813	1,355,207	Unrestricted
<u>\$ 2,555,826</u>	<u>\$ 4,599,694</u>	<u>\$ 4,622,988</u>	<u>\$ 4,441,690</u>	<u>\$ 3,855,257</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, 2020

	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
Program revenues					
Governmental activities:					
Charges for services:					
General government	\$ 167,806	\$ 170,904	\$ 192,894	\$ 230,767	\$ 201,495
Public protection	461,197	448,722	434,301	417,682	398,070
Other activities	139,136	139,861	89,778	118,140	135,204
Operating grants and contributions	2,291,206	2,010,351	1,951,911	1,912,480	1,907,919
Capital grants and contributions	32,453	47,530	77,352	49,088	54,134
Governmental activities program revenues	3,091,798	2,817,368	2,746,236	2,728,157	2,696,822
Business-type activities:					
Charges for services:					
Riverside University Health					
Systems - Medical Center	631,853	585,761	560,187	544,060	511,666
Other activities	263,173	252,163	227,588	172,851	164,860
Capital grants and contributions	355	-	87	552	2,234
Business-type activities program revenues	895,381	837,924	787,862	717,463	678,760
Primary government program revenues	3,987,179	3,655,292	3,534,098	3,445,620	3,375,582
Expenses					
Governmental activities:					
General government	336,802	261,113	275,973	277,276	283,081
Public protection	2,209,120	1,600,054	1,606,348	1,465,762	1,328,608
Public ways and facilities	239,741	244,547	215,360	199,023	149,768
Health and sanitation	759,480	611,195	611,960	559,906	468,382
Public assistance	1,236,525	1,067,788	1,067,151	1,024,047	980,550
Education	32,607	25,220	23,560	24,603	23,283
Recreation and cultural services	22,939	19,232	17,345	17,980	20,758
Interest on long-term debt	69,034	69,630	63,685	69,874	46,306
Governmental activities expenses	4,906,248	3,898,779	3,881,382	3,638,471	3,300,736
Business-type activities:					
Riverside University Health					
Systems - Medical Center	738,306	663,496	636,169	582,419	506,338
Waste Resources Department	104,445	102,278	88,964	87,115	75,358
Housing Authority	99,066	95,929	98,591	91,783	88,166
Flood Control	2,245	2,404	5,183	3,903	3,591
Riverside University Health					
Systems - Community Health Centers	95,371	79,792	56,247	-	-
County Service Areas	254	233	243	370	413
Business-type activities expenses	1,039,687	944,132	885,397	765,590	673,866
Primary government expenses	5,945,935	4,842,911	4,766,779	4,404,061	3,974,602
Net (expense)/revenue					
Governmental activities	(1,814,450)	(1,081,411)	(1,135,146)	(910,314)	(603,914)
Business-type activities	(144,306)	(106,208)	(97,535)	(48,127)	4,894
Primary government, net (expense) / revenue	<u>\$ (1,958,756)</u>	<u>\$ (1,187,619)</u>	<u>\$ (1,232,681)</u>	<u>\$ (958,441)</u>	<u>\$ (599,020)</u>

Source:

Auditor-Controller, County of Riverside

Table 2

Fiscal Year Ending June 30					
2015	2014	2013	2012	2011	
					Program revenues
					Governmental activities:
					Charges for services:
\$ 164,830	\$ 162,926	\$ 138,851	\$ 147,510	\$ 159,570	General government
371,237	352,178	339,379	316,778	326,237	Public protection
109,773	100,791	110,231	116,509	105,931	Other activities
1,800,158	1,593,627	1,503,390	1,447,694	1,393,016	Operating grants and contributions
31,579	29,890	27,695	27,909	32,114	Capital grants and contributions
2,477,577	2,239,412	2,119,546	2,056,400	2,016,868	Governmental activities program revenues
					Business-type activities:
					Charges for services:
504,811	400,630	450,340	371,827	386,533	Riverside University Health
161,008	155,336	150,407	133,838	140,327	Systems - Medical Center
536	450	698	335	-	Other activities
666,355	556,416	601,445	506,000	526,860	Capital grants and contributions
3,143,932	2,795,828	2,720,991	2,562,400	2,543,728	Business-type activities program revenues
					Primary government program revenues
					Expenses
					Governmental activities:
179,575	228,146	194,641	270,474	298,032	General government
1,217,731	1,191,438	1,065,373	1,047,202	1,021,288	Public protection
177,870	108,380	89,469	84,797	87,424	Public ways and facilities
499,669	460,963	422,982	374,950	369,984	Health and sanitation
970,415	851,246	807,611	827,092	907,202	Public assistance
23,409	24,420	18,998	10,376	15,816	Education
18,335	20,077	12,274	15,806	9,364	Recreation and cultural services
45,904	47,236	29,453	39,098	88,998	Interest on long-term debt
3,132,908	2,931,906	2,640,801	2,669,795	2,798,108	Governmental activities expenses
					Business-type activities:
468,562	482,240	473,916	417,074	401,120	Riverside University Health
56,299	62,721	53,069	57,272	56,688	Systems - Medical Center
90,903	94,716	90,678	91,469	86,027	Waste Resources Department
3,056	2,561	2,472	2,306	3,711	Housing Authority
-	-	-	-	-	Flood Control
390	429	459	456	383	Riverside University Health
619,210	642,667	620,594	568,577	547,929	Systems - Community Health Centers
3,752,118	3,574,573	3,261,395	3,238,372	3,346,037	County Service Areas
					Business-type activities expenses
					Primary government expenses
					Net (expense)/revenue
(655,331)	(692,494)	(521,255)	(613,395)	(781,240)	Governmental activities
47,145	(86,251)	(19,149)	(62,577)	(21,069)	Business-type activities
\$ (608,186)	\$ (778,745)	\$ (540,404)	\$ (675,972)	\$ (802,309)	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, 2020

	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
Continued:					
Primary government, net (expense) / revenue	\$ (1,958,756)	\$ (1,187,619)	\$ (1,232,681)	\$ (958,441)	\$ (599,020)
General revenues and other changes in net position					
Governmental activities:					
Taxes:					
Property taxes	424,417	407,895	387,305	367,937	346,851
Sales and use tax	30,745	33,673	27,557	27,881	29,573
Other taxes	30,996	29,941	18,634	20,844	22,005
Intergovernmental revenue - not restricted to programs:					
Unrestricted intergovernmental revenue	320,206	281,336	262,745	258,999	232,453
Investment earnings	44,139	69,755	26,613	12,918	12,948
Other	248,806	255,570	238,724	164,297	160,521
Transfers	(55,533)	(28,292)	(15,036)	(19,916)	(22,478)
Extraordinary item	-	-	-	-	-
Governmental activities	1,043,776	1,049,878	946,542	832,960	781,873
Business-type activities:					
Investment earnings	4,841	8,330	3,228	2,182	2,720
Other	-	-	-	-	-
Transfers	55,533	28,292	15,036	19,916	22,478
Extraordinary item	(285)	-	78	1,152	(2,803)
Business-type activities	60,089	36,622	18,342	23,250	22,395
Total primary government	1,103,865	1,086,500	964,884	856,210	804,268
Change in net position					
Governmental activities	(770,674)	(31,533)	(188,604)	(77,354)	177,959
Business-type activities	(84,217)	(69,586)	(79,193)	(24,877)	27,289
Primary government change in net position	<u>\$ (854,891)</u>	<u>\$ (101,119)</u>	<u>\$ (267,797)</u>	<u>\$ (102,231)</u>	<u>\$ 205,248</u>

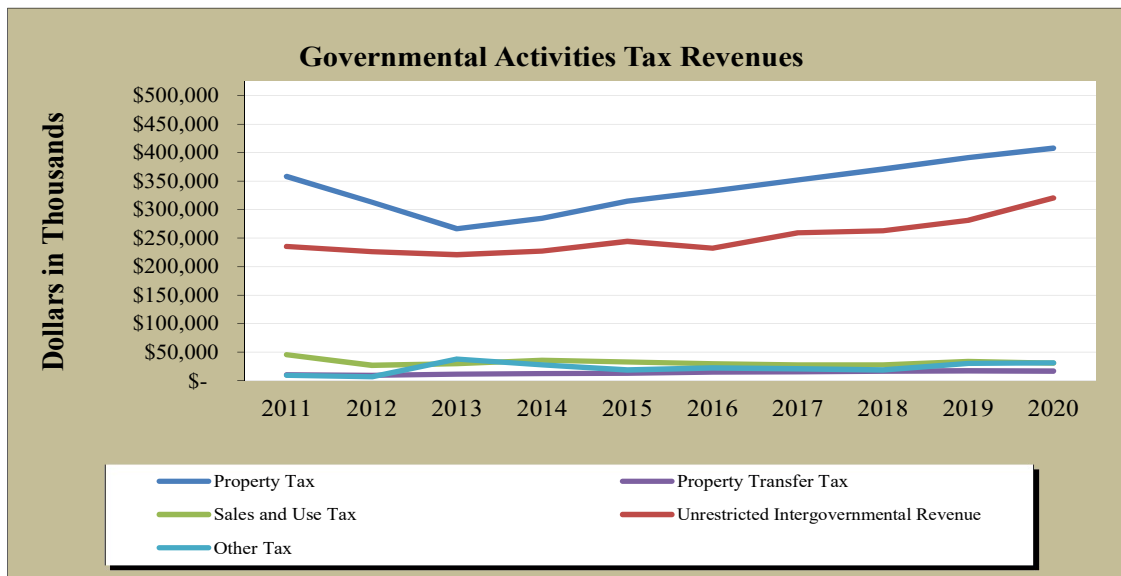
Table 2

Fiscal Year Ending June 30					
2015	2014	2013	2012	2011	
\$ (608,186)	\$ (778,745)	\$ (540,404)	\$ (675,972)	\$ (802,309)	Continued:
					Primary government, net (expense) / revenue
					General revenues and other changes in net position
					Governmental activities:
					Taxes:
327,504	297,107	277,417	322,337	367,867	Property taxes
32,851	35,443	29,751	26,744	45,489	Sales and use tax
18,632	27,764	37,883	6,715	9,004	Other taxes
					Intergovernmental revenue - not restricted to programs:
244,003	227,303	220,811	226,384	235,153	Unrestricted intergovernmental revenue
8,700	11,317	2,035	11,801	19,494	Investment earnings
164,177	167,992	168,454	169,399	142,966	Other
(11,250)	(9,644)	(1,049)	(11,702)	(10,355)	Transfers
-	-	(158,337)	502,638	-	Extraordinary item
784,617	757,282	576,965	1,254,316	809,618	Governmental activities
					Business-type activities:
895	1,319	(33)	907	538	Investment earnings
-	-	-	-	6,617	Other
11,250	9,645	1,049	11,702	10,355	Transfers
(905)	(9,698)	154,589	-	-	Extraordinary item
11,240	1,266	155,605	12,609	17,510	Business-type activities
795,857	758,548	732,570	1,266,925	827,128	Total primary government
					Change in net position
129,286	64,788	55,710	640,921	28,378	Governmental activities
58,385	(84,985)	136,456	(49,968)	(3,559)	Business-type activities
\$ 187,671	\$ (20,197)	\$ 192,166	\$ 590,953	\$ 24,819	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, 2020

Fiscal Year Ending June 30	Property Tax	Property Transfer Tax	Sales and Use Tax	Unrestricted Intergovernmental Revenue	Other Tax	Total
2020	\$ 407,675	\$ 16,742	\$ 30,745	\$ 320,206	\$ 30,996	\$ 806,364
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



Source: Auditor-Controller, County of Riverside



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Table 4

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2020

	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
General Fund					
Nonspendable	\$ 2,466	\$ 2,416	\$ 3,470	\$ 2,314	\$ 2,369
Restricted	112,711	102,288	95,881	95,130	99,639
Committed	14,844	18,320	23,290	21,907	40,310
Assigned	13,702	14,196	12,464	10,989	11,870
Unassigned	257,959	275,181	234,477	217,891	217,322
Total general fund	401,682	412,401	369,582	348,231	371,510
Transportation					
Nonspendable	1,245	1,278	1,223	1,113	3,654
Restricted	89,403	87,536	65,359	61,357	68,191
Committed	4,587	4,519	3,828	3,092	2,847
Assigned	15,862	15,458	15,119	15,256	12,578
Total transportation	111,097	108,791	85,529	80,818	87,270
Flood Control					
Nonspendable	1	1	1	68	366
Restricted	273,549	257,268	236,080	225,328	205,957
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total Flood Control	273,550	257,269	236,081	225,396	206,323
CARES Act Coronavirus Relief					
Restricted	1,774	-	-	-	-
Total CARES Act Coronavirus Relief	1,774	-	-	-	-
Pension Obligation					
Restricted	5,057	-	-	-	-
Assigned	7,930	-	-	-	-
Total Pension Obligation	12,987	-	-	-	-
Redevelopment Capital Projects					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total redevelopment capital projects	-	-	-	-	-
Nonmajor Governmental Funds					
Nonspendable	6,073	1,320	1,337	1,263	1,225
Restricted	308,886	146,731	165,986	167,975	168,868
Committed reported in:					
Special revenue funds	6,863	6,492	6,360	4,906	2,830
Debt service funds	-	-	-	-	-
Capital projects funds	9,358	165,634	204,048	253,737	364,878
Assigned	59,255	11,393	14,776	17,453	29,186
Total nonmajor governmental funds	390,435	331,570	392,507	445,334	566,987
Total all governmental funds	\$ 1,191,525	\$ 1,110,031	\$ 1,083,699	\$ 1,099,779	\$ 1,232,090

Note: In fiscal year 2011, the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. In fiscal year 2012, Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2013, Transportation became a major fund, therefore only fiscal years 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 are presented for comparison purposes. In fiscal year 2020, the Public Facilities Improvement and Public Financing Authority Capital Projects Funds became nonmajor funds and the CARES Act Coronavirus Relief Fund and the Pension Obligation Fund became major funds. The balances for the Public Facilities Improvement and Public Financing Authority Capital Projects Funds have been reclassified to Nonmajor Governmental Funds under Committed - Capital Projects Funds.

Source: Auditor-Controller, County of Riverside

Table 4

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2020

	Fiscal Year Ending June 30				
	2015	2014	2013	2012	2011
General Fund					
Nonspendable	\$ 2,001	\$ 2,045	\$ 3,247	\$ 1,834	\$ 2,214
Restricted	122,967	117,595	101,440	101,651	98,552
Committed	39,422	32,820	42,183	52,439	50,097
Assigned	5,144	7,772	10,460	8,764	3,463
Unassigned	225,855	203,444	199,919	171,910	189,236
Total general fund	395,389	363,676	357,249	336,598	343,562
Transportation					
Nonspendable	3,776	1,101	1,044	1,014	-
Restricted	49,875	62,767	79,127	95,805	-
Committed	2,719	2,244	1,310	1,811	-
Assigned	14,782	14,063	12,821	4,935	-
Total transportation	71,152	80,175	94,302	103,565	-
Flood Control					
Nonspendable	731	1	1	1	1
Restricted	236,749	-	-	-	-
Committed	-	258,580	253,117	252,368	237,211
Assigned	3,174	-	1,807	3,890	13,741
Total Flood Control	240,654	258,581	254,925	256,259	250,953
CARES Act Coronavirus Relief					
Restricted	-	-	-	-	-
Total CARES Act Coronavirus Relief	-	-	-	-	-
Pension Obligation					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Total Pension Obligation	-	-	-	-	-
Redevelopment Capital Projects					
Nonspendable	-	-	-	-	72,055
Committed	-	-	-	-	115,617
Assigned	-	-	-	-	83,881
Total redevelopment capital projects	-	-	-	-	271,553
Nonmajor Governmental Funds					
Nonspendable	1,181	1,208	1,168	1,241	84,769
Restricted	168,472	182,139	174,552	354,214	410,787
Committed reported in:					
Special revenue funds	4,402	9,750	15,763	12,973	21,381
Debt service funds	-	-	-	-	1,206
Capital projects funds	441,119	134,663	199,711	242,831	294,792
Assigned	34,552	32,370	17,088	25,763	86,572
Total nonmajor governmental funds	649,726	360,130	408,282	637,022	899,507
Total all governmental funds	<u>\$ 1,356,921</u>	<u>\$ 1,062,562</u>	<u>\$ 1,114,758</u>	<u>\$ 1,333,444</u>	<u>\$ 1,765,575</u>

Note: In fiscal year 2011, the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. In fiscal year 2012, Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2013, Transportation became a major fund, therefore only fiscal years 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 are presented for comparison purposes. In fiscal year 2020, the Public Facilities Improvement and Public Financing Authority Capital Projects Funds became nonmajor funds and the CARES Act Coronavirus Relief Fund and the Pension Obligation Fund became major funds. The balances for the Public Facilities Improvement and Public Financing Authority Capital Projects Funds have been reclassified to Nonmajor Governmental Funds under Committed - Capital Projects Funds.

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, 2020					
	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
Revenues					
Taxes	\$ 485,325	\$ 470,567	\$ 433,684	\$ 416,940	\$ 398,139
Licenses, permits, and franchise fees	23,166	24,116	23,219	22,251	22,782
Fines, forfeitures, and penalties	55,103	65,497	65,833	71,196	74,349
Use of money and property:					
Investments earnings	39,335	61,620	24,449	12,234	11,736
Rents and concessions	28,322	25,890	25,318	24,990	51,695
Aid from other governmental agencies:					
Federal	881,204	637,639	675,110	691,080	686,964
State	1,573,917	1,508,938	1,441,178	1,356,683	1,345,344
Other	192,685	186,613	176,556	171,474	163,165
Charges for services	660,621	643,080	602,835	635,236	585,977
Other revenue	104,743	103,272	104,119	102,294	49,934
Total revenues	<u>4,044,421</u>	<u>3,727,232</u>	<u>3,572,301</u>	<u>3,504,378</u>	<u>3,390,085</u>
Expenditures					
General government	263,104	217,106	241,946	231,308	219,333
Public protection	2,013,437	1,395,886	1,342,978	1,331,768	1,271,121
Public ways and facilities	287,734	274,237	217,851	226,388	299,431
Health and sanitation	693,801	561,127	545,785	538,734	470,022
Public assistance	1,152,440	996,260	977,633	988,773	983,963
Education	24,745	25,145	21,456	21,449	20,003
Recreation and cultural services	20,540	22,305	16,544	21,042	24,232
Debt service:					
Principal	83,757	68,828	70,419	48,711	68,951
Interest	68,970	69,177	63,295	63,899	44,091
Cost of issuance	4,813	2,298	1,431	1,074	895
Capital outlay	41,107	34,405	94,975	220,006	92,800
Total expenditures	<u>4,654,448</u>	<u>3,666,774</u>	<u>3,594,313</u>	<u>3,693,152</u>	<u>3,494,842</u>
Revenues over (under) expenditures	<u>(610,027)</u>	<u>60,458</u>	<u>(22,012)</u>	<u>(188,774)</u>	<u>(104,757)</u>
Other financing sources (uses)					
Transfers in	442,637	282,999	269,388	280,223	350,235
Transfers out	(500,976)	(312,577)	(287,143)	(299,908)	(373,384)
Issuance of debt	719,995	-	10,610	-	-
Issuance of refunding bonds	12,875	100,000	58,565	39,985	72,825
Discount on long-term debt	-	-	-	-	-
Premium on long-term debt	-	-	4,096	5,216	7,612
Redemption of bonds	(12,559)	(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	24,409	6,287	6,486	64,289	11,829
Total other financing sources (uses)	<u>686,381</u>	<u>(34,126)</u>	<u>(2,283)</u>	<u>56,463</u>	<u>(20,228)</u>
Net change in fund balances	<u>\$ 76,354</u>	<u>\$ 26,332</u>	<u>\$ (24,295)</u>	<u>\$ (132,311)</u>	<u>\$ (124,985)</u>
Debt service as a % of non-capital expenditures	3.47%	4.07%	4.08%	3.36%	3.63%

Source: Auditor-Controller, County of Riverside

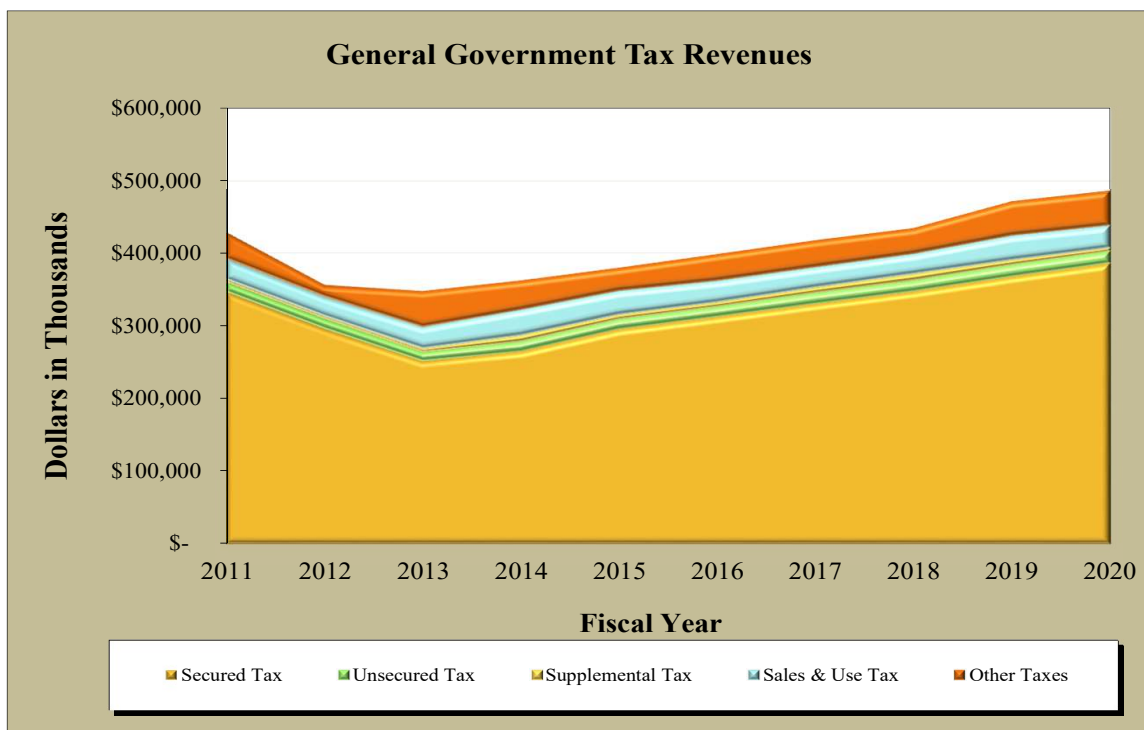
Table 5

Fiscal Year Ending June 30					
2015	2014	2013	2012	2011	
\$ 379,358	\$ 361,900	\$ 347,166	\$ 355,796	\$ 427,892	Revenues
21,893	20,377	18,798	19,513	20,294	Taxes
79,059	82,290	86,381	90,163	95,290	Licenses, permits, and franchise fees
					Fines, forfeitures, and penalties
					Use of money and property:
7,989	10,187	2,370	10,827	18,305	Investments earnings
25,548	29,925	19,246	19,588	17,659	Rents and concessions
					Aid from other governmental agencies:
634,269	544,478	569,330	577,654	609,531	Federal
1,304,580	1,172,107	1,047,485	986,658	921,329	State
153,687	136,461	132,120	156,678	130,362	Other
519,382	483,346	464,274	449,888	458,744	Charges for services
119,337	88,055	91,329	95,119	95,279	Other revenue
3,245,102	2,929,126	2,778,499	2,761,884	2,794,685	Total revenues
					Expenditures
190,209	214,212	208,242	291,227	311,025	General government
1,202,873	1,186,900	1,117,397	1,072,442	1,081,489	Public protection
292,096	177,965	177,467	168,015	176,184	Public ways and facilities
482,545	421,494	393,557	375,668	353,904	Health and sanitation
928,098	851,061	798,850	802,104	824,471	Public assistance
20,755	19,470	18,819	18,942	19,282	Education
23,716	15,911	16,590	15,220	18,755	Recreation and cultural services
					Debt service:
83,928	70,840	55,363	65,002	80,928	Principal
44,005	45,953	27,988	49,041	83,902	Interest
950	623	378	15	5,212	Cost of issuance
103,211	58,046	25,427	22,583	30,439	Capital outlay
3,372,386	3,062,475	2,840,078	2,880,259	2,985,591	Total expenditures
(127,284)	(133,349)	(61,579)	(118,375)	(190,906)	Revenues over (under) expenditures
					Other financing sources (uses)
550,783	248,448	231,574	323,052	267,985	Transfers in
(559,368)	(253,012)	(233,809)	(332,724)	(277,943)	Transfers out
346,000	64,000	-	-	170,481	Issuance of debt
-	20,510	19,140	33,360	-	Issuance of refunding bonds
-	-	-	-	-	Discount on long-term debt
28,699	1,338	759	2,840	-	Premium on long-term debt
-	-	-	-	-	Redemption of bonds
-	-	(18,155)	(32,797)	-	Redemption of refunded debt
-	-	-	-	-	Contribution to governmental agency
-	-	-	-	-	Payment to escrow agent
-	-	-	-	6	Proceeds from the sale of capital assets
54,529	2,965	1,721	2,671	8,321	Capital leases
420,643	84,249	1,230	(3,598)	168,850	Total other financing sources (uses)
\$ 293,359	\$ (49,100)	\$ (60,349)	\$ (121,973)	\$ (22,056)	Net change in fund balances
4.27%	4.21%	3.35%	4.50%	6.17%	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, 2020

Fiscal Year Ending June 30	Secured Tax	Unsecured Tax	Supplemental Tax	Sales & Use Tax	Other Taxes	Total
2020	\$ 385,696	\$ 16,586	\$ 4,560	\$ 30,745	\$ 47,738	\$ 485,325
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



Source: Auditor-Controller, County of Riverside

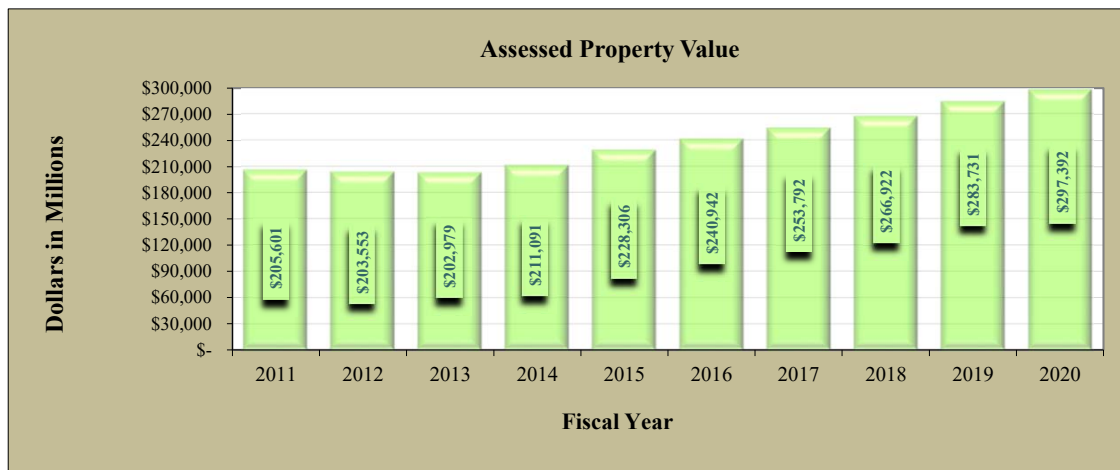


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Table 7

COUNTY OF RIVERSIDE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2020

	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
Real property					
Secured property	\$ 299,750,052	\$ 283,711,524	\$ 267,148,195	\$ 253,728,054	\$ 240,984,595
Unsecured property	9,193,355	9,113,732	8,320,830	8,200,349	7,717,964
Total gross assessed value	308,943,407	292,825,256	275,469,025	261,928,403	248,702,559
Less:					
Tax-exempt real property	11,551,305	9,093,789	8,546,894	8,136,300	7,760,338
Total taxable assessed value	\$ 297,392,102	\$ 283,731,467	\$ 266,922,131	\$ 253,792,103	\$ 240,942,221
Total direct tax rate	1.0	1.0	1.0	1.0	1.0
Estimated actual taxable value	\$ 396,522,803	\$ 378,308,623	\$ 355,896,174	\$ 338,389,470	\$ 321,256,295
Assessed value as a % of actual value	77.91%	77.40%	77.40%	77.40%	77.42%



Source: Auditor-Controller, County of Riverside

Table 7

Fiscal Year Ending June 30					
2015	2014	2013	2012	2011	
\$ 228,131,826	\$ 210,523,063	\$ 201,971,552	\$ 202,313,851	\$ 204,153,163	Real property
7,676,875	7,868,150	8,123,443	8,057,242	8,121,065	Secured property
235,808,701	218,391,213	210,094,995	210,371,093	212,274,228	Unsecured property
					Total gross assessed value
7,502,942	7,300,462	7,116,048	6,818,361	6,673,229	Less:
					Tax-exempt real property
<u>\$ 228,305,759</u>	<u>\$ 211,090,751</u>	<u>\$ 202,978,947</u>	<u>\$ 203,552,732</u>	<u>\$ 205,600,999</u>	Total taxable assessed value
1.0	1.0	1.0	1.0	1.0	Total direct tax rate
\$ 304,407,678	\$ 281,454,335	\$ 270,638,596	\$ 271,403,643	\$ 274,134,665	Estimated actual taxable value
77.46%	77.59%	77.63%	77.51%	77.43%	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, 2020

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	
2020	1.00000%	0.11638%	0% to .00543%	0% to .14876%	0% to .50000%	1.11638% to 1.50000%
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%

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, 2020

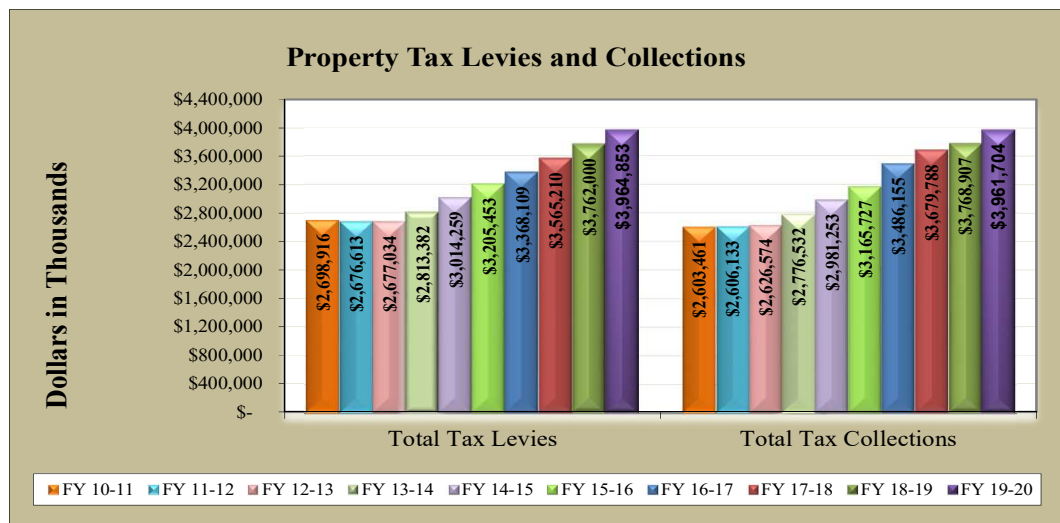
Tax payer	Fiscal Year			
	2020		2011	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
Southern California Edison Company	\$ 56,868	1.40%	\$ 18,359	0.65%
Centex Homes	-	0.00%	3,434	0.12%
Deutsche Bank National Trust Co.	-	0.00%	2,851	0.10%
Southern California Gas Company	17,349	0.43%	6,372	0.22%
Verizon California, Inc.	8,373	0.21%	8,072	0.28%
CPV Sentinel, LLC	6,287	0.15%	-	0.00%
Inland Empire Energy Center LLC	-	0.00%	7,342	0.26%
Federal Natl Mortgage Assn	-	0.00%	3,461	0.12%
Abott Vascular Inc.	-	0.00%	3,171	0.11%
Costco Wholesale Group	4,273	0.10%	-	0.00%
Amazon Services Inc.	4,125	0.10%	-	0.00%
Chelsea GCA Realty Partnership	3,909	0.10%	-	0.00%
Woodside 05S	3,658	0.09%	-	0.00%
Duke Realty LTD Partnership	3,654	0.09%	-	0.00%
Riverside Healthcare System	3,590	0.09%	-	0.00%
Tyler Mall Ltd Partnership	3,406	0.08%	2,880	0.10%
Blythe Energy LLC	-	0.00%	2,852	0.10%
Total	\$ 115,492	2.84%	\$ 58,794	2.06%

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, 2020

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
2020	\$ 3,964,853	\$ 3,881,514	97.90%	\$ 80,190	\$ 3,961,704	99.92%
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%



*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

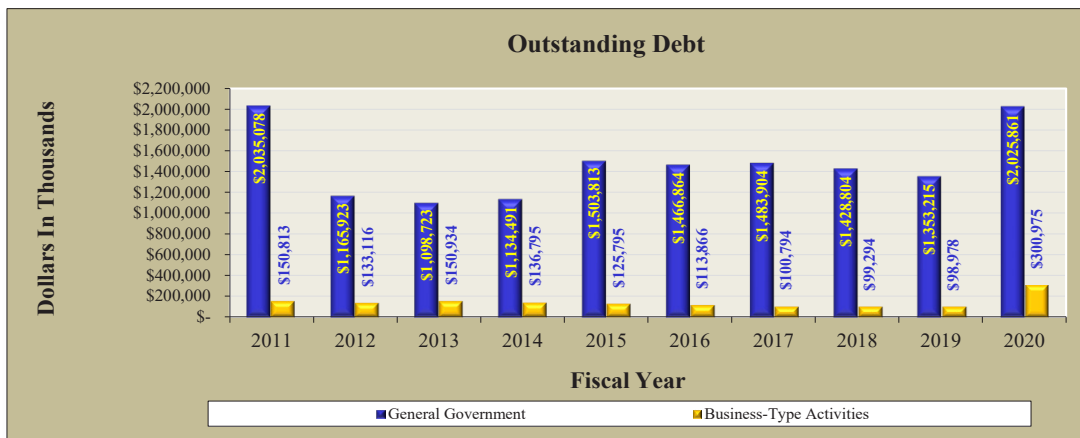


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Table 11

COUNTY OF RIVERSIDE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2020

	2020	2019	2018	Fiscal Year 2017	Ending June 30 2016
General government					
Bonds	\$ 1,854,575	\$ 1,189,065	\$ 1,232,234	\$ 1,206,942	\$ 1,195,027
Certificates of participation	41,669	60,265	78,128	94,467	108,937
Notes and loans	330	980	1,600	2,205	2,790
Capital leases	129,287	102,905	116,842	180,290	160,110
Business-type activities					
Bonds	58,873	64,254	77,773	92,371	106,428
Capital leases	242,102	34,724	21,521	8,423	7,438
Total primary government	\$ 2,326,836	\$ 1,452,193	\$ 1,528,098	\$ 1,584,698	\$ 1,580,730
Percentage of personal income	2.51%	1.61%	1.75%	1.88%	1.95%
Per capita	\$ 953	\$ 595	\$ 633	\$ 665	\$ 673



Note: Per Capita is an estimate for fiscal years 2018-19 and 2019-20

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

Table 11

Fiscal Year Ending June 30					
2015	2014	2013	2012	2011	
General government					
\$ 1,141,497	\$ 810,186	\$ 744,460	\$ 750,492	\$ 1,551,323	Bonds
211,688	240,593	282,095	309,511	367,272	Certificates of participation
3,350	3,890	4,420	4,925	5,355	Notes and loans
147,278	79,822	67,748	100,995	111,128	Capital leases
Business-type activities					
119,917	132,941	143,710	121,061	134,983	Bonds
5,878	3,854	7,224	12,055	15,830	Capital leases
\$ 1,629,608	\$ 1,271,286	\$ 1,249,657	\$ 1,299,039	\$ 2,185,891	Total primary government
2.23%	1.65%	1.66%	1.78%	3.07%	Percentage of personal income
\$ 765	\$ 558	\$ 554	\$ 583	\$ 986	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, 2020

	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
Bonds	\$ 1,913,448	1,253,319	1,310,007	\$ 1,299,313	\$ 1,301,455
Less:					
Amounts available in debt service fund	26,221	35,808	48,823	63,634	67,680
Total net obligation bonds outstanding	\$ 1,887,227	\$ 1,217,511	\$ 1,261,184	\$ 1,235,679	\$ 1,233,775
Percentage of estimated					
Actual taxable value of property	0.48%	0.32%	0.35%	0.37%	0.38%
Per capita	\$ 773	\$ 499	\$ 522	\$ 518	\$ 525

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					
2015	2014	2013	2012	2011	
\$ 1,261,414	\$ 943,127	\$ 888,170	\$ 871,553	\$ 1,686,306	Bonds
71,947	80,405	79,951	78,236	151,405	Less:
					Amounts available in debt service fund
<u>\$ 1,189,467</u>	<u>\$ 862,722</u>	<u>\$ 808,219</u>	<u>\$ 793,317</u>	<u>\$ 1,534,901</u>	Total net obligation bonds outstanding
					Percentage of estimated
0.39%	0.31%	0.30%	0.30%	0.56%	Actual taxable value of property
\$ 515	\$ 378	\$ 358	\$ 356	\$ 692	Per capita

Table 13

COUNTY OF RIVERSIDE
Direct and Overlapping Governmental Activities Debt
as of June 30, 2020
(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	\$ 12,920,260	84.32028%	<u>\$ 10,894,399</u>
Subtotal, overlapping debt			10,894,399
County of Riverside direct debt			<u>2,025,861</u>
Total direct and overlapping debt			<u><u>\$ 12,920,260</u></u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc.



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Table 14

COUNTY OF RIVERSIDE
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2020

	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
Debt limit	\$ 3,717,401	\$ 3,546,643	\$ 3,336,527	\$ 3,172,401	\$ 3,011,778
Total net debt applicable to limit	(1,887,227)	(1,217,511)	(1,261,184)	(1,235,679)	(1,233,775)
Legal debt margin	<u>\$ 1,830,174</u>	<u>\$ 2,329,132</u>	<u>\$ 2,075,343</u>	<u>\$ 1,936,722</u>	<u>\$ 1,778,003</u>
Total net debt applicable to the limit as a percentage of debt limit	50.8%	34.3%	37.8%	39.0%	41.0%

Legal Debt Margin Calculated for Fiscal Year 2020

Assessed value	\$ 299,405,040
Less: Homeowners exemptions	<u>2,012,937</u>
Total assessed value	<u>297,392,102</u>
Debt limit (1.25% of total assessed value)	<u>3,717,401</u>
Debt applicable to limit:	
General obligation bonds (Governmental & Business-type)	1,913,448
Less: Amount set aside for repayment of general obligation debt	<u>26,221</u>
Total net debt applicable to limit	<u>1,887,227</u>
Legal debt margin	<u><u>\$ 1,830,174</u></u>

Definitions: Debt limit - the maximum amount of outstanding gross or net debt legally permitted.
Debt margin - the difference between debt limit and existing debt.
Legal debt margin - the excess of the amount of debt legally authorized over the amount of debt outstanding.

Source: Auditor-Controller, County of Riverside

Table 14

						Fiscal Year Ending June 30		
2015	2014	2013	2012	2011				
\$ 2,853,822	\$ 2,638,634	\$ 2,537,237	\$ 2,544,409	\$ 2,570,012		Debt limit		
(1,189,467)	(862,722)	(808,219)	(793,317)	(1,534,901)		Total net debt applicable to limit		
<u>\$ 1,664,355</u>	<u>\$ 1,775,912</u>	<u>\$ 1,729,018</u>	<u>\$ 1,751,092</u>	<u>\$ 1,035,111</u>		Legal debt margin		
41.7%	32.7%	31.8%	31.2%	59.7%		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, 2020

Fiscal Year Ending June 30	Lease Revenue Bonds					
	Revenue from Lease Payments	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2020	\$ 17,740	\$ 3,660	\$ 14,080	\$ 12,541	\$ 15,534	50.15%
2019	18,866	2,248	16,618	22,195	16,444	43.01%
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%

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

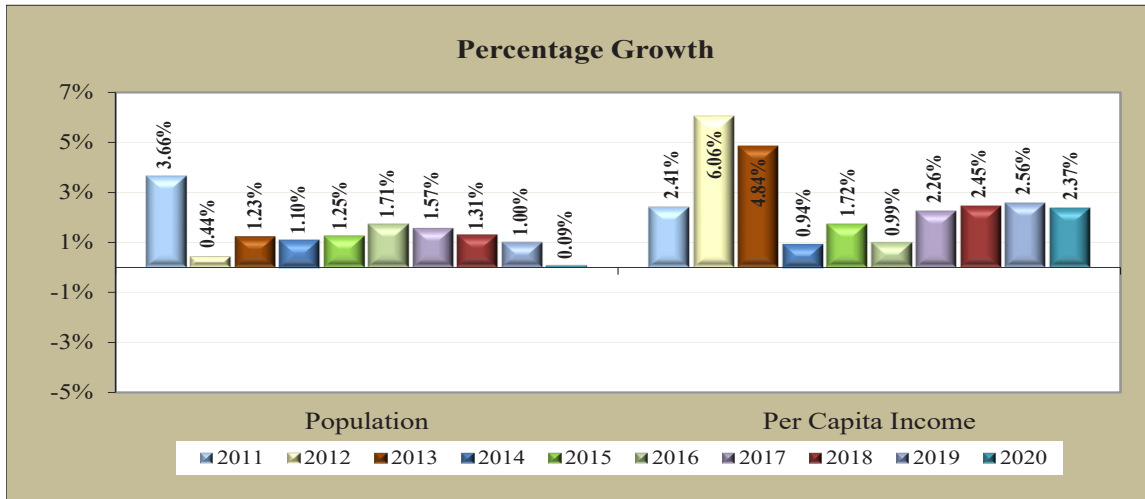
Table 15

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			
\$ 11,687	\$ 479	\$ 11,208	\$ 8,030	\$ 3,686	95.66%	2020	
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	

Table 16

COUNTY OF RIVERSIDE
Demographic and Economic Statistics
Last Ten Fiscal Years
June 30, 2020

Fiscal Year Ending June 30	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2020	2,442,304	\$ 98,654,000 ¹	\$ 37,951 ¹	431,521	14.70%
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%



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, 2020

Employer	Fiscal Year			
	2020		2011	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
County of Riverside	21,672	2.31%	18,000	2.34%
Amazon	10,500	1.12%	-	0.00%
University of California, Riverside	9,770	1.04%	4,907	0.64%
March Air Reserve Base	9,600	1.02%	8,525	1.11%
Stater Brothers Markets	8,304	0.88%	6,902	0.90%
Kaiser Permanente Riverside Medical Center	5,700	0.61%	3,500	0.45%
Pechanga Resort & Casino	5,078	0.54%	4,000	0.52%
Wal-Mart	4,931	0.52%	-	0.00%
Corona-Norco Unified School District	4,903	0.52%	4,400	0.57%
Ross Dress for Less	4,321	0.46%	-	0.00%
Riverside Unified School District	-	0.00%	3,900	0.51%
Riverside Community College	-	0.00%	3,141	0.41%
Abbott Vascular	-	0.00%	3,000	0.39%
Total	84,779	9.02%	60,275	7.84%

Source: Economic Development Agency

Table 18

COUNTY OF RIVERSIDE
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
June 30, 2020

Function/Program	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
General government					
Legislative and administrative	95	91	85	85	88
Finance	395	387	395	407	422
Counsel	75	77	73	73	72
Personnel	a 1,881	574	184	185	185
Elections	36	31	30	30	31
Communication	31	40	-	-	-
Property management	430	427	414	424	398
Promotion	64	67	51	43	51
Other general	30	28	29	30	28
Public protection					
Judicial	1,403	1,309	1,175	1,161	1,214
Police protection	2,238	2,183	2,193	2,293	2,470
Detention and correction	2,296	2,215	2,205	2,321	2,419
Fire protection	251	239	239	226	227
Protection/inspection	81	82	79	77	82
Other protection	388	366	924	942	639
Administration	-	-	73	81	68
Public ways and facilities					
Public ways	401	361	353	345	384
Parking facilities	10	10	18	15	19
Health and sanitation					
Health	2,744	2,691	2,640	2,559	2,640
Hospital care	214	179	33	32	33
Public health ambulatory care	-	-	-	-	-
California children's services	148	137	143	145	141
Public assistance					
Aid programs	3,894	3,856	3,859	4,006	4,199
Veterans' services	20	17	16	16	14
Other assistance	435	296	174	185	207
Education, recreation and culture					
Library services	4	9	17	17	4
Agricultural extension	3	5	3	3	5
Cultural services	4	2	2	2	2
County business-type functions					
Hospital care	2,997	2,864	2,650	2,587	2,482
Sanitation	238	248	180	174	163
Internal service	566	543	655	2,037	3,213
Special districts/Component units	455	410	587	611	993
Total	b 21,827	19,744	19,479	21,112	22,893

Note: a - Increased TAP employees in fiscal year 2019-20 due to Covid-19 Pandemic and Presidential Election year.

b - Temporary employees, 2,009, filled as of June 1, 2020 are included in the total number employees.

Source: County of Riverside, fiscal year 2020-21 Recommended Budget

Table 18

Fiscal Year Ending June 30					Function/Program
2015	2014	2013	2012	2011	
84	86	89	81	87	General government
408	415	399	405	411	Legislative and administrative
70	66	65	65	64	Finance
180	157	154	159	172	Counsel
23	24	25	34	39	Personnel
-	-	-	11	11	Elections
404	394	397	507	531	Communication
54	43	45	117	139	Property management
27	85	32	31	32	Promotion
					Other general
1,202	1,239	1,221	1,294	1,345	Public protection
2,466	2,410	2,351	2,304	2,408	Judicial
2,389	2,216	2,169	2,085	2,067	Police protection
227	212	212	200	198	Detention and correction
76	83	86	86	87	Fire protection
554	830	544	600	615	Protection/inspection
68	81	82	75	62	Other protection
					Administration
387	375	370	411	413	Public ways and facilities
17	17	20	18	18	Public ways
					Parking facilities
2,236	2,075	1,959	2,118	2,063	Health and sanitation
32	35	37	34	31	Health
267	-	266	-	-	Hospital care
142	139	134	140	138	Public health ambulatory care
					California children's services
3,980	3,610	3,484	3,334	3,089	Public assistance
14	13	13	12	12	Aid programs
270	271	291	289	355	Veterans' services
					Other assistance
5	7	7	10	1	Education, recreation and culture
5	5	5	5	5	Library services
2	2	2	3	3	Agricultural extension
					Cultural services
2,399	2,517	2,581	2,351	2,295	County business-type functions
164	153	153	160	174	Hospital care
2,876	2,763	2,641	2,775	2,315	Sanitation
739	719	693	660	591	Internal service
					Special districts/Component units
21,767	21,042	20,527	20,374	19,771	Total

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function
Last Ten Fiscal Years
June 30, 2020

		Fiscal Year Ending June 30				
		2020	2019	2018	2017	2016
Function/Program						
Agricultural Commissioner						
Export phytosanitary certificates	c	18,456	19,143	14,450	13,478	13,546
Pesticide use inspections	d	2,070	2,154	1,291	800	1,211
Weights and measures regulated		214,467	140,721	142,684	141,939	141,092
Agriculture quality inspections		1,188	472	678	605	350
Plant pest inspections		16,745	7,247	5,479	7,468	9,846
Nursery acreage inspected		9,438	9,650	6,082	6,727	7,708
Weights and measures inspected		31,466	43,318	61,513	60,197	75,508
Assessor-Clerk-Recorder						
Assessments		935,096	934,810	931,922	925,405	919,810
Official records recorded		591,809	478,622	543,816	587,906	555,870
Vital records copies issued		77,499	90,788	88,278	89,691	86,597
Official records copies issued		17,315	19,905	21,251	23,093	23,014
Auditor-Controller						
Invoices paid		378,727	370,388	367,557	280,498	359,917
Vendor warrants (checks) issued		201,304	200,693	220,965	234,781	227,037
Active vendors		34,314	30,820	24,487	35,198	28,697
Payroll warrants (checks) issued		573,150	541,369	549,902	568,689	564,546
Average payroll warrants (checks) per pay period		21,228	20,822	21,150	21,873	21,713
Audits per fiscal year		29	28	54	55	35
Tax bills levied		1,010,613	929,514	1,029,621	1,019,903	1,008,147
Tax refunds/roll changes processed		26,789	30,607	34,098	53,234	19,561
Community Action Partnership						
Utility assistance (households)		16,855	19,583	16,724	18,017	15,743
Weatherization (households)		376	445	1,100	1,260	997
Energy education attendees	a	17,231	20,028	17,834	7,428	10,398
Disaster relief (residents)		27,892	27,734	22,305	13,400	13,734
Income tax returns prepared		5,002	4,450	4,412	5,239	4,545
After school programs (students)		2,414	3,452	3,400	2,703	2,198
Leadership program enrollment	b	-	-	-	-	-
Mediation (cases)		1,839	2,231	2,101	2,009	2,579
Environmental Health						
Facilities inspections		11,541	30,528	34,571	28,205	30,919
Public Health						
Patient visits		186,236	159,386	161,578	124,031	143,956
Patient services	e	-	363,417	322,763	242,554	299,048
Animal Control Services						
Animal impounds (live animals)		29,781	39,780	36,442	38,858	41,773
Spays and neuters completed		10,221	14,411	14,601	15,337	14,508
Animal licenses sold		22,507	23,841	21,843	58,995	76,157
Service calls fielded		28,616	35,248	37,193	40,039	41,614

Note:

- a - Number of pamphlets mailed
- b - Program not yet started / not tracked
- c - Phytosanitary = Plant pest cleanliness
- d - Pesticide Use Inspections = Environmental monitoring
- e - No longer tracked starting in fiscal year 2019-20

Source: Various County Departments

Table 19

Fiscal Year Ending June 30					Function/Program
2015	2014	2013	2012	2011	
Agricultural Commissioner					
14,825	16,067	18,346	19,875	-	c Export phytosanitary certificates
1,025	834	783	793	764	d Pesticide use inspections
139,701	138,321	138,547	137,727	134,290	Weights and measures regulated
497	524	456	553	693	Agriculture quality inspections
10,792	11,635	10,361	11,931	9,584	Plant pest inspections
7,020	7,064	6,156	6,920	6,338	Nursery acreage inspected
63,695	80,461	63,653	51,074	56,751	Weights and measures inspected
Assessor-Clerk-Recorder					
914,886	909,432	906,467	904,706	904,040	Assessments
540,589	530,777	648,812	592,531	612,804	Official records recorded
75,708	85,309	78,405	78,768	80,391	Vital records copies issued
18,307	22,329	32,792	26,153	28,990	Official records copies issued
Auditor-Controller					
368,001	425,003	426,660	389,798	412,374	Invoices paid
228,750	232,034	259,458	255,463	265,979	Vendor warrants (checks) issued
30,604	84,680	80,011	78,887	65,090	Active vendors
541,390	524,990	509,376	509,468	506,870	Payroll warrants (checks) issued
20,823	20,192	19,591	19,595	19,495	Average payroll warrants (checks) per pay period
26	34	25	26	26	Audits per fiscal year
1,003,952	998,203	984,268	972,577	999,241	Tax bills levied
47,556	22,435	63,500	79,606	123,476	Tax refunds/roll changes processed
Community Action Partnership					
15,115	16,087	13,911	21,912	22,207	Utility assistance (households)
967	479	179	842	1,375	Weatherization (households)
6,395	4,991	6,368	14,950	13,807	a Energy education attendees
13,387	24,274	11,316	13,968	12,058	Disaster relief (residents)
4,325	3,453	3,111	2,711	3,006	Income tax returns prepared
2,114	20,700	19,200	20,700	18,400	After school programs (students)
-	-	-	166	593	b Leadership program enrollment
2,527	2,723	1,905	2,181	2,178	Mediation (cases)
Environmental Health					
31,897	35,325	32,045	36,201	31,801	Facilities inspections
Public Health					
134,481	124,099	135,795	109,870	106,532	Patient visits
290,900	363,442	353,269	392,621	390,607	e Patient services
Animal Control Services					
37,644	37,037	35,201	36,518	49,408	Animal impounds (live animals)
13,216	13,690	11,908	9,771	8,305	Spays and neuters completed
65,020	122,105	-	-	-	Animal licenses sold
40,251	-	-	-	-	Service calls fielded

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2020

<u>Function/Program</u>	<u>Fiscal Year Ending June 30</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County Library					
Total circulation - books	2,029,938	2,875,249	2,389,611	2,513,032	2,704,884
Reference questions answered	287,312	445,397	499,590	479,917	478,827
Patron door count	2,117,219	3,253,888	3,188,442	3,606,142	4,069,001
Programs offered	8,756	7,510	9,626	9,680	10,423
Program attendance	127,493	162,126	154,031	163,198	176,502
Riverside University Health Systems - Medical Center					
Emergency room treatments	77,196	79,604	76,654	77,963	88,780
Emergency room services - MH	10,199	11,162	11,749	12,854	12,896
Clinic visits	110,419	121,087	119,033	99,309	116,277
Admissions	19,822	20,151	19,143	17,826	19,863
Patient days	110,969	114,239	108,468	104,854	104,276
Discharges	19,854	20,151	19,156	18,397	19,147
Fire					
Medical assistance	127,724	120,821	127,810	119,868	112,799
Fires extinguished	20,413	17,649	17,849	15,975	14,988
Other services	25,028	22,536	23,744	24,053	22,163
Communities served	94	94	94	94	94
Mental Health					
Mental health clients (crisis/long-term care)	48,976	46,675	44,448	43,013	42,764
Substance abuse clients	13,743	15,354	11,292	8,950	11,205
Detention clients	20,600	17,020	13,325	13,690	12,627
Probate conservatorship clients	403	425	410	453	410
Mental health conservatorship clients	669	628	682	647	410
Probation					
Adults on probation	a 12,686	13,016	12,942	12,185	14,422
Juveniles in secure detention	b 98	108	112	137	153
Juveniles in treatment facilities	b 54	42	44	60	57
Juveniles in detention facilities	a 2,986	3,275	3,389	5,978	6,375
Public Social Services					
CalWORKs clients	20,782	22,262	24,741	26,306	29,090
Food stamp clients	127,432	113,714	121,542	127,778	132,274
Medi-Cal clients	358,532	351,453	346,407	351,817	341,519
In-home support services	38,570	31,957	30,008	27,564	24,888
Foster care placements	2,547	2,318	2,792	3,670	4,063
Child welfare services	10,362	9,858	9,779	9,761	10,471
Homeless program (bed nights)	4,715	5,201	4,190	7,384	7,384
Homeless program (meals)	8,015	8,015	8,380	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
2015	2014	2013	2012	2011	
					County Library
2,792,388	3,023,637	3,059,094	3,387,218	3,724,657	Total circulation - books
487,093	371,953	434,057	441,269	404,913	Reference questions answered
4,216,087	3,919,125	4,148,012	4,080,738	731,699	Patron door count
9,547	6,819	6,521	8,382	7,624	Programs offered
154,391	139,223	143,053	163,692	163,416	Program attendance
					Riverside University Health Systems - Medical Center
84,697	88,853	119,606	101,952	99,706	Emergency room treatments
12,989	13,531	14,275	16,750	15,376	Emergency room services - MH
104,693	124,255	125,471	127,546	129,041	Clinic visits
19,404	22,738	24,260	23,949	23,638	Admissions
106,466	118,467	124,599	121,949	123,250	Patient days
19,387	22,773	24,279	23,694	23,668	Discharges
					Fire
103,407	99,058	97,054	96,843	97,066	Medical assistance
13,823	13,632	13,517	12,990	4,271	Fires extinguished
22,680	20,846	20,049	11,856	16,522	Other services
94	94	94	78	78	Communities served
					Mental Health
41,942	39,765	37,591	35,696	33,260	Mental health clients (crisis/long-term care)
15,457	15,457	15,755	17,849	16,987	Substance abuse clients
12,137	12,137	11,899	10,544	8,874	Detention clients
358	358	278	351	424	Probate conservatorship clients
613	613	563	879	832	Mental health conservatorship clients
					Probation
16,496	16,922	17,406	14,992	16,271	a Adults on probation
134	156	194	193	225	b Juveniles in secure detention
57	79	86	107	128	b Juveniles in treatment facilities
5,810	7,154	8,505	9,148	10,741	a Juveniles in detention facilities
					Public Social Services
32,030	33,159	33,341	33,682	33,412	CalWORKs clients
128,656	121,949	116,333	107,076	91,606	Food stamp clients
298,461	186,911	135,570	130,562	124,061	Medi-Cal clients
25,703	23,061	20,641	19,070	18,201	In-home support services
4,041	3,725	3,237	3,113	3,130	Foster care placements
10,757	9,958	9,178	9,664	9,916	Child welfare services
7,384	8,296	8,296	8,331	10,746	Homeless program (bed nights)
14,767	16,592	16,592	16,660	21,494	Homeless program (meals)

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2020

<u>Function/Program</u>		<u>Fiscal Year Ending June 30</u>				
		<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Registrar of Voters						
	Voting precincts	817	1,072	826	1,126	869
	Polling places	534	584	546	587	564
	Voters	a 1,115,662	1,041,122	983,917	1,022,375	911,269
	Poll workers	2,514	2,755	2,264	3,087	2,234
Sheriff						
	Number of bookings	46,747	49,033	50,371	49,896	49,864
	Coroner case load	14,863	15,493	15,397	14,476	13,885
	Calls for services	b 186,275	174,741	180,488	187,087	193,763
Transportation and Land Management Agency						
- Building & Safety						
	Building permits issued	c -	-	-	-	-
	Building plans checked	c -	-	-	-	-
	Building structures inspected	c -	-	-	-	-
Veterans' Services						
	Phone inquiries answered	d 32,180	29,619	35,846	36,971	38,812
	Client interviews	d 22,503	46,988	24,563	21,183	25,072
	Claims filed	d 7,313	7,354	7,191	6,789	6,792
	Emails	d 14,875	11,581	14,280	14,280	9,884
	Veterans reached at outreach events	1,895	24,304	2,589	3,014	3,591
Waste Resources						
	Landfill tonnage	1,467,090	1,515,254	1,498,681	1,408,688	1,320,497
	Recycling tonnage	7,004	3,527	3,042	2,463	2,052

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 2019-20
d - Program not yet started / not tracked

Source: Various County Departments

Table 19

Fiscal Year Ending June 30					Function/Program
2015	2014	2013	2012	2011	
Registrar of Voters					
1,193	846	1,218	853	1,649	Voting precincts
546	545	642	522	746	Polling places
891,630	887,000	943,402	852,217	1,009,933	a Voters
2,200	2,200	2,960	2,300	3,281	Poll workers
Sheriff					
54,025	60,826	57,330	53,691	53,974	Number of bookings
12,958	12,164	11,639	10,947	10,555	Coroner case load
190,816	176,339	172,664	176,062	232,821	b Calls for services
Transportation and Land Management Agency					
- Building & Safety					
1,028	905	1,116	836	863	c Building permits issued
-	799	908	740	817	c Building plans checked
-	957	901	676	1,168	c Building structures inspected
Veterans' Services					
32,778	31,445	36,107	36,707	43,617	d Phone inquiries answered
17,281	17,448	14,714	14,990	15,630	d Client interviews
6,345	5,998	5,735	6,030	5,485	d Claims filed
6,584	3,138	-	-	-	d Emails
3,725	-	-	-	-	Veterans reached at outreach events
Waste Resources					
1,475,122	1,383,266	1,102,626	1,071,309	1,071,394	Landfill tonnage
1,386	2,503	2,679	2,206	2,499	Recycling tonnage

Table 20

COUNTY OF RIVERSIDE
Capital Asset Statistics by Function
Last Ten Fiscal Years
June 30, 2020

Function/Program	Fiscal Year Ending June 30				
	2020	2019	2018	2017	2016
County Libraries					
Branch libraries	35	35	36	35	35
Book mobiles	2	2	2	2	2
Books in collection	1,062,203	829,893	1,337,332	1,341,967	1,168,364
Museum	1	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	164	162	158	158	158
Parks and Recreation					
Regional parks	9	11	11	11	11
Historic sites	4	5	5	5	5
Nature centers	3	4	4	4	4
Archaeological sites	6	6	6	6	6
Wildlife reserves	9	9	9	9	9
RV and mobile home parks	2	2	2	2	2
Managed areas	9	5	5	5	5
Recreational facilities	2	1	1	1	3
Community centers	-	-	-	-	1
Sheriff					
Patrol stations	10	10	10	10	10
Patrol vehicles	905	977	966	966	930
Waste Resources					
Landfills	6	6	6	6	6
Capacity in tons	62,713,411	62,713,411	62,668,370	62,668,370	62,191,202

Source: Various County Departments

Table 20

Fiscal Year Ending June 30					Function/Program
2015	2014	2013	2012	2011	
County Libraries					
35	35	35	33	33	Branch libraries
2	2	2	2	2	Book mobiles
1,382,932	1,393,689	1,657,925	1,570,834	1,668,434	Books in collection
-	-	-	-	-	Museum
Riverside University Health Systems - Medical Center					
4	4	4	4	4	Major clinics
44	44	37	-	30	Routine and specialty clinics
439	439	439	439	439	Beds licensed
Fire					
37	37	38	42	46	Stations
158	145	142	145	156	Trucks
Parks and Recreation					
14	11	11	11	12	Regional parks
5	5	5	5	4	Historic sites
4	4	4	4	4	Nature centers
5	6	6	6	6	Archaeological sites
7	9	9	9	9	Wildlife reserves
2	3	3	3	3	RV and mobile home parks
5	5	5	5	5	Managed areas
1	3	2	2	2	Recreational facilities
1	-	-	-	-	Community centers
Sheriff					
10	10	10	10	10	Patrol stations
932	928	916	915	896	Patrol vehicles
Waste Resources					
6	6	6	6	6	Landfills
54,232,021	54,230,474	54,230,474	54,189,339	54,177,558	Capacity in tons



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In Loving Memory



This CAFR is dedicated to the loving memory of our very own Riverside County employees who passed away while fighting the COVID-19 worldwide pandemic.



Deputy Sheriff Terrell Young



Deputy Sheriff David Werksman

We will always remember the Riverside County law enforcement officers who, due to requirements of their job passed after contracting COVID-19 during the early stages of the worldwide pandemic. Deputy Sheriff Terrell Young died after contracting COVID-19 from an infected inmate at the Cois M. Byrd Detention Center. Deputy Young had served with the Riverside County Sheriff's Department for 15 years. He is survived by his wife and four children. Deputy David Werksman died due to complications from the coronavirus. Deputy Werksman had served with the Riverside County Sheriff's Department for 22 years. He is survived by his wife and three children.

We want to honor and thank all of our frontline physicians, healthcare professionals and first responders for working tirelessly in the fight against this deadly COVID-19 pandemic. Your dedication and sacrifices deserve our deepest gratitude and sincere admiration for all you do in keeping the citizens of Riverside County Safe.

Riverside County Comprehensive Annual Financial Report



Paul Angulo, CPA, MA
County Auditor-Controller