

**COUNTY OF RIVERSIDE
STATE OF CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2001**



**Anthony J. Bellanca, CPA
Auditor-Controller**

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Introductory Section



COUNTY OF RIVERSIDE
Comprehensive Annual Financial Report
June 30, 2001

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January 18, 2002

The Honorable Board of Supervisors
County of Riverside
4080 Lemon Street, 14th Floor
Riverside, California 92501

Chairperson and Members of the Board:

The Comprehensive Annual Financial Report of the County of Riverside for the Fiscal Year Ended June 30, 2001, is hereby submitted in accordance with Section 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County of Riverside. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the County of Riverside. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes the transmittal letter, a copy of the Certificate of Achievement for Excellence in Financial Reporting for the year ended June 30, 2000, a list of principal officials, and the County of Riverside's organizational chart. The Financial Section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report on the financial statements and schedules. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The County of Riverside is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the independent auditors' report on internal control and compliance with applicable laws and regulations, are included in a separate annual publication.

The financial reporting entity (the government) includes all the funds and account groups 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 provides a full range of general government services. These services include justice, police, fire protection, public roads and facilities, health and sanitation, public assistance, education and recreational and cultural events.

Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, Housing Authority of the County of Riverside, Riverside County Flood Control and Water Conservation District, Riverside County Regional Park and Open-Space District, Riverside County Desert Facilities Corporation, Redevelopment Agency for the County of Riverside, County of Riverside Asset Leasing Corporation (CORAL), Riverside County Service Areas, Riverside County Public Financing Authority, County of

Riverside Court Financing Corporation, and the County of Riverside District Court Financing Corporation are reported as funds of the primary government, the County of Riverside. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Riverside County Children and Families Commission is reported as a discretely presented component unit.

ECONOMIC CONDITION AND OUTLOOK

Riverside County, the State's fourth largest county by area, encompasses 7,295 square miles and extends 200 miles across Southern California, from the Arizona border west to within 10 miles of the Pacific Ocean. It is situated immediately east of Los Angeles and Orange Counties, south of San Bernardino County, and north of San Diego and Imperial Counties. There are 24 incorporated cities located within the County. The largest cities in the County and their respective populations are the cities of Riverside – 265,700 (the County seat) and Moreno Valley – 146,500.

The County population was 1,609,400 on January 1, 2001, an increase of 3.3% compared to the revised estimate for 2000 from the State Department of Finance. (Estimated population figures are developed by the State as of January 1 of each year with a revised estimate for the prior year.) Riverside County ranks sixth largest in population in the State. Approximately 27% of the residents live in the unincorporated area. The County is part of the Riverside-San Bernardino Primary Metropolitan Statistical Area (PMSA), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the PMSA has large and growing services and retail trade industry sectors.

Total nonfarm employment in the PMSA rose 21.6% from March 1997 to March 2001, while the population increased from 14.9% in the County from January 1, 1997 to January 1, 2001. As of March 2001, unemployment in the PMSA was 4.5%, compared to 4.6% for the United States. As of March 2000 unemployment in the PMSA was 4.7% compared to 4.3% for the United States. The positive change in the PMSA unemployment was primarily attributable to growing employment in the wholesale trade, services, and construction sectors.

Riverside County experienced an increase in assessed property values for the 2001-02 fiscal year above the 2000-01 fiscal year of 10.49%. Per the Assessor, this increase of \$9.3 billion (the combined effect of a 2% C.P.I. increase, ownership changes, and new construction) includes reductions in assessed value of 117,737 properties due to the Assessor's recognition of declines in market value in accordance with Proposition 8. The total property roll is \$98.76 billion for fiscal year 2001-02. For 2000-01 there was a 10.93% increase in property values.

The Final Budget for Fiscal Year (FY) 2001-02 assumed a beginning General Fund budgetable fund balance of \$28.3 million. Estimated Discretionary Revenues were \$13.0 million higher than those in the previous Final Budget based on an improved outlook for the County. The change in total estimated discretionary General Fund income represents a 4% increase.

The County is extremely vulnerable to the State's budget and fiscal picture brought on by the energy crisis, the weakness in the stock markets and the State's near-term economic growth. FY 2001-02 outlook for the County is positive, but long-term it is cloudy as the County's finances are heavily influenced by the State's budget.

The PERS Board has reduced the County's employer retirement benefit rates for Miscellaneous members to zero. This reduction is estimated to net the General Fund approximately \$17 million per year. However, the rate is subject to change due in part to less than expected investment return. The County's contribution for Safety members was reduced to zero for FY 2000-01, but increased to 11.824% for FY 2001-02 due to an amendment to the PERS pension plan for Safety members negotiated and implemented effective July 1, 2001. Increase is to provide a benefit of 3% per year of service at age 50.

MAJOR INITIATIVES

The County is constructing a \$97.5 million Southwest Justice Center (SWJC), which includes a jail expansion, a 12-courtroom courthouse, and 100-bed juvenile detention facility. The jail expansion and juvenile detention facility were completed in February 2001 and August 2001, respectively. The courthouse is scheduled for completion in July 2002. The SWJC was financed with \$16 million in cash and state grants and the balance through CORAL. Repayment will be from Tobacco Settlement Payments and the General Fund.

The County began construction of an annex to the downtown Riverside County Administrative Center (CAC) in May 2001 with completion scheduled for Fall of 2002. The annex will be a five story, 96,000 square foot building adjacent to the existing CAC. The annex will accommodate a board hearing room and office space for the Board of Supervisors, Clerk of the Board of Supervisors, and County Executive Office. Along with the annex, the County is constructing a 750 space parking structure adjacent to the CAC. The \$31.9 million project will be financed through CORAL.

In September 1998 the Board of Supervisors approved the Second El Sobrante Landfill Agreement and certified the Environmental Impact Report to expand the El Sobrante Landfill in western Riverside County. After nearly three years of processing permits with various regulatory agencies, the proponent has received all the necessary approvals to expand the landfill and begin operations pursuant to the new agreement. Sixty percent (60%) of the approximate 109 million tons of total capacity in the expanded landfill will be available to receive waste from other Southern California cities and counties. In fiscal year 2001-02 it is anticipated that revenues to the County General Fund will be in the range of \$.5 million up to \$1.5 million depending on the timing of increases in imported tonnage. After the operator completes several required road improvements, the daily imported tonnage may be increased (subject to market forces like landfill capacity in Los Angeles County) yielding annual revenues to the County General Fund in the range of \$1.5 to \$3 million per year.

PLANNING AND GROWTH MANAGEMENT

Strategic Plan

The County Strategic Plan ("Strategic Vision") was adopted by the Board of Supervisors in December 1998, and was revised in April 2000. This plan encompasses all areas of County operations with the general objectives of improving quality of service, increasing efficiency and enhancing communication and understanding and coordination between County agencies and other units of local government.

The "Integrated Plan" Project

The County is currently engaged in a multi-year comprehensive planning project known as the Riverside County Integrated Plan (RCIP). This \$30 million effort includes an overhaul of the County's General Plan of Land Use in tandem with plan elements for multi-species habitat conservation, new regional transportation corridors, and watershed protection. The RCIP is being closely coordinated with regional councils of government and appropriate State and Federal government agencies, and stakeholder input is being solicited through several advisory committees and numerous community forums. The products of the planning process are scheduled to go to public hearing in the spring of 2002.

Development Agreement Fees

In December 1987, the Board of Supervisors adopted procedures consistent with provisions of the California Government Code 65864 et al. for consideration of development agreements. As a legal contract between the County and a developer, a development agreement was intended to strengthen the public planning process, encourage private participation in comprehensive planning, reduce the economic costs of development, and promote the maximum efficient utilization of resources at the least economic

cost to the public. In February 1988, the Board of Supervisors adopted a schedule of development agreement fees payable on residential projects prior to issuance of building permits, in the amount of \$5,784 per residential unit. With Consumer Price Index adjustments, generally the most current fee effective on January 3, 2001 is \$5,940 consisting of the following components:

	<u>Development Agreement Fee</u>
Public Facilities	\$ 2,625
Regional Parklands and Trails	488
Habitat Conservation and Open Space	
Land Bank Offset	359
Public Services Offset	<u>2,468</u>
 Total	 <u>\$ 5,940</u>

Based on renegotiated development agreements, fees range from \$3,000 to \$5,940 with some component deletions.

With the exception of the Public Services Offset, Development Agreement revenue will be used to help the County construct capital facilities and acquire parkland, trails, habitat and open space to meet the demand caused by new growth and development. The Public Services Offset is intended to help defray the cost of providing governmental services such as Sheriff's patrol service proportional to the expanded population. The total of unexpended uncommitted development agreement funds in capital project funds is \$2,498,159 as of June 30, 2001.

Development Mitigation Fees

In July 1988, the Board of Supervisors adopted Ordinance No. 659 establishing a County-wide (unincorporated area only) development mitigation fee for residential development. The purpose of this fee is to finance the construction of County facilities necessary to accommodate future residential growth in the County and the future need for parkland, recreational trails, conservation of habitat and open space. Revenue from the fee will be used toward the construction of the facilities on the list of County Public Facilities Needs; for the purchase of parkland and the development of recreational trails as outlined in the County General Plan; for the preservation of habitat for specific listed plants and animals; and for open space as outlined in the General Plan.

Ordinance No. 659 established a fee within each Regional Statistical Area (RSA). They range from a low of \$2,135 in RSA 48 to a high of \$2,883 in RSA 50. The fees have not been adjusted since originally assessed in 1988. The total of unexpended uncommitted development mitigation funds in capital project funds is \$22,404,875 as of June 30, 2001.

FINANCIAL INFORMATION

Internal Control. Management of the County is responsible for establishing and maintaining internal control designed to ensure assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal and state assistance, the County is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluations by management and the internal audit staff of the County.

As part of the County's single audit, described earlier, tests were made of the County's internal control and of its compliance with applicable laws and regulations, including those related to federal award programs. Although this testing was not sufficient to support an opinion on the County's internal control or its compliance with laws and regulations related to other than major federal award programs, the audit for the fiscal year ended June 30, 2000, disclosed no internal control reportable conditions or material weaknesses, however, audit findings related to reporting and subrecipient monitoring were required to be disclosed in accordance with OMB Circular A-133. The single audit for FY 2000-01 is in process and will be issued in a separate report.

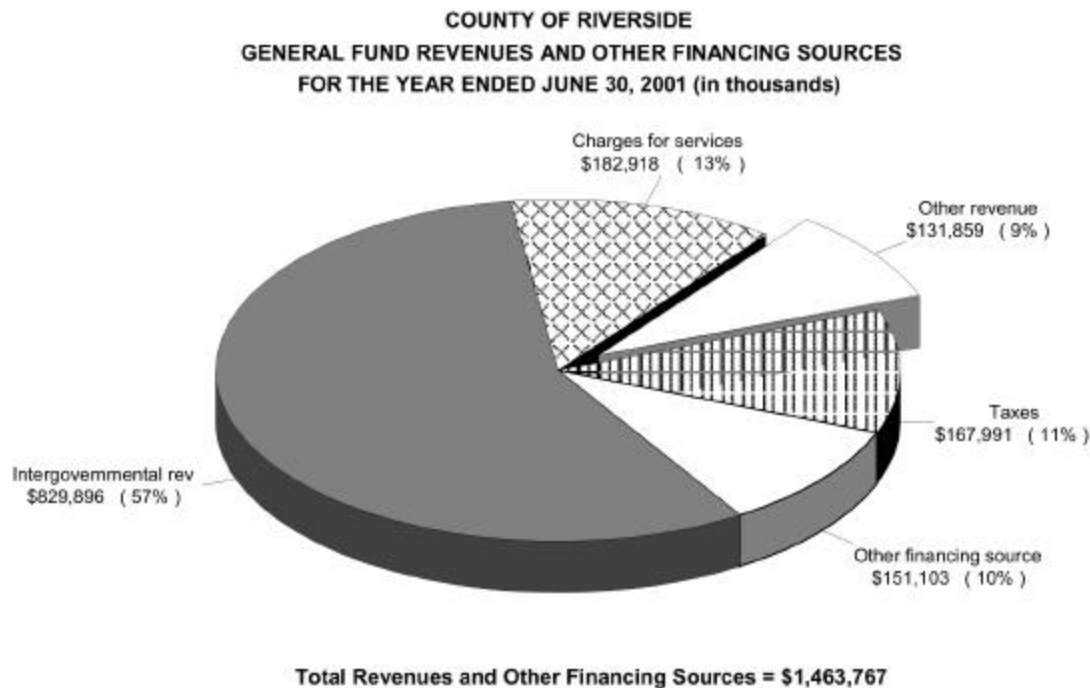
Budgetary Controls. In addition, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Supervisors under the provisions of Section 29088-29091 of the Government Code. The County Budget is prepared and adopted on or before August 30 of each fiscal year, except as provided by state statutes and Board of Supervisors resolution. The budget for FY 2001-02 was adopted on July 24, 2001. Activities of the General Fund, special revenue funds, and some debt service and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, that level which cannot be exceeded without action by the Board of Supervisors) is the fund budget unit, which represents an Organization (cost center) within a Department or an Agency, at the appropriation (object) level. Transfers of appropriations between budget units and supplemental appropriations financed by unanticipated revenues must be approved by the Board of Supervisors. Transfers of appropriations between expenditure appropriation classifications, within the same budget unit, may be approved by the County Executive Officer. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Unencumbered appropriations lapse at year-end and fund balances are reserved for encumbrances outstanding at that time. As demonstrated by the statements and schedules included in the Financial Section of this report, the County continues to meet its responsibility for sound financial management.

GENERAL GOVERNMENT FUNCTIONS

Revenues and other financing sources for the General Fund, including comparative amounts from the preceding year as restated (Note 10 of the Comprehensive Annual Financial Report), are shown in the following tabulation (in thousands):

Revenues and Other Financing Sources	Fiscal Year 2000-01	Percent of Total	Fiscal Year 1999-00	Percent of Total
Taxes	\$ 167,991	11%	\$ 162,850	12%
Intergovernmental revenues	829,896	57%	735,528	56%
Charges for services	182,918	13%	211,529	16%
Other revenue	131,859	9%	131,378	10%
Other financing sources	151,103	10%	71,784	6%
Total	<u>\$1,463,767</u>	<u>100%</u>	<u>\$1,313,069</u>	<u>100%</u>

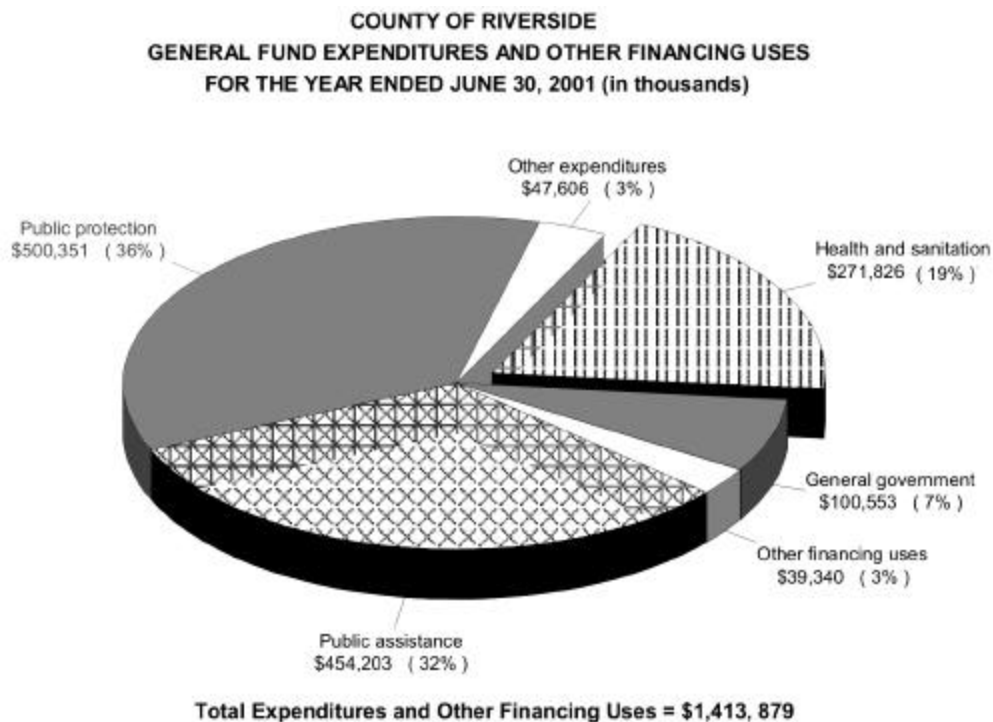
Tax revenue increased for FY 2000-01 primarily due to an increase in assessed property values. Intergovernmental revenues increased primarily due to the expansion of Department of Public Social Services (DPSS) program funding as well as increases in Motor Vehicles In-Lieu Revenue. Charges for services increased primarily due to increased Sheriff Contract Law Enforcement revenue, and increases in revenue associated with Building Permits and Developer Mitigation fees. Other financing sources increased due to an increase in funding for the Disproportionate Share Hospital (DSH) programs, as well as an increase in capital leases.



Expenditures and other financing uses for the General Fund, including comparative amounts from the preceding year, are shown in the following tabulation (in thousands):

<u>Expenditures and Other Financing Uses</u>	<u>Fiscal Year 2000-01</u>	<u>Percent of Total</u>	<u>Fiscal Year 1999-00</u>	<u>Percent of Total</u>
General government	\$ 100,553	7%	\$ 96,359	8%
Public protection	500,351	36%	455,842	37%
Health and sanitation	271,826	19%	230,548	19%
Public assistance	454,203	32%	392,465	32%
Other expenditures	47,606	3%	12,759	1%
Other financing uses	39,340	3%	38,759	3%
Total	<u>\$1,413,879</u>	<u>100%</u>	<u>\$1,226,732</u>	<u>100%</u>

Public Protection increase is primarily related to Department of Child Support Services. Health and Sanitation increased primarily due to an increase in funding for the Disproportionate Share Hospital (DSH) programs. Public assistance increase is due to the expansion of public programs available through the Department of Social Services (DPSS). Other expenditures increased primarily due to an increase in capital leases.



General Fund Cash Balance and Fund Balance. The cash balance of the General Fund increased from negative \$113,356,000 at June 30, 2000 to negative \$19,695,000 at June 30, 2001. This increase was attributed to prior period adjustments as well as current year revenue accrual, resulting in revenue being recognized from trust funds and decrease in accounts receivables. The negative \$19,695,000 is reported as an interfund borrowing from Departmental Agency Funds. At June 30, 2001 there was a total of \$460,683,000 of County pooled deposits (including Departmental Agency Funds) as well as \$60,776,000 in general fund restricted assets available to covert the negative balance. The County's fund balance represents the equivalent of 31 working days of expenditures.

Proprietary Operations. This fund type includes Enterprise Funds which account for operations providing goods or services to the general public on a continuing basis and Internal Service Funds which account for goods or services furnished by one department of the County to other departments of the County or to other governmental agencies. The accounting for these funds is in a manner similar to private enterprises, therefore the intent of the Board is that all costs are to be financed or recovered primarily through user charges and determination of net income is considered important. The activities of the County Regional Medical Center, Waste Management Department, Housing Authority and Flood Control District are the principal Enterprise Funds, while equipment rental, maintenance, data processing, personnel, self-insurance, printing and supply services are the principal activities accounted for as Internal Service Funds.

Cash Management. 99.73%, \$136,768,000 of the County's cash deposits were either insured by federal depository insurance or collateralized. All collateral on cash deposits was held either by the County, its agent, or a financial institution's trust department in the County's name. Approximately 58.80%, \$1,362,362,000, of the investments held by the County at June 30, 2001 are classified in the category of lowest credit risk as defined by the Governmental Accounting Standards Board. This category includes investments that are insured, or registered, or held by the County or its agent in the County's name. The maturities of the investments in the County Treasurer's investment pool generally range from 1 month to 3 years, with the average weighted maturity being .50 year.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Pools*, school district and special district external investment pools are reported as investment trust funds. Of the Treasurer's total cash and investments pool of \$2,004,893,000 at June 30, 2001, \$901,319,000 relates to the external investment pool participants.

Restrictive investment policies are in place to minimize credit and market risks while maintaining a competitive yield on the portfolios. The County Treasurer's selection of investments is more restrictive than those authorized in Sections 53601 and 53635 of the California Government Code and gives primary consideration to the safety and preservation of the principal amounts invested. Ongoing cash flow projections are maintained for the coming twelve months to assure that adequate funds are available to meet daily cash expenditure requirements. The investment policies are to be reviewed and updated annually.

In December 1994 the Board of Supervisors created an Investment Oversight Committee to work with the County Treasurer to oversee County investment policies. The Committee reviews the County's investment strategy and the status of the County's investments and reports its findings to the Board. The Oversight Committee has reviewed and approved investment policies for funds held outside the County Treasury.

State statutes, specific debt financing indentures and contract arrangements generally determine the investment parameters of County cash and investments not held in the County Treasury.

Retirement Plan. The County of Riverside contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. All full-time, part-time and seasonal benefited County employees are eligible to participate in the system.

Temporary non-benefited hourly employees do not participate in the system until 1,000 hours are worked each year. Benefits are vested after five years of service. Eligible County employees who retire at or after fifty years of age with five years of credited service are entitled to an annual retirement benefit, payable monthly for life. The County makes the contribution required of County employees hired prior to January 9, 1992 on their behalf and for their account. Miscellaneous member (non-prosecution unit) employees hired after the above date make their own contributions for the first five years. Miscellaneous prosecution unit member employees hired on or after September 3, 1992 make their own contributions for the first year. With some exceptions, safety member employees hired after June 25, 1992 make their own contributions for the first three years. For certain bargaining units, the County makes the contribution required of the employees on their behalf, regardless of hire date.

Effective April 1, 1999, all temporary non-benefited employees were enrolled under the County's new self-administered 401(a) Qualified Retirement Plan. This plan requires a 3.75% of compensation contribution from the employee, and the employer contributes all additional amounts required for the defined benefit.

Debt Administration. On June 30, 2001, the County had several debt issues outstanding, principally certificates of participation - lease rental obligations. Riverside County's long-term lease debt rating is A3 by Moody's Investors Service, Inc. and A by Standard & Poor's Corporation. Continued sound financial management policies and practices and careful budgeting should provide the County with sufficient financial strength to meet its obligations as pledged. Net bonded debt per capita equaled \$313.97 as of June 30, 2001. However, in October 2001, Moody's Investors Service placed a "negative outlook" on the credit rating for California counties (Riverside County included), noting it "primarily reflects the possibility that the State could address a significant part of any budget shortfall by diverting revenues from local governments, particularly counties."

Since 1981, the County has had a short term financing program to cover "dry periods" of its General Fund cash flow during the fiscal year July 1 through June 30. In FY 2001-02, the County as a participant in the California Statewide Communities Development Authority Pool, issued \$229,485,000 in Tax and Revenue Anticipation Notes to satisfy short-term cash flow needs. The Authority Pool received ratings MIG 1 from Moody's Investors Service, Inc. and SP-1+ from Standard & Poor's Ratings Services.

Under the direction of the Board of Supervisors, the County's Debt Advisory Committee reviews all debt issuances of the County and its subsidiary organizations and advises the Board accordingly.

In October 1993, the Board of Supervisors of the County of Riverside formally passed the resolution necessary for the County to adopt the Teeter Plan (alternate method of property tax distribution). The Plan required the "buy-out" of delinquent secured taxes and the annual advance of unpaid taxes to participating agencies. Funding for the County's on-going obligations under Teeter for FY 2000-01 was accomplished through the sale of County of Riverside Teeter Obligation Tax-Exempt Commercial Paper Notes in the amount of \$26,461,000. The Letter of Credit provider is Westdeutsche Landesbank Girozentrale, and the repayment is now a pledge of the General Fund.

Risk Management. The County maintains a comprehensive risk management program under the full time direction of a professional risk manager. The County self-insures the primary layers for general liability, medical malpractice and workers' compensation. The County purchases all-risk property including flood, a level of earthquake as well as boiler and machinery insurance coverage subject to various deductibles. The County records estimated liabilities for claims filed and for incurred but not reported (IBNR) claims. Additionally, the County self-insures unemployment insurance and short-term disability income benefits.

The County purchases policies of excess insurance for medical malpractice, general liability including auto and workers' compensation. Medical malpractice utilized a policy that provided annual coverage on a claims-made basis. However, effective July 1, 1998 the County's Medical malpractice coverage changed to an occurrence basis with all prior acts coverage. In addition, the County purchases specialty coverage for aviation liabilities, fidelity and crime bonds and long-term disability benefits.

The County participates in the CSAC Excess Insurance Authority's (CSAC-EIA) programs for excess liability, medical malpractice, worker's compensation, primary and excess property programs. CSAC-EIA provides some support services for selected programs, such as excess claims administration and risk management services for medical malpractice as well as loss prevention for general liability and subsidizes participating counties for actuarial studies.

The activities related to the County's programs are accounted for in Internal Service Funds (ISF). Accordingly, estimated liabilities for claims filed or to be filed, for incidents, which have occurred through June 30, 2001, are reported in these funds. Where certain funds have a retained earnings deficit or insufficient reserves, the County has provided a funding plan or the County may elect to increase charges. Revenues of these Internal Service Funds are primarily provided by user charges to Departments/Agencies/Special Districts and are intended to cover self-insured claim liabilities, insurance premiums, and operating expenses.

OTHER INFORMATION

Independent Audit. The County of Riverside contracted for its annual audit with Macias, Gini & Company LLP, independent certified public accountants. In addition to meeting its contractual requirements for the audit of the Comprehensive Annual Financial Report, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related U.S. Office of Management and Budget Circular A-133. The auditors' report on the general purpose financial statements and combining and individual fund and account group statements and schedules is included in the financial section of this report. A separate report relating to the single audit is available in the County Auditor-Controller's Office.

Certificate of Achievement. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Riverside for its Comprehensive Annual Financial Report for the year ended June 30, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The County of Riverside has received a Certificate of Achievement for the last thirteen consecutive years. We believe our current report continues to conform to Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this Comprehensive Annual Financial Report on a timely basis could not be accomplished without the dedicated and efficient services of the entire staff of the Auditor-Controller's Office as well as the staffs of the contributing component units and departments. I would like to acknowledge the special efforts of the General Accounting Division and our independent auditors, Macias, Gini & Company LLP, for their assistance in the report preparation.

I also wish to thank the members of the Board of Supervisors and County Executive Officer for their interest and support in planning and conducting the financial operations of the County of Riverside in a progressive manner.

Respectfully Submitted,


ANTHONY J. BELLANCA, CPA
COUNTY AUDITOR-CONTROLLER

**COUNTY OF RIVERSIDE
BOARD OF SUPERVISORS AND COUNTY OFFICIALS**

BOARD OF SUPERVISORS

JAMES VENABLE, CHAIRPERSON
District 3

BOB A. BUSTER
District 1

S. ROY WILSON
District 4

JOHN F. TAVAGLIONE
District 2

THOMAS MULLEN
District 5

OTHER COUNTY OFFICIALS

PAUL MCDONNELL
Treasurer & Tax Collector

ANTHONY J. BELLANCA, CPA
Auditor – Controller

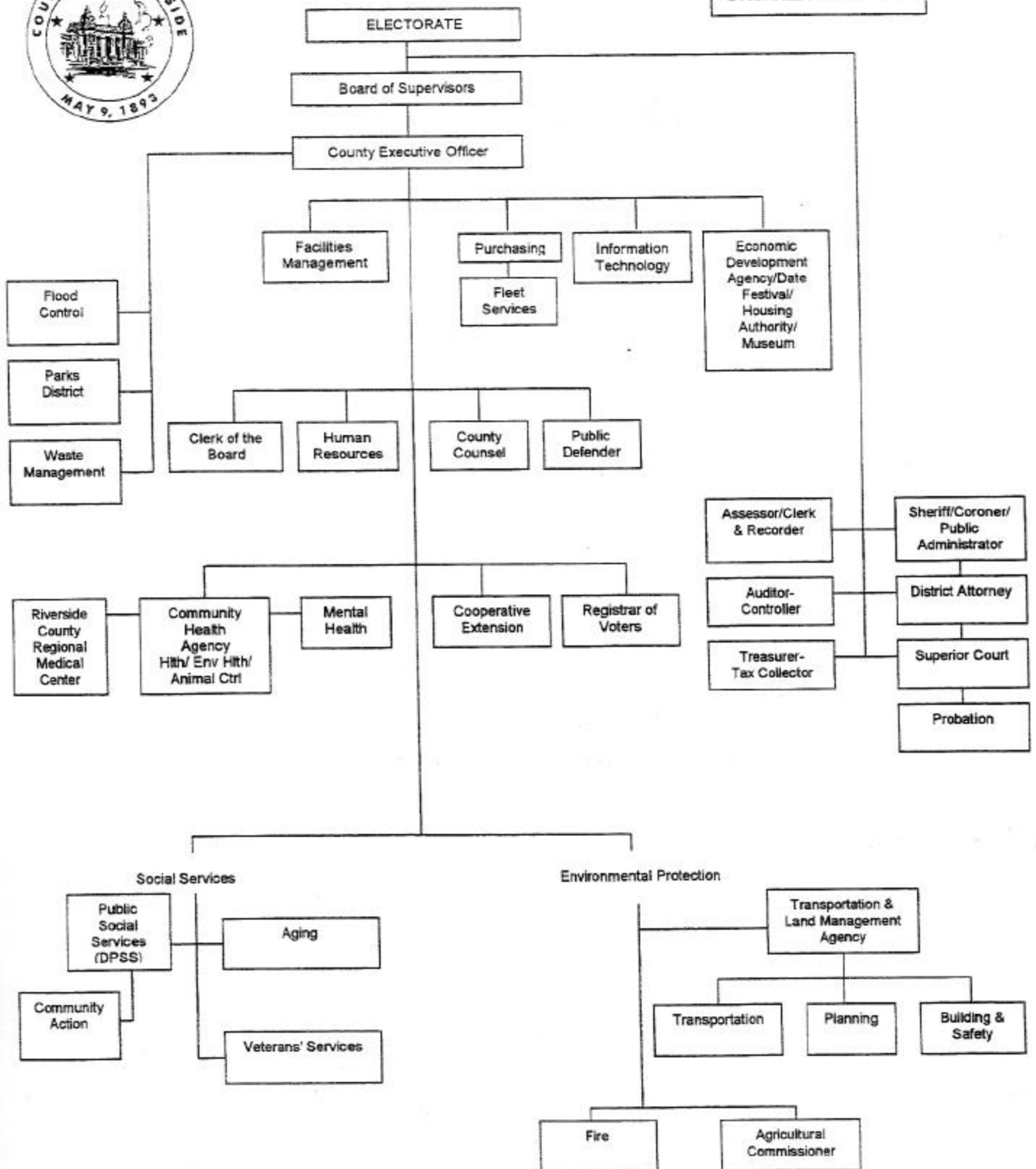
LARRY PARRISH
County Executive Officer

GARY L. ORSO
Assessor

WILLIAM C. KATZENSTEIN
County Counsel



COUNTY OF RIVERSIDE
ORGANIZATION CHART



July 31, 2001

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, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Thomas A. Brown
President

Jeffrey L. Esser
Executive Director



Financial Section



Independent Auditor's Report





Macias, Gini & Company LLP
 Certified Public Accountants and
 Management Consultants

Partners
 Kenneth A. Macias, Managing Partner
 Ernest J. Gini
 Kevin J. O'Connell
 Richard A. Green
 Jan A. Rosati
 James V. Godsey

515 South Figueroa Street
 Suite 325
 Los Angeles, CA 90071
 213•612•0200
 213•683•0443 FAX
 www.maciasgini.com

Honorable Board of Supervisors
 County of Riverside
 Riverside, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying general-purpose financial statements of the County of Riverside, California (the County), as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the following County department and component units: Housing Authority of the County of Riverside, Riverside County Flood Control and Water Conservation District, Riverside County Regional Park and Open-Space District, Redevelopment Agency for the County of Riverside, and Riverside County Regional Medical Center, which represent the following percentages of assets, liabilities, and operating revenues/additions as of and for the year ended June 30, 2001, of the following fund types and account groups:

Fund Type	Assets	Liabilities	Operating Revenues/Additions
Special Revenue	56%	-	21%
Debt Service	44%	-	68%
Capital Projects	38%	-	54%
Enterprise	69%	-	88%
Internal Service	2%	-	2%
Account Group			
General Fixed Assets	7%	-	-
General Long-Term Debt	-	25%	-

Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the County department and component units described above, is based solely 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

OFFICE LOCATIONS

Sacramento • Los Angeles • Fresno • San Francisco Bay Area

In our opinion, based on our audit and the reports of the other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the County as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 21 to the general-purpose financial statements, the County adopted the accounting and reporting standards for nonexchange transactions set forth in Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, and Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues – an amendment of GASB Statement No. 33*, effective July 1, 2000.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2002 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, based on our audit and the reports of the other auditors, is fairly presented, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The statistical section listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the County. Such additional information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion thereon.

Macvar, Fini & Company LLP

Certified Public Accountants

Los Angeles, California
January 18, 2002

General Purpose Financial Statements





COUNTY OF RIVERSIDE
COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNIT
JUNE 30, 2001 (In Thousands)

	GOVERNMENTAL FUND TYPES				PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	
		SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST & AGENCY
<u>ASSETS AND OTHER DEBITS</u>							
Cash and investments (Note 3)	\$	187,083	56,804	97,248	23,886	144,574	1,382,021
Taxes receivable	3,767	2,276	8,758		10		12,847
Accounts receivable, net of allowance of \$42,953	3,973	214		1,028	47,417	1,578	60
Interest receivable	17,307	1,522	1,264	514	581	500	3,998
Prepaid items					1,618		
Advances to other funds (Note 6)	6,437						
Due from other funds (Note 6)	145,701	14,821	1,865	4,698	237	1,204	19,934
Due from other governments	135,558	10,473			18,937	195	9,430
Loans receivable		6,202					
Deposits							369
Inventories	864	2,893		3,264	4,456	2,054	
Land, structures and improvements, and equipment (Note 5)					392,563	164,733	
Accumulated depreciation and amortization					(121,414)	(105,590)	
Restricted assets (Notes 3 and 4)	293,878		65,698	37,077	113,680		
Amount available for retirement of long-term debt							
Amount to be provided for compensation payable							
Amount to be provided for retirement of long-term debt							
TOTAL ASSETS AND OTHER DEBITS	607,485	225,484	134,389	143,829	481,971	209,248	1,428,659
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>							
LIABILITIES:							
Accounts payable	12,124	4,792	1,304	4,526	11,273	7,327	188,337
Salaries and benefits payable	27,712	2,002			3,966	2,533	
Advances from other funds (Note 6)		125			6,262		50
Due to other funds (Note 6)	19,741	3,478	1,865	434	13,929	255	148,758
Due to other governments	4,339	1,474			2,357		95,293
Due to third parties							81,975
Tax anticipation notes payable (Notes 9 and 20)	228,395						
Deferred revenue	137,043	11,897		4,854			
Interest payable					2,426		
Deposits payable					345		12,266
Accrued compensation payable (Note 9)					10,037	5,314	
Accrued closure and post-closure care costs (Note 7)					53,115		
Accrued remediation costs (Note 19)					24,302		
Notes and loans payable (Note 9)					4,709		
Bonds payable & certificates of participation (Note 9)					252,883	1,200	
Capital lease obligations (Note 9)					1,606	46,847	
Estimated claims liability (Note 11)						72,469	
Other liabilities					4,789	1,500	
TOTAL LIABILITIES	429,354	23,768	3,169	9,814	391,999	137,445	526,679
FUND EQUITIES AND OTHER CREDITS:							
Investment in general fixed assets							
Contributed capital (Note 10)					14,139	5,806	
Retained earnings (Notes 2 and 10)					75,833	65,997	
Fund balance:							
Reserved (Note 10)	67,779	53,902	131,220	55,274			901,319
Unreserved:							
Designated (Note 10)	44,663	116,143		43,954			
Undesignated	65,689	31,671		34,787			661
TOTAL FUND EQUITIES AND OTHER CREDITS	178,131	201,716	131,220	134,015	89,972	71,803	901,980
TOTAL LIABILITIES, FUND EQUITIES AND OTHER CREDITS	\$ 607,485	225,484	134,389	143,829	481,971	209,248	1,428,659

Statement 1

ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNIT CHILDREN AND FAMILIES COMMISSION	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)	
GENERAL FIXED ASSETS	GENERAL LONG- TERM DEBT				ASSETS AND OTHER DEBITS
		1,891,616	52,052	1,943,668	Cash and investments (Note 3)
		27,658		27,658	Taxes receivable
		54,270		54,270	Accounts receivable, net of allowance of \$42,953
		25,686	186	25,872	Interest receivable
		1,618		1,618	Prepaid items
		6,437		6,437	Advances to other funds (Note 6)
		188,460		188,460	Due from other funds (Note 6)
		174,583	4992	179,585	Due from other governments
		6,202		6,202	Loans receivable
		369		369	Deposits
		13,531		13,531	Inventories
706496		1,263,792	76	1,263,868	Land, structures and improvements, and equipment (Note 5)
		(227,004)		(227,004)	Accumulated depreciation and amortization
		510,333		510,333	Restricted assets (Notes 3 and 4)
	131,220	131,220		131,220	Amount available for retirement of long-term debt
	83,884	83,884	23	83,907	Amount to be provided for compensation payable
	531,283	531,283		531,283	Amount to be provided for retirement of long-term debt
706496	746387	4,683,948	57,329	4,741,277	TOTAL ASSETS AND OTHER DEBITS
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>					
<u>LIABILITIES:</u>					
		229,683	257	229,940	Accounts payable
		36,213		36,213	Salaries and benefits payable
		6,437		6,437	Advances from other funds (Note 6)
		188,460		188,460	Due to other funds (Note 6)
		103,463	75	103,538	Due to other governments
		81,975		81,975	Due to third parties
		228,395		228,395	Tax anticipation notes payable (Notes 9 and 20)
		153,794	2037	155,831	Deferred revenue
		2,426		2,426	Interest payable
		12,611		12,611	Deposits payable
	83,884	99,235	23	99,258	Accrued compensation payable (Note 9)
		53,115		53,115	Accrued closure and post-closure care costs (Note 7)
		24,302		24,302	Accrued remediation costs (Note 19)
	63,607	68,316		68,316	Notes and loans payable (Note 9)
	512,997	767,080		767,080	Bonds payable & certificates of participation (Note 9)
	85,899	134,352		134,352	Capital lease obligations (Note 9)
		72,469		72,469	Estimated claims liability (Note 11)
		6,289		6,289	Other liabilities
	746387	2,268,615	2392	2,271,007	TOTAL LIABILITIES
<u>FUND EQUITIES AND OTHER CREDITS:</u>					
706496		706,496	76	706,572	Investment in general fixed assets
		19,945		19,945	Contributed capital (Note 10)
		141,830		141,830	Retained earnings (Notes 2 and 10)
					Fund balance:
		1,209,494	54861	1,264,355	Reserved (Note 10)
					Unreserved:
		204,760		204,760	Designated (Note 10)
		132,808		132,808	Undesignated
706496		2,415,333	54,937	2,470,270	TOTAL FUND EQUITIES AND OTHER CREDITS
706496	746387	4,683,948	57,329	4,741,277	TOTAL LIABILITIES, FUND EQUITIES AND OTHER CREDITS

COUNTY OF RIVERSIDE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUND AND
DISCRETELY PRESENTED COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

GOVERNMENTAL FUND TYPES

	<u>GENERAL</u>	<u>SPECIAL</u>	<u>DEBT</u>	<u>CAPITAL</u>
<u>REVENUES</u>		<u>REVENUE</u>	<u>SERVICE</u>	<u>PROJECTS</u>
Taxes	\$ 167,991	68,712	16,335	2,171
Licenses, permits and franchises	13,899	2,179		
Fines, forfeitures, and penalties	27,033	554		
Revenues from use of money and property:				
Interest	36,113	7,484	5,502	4,211
Rents and concessions	914	4,823	3,616	
Aid from other governmental agencies:				
State	512,490	28,634		
Federal	317,406	51,734		2,496
Charges for current services	182,918	32,982		3,819
Other revenue	53,900	20,999		2,210
TOTAL REVENUES	1,312,664	218,101	25,453	14,907
<u>EXPENDITURES</u>				
Current:				
General government	100,553	15,158	10,146	
Public protection	500,351	2,415		
Public ways and facilities		89,997		
Health and sanitation	271,826	683		
Public assistance	454,203	42,792		
Education	314	8,122		
Recreation and cultural services	182	734		
Capital outlay	29,777	846		61,072
Debt service:				
Costs of issuance			115	
Principal retirement			49,032	
Interest	17,333		21,441	
TOTAL EXPENDITURES	1,374,539	160,747	80,734	61,072
REVENUES OVER (UNDER) EXPENDITURES	(61,875)	57,354	(55,281)	(46,165)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in (Note 6)	121,326	14,920	21,940	3,364
Operating transfers (out) (Note 6)	(39,340)	(41,649)	(3,256)	(13,810)
Proceeds from reimbursement agreement				1,258
Bond proceeds			78,004	38,482
Capital leases	29,777			
TOTAL OTHER FINANCING SOURCES (USES)	111,763	(26,729)	96,688	29,294
REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	49,888	30,625	41,407	(16,871)
FUND BALANCES, JULY 1, 2000 AS RESTATED (Note 10)	128,221	170,853	89,835	150,886
Residual equity transfers in (out) (Note 6)	22	238	(22)	
FUND BALANCES, JUNE 30, 2001	\$ 178,131	201,716	131,220	134,015

See accompanying notes to general purpose financial statements.

FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNIT CHILDREN AND FAMILIES COMMISSION	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)	
EXPENDABLE TRUST	255,209	20,174	275,383	<u>REVENUES</u>
	16,078		16,078	Taxes
	27,587		27,587	Licenses, permits and franchises
				Fines, forfeitures, and penalties
				Revenues from use of money and property:
37	53,347	2,511	55,858	Interest
	9,353		9,353	Rents and concessions
				Aid from other governmental agencies:
465	541,589		541,589	State
	371,636		371,636	Federal
	219,719		219,719	Charges for current services
	77,109		77,109	Other revenue
502	1,571,627	22,685	1,594,312	TOTAL REVENUES
				<u>EXPENDITURES</u>
				Current:
464	126,321		126,321	General government
	502,766		502,766	Public protection
	89,997		89,997	Public ways and facilities
	272,509		272,509	Health and sanitation
	496,995	4,441	501,436	Public assistance
	8,436		8,436	Education
	916		916	Recreation and cultural services
	91,695		91,695	Capital outlay
				Debt service:
	115		115	Costs of issuance
	49,032		49,032	Principal retirement
	38,774		38,774	Interest
464	1,677,556	4,441	1,681,997	TOTAL EXPENDITURES
38	(105,929)	18,244	(87,685)	REVENUES OVER (UNDER) EXPENDITURES
				<u>OTHER FINANCING SOURCES (USES)</u>
	161,550		161,550	Operating transfers in (Note 6)
	(98,055)		(98,055)	Operating transfers (out) (Note 6)
	1,258		1,258	Proceeds from reimbursement agreement
	116,486		116,486	Bond proceeds
	29,777		29,777	Capital leases
	211,016		211,016	TOTAL OTHER FINANCING SOURCES (USES)
				REVENUES AND OTHER SOURCES OVER (UNDER)
38	105,087	18,244	123,331	EXPENDITURES AND OTHER USES
623	540,418	36,693	577,111	FUND BALANCES, JULY 1, 2000 AS RESTATED (Note 10)
	238		238	Residual equity transfers in (out) (Note 6)
661	645,743	54,937	700,680	FUND BALANCES, JUNE 30, 2001

COUNTY OF RIVERSIDE
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	GENERAL FUND			SPECIAL REVENUE FUNDS		
			VARIANCE FAVORABLE			VARIANCE FAVORABLE
<u>REVENUES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
Taxes	\$ 163,224	167,991	4,767	59,422	68,712	9,290
Licenses, permits and franchises	15,357	13,899	(1,458)	655	2,179	1,524
Fines, forfeitures, and penalties	29,479	27,033	(2,446)	713	554	(159)
Revenues from use of money and property:						
Interest	29,201	36,113	6,912	3,972	7,484	3,512
Rents and concessions	771	914	143	4,940	4,823	(117)
Aid from other governmental agencies:						
State	552,983	512,490	(40,493)	37,574	28,634	(8,940)
Federal	355,840	317,406	(38,434)	113,875	51,734	(62,141)
Charges for current services	187,588	182,918	(4,670)	25,045	32,982	7,937
Other revenue	85,607	53,900	(31,707)	26,148	20,999	(5,149)
TOTAL REVENUES	1,420,050	1,312,664	(107,386)	272,344	218,101	(54,243)
<u>EXPENDITURES</u>						
Current:						
General government	161,475	100,553	60,922	24,856	15,158	9,698
Public protection	524,388	500,351	24,037	3,174	2,415	759
Public ways and facilities				162,289	89,997	72,292
Health and sanitation	307,603	271,826	35,777	684	683	1
Public assistance	503,785	454,203	49,582	82,214	42,792	39,422
Education	317	314	3	8,183	8,122	61
Recreation and cultural services	240	182	58	857	734	123
Capital outlay		29,777	(29,777)	2,285	846	1,439
Debt service:						
Principal retirement						
Interest	20,114	17,333	2,781			
TOTAL EXPENDITURES	1,517,922	1,374,539	143,383	284,542	160,747	123,795
REVENUES OVER (UNDER) EXPENDITURES	(97,872)	(61,875)	35,997	(12,198)	57,354	69,552
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	118,831	121,326	2,495	19,136	14,920	(4,216)
Operating transfers (out)	(44,368)	(39,340)	5,028	(44,952)	(41,649)	3,303
Proceeds from reimbursement agreement						
Bond proceeds				10,968		(10,968)
Capital leases		29,777	29,777			
TOTAL OTHER FINANCING SOURCES (USES)	74,463	111,763	37,300	(14,848)	(26,729)	(11,881)
REVENUES AND OTHER SOURCES OVER (UNDER)						
EXPENDITURES AND OTHER USES	\$ (23,409)	49,888	73,297	(27,046)	30,625	57,671
FUND BALANCES, JULY 1, 2000 AS RESTATED (Note 10)		128,221			170,853	
Residual equity transfers in		22			238	
FUND BALANCES, JUNE 30, 2001 (Note 13)	\$	178,131			201,716	

See accompanying notes to general purpose financial statements.

Statement 1B

BUDGETED DEBT SERVICE FUNDS			BUDGETED CAPITAL PROJECTS FUNDS			
<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	<u>REVENUES</u>
46,560	16,335	(30,225)	1,956	2,171	215	Taxes
						Licenses, permits and franchises
						Fines, forfeitures, and penalties
						Revenues from use of money and property:
1,204	2,327	1,123	60	561	501	Interest
242	250	8				Rents and concessions
						Aid from other governmental agencies:
						State
			1,491	2,496	1,005	Federal
			4,289	3,819	(470)	Charges for current services
			6,232	1,410	(4,822)	Other revenue
<u>48,006</u>	<u>18,912</u>	<u>(29,094)</u>	<u>14,028</u>	<u>10,457</u>	<u>(3,571)</u>	TOTAL REVENUES
						<u>EXPENDITURES</u>
						Current:
10,325	9,564	761				General government
						Public protection
						Public ways and facilities
						Health and sanitation
						Public assistance
						Education
						Recreation and cultural services
			25,078	19,754	5,324	Capital outlay
32,087	35,396	(3,309)				Debt service:
6,849	5,069	1,780				Principal retirement
						Interest
<u>49,261</u>	<u>50,029</u>	<u>(768)</u>	<u>25,078</u>	<u>19,754</u>	<u>5,324</u>	TOTAL EXPENDITURES
<u>(1,255)</u>	<u>(31,117)</u>	<u>(29,862)</u>	<u>(11,050)</u>	<u>(9,297)</u>	<u>1,753</u>	REVENUES OVER (UNDER) EXPENDITURES
						<u>OTHER FINANCING SOURCES (USES)</u>
1,258	1,256	(2)	108	2,105	1,997	Operating transfers in
(26,461)	(1,997)	24,464	(30)	(13,049)	(13,019)	Operating transfers (out)
				1,258	1,258	Proceeds from reimbursement agreement
26,461	78,004	51,543	10,891	38,482	27,591	Bond proceeds
						Capital leases
<u>1,258</u>	<u>77,263</u>	<u>76,005</u>	<u>10,969</u>	<u>28,796</u>	<u>17,827</u>	TOTAL OTHER FINANCING SOURCES (USES)
<u>3</u>	46,146	<u>46,143</u>	<u>(81)</u>	19,499	<u>19,580</u>	REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES
	54,343			81,047		FUND BALANCES, JULY 1, 2000 AS RESTATED (Note 10)
	<u>100,489</u>			<u>100,546</u>		Residual equity transfers in
						FUND BALANCES, JUNE 30, 2001 (Note 13)

COUNTY OF RIVERSIDE
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TOTAL (MEMORANDUM ONLY)
<u>OPERATING REVENUES</u>			
Net patients revenue	\$ 280,230		280,230
Current services	48,888	200,694	249,582
Charges to other governments	40,684		40,684
Other	5,845		5,845
TOTAL OPERATING REVENUES	375,647	200,694	576,341
<u>OPERATING EXPENSES</u>			
Cost of materials used		6,498	6,498
Personnel services	92,433	51,398	143,831
Communications	602	5,394	5,996
Insurance	1,788	4,164	5,952
Maintenance of building and equipment	6,438	20,260	26,698
Insurance claims		41,233	41,233
Supplies	31,459	5,052	36,511
Purchased services	64,290	33,561	97,851
Depreciation and amortization	16,719	19,483	36,202
Rents and leases of equipment	335	1,575	1,910
Public assistance	32,004		32,004
Utilities	4,207	162	4,369
Closure and post-closure (Note 7)	(1,767)		(1,767)
Remediation	941		941
Provision for doubtful accounts	17,897		17,897
Other	3,334	8,303	11,637
TOTAL OPERATING EXPENSES	270,680	197,083	467,763
OPERATING INCOME	104,967	3,611	108,578
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest on invested funds	8,418	1,176	9,594
Interest expense	(19,003)	(3,028)	(22,031)
Gain on sale of fixed assets	13		13
TOTAL NON-OPERATING REVENUES (EXPENSES)	(10,572)	(1,852)	(12,424)
<u>OPERATING TRANSFERS AND CAPITAL CONTRIBUTION</u>			
Capital contribution	260		260
Operating transfers in (Note 6)	20,103	134	20,237
Operating transfers (out) (Note 6)	(82,744)	(988)	(83,732)
TOTAL OPERATING TRANSFERS AND CAPITAL CONTRIBUTION	(62,381)	(854)	(63,235)
NET INCOME	32,014	905	32,919
RETAINED EARNINGS JULY 1, 2000 AS RESTATED (Note 10)	43,819	65,092	108,911
RETAINED EARNINGS JUNE 30, 2001	\$ 75,833	65,997	141,830

See accompanying notes to general purpose financial statements.

COUNTY OF RIVERSIDE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	ENTERPRISE <u>FUNDS</u>	INTERNAL SERVICE <u>FUNDS</u>	TOTAL (MEMORANDUM <u>ONLY</u>)
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 104,967	3,611	108,578
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	16,719	19,483	36,202
(Increase) decrease in:			
Accounts and taxes receivable	(12,358)	(379)	(12,737)
Prepaid items	(6,045)	10	(6,035)
Due from other funds		(310)	(310)
Due from other governments	(7,224)	(109)	(7,333)
Inventories		46	46
Increase (decrease) in:			
Accounts payable	(3,847)	(1,984)	(5,831)
Other Liabilities		1,500	1,500
Salaries and benefits payable	3,516	782	4,298
Due to other funds	3,871	(5,771)	(1,900)
Due to other governments	(3,471)		(3,471)
Deposits payable	(62)		(62)
Accrued compensation payable	(3,950)	329	(3,621)
Accrued closure and post-closure care costs	(9,870)		(9,870)
Accrued remediation costs	83		83
Estimated claims liability		10,686	10,686
Other liabilities	9,583		9,583
Total adjustments	(13,055)	24,283	11,228
Net cash provided by operating activities	91,912	27,894	119,806
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in	20,103	134	20,237
Operating transfers (out)	(82,744)	(988)	(83,732)
Net cash used by noncapital financing activities	(62,641)	(854)	(63,495)

See accompanying notes to general purpose financial statements.

Continued on next page.

COUNTY OF RIVERSIDE
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	ENTERPRISE FUND	INTERNAL SERVICE FUND	TOTAL (MEMORANDUM ONLY)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on bonds and certificates	\$ (3,704)	1,200	(2,504)
Interest paid	(17,507)	(3,028)	(20,535)
Principal paid on loans and notes payable	(1,155)		(1,155)
Principal paid on capital leases		5,447	5,447
Proceeds from sale of fixed assets	13		13
Capital contribution	260		260
Acquisition of land, structures, improvements, and equipment	(9,704)	(27,821)	(37,525)
Net cash (used) by capital and related financing activities	(31,797)	(24,202)	(55,999)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(4,867)		(4,867)
Interest on investments	8,601	1,604	10,205
Net cash provided by investing activities	3,734	1,604	5,338
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,208	4,442	5,650
CASH AND CASH EQUIVALENTS AT JULY 1, 2000, AS RESTATED (Note 10)	124,005	140,132	264,137
CASH AND CASH EQUIVALENTS AT JUNE 30, 2001	125,213	144,574	269,787
LESS: Cash and cash equivalents included in restricted assets	(101,327)		(101,327)
CASH AND INVESTMENTS	23,886	144,574	168,460
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of fixed assets through capital leases or long-term obligations	255		255
Acquisition of assets through donation/transfer	215		215
Accrued interest at June 30, 2000, reversed at June 30, 2001	\$ 245		245
See accompanying notes to general purpose financial statements.			

COUNTY OF RIVERSIDE
STATEMENT OF CHANGES IN NET ASSETS - INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	INVESTMENT TRUST
<u>ADDITIONS:</u>	
Contributions to pooled investments	\$ 3,653,166
Interest	<u>54,672</u>
TOTAL ADDITIONS	<u>3,707,838</u>
<u>DEDUCTIONS:</u>	
Distributions from pooled investments	<u>3,532,809</u>
TOTAL DEDUCTIONS	<u>3,532,809</u>
NET INCREASE	175,029
NET ASSETS HELD IN TRUST FOR EXTERNAL POOL PARTICIPANTS, JULY 1, 2000	726,528
Residual equity transfer (out)	<u>(238)</u>
NET ASSETS HELD IN TRUST FOR EXTERNAL POOL PARTICIPANTS, JUNE 30, 2001	<u>\$ 901,319</u>

See accompanying notes to general purpose financial statements.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(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 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 public safety, public works, health and sanitation, education, recreation, culture and public assistance. As required by generally accepted accounting principles, these financial statements present the County of Riverside (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. Each blended and discretely presented component unit has a June 30 year-end.

Blended Component Units

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

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

Riverside County Regional Park and Open-Space District (Park). The governing board of Park is the County's governing body. Among its duties, it approves Park's budget, approves contracts, sets fees and charges for park use, and appoints the management. Park is reported as both governmental and fiduciary fund types.

Riverside County Desert Facilities Corporation (Desert Facilities). Desert Facilities has its own five member governing body and provides service almost entirely to the primary government (the County) through the purchase or construction of land and/or facilities which are then leased back to the County. Desert Facilities is reported as a governmental fund type.

Redevelopment Agency for the County of Riverside (RDA). The governing body of RDA is the County's governing body. Among its duties, it approves RDA's budget and appoints the management. RDA is reported as a governmental fund type.

County of Riverside Asset Leasing Corporation (CORAL). The governing board of CORAL is appointed by the County's governing board and CORAL provides services entirely to the County. CORAL is reported as a governmental fund type.

Riverside County Service Areas (CSAs). The governing body of the CSAs is the County's governing body. Among its duties, it approves the CSAs' budgets, approves parcel fees, and appoints the management. The CSAs are reported as either governmental or proprietary fund types.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Riverside County Public Financing Authority (Authority). The governing body of the Authority is the County's governing body. The Authority was formed for the public purpose of assisting in financing public improvements of the County, the RDA and other local agencies. The Public Financing Authority is reported as a governmental fund type.

County of Riverside Court Financing Corporation (Corporation). The governing body of the Corporation is the County's governing body. The Corporation assists the County by providing for the acquisition, construction and renovation of public facilities and improvements. The Corporation is reported as a governmental fund type.

County of Riverside District Court Financing Corporation (District Corporation). The governing body of the District Corporation is the County's governing body. The District Corporation assists the County by providing for the acquisition, construction and renovation of certain leased premises and other public facilities and improvements. The District Corporation is reported as a governmental fund type.

Discretely Presented Component Unit.

Riverside County Children and Families Commission. The governing body of the Commission is appointed by and serves at the will of the County's governing body. The Commission was formed to develop, adopt, promote and implement early childhood development programs. The Commission is reported as a governmental fund type.

Additional detailed financial information for each of these entities can be obtained from the Auditor-Controller's Office at the Robert T. Anderson Administrative Center, 4080 Lemon Street - 11th Floor, (P.O. Box 1326), Riverside, CA 92502-1326.

The general purpose financial statements also include as Investment Trust numerous self-governed school and special districts for which cash and investments are held by the County Treasurer. 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, and the related fiduciary responsibility of the County for disbursement of these assets. Activities of the school districts and special districts are administered by boards which are separately elected and which are independent of the Board. 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 to appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County. Twenty-four 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 general purpose financial statements since each entity conducts its own day-to-day operations and is controlled by its own governing board.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial resources and operations of the County are accounted for in funds and account groups.

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, which is segregated for the purpose of carrying on specific activities. Account groups are used to establish accounting control and accountability for the County's general fixed assets and general long-term debt obligations. Account groups are not funds, as they do not reflect available financial resources and related liabilities.

The accompanying general purpose financial statements include the following fund types and account groups:

Governmental Fund Types:

Governmental Funds are used to account for the County's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is based upon determination of changes in financial position. The following are the County's Governmental Fund Types:

General Fund

The General Fund is available for any authorized purpose and is used to account for all financial resources except for those accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those accounted for in Capital Projects Funds) that are restricted to expenditures for specified purposes. Special Revenue Funds also include general funds of certain governmental units or agencies included in the County's reporting entity as a result of the County's oversight responsibility.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds

Capital Projects 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.

Proprietary Fund Types:

Proprietary funds are used to account for activities that are similar to those often found in the private sector.

Under Governmental Accounting Standards Board Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the County has elected not to apply Financial Accounting Standards Board pronouncements issued after November 30, 1989.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Following are the County's Proprietary Fund Types:

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the periodic determination of net income is deemed important.

Internal Service Funds

Internal Service Funds are used to account for the goods or services furnished by one County department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Fund Types:

Expendable Trust Fund

The Expendable Trust Fund is used to account for principal and income which may be expended in course of the designated operation. The use of Expendable Trust is limited to instances where legally mandated or formal legal trustee relationship exists. Expendable Trust Fund is accounted for in essentially the same manner as Governmental Fund Types.

Investment Trust Fund

The Investment Trust Fund accounts for the external portion of the County Treasurer's investment pool. The Investment Trust Fund is accounted for in essentially the same manner as Proprietary Funds, using the same measurement focus and basis of accounting.

Agency Funds

Agency Funds are used to account for assets held by the County as agent for individuals, private organizations, boards, commissions and other governmental entities or funds not part of the County reporting entity, but for which the County acts in a fiduciary capacity. Agency funds are custodial in nature and do not involve measurement focus.

Account Groups:

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for all general fixed assets of the County other than those accounted for in Proprietary Fund Types.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for the unmatured principal of general obligation bonds and other general long-term obligations that are not specific liabilities of Proprietary Fund Types.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds and Investment Trust Fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components for the Proprietary Funds and reserved fund balance for the Investment Trust Fund. Proprietary Fund Type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Investment Trust Fund operating statement presents increases (i.e., additions) and decreases (i.e., deductions) in net total assets.

The County uses the modified accrual basis of accounting for the Governmental Fund Types (General, Special Revenue, Debt Service, and Capital Projects), Expendable Trust Fund and Agency Funds (assets and liabilities only). Revenues are recognized when susceptible to accrual, i.e., measurable and available to finance operations of the current period.

Secured and unsecured delinquent property taxes estimated to be collectible in future years are recorded as receivables and deferred revenue, with amounts expected to be collected within 60 days after year-end recognized as revenue. Interest income, sales taxes and charges for services are accrued when earned or held by the intermediary collecting agency. Federal and State grants and subventions are recorded as revenue when determined to be available and the related eligible expenditures are incurred. Revenues which are not considered susceptible to accrual include fines, forfeitures and penalties, and licenses, permits, and franchises. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt obligations, which is recognized when payment is due.

The accrual basis of accounting is used for Enterprise Funds, Internal Service Funds, and the Investment Trust Fund. Under this method of accounting, revenues are recognized when they are earned and become measurable, and expenses are recorded when they are incurred. Enterprise Fund unbilled health care services are included as accounts receivable in the accompanying combined balance sheet because such amounts are accrued as revenue when the services are provided.

For Governmental Funds, the County records accrued vacation and sick leave not expected to be paid until future years in the General Long-Term Debt Account Group. Such amounts applicable to the Proprietary Funds are accrued as liabilities in these funds.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

Cash Deposits 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 investments.

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

Pooled investments, including U.S. Treasury and Agency securities, are carried at fair value based on current market prices received from an independent registered investment advisor. Other County investments in U.S. Treasury and Agency securities are carried at fair value based on quoted market prices. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within 90 days of June 30, which are carried at cost. Bond anticipation notes are carried at fair value. Commercial paper is carried at amortized 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 fair value based on the value of each participating dollar.

The fair value of participants' position in the pool is not the same as the value of pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value, amortized cost plus accrued interest of the participants' percentage participation at the date of such withdrawal. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2001 to support the valuation.

State law requires that all operating monies of the County, school districts and certain special districts be held by the County Treasurer. Collectively, these mandatory deposits constituted approximately 85.8% of the funds on deposit in the County Treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 14.2% of the total funds on deposit in the County Treasury represented discretionary deposits.

In December 1994 the Board of Supervisors created an Oversight Committee to work with the County Treasurer to oversee County investment policies. The Committee reviews the County's investment strategy and the status of the County's investments and reports its findings to the Board. The Oversight Committee has reviewed and approved investment policies for funds held outside the County Treasury.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Advances between funds are offset by a fund balance reserve account to indicate that they are not available for appropriation and are not expendable available financial resources.

Accounts receivable are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The estimated uncollectible amount from patient accounts receivable of Regional Medical Center is \$42,953,000.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

Receivables and Payables (Continued)

All jurisdictions within California derive their taxing authority via State Constitution and various legislative provisions contained in the Government Code and Revenue and Taxation Code. Property is assessed by the County Assessor and State Board of Equalization at 100% of full cash or market value (with some exceptions) pursuant to Article XIII A of the California State Constitution and statutory provisions. The total 2000-01 gross assessed valuation of the County was \$89,655,344,000.

In order to lessen the fiscal impact of the tax increment financing of redevelopment projects on other units of local governments, RDA has entered into pass-through agreements with various governmental agencies to "pass-through" portions of tax increment funds received by RDA, attributable to the area within the territorial limits of other agencies.

The property tax levy to support general operations of the various local government jurisdictions is limited to one percent (1%) of the full cash value of taxable property and distributed in accordance with statutory formulas. Amounts needed to finance the annual requirements of voter-approved debt (approved by the electorate prior to June 30, 1978) are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

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

Property taxes are levied on both real and personal property and are recorded as receivables at the date of levy. Secured property taxes are levied on or before the first business day of September of each year. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. These tax payments can be made in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes which 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 (5) 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. Additional 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 the 1993-94 fiscal year, the County authorized an alternative property tax distribution method referred to as the "Teeter Plan." This method allows for a 100% distribution of the current secured property tax levy to entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes were distributed. This results in the General Fund receiving distributions of approximately 50-55% in December, 40-45% in April and the remaining 5% in July 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 one percent (1%) of the tax levy for participating entities flow to the County General Fund. For FY 2000-01 there was \$10,000,000 transferred from the TLRF to the General Fund.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The prepaid assets recorded in the Governmental Fund Types do not reflect current appropriable resources and thus, an equivalent portion of fund balance is reserved.

Inventories, which consist of materials and supplies held for consumption and land held for resale, are valued at the lower of cost (on a first-in, first-out basis) or market in the Proprietary Fund Types. Inventories for all Governmental Fund Types are valued at average cost. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as expenditures when consumed rather than when purchased. Material amounts of inventory are reported as assets of the respective fund. Reported inventories of these funds do not represent current budgetable resources and are therefore offset by a corresponding reservation of fund balance.

Fixed Assets

Expenditures exceeding \$5,000 for general fixed assets acquired through the General, Special Revenue and Capital Project Funds are capitalized at historical cost in the General Fixed Assets Account Group.

Fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs, gutters, streets and sidewalks, are not capitalized. Such infrastructure assets are of value only to the County; therefore, the purposes of stewardship and cumulative accountability for capital expenditures are satisfied without recording these assets in the General Fixed Assets Account Group. Depreciation is not provided on general fixed assets. Fixed assets of the Enterprise and Internal Service Funds are recorded at historical cost or estimated historical cost, less accumulated depreciation. Depreciation expense is provided using the straight-line method over the estimated useful lives of the assets as follows:

Structures and Improvements	20 to 40 years
Equipment	3 to 10 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements, which significantly increase values, change capacities or extend useful lives, are capitalized.

All fixed assets acquired through gifts or contributions are recorded at the estimated fair value on the date of receipt.

Leases

The County leases various assets under both operating and capital lease agreements. For Governmental Fund Types, assets under capital leases and the related lease obligations are reported in the General Fixed Assets and General Long-Term Debt Account Groups, respectively. For Proprietary Fund Types, the assets and related lease obligations are recorded in the appropriate Enterprise or Internal Service Fund.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

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, Desert Facilities and Housing outstanding debt include certain covenants pertaining to the disposition of bond proceeds for construction, acquisition, and for bond redemption purposes. Riverside County Waste Management Department (Waste) 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 to retire tax anticipation notes and Teeter commercial paper notes.

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 not expected to be liquidated with expendable available financial resources in the General Long-Term Debt Account Group. Governmental Funds record no expenditure for these amounts. At June 30, 2001, the amount of accrued vacation and holiday pay reported in the General Long-Term Debt Account Group was \$83,884,000.

The County allows unlimited accumulation of sick leave. Upon retirement, disability retirement or death of an employee, unused accumulated sick leave is paid to the employee or the employee's estate at the rate of ten (10) percent of the current salary for five full years of service, plus two (2) percent for each additional year to a maximum of 50 percent with the total payment no more than 120 days of full pay. In addition, there is an optional payout of sick leave for health insurance premiums for certain employees.

Deferred Revenue

Deferred revenue arises when a potential revenue transaction does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenue also arise when resources are received before the County has a legal claim to them, as when grant monies are received in advance of incurring qualified expenditures.

Long-term Debt

The County reports long-term debt of Governmental Funds at face value in the General Long-Term Debt Account Group. Certain other Governmental Fund obligations not expected to be financed with current available financial resources are also reported in the General Long-Term Debt Account Group and Investment Trust Fund. Long-term debt and other obligations financed by Proprietary Fund Types are reported as liabilities in the appropriate Proprietary Fund Types.

For Governmental Fund Types, discounts are recognized during the current period as an other financing use. Bond proceeds and bond premiums are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For Proprietary Fund Types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable in the Proprietary Fund Types are reported net of the applicable bond premium or discount.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(1) Summary of Significant Accounting Policies (Continued)

Long-term Debt (Continued)

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

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

Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Memorandum Only - Total Columns

Total columns in the general-purpose financial statements are captioned as "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations and changes in cash flows of the County in accordance with generally accepted accounting principles. Such data is not comparable to a consolidation since interfund eliminations have not been made in the aggregation of this data.

(2) Stewardship, Compliance and Accountability

Budgetary Data

In accordance with the provisions of Section 29000-29143 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, after conducting public hearings concerning the proposed budget, the Board adopts a budget on or before October 2 for each fiscal year. Budgets are adopted for the General Fund, Special Revenue Funds, certain Debt Service Funds and certain Capital Projects Funds and are prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles. Annual budgets are not adopted for CORAL, Desert Facilities Corporation, and the District Court Project included in the Debt Service Funds and CORAL and the District Court Project included in the Capital Projects Funds and, accordingly, these funds are not included in the accompanying Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types.

As adopted by the Board, expenditures are controlled by the County at the budgetary unit, which is the organization level, for each appropriation (object) class. The appropriation classes are Salaries and Benefits, Services and Supplies, Other Charges, Fixed Assets, Operating Transfers Out and Intrafund Transfers. The separately prepared Expenditure by Appropriation - Budget and Actual report, showing budgetary comparisons at the legal level of control, is available in the Auditor-Controller's Office.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(2) Stewardship, Compliance and Accountability (Continued)

Budgetary Data (Continued)

The County Executive Officer is authorized by the Board to transfer appropriations between appropriation classes within the same budgetary unit. All other transfers of appropriations must be approved by the Board. Supplemental appropriations necessary and normally financed by unanticipated revenue during the year must also be approved by the Board. There were numerous budget adjustments during the fiscal year that were not material to the general purpose financial statements. In most cases the adjustments were to increase appropriations and estimated revenue. All annual appropriations lapse at year-end.

Budget amounts reported in the accompanying general purpose financial statements reflect amended amounts. 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.

Encumbrances

Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes in the General, Special Revenue and Capital Projects Funds. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Encumbrances outstanding at year-end represent the estimated amount of expenditures ultimately to result if the unperformed contracts in process at year-end are completed.

Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as a reservation of fund balance and reappropriated in the subsequent year.

Excess of Expenditures Over Appropriations

General Fund capital outlay expenditures of \$29,777,000 related to capital leases were unbudgeted. These expenditures were funded by the related other financing sources. Desert Expo Centre Special Revenue Fund operating transfers out of \$31,000 were unbudgeted. These transfers were financed by other financing sources. County Redevelopment Agency Debt Service expenditures for principal retirement of \$3,309,000, interest expenditures in the amount of \$575,000 and operating transfers out in the amount of \$1,997,000 were unbudgeted. These expenditures and transfers were financed by other financing sources. The Correctional Facilities Capital Project Fund operating transfers out of \$13,034,000 were unbudgeted. Regional Park and Open-Space District Capital Project Fund Capital Outlay expenditures of \$856,000 were unbudgeted. These expenditures and transfers were funded by available fund balance.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(2) Stewardship, Compliance and Accountability (Continued)

Deficit Fund Equity

The following funds have accumulated deficits at June 30, 2001 (in thousands):

	<u>Accumulated Deficit</u>
Enterprise Funds:	
Blythe Marina	\$ 212
Regional Medical Center	9,000
Animal Spay and Neuter	228
Internal Service Funds:	
Medical Center Data Processing	1,178
Fleet Services	176
Information Services	548
Health Agency Support Services	877

The County plans to employ budgetary strategies necessary to cure these accumulated deficits, including seeking additional revenue sources and, where necessary, reducing non-essential and/or non-mandated services in order to reduce costs.

(3) Cash Deposits and Investments

The County's cash deposits and investments are considered to be cash on hand, demand deposits and investments. A significant amount is held by the County Treasurer in a cash and investment pool. As provided for by the Government Code, the County maintains a cash and investment pool that is available for all funds of the County, as well as the funds of other agencies within the County for which the County Treasury is the depository. The County Treasury is not a depository for any public agencies outside the County. The purpose of the Treasurer's pool is to increase interest earnings through investment activities. Interest earned on the pooled funds is apportioned quarterly based on the ending daily balance of each fund. Also included in cash and investments are cash and investments held by CORAL, RDA, Housing, certain Joint Powers Authorities, and other component units.

State statutes authorize the County to invest in obligations of the U.S. Treasury, Federal agencies, a U.S. Government-sponsored enterprise, the State of California, local government agencies, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers acceptances, repurchase agreements, reverse repurchase agreements, guaranteed investment contracts, bond anticipation notes, corporate bonds and negotiable certificates of deposits issued by national and State licensed or chartered banks or Federal or State savings and loan associations.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(3) Cash Deposits and Investments (Continued)

Cash Deposits

In accordance with the Governmental Accounting Standards Board Statement 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the County's deposits at June 30, 2001 are categorized in the following manner (in thousands):

		<u>Carrying Amount</u>	<u>Bank Balance</u>
Category 1 -	Insured or collateralized with securities held by the County or by its agent in the County's name	\$2,379	\$2,379
Category 2 -	Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name	142,183	142,183
Category 3 -	Uninsured, unregistered investments held by dealer's agent	763	763
	Total	<u>\$145,325</u>	<u>\$145,325</u>

County warrants, unlike checks, are deducted from the County carrying value of cash at the time the warrants are presented for payment to the bank. There is no timing difference between when the County records the warrants as presented for payment and when the bank is authorized to honor the warrants by the County; therefore, the carrying balance of deposits at June 30, 2001 equals the bank balance. All expenditures for which warrants have been issued at June 30, 2001 are recognized in the operating funds at the time the warrants are issued. The liability for the payment of the warrants and the cash to fund the payment are recorded in a specific agency fund for Warrant Clearing.

The General Fund experienced a negative cash balance of \$19,695,000 at June 30, 2001, which is reported as an interfund borrowing from Departmental Agency Funds. There was a total of \$460,683,000 of County pooled deposits (including Departmental Agency Funds) available to cover the negative cash balance.

Investments

In accordance with the Governmental Accounting Standard Board's Statement 3, the County's investments are categorized separately below to give an indication of the level of custodial credit risk assumed by the County at year-end.

Category 1 includes investments that are insured, or registered, or held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments held by the counterparty, or by its trust department or agent, but not in the County's name.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(3) Cash Deposits and Investments (Continued)

Investments

The County's investments are categorized as follows (in thousands):

	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
U. S. government securities	\$ 523,364	\$ 7,743	\$ 531,107
Banker acceptances	57,815		57,815
Corporate bonds		4,611	4,611
Negotiable certificates of deposits	50,000		50,000
Medium term notes	5,098		5,098
Commercial paper	720,461	1,300	721,761
Repurchase agreements		509,294	509,294
Local agency obligations	5,624		5,624
Total	<u>\$1,362,362</u>	<u>\$522,948</u>	<u>1,885,310</u>

Amounts not categorized because securities that exist in physical or book entry form are not used as evidence of the investment:

Local agency investment fund	2,011
Guaranteed investment contracts	297,787
Mutual funds	123,568
Investment Total	<u>\$2,308,676</u>

The Local Investment Advisory Board (Board) has oversight responsibility for the State's Local Agency Investment Fund (LAIF). The Board consists of five members as designated by state statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County's portion in the pool.

Summary of Cash Deposits and Investments

The following is a summary of cash deposits and investments as reported on the Combined Balance Sheet (in thousands):

Cash deposits	\$ 145,325
Investments	<u>2,308,676</u>
Total	<u>\$2,454,001</u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(3) Cash Deposits and Investments (Continued)

Summary of Cash Deposits and Investments (Continued)

A summary of time deposits and investments held by the County Treasurer are as follows (in thousands):

Investment	Fair Value	Principal	Interest Rate Percent Range	Maturity Range
Bankers acceptances	\$ 57,815	\$ 57,815	3.52-3.86	07/10/01-08/30/01
Commercial paper	720,461	720,461	3.62-4.14	07/02/01-09/19/01
Local agency obligations	5,624	5,624	5.02	06/30/03
Medium term notes	5,098	4,999	4.01	03/01/02
U.S. Treasury	254	249	3.76	01/31/02
U.S. Agency	523,111	521,068	3.63-6.78	07/02/01-05/24/04
Repurchase agreements	403,769	403,769	3.95-4.00	07/02/01-07/05/01
Mutual Funds	105,900	105,900	4.03	07/31/01
Negotiable certificate of deposits	<u>50,000</u>	<u>50,000</u>	<u>3.93</u>	<u>08/02/01-08/21/01</u>
Total Investments	<u>\$1,872,032</u>	<u>\$1,869,885</u>		
 Total Deposits	 <u>132,861</u>	 <u>132,861</u>		
 Total Investments and Deposits	 <u><u>\$2,004,893</u></u>	 <u><u>\$2,002,746</u></u>		

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's investment pool as of June 30, 2001 (in thousands):

Statement of Net Assets	
Net assets held in trust for all pool participants	<u>\$2,004,893</u>
Equity of internal pool participants	1,103,574
Equity of external pool participants (voluntary and involuntary)	<u>901,319</u>
Total equity	<u><u>\$2,004,893</u></u>
Statement of Changes in Net Assets	
Net Assets at July 1, 2000	\$1,630,248
Net change in investments by pool participants	<u>374,645</u>
Net Assets at June 30, 2001	<u><u>\$2,004,893</u></u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(4) Restricted Assets

The amount of assets restricted and designated by legal and contractual requirements at June 30, 2001 is as follows (in thousands):

	General Fund	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Total
1985 Certificates	\$	16,973	2,971		\$ 19,944
1989/93 Hospital Bonds				28,622	28,622
1993 Master Refunding		2,536	14		2,550
1997 A Hospital				2	2
1997 Family Law Court		1,048			1,048
1997 Historic Court House		2,342			2,342
1997 Lease Refunding		158	1,351		1,509
1998 Larson Justice Center		30	15		45
1997 B/C Hospital				115	115
2000 Southwest Justice Center		7,338	32,582		39,920
Waste - Cash				82,904	82,904
Housing Authority Bond				2,037	2,037
Desert Facilities Corporation		142			142
District Court Project		313	144		457
Tax Anticipation Notes	232,770				232,770
Restricted Program Money	61,108				61,108
Teeter Commercial Paper Notes		34,818			34,818
Total Restricted Assets	<u>\$293,878</u>	<u>65,698</u>	<u>37,077</u>	<u>113,680</u>	<u>\$510,333</u>

At June 30, 2001 County management believes that the County is in compliance with all significant terms of its debt agreements and all State statute requirements.

(5) Fixed Assets

Following is a summary of changes in general fixed assets by class for the year ended June 30, 2001 (in thousands):

	Balance at July 1, 2000	Additions	Retirements	Balance at June 30, 2001
Land	\$ 82,179	4,700	1,600	\$ 85,279
Structures and improvements	490,310	39,170		529,480
Equipment	<u>76,775</u>	<u>20,220</u>	<u>5,258</u>	<u>91,737</u>
Total	<u>\$649,264</u>	<u>64,090</u>	<u>6,858</u>	<u>\$706,496</u>

The following is a summary of Proprietary Fund fixed assets by class as of June 30, 2001 (in thousands):

	<u>Proprietary Funds</u>	
	<u>Enterprise</u>	<u>Internal Service</u>
Land	\$ 71,306	
Structures and improvements	194,238	4,098
Equipment	<u>127,019</u>	<u>160,635</u>
Total	<u>\$392,563</u>	<u>164,733</u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(6) Interfund Transactions

The following is a summary of individual interfund receivables and payables at June 30, 2001 (in thousands):

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund:	<u>\$ 145,701</u>	<u>\$ 19,741</u>
Special Revenue Funds:		
Transportation	2,648	
Community Services	6,416	87
Other Special Revenue	2,187	
Flood Control	432	459
Redevelopment Agency	2,932	2,932
County Service Areas	<u>206</u>	
Total Special Revenue Funds	<u>14,821</u>	<u>3,478</u>
Debt Service Funds:		
Redevelopment Agency	<u>1,865</u>	<u>1,865</u>
Total Debt Service Funds	<u>1,865</u>	<u>1,865</u>
Capital Projects Funds:		
Public Facilities Improvements	4,193	
Redevelopment Agency	434	434
Parks	<u>71</u>	
Total Capital Projects Funds	<u>4,698</u>	<u>434</u>
Enterprise Funds:		
Regional Medical Center		13,252
Waste Management Department		386
Housing Authority	235	235
Flood Control	<u>2</u>	<u>56</u>
Total Enterprise Funds	<u>237</u>	<u>13,929</u>
Internal Service Funds:		
Medical Center Data Processing	832	
Information Services	39	
Health Agency Support Services	43	
OASIS Project		46
Flood Control Equipment	<u>290</u>	<u>209</u>
Total Internal Service Funds	<u>1,204</u>	<u>255</u>
Trust & Agency Funds:		
Departmental	19,934	91,506
Development		9,895
Grants		25,598
Property Tax/Assessments		20,653
Endowments		<u>1,106</u>
Total Agency Funds	<u>19,934</u>	<u>148,758</u>
Total	<u>\$188,460</u>	<u>\$188,460</u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(6) Interfund Transactions (Continued)

The General fund makes advances to other funds to assist in meeting their cash flow requirements. Advances at June 30, 2001 consist of the following (in thousands):

	Advances To <u>Other Funds</u>	Advances From <u>Other Funds</u>
General Fund	<u>\$ 6,437</u>	
Special Revenue Fund:		
Other Special Revenue		<u>\$ 125</u>
Enterprise Funds:		
Regional Medical Center		6,008
Animal Spay & Neuter Clinic		<u>254</u>
Total Enterprise Funds		<u>6,262</u>
Trust & Agency Fund:		
Departmental		<u>50</u>
Total	<u>\$ 6,437</u>	<u>\$ 6,437</u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(6) Interfund Transactions (Continued)

The following is a summary of Operating Transfers In/Out at June 30, 2001 (in thousands):

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$121,326	\$ 39,340
Special Revenue Funds:		
Transportation	8,498	5,603
Community Services	5,075	31,598
Other Special Revenue	543	1,158
Flood Control	801	2,108
County Service Areas	<u>3</u>	<u>1,182</u>
Total Special Revenue Funds	<u>14,920</u>	<u>41,649</u>
Debt Service Funds:		
County of Riverside Asset Leasing Corporation	20,684	1,256
Flood Control	1,256	
Redevelopment Agency		1,997
District Court Project		<u>3</u>
Total Debt Service Funds	<u>21,940</u>	<u>3,256</u>
Capital Projects Funds:		
Public Facilities Improvements		15
Correctional Facilities		13,034
County of Riverside Asset Leasing Corporation	1,256	761
Flood Control	108	
Redevelopment Agency	1,997	
District Court Project	<u>3</u>	
Total Capital Project Funds	<u>3,364</u>	<u>13,810</u>
Enterprise Funds:		
Regional Medical Center	20,098	82,692
County Service Areas		18
Flood Control	<u>5</u>	<u>34</u>
Total Enterprise Funds	<u>20,103</u>	<u>82,744</u>
Internal Service Funds:		
Risk Management		826
Flood Control Equipment	<u>134</u>	<u>162</u>
Total Internal Service Funds	<u>134</u>	<u>988</u>
Total	<u>\$181,787</u>	<u>\$181,787</u>

Residual equity transfers in (out) are comprised of \$22,000 from County of Riverside Asset Leasing Corporation Debt Service Fund to General Fund and \$238,000 from Investment Trust – Trust & Agency Funds to County Community Parks Special Revenue Fund.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(7) Landfill Closure Costs

Waste has recorded approximately \$76,737,000 as landfill closure and post-closure care expense to date (based on the use of the estimated capacities of the landfill ranging from 20.5% to 100%). State and Federal laws and regulations require Waste 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 will recognize the remaining estimated total cost of \$36,600,000 as the remaining estimated capacity of 20,900,000 tons is filled. Waste expects all currently permitted landfill capacities to be filled by 2020. The total estimate of approximately \$113,300,000 is based on what it would cost to perform all closure and post-closure care at year-end. Actual costs may be different due to inflation, changes in technology or changes in regulations.

During 2001, the total cost estimate for closure and post closure care decreased by \$6.3 million from the prior year due to changes in technology, and the availability of actual closure and post closure expense data. This decreased cost estimate, along with increases for percent of capacity filled, capacity adjustments and inflation resulted in a net adjustment to operating expenses of (\$1,767,000) for the year ended June 30, 2001.

Cumulative expense, percentage of landfill capacity used to date and the estimated remaining landfill life by operating landfill are as follows:

<u>Facility Name</u>	<u>Cumulative Expense</u>	<u>Capacity Used as of June 30, 2001</u>	<u>Estimated Years Remaining</u>
Anza (Anza)	\$ 2,463,000	100.0%	-
Badlands (Moreno Valley)	4,241,000	23.8%	19
Blythe (Blythe)	1,170,000	20.5%	19
Coachella (Coachella)	8,288,000	100.0%	-
Desert Center (Desert Center)	633,000	68.8%	15
Double Butte (Winchester)	9,024,000	100.0%	-
Edom Hill (Cathedral City)	14,424,000	84.2%	3
El Sobrante (Corona)	13,440,000	78.2%	29
Highgrove (Riverside)	6,429,000	100.0%	-
Lamb Canyon (Beaumont)	5,525,000	33.5%	23
Mead Valley (Perris)	8,280,000	100.0%	-
Mecca II (Mecca)	1,414,000	92.0%	4
Oasis (Oasis)	1,406,000	69.4%	19
	<u>\$76,737,000</u>		

Waste 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 14 of the California Code of Regulations (CCR) requires solid waste landfill operators to demonstrate the availability of financial resources to conduct closure and post-closure maintenance activities. In accordance with sections 18283 and 18290 of the CCR, Waste has implemented Pledge of Revenue agreements between Waste and the California Integrated Waste Management Board (CIWMB) for seven active landfills and five closed landfills to demonstrate financial responsibility for post-closure maintenance costs. Waste has determined that the projected net revenues, after current operating costs, from tipping fees during the thirty 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 and the CIWMB. Waste is in

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(7) Landfill Closure Costs (Continued)

compliance with these requirements, and investments of \$69,814,000 are held for these purposes at June 30, 2001 and are classified as restricted assets in the general purpose financial statements. Waste expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future landfill users.

(8) Operating Leases

The following is a schedule by year of future minimum rental payments, which includes an average 4.5 percent per annum rental increase, principally for the General Fund, 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, 2001 (in thousands):

<u>Year Ending June 30:</u>	
2002	\$19,387
2003	17,144
2004	14,617
2005	9,225
2006	5,535
Thereafter	<u>26,562</u>
Total Minimum Payments	<u>\$92,470</u>

Rental expense was \$22,354,000 principally in the General Fund for the year ended June 30, 2001.

(9) Long-Term Obligations

Long-term obligations of the County consist of capital lease obligations, bonds, and other liabilities which are payable from the General, Debt Service, Enterprise and Internal Service Funds. The calculated legal debt limit for the County is \$1,100,313,000.

Capital Leases

Capital leases for Governmental Funds are recorded both as capital expenditures and as an other financing source at inception, with the liability recorded in the General Long-Term Debt Account Group and the asset recorded in the General Fixed Assets Account Group. Capital leases are secured by a pledge of the leased equipment.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

9) Long-Term Obligations (Continued)

Capital Leases (Continued)

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, 2001 (in thousands):

<u>Year ending June 30:</u>	<u>Enterprise Funds</u>	<u>Internal Service</u>	<u>General Long- Term Debt Account Group</u>
2002	\$ 576	\$ 17,944	\$ 11,379
2003	548	14,705	9,949
2004	459	9,095	9,580
2005	95	4,212	9,096
2006	55	1,111	8,875
Thereafter	<u>37</u>	<u>4,526</u>	<u>71,028</u>
Total minimum payments	1,770	51,593	119,907
Less amount representing interest	<u>(164)</u>	<u>(4,746)</u>	<u>(34,008)</u>
Present value of net minimum lease payments	<u>\$ 1,606</u>	<u>\$ 46,847</u>	<u>\$ 85,899</u>

General Long-Term Debt Account Group includes the Palm Desert Financing Authority capital lease of \$6,620,000 for the construction of the Blythe County Administrative Center.

Bonds and Notes Payable

General obligation bonds are not secured by collateral. Revenue for retirement of such bonds is provided from ad valorem taxes on property within the jurisdiction of the governmental unit issuing the bonds. Not-for-profit corporation Certificates of Participation and revenue bonds are secured by certain facilities or annual base rental lease payments payable by various County departments for use of the facilities constructed or purchased from the bond proceeds.

The Housing note payable of \$4,709,000 is secured by a deed of trust.

On June 27, 1988, RDA, agreed to reimburse CORAL for a portion of the \$169,400,000 1985 Certificates of Participation (the 1985 Certificates). The amount to be reimbursed by the RDA is determined by multiplying the ratio of the assessed property value of the RDA over the assessed unincorporated property value of the County times the original issuance of the 1985 Certificates. During the fiscal year ended June 30, 2001 an adjustment of \$4,769,000 was made to record the proper receivable based on projected assessed values over the remaining years of the outstanding certificates. CORAL had previously recorded only the minimum amount due according to the agreement. At June 30, 2001, the total obligation from RDA was \$4,924,000.

CORAL financed debt is used by various departments within the County to acquire equipment and by the County to finance land acquisition and construction of structures and improvements. Assets thus acquired are financed through a master lease agreement. The benefiting departments are assigned proportionate shares of debt that represents their usage and are billed through a master lease agreement. Proprietary Funds recognize their portion of assigned debt in the individual funds. Departments who are part of a Governmental Fund maintain their portion of debt in the General Long-Term Debt Account Group.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

9) Long-Term Obligations (Continued)

Bonds and Notes Payable (Continued)

RDA approved the issuance of Bond Anticipation Notes (BAN) in an amount not to exceed \$6,500,000 to the Treasurer and Tax Collector of the County, for the financing of a Sports Park. The note has been issued as a single note upon which advances are made by the Treasurer upon receipt of a disbursement request from the RDA. Interest on the note shall accrue upon each such advance from the date thereof at 50 basis points above the rate for the Treasurer's Pooled Investment Fund and shall include a three-year maturity from the date of the advance. RDA drew down \$410,000 in 1999 and an additional \$6,091,000 during the fiscal year ended June 30, 2000 for a total balance outstanding of \$6,500,000. During the current fiscal year, RDA made a principal payment of \$1,376,400 leaving an outstanding balance of \$5,123,600 as June 30, 2001.

On July 1, 2000, the County issued \$228,395,000 of Tax and Revenue Anticipation Notes, due September 29, 2001. The fifteen-month notes bear an interest rate of 4.7% per annum from their date of issuance and delivery until the notes are paid in full. At June 30, 2001, this liability is recorded in the General Fund as \$228,395,000 in tax anticipation notes payable, and assets of \$232,770,000 set aside to pay this obligation and related accrued interest were recorded as restricted assets.

During the year ended June 30, 2001 the County incurred interest costs of \$61,159,000.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

A summary of long-term debt obligations follows (in thousands):

Enterprise Fund Debt

	Balance at <u>June 30, 2001</u>
Housing Authority of the County of Riverside notes payable, 5.3% and 10% Date issued: January 1, 1998 and January 26, 1998 Original amount: \$4,709 Maturity date: January 1, 2001 and February 29, 2008	\$ 4,709
Housing Authority of the County of Riverside bond payable, 7.4% Date issued: November 25, 1986 Original amount: \$1,960 Maturity date: November 1, 2006	1,335
Housing Authority of the County of Riverside bond payable, 6.3% to 6.9% Date issued: January 27, 1998 Original amount: \$2,405 Maturity date: December 1, 2018	1,020
Housing Authority of the County of Riverside bond payable, 4.0% to 5.0% Date issued: August 11, 1998 Original amount: \$4,055 Maturity date: June 1, 2019	3,640
Housing Authority of County of Riverside bond payable, 6.4% Date issued: August 19, 1998 Original Amount: \$5,085 Maturity Date: June 1, 2028	4,890
County of Riverside Asset Leasing Corporation-Waste Certificates of Participation, 4.1% to 5.5% Date issued: October 9, 1997 Original amount: \$58,070 Maturing in installments through November 1, 2003	768
County of Riverside Asset Leasing Corporation-Regional Medical Center Certificates of Participation, 4.1% to 5.5% Date issued: October 9, 1997 Original amount: \$58,070 Maturing in installments through November 1, 2005	4,450
Leasehold Revenue Bonds, 5.5% to 6.8% Date issued: January 21, 1993 Original amount: \$149,060 Maturing in installments through June 1, 2014	119,981
Leasehold Revenue Bonds, 5.7% to 6.0% Date Issued: February 20, 1997 Original amount: \$42,055 Maturing in installments through June 1, 2026	52,005

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

Enterprise Fund Debt (Continued)

	Balance at <u>June 30, 2001</u>
Leasehold Revenue Bonds, 4.0% to 6.3%	\$64,794
Date issued: August 21, 1997	
Original amount: \$71,985	
Maturing in installments through June 1, 2019	
Capital Lease Obligations	<u>1,606</u>
Total Principal	<u><u>\$ 259,198</u></u>

Internal Service Fund Debt

	Balance at <u>June 30, 2001</u>
County of Riverside Asset Leasing Corp – Information Technology Certificates of Participation, 4.1% to 5.5%	\$1,200
Date Issued: October 9, 1977	
Original Amount: \$58,070	
Maturing in installments through November 1, 2002	
Capital Lease Obligations	<u>46,847</u>
Total Principal	<u><u>\$ 48,047</u></u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

General Long-Term Debt Account Group

	Balance July 1, 2000	Debt Issued or Reassigned	Debt Retired or Assigned	Balance June 30, 2001
Advances From Other Funds	<u>\$ 1,096</u>		<u>1,096</u>	
Accrued Compensation Payable	<u>77,649</u>	<u>6,235</u>		<u>83,884</u>
Notes Payable:				
Riverside County Flood Control and Water Conservation District Negotiable Promissory Note, 6.65% to 6.7% Date issued: August 1, 1990 Original amount: \$3,600 Matured August 1, 2000	475		475	
Riverside County Flood Control and Water Conservation District Negotiable Promissory Note, 5.4% to 5.8% Date issued: December 1, 1992 Original amount: \$4,750 Maturing in installments through September 1, 2002	1,680		530	1,150
Riverside County Flood Control and Water Conservation District Negotiable Promissory Note, 4.3% to 5.1% Date issued: December 1, 1995 Original amount: \$2,675 Maturing in installments through September 1, 2005	1,745		260	1,485
County of Riverside Teeter Tax-Exempt Commercial Paper Notes, Variable Interest Rate Date Issued: September 14, 1999 Original Amount: \$46,700	46,700	26,461	30,278	42,883
County of Riverside Redevelopment Agency Bond Anticipation Notes, Variable Interest Rate Date issued: May 20, 1999 Original amount: \$6,500 Matures May 20, 2002	6,500		1,376	5,124
Riverside County Public Financing Authority 2000 Open Space Notes, 5% Date Issued: April 25, 2000 Original Amount: \$12,965 Matures April 1, 2002	17,965		5,000	12,965
Total Notes Payable	<u>75,065</u>	<u>26,461</u>	<u>37,919</u>	<u>63,607</u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

<u>General Long-Term Debt Account Group (Continued)</u>	<u>Balance July 1, 2000</u>	<u>Debt Issued or Reassigned</u>	<u>Debt Retired or Assigned</u>	<u>Balance June 30, 2001</u>
Bonds Payable:				
County of Riverside Asset Leasing Corporation				
Certificates of Participation, variable interest rates	119,505		3,805	115,700
Date issued: December 19, 1985				
through June 22, 1988				
Original amount: \$220,655				
Maturing in installments through December 1, 2015				
County of Riverside Asset Leasing Corporation				
Certificates of Participation, 4.6% to 5.8%	18,895		2,655	16,240
Date issued: November 1, 1993				
Original amount: \$33,640				
Maturing in installments through November 1, 2018				
County of Riverside Asset Leasing Corporation				
Certificates of Participation, 4.2% to 5.8%	11,790		200	11,590
Date issued: March 1, 1997				
Original Amount: \$12,165				
Maturing in installments through November 1, 2027				
County of Riverside Asset Leasing Corporation				
Certificates of Participation, 4.5% to 6.1%	21,924	75	145	21,854
Date issued: May 7, 1997				
Original Amount: \$21,835				
Maturing in installments through November 1, 2027				
County of Riverside Asset Leasing Corporation				
Certificates of Participation, 4.1% to 5.5%	34,765	1,151	3,715	32,201
Date issued: October 9, 1997				
Original amount: \$58,070				
Maturing in installments through November 1, 2021				
County of Riverside Asset Leasing Corporation				
Certificates of Participation, 3.8% to 5.7%	33,685		945	32,740
Date issued: April 21, 1998				
Original Amount: \$36,100				
Maturing in installments through December 1, 2021				
County of Riverside Asset Leasing Corporation				
Certificates of Participation, 4.9% to 5.4%	94,245			94,245
Date issued: May 24, 2000				
Original Amount: \$94,245				
Maturing in installments through November 1, 2032				
County of Riverside Asset Leasing Corporation				
Leasehold Revenue Bonds, 4.0% to 6.3%	2,000			2,000
Date issued: August 21, 1997				
Original Amount: \$71,985				
Maturing in installments through June 1, 2019				

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

General Long-Term Debt Account Group (Continued)

	Balance July 1, <u>2000</u>	Debt Issued or <u>Reassigned</u>	Debt Retired or <u>Assigned</u>	Balance June 30, <u>2001</u>
County of Riverside District Court Financing Corporation				
Certificates of Participation, 7.6%	2,355	182		2,537
Date issued: April 29, 1999				
Original amount: \$2,186				
Maturing in installments through June 15, 2020				
County of Riverside Court Financing Corporation				
Certificates of Participation, 7.5%	17,645		200	17,445
Date issued: October 30, 1997				
Original amount: \$18,000				
Maturing in installments through November 1, 2027				
Riverside County Public Financing Authority				
County of Riverside Redevelopment Agency				
Tax Allocation Revenue Bonds, 4.4% to 5.6%	69,240		820	68,420
Date issued: September 30, 1997				
Original amount: \$69,625				
Maturing in installments through October 1, 2033				
Riverside County Desert Facilities Corporation				
Taxable Variable Rate Certificates of Participation, 6.0%	8,100		100	8,000
Date issued: June 20, 1990				
Original amount: \$8,800				
Collateralized by an \$8,800 irrevocable				
letter of credit to the Desert Facilities				
Corporation with Bank of America				
Riverside County Redevelopment Agency				
Tax Allocation Bonds Variable Interest Rate				
Date Issued: April 3, 2001				
Original amount: \$90,025		90,025		90,025
Matures: October 1, 2035				
Total Bonds Payable	<u>434,149</u>	<u>91,433</u>	<u>12,585</u>	<u>512,997</u>
Capital Lease Obligations	<u>63,599</u>	<u>29,777</u>	<u>7,477</u>	<u>85,899</u>
Total General Long-Term Debt Obligations	<u>\$651,558</u>	<u>153,906</u>	<u>59,077</u>	<u>746,387</u>

During FY 2000-01, the beginning balance of CORAL 1997 Lease Refunding debt \$36,096,000 was decreased by \$1,331,000. Also, the beginning balances of the 2000 Open Space Notes and Capital Lease Obligations were increased by \$5,000,000 and \$17,376,000 respectively.

CORAL's 1985 Capital Construction Program was issued as seven-day variable rate Certificates of Participation. Due to the variable rate, a letter of credit is required and was issued by National Westminster Bank and Commerzbank (the Banks), which will expire on April 18, 2003. In conjunction with the issuance of the letter of credit, CORAL and the County have entered into an Amended and Restated Sublease and Option to Purchase, a Second Amendment to Ground Lease, a Second Amendment to Trust Agreement and an Amended and Restated Assignment Agreement. Among the new provisions required by the Banks is a "cross-default" clause, whereby a default in any payment of any indebtedness of the County in excess of \$10,000 on outstanding principal in excess of \$10,000,000 is defined as an Event of Default on the 1985 Certificates of Participation.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

Debt Service Requirement to Maturity

Redevelopment Agency BAN have a maturity date of May 20, 2002. Teeter Notes have a letter of credit, which expires November 19, 2002. A summary of the remaining General Long-Term Debt, Housing debt, and CORAL secured Internal Service Fund and Enterprise Fund debt service requirements, including interest to maturity, as of June 30, 2001 follows (in thousands):

	Housing <u>Authority</u>	Flood <u>Control</u>	CORAL <u>Corporation</u>	Desert Facilities <u>Corporation</u>	Redevelop- ment <u>Agency</u>	Court Financing <u>Corporation</u>	District Court Financing <u>Corporation</u>	Public Financing <u>Authority</u>
2002	\$6,755	946	57,935	911	10,580	1,523		13,613
2003	1,204	945	56,419	893	10,585	1,523		
2004	1,183	334	56,918	875	9,156	1,525		
2005	1,165	334	56,306	857	9,989	1,526		
2006	1,182	333	56,489	839	10,469	1,526		
Thereafter	<u>15,653</u>		<u>832,762</u>	<u>12,715</u>	<u>301,450</u>	<u>33,546</u>	<u>8,781</u>	
Totals	27,142	2,892	1,116,829	17,090	352,229	41,169	8,781	13,613
Less interest	(10,368)	(257)	(532,492)	(9,090)	(188,660)	(23,724)	(6,244)	(648)
Less related discount	<u>(1,180)</u>		<u>(14,569)</u>					
Notes and Bonds								
Payable, net	<u>\$15,594</u>	<u>2,635</u>	<u>569,768</u>	<u>8,000</u>	<u>163,569</u>	<u>17,445</u>	<u>2,537</u>	<u>12,965</u>

Debt Service Requirement to Maturity (Continued)

The following is the schedule of the CORAL debt by fund type and account group on an annual basis (in thousands):

	Enterprise <u>Funds</u>	Internal Service <u>Funds</u>	General Long Term Debt <u>Account Group</u>	<u>Total</u>
2002	\$ 24,596	1,239	32,100	57,935
2003	24,242		32,177	56,419
2004	24,455		32,463	56,918
2005	24,672		31,634	56,306
2006	24,788		31,701	56,489
Thereafter	<u>357,235</u>		<u>475,527</u>	<u>832,762</u>
Total	479,988	1,239	635,602	1,116,829
Less interest	(223,421)	(39)	(309,032)	(532,492)
Less related discount	<u>(14,569)</u>			<u>(14,569)</u>
Bonds payable, net	<u>\$ 241,998</u>	<u>1,200</u>	<u>326,570</u>	<u>569,768</u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

Teeter Notes

In December 1993, the County adopted the Teeter Plan, an 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. As a necessary component for the issuance of the commercial paper, the County entered into an agreement with a financial institution to provide \$26,461,000 in direct pay letters of credit. During FY 2000-01, the County retired \$30,278,000 of the \$46,700,000 principal amount outstanding at June 30, 2000 and issued tax-exempt commercial paper notes of \$26,461,000. No amounts were drawn on the letter of credit, which expires November 19, 2002.

Defeasance of Debt

On November 1, 1993, the County issued \$33,640,000 of CORAL Certificates of Participation (1993 Master Refunding Project). The proceeds from the sale of the 1993 certificates were applied to the refunding and defeasance of \$32,730,000 aggregate principal of leasehold mortgage bonds, leasehold revenue bonds and certificates of participation previously issued. Accordingly, the refunded debt has been eliminated and the advance refunding certificates included in the financial statements. The amount of the refunded debt outstanding at June 30, 2001 was \$16,050,000.

On January 21, 1993, the County issued \$149,060,000 of CORAL Leasehold Revenue Bonds 1993 Series A and 1993 Series B (County of Riverside Hospital Project). The proceeds from the sale of the 1993 bonds were used to advance refund \$141,160,000 of the 1989 Leasehold Revenue Bonds Series A (1989 Bonds). Accordingly, the refunded bonds have been eliminated and the advance refunding bonds included in the financial statements. The amount of refunded debt outstanding at June 30, 2001 was \$10,150,000.

On September 30, 1997, the Riverside County Public Financing Authority issued \$69,625,000 in Revenue Bonds with an average interest rate of 5.52%. Proceeds were used to concurrently loan to the Redevelopment Agency for the County of Riverside, at the same interest rate, funds to advance refund \$11,095,000 of outstanding 1991 Tax Allocation Bonds and redeem \$17,395,000 of 1990 Tax Allocation Bonds with an average interest rate of 7.44% and 7.78% respectively. Proceeds from this transaction were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1991 Bonds. As a result, the 1991 Bonds are considered to be defeased and the liability for those Bonds has been removed from the general long-term debt account group. The amount of the refunded debt outstanding at June 30, 2001 was \$10,745,000.

On October 9, 1997, the County issued \$58,070,000 of CORAL Certificates of Participation (1997 Lease Refunding). The proceeds from the sale of the certificates were used to advance refund \$43,130,000 of the Series 1991A and \$16,810,000 of Series 1991B Certificates of Participation. Accordingly, the refunded certificates have been eliminated and the advance refunding certificates included in the financial statements. The amount of the refunded debt outstanding at June 30, 2001 was \$38,470,000.

On April 21, 1998, the County issued \$36,100,000 of CORAL Certificates of Participation (1998 Larson Justice Center). The proceeds from the sale of the certificates were used to advance refund \$31,700,000 of 1994 Desert Facilities Corporation Certificates of Participation. Accordingly, the refunded certificates have been eliminated and the advance refunding certificates included in the financial statements. The amount of the refunded debt outstanding at June 30, 2001 was \$29,625,000.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

Accrued Compensated Absences

Enterprise Funds and Internal Service Funds reported an estimated liability for accrued compensated absences at June 30, 2001 of \$15,351,000. All accrued compensated absences are treated as long-term liabilities due to a lack of data necessary to determine a differentiation between current and long-term amounts.

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 \$122,810,000 of Mortgage Revenue Bonds have been issued and \$113,271,000 are outstanding as of June 30, 2001. These bonds do not constitute an indebtedness of the County. The bonds are payable solely from payments made on and secured by a pledge of the acquired mortgage loans and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. In the opinion of the County officials, these bonds are not payable from any revenues or assets of the County, and neither the full faith and credit nor the taxing authority of the County, the State or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded in the General Long-Term Debt Account Group.

Special Assessment Bonds

Various special districts in the County reporting entity have issued special assessment bonds, totaling \$247,723,000 at June 30, 2001, 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.

Flood has issued special assessment bonds, totaling \$8,790,000 as of June 30, 2001, for the construction of flood control facilities. The bonds are to be repaid through special assessment revenue and are not considered obligations of Flood. In accordance with bond covenants, Flood has established a reserve from bond proceeds for potential delinquencies. If a delinquency occurs in the payment of any assessment installment, Flood has the duty to transfer the amount of such delinquent installment from the Reserve Fund into the Redemption Fund assessment installment. Flood's liability to advance funds for bond redemption in the event of delinquent assessment installments is limited to the reserves established.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(9) Long-Term Obligations (Continued)

State Appellate Court Financing

In November 1997, the Public Finance Authority of the County of Riverside issued \$13,470,000 of Lease Revenue Bonds for the State of California Court of Appeal Fourth Appellate District, Division Two Project. The State of California executed a lease coincident with the term of the financing and those lease payments are the sole security for the financing. The State is the ultimate obligor under the terms of the financing and neither the County nor the Authority will have any ongoing payment obligation. The State has committed to indemnify the County in the Lease.

(10) Fund Equity

Changes to Beginning Fund Balances and Retained Earnings

Certain fund equities at July 1, 2000 have been restated based on additional information pertaining to prior years' activities.

In preparing for the implementation of GASB Statement No. 34 (see Note 21 for Effects of New Pronouncements), the County has been analyzing its agency funds to reclassify the accounting transactions into the new financial reporting model. Over 200 funds totaling \$1 billion as of June 30, 2001 have been reviewed with 264 funds, totaling \$106 million, pending review. Based on the agency funds reviewed as of December 31, 2001, some agency funds were established as holding accounts to deposit cash received for restricted or designated purposes until expended. As cash was expended from operating funds for the restricted/designated purposes, cash was transferred from the agency fund with revenue being recognized for the amount expended. With the implementation of GASB Statement No. 33, the revenue recognition process was reviewed and it was determined that the earning process had been completed prior to July 1, 2000 for \$120,345,000 held in 84 agency funds. As a result, the beginning fund balances/retained earnings as shown in the following schedule, were restated for revenue earned but not recognized in prior accounting periods. Cash and equity was restricted in the respective funds for all but \$547,000 of the adjustment amounts.

In addition to the agency fund adjustments, the beginning fund balances of the Redevelopment Agency Special Revenue, Debt Service and Capital Project Funds were adjusted to record land purchased in a prior year as well as to record expenditures in the proper fund. The beginning fund balance of the General Fund was adjusted due to the receipt of prior year Tobacco Settlement monies. The beginning fund balance of the County of Riverside Asset Leasing (CORAL) Debt Service Fund was adjusted due to an error in the recording of a receivable in a prior year. Beginning retained earnings of the Risk Management Internal Service Fund was adjusted due to an error in compensating absences recorded in a prior year.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(10) Fund Equity

Changes to Beginning Fund Balances and Retained Earnings (Continued)

The following represents the changes to beginning fund balances and retained earnings (in thousands):

		<u>Prior Period Adjustments</u>		
	July 1, 2000 Fund Balance/ Retained Earnings as Previously <u>Reported</u>	Revenue Recognized From Agency <u>Fund Reclass</u>	<u>Other</u>	July 1, 2000 Fund Balance/ Retained Earnings <u>Restated</u>
General Fund	\$56,499	53,403	18,319	128,221
Special Revenue Funds:				
Transportation	8,062	33,288		41,350
Community Services	13,896	7		13,903
Other Special Revenue	1,780		(125)	1,655
Redevelopment Agency	19,481		219	19,700
County Service Areas	9,424	1,443		10,867
Debt Service Funds:				
CORAL	35,784		(971)	34,813
Redevelopment Agency	6,574		104	6,678
Capital Project Funds:				
Public Facilities Improvements	14,499	31,840		46,339
Redevelopment Agency	19,170		(65)	19,105
Enterprise Fund:				
County Service Areas	366	31		397
Internal Service Fund:				
Risk Management	54,009		849	54,858

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(10) Fund Equity (Continued)

Reserved Fund Balances

The following is a summary of reserved fund balances at June 30, 2001, which are not available for appropriation and expenditure/expense (in thousands):

	General <u>Fund</u>	Special Revenue <u>Funds</u>	Debt Service <u>Funds</u>	Capital Project <u>Funds</u>	Investment <u>Trust</u>
Reserved:					
Encumbrances	\$ 3,023	3,810		5,929	
Imprest cash	290	171			
Advances	6,437				
Loans receivable		6,202			
Inventories	864	2,893		3,264	
Debt service			131,220		
Construction				1,065	
General	350	56			
Restricted Program					
Money	56,815	40,770		45,016	
External investment					
pool participants					<u>901,319</u>
Total	<u>\$ 67,779</u>	<u>53,902</u>	<u>131,220</u>	<u>55,274</u>	<u>901,319</u>

See Note 1 for information regarding the reserves for encumbrances and inventories. The general reserve was established under the provisions of Government Code Section 29086 for "dry period" financing, which is that period before the property tax apportionment is received by a fund. The County also issues Tax and Revenue Anticipation Notes to finance the General Fund's "dry period."

Unreserved Designated Fund Balances

The following is a summary of unreserved fund balances at June 30, 2001 which have been designated by the Board for specified purposes (in thousands):

	General <u>Fund</u>	Special Revenue <u>Funds</u>	Capital Projects <u>Funds</u>
Designated:			
OASIS Project	\$ 4,155		
Strategic Planning	10,000		
Public Safety	64		
Tobacco Settlement	13,438		
Public Safety-COPS	5,380		
Restricted Program Money	3,389		
Sheriff-CAD System	1,362		
Capital projects	<u>6,875</u>	<u>116,143</u>	<u>43,954</u>
Total designated	<u>\$44,663</u>	<u>116,143</u>	<u>43,954</u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(10) Fund Equity (Continued)

Contributed Capital

Summarized below are the changes in contributed capital (in thousands):

	Balance July 1, 2000	Additions	Deletions	Balance at June 30, 2001
Enterprise Funds:				
Blythe Marina	\$ 106			106
Regional Medical Center	14,033			14,033
Total Enterprise Funds	14,139			14,139
Internal Service Funds:				
Medical Center Data Processing	85			85
Transportation Equipment	1,277			1,277
Fleet Services	2,439			2,439
Information Services	1,405			1,405
Flood Control Equipment	600			600
Total Internal Service Funds	5,806			5,806
Total Contributed Capital	<u>\$19,945</u>	<u> </u>	<u> </u>	<u>19,945</u>

(11) 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, which have occurred. Estimated liability accruals include those incidents that are reported as well as an amount for those incidents that occurred but are unreported (i.e., IBNRs) 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. Group health, dental, vision, life insurance and long-term disability programs are fully insured.

The County supplements its self-insurance for general liability, medical malpractice and workers' compensation with catastrophic excess insurance coverages. General liability utilizes a policy providing coverage on a per occurrence basis. Limits under the policy are \$10,000,000, subject to a self-insured retention (SIR) of \$1,000,000 for each claim. The maximum limits under the excess workers' compensation, Section A, are statutory (unlimited) and Section B, employer liability is \$5,000,000 per claim subject to a \$500,000 SIR for each accident for employee injury and for disease. The County does occasionally structure settlements when feasible and agreeable to both parties. The amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

The County's property insurance program is insured for all Risk Management Division and Flood; Tower 1 has \$300,000,000 in limits, Tower IV (new hospital) has \$300,000,000 in limits, Tower V (jails) has \$440,000,000 in limits. Tower VIII was created to cover Courts/Administration with limits of \$540,000,000. Earthquake (scheduled locations = \$1 million in value) for each Tower is \$100,000,000 in limits. Boiler and machinery provides up to \$100,000,000 in limits, with various deductibles. Should a catastrophic event occur and losses exceed the limits, the County would be responsible. The limits in all Towers are shared with other counties on a per event basis.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(11) Risk Management (Continued)

The activities related to such programs are accounted for in Internal Service Funds. Accordingly, estimated liabilities for claims filed or to be filed for incidents that have occurred through June 30, 2001 are reported in these funds. Where certain funds have an accumulated deficit or insufficient reserves, the County developed a method to provide funding to reduce the deficit and increase the reserves. Revenues of these Internal Service Funds are primarily provided by other County funds and are intended to cover self-insured claim payments, insurance premiums, and operating expenses; they do not however, cover catastrophic events and other uninsured liabilities. Cash available in the Risk Management Internal Service Funds at June 30, 2001 plus revenues to be collected during fiscal year 2001-02 are expected to be sufficient to cover all fiscal year 2001-02 payments. The carrying amount of unpaid claim liabilities is \$72,469,000. The liabilities are discounted at 6%.

Changes in the balances of claims liabilities during the past two fiscal years for all self-insurance funds combined are as follows (in thousands):

	<u>June 30, 2000</u>	<u>June 30, 2001</u>
Unpaid claims, beginning of year	\$63,303	61,783
Increase in provision for insured events of prior year	1,400	14,010
Incurred claims	21,634	27,223
Claim payments	<u>(24,554)</u>	<u>(30,547)</u>
Unpaid claims, end of year	<u>\$ 61,783</u>	<u>72,469</u>

(12) Medi-Cal and Medicare Programs

The Regional Medical Center provides services to patients covered by various reimbursement programs. The principal programs are the Medicare, the State of California Medi-Cal, and the County Medically Indigent Services Program (MISP) and Indigent Adult (IA) programs.

Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed at a contractually agreed-upon per discharge rate and outpatient services are reimbursed under a schedule of maximum allowable reimbursement provided by the California Department of Health Services. Inpatient acute care services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic and other factors. Inpatient nonacute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Regional Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Regional Medical Center 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 service revenue. In 2001 such differences amounted to a \$835,000 increase to net patient service revenue. The Regional Medical Center's Medicare cost reports have been audited by the fiscal intermediary through June 30, 1999.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(12) Medi-Cal and Medicare Programs (Continued)

During 1991, legislation was enacted by the State of California to provide supplemental Medi-Cal payments to hospitals that serve a disproportionately high percentage of Medi-Cal and other low-income patients. The Regional Medical Center has recorded net patient service revenue of approximately \$25,388,000 from disproportionate Medi-Cal reimbursement under this program for the year ended June 30, 2001.

The continuation of government reimbursement programs is contingent upon Federal, State and County government policies.

(13) Budget/Actual Reconciliation

Budgets are not adopted for all funds included in the Debt Service and Capital Projects Fund Types. The difference in the fund balances between the Combined Statement of Revenues, Expenditures and Changes in Fund Balance and the Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual is attributable to this entity difference.

Fund balances (in thousands):

	<u>Debt Service</u>	<u>Capital Projects</u>
Fund balances, June 30, 2001, all funds	\$131,220	134,015
Less fund balances, June 30, 2001, unbudgeted funds		
CORAL	(30,390)	(33,325)
Desert Facilities Corporation	(142)	
District Court Project	(199)	(144)
Fund balances, June 30, 2001, budgeted funds	<u>\$100,489</u>	<u>100,546</u>

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(14) Segment Information

The County has four enterprise fund segments which record the activities of the Hospital, Waste, Housing, and the operations of the animal spay and neuter services, Blythe Marina, CSAs, and Flood.

Segment information as of and for the fiscal year ended June 30, 2001 is as follows (in thousands):

	Regional Medical Center	Waste Management Department	Housing Authority	All Other	Total
Operating revenues, net	\$ 285,195	44,207	44,277	1,968	375,647
Operating expenses:					
Depreciation and amortization	11,396	3,659	1,613	51	16,719
Other	<u>184,433</u>	<u>25,711</u>	<u>41,920</u>	<u>1,897</u>	<u>253,961</u>
Operating income (loss)	89,366	14,837	744	20	104,967
Non-operating revenue					
(expenses), net	(15,844)	6,068	(933)	137	(10,572)
Current Capital Contributions	260				260
Operating transfers in	20,098			5	20,103
Operating transfers out	<u>(82,692)</u>			<u>(52)</u>	<u>(82,744)</u>
Net income (loss)	<u>11,188</u>	<u>20,905</u>	<u>(189)</u>	<u>110</u>	<u>32,014</u>
Property:					
Additions	\$ 2,401	6,324	486	24	9,235
Retirements	470	773	69	437	1,749
Net working capital	35,130	15,082	5,303	1,068	56,583
Total assets	288,479	151,135	38,960	3,397	481,971
Long-term liabilities	250,793	80,232	20,243	173	351,441
Total fund equity	5,033	67,774	15,894	1,271	89,972

(15) Jointly Governed Organizations

Under Section 605 of the Government Code, the County has entered into jointly governed organizations with various entities for various purposes. The boards of directors are composed of one representative of each member organization (with one exception). 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. Therefore, none of the following jointly governed organizations are included as component units, either blended or discretely, in these financial statements.

The jointly governed organizations in which the County participated at June 30, 2001 are as follows:

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

Coachella Valley Association of Governments was formed in November 1973 with the cities of Coachella, Desert Hot Springs, Indian Wells, Indio, Palm Springs and Rancho Mirage. 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.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(15) Jointly Governed Organizations (Continued)

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

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

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

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

The Salton Sea Authority was formed in August 1993 with Imperial County, Imperial Irrigation District and Coachella Valley Water District to direct and coordinate actions relating to improvement of water quality and 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.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(16) Retirement Plan

Plan Description

The County, Flood, Park and Waste contribute to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The County selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance. PERS issues a separate comprehensive annual financial report.

Copies of the PERS' annual financial report may be obtained from the PERS Executive Office - 400 P Street, Sacramento, CA 95814.

Funding Policy

Active plan members in the PERS are required to contribute 7% (9% for safety employees) of their annual covered salary. The County makes the contribution required of County employees hired prior to January 9, 1992 on their behalf and for their account. Miscellaneous member (non-prosecution unit) employees hired after the above date make their own contributions for the first five years. Miscellaneous prosecution unit member employees hired on or after September 3, 1992 make their own contributions for the first year. With some exceptions, safety member employees hired after June 25, 1992 make their own contributions for the first three years. For certain bargaining units, the County makes the contribution required of the employees on their behalf, regardless of hire date. The County, Flood, Parks and Waste are required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. For fiscal year 2000-01, the contribution rates were:

	<u>County</u>	<u>Flood</u>	<u>Parks</u>	<u>Waste</u>
Miscellaneous	0.000%	0.000%	0.021%	8.007%
Safety	0.000%			

The contribution requirements of the plan member established by the State statute and the employer contribution rate is established and may be amended by PERS.

Annual Pension Cost

For fiscal year 2000-01, the annual pension costs for PERS was equal to the employer's required and actual contributions as noted below:

	<u>County</u>	<u>Flood</u>	<u>Parks</u>	<u>Waste</u>
Miscellaneous	\$ 0	0	98,714	877,186
Safety	0			

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(16) Retirement Plan (Continued)

Annual Pension Cost (Continued)

The required contribution for fiscal year 2000-01 was determined as part of the June 30, 1999 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service. Both (a) and (b) include an inflation component of 3.5%. The actuarial value of PERS assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period (smoothed market value) depending on the size of investment gains and/or losses. PERS's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization periods at June 30, 1999 (in years) are:

	<u>County</u>	<u>Flood</u>	<u>Parks</u>	<u>Waste</u>
Miscellaneous	20	20	20	20
Safety	20			

Riverside County - Miscellaneous

Required Supplementary Information
Schedule of Funding Progress
(Dollar Amounts in Thousands)

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued Liability (AAL) Entry Age <u>(b)</u>	Assets in Excess of AAL <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	Assets in Excess of AAL as a Percentage of Covered Payroll <u>(b-a)/c</u>
June 30, 1997	\$ 1,026,517	\$ 844,142	\$ (182,375)	121.6%	\$281,966	(64.7%)
June 30, 1998	1,241,940	920,366	(321,574)	134.9%	299,745	(107.3%)
June 30, 1999	1,469,638	1,052,907	(416,731)	139.6%	366,461	(113.7%)

Three-Year Trend Information
(Dollar Amounts in Thousands)

<u>Fiscal Year Ended</u>	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
June 30, 1999	\$ 15,215	100%	\$ 0
June 30, 2000	0	100%	0
June 30, 2001	0	100%	0

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(16) Retirement Plan (Continued)

Annual Pension Cost (Continued)

Riverside County - Safety

Required Supplementary Information
Schedule of Funding Progress
(Dollar Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Assets in Excess of AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Assets in Excess of AAL as a Percentage of Covered Payroll (b-a)/c
June 30, 1997	\$487,251	\$ 407,559	\$ (79,692)	119.6%	\$91,884	(86.7%)
June 30, 1998	592,555	457,644	(134,911)	129.5%	79,255	(170.2%)
June 30, 1999	679,235	529,200	(150,035)	128.4%	105,987	(141.6%)

Three-Year Trend Information
(Dollar Amounts in Thousands)

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 1999	\$9,620	100%	\$0
June 30, 2000	0	100%	0
June 30, 2001	0	100%	0

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(16) Retirement Plan (Continued)

Annual Pension Cost (Continued)

Flood Control and Water Conservation District

Required Supplementary Information
Schedule of Funding Progress
(Dollar Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Assets in Excess of AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Assets in Excess of AAL as a Percentage of Covered Payroll (b-a)/c
June 30, 1997	\$40,666	\$34,075	\$(6,591)	119.3%	\$7,407	(89.0%)
June 30, 1998	48,032	36,143	(11,889)	132.9%	7,199	(165.0%)
June 30, 1999	55,942	39,434	(16,508)	141.9%	7,607	(217.0%)

Three-Year Trend Information
(Dollar Amounts in Thousands)

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 1999	\$851	100%	\$0
June 30, 2000	0	100%	0
June 30, 2001	0	100%	0

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(16) Retirement Plan (Continued)

Annual Pension Cost (Continued)

Regional Park and Open-Space District

Required Supplementary Information
Schedule of Funding Progress
(Dollar Amounts in Thousands)

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
June 30, 1997	\$ 5,204	\$4,162	\$ (1,042)	125.1%	\$1,299	(80.3%)
June 30, 1998	6,679	4,729	(1,950)	141.2%	1,436	(135.8%)
June 30, 1999	8,083	5,560	(2,523)	145.4%	2,027	(124.5%)

Three-Year Trend Information
(Dollar Amounts in Thousands)

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 1999	\$236	100%	\$ 0
June 30, 2000	101	100%	0
June 30, 2001	99	100%	0

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(16) Retirement Plan (Continued)

Annual Pension Cost (Continued)

Waste Management Department

Required Supplementary Information
Schedule of Funding Progress
(Dollar Amounts in Thousands)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)-Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll (b-a)/c</u>
June 30, 1997	\$3,013	\$3,017	\$4	99.9%	\$ 6,634	.1%
June 30, 1998	4,713	4,125	(588)	114.3%	6,082	(9.7%)
June 30, 1999	6,548	5,660	(888)	115.7%	6,257	(14.2%)

Three-Year Trend Information
(Dollar Amounts in Thousands)

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 1999	\$1,100	100%	\$ 0
June 30, 2000	940	100%	0
June 30, 2001	877	100%	0

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(17) Money Purchase Pension Retirement Plan

County of Riverside

The County provides a Money Purchase Plan/Defined Contribution Retirement Plan to employees who are not eligible for social security or PERS benefits. This plan is subject to IRC Section 401(a), and is self-funded and self-administered. Contributions made to the Plan are deposited with the County Treasurer, who invests the contributions. A participant is 100% vested immediately. Participants in the plan are required to contribute 3.75% of their compensation to the plan. The County contribution is 1.75%.

The following information details plan activity during calendar year 2000 (in thousands):

Total covered payroll	\$ 31,988
Total payroll	\$ 645,789
Contribution requirement and actual contribution:	
Employer	\$ 557
Employee	\$ 1,193

In December 2001, it was discovered that an overpayment of approximately \$872,000 was made from the 401(a) plan during the 2000 calendar year. The County is seeking recovery from plan participants. As of June 30, 2001, the fund had a cash balance of \$3,015,000.

Housing Authority

Housing Authority has a defined contribution retirement plan that covers all regular employees. The Money Purchase Pension Retirement Plan, established pursuant to IRC Section 401(a), is a plan in which all regular employees are automatically enrolled upon completing 1040 hours of paid services. Employer contributions amount to 11% of the employee's gross pay. The employer's contribution is comprised of two equal shares: the employer's and the contribution on behalf of the employee. Employees are fully vested after five years of participation. Contributions are invested by the plan trustees (Safeco Life Insurance Companies) in various instruments guaranteeing the participant various rates of return ranging from 6% to 8%. Housing's policy is to fund pension costs accrued. Upon retirement, death or total disability, a participant or his beneficiary is entitled to the balance of his or her account.

On May 22, 2001 the County Board of Supervisors approved and authorized action to transition employees of Housing to County employees retroactive to May 3, 2001. These employees became subject to the provisions of the PERS retirement plan with no carry over vesting from the prior retirement plan. Employees will be 100% vested in the PERS retirement plan after 5 years of uninterrupted service.

The following information details plan activity during the current fiscal year (in thousands):

Total covered payroll	\$2,847
Total payroll	\$3,981
Employer contribution requirement and actual contribution:	\$ 313

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(18) Post Employment Benefits

In addition to providing retirement benefits, the County provides certain post employment benefits for retired employees, specifically, certain health insurance premium costs to qualifying retired employees and their eligible dependents or survivors pursuant to an agreement with PERS. Employees with a minimum of five years of service and are age 50 at retirement qualify to receive the post employment benefits. Currently, approximately 1,679 retirees meet the eligibility requirements and are covered. PERS is responsible for administering the benefits to the retirees.

The contributions are funded on a pay-as-you-go basis, which is allocated among the operating departments based on the proportionate number of current employees and amounted to approximately \$980,485 for the year ended June 30, 2001.

(19) Commitments and Contingencies

Lawsuits and Other Claims

The County has been named as a defendant in numerous 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 general purpose financial statements. In the opinion of management, the ultimate outcome of these claims will not materially affect the operations of the County.

The County and Auditor-Controller are defendants in a Petition for Writ of Mandate and Complaint for an Accounting and Money Damages filed by 5 cities within the County, based upon previous year(s) property tax allocation. The trial court sustained the demurrers filed by defendants and dismissed the cities' complaint, without leave to amend. While the plaintiff's are seeking to appeal the dismissal, any potential exposure to the County is so speculative as to be unquantifiable.

Housing was named as defendant in legal actions and maintains a contingent liability arising from an IRS ruling as to the taxability of bond issues which Housing is associated with in issuance. Housing was seeking indemnification under provisions of the financing document and filed an appeal in Superior Court regarding a previous judgment. Housing received determination from Riverside Superior Court that the claim could not be maintained as a class action. Housing was dismissed from this lawsuit in 1999, with no obligations pending. In October 2000, Housing counter-sued to recover funds spent in the litigations resulting from the lawsuit. Housing counter-suit was successful and funds in the amount of \$402,500 are anticipated as a result of settlement negotiations.

Federal Grant Revenue

Compliance examinations for the fiscal year ended June 30, 2001 identified certain items of noncompliance with Federal grants and regulations. The total amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, however, County management does not expect such amounts, if any, to be material to the general purpose financial statements.

Commitments

At June 30, 2001 the County has various noncancelable construction contracts with outside contractors through Capital Projects and General Fund financing, of which approximately \$60,710,000 will be payable upon future performance under the contracts.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(19) Commitments and Contingencies (Continued)

Construction and Consulting Contracts

Waste enters into various construction and consulting contracts to facilitate its landfill operations and is in the process of installing landfill liners at Badlands, in accordance with State and Federal laws and regulations. Waste expects to complete the installation of several landfill liners over the next five years and estimates additional future costs to approximate \$18,933,000, which will be capitalized as the costs are incurred.

County of Orange v. Assessment Appeal Board

An Orange County Superior Court ruled that an illegal assessment method was used in recapturing Proposition 13 values. Orange County is considering asking for appellate court review of the ruling. While there may eventually be some potential impact to Riverside County, it is not determinable or quantifiable at this time.

Remediation Contingencies

Waste is presently aware of groundwater contamination at 11 of its landfills, 7 of which are closed. Waste is also aware of air/gas contamination at 16 landfills, 9 of which are closed. Based on engineering studies, Waste estimates the present value of the total costs of corrective action for foreseeable contaminate releases at approximately \$24,302,000. At June 30, 2001, Waste has accrued \$24,302,000 for the estimated costs related to the remediation of these landfills.

Waste has established a remediation restricted cash fund to set aside funds for future remediation costs as they are required to be performed. Investments of \$10,570,000 are held for these purposes at June 30, 2001 and are classified as restricted assets in the general purpose financial statements.

Metropolitan Water District of Southern California v. Superior Court et al.

On October 16, 2001, the Court of Appeal, Second District, ruled on Metropolitan Water District of Southern California v. Superior Court et al. The Court of Appeal ruled that the Metropolitan Water District was required to enroll in the Public Employee Retirement System (PERS) certain workers hired through private contract service providers. While there may eventually be some potential to impact Riverside County, it is not determinable or quantifiable at this time.

(20) Subsequent Events

Tax and Revenue Anticipation Notes

On July 3, 2001, the County as a participant in the California Statewide Communities Development Authority Pool issued \$229,485,000 of Tax and Revenue Anticipation Notes, due June 28, 2002. The Notes will yield interest at the rate of 5.10% per annum from their date of issuance and delivery until the Notes are paid in full. The notes, in accordance with California law, are general obligations of the County, but are payable only out of the taxes, income, revenues, cash receipts, and other monies of the County attributable to Fiscal Year 2001-02 and legally available for payment thereof. Proceeds from the notes will be used for Fiscal Year 2001-02 General Fund expenditures, including current expenditures, capital expenditures, and the discharge of other obligations or indebtedness of the County.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(20) Subsequent Events (Continued)

Teeter Notes

In October 2001, the County issued \$31,923,000 in Tax Exempt Commercial Paper Notes.

Certificates of Participation

On July 1, 2001, the County issued \$38,075,000 in Certificates of Participation, which are to be used to finance the construction of a County Administrative Center (CAC) Annex and Parking Structure project. Certificates are subject to prepayments and to optional and mandatory sinking fund account prepayment prior to their maturity dates. Interest payments will be made semiannually on May 1 and November 1 and will yield between 5.28% and 5.10%. Maturity dates are November 1, 2030 and November 1, 2031, respectively.

Waste Management Headquarters Project

On August 14, 2001 the Board of Supervisors (the Board) approved the contract for design and construction of the Waste Management Headquarters Project in the amount of \$5.9 million authorizing the Department to proceed with both the Administrative Building and the Maintenance Building facilities. The total budget for the project is estimated at \$7,250,000. The project includes the administrative building, site improvements, a fueling station, and the maintenance facility. The Board has included \$6 million in the Department fiscal year 2002 budget for the project. The difference will be funded from the Department budget for fiscal year 2003. The project completion is estimated for Fall 2002. At that time, the Department will return to the Board for authorization to sell the existing maintenance facility in Moreno Valley, which will offset a portion of the costs for the new facility.

Landfill Operating Agreement

On September 1, 1998, the County Board of Supervisors (the Board) approved an agreement between the County and Waste Management, Inc. (the Corporation) regarding a major expansion at the El Sobrante landfill. Since then, the Corporation has been working to obtain all necessary permits to proceed with the project. This was completed on August 6, 2001, when the LEA issued the final operating permit. On August 28, 2001, the Board redefined the start as July 1, 2001 for reasons, which would mutually benefit both the County and the Corporation. The agreement transfers responsibility for the closure liability and ownership of the associated Citicorp Trust Fund to the Corporation. The agreement also transfers responsibility for and ownership of the liner to the Corporation. On July 1, 2001, the Department removed the \$13.4 million liability and the \$13.5 million restricted cash from their financial statements. They also removed the \$10.6 million net liner asset and recognized the associated expense.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(21) Effects of New Pronouncements

The following summarizes the new GASB pronouncements and their impact, if any, on the financial statements:

For fiscal year ended June 30, 2001, the County implemented Governmental Accounting Standards Board Statement No. 33, *"Accounting and Reporting for Nonexchange Transactions"* (GASB Statement No. 33), which was issued in December 1998 and effective for periods beginning after June 15, 2000. This statement establishes accounting and financial reporting standards related to revenue recognition for nonexchange transactions of state and local governments. In a nonexchange transaction, a government gives (or receives) value without directly receiving (or giving) equal value in return. Non-exchange transactions are typically described as taxes, fines and certain grants. GASB Statement No. 33 applies the criteria for revenue recognition under the modified-accrual basis of accounting to non-exchange transactions. Revenue from nonexchange transactions other than from property taxes is available for accrual and revenue recognition if received within twelve months of fiscal year end. Property taxes are considered available if they are received within 60 days after year-end. Since the availability period under GASB Statement No. 33 is consistent with the previous revenue recognition policy adopted for budget and financial reporting by the County, there was no financial statement impact in implementing GASB 33.

In June 1999, GASB issued statement No. 34, *"Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments,"* effective for periods beginning after June 15, 2001. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will create new information and will restructure much of the information that governments have presented in the past. GASB Statement No. 34 represents the most important single change in the history of accounting and financial reporting for state and local governments. One of the most significant changes is that all capital assets, including infrastructure, will be reported within the basic financial statements, along with depreciation expense and accumulated depreciation. Currently, infrastructure related to governmental funds is not reported in the financial statements. GASB Statement No. 34 provides an alternative to depreciation for infrastructure, termed the "modified approach." The modified approach requires that use of a qualified asset management system and additional schedules to be reported in another new element of the financial statements, the "Management's Discussion and Analysis (MD&A) section. The County has decided to use the traditional approach of reporting depreciation of infrastructure assets rather than the modified approached.

In April 2000, GASB issued Statement No. 36, *"Recipient Reporting for Certain Shared Nonexchange Revenues – an amendment of GASB Statement No. 33,"* which is effective for the same periods as GASB Statement No. 33. This statement eliminates the timing difference in the recognition of shared portions of derived tax or imposed nonexchange revenues between a provider and recipient government that was previously in GASB Statement No. 33. Recipient governments are now required to account for the sharing of revenues in the same manner as provider governments. There was no material effect on the financial statements as a result of implementing this new pronouncement.

In June 2001, GASB issued Statement No 37, *"Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an amendment of GASB Statements No. 21 and No. 34.* This statement is effective for the same periods as GASB Statement No. 34 and either clarifies or modifies certain provisions in GASB Statements No. 21 *"Accounting for Escheat Property"* and No. 34. It establishes guidance in the following areas: reporting of escheat property, topics for discussion in the Management's Discussion and Analysis (MD&A), program revenue classifications, the minimum level of detail required for business-type activities in the statement of activities. The County is completing the analysis required for the implementation of this new statement in FY 2001-02.

County of Riverside
Notes to General Purpose Financial Statements
June 30, 2001

(21) Effects of New Pronouncements (Continued)

Also, in June 2001, GASB issued Statement No. 38, "*Certain Financial Statement Note Disclosures*", which is effective for the same periods as GASB Statement No. 34. This statement modifies, establishes, and rescinds certain financial statement disclosure requirements. Modifications to the note disclosures primarily focus on; a) revenue recognition policies; b) actions taken in response to significant violations of legal or contractual provisions; c) debt service requirements; d) lease obligations; e) short-term debt; f) inter-fund balances. These new disclosure requirements address the needs of users of financial statements identified by GASB. The analysis for the implementation of this new statement is being completed along with GASB Statement No. 34.

Combining, Individual Fund and Account Group Financial Statements and Schedules



General Fund



General Fund

The General Fund finances the legally authorized activities of the County of Riverside not provided for in other funds. General Fund revenues are derived from such sources as taxes, licenses, fines, use of money and property, aid from other governmental agencies, charges for services, and other revenue. General Fund expenditures and encumbrances are classified by functions of general government, public protection, health and sanitation, public assistance, education, recreational and cultural services, and debt service. Appropriations are made from the General Fund annually. This Fund will continue to exist indefinitely.

COUNTY OF RIVERSIDE
COMPARATIVE BALANCE SHEETS - GENERAL FUND
JUNE 30, 2001 and 2000 (In Thousands)

<u>ASSETS</u>	<u>2001</u>	<u>2000</u>
Taxes receivable	\$ 3,767	3,167
Accounts receivable	3,973	2,145
Interest receivable	17,307	2,241
Advances to other funds	6,437	15,236
Due from other funds	145,701	196,331
Due from other governments	135,558	204,771
Inventories	864	896
Restricted assets	293,878	235,000
TOTAL ASSETS	607,485	659,787
<u>LIABILITIES AND FUND EQUITY</u>		
<u>LIABILITIES:</u>		
Accounts payable	12,124	6,444
Salaries and benefits payable	27,712	24,891
Due to other funds	19,741	47,980
Due to other governments	4,339	24,994
Deferred revenue	137,043	192,257
Tax anticipation notes payable	228,395	235,000
TOTAL LIABILITIES	429,354	531,566
<u>FUND BALANCES:</u>		
<u>Reserved:</u>		
Encumbrances	3,023	10,041
Imprest cash	290	259
Advances	6,437	10,236
Inventories	864	896
Restricted program money	56,815	50,396
General	350	350
Total reserved	67,779	72,178
<u>Unreserved:</u>		
<u>Designated:</u>		
OASIS project	4,155	7,194
Strategic planning	10,000	15,000
Redevelopment		1,521
Public safety	64	64
Capital projects	6,875	
Tobacco settlement	13,438	18,319
Public safety-COPS	5,380	
Restricted program money	3,389	2,495
Sheriff-CAD system	1,362	
Total designated	44,663	44,593
Undesignated	65,689	11,450
Total unreserved	110,352	56,043
TOTAL FUND BALANCE	178,131	128,221
TOTAL LIABILITIES AND FUND EQUITY	\$ 607,485	659,787

COUNTY OF RIVERSIDE
SCHEDULE OF EXPENDITURES AND OPERATING TRANSFERS OUT -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
GENERAL GOVERNMENT:			
Salaries and employee benefits	\$ 51,995	51,332	663
Services and supplies	66,903	64,203	2,700
Other charges	8,724	8,624	100
Fixed assets	56,099	18,871	37,228
Operating transfers out	8,976	8,544	432
Intrafund transfers	(58,169)	(51,021)	(7,148)
Appropriation for contingencies	26,947		26,947
TOTAL GENERAL GOVERNMENT	161,475	100,553	60,922
PUBLIC PROTECTION:			
Salaries and employee benefits	313,680	306,073	7,607
Services and supplies	171,708	161,787	9,921
Other charges	34,735	33,039	1,696
Fixed assets	9,898	5,735	4,163
Intrafund transfers	(5,633)	(6,283)	650
TOTAL PUBLIC PROTECTION	524,388	500,351	24,037
HEALTH & SANITATION:			
Salaries and employee benefits	100,519	88,793	11,726
Services and supplies	70,872	66,317	4,555
Other charges	153,813	148,029	5,784
Fixed assets	1,819	1,141	678
Operating transfers out	50,633	48,660	1,973
Intrafund transfers	(70,053)	(81,114)	11,061
TOTAL HEALTH & SANITATION	307,603	271,826	35,777
PUBLIC ASSISTANCE:			
Salaries and employee benefits	135,933	124,296	11,637
Services and supplies	86,555	66,943	19,612
Other charges	293,642	272,836	20,806
Fixed assets	3,601	2,196	1,405
Intrafund transfers	(15,946)	(12,068)	(3,878)
TOTAL PUBLIC ASSISTANCE	503,785	454,203	49,582
EDUCATION:			
Salaries and employee benefits	150	147	3
Services and supplies	167	167	
TOTAL EDUCATION	317	314	3
RECREATION & CULTURAL SERVICES:			
Salaries and employee benefits	46	43	3
Services and supplies	194	139	55
TOTAL RECREATION & CULTURAL SERVICES	240	182	58
CAPITAL OUTLAY		29,777	(29,777)
DEBT SERVICE:			
Interest	20,114	17,333	2,781
TOTAL DEBT SERVICE	20,114	17,333	2,781
TOTAL EXPENDITURES	1,517,922	1,374,539	143,383
OPERATING TRANSFERS OUT:			
Other charges	44,368	39,340	5,028
TOTAL OPERATING TRANSFERS OUT	44,368	39,340	5,028
TOTAL EXPENDITURES AND OPERATING TRANSFERS OUT	\$ 1,562,290	1,413,879	148,411



Special Revenue Funds



Special Revenue Funds

These are funds established for the purpose of accounting for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted in expenditure for the specified purposes.

Transportation Funds - These two funds were established to provide for maintenance and construction of roadways and for specialized engineering services to other governmental units and the public. Revenues consist primarily of the County's share of State highway user taxes and are supplemented by Federal funds, vehicle code fines, and fees and reimbursements for engineering services provided.

Community Services Funds - These ten funds provide financing for public services. Community service funds for the County are: HUD Community Services Grant, EDA Administration, Community Action Agency, Job Training Partnership, Office on Aging, County Free Library, Structural Fire Protection, Homeless Housing Relief Fund, Home Program Trust Fund, and EDA US Department of Agriculture Rural Development. The primary source of revenue for these types of funds is from State/Federal Grants.

Other Special Revenue Funds - These eight funds provide financing to make services available to the public and governmental agencies. At the current time, the other special revenue funds within this County are as follows: Supervisorial Road Districts, Aviation, Desert Expo Centre, Riverside Cal-ID, U.S. Grazing Fees, County Community Parks, Rideshare, and Multi-Species Habitat Conservation Agency. The Other Special Revenue funds budget and actual data are reported in an additional combining statement, 3C.

Flood Control Funds - This fund was established to account for revenues and expenditures related to providing flood control in the County. They are financed primarily by ad valorem property taxes and federal grants.

Redevelopment Agency Funds - This fund was established to account for administration and revenues and expenditures related to the low- and moderate-income housing set-aside program. 20% of the tax increments allocated to the Redevelopment Agency are required to be placed in this fund.

County Service Area Funds - These sixty seven service area funds were 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 benefitted, or by special assessments levied on specific properties.

COUNTY OF RIVERSIDE
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
JUNE 30, 2001 (In Thousands)

<u>ASSETS</u>	<u>TOTAL</u>	<u>TRANS- PORTATION</u>	<u>COMMUNITY SERVICES</u>
Cash and investments	\$ 187,083	46,015	12,677
Taxes receivable	2,276		1,090
Accounts receivable	214	80	29
Interest receivable	1,522	198	3
Due from other funds	14,821	2,648	6,416
Due from other governments	10,473	6,823	3,131
Loans receivable	6,202		
Inventories	2,893	568	
TOTAL ASSETS	225,484	56,332	23,346
<u>LIABILITIES AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	4,792	1,511	763
Salaries and benefits payable	2,002	1,101	803
Advances from other funds	125		
Due to other funds	3,478		87
Due to other governments	1,474		530
Deferred revenue	11,897	2,648	6,845
TOTAL LIABILITIES	23,768	5,260	9,028
<u>FUND BALANCES:</u>			
<u>Reserved:</u>			
Encumbrances	3,810	703	
Imprest cash	171	7	130
Loans receivable	6,202		
Inventories	2,893	568	
Restricted program money	40,770	36,206	
General	56		50
Total reserved	53,902	37,484	180
<u>Unreserved:</u>			
Designated for capital projects	116,143	6,587	234
Undesignated	31,671	7,001	13,904
Total unreserved	147,814	13,588	14,138
TOTAL FUND BALANCES	201,716	51,072	14,318
TOTAL LIABILITIES AND FUND BALANCES	\$ 225,484	56,332	23,346

OTHER SPECIAL REVENUE	FLOOD CONTROL	REDEVELOP- MENT AGENCY	COUNTY SERVICE AREAS	ASSETS
3,889	99,684	12,368	12,450	Cash and investments
13	1,004		169	Taxes receivable
6	99			Accounts receivable
10	1,141	135	35	Interest receivable
2,187	432	2,932	206	Due from other funds
311	208			Due from other governments
		6,202		Loans receivable
		2,325		Inventories
<u>6,416</u>	<u>102,568</u>	<u>23,962</u>	<u>12,860</u>	TOTAL ASSETS
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
60	1,510	948		Accounts payable
73			25	Salaries and benefits payable
125				Advances from other funds
	459	2,932		Due to other funds
2	942			Due to other governments
2,198			206	Deferred revenue
<u>2,458</u>	<u>2,911</u>	<u>3,880</u>	<u>231</u>	TOTAL LIABILITIES
FUND BALANCES:				
Reserved:				
		3,107		Encumbrances
30			4	Imprest cash
		6,202		Loans receivable
		2,325		Inventories
1,596			2,968	Restricted program money
6				General
<u>1,632</u>		<u>11,634</u>	<u>2,972</u>	Total reserved
Unreserved:				
20	98,979	10,294	29	Designated for capital projects
2,306	678	(1,846)	9,628	Undesignated
<u>2,326</u>	<u>99,657</u>	<u>8,448</u>	<u>9,657</u>	Total unreserved
<u>3,958</u>	<u>99,657</u>	<u>20,082</u>	<u>12,629</u>	TOTAL FUND BALANCES
<u>6,416</u>	<u>102,568</u>	<u>23,962</u>	<u>12,860</u>	TOTAL LIABILITIES 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, 2001 (In Thousands)

<u>REVENUES</u>	<u>TOTAL</u>	<u>TRANS- PORTATION</u>	<u>COMMUNITY SERVICES</u>
Taxes	\$ 68,712	8,244	32,408
Licenses, permits and franchises	2,179	652	
Fines, forfeitures, and penalties	554		554
Revenues from use of money and property:			
Interest	7,484	111	148
Rents and concessions	4,823		1,157
Aid from other governmental agencies:			
State	28,634	24,146	4,009
Federal	51,734	9,850	41,286
Charges for current services	32,982	14,448	870
Other revenue	20,999	13,909	4,612
TOTAL REVENUES	218,101	71,360	85,044
<u>EXPENDITURES</u>			
Current:			
General government	15,158		7,192
Public protection	2,415		
Public ways and facilities	89,997	64,533	
Health and sanitation	683		
Public assistance	42,792		42,792
Education	8,122		8,122
Recreation and cultural services	734		
Capital outlay	846		
TOTAL EXPENDITURES	160,747	64,533	58,106
REVENUES OVER EXPENDITURES	57,354	6,827	26,938
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	14,920	8,498	5,075
Operating transfers (out)	(41,649)	(5,603)	(31,598)
TOTAL OTHER FINANCING SOURCES (USES)	(26,729)	2,895	(26,523)
REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	30,625	9,722	415
FUND BALANCES, JULY 1, 2000 AS RESTATED	170,853	41,350	13,903
Residual equity transfer in	238		
FUND BALANCES, JUNE 30, 2001	\$ 201,716	51,072	14,318

Statement 3A

<u>OTHER SPECIAL REVENUE</u>	<u>FLOOD CONTROL</u>	<u>REDEVELOP- MENT AGENCY</u>	<u>COUNTY SERVICE AREAS</u>	<u>REVENUES</u>
414	23,000	3,871	775	Taxes
			1,527	Licenses, permits and franchises
				Fines, forfeitures, and penalties
				Revenues from use of money and property:
152	5,786	754	533	Interest
3,664			2	Rents and concessions
				Aid from other governmental agencies:
462			17	State
598				Federal
1,962	11,438		4,264	Charges for current services
2,417		10	51	Other revenue
<u>9,669</u>	<u>40,224</u>	<u>4,635</u>	<u>7,169</u>	TOTAL REVENUES
				<u>EXPENDITURES</u>
				Current:
2,621	5,345			General government
2,263			152	Public protection
2,019	16,447	4,253	2,745	Public ways and facilities
			683	Health and sanitation
				Public assistance
				Education
86			648	Recreation and cultural services
	846			Capital outlay
<u>6,989</u>	<u>22,638</u>	<u>4,253</u>	<u>4,228</u>	TOTAL EXPENDITURES
<u>2,680</u>	<u>17,586</u>	<u>382</u>	<u>2,941</u>	REVENUES OVER EXPENDITURES
				<u>OTHER FINANCING SOURCES (USES)</u>
543	801		3	Operating transfers in
(1,158)	(2,108)		(1,182)	Operating transfers (out)
<u>(615)</u>	<u>(1,307)</u>		<u>(1,179)</u>	TOTAL OTHER FINANCING SOURCES (USES)
				REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES
2,065	16,279	382	1,762	
1,655	83,378	19,700	10,867	FUND BALANCES, JULY 1, 2000 AS RESTATED
238				Residual equity transfer in
<u>3,958</u>	<u>99,657</u>	<u>20,082</u>	<u>12,629</u>	FUND BALANCES, JUNE 30, 2001

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	TOTAL		VARIANCE
	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Taxes	\$ 59,422	68,712	9,290
Licenses, permits and franchises	655	2,179	1,524
Fines, forfeitures, and penalties	713	554	(159)
Revenues from use of money and property:			
Interest	3,972	7,484	3,512
Rents and concessions	4,940	4,823	(117)
Aid from other governmental agencies:			
State	37,574	28,634	(8,940)
Federal	113,875	51,734	(62,141)
Charges for current services	25,045	32,982	7,937
Other revenue	26,148	20,999	(5,149)
TOTAL REVENUES	272,344	218,101	(54,243)
<u>EXPENDITURES</u>			
Current:			
General government	24,856	15,158	9,698
Public protection	3,174	2,415	759
Public ways and facilities	162,289	89,997	72,292
Health and sanitation	684	683	1
Public assistance	82,214	42,792	39,422
Education	8,183	8,122	61
Recreation and cultural services	857	734	123
Capital outlay	2,285	846	1,439
TOTAL EXPENDITURES	284,542	160,747	123,795
REVENUES OVER (UNDER) EXPENDITURES	(12,198)	57,354	69,552
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	19,136	14,920	(4,216)
Operating transfers (out)	(44,952)	(41,649)	3,303
Bond proceeds	10,968		(10,968)
TOTAL OTHER FINANCING SOURCES (USES)	(14,848)	(26,729)	(11,881)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ (27,046)	30,625	57,671
FUND BALANCES, JULY 1, 2000 AS RESTATED		170,853	
Residual equity transfers in		238	
FUND BALANCES, JUNE 30, 2001		\$ 201,716	

TRANSPORTATION			COMMUNITY SERVICES			REVENUES
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
8,252	8,244	(8)	29,190	32,408	3,218	Taxes
655	652	(3)				Licenses, permits and franchises
			713	554	(159)	Fines, forfeitures, and penalties
						Revenues from use of money and property:
50	111	61	40	148	108	Interest
			1,311	1,157	(154)	Rents and concessions
						Aid from other governmental agencies:
31,487	24,146	(7,341)	4,848	4,009	(839)	State
21,893	9,850	(12,043)	78,478	41,286	(37,192)	Federal
9,539	14,448	4,909	809	870	61	Charges for current services
16,434	13,909	(2,525)	7,439	4,612	(2,827)	Other revenue
88,310	71,360	(16,950)	122,828	85,044	(37,784)	TOTAL REVENUES
						EXPENDITURES
						Current:
			7,586	7,192	394	General government
195		195				Public protection
91,330	64,533	26,797				Public ways and facilities
						Health and sanitation
			82,214	42,792	39,422	Public assistance
			8,183	8,122	61	Education
						Recreation and cultural services
						Capital outlay
91,525	64,533	26,992	97,983	58,106	39,877	TOTAL EXPENDITURES
(3,215)	6,827	10,042	24,845	26,938	2,093	REVENUES OVER (UNDER) EXPENDITURES
						OTHER FINANCING SOURCES (USES)
10,023	8,498	(1,525)	4,349	5,075	726	Operating transfers in
(6,511)	(5,603)	908	(31,862)	(31,598)	264	Operating transfers (out)
						Bond proceeds
3,512	2,895	(617)	(27,513)	(26,523)	990	TOTAL OTHER FINANCING SOURCES (USES)
297	9,722	9,425	(2,668)	415	3,083	REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES
	41,350			13,903		FUND BALANCES, JULY 1, 2000 AS RESTATED
						Residual equity transfers in
	51,072			14,318		FUND BALANCES, JUNE 30, 2001

Continued on next page.

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - SPECIAL REVENUE FUNDS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	OTHER SPECIAL REVENUE FUNDS			FLOOD CONTROL		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE
			FAVORABLE <u>(UNFAVORABLE)</u>			FAVORABLE <u>(UNFAVORABLE)</u>
<u>REVENUES</u>						
Taxes	\$ 335	414	79	17,995	23,000	5,005
Licenses, permits and franchises						
Fines, forfeitures, and penalties						
Revenues from use of money and property:						
Interest	19	152	133	2,875	5,786	2,911
Rents and concessions	3,588	3,664	76			
Aid from other governmental agencies:						
State	421	462	41	800		(800)
Federal	13,504	598	(12,906)			
Charges for current services	2,642	1,962	(680)	7,200	11,438	4,238
Other revenue	2,144	2,417	273			
	<u>22,653</u>	<u>9,669</u>	<u>(12,984)</u>	<u>28,870</u>	<u>40,224</u>	<u>11,354</u>
<u>EXPENDITURES</u>						
Current:						
General government	2,916	2,621	295	14,354	5,345	9,009
Public protection	2,791	2,263	528			
Public ways and facilities	15,381	2,019	13,362	36,931	16,447	20,484
Health and sanitation						
Public assistance						
Education						
Recreation and cultural services	137	86	51			
Capital outlay				2,285	846	1,439
	<u>21,225</u>	<u>6,989</u>	<u>14,236</u>	<u>53,570</u>	<u>22,638</u>	<u>30,932</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,428</u>	<u>2,680</u>	<u>1,252</u>	<u>(24,700)</u>	<u>17,586</u>	<u>42,286</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	471	543	72	4,218	801	(3,417)
Operating transfers (out)	(2,051)	(1,158)	893	(2,109)	(2,108)	1
Bond proceeds						
	<u>(1,580)</u>	<u>(615)</u>	<u>965</u>	<u>2,109</u>	<u>(1,307)</u>	<u>(3,416)</u>
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>\$ (152)</u>	<u>2,065</u>	<u>2,217</u>	<u>(22,591)</u>	<u>16,279</u>	<u>38,870</u>
FUND BALANCES, JULY 1, 2000 AS RESTATED		1,655			83,378	
Residual equity tranfers in		238				
FUND BALANCES, JUNE 30, 2001	<u>\$</u>	<u>3,958</u>			<u>99,657</u>	

REDEVELOPMENT AGENCY			COUNTY SERVICE AREAS			
		VARIANCE			VARIANCE	
<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE (UNFAVORABLE)	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE (UNFAVORABLE)	<u>REVENUES</u>
2,986	3,871	885	664	775	111	Taxes
				1,527	1,527	Licenses, permits and franchises
						Fines, forfeitures, and penalties
						Revenues from use of money and property:
750	754	4	238	533	295	Interest
			41	2	(39)	Rents and concessions
						Aid from other governmental agencies:
			18	17	(1)	State
						Federal
			4,855	4,264	(591)	Charges for current services
	10	10	131	51	(80)	Other revenue
<u>3,736</u>	<u>4,635</u>	<u>899</u>	<u>5,947</u>	<u>7,169</u>	<u>1,222</u>	TOTAL REVENUES
						<u>EXPENDITURES</u>
						Current:
			188	152	36	General government
14,702	4,253	10,449	3,945	2,745	1,200	Public protection
			684	683	1	Public ways and facilities
						Health and sanitation
						Public assistance
			720	648	72	Education
						Recreation and cultural services
						Capital outlay
<u>14,702</u>	<u>4,253</u>	<u>10,449</u>	<u>5,537</u>	<u>4,228</u>	<u>1,309</u>	TOTAL EXPENDITURES
<u>(10,966)</u>	<u>382</u>	<u>11,348</u>	<u>410</u>	<u>2,941</u>	<u>2,531</u>	REVENUES OVER (UNDER) EXPENDITURES
						<u>OTHER FINANCING SOURCES (USES)</u>
			75	3	(72)	Operating transfers in
			(2,419)	(1,182)	1,237	Operating transfers (out)
10,968		(10,968)				Bond proceeds
<u>10,968</u>	<u>(10,968)</u>	<u>(2,344)</u>	<u>(1,179)</u>	<u>1,165</u>		TOTAL OTHER FINANCING SOURCES (USES)
<u>2</u>	<u>382</u>	<u>380</u>	<u>(1,934)</u>	<u>1,762</u>	<u>3,696</u>	REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES
	19,700			10,867		FUND BALANCES, JULY 1, 2000 AS RESTATED
						Residual equity transfers in
	<u>20,082</u>			<u>12,629</u>		FUND BALANCES, JUNE 30, 2001

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) -
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	TOTAL			SUPERVISORIAL ROAD DISTRICTS		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE
			FAVORABLE (UNFAVORABLE)			FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>						
Taxes	\$ 335	414	79	270	329	59
Revenues from use of money and property:						
Interest	19	152	133	2	6	4
Rents and concessions	3,588	3,664	76			
Aid from other governmental agencies:						
State	421	462	41	9	7	(2)
Federal	13,504	598	(12,906)			
Charges for current services	2,642	1,962	(680)			
Other revenue	2,144	2,417	273			
 TOTAL REVENUES	 22,653	 9,669	 (12,984)	 281	 342	 61
<u>EXPENDITURES</u>						
Current:						
General government	2,916	2,621	295			
Public protection	2,791	2,263	528			
Public ways and facilities	15,381	2,019	13,362	131	107	24
Recreation & Cultural	137	86	51			
 TOTAL EXPENDITURES	 21,225	 6,989	 14,236	 131	 107	 24
 REVENUES OVER (UNDER) EXPENDITURES	 1,428	 2,680	 1,252	 150	 235	 85
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	471	543	72			
Operating transfers (out)	(2,051)	(1,158)	893	(229)	(228)	1
 TOTAL OTHER FINANCING SOURCES (USES)	 (1,580)	 (615)	 965	 (229)	 (228)	 1
 REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 \$ (152)	 2,065	 2,217	 (79)	 7	 86
 FUND BALANCES, JULY 1, 2000 AS RESTATED		1,655			66	
Residual Equity Transfers In		238				
 FUND BALANCES, JUNE 30, 2001		<u>\$ 3,958</u>			<u>73</u>	

Statement 3C

AVIATION			DESERT EXPO CENTRE			
		VARIANCE			VARIANCE	
		FAVORABLE			FAVORABLE	
<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>REVENUES</u>
						Taxes
						Revenues from use of money and property:
2	17	15	10	44	34	Interest
750	772	22	2,838	2,892	54	Rents and concessions
						Aid from other governmental agencies:
60	140	80	350	307	(43)	State
13,502	583	(12,919)				Federal
60	89	29				Charges for current services
84	1,449	1,365	55	11	(44)	Other revenue
14,458	3,050	(11,408)	3,253	3,254	1	TOTAL REVENUES
						<u>EXPENDITURES</u>
						Current:
			2,916	2,621	295	General government
						Public protection
13,300	1,149	12,151				Public ways and facilities
						Recreation & Cultural
13,300	1,149	12,151	2,916	2,621	295	TOTAL EXPENDITURES
1,158	1,901	743	337	633	296	REVENUES OVER (UNDER) EXPENDITURES
						<u>OTHER FINANCING SOURCES (USES)</u>
176	192	16		56	56	Operating transfers in
(1,333)	(431)	902	(338)	(369)	(31)	Operating transfers (out)
(1,157)	(239)	918	(338)	(313)	25	TOTAL OTHER FINANCING SOURCES (USES)
1	1,662	1,661	(1)	320	321	REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES
	175			389		FUND BALANCES, JULY 1, 2000 AS RESTATED
						Residual Equity Transfers In
	1,837			709		FUND BALANCES, JUNE 30, 2001

Continued on next page.

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) -
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	RIVERSIDE CAL - ID			U.S. GRAZING FEES		
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE
			FAVORABLE (UNFAVORABLE)			FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>						
Taxes	\$					
Revenues from use of money and property:						
Interest		72	72			
Rents and concessions						
Aid from other governmental agencies:						
State		3	3			
Federal		14	14	2	1	(1)
Charges for current services	2,403	1,871	(532)			
Other revenue						
 TOTAL REVENUES	 2,403	 1,960	 (443)	 2	 1	 (1)
 <u>EXPENDITURES</u>						
Current:						
General government						
Public protection	2,550	2,067	483	13		13
Public ways and facilities						
Recreation & Cultural						
 TOTAL EXPENDITURES	 2,550	 2,067	 483	 13		 13
 REVENUES OVER (UNDER) EXPENDITURES	 (147)	 (107)	 40	 (11)	 1	 12
 <u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	295	295				
Operating transfers (out)	(151)	(130)	21			
 TOTAL OTHER FINANCING SOURCES (USES)	 144	 165	 21			
 REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	 \$ (3)	 58	 61	 (11)	 1	 12
 FUND BALANCES, JULY 1, 2000 AS RESTATED		1,006			13	
 Residual Equity Transfers In						
 FUND BALANCES, JUNE 30, 2001		 \$ 1,064			 14	

Statement 3C

CO COMMUNITY PARKS			RIDESHARE			
		VARIANCE			VARIANCE	
		FAVORABLE			FAVORABLE	
<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>REVENUES</u>
65	85	20				Taxes
						Revenues from use of money and property:
5	11	6				Interest
						Rents and concessions
						Aid from other governmental agencies:
2	5	3				State
						Federal
4	2	(2)	175		(175)	Charges for current services
1		(1)	54	201	147	Other revenue
<u>77</u>	<u>103</u>	<u>26</u>	<u>229</u>	<u>201</u>	<u>(28)</u>	TOTAL REVENUES
						<u>EXPENDITURES</u>
						Current:
						General government
			228	196	32	Public protection
						Public ways and facilities
137	86	51				Recreation & Cultural
<u>137</u>	<u>86</u>	<u>51</u>	<u>228</u>	<u>196</u>	<u>32</u>	TOTAL EXPENDITURES
<u>(60)</u>	<u>17</u>	<u>77</u>	<u>1</u>	<u>5</u>	<u>4</u>	REVENUES OVER (UNDER) EXPENDITURES
						<u>OTHER FINANCING SOURCES (USES)</u>
						Operating transfers in
						Operating transfers (out)
						TOTAL OTHER FINANCING SOURCES (USES)
<u>(60)</u>	<u>17</u>	<u>77</u>	<u>1</u>	<u>5</u>	<u>4</u>	REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES
						FUND BALANCES, JULY 1, 2000 AS RESTATED
	<u>238</u>					Residual Equity Transfers In
	<u>255</u>			<u>5</u>		FUND BALANCES, JUNE 30, 2001

Continued on next page.

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT) -
BUDGET AND ACTUAL - OTHER SPECIAL REVENUE FUNDS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

MULTI-SPECIES HABITAT
 CONSERVATION AGENCY

			VARIANCE
			FAVORABLE
<u>REVENUES</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>
Taxes	\$		
Revenues from use of money and property:			
Interest		2	2
Rents and concessions			
Aid from other governmental agencies:			
State			
Federal			
Charges for current services			
Other revenue	1,950	756	(1,194)
TOTAL REVENUES	1,950	758	(1,192)
<u>EXPENDITURES</u>			
Current:			
General government			
Public protection			
Public ways and facilities	1,950	763	1,187
Recreation & Cultural			
TOTAL EXPENDITURES	1,950	763	1,187
REVENUES OVER (UNDER) EXPENDITURES		(5)	(5)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in			
Operating transfers (out)			
TOTAL OTHER FINANCING SOURCES (USES)			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$	(5)	(5)
FUND BALANCES, JULY 1, 2000 AS RESTATED		6	
Residual Equity Transfers In			
FUND BALANCES, JUNE 30, 2001		1	

Debt Service Funds



Debt Service Funds

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 receives revenue to pay principal and interest for flood control bonds. These bonds are legal obligations of Zones 2, 4, 6, and Flood Control and were issued to finance construction of flood control channels within each zone.

Redevelopment Agency - This fund receives tax increment revenue to pay principal and interest for Redevelopment Agency tax allocation bonds. These bonds are legal obligations of the Redevelopment Agency and were issued to finance construction of infrastructure and public facilities within various project areas.

Desert Facilities Corporation - Desert Facilities Corporation is a non-profit corporation established for the purpose of financing the construction of a courthouse project for use by the County.

Teeter - This fund receives revenue from collection of delinquent taxes, which is then used to pay principal and interest in association with Taxable and Tax-Exempt Commercial Paper of the Teeter Plan.

County of Riverside District Court Financing Corporation (District Court Project) - District Court Project 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.

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COUNTY OF RIVERSIDE
COMBINING BALANCE SHEET - DEBT SERVICE FUNDS
JUNE 30, 2001 (In Thousands)

		COUNTY OF RIVERSIDE		REDEVELOP- MENT	DESERT FACILITIES		DISTRICT COURT
		ASSET	FLOOD	AGENCY	CORPORATION	TEETER	PROJECT
<u>ASSETS</u>	<u>TOTAL</u>	<u>LEASING CORP</u>	<u>CONTROL</u>				
Cash and investments	\$ 56,804		74	56,730			
Taxes receivable	8,758					8,758	
Interest receivable	1,264	49	2	1,129		80	4
Due from other funds	1,865			1,865			
Restricted assets	65,698	30,425			142	34,818	313
 TOTAL ASSETS	 134,389	 30,474	 76	 59,724	 142	 43,656	 317
 <u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES:							
Accounts payable	1,304	84		1,102			118
Due to other funds	1,865			1,865			
 TOTAL LIABILITIES	 3,169	 84		 2,967			 118
 FUND BALANCES:							
Reserved:							
Debt service	131,220	30,390	76	56,757	142	43,656	199
 Total reserved	 131,220	 30,390	 76	 56,757	 142	 43,656	 199
 TOTAL FUND BALANCES	 131,220	 30,390	 76	 56,757	 142	 43,656	 199
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 134,389	 30,474	 76	 59,724	 142	 43,656	 317

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

		COUNTY OF RIVERSIDE					
		ASSET LEASING CORP	FLOOD CONTROL	REDEVELOP- MENT AGENCY	DESERT FACILITIES CORPORATION	TEETER	DISTRICT COURT PROJECT
REVENUES	TOTAL						
Taxes	\$ 16,335			15,766		569	
Revenues from use of money and property:							
Interest	5,502	2,921	10	1,273	148	1,044	106
Rents and concessions	3,616		250		449		2,917
TOTAL REVENUES	25,453	2,921	260	17,039	597	1,613	3,023
EXPENDITURES							
Current:							
General government	10,146	574		9,564	8		
Debt service:							
Costs of issuance	115						115
Principal retirement	49,032	11,465	1,318	3,800	100	30,278	2,071
Interest	21,441	14,711	182	3,142	488	1,745	1,173
TOTAL EXPENDITURES	80,734	26,750	1,500	16,506	596	32,023	3,359
REVENUES OVER (UNDER) EXPENDITURES	(55,281)	(23,829)	(1,240)	533	1	(30,410)	(336)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	21,940	20,684	1,256				
Operating transfers (out)	(3,256)	(1,256)		(1,997)			(3)
Bond proceeds	78,004			51,543		26,461	
TOTAL OTHER FINANCING SOURCES (USES)	96,688	19,428	1,256	49,546		26,461	(3)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	41,407	(4,401)	16	50,079	1	(3,949)	(339)
FUND BALANCES, JULY 1, 2000 AS RESTATED	89,835	34,813	60	6,678	141	47,605	538
Residual equity transfer (out)	(22)	(22)					
FUND BALANCES, JUNE 30, 2001	\$ 131,220	30,390	76	56,757	142	43,656	199

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETED DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	TOTAL			FLOOD CONTROL		
			VARIANCE			VARIANCE
			FAVORABLE			FAVORABLE
	BUDGET	ACTUAL	(UNFAVORABLE)	BUDGET	ACTUAL	(UNFAVORABLE)
REVENUES						
Taxes	\$ 46,560	16,335	(30,225)			
Revenues from use of money and property:						
Interest	1,204	2,327	1,123	4	10	6
Rents and concessions	242	250	8	242	250	8
TOTAL REVENUES	48,006	18,912	(29,094)	246	260	14
EXPENDITURES						
Current:						
General government	10,325	9,564	761	1		1
Debt service:						
Principal retirement	32,087	35,396	(3,309)	1,318	1,318	
Interest	6,849	5,069	1,780	182	182	
TOTAL EXPENDITURES	49,261	50,029	(768)	1,501	1,500	1
REVENUES OVER (UNDER) EXPENDITURES	(1,255)	(31,117)	(29,862)	(1,255)	(1,240)	15
OTHER FINANCING SOURCES (USES)						
Operating transfers in	1,258	1,256	(2)	1,258	1,256	(2)
Operating transfers (out)	(26,461)	(1,997)	24,464			
Bond proceeds	26,461	78,004	51,543			
TOTAL OTHER FINANCING SOURCES (USES)	1,258	77,263	76,005	1,258	1,256	(2)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	\$ 3	46,146	46,143	3	16	13
FUND BALANCES, JULY 1, 2000 AS RESTATED		54,343			60	
FUND BALANCES, JUNE 30, 2001		\$ 100,489			76	

REDEVELOPMENT AGENCY			TEETER			
		VARIANCE			VARIANCE	
		FAVORABLE			FAVORABLE	
<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	
						<u>REVENUES</u>
12,182	15,766	3,584	34,378	569	(33,809)	Taxes
						Revenues from use of money and property:
1,200	1,273	73		1,044	1,044	Interest
						Rents and concessions
13,382	17,039	3,657	34,378	1,613	(32,765)	TOTAL REVENUES
						<u>EXPENDITURES</u>
						Current:
10,324	9,564	760				General government
						Debt service:
491	3,800	(3,309)	30,278	30,278		Principal retirement
2,567	3,142	(575)	4,100	1,745	2,355	Interest
13,382	16,506	(3,124)	34,378	32,023	2,355	TOTAL EXPENDITURES
	533	533		(30,410)	(30,410)	REVENUES OVER (UNDER) EXPENDITURES
						<u>OTHER FINANCING SOURCES (USES)</u>
	(1,997)	(1,997)	(26,461)		26,461	Operating transfers in
	51,543	51,543	26,461	26,461		Operating transfers (out)
						Bond proceeds
	49,546	49,546		26,461	26,461	TOTAL OTHER FINANCING SOURCES (USES)
	50,079	50,079		(3,949)	(3,949)	REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES
	6,678			47,605		FUND BALANCES, JULY 1, 2000 AS RESTATED
	56,757			43,656		FUND BALANCES, JUNE 30, 2001



Capital Projects Funds



Capital Projects Funds

Public Facilities Improvements - These six funds are used to finance the acquisition and construction of public buildings and park or recreational facilities. Revenues are obtained from State funding, sale of fixed assets, contributions, and from other funds when allocated by the Board of Supervisors.

Correctional Facilities - These three funds are used to finance the acquisition and construction of correctional facilities, courts, and other buildings for justice related activities. Revenues are obtained from State funding, court collections for fines, fees, and assessments, and certificates of participation sold through the CORAL.

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 general obligation bonds.

Redevelopment Agency - This fund is used to finance the construction of infrastructure and public facilities in various project areas. Revenues are obtained from proceeds of tax allocation bonds.

District Court Project - District Court Project 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.

Regional Park and Open-Space District - 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 District.

COUNTY OF RIVERSIDE
COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
JUNE 30, 2001 (In Thousands)

		PUBLIC FACILITIES IMPROVEMENTS	CORRECTIONAL FACILITIES	COUNTY OF RIVERSIDE ASSET LEASING CORP
<u>ASSETS</u>	<u>TOTAL</u>			
Cash and investments	\$ 97,248	47,184	982	
Accounts receivable	1,028			
Interest receivable	514	2		196
Due from other funds	4,698	4,193		
Inventories	3,264			
Restricted assets	37,077			36,933
TOTAL ASSETS	143,829	51,379	982	37,129
<u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
Accounts payable	4,526			3,804
Due to other funds	434			
Deferred revenue	4,854	4,818		
TOTAL LIABILITIES	9,814	4,818		3,804
FUND BALANCES:				
Reserved:				
Encumbrances	5,929			
Inventories	3,264			
Imprest				
Restricted program money	45,016	45,016		
Construction	1,065			
Total reserved	55,274	45,016		
Unreserved:				
Designated for capital projects	43,954	678	78	
Undesignated	34,787	867	904	33,325
Total unreserved	78,741	1,545	982	33,325
TOTAL FUND BALANCES	134,015	46,561	982	33,325
TOTAL LIABILITIES AND FUND BALANCES	\$ 143,829	51,379	982	37,129

<u>FLOOD CONTROL</u>	<u>REDEVELOP- MENT AGENCY</u>	<u>DISTRICT COURT PROJECT</u>	<u>REGIONAL PARK AND OPEN-SPACE DISTRICT</u>	<u>ASSETS</u>
123	47,072		1,887	Cash and investments
	921		107	Accounts receivable
1	308		7	Interest receivable
	434		71	Due from other funds
	3,264			Inventories
		144		Restricted assets
<u>124</u>	<u>51,999</u>	<u>144</u>	<u>2,072</u>	TOTAL ASSETS
<u>LIABILITIES AND FUND BALANCES</u>				
				LIABILITIES:
	574		148	Accounts payable
	434			Due to other funds
			36	Deferred revenue
	<u>1,008</u>		<u>184</u>	TOTAL LIABILITIES
				FUND BALANCES:
				Reserved:
	5,891		38	Encumbrances
	3,264			Inventories
				Imprest
				Restricted program money
	921	144		Construction
	<u>10,076</u>	<u>144</u>	<u>38</u>	Total reserved
				Unreserved:
	43,198			Designated for capital projects
124	(2,283)		1,850	Undesignated
124	<u>40,915</u>		<u>1,850</u>	Total unreserved
124	<u>50,991</u>	<u>144</u>	<u>1,888</u>	TOTAL FUND BALANCES
<u>124</u>	<u>51,999</u>	<u>144</u>	<u>2,072</u>	TOTAL LIABILITIES 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, 2001 (In Thousands)

		PUBLIC FACILITIES IMPROVEMENTS	CORRECTIONAL FACILITIES	COUNTY OF RIVERSIDE ASSET LEASING CORP
<u>REVENUES</u>	<u>TOTAL</u>			
Taxes	\$ 2,171			
Revenues from use of money and property:				
Interest	4,211	41	10	3,592
Aid from other governmental agencies:				
Federal	2,496			
Charges for current services	3,819	1,570		
Other revenue	2,210	729		800
TOTAL REVENUES	14,907	2,340	10	4,392
<u>EXPENDITURES</u>				
Capital outlay	61,072	2,103		38,806
TOTAL EXPENDITURES	61,072	2,103		38,806
REVENUES OVER (UNDER) EXPENDITURES	(46,165)	237	10	(34,414)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	3,364			1,256
Operating transfers (out)	(13,810)	(15)	(13,034)	(761)
Proceeds from reimbursement agreement	1,258			
Bond proceeds	38,482			
TOTAL OTHER FINANCING SOURCES (USES)	29,294	(15)	(13,034)	495
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	(16,871)	222	(13,024)	(33,919)
FUND BALANCES JULY 1, 2000 AS RESTATED	150,886	46,339	14,006	67,244
FUND BALANCES, JUNE 30, 2001	\$ 134,015	46,561	982	33,325

Statement 5A

<u>FLOOD CONTROL</u>	<u>REDEVELOP- MENT AGENCY</u>	<u>DISTRICT COURT PROJECT</u>	<u>REGIONAL PARK AND OPEN-SPACE DISTRICT</u>	<u>REVENUES</u>
			2,171	Taxes
8	422	58	80	Revenues from use of money and property: Interest
			2,496	Aid from other governmental agencies: Federal
			2,249	Charges for current services
	623		58	Other revenue
8	1,045	58	7,054	TOTAL REVENUES
				<u>EXPENDITURES</u>
78	10,896	2,512	6,677	Capital outlay
78	10,896	2,512	6,677	TOTAL EXPENDITURES
(70)	(9,851)	(2,454)	377	REVENUES OVER (UNDER) EXPENDITURES
				<u>OTHER FINANCING SOURCES (USES)</u>
108	1,997	3		Operating transfers in
	1,258			Operating transfers (out)
	38,482			Proceeds from reimbursement agreement
				Bond proceeds
108	41,737	3		TOTAL OTHER FINANCING SOURCES (USES)
38	31,886	(2,451)	377	REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES
86	19,105	2,595	1,511	FUND BALANCES JULY 1, 2000 AS RESTATED
124	50,991	144	1,888	FUND BALANCES, JUNE 30, 2001

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETED CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	TOTAL			PUBLIC FACILITIES IMPROVEMENTS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>						
Taxes	\$ 1,956	2,171	215			
Revenues from use of money and property:						
Interest	60	561	501		41	41
Aid from other governmental agencies:						
Federal	1,491	2,496	1,005			
Charges for current services	4,289	3,819	(470)	2,044	1,570	(474)
Other revenue	6,232	1,410	(4,822)	820	729	(91)
TOTAL REVENUES	14,028	10,457	(3,571)	2,864	2,340	(524)
<u>EXPENDITURES</u>						
Capital outlay	25,078	19,754	5,324	2,822	2,103	719
TOTAL EXPENDITURES	25,078	19,754	5,324	2,822	2,103	719
REVENUES OVER (UNDER) EXPENDITURES	(11,050)	(9,297)	1,753	42	237	195
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	108	2,105	1,997			
Operating transfers (out)	(30)	(13,049)	(13,019)	(30)	(15)	15
Proceeds from reimbursement agreement		1,258	1,258			
Bond proceeds	10,891	38,482	27,591			
TOTAL OTHER FINANCING SOURCES (USES)	10,969	28,796	17,827	(30)	(15)	15
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ <u>(81)</u>	<u>19,499</u>	<u>19,580</u>	<u>12</u>	<u>222</u>	<u>210</u>
FUND BALANCES, JULY 1, 2000 AS RESTATED		81,047			46,339	
FUND BALANCES, JUNE 30, 2001	\$ <u>100,546</u>				<u>46,561</u>	

Statement 5B

CORRECTIONAL FACILITIES			FLOOD CONTROL			
BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVENUES
	10	10	2	8	6	Taxes
						Revenues from use of money and property:
						Interest
						Aid from other governmental agencies:
						Federal
						Charges for current services
						Other revenue
	10	10	2	8	6	TOTAL REVENUES
						EXPENDITURES
			155	78	77	Capital outlay
			155	78	77	TOTAL EXPENDITURES
	10	10	(153)	(70)	83	REVENUES OVER (UNDER) EXPENDITURES
						OTHER FINANCING SOURCES (USES)
			108	108		Operating transfers in
	(13,034)	(13,034)				Operating transfers (out)
						Proceeds from reimbursement agreement
						Bond proceeds
	(13,034)	(13,034)	108	108		TOTAL OTHER FINANCING SOURCES (USES)
	(13,024)	(13,024)	(45)	38	83	REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES
	14,006			86		FUND BALANCES, JULY 1, 2000 AS RESTATED
	982			124		FUND BALANCES, JUNE 30, 2001

Continued on next page.

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BUDGETED CAPITAL PROJECTS FUNDS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	REDEVELOPMENT AGENCY			REGIONAL PARK AND OPEN-SPACE DISTRICT		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>						
Taxes	\$			1,956	2,171	215
Revenues from use of money and property:						
Interest	35	422	387	23	80	57
Aid from other governmental agencies:						
Federal				1,491	2,496	1,005
Charges for current services				2,245	2,249	4
Other revenue	5,356	623	(4,733)	56	58	2
TOTAL REVENUES	5,391	1,045	(4,346)	5,771	7,054	1,283
<u>EXPENDITURES</u>						
Capital outlay	16,280	10,896	5,384	5,821	6,677	(856)
TOTAL EXPENDITURES	16,280	10,896	5,384	5,821	6,677	(856)
REVENUES OVER (UNDER) EXPENDITURES	(10,889)	(9,851)	1,038	(50)	377	427
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in		1,997	1,997			
Operating transfers (out)						
Proceeds from reimbursement agreement		1,258	1,258			
Bond proceeds	10,891	38,482	27,591			
TOTAL OTHER FINANCING SOURCES (USES)	10,891	41,737	30,846			
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	\$ 2	31,886	31,884	(50)	377	427
FUND BALANCES, JULY 1, 2000 AS RESTATED		19,105			1,511	
FUND BALANCES, JUNE 30, 2001		\$ 50,991			\$ 1,888	

Enterprise Funds



Enterprise Funds

These funds account for operations providing goods or services to the general public on a continuing basis. The accounting for these funds is in a manner similar to private enterprises and the intent of the governing body is that all costs are to be financed or recovered primarily through user charges.

Blythe Marina Fund - This fund receives revenue from rents and concessions to cover the necessary expenses including loan repayment to the State Department of Boating and Waterways.

Regional Medical Center - This fund provides maintenance of physical plant facilities and quality care to all patients in accordance with accreditation standards, the bylaws, rules and regulations of the medical staff and the Regional Medical Center. Revenue for this fund is primarily from charges for services and secondarily from the County General Fund.

Animal Spay and Neuter Clinic Fund - This fund provides spay and neuter services to animals of Riverside County residents. Revenues are primarily from charges for services.

Waste Management Department - This fund was established to account for solid waste revenues earned, expenses incurred, 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. This operation prepares and maintains the County's Solid Waste Management Plan, provides environmental monitoring in accordance with State mandates, and landfill closure and acquisition.

County Service Area Water and Sewer District Funds - These three funds were established to account for revenues earned, expenses incurred, and the allocation of net income for County Service Areas 62 and 122.

Housing Authority - The Housing Authority was established to provide decent housing in a suitable living environment for families that cannot afford standard private housing.

Flood Control - This fund was established to account for transactions resulting from topographical map sales, photogrammetry operations, subdivision operations and issuance of encroachment permits.

COUNTY OF RIVERSIDE
COMBINING BALANCE SHEET - ENTERPRISE FUNDS
JUNE 30, 2001 (In Thousands)

<u>ASSETS</u>	<u>TOTAL</u>	<u>BLYTHE MARINA</u>	<u>REGIONAL MEDICAL CENTER</u>	<u>ANIMAL SPAY & NEUTER</u>
Cash and investments	\$ 23,886		691	26
Taxes receivable	10			
Accounts receivable, net of allowance \$ 42,953	47,417		43,272	
Interest receivable	581			
Prepaid items	1,618		1,310	
Due from other funds	237			
Due from other governments	18,937	17	18,054	
Inventories	4,456		4,456	
Land, structures and improvements, and equipment	392,563	134	264,668	
Accumulated depreciation and amortization	(121,414)		(72,711)	
Restricted assets	113,680		28,739	
TOTAL ASSETS	481,971	151	288,479	26
<u>LIABILITIES AND FUND EQUITIES</u>				
<u>LIABILITIES:</u>				
Accounts payable	11,273		8,632	
Salaries and benefits payable	3,966		3,510	
Advances from other funds	6,262		6,008	254
Due to other funds	13,929		13,252	
Due to other governments	2,357			
Interest payable	2,426	257	1,251	
Deposits payable	345			
Accrued compensation payable	10,037		7,745	
Accrued closure and post-closure care costs	53,115			
Accrued remediation costs	24,302			
Notes and loans payable	4,709			
Bonds payable & certificates of participation	252,883		241,230	
Capital lease obligations	1,606		1,606	
Other liabilities	4,789		212	
TOTAL LIABILITIES	391,999	257	283,446	254
<u>FUND EQUITIES:</u>				
Contributed capital	14,139	106	14,033	
Retained earnings (Accumulated deficits)	75,833	(212)	(9,000)	(228)
TOTAL FUND EQUITIES	89,972	(106)	5,033	(228)
TOTAL LIABILITIES AND FUND EQUITIES	\$ 481,971	151	288,479	26

WASTE MANAGEMENT DEPARTMENT	COUNTY SERVICE AREAS	HOUSING AUTHORITY	FLOOD CONTROL	ASSETS
13,425	393	7,095	2,256	Cash and investments
	10			Taxes receivable
3,640		288	217	Accounts receivable, net of allowance \$ 42,953
553	1		27	Interest receivable
276		32		Prepaid items
		235	2	Due from other funds
318		476	72	Due from other governments
				Inventories
79,640	164	47,304	653	Land, structures and improvements, and equipment
(29,621)	(89)	(18,507)	(486)	Accumulated depreciation and amortization
82,904		2,037		Restricted assets
<u>151,135</u>	<u>479</u>	<u>38,960</u>	<u>2,741</u>	TOTAL ASSETS
				<u>LIABILITIES AND FUND EQUITIES</u>
				LIABILITIES:
966		296	1,379	Accounts payable
449	7			Salaries and benefits payable
				Advances from other funds
386		235	56	Due to other funds
983		1,374		Due to other governments
		918		Interest payable
345				Deposits payable
1,792	22	327	151	Accrued compensation payable
53,115				Accrued closure and post-closure care costs
24,302				Accrued remediation costs
		4,709		Notes and loans payable
768		10,885		Bonds payable & certificates of participation
				Capital lease obligations
255		4,322		Other liabilities
<u>83,361</u>	<u>29</u>	<u>23,066</u>	<u>1,586</u>	TOTAL LIABILITIES
				FUND EQUITIES:
67,774	450	15,894	1,155	Contributed capital
				Retained earnings (Accumulated deficits)
<u>67,774</u>	<u>450</u>	<u>15,894</u>	<u>1,155</u>	TOTAL FUND EQUITIES
<u>151,135</u>	<u>479</u>	<u>38,960</u>	<u>2,741</u>	TOTAL LIABILITIES AND FUND EQUITIES

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS (ACCUMULATED DEFICITS) - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	<u>TOTAL</u>	<u>BLYTHE MARINA</u>	<u>REGIONAL MEDICAL CENTER</u>	<u>ANIMAL SPAY & NEUTER</u>
<u>OPERATING REVENUES</u>				
Net patients revenue	\$ 280,230		280,230	
Current services	48,888			2
Charges to other governments	40,684			
Other	5,845		4,965	
	<u>375,647</u>		<u>285,195</u>	<u>2</u>
TOTAL OPERATING REVENUES				
<u>OPERATING EXPENSES</u>				
Personnel services	92,433		78,026	
Communications	602			
Insurance	1,788		1,014	1
Maintenance of building and equipment	6,438			
Supplies	31,459		29,465	
Purchased services	64,290		51,153	
Depreciation and amortization	16,719		11,396	
Rents and leases of equipment	335			
Public assistance	32,004			
Utilities	4,207		3,578	
Closure and post-closure	(1,767)			
Remediation	941			
Provision for doubtful accounts	17,897		17,897	
Other	3,334		3,300	
	<u>270,680</u>		<u>195,829</u>	<u>1</u>
TOTAL OPERATING EXPENSES				
OPERATING INCOME	<u>104,967</u>		<u>89,366</u>	<u>1</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest on invested funds	8,418	1	1,944	
Interest expense	(19,003)		(17,788)	
Gain (loss) on sale of fixed assets	13			
	<u>(10,572)</u>	<u>1</u>	<u>(15,844)</u>	
TOTAL NON-OPERATING REVENUES (EXPENSES)				
<u>OPERATING TRANSFERS AND CAPITAL CONTRIBUTION</u>				
Capital contribution	260		260	
Operating transfers in	20,103		20,098	
Operating transfers (out)	(82,744)		(82,692)	
	<u>(62,381)</u>		<u>(62,334)</u>	
TOTAL OPERATING TRANSFERS AND CAPITAL CONTRIBUTION				
NET INCOME	32,014	1	11,188	1
RETAINED EARNINGS (ACCUMULATED DEFICITS)				
JULY 1, 2000 AS RESTATED (Note 10)	43,819	(213)	(20,188)	(229)
	<u>43,819</u>	<u>(213)</u>	<u>(20,188)</u>	<u>(229)</u>
RETAINED EARNINGS (ACCUMULATED DEFICITS) JUNE 30, 2001				
	\$ <u>75,833</u>	<u>(212)</u>	<u>(9,000)</u>	<u>(228)</u>

Statement 6A

<u>WASTE MANAGEMENT DEPARTMENT</u>	<u>COUNTY SERVICE AREAS</u>	<u>HOUSING AUTHORITY</u>	<u>FLOOD CONTROL</u>	
				<u>OPERATING REVENUES</u>
				Net patients revenue
44,207	19	2,993	1,667	Current services
	3	40,681		Charges to other governments
	277	603		Other
<u>44,207</u>	<u>299</u>	<u>44,277</u>	<u>1,667</u>	TOTAL OPERATING REVENUES
				<u>OPERATING EXPENSES</u>
8,812	110	4,503	982	Personnel services
205			397	Communications
772	1			Insurance
1,581	23	4,834		Maintenance of building and equipment
1,697	1		296	Supplies
13,129	8			Purchased services
3,659	10	1,613	41	Depreciation and amortization
335				Rents and leases of equipment
		32,004		Public assistance
	50	579		Utilities
(1,767)				Closure and post-closure
941				Remediation
				Provision for doubtful accounts
6	28			Other
<u>29,370</u>	<u>231</u>	<u>43,533</u>	<u>1,716</u>	TOTAL OPERATING EXPENSES
<u>14,837</u>	<u>68</u>	<u>744</u>	<u>(49)</u>	OPERATING INCOME
				<u>NON-OPERATING REVENUES (EXPENSES)</u>
6,083	3	254	133	Interest on invested funds
(86)		(1,129)		Interest expense
71		(58)		Gain (loss) on sale of fixed assets
<u>6,068</u>	<u>3</u>	<u>(933)</u>	<u>133</u>	TOTAL NON-OPERATING REVENUES (EXPENSES)
				<u>OPERATING TRANSFERS AND CAPITAL CONTRIBUTION</u>
			5	Capital contribution
	(18)		(34)	Operating transfers in
				Operating transfers (out)
	(18)		(29)	TOTAL OPERATING TRANSFERS AND CAPITAL CONTRIBUTION
20,905	53	(189)	55	NET INCOME
				RETAINED EARNINGS (ACCUMULATED DEFICITS)
46,869	397	16,083	1,100	JULY 1, 2000 AS RESTATED (Note 10)
				RETAINED EARNINGS (ACCUMULATED DEFICITS) JUNE 30, 2001
<u>67,774</u>	<u>450</u>	<u>15,894</u>	<u>1,155</u>	

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	<u>TOTAL</u>	<u>BLYTHE MARINA</u>	<u>REGIONAL MEDICAL CENTER</u>	<u>ANIMAL SPAY AND NEUTER CLINIC</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income	\$ 104,967		89,366	1
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	16,719		11,396	
(Increase) decrease in:				
Accounts and taxes receivable	(12,358)		(11,391)	
Prepaid items	(6,045)		(6,107)	
Due from other governments	(7,224)		(6,993)	
Increase (decrease) in:				
Accounts payable	(3,847)		(3,548)	
Salaries and benefits payable	3,516		3,510	
Due to other funds	3,871		4,329	
Due to other governments	(3,471)	(17)		
Deposits payable	(62)			
Accrued compensation payable	(3,950)		(3,921)	
Accrued closure and postclosure care costs	(9,870)			
Accrued remediation costs	83			
Other liabilities	9,583		6,494	
Total adjustments	(13,055)	(17)	(6,231)	
Net cash provided by operating activities	91,912	(17)	83,135	1
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating transfers in	20,103		20,098	
Operating transfers out	(82,744)		(82,692)	
Net cash (used) by noncapital financing activities	(62,641)		(62,594)	

<u>WASTE MANAGEMENT DEPARTMENT</u>	<u>COUNTY SERVICE AREAS</u>	<u>HOUSING AUTHORITY</u>	<u>FLOOD CONTROL</u>	
CASH FLOWS FROM OPERATING ACTIVITIES				
14,837	68	744	(49)	Operating income
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
3,659	10	1,613	41	Depreciation and amortization
(Increase) decrease in:				
(501)	(1)	(384)	(81)	Accounts and taxes receivable
70		(8)		Prepaid items
(164)		(122)	55	Due from other governments
Increase (decrease) in:				
(1,041)		158	584	Accounts payable
32			(26)	Salaries and benefits payable
(685)		235	(8)	Due to other funds
(337)		(3,116)	(1)	Due to other governments
110		(172)		Deposits payable
50	2	(100)	19	Accrued compensation payable
(9,870)				Accrued closure and postclosure care costs
83				Accrued remediation costs
(2)		3,091		Other liabilities
(8,596)	11	1,195	583	Total adjustments
6,241	79	1,939	534	Net cash provided by operating activities
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
			5	Operating transfers in
	(18)		(34)	Operating transfers out
Net cash (used) by noncapital financing activities				
	(18)		(29)	

Continued on next page.

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	<u>TOTAL</u>	<u>BLYTHE MARINA</u>	<u>REGIONAL MEDICAL CENTER</u>	<u>ANIMAL SPAY AND NEUTER CLINIC</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on bonds and certificates	\$ (3,704)		(3,334)	
Interest paid	(17,507)		(16,537)	
Principal paid on loans and notes payable	(1,155)		(519)	
Proceeds from sale of fixed assets	13			
Capital contribution	260		260	
Acquisition of land, structures and improvements and equipment	(9,704)		(2,871)	
	<u>(31,797)</u>		<u>(23,001)</u>	
Net cash (used) by capital and related financing activities				
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(4,867)			
Interest on investments	8,601	2	1,944	
	<u>3,734</u>	<u>2</u>	<u>1,944</u>	
Net cash provided by investing activities				
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,208	(15)	(516)	1
CASH AND CASH EQUIVALENTS AT JULY 1, 2000, AS RESTATED	<u>124,005</u>	<u>15</u>	<u>29,946</u>	<u>25</u>
CASH AND CASH EQUIVALENTS AT JUNE 30, 2001	125,213		29,430	26
LESS: Cash and cash equivalents included in restricted assets	(101,327)		(28,739)	
	<u>23,886</u>	<u></u>	<u>691</u>	<u>26</u>
CASH AND INVESTMENTS				
Acquisition of fixed assets through capital leases or long-term obligations	255		255	
	<u>215</u>	<u></u>	<u>215</u>	
Acquisition of assets through donation/transfer				
Accrued interest payable at June 30, 2000, reversed at June 30, 2001.	\$ 245			

WASTE MANAGEMENT <u>DEPARTMENT</u>	COUNTY SERVICE <u>AREAS</u>	HOUSING <u>AUTHORITY</u>	FLOOD <u>CONTROL</u>	
				CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
		(370)		Principal paid on bonds and certificates
(86)		(884)		Interest paid
(526)		(110)		Principal paid on loans and notes payable
71		(58)		Proceeds from sale of fixed assets
				Capital contribution
(6,324)	1	(486)	(24)	Acquisition of land, structures and improvements and equipment
				Net cash (used) by capital and related financing activities
(6,865)	1	(1,908)	(24)	
				CASH FLOWS FROM INVESTING ACTIVITIES
(4,867)				Purchase of investments
6,270	5	254	126	Interest on investments
1,403	5	254	126	Net cash provided by investing activities
779	67	285	607	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
83,197	326	8,847	1,649	CASH AND CASH EQUIVALENTS AT JULY 1, 2000, AS RESTATED
83,976	393	9,132	2,256	CASH AND CASH EQUIVALENTS AT JUNE 30, 2001
(70,551)		(2,037)		LESS: Cash and cash equivalents included in restricted assets
13,425	393	7,095	2,256	CASH AND INVESTMENTS
				Acquisition of fixed assets through capital leases or long-term obligations
				Acquisition of assets through donation/transfer
		245		Accrued interest payable at June 30, 2000, reversed at June 30, 2001.



Internal Service Funds



Internal Service Funds

These funds were established to account for the goods or services furnished by one County department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Medical Center Data Processing Fund - This fund provides a full range of data processing services to the Regional Medical Center: payroll, cost distribution and accounting statements.

Transportation Equipment Fund - This fund was established to account for the financing of public works equipment provided to other County departments on a cost-reimbursement basis.

Fleet Services Fund - This fund finances the operation and maintenance of the Sheriff's department vehicles as well as for other County departments. Revenue is attained from other departments on a cost-reimbursement basis.

Information Services Fund - This fund is supported by revenues received from County departments for services from the Information Services department for software systems support to computer network and data structure design and organization to County computer systems.

Printing Services Fund - This fund accounts for the financing of materials, services and supplies provided to the County departments on a cost-reimbursement basis. This operation also provides such services as a paper reclamation program which collects and sells waste paper collected from County departments for recycling.

Supply Services Fund - The purpose of this fund is to provide financing to support an operation that provides County departments with merchandise and service on a cost-reimbursement basis.

OASIS Project Funds - These funds were established to support the implementation, operation and maintenance of the County's central administrative information system for County departments. Revenue is obtained on a cost-reimbursement basis.

Risk Management Funds - These fourteen funds account for the financing of employee benefit insurances and County self-insurances. They include funds for dental, life, medical, vision, disability income, unemployment insurance for applicable bargaining units, County's general liability, medical malpractice, and workers' compensation.

Temporary Assistance Pool - The purpose of this fund is to provide a ready source of temporary workers to County departments with lower overhead charges than are typically levied by outside temporary employment agencies.

Health Agency Support Services - This fund provides the Health Services Agency with facilities and material management, environmental services, communication, transportation and contract services.

Flood Control Equipment Funds - This fund was established to account for the financing of flood control equipment provided to other County departments on a cost-reimbursement basis.

COUNTY OF RIVERSIDE
COMBINING BALANCE SHEET - INTERNAL SERVICE FUNDS
JUNE 30, 2001 (In Thousands)

		MEDICAL CENTER DATA PROCESSING	TRANS- PORTATION EQUIPMENT	FLEET SERVICES	INFORMATION SERVICES	PRINTING SERVICES
<u>ASSETS</u>	<u>TOTAL</u>					
Cash and investments	\$ 144,574	29	856	1,591	4,036	1,276
Accounts receivable	1,578					
Interest receivable	500		2			
Due from other funds	1,204	832			39	
Due from other governments	195			41		
Inventories	2,054		199	238	802	119
Land, structures and improvements, and equipment	164,733	520	22,217	55,290	70,253	1,787
Accumulated depreciation and amortization	(105,590)	(381)	(14,198)	(32,806)	(48,061)	(859)
TOTAL ASSETS	209,248	1,000	9,076	24,354	27,069	2,323
<u>LIABILITIES AND FUND EQUITIES</u>						
LIABILITIES:						
Accounts payable	7,327	1,204	12	648	990	15
Salaries and benefits payable	2,533	192	51	115	735	35
Advances from other funds						
Due to other funds	255					
Accrued compensation payable	5,314	637	154	315	2,665	36
Bonds and notes payable	1,200				1,200	
Capital lease obligations	46,847	60	4,981	19,513	20,622	455
Estimated claims liability	72,469					
Other liabilities	1,500			1,500		
TOTAL LIABILITIES	137,445	2,093	5,198	22,091	26,212	541
FUND EQUITIES:						
Contributed capital	5,806	85	1,277	2,439	1,405	
Retained earnings (accumulated deficits)	65,997	(1,178)	2,601	(176)	(548)	1,782
TOTAL FUND EQUITIES	71,803	(1,093)	3,878	2,263	857	1,782
TOTAL LIABILITIES AND FUND EQUITIES	\$ 209,248	1,000	9,076	24,354	27,069	2,323

SUPPLY SERVICES	OASIS PROJECT	RISK MANAGEMENT	TEMPORARY ASSISTANCE POOL	HEALTH AGENCY SUPPORT SERVICES	FLOOD CONTROL EQUIPMENT	ASSETS
4,284	292	127,202	2,502	32	2,474	Cash and investments
102		1,469			7	Accounts receivable
		477			21	Interest receivable
				43	290	Due from other funds
					154	Due from other governments
494					202	Inventories
						Land, structures and improvements, and equipment
431	6,532	596			7,107	
(223)	(3,005)	(585)			(5,472)	Accumulated depreciation and amortization
<u>5,088</u>	<u>3,819</u>	<u>129,159</u>	<u>2,502</u>	<u>75</u>	<u>4,783</u>	TOTAL ASSETS
<u>LIABILITIES AND FUND EQUITIES</u>						
LIABILITIES:						
3,279	248	813		65	53	Accounts payable
24		304	813	191	73	Salaries and benefits payable
						Advances from other funds
	46				209	Due to other funds
70		534	53	696	154	Accrued compensation payable
						Bonds and notes payable
	1,216					Capital lease obligations
		72,469				Estimated claims liability
						Other liabilities
<u>3,373</u>	<u>1,510</u>	<u>74,120</u>	<u>866</u>	<u>952</u>	<u>489</u>	TOTAL LIABILITIES
FUND EQUITIES:						
					600	Contributed capital
1,715	2,309	55,039	1,636	(877)	3,694	Retained earnings (accumulated deficits)
<u>1,715</u>	<u>2,309</u>	<u>55,039</u>	<u>1,636</u>	<u>(877)</u>	<u>4,294</u>	TOTAL FUND EQUITIES
<u>5,088</u>	<u>3,819</u>	<u>129,159</u>	<u>2,502</u>	<u>75</u>	<u>4,783</u>	TOTAL LIABILITIES AND FUND EQUITIES

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS (ACCUMULATED DEFICITS) - INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

		MEDICAL CENTER DATA <u>TOTAL</u>	TRANS- PORTATION EQUIPMENT <u>PROCESSING</u>	FLEET SERVICES <u>EQUIPMENT</u>	INFORMATION SERVICES <u>SERVICES</u>	PRINTING SERVICES <u>SERVICES</u>	
<u>OPERATING REVENUES</u>							
Current services	\$	200,694	14,933	5,996	16,728	41,590	2,906
TOTAL OPERATING REVENUES		200,694	14,933	5,996	16,728	41,590	2,906
<u>OPERATING EXPENSES</u>							
Cost of materials used		6,498			433		880
Personnel services		51,398	4,179	1,134	2,544	16,670	697
Communications		5,394	1,794	41	43	3,146	
Insurance		4,164	8	8	275	39	4
Maintenance of building and equipment		20,260	4,272	2,210	4,804	6,940	337
Insurance claims		41,233					
Supplies		5,052	304	21	83	1,242	7
Purchased services		33,561	552	402	682	5,742	671
Depreciation and amortization		19,483	29	1,079	7,462	7,239	194
Rents and leases of equipment		1,575	185		8	446	
Utilities		162		27	29	90	
Other		8,303	1,534	735	234	917	61
TOTAL OPERATING EXPENSES		197,083	12,857	5,657	16,597	42,471	2,851
OPERATING INCOME (LOSS)		3,611	2,076	339	131	(881)	55
<u>NON-OPERATING REVENUE (EXPENSES)</u>							
Interest on invested funds		1,176					
Interest expense		(3,028)	(550)	(173)	(837)	(1,396)	(16)
TOTAL NON-OPERATING REVENUE (EXPENSES)		(1,852)	(550)	(173)	(837)	(1,396)	(16)
<u>OPERATING TRANSFERS</u>							
Operating transfers in		134					
Operating transfers (out)		(988)					
TOTAL OPERATING TRANSFERS		(854)					
NET INCOME (LOSS)		905	1,526	166	(706)	(2,277)	39
RETAINED EARNINGS (ACCUMULATED DEFICITS)							
JULY 1, 2000 AS RESTATED		65,092	(2,704)	2,435	530	1,729	1,743
RETAINED EARNINGS (ACCUMULATED DEFICITS)							
JUNE 30, 2001	\$	65,997	(1,178)	2,601	(176)	(548)	1,782

<u>SUPPLY SERVICES</u>	<u>OASIS PROJECT</u>	<u>RISK MANAGE- MENT</u>	<u>TEMPORARY ASSISTANCE POOL</u>	<u>HEALTH AGENCY SUPPORT SERVICES</u>	<u>FLOOD CONTROL EQUIPMENT</u>	
<u>OPERATING REVENUES</u>						
12,731	22,693	54,457	15,856	8,839	3,965	Current services
12,731	22,693	54,457	15,856	8,839	3,965	TOTAL OPERATING REVENUES
<u>OPERATING EXPENSES</u>						
5,185						Cost of materials used
448		4,023	14,929	5,789	985	Personnel services
	75	56	2		237	Communications
20	2	3,808				Insurance
15	948	144	24	566		Maintenance of building and equipment
		41,233				Insurance claims
	436	262	135	768	1,794	Supplies
6,729	15,787	1,240	454	1,302		Purchased services
67	2,750	81			582	Depreciation and amortization
	550	337		49		Rents and leases of equipment
	16					Utilities
110	1,093	3,254	69	296		Other
12,574	21,657	54,438	15,613	8,770	3,598	TOTAL OPERATING EXPENSES
157	1,036	19	243	69	367	OPERATING INCOME (LOSS)
<u>NON-OPERATING REVENUE (EXPENSES)</u>						
44		988	15		129	Interest on invested funds
	(56)					Interest expense
44	(56)	988	15		129	TOTAL NON-OPERATING REVENUE (EXPENSES)
<u>OPERATING TRANSFERS</u>						
					134	Operating transfers in
		(826)			(162)	Operating transfers (out)
		(826)			(28)	TOTAL OPERATING TRANSFERS
201	980	181	258	69	468	NET INCOME (LOSS)
RETAINED EARNINGS (ACCUMULATED DEFICITS)						
1,514	1,329	54,858	1,378	(946)	3,226	JULY 1, 2000 AS RESTATED
RETAINED EARNINGS (ACCUMULATED DEFICITS)						
1,715	2,309	55,039	1,636	(877)	3,694	JUNE 30, 2001

**COUNTY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)**

	<u>TOTAL</u>	MEDICAL CENTER DATA <u>PROCESSING</u>	TRANS- PORTATION <u>EQUIPMENT</u>	FLEET <u>SERVICES</u>	INFORMATION <u>SERVICES</u>	PRINTING <u>SERVICES</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating income (loss)	\$ 3,611	2,076	339	131	(881)	55
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation and amortization	19,483	29	1,079	7,462	7,239	194
Other revenue (expense)						
(Increase) decrease in:						
Accounts receivable	(379)					
Due from other funds	(310)	(508)			(39)	
Due from other governments	(109)		17	26		
Prepaid Expenses	10					10
Inventories	46		2	23	(2)	(11)
Increase (decrease) in:						
Accounts payable	(1,984)	(967)	12	(104)	(275)	3
Other Liabilities	1,500			1,500		
Salaries and benefits payable	782	28	(1)		301	4
Due to other funds	(5,771)	(235)				
Accrued compensation payable	329	139	17	31	736	(9)
Estimated claims liability	10,686					
Total adjustments	24,283	(1,514)	1,126	8,938	7,960	191
Net cash provided (used) by operating activities	27,894	562	1,465	9,069	7,079	246
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating transfers in	134					
Operating transfers out	(988)					
Net cash (used) by noncapital financing activities	(854)					

<u>SUPPLY SERVICES</u>	<u>OASIS PROJECT</u>	<u>RISK MANAGEMENT</u>	<u>TEMPORARY ASSISTANCE POOL</u>	<u>HEALTH AGENCY SUPPORT SERVICES</u>	<u>FLOOD CONTROL EQUIPMENT</u>	
CASH FLOWS FROM OPERATING ACTIVITIES						
157	1,036	19	243	69	367	Operating income (loss)
						Adjustments to reconcile operating income (loss) to net cash provided by operating activities:
67	2,750	81			582	Depreciation and amortization
						Other revenue (expense)
						(Increase) decrease in:
(102)		(277)				Accounts receivable
		35	242	(43)	3	Due from other funds
					(152)	Due from other governments
						Prepaid Expenses
(63)					97	Inventories
						Increase (decrease) in:
(1,136)	248	194		42	(1)	Accounts payable
(3)		215	252	(62)	48	Other Liabilities
(48)	(4,954)	(246)		(63)	(225)	Salaries and benefits payable
(1)		(674)	24	60	6	Due to other funds
		10,686				Accrued compensation payable
						Estimated claims liability
(1,286)	(1,956)	10,014	518	(66)	358	Total adjustments
(1,129)	(920)	10,033	761	3	725	Net cash provided (used) by operating activities
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
					134	Operating transfers in
		(826)			(162)	Operating transfers out
						Net cash (used) by noncapital financing activities
		(826)			(28)	

Continued on next page.

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

	<u>TOTAL</u>	MEDICAL CENTER DATA <u>PROCESSING</u>	TRANS- PORTATION EQUIPMENT	FLEET SERVICES	INFORMATION SERVICES	PRINTING SERVICES
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Interest paid	\$ (3,028)	(550)	(173)	(837)	(1,396)	(16)
Principal paid on bonds and certificates	1,200				1,200	
Principal paid on capital leases	5,447	60	1,677	3,784	(1,745)	455
Acquisition of equipment	(27,821)	(63)	(2,860)	(12,809)	(7,899)	(773)
Net cash (used) by capital and related financing activities	(24,202)	(553)	(1,356)	(9,862)	(9,840)	(334)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	1,604		4			
Net cash provided by investing activities	1,604		4			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,442	9	113	(793)	(2,761)	(88)
CASH AND CASH EQUIVALENTS AT JULY 1, 2000	140,132	20	743	2,384	6,797	1,364
CASH AND CASH EQUIVALENTS AT JUNE 30, 2001	\$ 144,574	29	856	1,591	4,036	1,276
Acquisition of assets through transfer						

<u>SUPPLY SERVICES</u>	<u>OASIS PROJECT</u>	<u>RISK MANAGEMENT</u>	<u>TEMPORARY ASSISTANCE POOL</u>	<u>HEALTH AGENCY SUPPORT SERVICES</u>	<u>FLOOD CONTROL EQUIPMENT</u>	
						CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES
	(56)					Interest paid
	1,216					Principal paid on bonds and certificates
						Principal paid on capital leases
(36)	(2,708)	(51)			(622)	Acquisition of equipment
						Net cash (used) by capital and related financing activities
(36)	(1,548)	(51)			(622)	
						CASH FLOWS FROM INVESTING ACTIVITIES
44		1,402	15		139	Interest on investments
44		1,402	15		139	Net cash provided by investing activities
						NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
(1,121)	(2,468)	10,558	776	3	214	
5,405	2,760	116,644	1,726	29	2,260	CASH AND CASH EQUIVALENTS AT JULY 1, 2000
4,284	292	127,202	2,502	32	2,474	CASH AND CASH EQUIVALENTS AT JUNE 30, 2001
						Acquisition of assets through transfer



Trust and Agency Funds



Trust and Agency Funds

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds were established to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.

EXPENDABLE TRUST FUND:

Air Quality Improvement Trust Fund - This expendable trust fund account for the share the County receives through a subvention/allocation process from motor vehicle fees levied by the State of California, the usage of which is restricted to reducing air pollution.

INVESTMENT TRUST FUND:

Investment Trust Fund - The fund was established to account for the external portion of the County Treasurer's investment pool. This fund consists of school districts, special districts and funds held for other governments organizations.

AGENCY FUNDS:

Other Agency Funds - Agency funds maintained by this County include:

- Departmental
- Development
- Grants
- Payroll deductions
- Property tax/Assessments
- Warrants
- Endowments

JUNE 30, 2001 (In Thousands)					
		EXPENDABLE TRUST	INVESTMENT TRUST		
		AIR QUALITY IMPROVE- MENT	INVESTMENT TRUST	DEPART- MENTAL	DEVELOP- MENT
ASSETS	TOTAL				
Cash and investments	1,382,021	575	899,224	167,920	10,251
Accounts receivable	60			60	
Interest receivable	3,998	2	3,672	31	27
Taxes receivable	12,847				
Due from other funds	19,934			19,934	
Due from other governments	9,430	117	7,781	638	
Deposits	369		369		
TOTAL ASSETS	1,428,659	694	911,046	188,583	10,278
<u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES:					
Accounts payable	188,337		9		383
Advances from other funds	50			50	
Due to other funds	148,758			91,506	9,895
Due to other governments	95,293	33	9,718	25,688	
Due to third parties	81,975			61,533	
Deposits payable	12,266			9,806	
TOTAL LIABILITIES	526,679	33	9,727	188,583	10,278
FUND BALANCES:					
Reserved:					
External investment pool participants	901,319		901,319		
Unreserved, undesignated	661	661			
TOTAL FUND BALANCES	901,980	661	901,319		
TOTAL LIABILITIES & FUND BALANCES	1,428,659	694	911,046	188,583	10,278

	AGENCY		PROPERTY		
		PAYROLL	TAX/ ASSESS- MENTS	WARRANTS	ENDOW- MENTS
<u>ASSETS</u>	<u>GRANTS</u>	<u>DEDUCTIONS</u>			
Cash and investments	46,125	3,618	69,989	180,351	3,968
Accounts receivable					
Interest receivable	227		28		11
Taxes receivable			12,847		
Due from other funds					
Due from other governments	894				
Deposits					
TOTAL ASSETS	47,246	3,618	82,864	180,351	3,979
 <u>LIABILITIES AND FUND BALANCE</u>					
LIABILITIES:					
Accounts payable	6,878		716	180,351	
Advances from other funds					
Due to other funds	25,598		20,653		1,106
Due to other governments	1,601		55,459		2,794
Due to third parties	10,709	3,618	6,036		79
Deposits payable	2,460				
TOTAL LIABILITIES	47,246	3,618	82,864	180,351	3,979
 FUND BALANCES:					
Reserved:					
External investment pool participants					
Unreserved, undesignated					
TOTAL FUND BALANCES					
TOTAL LIABILITIES & FUND BALANCES	47,246	3,618	82,864	180,351	3,979

COUNTY OF RIVERSIDE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - AIR QUALITY IMPROVEMENT EXPENDABLE TRUST FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2001 and 2000 (In Thousands)

<u>REVENUES</u>	<u>2001</u>	<u>2000</u>
Revenues from use of money and property:		
Interest	\$ 37	27
Aid from other governmental agencies:		
State	<u>465</u>	<u>425</u>
 TOTAL REVENUES	 <u>502</u>	 <u>452</u>
 <u>EXPENDITURES</u>		
Current:		
General government	<u>464</u>	<u>347</u>
 TOTAL EXPENDITURES	 <u>464</u>	 <u>347</u>
 REVENUES OVER (UNDER) EXPENDITURES	 <u>38</u>	 <u>105</u>
 FUND BALANCE, BEGINNING OF YEAR	 <u>623</u>	 <u>518</u>
 FUND BALANCE, END OF YEAR	 \$ <u><u>661</u></u>	 <u><u>623</u></u>

**COUNTY OF RIVERSIDE
STATEMENT OF CHANGES IN NET ASSETS - INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)**

	INVESTMENT <u>TRUST</u>
<u>ADDITIONS:</u>	
Contributions to pooled investments	\$ 3,653,166
Interest	<u>54,672</u>
TOTAL ADDITIONS	<u>3,707,838</u>
<u>DEDUCTIONS:</u>	
Distribution from pooled investments	<u>3,532,809</u>
TOTAL DEDUCTIONS	<u>3,532,809</u>
NET INCREASE	175,029
NET ASSETS HELD IN TRUST FOR EXTERNAL POOL PARTICIPANTS, JULY 1, 2000	726,528
Residual equity transfer (out)	<u>(238)</u>
NET ASSETS HELD IN TRUST FOR EXTERNAL POOL PARTICIPANTS, JUNE 30, 2001	<u>\$ 901,319</u>

COMPOSITION OF NET ASSETS HELD IN TRUST FOR EXTERNAL POOL PARTICIPANTS

School districts	\$ 783,473
Special districts	<u>117,846</u>
NET ASSETS HELD IN TRUST FOR EXTERNAL POOL PARTICIPANTS, JUNE 30, 2001	<u>\$ 901,319</u>

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

<u>TOTAL</u>	<u>BALANCE</u> <u>JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
ASSETS				
Cash and investments	\$ 462,298	12,398,956	12,379,032	482,222
Accounts receivable	73	196	209	60
Interest receivable	527	9,400	9,603	324
Taxes receivable		12,847		12,847
Due from other funds	113,879	20,614	114,560	19,933
Due from other governments	2,026	1,111	1,605	1,532
TOTAL ASSETS	578,803	12,443,124	12,505,009	516,918
LIABILITIES				
Accounts payable	195,937	754,265	761,874	188,328
Advances from other funds	50	56	56	50
Due to other funds	258,419	85,351	195,012	148,758
Due to other governments	76,750	44,694	35,902	85,542
Due to third parties	34,575	80,824	33,425	81,974
Deposits payable	13,072	12,300	13,106	12,266
TOTAL LIABILITIES	\$ 578,803	977,490	1,039,375	516,918

<u>DEPARTMENTAL</u>	<u>BALANCE</u> <u>JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
ASSETS				
Cash and investments	\$ 106,402	4,778,987	4,717,469	167,920
Accounts receivable	73	196	209	60
Interest receivable		9,118	9,087	31
Due from other funds	113,879	20,614	114,560	19,933
Due from other governments	1,398	218	977	639
TOTAL ASSETS	221,752	4,809,133	4,842,302	188,583
LIABILITIES				
Accounts payable	42,989	663,878	706,867	
Advances from other funds	50	56	56	50
Due to other funds	117,243		25,737	91,506
Due to other governments	36,510		10,822	25,688
Due to third parties	13,541	61,533	13,541	61,533
Deposits payable	11,419	9,806	11,419	9,806
TOTAL LIABILITIES	\$ 221,752	735,273	768,442	188,583

<u>DEVELOPMENT</u>	<u>BALANCE</u> <u>JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
ASSETS				
Cash and investments	\$ 7,752	4,130	1,631	10,251
Interest receivable	53	29	55	27
Due from other governments	628		628	
	<u>8,433</u>	<u>4,159</u>	<u>2,314</u>	<u>10,278</u>
TOTAL ASSETS				
	<u>8,433</u>	<u>4,159</u>	<u>2,314</u>	<u>10,278</u>
LIABILITIES				
Accounts payable	152	231		383
Due to other funds	8,281	1,614		9,895
	<u>8,433</u>	<u>1,845</u>		<u>10,278</u>
TOTAL LIABILITIES	\$ <u>8,433</u>	<u>1,845</u>		<u>10,278</u>

<u>GRANTS</u>	<u>BALANCE</u> <u>JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2001</u>
ASSETS				
Cash and investments	\$ 138,671	585,226	677,772	46,125
Interest receivable	419	227	419	227
Due from other governments		893		893
	<u>139,090</u>	<u>586,346</u>	<u>678,191</u>	<u>47,245</u>
TOTAL ASSETS				
	<u>139,090</u>	<u>586,346</u>	<u>678,191</u>	<u>47,245</u>
LIABILITIES				
Accounts payable	21,472	8,612	23,206	6,878
Due to other funds	106,066	83,466	163,934	25,598
Due to other governments	2,167	1,981	2,547	1,601
Due to third parties	7,732	10,708	7,732	10,708
Deposits payable	1,653	2,494	1,687	2,460
	<u>139,090</u>	<u>107,261</u>	<u>199,106</u>	<u>47,245</u>
TOTAL LIABILITIES	\$ <u>139,090</u>	<u>107,261</u>	<u>199,106</u>	<u>47,245</u>

Continued on next page.

COUNTY OF RIVERSIDE
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS - Continued
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

<u>PAYROLL DEDUCTIONS</u>	<u>BALANCE JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2001</u>
ASSETS				
Cash and investments	\$ 9,965	353,719	360,066	3,618
TOTAL ASSETS	<u>9,965</u>	<u>353,719</u>	<u>360,066</u>	<u>3,618</u>
LIABILITIES				
Due to other governments	3,831	18,702	22,533	
Due to third parties	<u>6,134</u>	<u>8,577</u>	<u>11,093</u>	<u>3,618</u>
TOTAL LIABILITIES	<u>\$ 9,965</u>	<u>27,279</u>	<u>33,626</u>	<u>3,618</u>

<u>PROPERTY TAX/ASSESSMENTS</u>	<u>BALANCE JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2001</u>
ASSETS				
Cash and investments	\$ 65,716	1,287,326	1,283,053	69,989
Interest receivable	31	15	18	28
Taxes Receivable	<u>12,847</u>	<u>12,847</u>		<u>12,847</u>
TOTAL ASSETS	<u>65,747</u>	<u>1,300,188</u>	<u>1,283,071</u>	<u>82,864</u>
LIABILITIES				
Accounts payable	580	2,720	2,584	716
Due to other funds	25,994		5,341	20,653
Due to other governments	32,090	23,369		55,459
Due to third parties	<u>7,083</u>		<u>1,047</u>	<u>6,036</u>
TOTAL LIABILITIES	<u>\$ 65,747</u>	<u>26,089</u>	<u>8,972</u>	<u>82,864</u>

<u>WARRANTS</u>	BALANCE JULY 1, 2000	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2001
ASSETS				
Cash and investments	\$ 130,744	5,388,493	5,338,886	180,351
TOTAL ASSETS	<u>130,744</u>	<u>5,388,493</u>	<u>5,338,886</u>	<u>180,351</u>
LIABILITIES				
Accounts payable	130,744	78,824	29,217	180,351
TOTAL LIABILITIES	\$ <u>130,744</u>	<u>78,824</u>	<u>29,217</u>	<u>180,351</u>
<u>ENDOWMENTS</u>	BALANCE JULY 1, 2000	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2001
ASSETS				
Cash and investments	\$ 3,048	1,075	155	3,968
Interest receivable	24	11	24	11
TOTAL ASSETS	<u>3,072</u>	<u>1,086</u>	<u>179</u>	<u>3,979</u>
LIABILITIES				
Due to other funds	835	271		1,106
Due to other governments	2,152	642		2,794
Due to third parties	85	6	12	79
TOTAL LIABILITIES	\$ <u>3,072</u>	<u>919</u>	<u>12</u>	<u>3,979</u>



General Fixed Assets Account Group



General Fixed Assets Account Group

This account group was established to account for fixed assets acquired for governmental operations. These fixed assets are tangible assets of significant value having a utility which extends beyond the current year, and are broadly classified as land, structures and improvements, and equipment.

COUNTY OF RIVERSIDE
SCHEDULE OF GENERAL FIXED ASSETS
BY SOURCE
JUNE 30, 2001 (In Thousands)

GENERAL FIXED ASSETS:

Land	\$ 85,279
Structures and improvements	529,480
Equipment	<u>91,737</u>
 TOTAL GENERAL FIXED ASSETS	 \$ <u><u>706,496</u></u>

INVESTMENT IN GENERAL FIXED ASSETS FROM:

General fund revenues	\$ 277,921
Special revenue fund revenues	69,404
Capital projects funds:	
General obligation bonds	6,583
Special revenue bonds	312,488
Federal grants	10,908
State grants	<u>29,192</u>
 TOTAL INVESTMENT IN GENERAL FIXED ASSETS	 \$ <u><u>706,496</u></u>

**COUNTY OF RIVERSIDE
SCHEDULE OF GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2001 (In Thousands)**

<u>FUNCTION & ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>	<u>STRUCTURES AND IMPROVEMENTS</u>	<u>EQUIPMENT</u>
General government:				
Control:				
Legislative	\$ 357			357
Executive	10			10
Judicial	96,369		89,686	6,683
Total control	96,736		89,686	7,050
Staff agencies:				
Elections	1,336			1,336
Finance	3,215			3,215
Law	66			66
Recording and reporting	9,635		7,250	2,385
Administrative offices and buildings	633		633	
Planning and zoning	146			146
Personnel administration	174			174
General government buildings	232,031	43,512	186,778	1,741
Community promotion	5,930	691	4,841	398
Communications	1,813		1,693	120
Total staff agencies	254,979	44,203	201,195	9,581
Total general government	351,715	44,203	290,881	16,631
Public safety:				
Police protection	45,388	652	21,888	22,848
Fire protection	28,861	104	2,024	26,733
Protective inspection	1,778	936	460	382
Other inspection	6,230		6,136	94
Corrections	130,766	1,100	127,548	2,118
Total public safety	213,023	2,792	158,056	52,175
Other:				
Public ways and facilities	36,172	11,060	21,539	3,573
Health and sanitation	41,164	541	33,108	7,515
Public assistance	19,819	2,446	6,695	10,678
Education	6,419	163	6,256	
Recreation and cultural services	38,184	24,074	12,945	1,165
Total other	141,758	38,284	80,543	22,931
TOTAL GENERAL FIXED ASSETS	\$ 706,496	85,279	529,480	91,737

COUNTY OF RIVERSIDE
SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)

<u>FUNCTION & ACTIVITY</u>	<u>GENERAL FIXED ASSETS JULY 1, 2000</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>GENERAL FIXED ASSETS JUNE 30, 2001</u>
General government:				
Control:				
Legislative	\$ 365	8	16	357
Executive	62		52	10
Judicial	82,056	16,418	2,104	96,370
Total control	82,483	16,426	2,172	96,737
Staff agencies:				
Elections	1,437	24	126	1,335
Finance	2,764	724	273	3,215
Law	66			66
Recording and reporting	9,665		30	9,635
Administrative offices and buildings	633			633
Planning and zoning	146	7	7	146
Personnel administration	371	29	226	174
General government buildings	228,424	5,219	1,613	232,030
Community promotion	5,905	25		5,930
Communications	1,781	64	31	1,814
Total staff agencies	251,192	6,092	2,306	254,978
Total general government	333,675	22,518	4,478	351,715
Public safety:				
Police protection	35,281	10,349	242	45,388
Fire protection	26,021	3,040	200	28,861
Protective inspection	2,293	64	579	1,778
Other inspection	3,926	2,319	14	6,231
Corrections	112,683	18,140	57	130,766
Total public safety	180,204	33,912	1,092	213,024
Other:				
Public ways and facilities	32,505	4,312	646	36,171
Health and sanitation	40,763	909	508	41,164
Public assistance	17,552	2,366	99	19,819
Education	6,419			6,419
Recreation and cultural services	38,146	73	35	38,184
Total other	135,385	7,660	1,288	141,757
TOTAL GENERAL FIXED ASSETS	\$ 649,264	64,090	6,858	706,496

Statistical Section



COUNTY OF RIVERSIDE
GENERAL GOVERNMENTAL FINANCING SOURCES TO FINANCING USES COMPARISON
LAST TEN FISCAL YEARS (In Thousands)

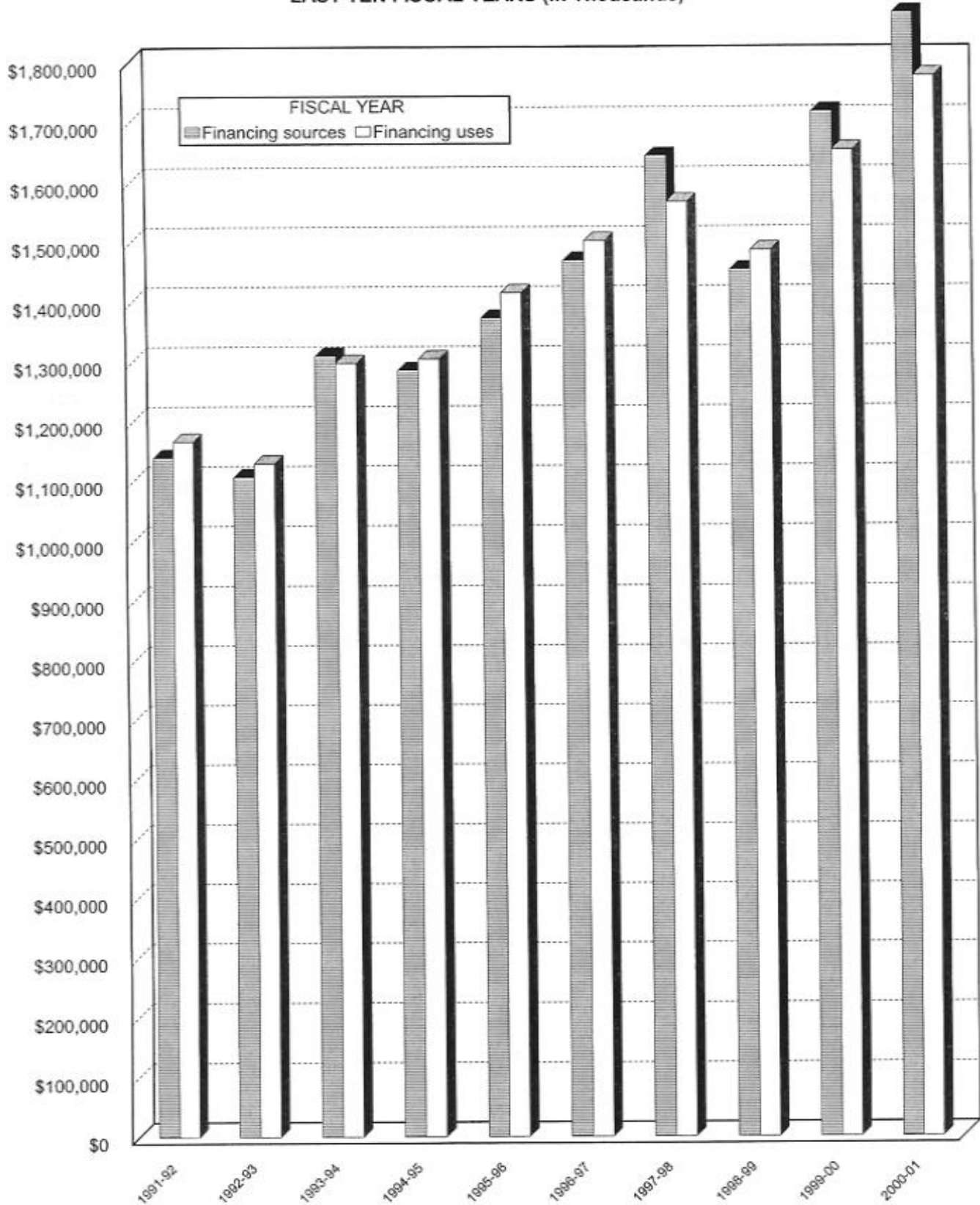


Table 1

**COUNTY OF RIVERSIDE
GENERAL GOVERNMENTAL FINANCING SOURCES
LAST TEN FISCAL YEARS (In Thousands)**

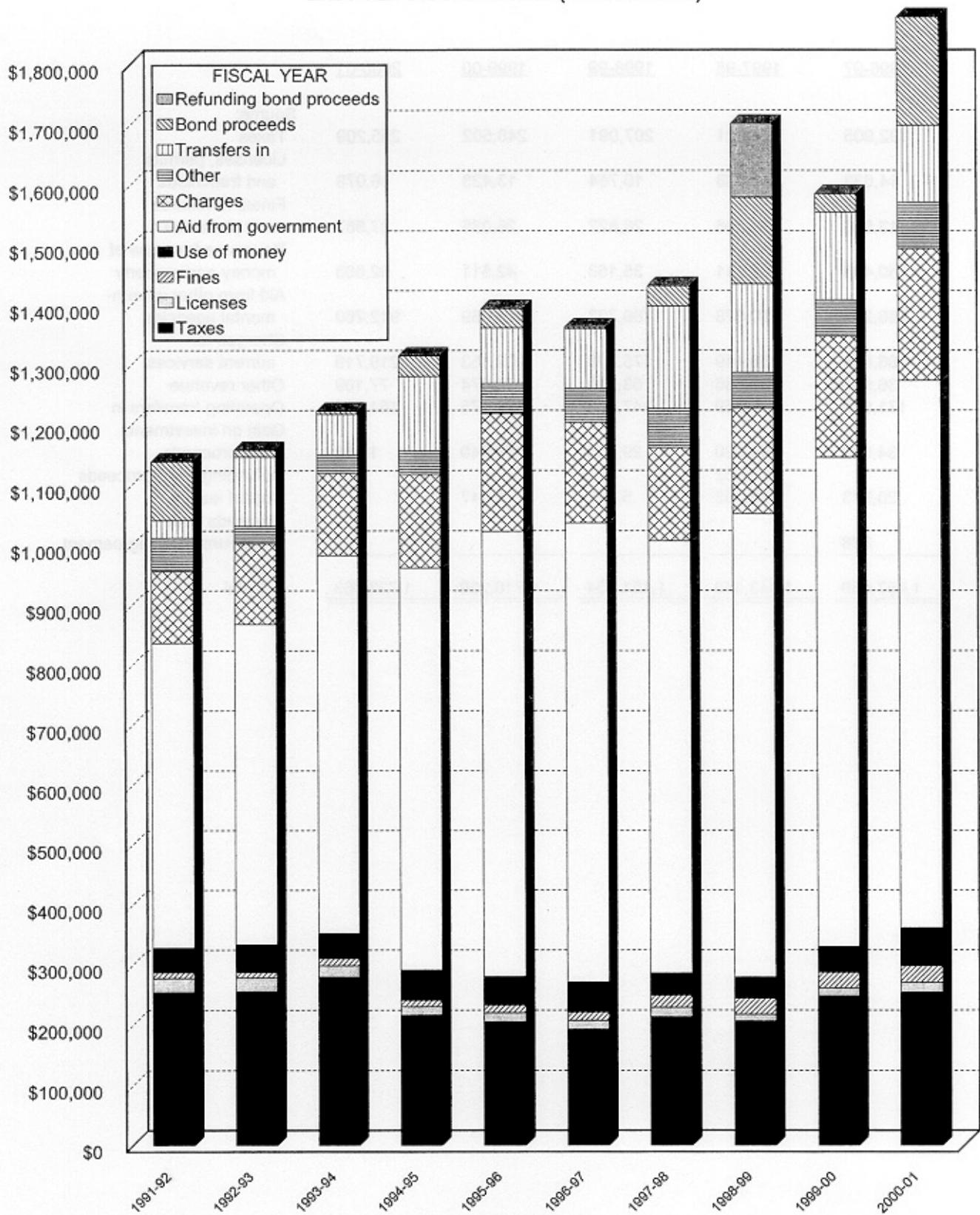
	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
Source:					
Taxes	\$ 254,679	256,524	280,423	217,311	206,355
Licenses, permits and franchises	23,193	22,960	18,796	14,200	15,293
Fines, forfeitures and penalties	9,953	8,824	11,703	11,259	13,353
Revenues from use of money and property	41,450	45,705	42,272	50,431	47,210
Aid from other govern- mental agencies	508,634	535,487	630,692	670,589	742,555
Charges for current services	120,435	134,719	137,114	155,967	195,887
Other revenue	54,755	28,787	30,284	38,067	46,064
Operating transfers in	114,901	68,434	124,321	93,362	98,824
Gain on investments				194	
Bond proceeds	11,415	4,750	33,640	32,330	2,675
Refunding bond proceeds					
Capital leases				1,161	3,580
Proceeds from reimbursement agreement					
Total	\$ <u>1,139,415</u>	<u>1,106,190</u>	<u>1,309,245</u>	<u>1,284,871</u>	<u>1,371,796</u>

Includes General Fund, Special Revenue, Debt Service, and Capital Projects funds.

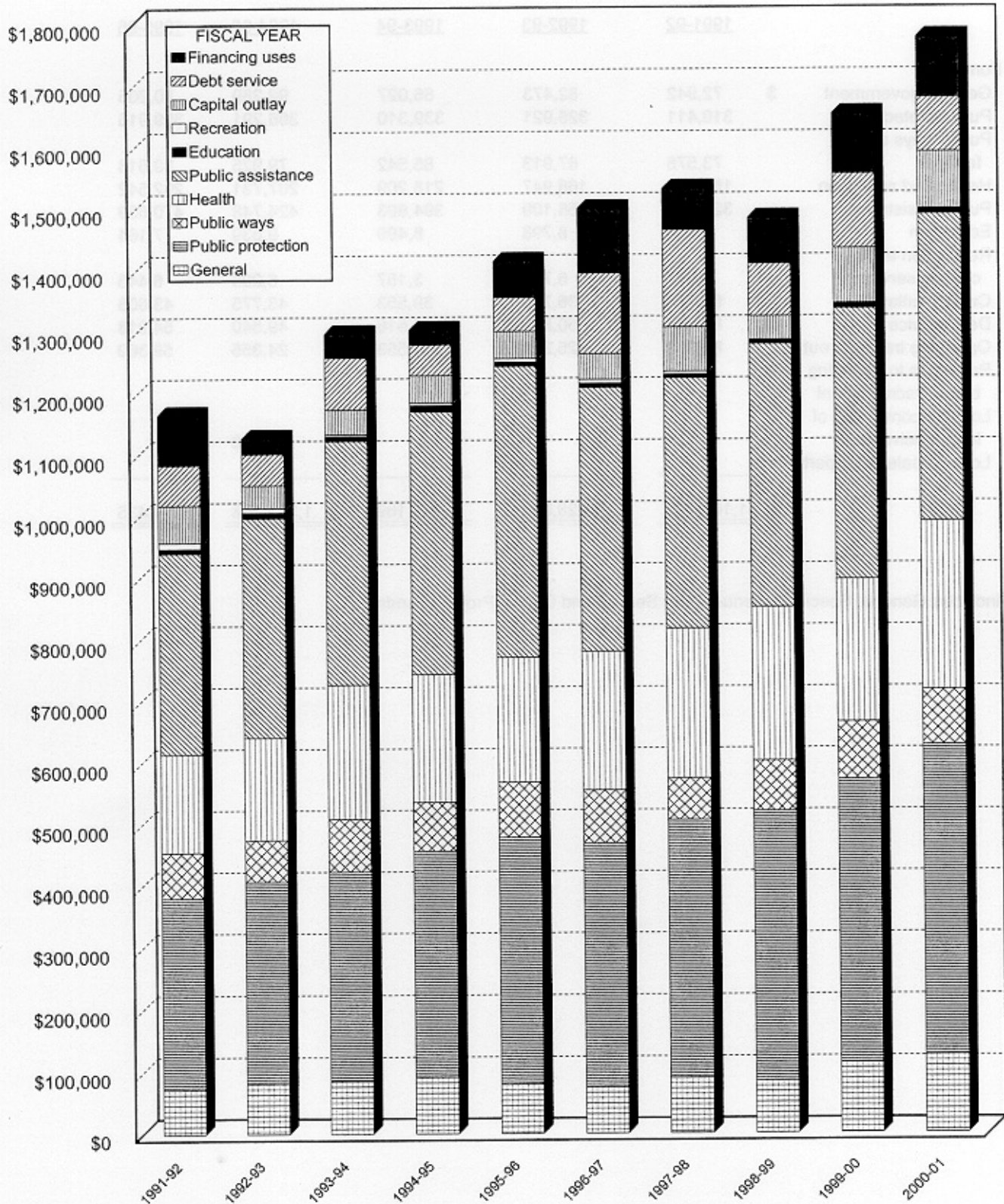
Table 1

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	
192,905	214,321	207,091	248,502	255,209	Source:
14,633	15,838	10,764	13,423	16,078	Taxes
13,536	19,796	26,822	26,085	27,587	Licenses, permits and franchises
50,408	36,741	35,153	42,511	62,663	Fines, forfeitures and penalties
766,291	720,678	760,723	816,389	912,760	Revenues from use of money and property
166,604	155,449	175,808	202,153	219,719	Aid from other govern- mental agencies
36,583	37,636	53,303	58,074	77,109	Charges for current services
171,018	147,759	147,088	127,575	161,550	Other revenue
34,000	144,320	29,565	179,640	1,258	Operating transfers in
20,873	123,652	5,417	1,947		Gain on investments
	26,953				Bond proceeds
					Refunding bond proceeds
					Capital leases
					Proceeds from reimbursement agreement
808					
<u>1,467,659</u>	<u>1,643,143</u>	<u>1,451,734</u>	<u>1,716,299</u>	<u>1,733,933</u>	Total

**COUNTY OF RIVERSIDE
GENERAL GOVERNMENTAL FINANCING SOURCES
LAST TEN FISCAL YEARS (In Thousands)**



COUNTY OF RIVERSIDE
GENERAL GOVERNMENTAL FINANCING USES BY FUNCTION
LAST TEN FISCAL YEARS (In Thousands)



COUNTY OF RIVERSIDE
GENERAL GOVERNMENTAL FINANCING USES BY FUNCTION
LAST TEN FISCAL YEARS (In Thousands)

	<u>1991-92</u>	<u>1992-93</u>	<u>1993-94</u>	<u>1994-95</u>	<u>1995-96</u>
Function					
General government	\$ 72,942	82,473	86,027	92,289	80,205
Public protection	310,411	326,921	339,310	366,291	399,915
Public ways and facilities	73,578	67,913	85,542	79,925	89,618
Health and sanitation	159,511	166,947	218,209	207,731	202,542
Public assistance	325,538	356,109	394,803	424,748	470,659
Education	7,866	8,798	8,499	9,639	7,164
Recreation and cultural services	9,977	6,707	3,157	5,295	6,446
Capital outlay	60,075	36,760	39,553	43,775	43,608
Debt service	65,326	50,873	83,516	49,540	54,918
Operating transfers out	80,952	25,354	38,553	24,355	59,360
Payments to refunding bonds escrow agent					
Loss on conversion of loan receivable				200	
Loss on sale of property					
Total	\$ <u>1,166,176</u>	<u>1,128,855</u>	<u>1,297,169</u>	<u>1,303,788</u>	<u>1,414,435</u>

Includes General, Special Revenue, Debt Service and Capital Projects funds.

Table 2

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	Function
75,239	90,198	85,454	114,348	125,857	General government
395,347	418,006	436,689	458,601	502,766	Public protection
					Public ways and facilities
87,090	68,442	81,532	93,857	89,997	Health and sanitation
225,251	242,944	249,470	231,228	272,509	Public assistance
426,627	405,150	426,077	437,708	496,995	Education
6,715	6,105	6,243	7,514	8,436	Recreation and cultural services
6,319	5,418	874	762	916	Capital outlay
41,638	72,171	38,447	90,565	91,695	Debt service
131,103	69,642	86,155	120,736	87,921	Operating transfers out
104,978	67,019	74,135	97,016	98,055	Payments to refunding bonds escrow agent
	120,314				Loss on conversion of loan receivable
					Loss on sale of property
<u>756</u>					
<u>1,501,063</u>	<u>1,565,409</u>	<u>1,485,076</u>	<u>1,652,335</u>	<u>1,775,147</u>	Total

Table 3

**COUNTY OF RIVERSIDE
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (In Thousands)**

<u>FISCAL YEAR</u>	<u>SECURED</u>	<u>UNSECURED</u>	<u>TOTAL</u>
1991-92	\$ 65,720,114	\$ 2,386,585	\$ 68,106,699
1992-93	69,735,339	2,556,094	72,291,433
1993-94	72,093,007	2,606,197	74,699,204
1994-95	71,975,652	2,644,821	74,620,473
1995-96	72,005,972	2,724,591	74,730,563
1996-97	71,274,926	2,796,593	74,071,519
1997-98	72,274,222	2,764,571	75,038,793
1998-99	73,155,309	3,160,379	76,315,688
1999-00	77,828,451	3,539,191	81,367,642
2000-01	85,549,275	4,106,069	89,655,344

Source: Auditor-Controller, County of Riverside

**COUNTY OF RIVERSIDE
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (In Thousands)**

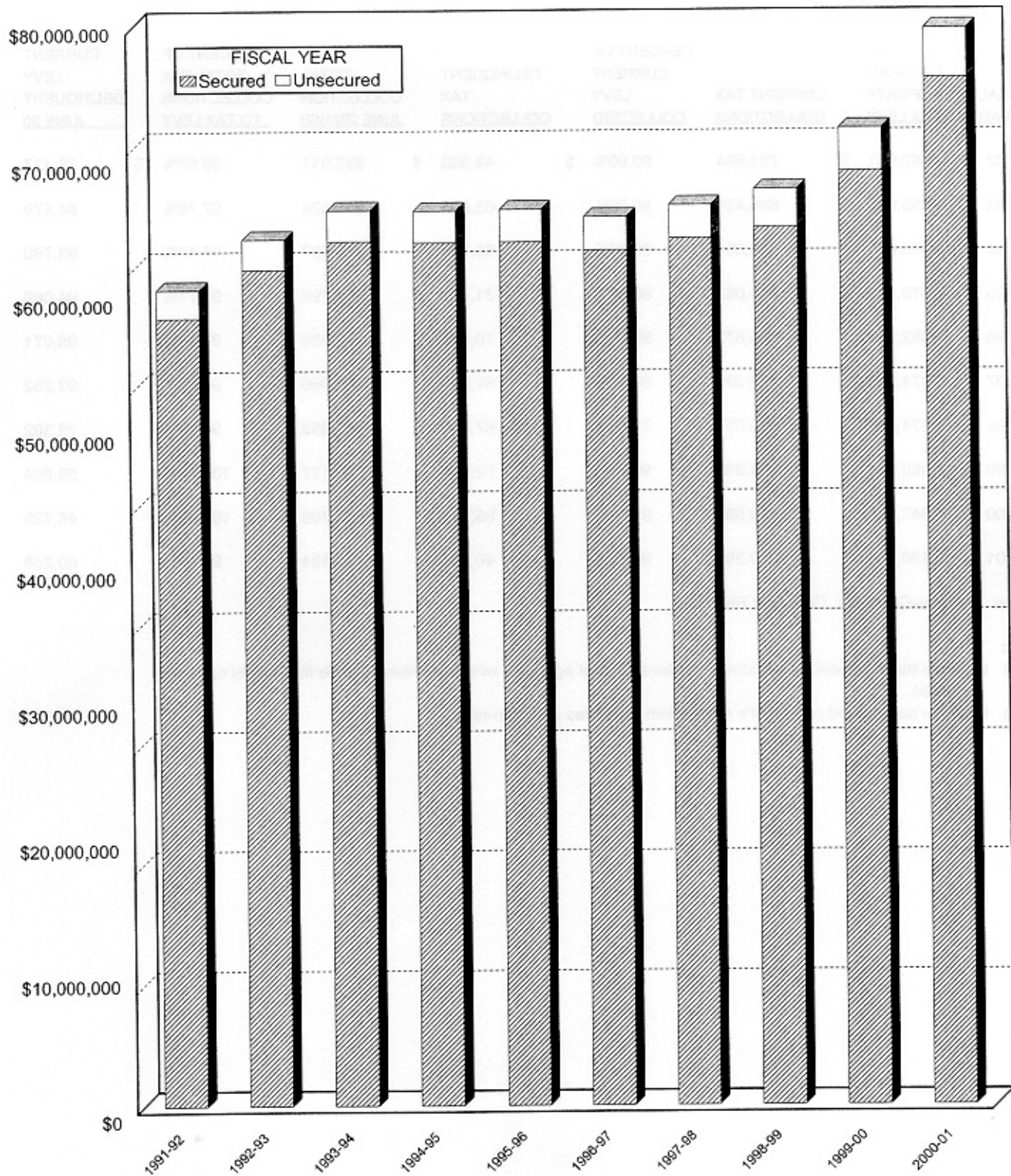


Table 4

**COUNTY OF RIVERSIDE
SECURED PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (In Thousands)**

<u>FISCAL YEAR</u>	<u>TOTAL SECURED PROPERTY TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>PERCENT OF CURRENT LEVY COLLECTED</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL COLLECTION JUNE 30(1)(2)</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>CURRENT LEVY DELINQUENT JUNE 30</u>
1991-92	\$ 862,081	\$ 783,654	90.90%	\$ 49,363	\$ 833,017	96.63%	\$ 78,427
1992-93	930,930	846,451	90.92%	63,875	910,326	97.78%	84,479
1993-94	968,671	874,891	90.32%	65,736	940,627	97.10%	93,780
1994-95	975,132	881,063	90.35%	71,733	952,796	97.71%	94,069
1995-96	982,743	886,672	90.22%	70,163	956,835	97.36%	96,071
1996-97	974,580	882,328	90.53%	62,638	944,966	96.96%	92,252
1997-98	974,439	895,057	91.85%	67,606	962,663	98.79%	79,382
1998-99	990,884	934,080	94.27%	62,047	996,127	100.53%	56,804
1999-00	1,047,635	1,000,896	95.54%	65,813	1,066,709	101.82%	46,739
2000-01	1,130,564	1,080,296	95.55%	40,888	1,121,184	99.17%	50,268

Source: Auditor-Controller, County of Riverside

Notes:

- (1) Includes tax levies and collections for redevelopment agencies which are not available for County operating purposes.
- (2) Includes current and prior year's redemption, penalties and interest.

COUNTY OF RIVERSIDE
SECURED PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (In Thousands)

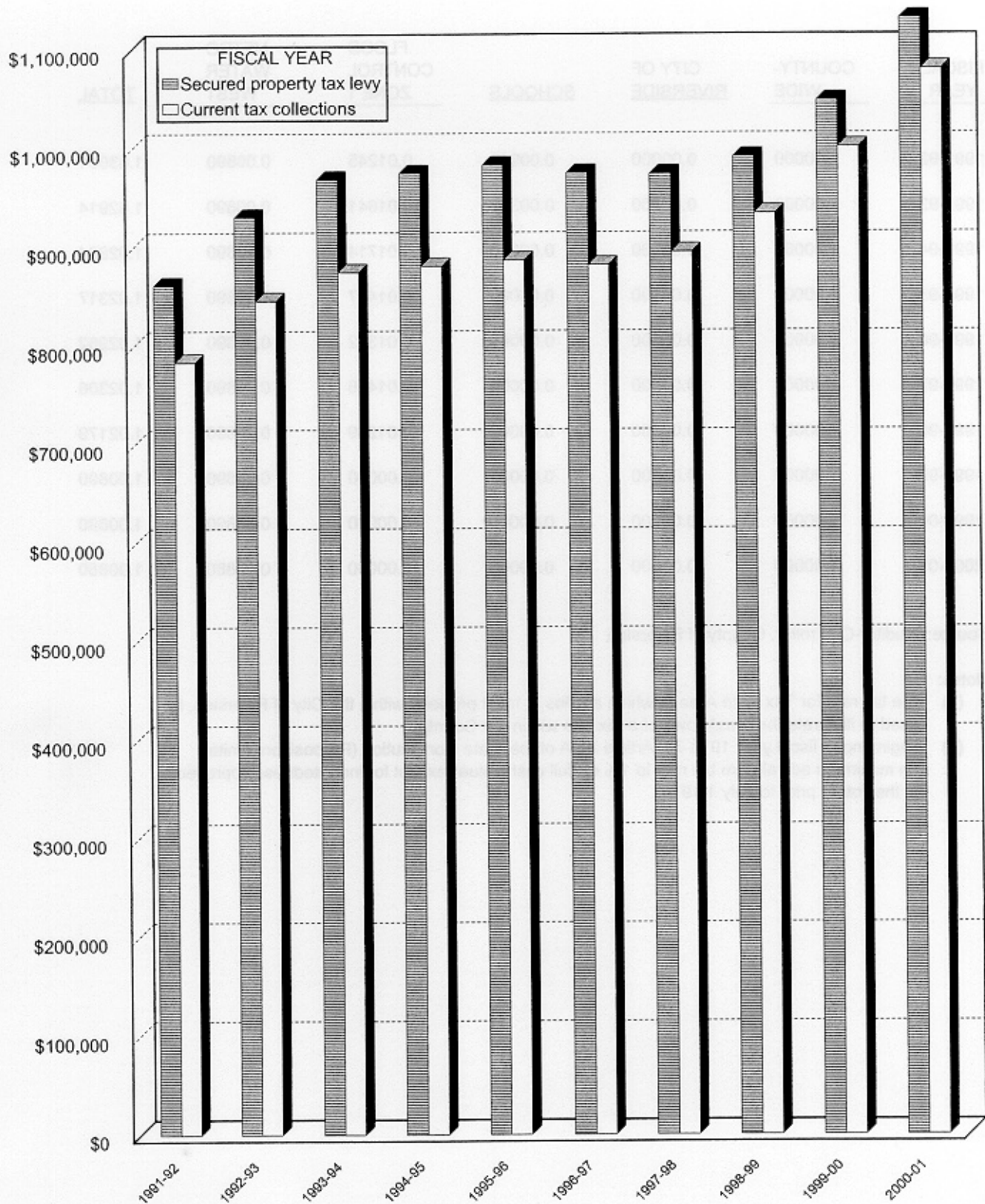


Table 5

**COUNTY OF RIVERSIDE
SECURED PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
TAX RATE AREA 9 - (PER \$100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>COUNTY- WIDE</u>	<u>CITY OF RIVERSIDE</u>	<u>SCHOOLS</u>	<u>FLOOD CONTROL ZONE 1</u>	<u>METRO WATER WEST</u>	<u>TOTAL</u>
1991-92	1.00000	0.00000	0.00946	0.01245	0.00890	1.03081
1992-93	1.00000	0.00000	0.00383	0.01641	0.00890	1.02914
1993-94	1.00000	0.00000	0.00000	0.01714	0.00890	1.02604
1994-95	1.00000	0.00000	0.00000	0.01427	0.00890	1.02317
1995-96	1.00000	0.00000	0.00000	0.01372	0.00890	1.02262
1996-97	1.00000	0.00000	0.00000	0.01416	0.00890	1.02306
1997-98	1.00000	0.00000	0.00000	0.01289	0.00890	1.02179
1998-99	1.00000	0.00000	0.00000	0.00000	0.00890	1.00890
1999-00	1.00000	0.00000	0.00000	0.00000	0.00890	1.00890
2000-01	1.00000	0.00000	0.00000	0.00000	0.00880	1.00880

Source: Auditor-Controller, County of Riverside

Notes:

- (1) The tax rate for Tax Rate Area 9, which applies to most property within the City of Riverside, is used to illustrate the breakdown of a tax rate within the County.
- (2) Beginning in fiscal year 1978-79, Article XIII A of the State Constitution (Proposition) limited the maximum ad valorem tax rate to 1% of "full cash value" except for indebtedness approved by the voters prior to July 1, 1978.

**COUNTY OF RIVERSIDE
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (Dollars in Thousands Except Net Bonded Debt Per Capita)**

<u>FISCAL YEAR</u>	<u>POPULATION*</u>	<u>ASSESSED VALUE</u>	<u>GROSS BONDED DEBT (1)</u>	<u>DEBT SERVICE MONEY AVAILABLE</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
1991-92	1,289,712	\$ 68,106,699	\$ 530,204	\$ 138,035 (2)	\$ 392,169	0.58%	\$ 304.07
1992-93	1,328,300	72,291,433	490,151	124,492 (2)	365,659	0.51%	275.28
1993-94	1,332,000	74,699,204	472,905	114,104 (2)	358,801	0.48%	264.32
1994-95	1,355,600	74,620,473	486,410	115,590 (2)	370,820	0.50%	273.55
1995-96	1,381,900	74,730,563	468,635	113,312 (2)	355,323	0.48%	257.13
1996-97	1,380,000	74,071,519	568,665	45,323 (2)	523,342	0.71%	379.23
1997-98	1,441,200	75,038,793	581,828	32,386 (2)	549,442	0.73%	381.24
1998-99	1,473,300	76,315,688	560,368	29,862 (2)	530,506	0.70%	360.08
1999-00	1,557,800 (3)	81,367,642	647,075	73,377 (2)	573,698	0.71%	368.28
2000-01	1,609,400	89,655,344	627,809	122,502 (2)	505,307	0.56%	313.97

*Source: California State Department of Finance

Notes:

(1) Includes all long-term general obligation bonds and certificates of participation.

(2) Includes \$113,570, \$109,653, \$107,534, \$104,219, \$106,133, \$38,774, \$27,367, \$23,880, \$35,025, and \$30,425 County of Riverside Asset Leasing Corporation (CORAL) restricted assets in 1991-92, 1992-93, 1993-94, 1994-95, 1995-96, 1996-97, 1997-98, 1998-99, 1999-00, and 2000-01 respectively. Assets are restricted for funding prepayment and retirement of outstanding County of Riverside CORAL debt issues.

(3) Revised Total

Table 7

**COUNTY OF RIVERSIDE
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2001 (In Thousands)**

Net assessed valuation, June 2001 (1)	\$ 88,025,025
Applicable percentage in computing capacity	<u>1.25%</u>
 Total debt limit	 1,100,313
 Less indebtedness, June 30, 2001 (2)	 662,503
 Legal debt margin, June 30, 2001	 <u>\$ 437,810</u>

Notes:

- (1) Net assessed valuation does not include homeowners exemption of \$1,630,319 which cannot be considered as part of the valuation in computing the legal debt margin.
- (2) Represents the County's general long-term debt obligations.

**COUNTY OF RIVERSIDE
ESTIMATED DIRECT AND OVERLAPPING BOND DEBT
JUNE 30, 2001 (In Thousands)**

2000-01 Assessed Valuation: \$69,493,621 (after deducting \$20,161,724 redevelopment
incremental valuation; includes unitary utility valuation)

<u>DIRECT AND OVERLAPPING GENERAL BONDED DEBT:</u>	<u>%APPLICABLE</u>	<u>06/30/2001</u>
Riverside County	100%	\$ 0
Riverside County Flood Control and Water Conservation District, Zone #1	100%	0
Metropolitan Water District	4.878	25,731
Unified School Districts	99.869-100	310,428
Perris Union High School District	100%	8,313
City of Corona	100%	6,190
Eastern Municipal Water District Improvement Districts	100%	13,200
Elsinore Valley Municipal Water District Improvement Districts	100%	2,615
Coachella County Water District Improvement Districts	100%	26,414
Rancho California Water District	100%	22,365
Other Water Districts	Various	8,270
Other Special Districts	100%	267
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT		423,793
Less: Eastern Municipal Water District and High Valleys Water District self-supporting bonds		1,005
TOTAL NET DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT		\$ 422,788
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT AND ASSESSMENT DEBT:</u>		
Riverside County General Fund Obligations	100%	\$ 627,809 (1)
Riverside County Board of Education Obligations	100%	15,862
School Districts General Fund Obligations	13.336-100	335,185
City of Palm Springs Certificates of Participation	100%	71,100
City of Riverside General Fund Obligations	100%	13,615
City of Corona Certificates of Participation	100%	28,750
City of Moreno Valley Certificates of Participation	100%	21,855
Other City General Fund Obligations	100%	67,293
Rancho California Water District Water Facilities Corporation	100%	173,989
Other Water District Certificates of Participation	Various	21,383
Other Special District Certificates of Participation and Benefit Assessment Districts	Various	10,450
Community Facilities Districts	100%	882,617
Riverside County 1915 Act Bonds	100%	93,315
City and Special District 1915 Act Bonds (Estimated)	100%	215,738
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION AND ASSESSMENT DEBT:		2,578,961
Less: Riverside County Administrative Center Authority (100% self-supporting from tax increment revenues)		6,620
City of Palm Springs Wastewater Certificates of Participation		2,095
Temecula Unified School District Certificates of Participation (self-supporting from tax increment revenues)		6,285
Other Special District self-supporting bonds		804
Moreno Valley Community Facilities District #87-1 (100% self-supporting from tax increment revenues)		18,270
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION AND ASSESSMENT DEBT:		\$ 2,544,887
(1) Excludes tax and revenue anticipation notes		
<u>Ratios to Assessed Valuation:</u>		
Total Gross General Obligation Debt	0.47%	
Total Net General Obligation Debt	0.47%	
Combined Direct Debt (\$627,809)	0.90%	
Combined Gross Debt (\$3,002,753)	4.32%	
Combined Net Debt (\$2,967,675)	4.27%	

Source: California Municipal Statistics, Inc.

Table 9

COUNTY OF RIVERSIDE
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS (In Thousands)

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE (a)</u>	<u>TOTAL GENERAL EXPENDITURES (b)</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</u>
1991-92	1,885	1,197	3,082	1,085,244	0.28%
1992-93	1,880	1,212	3,092	1,103,827	0.28%
1993-94	2,375	1,342	3,717	1,258,616	0.30%
1994-95	2,524	1,209	3,733	1,279,233	0.29%
1995-96	2,530	1,060	3,590	1,462,438	0.25%
1996-97	4,064	914	4,978	1,395,329	0.36%
1997-98	3,602	673	4,275	1,519,878	0.28%
1998-99	1,585	271	1,856	1,410,941	0.13%
1999-00	1,240	255	1,495	1,555,319	0.10%
2000-01	1,318	182	1,500	1,677,092	0.09%

Notes:

(a) Flood Control General Obligation Bonded Debt and Negotiable Promissory Note Retirement and Interest.

(b) Includes General, Special Revenue, Debt Service and Capital Projects funds expenditures.

COUNTY OF RIVERSIDE
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS (Dollars in Thousands)

<u>COMMERCIAL AND INDUSTRIAL CONSTRUCTION (a)</u>			<u>RESIDENTIAL CONSTRUCTION (a)</u>		<u>FISCAL BANK DEPOSITS (b)(1)</u>
<u>YEAR</u>	<u>NUMBER OF UNITS</u>	<u>VALUE</u>	<u>NUMBER OF UNITS</u>	<u>VALUE</u>	
1991	1,900	229,706	13,416	1,459,517	11,234,614
1992	1,518	265,298	13,671	1,131,006	10,926,422
1993	1,209	91,604	10,888	390,522	10,336,294
1994	901	22,034	9,693	93,936	10,145,319
1995	552	76,274	4,972	325,170	10,345,954
1996	864	98,625	7,776	420,455	10,225,026
1997	822	167,368	10,154	713,518	10,204,657
1998	1,170	313,989	10,536	1,338,584	11,198,386
1999	1,351	411,558	12,163	1,754,536	11,513,232
2000	1,568	439,148	14,115	1,872,158	12,243,890

Source:

- (a) Assessor, County of Riverside.
- (b) FDIC and NCUA

Note:

- (1) Bank deposit data is for commercial banks, savings & loans and credit unions.

Table 11

**COUNTY OF RIVERSIDE
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

<u>YEAR</u>	<u>POPULATION COUNTY OF RIVERSIDE (a)</u>	<u>PER CAPITA INCOME (a)</u>	<u>SCHOOL ENROLLMENT (b)</u>	<u>UNEMPLOYMENT RATE (c)</u>
1992	1,289,712	\$ 17,728	235,776	10.7%
1993	1,328,300	17,969	245,682	12.8%
1994	1,357,443	18,509	252,144	11.4%
1995	1,355,600	18,715	260,216	10.0%
1996	1,381,900	19,632	268,800	9.1%
1997	1,380,000	19,950	277,404	7.8%
1998	1,441,200	20,645	285,516	7.7%
1999	1,473,300	22,451	295,229	6.3%
2000	1,557,800 (2)	23,271	307,055	5.3%
2001	1,609,400	(1)	319,393	5.3%

Sources:

- (a) California State Department of Finance
- (b) Riverside County Superintendent of Schools, School Fiscal Services
- (c) Employment Development Department

Note:

- (1) Not available
- (2) Revised Estimate

**COUNTY OF RIVERSIDE
PRINCIPAL TAXPAYERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001 (In Thousands)**

<u>BUSINESS NAME</u>	<u>NATURE OF BUSINESS</u>	<u>TOTAL TAXES LEVY 2000-01</u>	<u>PERCENTAGE OF TOTAL TAX LEVY 2000-01</u>
General Telephone Company of California	Communications	\$ 7,182	0.635%
Southern California Edison Company	Utilities	6,905	0.611%
Southern California Gas Company	Utilities	3,150	0.279%
KSL Desert Resorts, Inc.	Real Estate Development	2,677	0.237%
Pacific Bell	Utilities	2,392	0.212%
Lennar Homes of Calif	Land Developer	2,220	0.196%
OTR	Retail Sales	2,140	0.189%
Pardee Grossman	Land Developer	2,078	0.184%
Mckenzie Vista	Land Developer	2,025	0.179%
Desert Springs Marriott Ltd Partnership	Resort Hotel	1,903	0.168%
International Rectifier Corp	Manufacturing	1,645	0.146%
Starwood Mission Hills CMBS 1	Resort Hotel	1,609	0.142%
Metal Container Corp	Manufacturing	1,537	0.136%
Altamira Venture	Land Developer	1,375	0.122%
Doan Stouffer	Hotel	<u>1,350</u>	<u>0.119%</u>
		<u>\$ 40,188</u>	<u>3.555%</u>

Source: Treasurer-Tax Collector, Riverside County

Table 13

MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2001

GEOGRAPHICAL LOCATION: The State's fourth largest County by area. Extends 200 miles across Southern California from the Arizona border to within 10 miles of the Pacific Ocean. Situated immediately east of Los Angeles and Orange Counties, south of San Bernardino County and north of San Diego and Imperial Counties.

AREA OF COUNTY: 7,295 square miles

COUNTY SEAT: Riverside, California

FORM OF GOVERNMENT: General Law County, governed by a five-member Board of Supervisors

YEAR COUNTY CHARTER INCORPORATED: 1893

FISCAL YEAR BEGINS: July 1

REGISTERED VOTERS: 591,289 as of June 25, 2001

<u>POPULATION (a):</u>	<u>Year</u>	<u>Unincorporated</u>	<u>Incorporated</u>	<u>Total</u>
	1990	385,386	785,027	1,170,413
	1991	407,266	817,752	1,225,018
	1992	363,246	926,466	1,289,712
	1993	377,300	951,000	1,328,300
	1994	376,100	955,900	1,332,000
	1995	376,300	979,300	1,355,600
	1996	380,600	1,001,300	1,381,900
	1997	373,400	1,006,600	1,380,000
	1998	384,130	1,057,070	1,441,200
	1999	390,200	1,091,100	1,481,300
	2000	424,600	1,133,200	1,557,800
	2001	436,900	1,172,500	1,609,400

<u>TOTAL COUNTY EMPLOYEES (b):</u>	<u>Year</u>	<u>Number of Permanent Employees</u>
	1992	10,337
	1993	10,334
	1994	10,648
	1995	11,018
	1996	11,076
	1997	11,304
	1998	11,687
	1999	12,808
	2000	13,332
	2001	15,951

Sources:

- (a) California State Department of Finance. January 1, 2001 - provisional population estimate, January 1, 2000 - revised estimate.
- (b) Auditor-Controller, County of Riverside

<u>SPECIAL DISTRICTS (a):</u>	<u>Number</u>	<u>SPECIAL DISTRICTS:</u>	<u>Number</u>
Cemetery	10	Library	4
Community Services	2	Mosquito Abatement	2
County Service Areas	59	Regional Park and Open-Space	1
County Water	1	Recreation & Parks	4
Flood Control (including 7 zones)	2	Redevelopment Agency	1
Habitat Conservation Agency	1	Resource Conservation	1

<u>INCORPORATED CITIES (b):</u>	<u>Population</u>	<u>INCORPORATED CITIES:</u>	<u>Population</u>
Banning	24,250	Lake Elsinore	30,400
Beaumont	11,700	La Quinta	26,300
Blythe	20,950	Moreno Valley	146,500
Calimesa	7,250	Murrieta	46,850
Canyon Lake	10,200	Norco	24,750
Cathedral City	44,650	Palm Desert	42,350
Coachella	23,950	Palm Springs	43,800
Corona	131,200	Perris	37,550
Desert Hot Springs	17,000	Rancho Mirage	13,900
Hemet	60,600	Riverside	265,700
Indian Wells	4,020	San Jacinto	25,000
Indio	51,500	Temecula	62,100

Sources: (a) Auditor-Controller, County of Riverside
(b) State Dept. of Finance

Table 13

COUNTY OF RIVERSIDE
MISCELLANEOUS STATISTICAL DATA - CONTINUED
JUNE 30, 2001

MAJOR INDUSTRIAL AND RETAIL EMPLOYERS

<u>Company</u>	<u>Location</u>	<u>Product/Service</u>	<u>Employees</u>
Stater Bros.	County-wide	Grocery Retailer	5,300
Kaiser Permanente	Riverside	Health Care	3,521
Wal-Mart Stores, Inc.	County-wide	Retail Department Store Chain	3,400
Ralphs Grocery Co.	County-wide	Grocery Retailer	3,284
Guidant Corporation	Temecula	Medical Devices	2,300
Fleetwood Enterprises, Inc.	Riverside	Manufactured Housing & Rec. Veh.	2,125
Eisenhower Medical Center	Rancho Mirage	Health Care	1,880
Marriott's Desert Springs Resort	Palm Desert	Hotel Resort	1,800
KSL Desert Resorts Inc.	La Quinta	Hotel Resort	1,700
Valley Health System	Hemet	Health Care	1,586
Desert Regional Medical Center	Palm Springs	Health Care	1,536
Vons	County-Wide	Grocery Retailer	1,363
Riverside Community Hospital	Riverside	Health Care	1,352
Casino Morongo	Cabazon	Indian Gaming Casino	1,200
Watson Pharmaceuticals Inc.	Corona	Pharmaceuticals	1,100
Bank of America	County-Wide	Financial Services	1,000

Source: County Economic Redevelopment Agency

