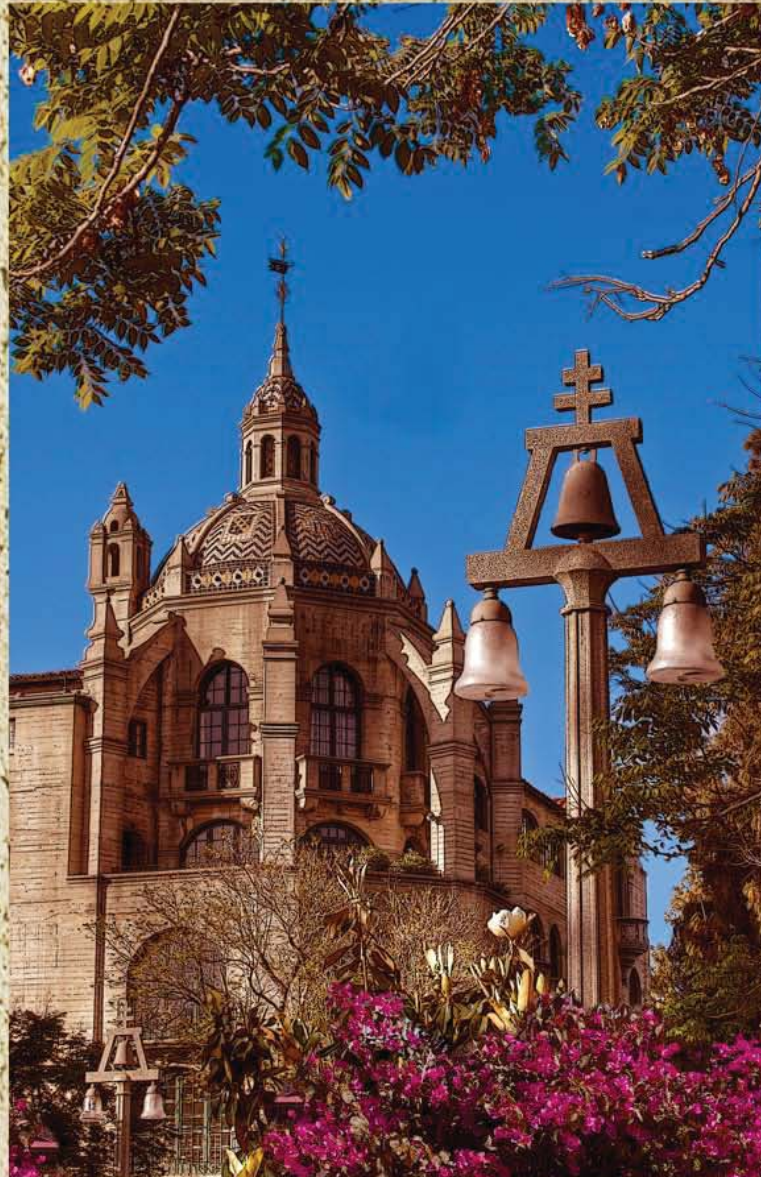


COUNTY OF RIVERSIDE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2009

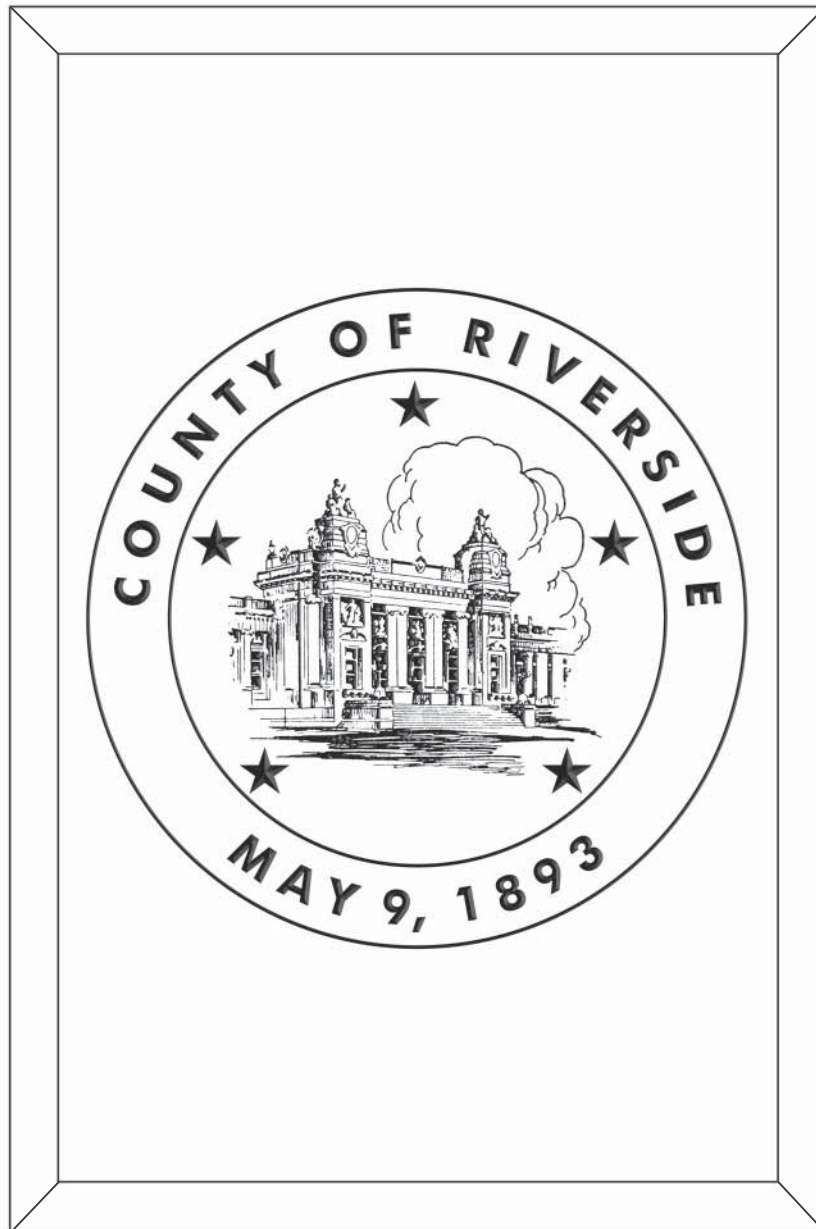


ROBERT E. BYRD, CGFM
COUNTY AUDITOR-CONTROLLER



COUNTY OF RIVERSIDE, CALIFORNIA COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2009



PREPARED BY THE OFFICE OF:

ROBERT E. BYRD, CGFM
COUNTY AUDITOR-CONTROLLER

COUNTY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2009

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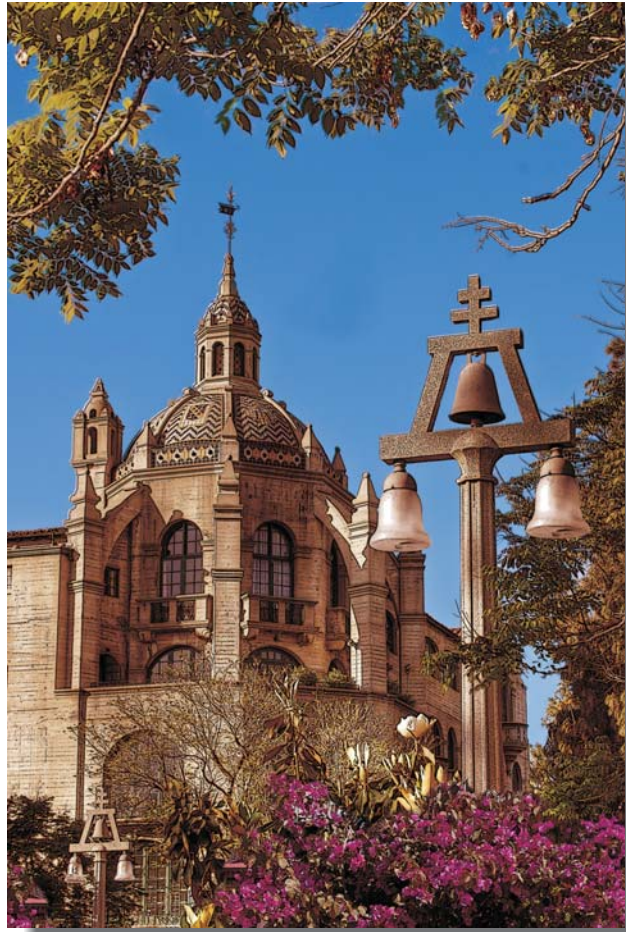
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INTRODUCTORY SECTION





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AUDITOR-CONTROLLER

Bruce Kincaid, MBA
ASSISTANT AUDITOR-CONTROLLER

December 9, 2009

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

Members of the Board and Citizens of the County of Riverside:

The Comprehensive Annual Financial Report of the County of Riverside for the fiscal year ended June 30, 2009 is hereby submitted in accordance with the provision of Section 25253 of the Government Code of the State of California (the State). The report contains financial statements that have been prepared in conformity with the United States generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County of Riverside (the County). To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds and component units of the County of Riverside. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

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

The County has twelve independent fiscal entities that are considered blended component units and two discretely presented component units. These entities vary widely in function and provide essential services.

For a more detailed overview of the County's component units see the MD&A and the notes to the basic financial statements.

PROFILE OF THE GOVERNMENT

Riverside County, the State's fourth largest county by area, encompasses 7,295 square miles and extends nearly 184 miles across Southern California, from the Arizona border west to within 10 miles of the Pacific Ocean. It is situated east of Los Angeles and Orange Counties, south of San Bernardino County, and north of San Diego and Imperial Counties. There are 26 incorporated cities located within the County. The largest cities in the County are

the cities of Riverside (the County seat) with a population of 300,430, Moreno Valley with a population of 186,301, and Corona with a population of 148,597.

Estimated population figures are developed by the State as of January 1 of each year with a revised estimate for the prior year. Total County population was 2,107,653 on January 1, 2009, an increase of 1.4% as compared to the revised estimate for 2008 from the California State Department of Finance. Approximately 26.5% of the residents live in unincorporated areas. The County is part of the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (MSA), which includes all of Riverside and San Bernardino Counties. The MSA has large and growing education and health services industries. Total nonfarm employment in the MSA rose 11% from March 2002 to March 2009, while the population increased by 28% in the County from January 1, 2002 to January 1, 2009. As of September 2009, unemployment in the MSA was 14.3% (revised on an annual basis by the California Employment Development Department Labor Market Information Division) as compared to 9.8% for the United States.

The County is governed by a five-member Board of Supervisors, who each serves four-year terms, and annually elects a Chairman and Vice-Chairman. The Supervisors represent five districts. The first District includes areas within the cities of Riverside, Lake Elsinore, Wildomar and the unincorporated communities of Lakeland Village, Lake Mathews, Mead Valley, Santa Rosa Rancho, as well as portions of Gavilan Hills and Woodcrest. The Second District includes the cities of Corona, Norco, and approximately 1/3 of the City of Riverside. The unincorporated communities consist of Jurupa Valley (Rubidoux, Glen Avon, Sunny Slope, Pedley, Mira Loma), Home Gardens, El Cerrito, Eastvale, Coronita, and Green River. The Third District includes the cities of Canyon Lake, Hemet, Menifee, Murrieta, San Jacinto, and Temecula. Major unincorporated areas in the District include Aguanga, Anza, Idyllwild, Valle Vista, Winchester, Wine Country, and Pinyon Pines. The Fourth District is the largest District by far, covering the eastern two-thirds of the County. Within the Fourth District are the cities of Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, and Blythe. Major unincorporated areas in the District include Bermuda Dunes, Thousand Palms, Sky Valley, Desert Edge, Mecca, Thermal, Oasis, Vista Santa Rosa, North Shore, Chiriaco Summit, Desert Center, Lake Tamarisk, Mesa Verde, and Ripley. The Fifth District includes cities of Moreno Valley, Perris, Calimesa, Beaumont, Banning, Desert Hot Springs, and northern Palm Springs. The unincorporated areas include Nuevo, Lakeview, Juniper Flats, Meadowbrook, Good Hope, a portion of Mead Valley, Romoland, Homeland, Green Acres, Highgrove, Box Springs, Pigeon Pass, Reche Canyon, San Timoteo Canyon, Oak Valley, Cherry Valley, Banning Bench, Cabazon, Palm Springs Village, and Palm Springs West.

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

Certificates, Licenses, and Permits	Human Services
Birth, marriage, and death certificates; animal licensing; and building permits	Assistance for Families, Veteran Services, and Utility Assistance
Children's Services	Libraries and Museums
Child Support Services, Mentor programs, Children Medical Services	Edward Dean Museum and Riverside County Law Library
Criminal Justice	Parks and Recreation
District Attorney, Probation, Public Defender, Sheriff	Regional Parks
Education	Pets and Animal Services
Office of Education	Animal Control and Animal Shelters
Emergency Services	Property Information

Office of Emergency Services, Early Warning Notification System, Shelter Grant program, and Homeless program

Environment

Environmental Health, Fire Protection, Waste Reduction and Recycling

Flood Control

Flood Control and Water Conservation

Health

Community Health Agency, Mental Health, and Public Health

Housing

First Time Home Buyer Programs, Low Income Housing, Rental Assistance Program, Homeless Shelter, and Neighborhood Stabilization Program

Building Permit Report, Get Property Information via GIS, Pay Property Taxes Online, Record Map Inquiry, and Riverside County Land Information

Public and Official Records

Official Recorded Documents, Fictitious Business Names Search, Grantor/Grantee Search, Vital Records, and Court Records Search

Roads and Highways

Road Maintenance, Land Development, Engineering Services, and Survey

Taxes

Property Tax Portal, Tax Bills, Review Your Property Tax Information, Pay Your Property Tax Online, Track Your Property Tax Online, Assessor-County Clerk Recorder, Treasurer-Tax Collector, Auditor-Controller, and Information on New Home Owners

FACTORS AFFECTING ECONOMIC CONDITION

Local Economy

The continuing downside in all economic indicators, the national credit crisis, the volatility on Wall Street, and the drop in real estate values added uncertainty to the recession's degree and duration. The national recession will likely end in FY 2009-10, however there is no clear indication that the state and local economy will rebound quickly. Unemployment levels remain at historic highs. The state's deficit remains stubbornly well over \$10 billion despite repeated efforts to balance. Property values will fall over 10 percent in FY 2009-10 and could fall further the next year.

Locally, current data signal further property value declines tied to California law Proposition 8, allowing taxable value of property to be reduced when the market value dips below the Proposition 13, Factored Base Year Value. Therefore, assessed values will certainly be down next year. Some early indicators of changes in real estate values are mixed; in comparing the first quarter of FY 2009-10 to the first quarter of FY 2008-09, the volume of deeds recorded increased by seven percent. However, Building and Safety permit volume continues to decrease. Planning applications are down over 50 percent compared to the same quarter last year. The County has seen some evidence that home values and new home construction have stabilized. However, it is too soon to tell if the local real estate recession is over. We are not able to forecast at this time when home values or real estate construction will begin to increase.

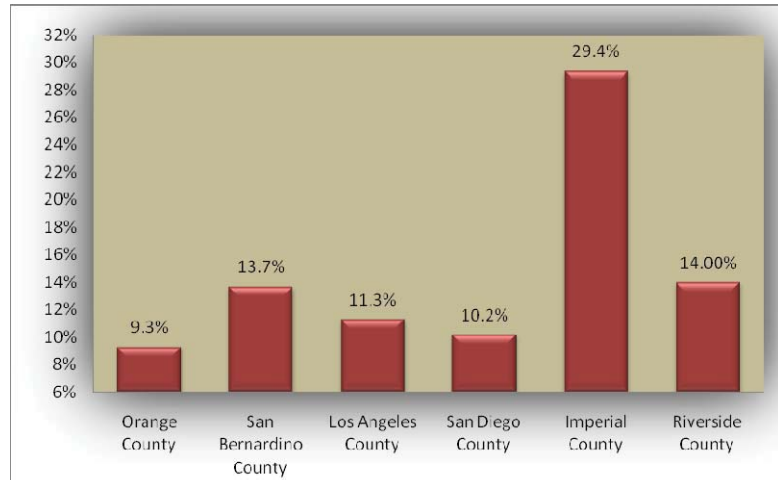
The rapid decline in property values and the level of foreclosure activity today far exceeds what was seen during the downturn of the 1990's.

The County continues to exercise strong fiscal discipline by conservatively estimating revenue and preserving reserves. Current projections reveal a likely need to cut budgets by 10 percent in FY 2009-10 and an additional 5 percent or more for each of the following two years. The first two years of cuts are in place and County departments will be directed to submit plans for implementing third year cuts, while protecting core services. It is expected that the County's strong reserve position will allow it to absorb a portion of the financial impacts caused by the current

economic slowdown and state funding this coming year. Should the current economic climate continue beyond 2010, the County expects to make appropriate budget adjustments to maintain its fiscal stability.

Unemployment Rate Comparison for Fiscal Year Ended June 30, 2009

Riverside County's unemployment rate is the second highest compared to the surrounding counties. The unemployment rate has increased by 5.6% compared to fiscal year 2008.



The Riverside County Integrated Project

The Riverside County Integrated Project (RCIP) is composed of the County's General Plan of Land Use, the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP), the Community and Environmental Transportation Acceptability Plan (CETAP), and a Special Management Plan (SAMP). The RCIP is closely coordinated with regional councils of government, state and federal government agencies, and private stakeholders.

Trial Court Facilities

On September 30, 2002, Governor Gray Davis signed the Trial Court Facilities Act of 2002 (SB 1732). The landmark legislation transferred governance of California's more than 450 courthouse facilities from the counties to the state. Although the bill became effective on January 1, 2003, the transition has not been completed in all areas of the state.

Riverside County and the Judicial Council of the State of California began negotiating transfer agreements on July 1, 2003 and the final Riverside County transfers were made by the Board of Supervisors on December 16, 2008. The County transfer plan included court facilities and associated parking. In addition to payments to the Judicial Council of California the County is also committed to paying property and liability insurance for some of the properties as well as a share of perimeter security, maintenance, and utilities for those buildings where the County still has offices. During the fiscal year ending June 30, 2009, Court Facility Transfer Payment (CFPs) packets were submitted to the Administrative Office of the Courts (AOC) for fourteen court facilities located in Riverside County. These are: Larson Justice Center, Moreno Valley Court, Hall of Justice, Banning, Blythe, Hemet, Family Law Court, Indio Juvenile Court, Palm Springs, Temecula, Corona, Southwest Justice Center, Riverside Juvenile Hall, and the Indio Court Administrative Center and Annex.

The Larson Justice Center was the first Riverside County facility transferred by Board action on April 19, 2005. It was the second court transferred in the State of California. In fiscal year 2008-09, ten facilities were transferred to the state by December 16, 2008. The County made court facilities payments for the third and fourth quarters. Some important areas to consider with each facility transferred are bonded indebtedness, deferred maintenance, and capital projects. Once each facility is transferred, the County's financial obligation to court facilities includes a maintenance-of-effort amount established under the legislation and confirmed annually by the Judicial Council in addition to pending deferred maintenance charges at the time of transfer. Although the County continues to

contribute to trial court funding through maintenance-of-effort (MOE) obligations, the restructuring of court funding ends a dual system of County and state funding. The general fund is the source for all payments made to the court facilities fund.

Development Agreement Fees

In December 1987, the Board of Supervisors adopted procedures consistent with provisions of the California Government Code Section 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. Since that date, a number of Development Agreements have expired. Effective January 1, 2009, the fee, based on an adjusted consumer price index, was \$4,167 and consisted of the following components:

	Development Agreement Fee
Public Facilities	\$ 3,279
Public Services Offset	888
Total	<u>\$ 4,167</u>

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 services. As of June 30, 2009, the total of unexpended and uncommitted development agreement money available in capital project funds is \$885,757.

Development Mitigation Fees

Ordinance 810

In March 2001, the Board of Supervisors adopted Ordinance 810 establishing an interim open space mitigation fee. This ordinance was amended on November 26, 2002, and again on July 22, 2003. The most recent amendment was due to implementation of the Western Riverside County Multiple Species Habitat and Conservation Plan. Collection of the fee is performed by both the County and cities within the County. Responsibility for accounting has been transferred to the Riverside Conservation Authority. Riverside Conservation Authority is a joint powers authority formed between the County and various cities in the western county area. Reporting of the Ordinance 810 fees in this section references those collected before June 22, 2004, which was when Ordinance 810.2 went into effect. Fees are no longer collected for Ordinance 810.1.

As of June 30, 2009, the total amount of unexpended, uncommitted, interim open space mitigation funds related to Ordinance 810 and 810.1 is \$756,456.

Ordinance 659

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 was to finance the construction of county facilities necessary to accommodate future residential growth in the County. Fee revenues will also be used for the procurement of parklands and the development of recreational trails. In addition, fee revenues will be used for the preservation of habitat, open space, and for the preservation of specifically-listed plants and animals as outlined in the general plan. Development mitigation fees are no longer collected and have been superseded with the passage of Ordinance 659.6, development impact fees.

As of June 30, 2009, the total of unexpended, uncommitted, development mitigation funds related to Ordinance 659 in capital project funds is \$247,395.

Development Impact Fees

In September 2001, the Board of Supervisors adopted Ordinance 659.6 establishing a county-wide (unincorporated area only) development impact fee for residential development. Ordinance 659.6 replaced and superseded those fees associated with Ordinance 659. Ordinance 659.6 became effective 60 days after adoption.

Development impact fees are collected to address impacts associated with residential, commercial, and industrial development throughout the unincorporated county region. The fees are used for the purpose of constructing or acquiring needed facilities, preserving open spaces, and preserving wildlife and their habitats.

Fees are assessed by unit for single-family and multiple-family residential development, and by acre for commercial and industrial development. Fees vary according to the area plan under development. There are 20 area plans. The range for single-family residential development impact fees is from \$3,628 to \$6,801 per unit. The range for multiple-family residential development impact fees is \$3,064 to \$5,566 per unit. Commercial development impact fees range from \$20,850 to \$34,879 per acre. The range for industrial development impact fees is from \$10,637 to \$17,050 per unit. The range for surface mining development impact fees is from \$4,862 to \$9,242 per acre.

Fees collected under Ordinance 659.6 can only be used for those projects identified and listed within the public facilities needs list through the year 2010. Changes to the list may occur on an annual basis and are subject to approval by the Board of Supervisors. Annual inflationary adjustments are authorized through Ordinance 659.6 and are subject to published indices of the consumer price index, the building cost index, and the construction cost index. An update of the development impact fees was approved by the Board of Supervisors on March 25, 2008, resulting in a decrease of development impact fees in four desert area plans. As of June 30, 2009, the total unexpended, uncommitted, development impact fees are about \$66.9 million.

FINANCIAL INFORMATION

Internal Control

The management of the County is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government are protected from loss, theft, or misuse. Management is also responsible for ensuring that adequate accounting data is compiled to allow for the preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are 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 responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. These internal controls are subject to on-going evaluations by management and the County's internal audit staff members. As part of the single audit, tests were made to obtain reasonable assurance about whether the County met the compliance requirements of OMB Circular A-133. The single audit for fiscal year ending June 30, 2008, reported that the County complied, in all material respects, with the requirements of OMB Circular A-133 applicable to each of its major federal programs. The single audit for fiscal year ending June 30, 2009, is in process and will be issued in a separate report.

Budgetary Controls

The objective of budgetary controls is to ensure that the annual appropriated budget approved by the County Board of Supervisors is in compliance with the legal provisions of Section 29088-29091 of the Government Code. The County budget is prepared and adopted on or before October 2 of each fiscal year, except as provided by state

statutes and Board of Supervisors resolutions. The budget for fiscal year 2008-09 was adopted on June 24, 2008. Activities of the general fund, all special revenue funds, certain debt service, and capital projects funds are included in the annually appropriated budget. The level of budgetary control, or the level that cannot be exceeded without action by the Board of Supervisors, is the appropriation level of the budget unit. The budget unit represents an organization within a department or an agency. The Board of Supervisors must approve transfers of appropriations between budget units and supplemental appropriations financed by unanticipated revenues. Transfers of appropriations between appropriation classifications within the same budget unit are 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.

For a more detailed overview and analysis of the County of Riverside's financial position see the MD&A preceding the basic financial statements.

General Fund Cash Balance and Fund Balance

The unrestricted cash balance of the general fund decreased from \$216.8 million at June 30, 2008 to \$150.7 million at June 30, 2009. This decrease is attributable to further decline in the real estate market which has caused the documentary transfer taxes and building permit revenues to decrease. Also, Proposition 172 sales tax revenue has declined and with poor retail sales, it is expected to decline further. The fund balance of the County's general fund represents the equivalent of 39 working days of expenditures.

Cash Management

Per State law, the County Treasurer holds and manages the County's cash and investments. The portfolio is actively managed in a manner that is responsive to the public trust and consistent with State law. The first and primary objective of the Treasurer's investment of public funds is to safeguard investment principal, second to maintain sufficient liquidity within the portfolio to meet daily cash flow requirements, and third, to achieve a reasonable rate of return or yield on the portfolio consistent with these objectives. In accordance with County investment policy, the Treasurer manages interest rate risk by limiting the weighted average maturity of the investment portfolio to less than 1.5 years. The weighted average maturity as of June 30, 2009 was 1.06 years. To provide sufficient liquidity to meet daily expenditures, the County investment policy requires that at least 40% of the portfolio's total value in securities have maturities of one year or less. Securities maturing in less than one year totaled 59%. The Treasurer's Pooled Investment Fund (TPIF) is currently rated Aaa/MR1 by Moody's Investor Services and AAA/V1+ by Fitch ratings.

In accordance with the 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 \$5.5 billion at June 30, 2009, \$2.9 billion relates to the external investment pool participants, which includes mandatory and discretionary depositors.

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. On-going cash flow projections are maintained for the coming 12 months to assure that adequate funds are available to meet daily cash expenditure requirements. The investment policies are reviewed and updated annually by the Board of Supervisors.

In December 1994, the Board of Supervisors created an Investment Oversight Committee to work with the County Treasurer to review County investment policy. The Committee causes an annual audit and reports its findings to the Board.

State statutes, specific debt financing indentures, and contractual arrangements generally determine the investment restrictions 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). PERS is a 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 and some part-time and seasonal benefited County employees are eligible to participate in the system. Generally, temporary hourly employees and part-time employees working less than 20 hours per week cannot participate in the system unless 1,000 hours are worked in a fiscal year. Certain other employees, such as per diem medical and dental personnel, crossing guards, service aides and program assistants are specifically excluded from participation in the system, regardless of the number of hours worked. 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. Miscellaneous member (non-prosecution unit) employees hired after January 9, 1992 generally make their own contributions for the first five years. With some exceptions, safety member employees hired after June 25, 1992, make their own contributions for the first five years. For certain bargaining units, the County makes the contribution required of the employees on their behalf, regardless of hire date.

Per IRC Section 401 (a), the County provides a single-employer defined benefit pension plan for part-time and temporary employees who are not eligible for social security or CalPERS retirement benefits through the County. The employee contribution rate for the 401(a) defined benefit retirement plan for part-time/temporary employees is 3.75%. The employer's required contribution rate is 0.68% of base earnings (excludes overtime and earnings exceeding the social security base of \$97,500 for calendar year 2007, \$102,000 for calendar year 2008, and \$106,800 for 2009) but the County has elected to contribute 2.0% in order to reach a target 90% funded ratio within one year.

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 (including auto), medical malpractice, and workers' compensation. The County purchases all-risk property insurance that includes flood, a level of earthquake, boiler, and machinery 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 general liability, including auto and workers' compensation, and medical malpractice. Medical malpractice utilized a policy that provided annual coverage on a claims-made basis prior to FY 1998-99. Effective July 1, 1998, the County's medical malpractice coverage changed to an occurrence basis with all prior acts coverage. Effective October 2002, the medical malpractice insurance program returned to a claims-made basis. In addition, the County purchases specialty coverage for aviation and watercraft liabilities, fidelity crime bond, and long-term disability benefits.

The County participates in the California State Association of Counties (CSAC) Excess Insurance Authority's (CSAC-EIA, a Joint Powers Authority) programs for excess liability, medical malpractice, worker's compensation, and primary and excess property programs. CSAC-EIA provides some support services for selected programs, such as: excess disability, medical malpractice annual audits, risk management in-services for medical malpractice, as well as loss prevention resources for general liability. Additionally, CSAC-EIA subsidizes participating counties for actuarial studies on a two year basis. These activities are accounted for in internal service funds (ISF). Accordingly, estimated liabilities for claims filed or to be filed for incidents that have occurred through June 30, 2009, 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. However, when funding exceeds the approved confidence level, departments are given a rate holiday or a reduced rate charge. Revenues of these internal service funds primarily originate from 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 the independent certified public accounting firm of Brown Armstrong Certified Public Accountants. In addition to meeting its contractual requirements for the audit of the basic financial statements, the audit is also designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget Circular A-133. The auditors' report on the basic financial statements, required supplementary information, and other supplementary information 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 fiscal year ended June 30, 2008. This was the twenty first consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

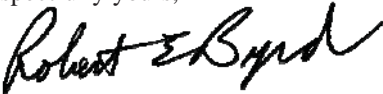
Acknowledgments

The preparation of this Comprehensive Annual Financial Report could not be accomplished without the dedicated service of the entire staff of the Auditor-Controller's Office, especially the staff members of the General Accounting Division who spent many late nights and weekends working on the preparation of this report. I also like to extend my thanks to staff members of the contributing component units and departments for their participation in the preparation of this report.

I would also like to express my gratitude to the Board of Supervisors and County Executive Office for their vision and support in the planning and administration of the financial operations of the County of Riverside. Special recognition goes to Paul McDonnell, County Finance Director for his in-depth review of this report.

Finally, I would like to thank our independent auditors, Brown Armstrong Certified Public Accountants for their efforts throughout this audit engagement.

Respectfully yours,



ROBERT E. BYRD, CGFM
COUNTY AUDITOR-CONTROLLER



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COUNTY OF RIVERSIDE

List of Principal Officials
As of June 30, 2009

ELECTED OFFICIALS

Board of Supervisors



BOB BUSTER
First District



JEFF STONE
Chairman
Third District



MARION ASHLEY
Vice Chairman
Fifth District



**JOHN F.
TAVAGLIONE**
Second District



ROY WILSON
Fourth District
(deceased 08/26/2009)

COUNTYWIDE ELECTED OFFICIALS



ROD PACHECO
District Attorney



STANLEY SNIFF, JR.
Sheriff
Coroner
Public Administrator
(appointed 10/02/07)



ROBERT E. BYRD
Auditor
Controller



LARRY WARD
Assessor
Clerk
Recorder



DON KENT
Treasurer
Tax Collector
(appointed 10/28/2008)

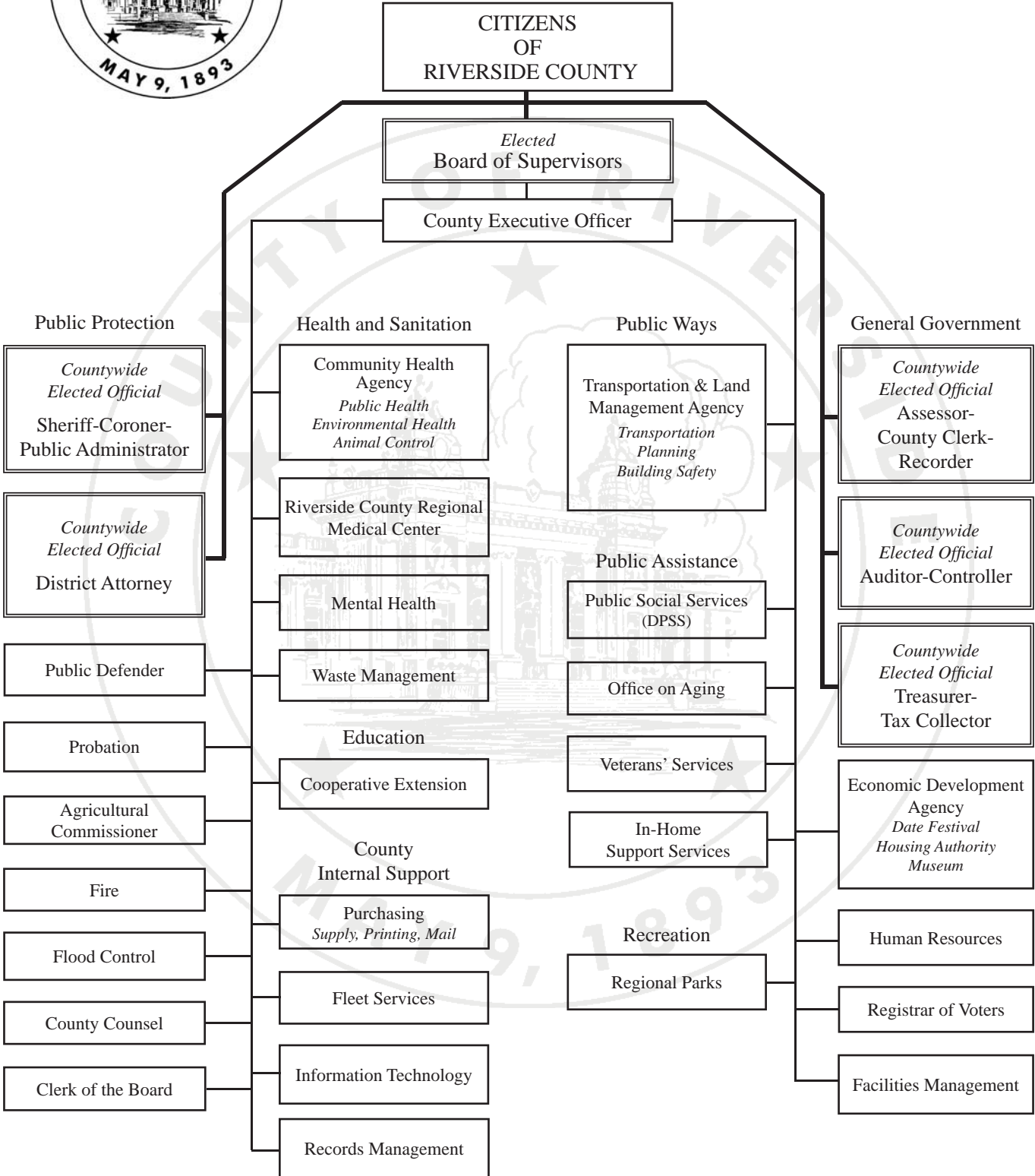
APPOINTED OFFICIALS

BILL LUNA
County Executive Officer

PAMELA WALLS
County Counsel



**COUNTY OF RIVERSIDE
ORGANIZATION CHART**



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, 2008

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.



A handwritten signature in black ink, appearing to read "M. L. R. T.", written in a cursive style.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen", written in a cursive style.

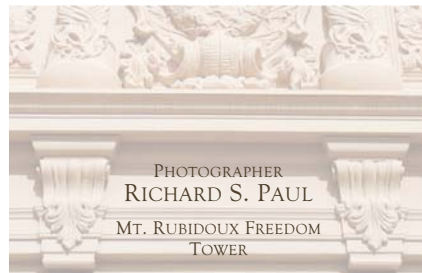
Executive Director



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FINANCIAL SECTION

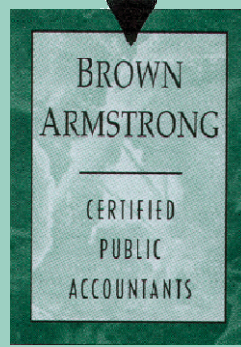
FINANCIAL
SECTION





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Peter C. Brown, CPA
 Burton H. Armstrong, CPA, MST
 Andrew J. Paulden, CPA
 Steven R. Starbuck, CPA
 Chris M. Thornburgh, CPA
 Eric H. Xin, CPA, MBA
 Richard L. Halle, CPA, MST
 Aileen K. Keeter, CPA



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 Shafter, California 93263
 Tel 661.746.2145 Fax 661.746.1218

■ 8365 N. Fresno Street, Suite 440
 Fresno, California 93720
 Tel 559.476.3592 Fax 559.476.3593

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
 County of Riverside, California

We have audited the accompanying financial statements of governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregated remaining fund information of the County of Riverside, California as of and for the year ended June 30, 2009, which collectively comprise the County of Riverside's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Riverside's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Riverside County Flood Control and Water Conservation District (the Flood Control District), Housing Authority of the County of Riverside (the Housing Authority), Riverside County Regional Park and Open-Space District (the Park District), Perris Valley Cemetery District (the Cemetery District), County of Riverside Redevelopment Agency (the RDA) and Children and Families First Commission of Riverside County (the Commission), which represent the following percentages, respectively, of the assets and revenues of the following opinion units:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues</u>
Governmental Activities	25%	9%
Business-type Activities	7%	15%
Aggregate Remaining Fund Information	11%	1%
Discretely Presented Component Units	42%	93%

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregated remaining fund information of the County of Riverside, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

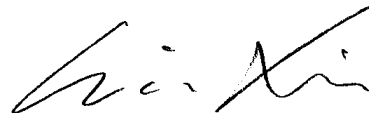
As discussed in Note 1 to the financial statements, the County of Riverside has adopted the provisions of Governmental Accounting Standards Board Statements No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, No. 52, *Land and Other Real Estate Held as Investments by Endowments*, No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements of Auditing Standards*, in 2009.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2009, on our consideration of the County of Riverside's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and schedules of funding progress listed in the table of contents are not a required part of the County of Riverside's basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

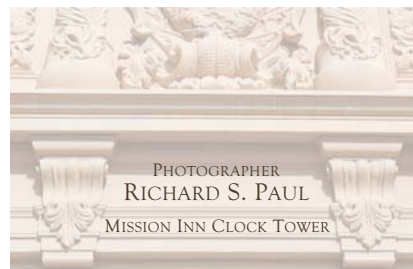
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Riverside's basic financial statements. The introductory section, combining fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
December 9, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS





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MANAGEMENT'S DISCUSSION AND ANALYSIS

The information in this section is not covered by the Independent Auditor's Report. It is presented as required supplementary information for the benefit of the readers of the Comprehensive Annual Financial Report.

Management's Discussion & Analysis (Unaudited)

This section of the County of Riverside's Comprehensive Annual Financial Report presents a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to the Basic Financial Statements

In addition, the following supplemental information has been included in this report:

- Other Required Supplementary Information – Retirement Plan Schedules of Funding Progress
- Combining Statements for Nonmajor Governmental, Nonmajor Enterprise, and Fiduciary funds
- Combining Statements and Schedules for Special Revenue, Debt Service, Capital Projects, Permanent, Internal Service, and Fiduciary funds
- Statistical Section

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

The *Statement of Net Assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or declining.

The *Statement of Activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (such as revenues pertaining to uncollected taxes or expenses pertaining to earned but unused vacation and sick leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and culture services. Governmental activities include four major funds, twenty-three nonmajor funds, and a representative allocation of the County's internal service funds. The four major Governmental funds are the General Fund, Teeter Debt Service Fund, Public Facilities Improvements Capital Projects Fund, and Redevelopment Capital Projects Fund. The business-type activities of the County include two major enterprise funds, and three nonmajor funds. The major enterprise funds are the Regional Medical Center and Waste Management.

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

The financial information for the Palm Desert Financing Authority (RCPDFA) and the Children and Families Commission (the Commission), both legally separate component units whose governing bodies are appointed by and serve at the will of the County, are discretely presented separately from the financial information of the primary government.

The blended component units are:

- County of Riverside Asset Leasing Corporation (CORAL)

Management's Discussion & Analysis (Unaudited)

- County of Riverside District Court Financing Corporation
- County of Riverside Bankruptcy Court Corporation
- Housing Authority of the County of Riverside
- In-Home Supportive Services Public Authority
- Redevelopment Agency for the County of Riverside
- Riverside County Flood Control and Water Conservation District (Flood Control)
- Riverside County Regional Park and Open-Space District
- Riverside County Public Financing Authority (no activity for fiscal year 2008-09)
- Riverside County Service Areas
- Inland Empire Tobacco Securitization Authority
- Perris Valley Cemetery

Fund Financial Statements provide information regarding the three major categories of County funds – governmental, proprietary, and fiduciary. The focus of governmental and proprietary fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in GASB Statement No. 34. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements often have a budgetary orientation, are prepared on the modified accrual basis of accounting, and focus primarily on the sources, uses, and balances of current financial resources.

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

The County maintains several individual governmental funds organized according to their type (general, special revenue, debt service, capital projects, and permanent funds). The governmental fund statements present the financial information of each major fund (the General Fund, Teeter Debt Service Fund, Public Facilities Improvements Capital Projects Fund and Redevelopment Capital Projects Fund) in separate columns. Financial information for the remaining governmental funds (nonmajor funds) is combined into a single, aggregated presentation. Financial information for each of these nonmajor governmental funds is presented in the Supplementary Information section.

Budgetary comparison statements are also included in the fund financial statements. The statements present the County's annual estimated revenue and appropriation budgets for all governmental fund budgets except for CORAL, District Court Project, Bankruptcy Court, and the Inland Empire Tobacco Securitization Authority. The budgetary comparison statements have been provided to demonstrate compliance with the budget.

Proprietary Funds are used to account for services for which the County charges customers – either outside customers or internal departments of the County. Proprietary funds statements provide the same type of information as shown in the government-wide financial statements with more detail. The County maintains the following two types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the Regional Medical Center (RMC), Waste Management, County Service Areas, Housing Authority, and Flood Control. RMC and Waste Management financial statements are reported in separate columns of the proprietary fund

Management's Discussion & Analysis (Unaudited)

statements due to the materiality criteria defined by GASB Statement No. 34. Financial information for the remaining enterprise funds (nonmajor funds) is combined into a single, aggregated presentation. Individual fund statements for County Service Areas, Housing Authority, and Flood Control are presented in the supplementary information section.

- *Internal service funds* are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its records and archive management, fleet services, information services, printing and mail services, supply services, OASIS (accounting and human resources information system), risk management, temporary assistance pool, and flood control equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund financial information for each internal service fund is provided in the supplementary information section.

Fiduciary Funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's programs nor be reflected in the government-wide financial statements. Fiduciary funds maintained by the County include a pension trust fund, investment trust funds, private-purpose trust funds, and agency funds. The fiduciary fund financial statements are presented on the economic resources measurement focus and the accrual basis of accounting.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for fair presentation of the financial information in the government-wide and fund financial statements.

Required Supplementary Information, in addition to this MD&A, presents schedules of retirement plan funding progress.

FINANCIAL HIGHLIGHTS

- At the close of the current fiscal year, the County's assets of \$6.9 billion exceeded its liabilities of \$3.3 billion resulting in \$3.6 billion net assets.
- Net assets includes \$1.5 billion of unrestricted net assets which may be used to meet the County's ongoing obligations to citizens and creditors; \$876.6 million of restricted net assets which is required by external sources or through enabling legislation to be used for specific purposes and \$1.3 billion is invested in capital assets, net of related debt.
- During fiscal year 2008-09, the County's net assets increased by \$294.5 million including restatement of \$20.6 million in prior year's net assets (Note 4). Of this amount, \$287.4 million were from governmental activities and \$7.1 million was from business-type activities. The increase was chiefly due to the completion of major capital projects and land acquisitions which increase the County's capital assets by \$375.9 million. Countywide expenses of \$3.2 billion were offset by program revenues of \$2.4 billion leaving an operating deficit of \$782.7 million. The operating deficit was offset by general revenues of \$1.1 billion.
- As of June 30, 2009, the total fund balances of the governmental funds were \$2.0 billion. This represents a decrease of 6.4%, or \$137.5 million, in comparison with the prior year. The decrease was a result of lower sales and use tax revenue, sharp decline in interest earnings, and increase in public protection services. Approximately 21.3%, or \$426.0 million, of the combined fund balances was available to meet the County's current and future needs (*unreserved-undesignated fund balance*).
- As of June 30, 2009, fund balance for the General Fund was \$372.1 million, or 15.8% of the total General Fund expenditures. This amount includes \$91.2 million of reserved fund balance and \$203.8 million of designated fund balance.
- The County's long-term debt showed a net decrease of 1.2%, or \$29.1 million, compared to the prior year. These obligations are bonds payable, capital leases, certificates of participation, loans payable and other long term debt.

Management's Discussion & Analysis (Unaudited)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Assets – Net assets may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, the County reported positive net assets balances for both governmental and business-type activities, with total assets exceeding liabilities by \$3.6 billion.

The County's total net assets increased by 8.8%, or \$294.5 million, during fiscal year 2008-09 compared to the prior year's increase of 10.6%, or \$322.2 million. \$287.4 million of the increase in net assets was from governmental activities and \$7.1 million was from business-type activities. For the prior year, \$319.5 million of the increase in net assets was from governmental activities and \$2.7 million from business-type activities. Below are the three components of net assets and their respective fiscal year-end balances:

- **Invested in capital assets net of related debt** represents 35.3%, or \$1.3 billion, of the County's total net assets for fiscal year 2008-09 compared to 26.0%, or \$872.4 million, for fiscal year 2007-08. The increase is attributable to the constructions related to Ben Clark Training Center, Smith Correctional Facility, Cabazon and Mead Valley Fire Station, and added infrastructure for roads, signals and drainage. This component consists of capital assets (land and easements, structures and improvements, infrastructure, and equipment) net of accumulated depreciation. The amount is further reduced by any debt attributable to the acquisition, construction, or improvement of the assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- **Restricted net assets** account for 24.0%, or \$876.6 million, of the County's total net assets for fiscal year 2008-09 compared to 24.0%, or \$805.4 million, for fiscal year 2007-08. This component of net assets represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net assets** account for 40.7%, or \$1.5 billion, of the County's total net assets for fiscal year 2008-09 compared to 50.0%, or \$1.7 billion, for fiscal year 2007-08. This component of the County's total net assets may be used to meet the County's ongoing obligations to citizens and creditors. Of the unrestricted net assets for fiscal year 2008-09, \$1.4 billion is from governmental activities and \$80.2 million is for business-type activities compared to \$1.6 billion for governmental activities and \$101.7 million for business-type activities for the prior year.

The table below provides summarized data from the Statement of Net Assets of the County for June 30, 2009 as compared to the prior year:

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2009	2008	2009	2008	2009	2008	%
Current and other assets	\$ 3,481,253	\$ 3,499,206	\$ 325,420	\$ 320,857	\$ 3,806,673	\$ 3,820,063	-0.4%
Capital assets	2,849,332	2,472,555	255,389	256,274	3,104,721	2,728,829	13.8%
Total assets	6,330,585	5,971,761	580,809	577,131	6,911,394	6,548,892	5.5%
Other liabilities	721,694	627,537	53,207	50,238	774,901	677,775	14.3%
Long-term liabilities	2,176,968	2,199,725	313,350	319,695	2,490,318	2,519,420	-1.2%
Total liabilities	2,898,662	2,827,262	366,557	369,933	3,265,219	3,197,195	2.1%
Net assets:							
Invested in capital assets, net of related debt	1,204,971	802,981	81,512	69,441	1,286,483	872,422	47.5%
Restricted	824,139	769,368	52,502	36,074	876,641	805,442	8.8%
Unrestricted	1,402,813	1,572,150	80,238	101,683	1,483,051	1,673,833	-11.4%
Total net assets	<u>\$ 3,431,923</u>	<u>\$ 3,144,499</u>	<u>\$ 214,252</u>	<u>\$ 207,198</u>	<u>\$ 3,646,175</u>	<u>\$ 3,351,697</u>	8.8%

Management's Discussion & Analysis (Unaudited)

Governmental Activities

Revenues: The County's governmental activities rely on the following sources of revenue to finance ongoing operations:

- Operating Grants and Contributions are revenues received from parties outside of the County, such as state and federal agencies, and are generally restricted to one or more specific programs. These revenues were the largest governmental activities revenue source for fiscal year 2008-09 with a total of \$1.3 billion being recognized. Public Assistance received 54.7% of the governmental activity funding for fiscal year 2008-09 compared to 53.6% of the governmental activity funding from this source in the prior year. Public Protection received 17.1% of the governmental activity funding for fiscal year 2008-09, compared with 18.4% for fiscal year 2007-08.
- A total of \$556.0 million was earned as governmental activity charges for services compared to \$611.6 million for fiscal year 2007-08. Charges for services are revenues that arise from charges to external customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. Public Protection, which is primarily generated through contracted law enforcement services provided by the Sheriff's Department to various local governments, generated 56.0% of this revenue source, compared to 51.8% from the prior year. General government generated 25.8% compared to 28.0% for prior year.
- Capital Grants and Contributions resulted in the least amount of program revenue from governmental activities with \$29.8 million earned for fiscal year 2008-09 compared to \$25.3 million earned for fiscal year 2007-08. This revenue category accounts for grants and contributions received for the restricted use of capital acquisition. In fiscal year 2008-09, 95.4% of the revenue, or \$28.4 million, as compared to 94.8%, or \$24.0 million, for fiscal year 2007-08, was received for public ways and facilities programs and is primarily related to the construction and acquisition of infrastructure capital assets.
- General revenue related to governmental activities primarily consists of taxes, other revenues, and investment earnings. Property tax revenue is the largest governmental activities general revenue with \$506.2 million recognized during the year which approximates the \$506.3 million of the fiscal year 2007-08 with only a minimal decrease of \$105.0 thousand. Investment earnings decreased 37.0%, from \$138.1 million to \$87.0 million, as a result of lower interest rate caused by troubled economy. Motor vehicle in-lieu of taxes revenue decreased 0.2% from \$274.3 million in fiscal year 2007-08 to \$273.8 million in fiscal year 2008-09.

Expenses: Total program expenses for governmental activities were \$2.7 billion for the current fiscal year, an increase of 0.1%, or \$3.2 million as compared to prior fiscal year. 40.8%, or \$1.1 billion, of total governmental activities expenses were for Public Protection; 28.7%, or \$770.5 million, for Public Assistance; 14.6%, or \$392.9 million, for Health and Sanitation; and 10.6%, or \$285.4 million, for General Government.

Business-type Activities

Revenues: The County has two major business-type activities: The Riverside County Regional Medical Center (RMC), and Waste Management. In addition, Flood Control, County Service Areas, and Housing Authority are included in the business-type activities of the County. Business-type activities recover all or a significant portion of their costs through user fees and charges and provide services primarily to non-County entities. For the current year, 99.9%, \$499.8 million, of business-type activities program revenue was received from charges for services, a percentage consistent with the prior fiscal year. The majority of this revenue, \$360.6 million, was received by RMC as compared to \$333.4 million for the prior fiscal year.

Expenses: Total expenses for business-type activities were \$525.8 million for the fiscal year compared to \$497.8 million for the prior fiscal year. This represents an increase of 5.6%, or \$28.0 million. 72.1%, or \$379.3 million, of total expenses were incurred by RMC compared to 71.0%, or \$353.5 million, for the prior fiscal year. In addition, expenses for the Housing Authority were 15.4% of total expenses for business-type activities, or \$81.1 million, compared to 15.0%, or \$74.3 million, for the prior fiscal year; Waste Management Department was 11.6%, or \$61.1 million, compared to 13.0%, or \$64.5 million, the prior fiscal year. Flood Control and County Service Areas account for the remaining 0.8% of expenses compared to 1.0% for the prior fiscal year.

Management's Discussion & Analysis (Unaudited)

The following table provides information from the Statement of Activities of the County for the fiscal year 2008-09, as compared to the prior year:

STATEMENT OF ACTIVITIES For the Fiscal Year Ended June 30 (In thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease) %
	2009	2008	2009	2008	2009	2008	
Revenues:							
Program revenues:							
Charges for services	\$ 556,028	\$ 611,605	\$ 499,790	\$ 479,479	\$ 1,055,818	\$ 1,091,084	-3.2%
Operating grants and contributions	1,344,611	1,315,716	-	-	1,344,611	1,315,716	2.2%
Capital grants and contributions	29,771	25,333	310	306	30,081	25,639	17.3%
General revenues:							
Property taxes	506,222	506,327	-	-	506,222	506,327	0.0%
Sales and use taxes	47,683	40,985	-	-	47,683	40,985	16.3%
Other taxes	13,771	15,898	-	-	13,771	15,898	-13.4%
Motor vehicle in-lieu taxes	273,825	274,282	-	-	273,825	274,282	-0.2%
Investment earnings	87,041	138,071	6,142	10,389	93,183	148,460	-37.2%
Other	121,880	85,924	-	-	121,880	85,924	41.8%
Total revenues	2,980,832	3,014,141	506,242	490,174	3,487,074	3,504,315	-0.5%
Expenses:							
General government	285,393	331,741	-	-	285,393	331,741	-14.0%
Public protection	1,095,587	1,122,370	-	-	1,095,587	1,122,370	-2.4%
Public ways and facilities	31,283	20,558	-	-	31,283	20,558	52.2%
Health and sanitation	392,945	330,206	-	-	392,945	330,206	19.0%
Public assistance	770,484	752,779	-	-	770,484	752,779	2.4%
Education	15,954	17,977	-	-	15,954	17,977	-11.3%
Recreation and culture	6,039	12,457	-	-	6,039	12,457	-51.5%
Interest on long-term debt	89,741	96,173	-	-	89,741	96,173	-6.7%
Regional Medical Center	-	-	379,278	353,481	379,278	353,481	7.3%
Waste Management	-	-	61,116	64,538	61,116	64,538	-5.3%
Housing Authority	-	-	81,139	74,252	81,139	74,252	9.3%
Flood Control	-	-	3,816	5,201	3,816	5,201	-26.6%
County Service Areas	-	-	457	343	457	343	33.2%
Total expenses	2,687,426	2,684,261	525,806	497,815	3,213,232	3,182,076	1.0%
Excess (deficiency) before Transfers	293,406	329,880	(19,564)	(7,641)	273,842	322,239	-15.0%
Transfers in (out)	(25,713)	(10,322)	25,713	10,322	-	-	0.0%
Change in net assets	267,693	319,558	6,149	2,681	273,842	322,239	-15.0%
Net Assets, Beginning of Year, as Restated	3,164,230	2,824,941	208,103	204,517	3,372,333	3,029,458	11.3%
Net Assets, End of Year	\$ 3,431,923	\$ 3,144,499	\$ 214,252	\$ 207,198	\$ 3,646,175	\$ 3,351,697	8.8%

Management's Discussion & Analysis (Unaudited)

FINANCIAL ANALYSIS OF FUND STATEMENTS

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

Governmental Funds

The focus of the County's governmental funds is to provide information on the sources, uses, and balances of current financial resources. Such information is useful in assessing the County's short-term financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the County include the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, and Permanent Funds. As of June 30, 2009, the County's governmental funds reported combined fund balances of \$2.0 billion, a decrease of \$137.5 million, in comparison with the prior year. Of this total amount, \$810.7 million constitutes *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance, \$1.2 billion is *reserved* to indicate that it is *not* available for new spending because it has been restricted for:

- Specific County program: \$132.9 million
- Outstanding debt service: \$106.4 million
- Liquidation of current contractual commitments: \$751.7 million
- Other smaller restrictions: \$201.0 million

Total governmental fund revenue decreased by 1.4%, or \$41.9 million, from the prior fiscal year with \$2.9 billion being recognized for the fiscal year-ended June 30, 2009. Expenditures increased by 3.6%, or \$106.3 million, from the prior fiscal year with \$3.1 billion being expended for governmental functions during fiscal year 2008-09, compared to \$3.0 billion for the prior fiscal year. Therefore, governmental fund balance decreased by 6.4%, or \$137.5 million. In comparison, fiscal year 2007-08 had an increase in governmental fund balance of 22.0%, or \$387.3 million, over fiscal year 2006-07.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$280.9 million, compared to \$394.3 million for the prior fiscal year, while total fund balance was \$372.1 million for the current year and \$478.8 million for the prior year. The decrease of \$106.7 million or 22.3% was a result of decline in interest earned and tax revenue due to lower property assessed values resulting in refunds and lower overall property tax revenues, and an increase in public protection, public assistance, and health and sanitation services expenditures. As a measure of the General Fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The unreserved fund balance is 12.0% of the total General Fund expenditures of \$2.4 billion for the current year as compared to 17.2% of the prior year total of \$2.3 billion. The total fund balance of the General Fund for the current year is 15.8% of the total General Fund expenditures as compared to 20.9% for the prior year.

Teeter Debt Service fund taxes receivable balance increased by 32.4%, or \$24.6 million, from \$76.0 million in the prior fiscal year 2007-08 to \$100.6 million in the current fiscal year 2008-09 due to a higher delinquency rate in current fiscal year 2008-09. Teeter notes payable increased by 58.3%, or \$98.2 million, from \$168.4 million in prior fiscal year 2007-08 to \$266.6 million in current fiscal year 2008-09 due to increase in actual borrowing based on delinquency property tax analysis.

Public Facilities Improvements Capital Projects fund balance decreased from \$590.9 million to \$538.4 million, 8.9% or \$52.5 million. The decrease in fund balance is attributable to the utilization of the reserve for construction account to reimburse costs of on-going capital projects such as the correctional facility expansion, animal shelter, family clinics, and hub jail; a decrease in other revenue decreased due to slower housing development; and a decrease in interest earnings due to a significant drop in interest rates caused by the sluggish economy.

Redevelopment Capital Projects fund had a \$50.9 million decrease in fund balance. The significant change was a result of lower tax revenues received and higher utilization of funds for public improvements, commercial projects, housing, and rehabilitation of properties.

Management's Discussion & Analysis (Unaudited)

Proprietary Funds

The County's proprietary funds financial statements provide the same type of information as the government-wide financial statements, but in more detail. The Regional Medical Center and Waste Management are shown in separate columns of the fund statements due to materiality criteria as defined by GASB. In addition, the internal service funds are combined into a single, aggregated, presentation in the proprietary fund statements with the individual fund data provided in the combining statements which can be found in the supplemental information section.

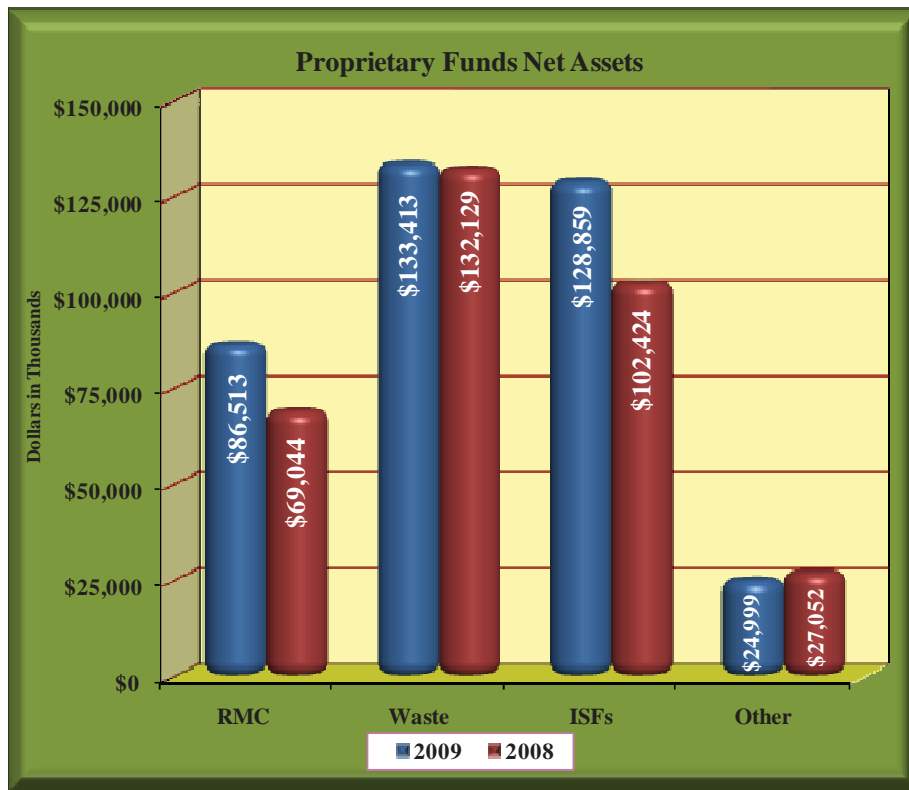
At the end of the fiscal year, total proprietary fund net assets were \$373.8 million, compared to \$330.6 million for prior fiscal year. Total proprietary fund net assets increased by 13.0% or \$43.1 million, compared to 6.5%, or \$20.3 million, increase for the prior fiscal year.

Of the year-end balances, unrestricted net assets were as follows:

- Riverside County Regional Medical Center: \$61.9 million
- Waste Management: \$45.3 million
- Other enterprise fund activities: \$3.7 million
- Internal service fund activities: \$111.5 million

RMC's net assets increased from \$69.0 million to \$86.5 million, 25.3%, or \$17.5 million. The increase is attributable to the rate increase of 7.0% in ancillary services and an increase in State grant SB1100 Medi-Cal Waiver received in fiscal year 2008-09.

Waste Management's net assets increased from \$132.1 million to \$133.4 million. The increase resulted from an excess of revenues over expenses of \$379.0 thousand and a prior period adjustments of \$905.0 thousand to the accrued closure and post-closure cost.



Management's Discussion & Analysis (Unaudited)

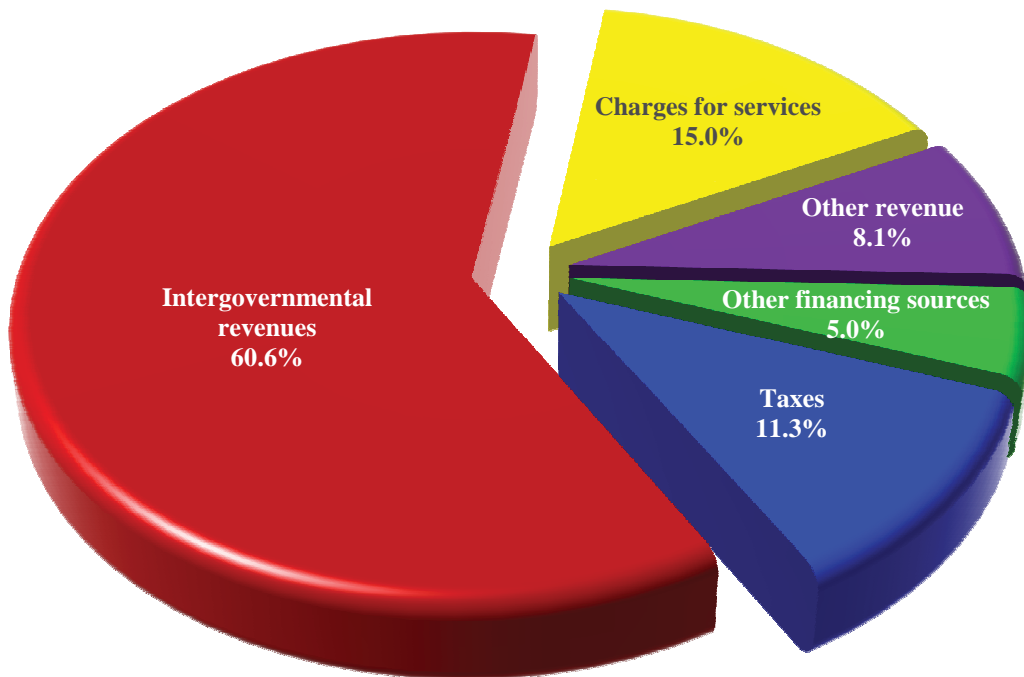
GENERAL FUND FINANCIAL ANALYSIS

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

Revenues and Other Financing Sources	Fiscal Year 2008-09	Percent of Total	Fiscal Year 2007-08	Percent of Total	Variance
Taxes	\$ 274,480	11.3%	\$ 309,295	12.5%	-11.3%
Intergovernmental revenues	1,476,356	60.6%	1,475,537	59.8%	0.1%
Charges for services	364,649	15.0%	358,767	14.5%	1.6%
Other revenue	199,707	8.1%	208,822	8.6%	-4.4%
Other financing sources	122,571	5.0%	113,562	4.6%	7.9%
Total	\$ 2,437,763	100.0%	\$ 2,465,983	100.0%	-1.1%

The decrease in tax revenue was attributable to a sharp decline in supplemental property taxes, less real property transfers, and a decrease in sales and use taxes. The increase in intergovernmental revenue was primarily attributable to an unexpected increase in mandated client service programs provided by the Department of Public Social Services (DPSS) and the Mental Health Service Act (MHSA) programs being fully implemented. The increase in charges for services was primarily the result of increased revenues from city law enforcement contracts with the Sheriff Department. Other revenue decreased due to sharp declines in interest earnings reflecting rate cuts by the Federal Reserves.

COUNTY OF RIVERSIDE
General Fund Revenues and Other Financing Sources
For The Year Ended June 30, 2009



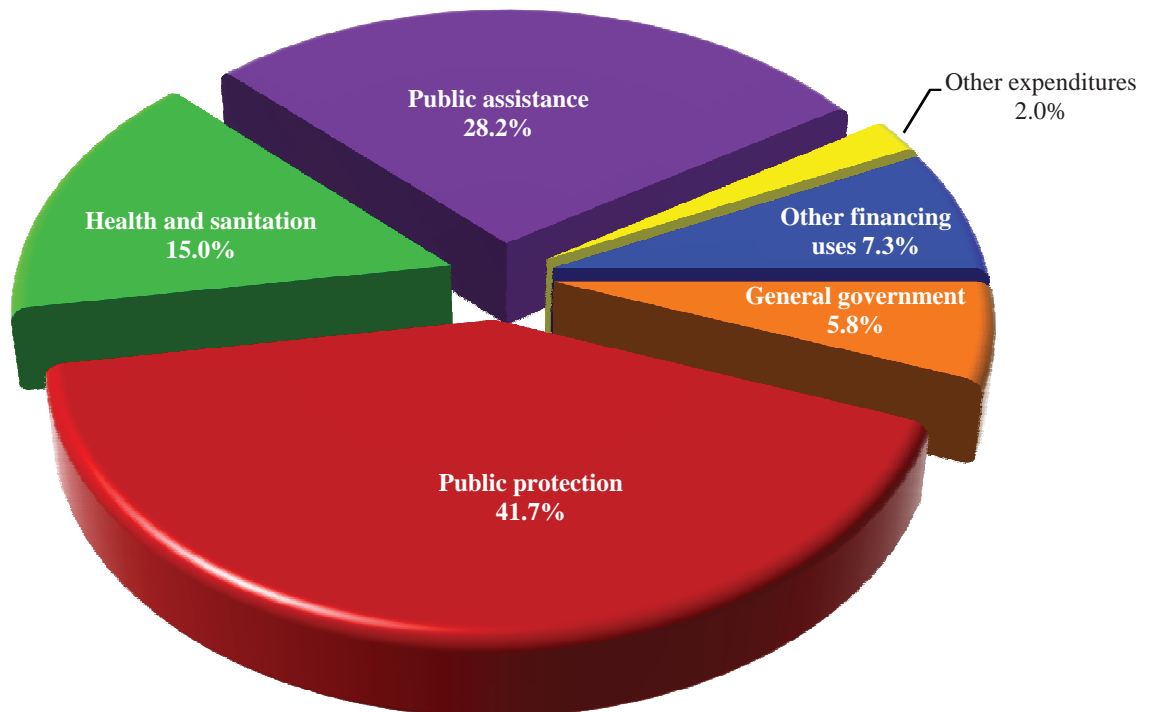
Management's Discussion & Analysis (Unaudited)

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

Expenditures and Other Financing Uses	Fiscal Year 2008-09	Percent of Total	Fiscal Year 2007-08	Percent of Total	Variance
General government	\$ 146,816	5.8%	\$ 145,290	5.7%	1.1%
Public protection	1,062,437	41.7%	1,032,582	40.4%	2.9%
Health and sanitation	382,588	15.0%	368,753	14.4%	3.8%
Public assistance	719,328	28.2%	704,404	27.5%	2.1%
Other expenditures	50,530	2.0%	40,189	1.6%	25.7%
Other financing uses	185,719	7.3%	266,961	10.4%	-30.4%
Total	\$ 2,547,418	100.0%	\$ 2,558,179	100.0%	-0.4%

The increase of expenditures in general government was attributable to maintenance-tenant improvements costs for eight new leased facilities managed by the Economic Development Agency (EDA) Real Estate Division. The increase of expenditures in public protection was mainly attributable to the Sheriff Department. Sheriff increased their law enforcement staff to accommodate the growth of the County and the expansion of the Larry Smith Correctional Facility. Additionally, Sheriff had increases in salaries and benefits rates. The increase of expenditures in health and sanitation was attributable to the growth in the MHSA program. The MHSA program costs increased due to the adding of 86 positions, the completion of tenant improvements for 4 new Mental Health clinic sites, and the addition of 6 new contracts, 5 with private care providers and 1 with Medi-Cal. The increase in public assistance was attributable to caseload growth in several programs including an unexpected increase of approximately 25.0% of the temporary financial assistance and employment-focused service cases in the Cal WORKS program for DPSS.

COUNTY OF RIVERSIDE
General Fund Expenditures and Other Financing Uses
For The Year Ended June 30, 2009



Management's Discussion & Analysis (Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS

This section provides a summary of the primary factors attributing to the General Fund variances between 1) the original and the final amended budget and 2) the final amended budget and the actual revenue and expenditure amounts. The budgetary comparison statement displays the details of the comparison and is included in the governmental fund statements section.

Variance between General Fund Original Adopted and Final Amended Budget

Estimated Revenue Variances

The original General Fund estimated revenue budget decreased by \$84.5 million, or 3.3%, from \$2.6 billion to the final amended revenue budget of \$2.5 billion. The \$84.5 million represents a decrease of \$82.8 million from charges for services; \$21.0 million from taxes; \$10.9 million from other revenue; and \$4.1 million from fines, forfeitures, and penalties. This was offset by an increase of \$34.3 million in aid from other governmental agencies.

Charges for Current Services: The budget for charges for current services had a net decrease of \$82.8 million, or 16.4%. This decrease was largely the result of a \$91.0 million reduction in intergovernmental activities offset by Sheriff's department increases of \$1.8 million for contracted city law enforcement services and \$1.1 million for court and communication services, a \$1.5 million increase for fire protection contract services, a \$0.9 million increase from the real estate division services of EDA, a \$0.7 million increase from the energy management division of EDA for utility reimbursement from the State courts, and a \$0.7 million increase from the Emergency Medical Services Appropriation (EMSA) awarded by the California Department of Health Services to the Community Health Agency.

Taxes: The budget for taxes had a net decrease of \$21.0 million, or 7.2%, which consisted of a \$14.4 million decrease in current supplemental property taxes, a \$6.3 million decrease in current secured property taxes, and a \$4.0 million decrease in sales and use taxes. This decrease was offset by a \$2.1 million increase in prior supplemental property taxes, a \$1.0 million increase in documentary transfer taxes, and a \$0.6 million increase in current unsecured property taxes.

Other Revenue: The decrease in other revenue of \$2.7 million, or 7.3%, was primarily the result of a decrease in intergovernmental activities of \$6.6 million. This was primarily offset by an increase of \$2.0 million of redevelopment pass through funds for EDA to purchase land for the Thousand Palms Flood Control project.

Fines, Forfeitures, and Penalties: The budget for fines, forfeitures, and penalties had a net decrease of \$4.1 million, or 3.9%, to reflect the net loss in county discretionary revenue primarily in AB 233 trial court realignment funds.

Aid from Other Governmental Agencies: Aid received from other governmental agencies increased by \$34.3 million, or 2.2%, and consisted of the following: Federal aid increased by \$13.4 million, State aid increased by \$13.2 million, and other government aid increased by \$7.6 million. Increases in federal aid were primarily the result of an increase to DPSS by \$5.0 million due to the federal public assistance programs and administration including child care services and the Cal WORKS program. Other increases in federal aid were the result of additional resources provided by operating grants for the Sheriff's Department of \$2.6 million and for Fire Department of \$2.1 million. Department of Mental Health had an increase of \$1.4 million due to the Net Negotiated Amount (NNA) agreement for the substance abuse program. The Auditor-Controller had an increase of \$1.1 million due to the Emergency Economic Stabilization Act of 2008. Finally, Federal health grants increased for the Department of Public Health by \$1.0 million for the Women Infant Children (WIC) Supplemental Nutritional Program. Increases in State aid were primarily the result of an increase to DPSS by \$3.3 million due to public assistance programs, an increase to the Registrar of Voters of \$3.2 million due to State election reimbursement, an increase to the Department of Mental Health by \$2.6 million related to the MHSA, and an increase to the Auditor-Controller of \$0.9 million in Vehicle License Fees (VLF). Increases in other government aid included both the Fire Department and the Sheriff's Department having an increase of \$1.3 million each for Indian Gaming Grants.

Expenditure Appropriation Variances

The original General Fund appropriation budget decreased by \$58.5 million, or 2.2%, from \$2.7 billion to the final amended appropriation budget of \$2.6 billion. The significant appropriation changes were a decrease of \$40.3 million from debt service and a decrease of \$41.4 million from general government offset by an increase of \$9.3

Management's Discussion & Analysis (Unaudited)

million from public protection, an increase of \$3.4 million from health and sanitation, and an increase of \$2.7 million from public assistance. The major appropriation variances are described below.

Debt Service: The budget for principal and interest decreased by \$32.1 million, or 46.3%, from the original budget of \$69.2 million to \$37.1 million due to a decrease of \$34.4 million as a result of intergovernmental activity. This was offset by a \$2.2 million increase for the Riverside County Palm Desert Financing Authority (RCPDFA) debt service.

General Government: The appropriation budget decreased by \$41.4 million, or 13.9%, from the original budget of \$297.8 million to \$256.4 million. The following information describes the significant factors for the variances:

- Salaries and employee benefits decreased by \$1.1 million, or 0.8%, mainly due to intergovernmental activities.
- Services and supplies increased by \$19.3 million, or 12.7%, mainly due to increases by EDA, Registrar of Voters, and Human Resources. EDA increased by \$12.6 million mainly due to new and amended lease agreements, the increase in court utility costs, and the increase in utility rates. Registrar of Voters increased by \$4.0 million due to the high turnout for the Presidential election in November 2008 and the additional special measure election in May 2009. Human Resources increased by \$1.7 million mainly due to arbitration services, remodeling costs, and recruiting activities early in the year for the Sheriff's Smith Correctional Facility expansion.
- Other charges decreased by \$66.3 million, or 58.6%, mostly due to a decrease of \$105.5 million for intergovernmental activities offset by increases in the Executive Office and the Board of Supervisors. The Executive Office increased by \$40.3 million mainly due to funding of various capital improvement projects and the purchases of real property. The major projects and purchases include \$30.4 million for the Smith Correctional Facility expansion, \$6.5 million for real property in downtown Riverside for current space needs and future County growth, and \$2.0 million for the purchase of land in Thousand Palms for Flood Control by EDA. The Board of Supervisors budget unit increased by \$5.3 million due to contributions of \$4.5 million to worthy organizations and \$0.8 million to County programs.
- Intrafund transfers increased by \$11.9 million, or 9.0%, mainly due to increases in EDA of \$4.7 million for real estate services and \$1.8 million for an increase in utility rates. Human Resources had an increase of \$1.4 million for recruitment activities, training, and arbitration services for other departments.
- Appropriation for contingencies increased by \$18.2 million, or 52.3%. The contingency budget covers current and potential general-fund liabilities. For the most part, the increase was due to the utilization of designated fund balances of \$45.8 million because of the weakening economic environment. During the year, the major liabilities covered were an \$11.4 million decline in discretionary revenue, a \$4.9 million decline in trial court funding revenue, a \$3.7 million increase in court costs for facilities and indigent defense, and a \$3.2 million total overage in salaries for the District Attorney, Sheriff, and Auditor-Controller Departments. Discretionary revenues including property and sales taxes had to be reduced due to the economic downturn resulting in a reduction in appropriation for contingency to offset losses.

Public Protection: The appropriation budget increased by \$9.3 million, or 0.8%, from the original budget of \$1.1 billion. The following information describes the significant factors for the variances:

- Salaries and employee benefits decreased by \$6.4 million, or 0.9%, mainly due to a decrease of \$10.7 million for intergovernmental activities offset by an increase of \$5.0 million from the Sheriff for various grants and city contracts and an increase of \$1.6 million due to personnel additions for the District Attorney.
- Services and supplies increased by \$21.4 million, or 6.5%, mainly due to the Sheriff, Fire, Executive Office, Public Defender, Probation, and the County Clerk-Recorder. The Sheriff increased by \$13.3 million mainly due to the Ben Clark Training Center expansion, contract law enforcement, grant awards, recruitment, and maintenance costs. Fire Protection increased by \$3.7 million due to increased fire and grant contract services. The Executive Office increased by \$1.5 million due to an increase in legal services and investigative costs in Indigent Defense. The Public Defender increased by \$1.2 million primarily due to tenant improvements and training costs. Probation increased by \$1.2 million primarily due to facilities maintenance and improvements. The County Clerk-Recorder increased by \$0.7 million for the multi-county agreement for shared ownership and ongoing maintenance of the electronic recording delivery system.
- Other Charges decreased by \$6.8 million, or 11.7%, mainly due to a decrease of \$11.4 million for intergovernmental activities and primarily offset by a \$1.3 million increase in the Sheriff for completed Ben

Management's Discussion & Analysis (Unaudited)

Clark Training Center capital projects and a \$1.3 million increase in Probation for facility maintenance of the Riverside Juvenile Hall.

- Capital Assets increased by \$1.5 million, or 23.5%, mainly due to an increase to the Sheriff of \$0.6 million for aircraft equipment and an increase to Fire of \$0.6 million for software assets from the Indian Gaming Grant.

Health and Sanitation: The appropriation budget increased by \$3.4 million, or 0.8%, from the original budget of \$409.9 million to \$413.3 million. The following describe the significant factors for the variances:

- Services and supplies increased by \$7.7 million, or 7.0%, mainly due to an increase in Mental Health and the Community Health Agency. Mental Health received an additional \$4.4 million in MHSA program funds of which \$3.1 million was for Workforce Education and Training (WET) and Prevention and Early Intervention (PEI) and \$1.3 million was for tenant improvements at the Full Service Partnership (FSP) Clinic and Homeless Drop-In Center located in Palm Springs. There was also an increase of \$1.7 million in the Community Health Agency mainly for the EMSA.

Public Assistance: The appropriation budget increased by \$2.7 million, or 0.3%, from the original budget of \$775.1 million to \$777.8 million. The following describe the significant factors for the variances:

- Other charges increased by \$8.0 million, or 1.8%, mainly due to an increase of \$8.3 million in DPSS of which \$4.8 million was attributable to a 21.0% increase in caseloads for the Cal Works program and \$3.5 million was attributable to the increase in state allocation for child care services.
- Capital Assets increased by \$1.8 million, or 371.8%, mainly due to the purchased of two Enterprise Virtual Array (EVA) storage systems and one tape library backup system for the Medi-Cal PII security project for DPSS.

Variance between General Fund Actual Revenues and Expenditures and Final Amended Budget

During the year, the General Fund had a positive budget variance of approximately \$95.6 million resulting from unexpended appropriations of \$267.7 million, or 10.2%, and overestimated revenue of \$172.1 million, or 6.9%. The following contributed to the variance:

Expenditure Variances

General fund actual expenditures of \$2.3 billion were 10.2%, or \$267.7 million, less than the final amended appropriation budget of \$2.6 billion. General government, public assistance, public protection, health and sanitation, debt service, and public ways and facilities were the six most significant factors attributing to the unexpended appropriations as follows:

General Government: Actual expenditures of \$146.8 million were less than the final amended budget of \$256.4 million by \$109.6 million or 42.7%. The following describe the significant factors for the variances:

- Salaries and employee benefits were \$13.9 million less, or 10.8%, below budget primarily due to vacant positions at EDA. The department accommodated the required budget cuts and Maximum Fill Rate (MFR) hiring restrictions by filling budgeted permanent positions with temporary employees and not filling all vacant positions.
- Services and supplies were \$31.6 million, or 18.4%, less than budgeted mainly due to EDA and the Executive Office. EDA accounts for approximately \$27.9 million of the variance mainly due to increased budgeted amounts for new leases or the renewal of leases, less than expected tenant improvements costs, and a decrease in project requests from County departments. The Executive Office budget of \$1.0 million for Riverside County Information Technology (RCIT) to replace radios for the Sheriff was not utilized during the current fiscal period.
- Other charges were \$30.1 million or 64.3% less than budgeted largely due to intergovernmental activities. Contributions to other funds were less than projected due to the collection of revenue from recording and filling court fees and property taxes being less than expected. The Assessor had savings of approximately \$1.5 million due to the postponement of a large remodeling project for the Hemet office.

Management's Discussion & Analysis (*Unaudited*)

- Intrafund transfers were \$20.0 million or 13.8% less than budgeted primarily due to EDA. EDA gets reimbursed for maintenance, real estate, and other project services provided to General Fund departments. Maintenance services fluctuate from month to month since they are based on space occupied; therefore, reimbursement also fluctuates. Lease reimbursements were lower than projected due to leases that expired and were not renewed. Reimbursements for project services were lower than anticipated because fewer services were requested by County departments than were originally projected, due to the slowing economy.
- Appropriations for Contingencies are budgeted by the Board of Supervisors based on Executive Office recommendations for potential liabilities from General Fund appropriations. During the fiscal year, the Board budgeted \$53.0 million for any such potential liabilities.

Public Assistance: Actual expenditures of \$719.3 million were less than the final amended budget of \$777.8 million by \$58.5 million, or 7.5%. The following describe the significant factors for the variances:

- Salaries and employee benefits were reduced by \$22.0 million, or 9.0%, less than budgeted due to reduction in staffing levels mostly by DPSS to meet budget cuts.
- Services and supplies were \$16.9 million, or 16.3%, less than budgeted primarily due to DPSS reducing costs to meet budget constraints and cancelling two large expansion projects. Costs reduced included using less temporary employees; and utilizing less security guard services. The two cancelled projects, the Perris full service facility and staff development facility expansion, resulted in greater savings since budgeted amounts for office equipment, office supplies, security guard services, communication equipment installation services, and building maintenance and improvement costs were not incurred.
- Other charges were \$23.4 million, or 5.3%, less than budgeted primarily due to DPSS and Probation. DPSS had a net decrease of \$22.9 million due to unexpected decreases in child care services; child welfare services program referrals, In-Home supportive services and a 20% decline in foster care services. Probation had savings of \$5.7 million from less than expected court order placements of juveniles in group homes.
- Intrafund transfers were \$4.5 million, or 33.8%, less than budgeted primarily due to Probation having less court order placements of minors in group homes. Less group home placements entail fewer payments to the homes than expected and, in turn, less revenue from DPSS for these placements.

Public Protection: Actual expenditures of \$1.1 billion were less than the final amended budget of \$1.1 billion by \$51.5 million or 4.6%. The following describe the significant factors for the variances:

- Salaries and employee benefits were \$21.5 million, or 3.0%, less than budgeted primarily due to \$10.7 million of intergovernmental activities and savings within Probation, District Attorney, and Sheriff. Due to vacant positions and early retirements, Probation had a salary savings of \$2.7 million. The District Attorney had savings of \$1.7 million mainly due to early retirements. Sheriff had savings of \$1.5 million due to reduced overtime costs.
- Services and supplies were \$22.7 million, or 6.4%, less than budgeted due to Fire Protection, the County Clerk-Recorder, Planning, and Sheriff. Fire Protection had savings of \$15.5 million due to less than expected costs for maintenance, fuel, and CAL Fire. The County Clerk-Recorder had savings in micrographic and professional services of \$3.2 million mainly due projects being carried into next fiscal year due to the lack of staff and budget concerns. The Planning Department had a \$1.9 million savings due to new planning cases declining 50.0% from the prior fiscal year, as a result contract planners were reduced from 16 to 2 at year end and purchases of office supplies and other variable costs were also reduced. The Sheriff had savings of \$1.6 million within the various departmental budgets.
- Other charges were \$6.9 million, or 13.2%, less than budgeted mainly due to a \$2.4 million savings in the County Clerk-Recorder. All budgeted projects were reduced in size and carried into next fiscal year due to budget concerns.

Health and Sanitation: Actual expenditures of \$382.6 million were less than the final amended budget of \$413.3 million by \$30.7 million, or 7.4%. The following describe the significant factors for the variances:

- Salaries and employee benefits were \$11.4 million, or 5.7%, less than budgeted primarily due to the Community Health Agency and Mental Health. The Community Health Agency had savings of \$4.7 million due to vacant positions and early retirements in Public Health and Administration. Mental Health Treatment and Substance Abuse had savings of \$2.6 million mainly due to vacant positions that were left unfilled attributable to the MFR and budget constraints.

Management's Discussion & Analysis (Unaudited)

- Services and supplies were \$8.7 million, or 7.4%, less than budgeted primarily due to a \$7.0 million savings in the Community Health Agency. Agency support costs were lower than budgeted due to various cost reductions in the support areas and due to professional services allocations for the EMSA being lower than expected.
- Other charges were \$17.6 million, or 8.6%, less than budgeted primarily due to Mental Health, Executive Office-Contribution to Health and Mental Health, and the Community Health Agency. Mental Health had savings of \$9.0 million due to private care provider contracts performing fewer children's services than anticipated and due to pending Cost Report settlements not paid till the following fiscal year. Executive Office-Contribution to Health and Mental Health had savings of \$7.8 million due to lower than anticipated VLF allocation from the State. The Community Health Agency had savings of \$1.4 million due to intergovernmental activities.
- Capital Assets were \$4.0 million, or 76.2%, less than budgeted primarily due to Mental Health with \$2.9 million savings attributed to contract negotiations delaying the implementation of a new operating system called BHIS for the MHSA program.
- Intrafund transfers were \$11.0 million, or 9.5%, less than budgeted primarily due to the Community Health Agency and Mental Health. The Community Health Agency had a variance of \$7.2 million attributed to lower VLF tax receipts, decreased need in public health nurses, and intergovernmental activities. Mental Health had a variance of \$1.3 million attributed to lower VLF tax receipts and intergovernmental activities.

Debt Service: Actual expenditures of \$22.5 million were less than the final amended budget of \$37.1 million by \$14.6 million, or 39.4%, primarily due to lower interest rates on adjustable rate loans.

Public Ways and Facilities: Actual expenditures of \$4.4 million were less than the final amended budget of \$5.3 million by \$0.9 million, or 18.0%, primarily due to the Surveyor department with a savings of \$0.8 million in salaries and employee benefits and a \$0.5 million savings in other charges.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2009, the County's capital assets for both its governmental and business-type activities amounted to \$3.1 billion (net of accumulated depreciation). The capital assets include land and easements, land improvements, construction in progress, and infrastructure. The County's infrastructure consists of channels, storm drains, levees, basins, roads, traffic signals, bridges, runways, parks, park trails, and landfill liners. The County's capital assets increased by 13.8%, or \$375.9 million, from \$2.7 billion in fiscal year 2007-08 to \$3.1 billion in fiscal year 2008-09.

The increase of the County's capital assets was primarily due to construction in progress projects. Construction in progress rose from \$383.4 million in fiscal year 2007-08 to \$486.1 million in fiscal year 2008-09, a 26.8% increase. The 2009 balance includes additions of \$281.3 million, retirements of \$3.3 million, and transferred or completed projects of \$175.4 million. Land and easement increased by 18.0% as a result of land acquired by the Economic Development Agency and the continual donation of land to the Flood Department.

In fiscal year 2008-09, new major projects budgeted for construction and design included the following: Ben Clark Training Center Building and Kitchen with a budgeted amount of \$15.0 million, as well as a Fire Building project for \$10.0 million, both intended for the training of personnel. Riverside County Regional Medical Center budgeted \$8.3 million for the design and construction of 84 beds at the Mental Health building, as well as \$8.3 million for the design and construction of the Emergency Department Expansion project. \$8.0 million was budgeted for the Ben Clark Training Center Parkway Extension. The Department of Social Services and Mental Health budgeted a combined \$4.9 million toward the Coachella Valley Homeless Center in North Palm Springs. This multi service center will be a place where various agencies can provide services to the homeless.

Construction in Progress

Additions to Construction in Progress for Fiscal Year 2008-09:

In fiscal year 2008-09, additions in the amount of \$281.3 million consisted of costs related to existing projects and new projects.

Management's Discussion & Analysis (Unaudited)

Existing project costs include the following:

- The EDA incurred \$94.9 million in costs for projects including the Smith Correctional Facility 3rd expansion project in the City of Banning, the proposed mid county regional detention center which is intended to alleviate the chronic overcrowding in the county's jail system, as well as the Palm Desert Sheriff Station. The Rubidoux Library is also underway.
- Roads and signal infrastructures additions were \$85.1 million.
- The Thousand Palms Fire Station incurred an additional \$8.1 million.
- Riverside County Regional Medical Center's Siemens Hospital Information System costs for the year were \$4.6 million.
- Rancho Jurupa Park incurred \$6.8 million for the planning and development of expanding the campground and recreation facilities.

New project costs include the following:

- The EDA incurred \$53.9 million in costs for new projects such as the following:
 - The Northwest Riverside County/City Animal Shelter incurred \$10.9 million. This entails the construction of a 33,000 square foot building with 200 kennels.
 - The Thermal Sheriff Station is a 77,000 square foot facility that will include a forensic center and will serve the Eastern Coachella Valley. Total costs incurred for this new project were \$9.5 million.
 - Mecca Library and Sheriff Station in the amount of \$5.7 million and \$3.8 million incurred for land acquisition for the Mecca Fire Station.
 - The addition of the Indio Hills Community Center amounted to \$1.5 million.
- Flood incurred \$1.6 million in new projects including Perris Valley Master Drainage Line Q.

Construction in Progress Transfers:

Completed construction in progress projects of approximately \$175.4 million were transferred from construction in progress to other designated capital asset accounts during fiscal year 2008-09. The major projects were as follows:

- \$17.9 million was transferred to structures and improvement. Examples include the Ben Clark Training Center Infrastructure Modular Building for \$3.8 million, the Electrical Infrastructure for \$1.1 million, and the Water Infrastructure for \$1.0 million. \$4.3 million for the Cabazon Fire Station as well as \$1.8 million for the Mead Valley Fire Station. The Perris Fueling Facility and Car Wash for \$1.1 million. The Riverside County Regional Medical Center Infusion Center for \$1.2 million.
- \$154.2 million was transferred to infrastructure. This included roads such as Jefferson Street in the amount of \$23.7 million and Winchester Road for \$8.3 million; land acquisitions of \$14.3 million, including the 1-15 Galena Interchange for \$12.5 million; and the Hemet Master Drainage Plan Line D Stage 5 actual project costs at approximately \$3.8 million. This drainage project consists of approximately 8,100 lineal feet of reinforced concrete pipes. The mainline begins at Winsor Court, extends easterly along Stetson Avenue and terminates east of Meridian Street. Laterals along Columbia Street, Cornell Street, Dartmouth Street, and Stanford Street tie into the mainline which provide additional flood protection.
- \$2.4 million transferred to landfill liners and improvements for the Earthwork Excavation for Future Site Improvement Projects at the Lamb Canyon Sanitary Landfill.

Land and Easements

Additions of \$54.5 million in land were posted for this fiscal year. Approximately \$39.7 million in land by the EDA consists of parcels for projects. Flood incurred additions of \$14.4 million, consisting of land such as the \$3.5 million acquired as a result of a cooperative agreement between Flood Control, the City of Temecula, and a developer. \$5.2 was acquired for the Palm Springs and the Homeland/Romoland Master Drainage Plans.

Management's Discussion & Analysis (Unaudited)

Depreciable Capital Asset

The following is a breakdown of the additions, retirements, and transfers which make up the balance of depreciable capital assets:

Additions to Depreciable Assets:

Total fiscal year 2008-09 depreciable capital asset current year additions of \$207.4 million, were comprised of the following:

- Infrastructure in the amount of \$118.0 million:
 - Roads in the amount of \$76.6 million, of which \$75.3 million consisted of donated assets. Flood storm drains in the amount of \$33.9 million. \$5.0 million was incurred by the Waste department in categories such as landfill liners and improvements. \$1.0 million was incurred for runways.
- Structures and improvements amounted to \$43.8 million:
 - Buildings leased in the amount of \$33.9 million. Examples such as the leased facility located at Gateway Drive in Riverside, in the amount of \$19.2 million and the Vanir-Arabia building in Indio used by Child Support Services and Environmental Health in the amount of \$7.3 million.
 - Buildings and improvements in the amount of \$8.9 million. \$4.8 million was incurred by the Facilities Department with the purchase of First American Title Building, located on 14th Street in Riverside. A purchase for the Sheriff Department was made for \$2.5 million, known as the Cabazon Hadley's Warehouse.
- Equipment in the amount of \$45.5 million:
 - Vehicles leased - \$21.7 million
 - Computer and office equipment - \$7.1 million
 - Equipment vehicles - \$5.6 million
 - Equipment field - \$4.2 million
 - Equipment leased - \$3.6 million
 - Miscellaneous equipment - \$3.2 million

Retirements of Depreciable Assets:

Retirement of depreciable assets was amounted to of \$43.2 million. Equipment in the amount of \$31.0 million was retired primarily from Fleet Services, in the category of leased vehicles. \$12.2 million of structures and improvements were retired due to assets such as the Southwest Justice Center and Riverside Juvenile court buildings being transferred to the State of California.

Transfers:

\$158.6 million was transferred from completed construction in progress projects as noted above.

Depreciation Note:

In the government-wide financial statements, depreciable capital assets are depreciated from the acquisition date to the end of the fiscal year. However, in the fund financial statements of the governmental funds, depreciable capital assets are accounted for as expenditures when payments are made. This fiscal year, depreciable capital assets for governmental and business type activities combined incurred \$137.8 million in depreciation.

Management's Discussion & Analysis (Unaudited)

Analysis of Capital Assets:

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

	Capital Assets (net of depreciation, in thousands)						Increase/ (Decrease)
	Governmental Activities		Business-type Activities		Total		
	2009	2008	2009	2008	2009	2008	
Infrastructure	\$1,326,055	\$1,142,496	\$ 50,752	\$ 47,860	\$1,376,807	\$1,190,356	15.7%
Land and easements	407,723	342,274	21,081	21,147	428,804	363,421	18.0%
Land improvements	99	99	5,360	5,990	5,459	6,089	-10.3%
Structures and improvements	532,844	512,306	140,277	144,616	673,121	656,922	2.5%
Equipment	117,964	110,490	16,451	18,104	134,415	128,594	4.5%
Construction in progress	464,647	364,890	21,468	18,557	486,115	383,447	26.8%
Total	\$2,849,332	\$2,472,555	\$255,389	\$256,274	\$3,104,721	\$2,728,829	13.8%

Additional information on the County's capital assets can be found in Note 9 of this report.

Debt Administration

Per Board policy, the County's Debt Advisory Committee reviews all debt issuances of the County and its financing component unit organizations and advises the Board accordingly. As of fiscal year-end June 30, 2009, the County had numerous debt issues outstanding, principally certificates of participation - lease rental obligations. (See Note 13)

Net bonded debt per capita equaled \$575 as of June 30, 2009. The calculated legal debt limit for the County is \$3.0 billion.

The following are credit ratings maintained by the County:

	<u>Moody's Investors</u> <u>Service, Inc.</u>	<u>Standard &</u> <u>Poor's Corp.</u>	<u>Fitch</u>
Long-term lease debt	A2	AA-	A-
Issuer credit	Aa3	AA	AA-

The County issued tax-exempt Tax and Revenue Anticipation Notes (TRANs) to provide needed cash to cover the projected intra-period cash flow deficits of the County's General Fund during the fiscal year July 1 through June 30. In fiscal year 2008-09, the County, as a participant in the California Statewide Communities Development Authority composite offering, issued \$315.0 million in TRANs to satisfy short-term cash flow needs.

In December 1993, the Board of Supervisors formally passed a resolution necessary for the County to adopt the Teeter Plan (the alternate method of property tax distribution). The plan required the "buy-out" of delinquent taxes and the annual advance of unpaid taxes to participating agencies. For fiscal year 2008-09, funding for the County's on-going obligations under Teeter was accomplished through the sale of Tax-Exempt Commercial Paper Notes, Series B in the amount of \$186.0 million and Series C in the amount of \$80.6 million. The approximately \$267.0 million in total financing was comprised of \$197.0 million, representing fiscal year 2007-08 delinquent property taxes and \$70.0 million representing prior years' delinquent property taxes. The County's General Fund is pledged to the repayment of both series of Notes, in addition to the pledge of the delinquent taxes that are pledged to the Series B.

Management's Discussion & Analysis (Unaudited)

The table below provides summarized information (including comparative amounts from the preceding year) for the County's outstanding long-term liabilities at June 30, 2009.

County's Outstanding Debt Obligation (In Thousands)

	Governmental Activities		Business-Type Activities		Total		Increase/ (Decrease)
	2009	2008	2009	2008	2009	2008	%
Loans payable*	\$ 7,222	\$ 304,809	\$ -	\$ -	\$ 7,222	\$ 304,809	-97.6%
Notes payable	6,000	6,000	-	-	6,000	6,000	0.0%
Bonds payable*	1,359,277	1,086,397	159,959	170,814	1,519,236	1,257,211	20.8%
Certificates of participation	391,914	408,024	-	-	391,914	408,024	-3.9%
Capital Leases	117,611	105,317	14,027	16,124	131,638	121,441	8.4%
Total Outstanding	\$1,882,024	\$1,910,547	\$ 173,986	\$186,938	\$2,056,010	\$2,097,485	-2.0%

Outstanding Debt: The County of Riverside's total debt decreased by 2.0%, \$41.5 million (\$28.5 million in governmental funds and \$13.0 million in business-type), during the current fiscal year. The decrease in governmental activities was a result of the annual principal payments and the decrease in business-type activities was a result of the maturity of the 2003 A&B Hospital Bonds.

*Outstanding Riverside County Redevelopment Agency (RDA) Tax Allocation Bonds of \$297.4 million reported as loans payable in previous years were reclassified to bonds payable in fiscal year 2008-09.

Additional information on the County's long-term debt can be found in Note 13 of this report.

Management's Discussion & Analysis (Unaudited)

ECONOMIC FACTORS AND THE FISCAL YEAR 2010-11 BUDGET OUTLOOK

Riverside County's economy is currently experiencing a recession as evidenced by an increased unemployment rate, a slowdown in total personal income and taxable sales, a drop in residential building permits, and a decline in the real estate market.

To fund the fiscal year 2009-10 budget, the County drew on reserves creating a structural budget imbalance totaling about \$50.0 million. Fiscal year 2009-10 discretionary revenue is expected to be less than fiscal year 2008-09 by about 13.0% percent (\$94.0 million). Following is a summary depicting the general sources of fiscal year 2009-10 discretionary revenue.

Source	Final Budget Estimate
Taxes	\$ 244,908
Other Taxes	46,094
Licenses, Permits, Franchise Taxes	7,980
Fines, Forfeitures, Penalties	26,122
Use of Money and Property	8,447
State	202,514
Federal	2,912
Other Government	60
Charges for Services	266
Miscellaneous	89,962
Total	<u>\$ 629,265</u>

The County's employee retirement benefit contribution rate for fiscal year 2009-10 for miscellaneous members is 12.0% and the Safety contribution rate is 18.6%. The employer rate for both plans is subject to changes in future years, as it continues to reflect changes in investment return and the County's growth rate, among other factors. Fiscal year 2010-11 rates are projected at 12.2% (Miscellaneous) and 19.3% (Safety). Additional information regarding the County's retirement plans are included in Notes 18, 19, and 20 of the financial statements and schedules of retirement funding progress are included in the required supplementary information section.

The fiscal year 2009-10 assessment roll value declined by 10.5%, yielding a total property tax roll of \$217.4 billion, compared to \$243.0 billion in fiscal year 2008-09. The \$25.5 billion decrease in assessment roll value reflected the decline of residential market prices affecting new Proposition 13 base year value and reassessment of property per Proposition 8; and with a significant decrease in construction of new residential, commercial, and industrial development.

REQUESTS FOR INFORMATION

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



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BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS





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COUNTY OF RIVERSIDE
Statement of Net Assets
June 30, 2009
(Dollars in Thousands)

	Primary Government			Component Units	
	Governmental	Business-type	Total	Children and	Palm Desert
	Activities	Activities		Families	Financing
				Commission	Authority
ASSETS:					
Cash and investments (Note 5)	\$ 1,790,756	\$ 133,990	\$ 1,924,746	\$ 60,752	\$ -
Receivables, net (Notes 1 and 7)	443,924	82,911	526,835	6,571	1
Inventories	5,863	7,854	13,717	-	-
Internal balances (Note 8)	33,045	(33,045)	-	-	-
Pension asset, net (Notes 18 and 19)	416,390	2,384	418,774	-	-
OPEB asset, net (Note 20)	14,246	3	14,249	-	-
Prepaid items and deposits	16,756	2,054	18,810	2	-
Restricted cash and investments (Notes 5 and 6)	582,738	128,024	710,762	-	57,470
Other noncurrent receivables (Note 7)	37,183	-	37,183	-	36,091
Notes receivable (Note 7)	37,934	-	37,934	-	-
Land held for resale	80,035	-	80,035	-	-
Capital assets (Note 9):					
Depreciable assets, net	1,976,962	212,840	2,189,802	42	-
Nondepreciable assets	872,370	42,549	914,919	-	-
Bond issuance costs	22,383	1,245	23,628	-	1,289
Total assets	6,330,585	580,809	6,911,394	67,367	94,851
LIABILITIES:					
Current Liabilities:					
Accounts payable	134,882	19,134	154,016	3,289	2,477
Salaries and benefits payable	101,435	16,485	117,920	189	-
Due to other governments	49,600	13,249	62,849	77	-
Interest payable	16,810	726	17,536	-	800
Deposits payable	1,993	91	2,084	-	-
Notes payable (Note 12)	266,629	-	266,629	-	-
Other liabilities	2,781	3,522	6,303	-	-
Unearned revenue (Note 7)	147,564	-	147,564	152	-
Long-term liabilities (Note 13) :					
Due within one year	189,995	34,152	224,147	149	2,530
Due beyond one year	1,986,973	279,198	2,266,171	104	88,924
Total liabilities	2,898,662	366,557	3,265,219	3,960	94,731
NET ASSETS:					
Invested in capital assets, net of related debt	1,204,971	81,512	1,286,483	42	-
Restricted for:					
Children's programs	-	-	-	63,365	-
Community development	522,174	-	522,174	-	-
Debt service	97,840	32,622	130,462	-	120
Health and sanitation	14,428	14,103	28,531	-	-
Public protection	39,226	-	39,226	-	-
Public ways & facilities	143,033	-	143,033	-	-
Other programs	7,438	5,777	13,215	-	-
Unrestricted	1,402,813	80,238	1,483,051	-	-
Total net assets	\$ 3,431,923	\$ 214,252	\$ 3,646,175	\$ 63,407	\$ 120

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

COUNTY OF RIVERSIDE
Statement of Activities
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

FUNCTION/PROGRAM ACTIVITIES:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 285,393	\$ 143,644	\$ 124,857	\$ -
Public protection	1,095,587	311,565	230,121	437
Public ways and facilities	31,283	37,916	36,583	28,390
Health and sanitation	392,945	53,720	209,541	-
Public assistance	770,484	2,394	734,927	-
Education	15,954	526	6,439	944
Recreation and culture	6,039	6,263	2,143	-
Interest on long-term debt	89,741	-	-	-
Total governmental activities	<u>2,687,426</u>	<u>556,028</u>	<u>1,344,611</u>	<u>29,771</u>
Business-type activities:				
Regional Medical Center	379,278	360,584	-	310
Waste Management Department	61,116	57,265	-	-
Housing Authority	81,139	78,550	-	-
Flood Control	3,816	3,026	-	-
County Service Areas	457	365	-	-
Total business-type activities	<u>525,806</u>	<u>499,790</u>	<u>-</u>	<u>310</u>
Total primary government	<u>\$ 3,213,232</u>	<u>\$ 1,055,818</u>	<u>\$ 1,344,611</u>	<u>\$ 30,081</u>
Component units:				
Children and Families Commission	\$ 28,211	\$ -	\$ 28,538	\$ -
Palm Desert Financing Authority	3,394	2,036	-	-
Total Component Units	<u>\$ 31,605</u>	<u>\$ 2,036</u>	<u>\$ 28,538</u>	<u>\$ -</u>

General revenues:

- Taxes:
 - Property taxes
 - Sales and use taxes
 - Other taxes
- Intergovernmental revenue not restricted to programs:
 - Motor vehicle in-lieu of taxes
 - Investment earnings
 - Other
- Transfers

Total general revenues and transfers

Changes in net assets

NET ASSETS, BEGINNING OF YEAR, AS RESTATED (Note 4)

NET ASSETS, END OF YEAR

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

Net (Expenses) Revenues and Changes in Net Assets				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Children and Families Commission	Palm Desert Financing Authority
\$ (16,892)	\$ -	\$ (16,892)		
(553,464)	-	(553,464)		
71,606	-	71,606		
(129,684)	-	(129,684)		
(33,163)	-	(33,163)		
(8,045)	-	(8,045)		
2,367	-	2,367		
(89,741)	-	(89,741)		
<u>(757,016)</u>	<u>-</u>	<u>(757,016)</u>		
-	(18,384)	(18,384)		
-	(3,851)	(3,851)		
-	(2,589)	(2,589)		
-	(790)	(790)		
-	(92)	(92)		
<u>-</u>	<u>(25,706)</u>	<u>(25,706)</u>		
<u>(757,016)</u>	<u>(25,706)</u>	<u>(782,722)</u>		
			\$ 327	\$ -
			-	(1,358)
			<u>327</u>	<u>(1,358)</u>
506,222	-	506,222	-	-
47,683	-	47,683	-	-
13,771	-	13,771	-	-
273,825	-	273,825	-	-
87,041	6,142	93,183	1,603	78
121,880	-	121,880	164	-
(25,713)	25,713	-	-	-
<u>1,024,709</u>	<u>31,855</u>	<u>1,056,564</u>	<u>1,767</u>	<u>78</u>
267,693	6,149	273,842	2,094	(1,280)
3,164,230	208,103	3,372,333	61,313	1,400
<u>\$ 3,431,923</u>	<u>\$ 214,252</u>	<u>\$ 3,646,175</u>	<u>\$ 63,407</u>	<u>\$ 120</u>

FUNCTION/PROGRAM ACTIVITIES:

Primary government:
Governmental activities:
General government
Public protection
Public ways and facilities
Health and sanitation
Public assistance
Education
Recreation and culture
Interest on long-term debt
Total governmental activities

Business-type activities:
Regional Medical Center
Waste Management Department
Housing Authority
Flood Control
County Service Areas
Total business-type activities
Total primary government

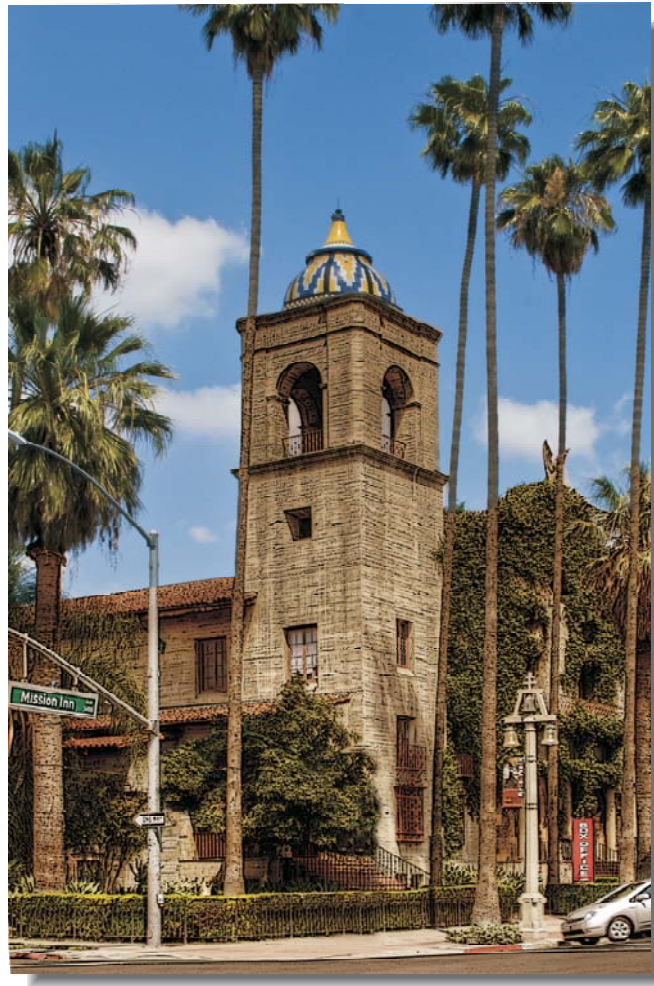
Component unit:
Children and Families Commission
Palm Desert Financing Authority
Total Component Units

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



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BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS





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COUNTY OF RIVERSIDE

Balance Sheet
Governmental Funds
June 30, 2009
(Dollars in Thousands)

	General	Teeter Debt Service	Public Facilities Improvements Capital Projects
ASSETS:			
Cash and investments (Note 5)	\$ 150,728	\$ -	\$ 545,748
Accounts receivable (Notes 1 and 7)	31,150	-	1,997
Interest receivable (Note 7)	3,315	336	1,109
Taxes receivable (Note 7)	46,813	100,638	-
Due from other governments (Note 7)	250,144	-	1,801
Inventories	2,132	-	-
Due from other funds (Note 8)	19,110	-	50
Prepaid items	3,720	-	-
Restricted cash and investments (Notes 5 and 6)	252,084	174,237	-
Advance to other funds (Note 8)	-	-	-
Notes receivable (Note 7)	-	-	-
Land held for resale	-	-	-
	<u>\$ 759,196</u>	<u>\$ 275,211</u>	<u>\$ 550,705</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 68,560	\$ 23	\$ 10,834
Salaries and benefits payable	88,184	-	-
Due to other governments	47,579	-	-
Due to other funds (Note 8)	-	8,559	1,417
Deposits payable	1,975	-	-
Teeter notes payable (Note 12)	-	266,629	-
Advances from other funds	-	-	-
Deferred revenue (Note 7)	180,777	-	23
	<u>387,075</u>	<u>275,211</u>	<u>12,274</u>
Fund balances (Note 14):			
Reserved	91,196	-	538,431
Unreserved, designated, reported in:			
General fund	203,821	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Unreserved, undesignated, reported in:			
General fund	77,104	-	-
Special revenue funds	-	-	-
	<u>372,121</u>	<u>-</u>	<u>538,431</u>
Total liabilities and fund balances	<u>\$ 759,196</u>	<u>\$ 275,211</u>	<u>\$ 550,705</u>

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

Redevelopment Capital Projects	Other Governmental Funds	Total Governmental Funds	ASSETS:
\$ 256,469	\$ 592,067	\$ 1,545,012	Cash and investments (Note 5)
334	4,967	38,448	Accounts receivable (Notes 1 and 7)
410	1,393	6,563	Interest receivable (Note 7)
-	10,316	157,767	Taxes receivable (Note 7)
-	21,606	273,551	Due from other governments (Note 7)
-	907	3,039	Inventories
-	2,403	21,563	Due from other funds (Note 8)
-	13,036	16,756	Prepaid items
-	155,416	581,737	Restricted cash and investments (Notes 5 and 6)
-	2,300	2,300	Advance to other funds (Note 8)
6,364	31,570	37,934	Notes receivable (Note 7)
53,520	26,515	80,035	Land held for resale
<u>\$ 317,097</u>	<u>\$ 862,496</u>	<u>\$ 2,764,705</u>	Total assets
			LIABILITIES AND FUND BALANCES:
			Liabilities:
\$ 10,905	\$ 32,897	\$ 123,219	Accounts payable
-	8,291	96,475	Salaries and benefits payable
-	1,757	49,336	Due to other governments
489	8,881	19,346	Due to other funds (Note 8)
-	18	1,993	Deposits payable
-	-	266,629	Teeter notes payable (Note 12)
-	2,300	2,300	Advances from other funds
-	21,822	202,622	Deferred revenue (Note 7)
<u>11,394</u>	<u>75,966</u>	<u>761,920</u>	Total liabilities
			Fund balances (Note 14):
189,627	372,870	1,192,124	Reserved
			Unreserved, designated, reported in:
-	-	203,821	General fund
-	57,815	57,815	Special revenue funds
116,076	6,933	123,009	Capital projects funds
			Unreserved, undesignated, reported in:
-	-	77,104	General fund
-	348,912	348,912	Special revenue funds
<u>305,703</u>	<u>786,530</u>	<u>2,002,785</u>	Total fund balances
<u>\$ 317,097</u>	<u>\$ 862,496</u>	<u>\$ 2,764,705</u>	Total liabilities and fund balances

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



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COUNTY OF RIVERSIDE

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets June 30, 2009 (Dollars in Thousands)

Fund balances - total governmental funds (page 31)		\$ 2,002,785
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		2,794,816
Bond issuance costs are not current financial resources and therefore are not reported in the governmental funds.		22,383
Net OPEB and pension assets are not current financial resources and therefore are not reported in the governmental funds.		430,636
Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements.		55,058
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds	\$ 1,359,277	
Capital lease obligations	81,925	
Certificates of participation	391,914	
Loans payable	7,222	
Notes payable	6,000	
Accrued interest payable	16,810	
Accreted interest payable	28,452	
Accrued remediation cost	2,793	
Compensated absences	138,894	(2,033,287)
Internal service funds are used by management to charge the costs of equipment, fleet management, printing, information technology, supply services, risk management, and temporary assistance to individual funds. Since internal service funds predominantly service government activities, the assets and liabilities of these funds are included as governmental activities in the statement of net assets.		159,532
Net assets of governmental activities (page 25)		<u>\$ 3,431,923</u>

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

COUNTY OF RIVERSIDE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2009

(Dollars in Thousands)

	General Fund	Teeter Debt Service	Public Facilities Improvements Capital Projects
REVENUES:			
Taxes	\$ 274,480	\$ -	\$ -
Licenses, permits, and franchise fees	19,840	-	-
Fines, forfeitures, and penalties	107,147	-	-
Use of money and property:			
Interest	33,414	2,531	17,154
Rents and concessions	3,157	-	-
Aid from other governmental agencies:			
Federal	472,210	-	-
State	908,334	-	-
Other	95,812	-	16,942
Charges for services	364,649	-	27,107
Other revenue	36,149	-	8,132
Total revenues	<u>2,315,192</u>	<u>2,531</u>	<u>69,335</u>
EXPENDITURES:			
Current:			
General government	146,816	746	138,974
Public protection	1,062,437	-	-
Public ways and facilities	4,378	-	679
Health and sanitation	382,588	-	-
Public assistance	719,328	-	-
Education	675	-	-
Recreation and culture	230	-	-
Debt service:			
Principal	11,249	-	-
Interest	11,252	2,223	-
Cost of issuance	-	-	-
Capital outlay	22,746	-	-
Total expenditures	<u>2,361,699</u>	<u>2,969</u>	<u>139,653</u>
Excess (deficiency) of revenues over (under) expenditures	(46,507)	(438)	(70,318)
OTHER FINANCING SOURCES (USES):			
Transfers in	99,825	2,374	76,210
Transfers out	(185,719)	(1,936)	(58,376)
Issuance of refunding bonds	-	-	-
Payment to refunded bonds escrow agent	-	-	-
Capital leases	22,746	-	-
Total other financing sources (uses)	<u>(63,148)</u>	<u>438</u>	<u>17,834</u>
NET CHANGE IN FUND BALANCES	(109,655)	-	(52,484)
Fund balances, beginning of year, as previously reported	478,768	-	590,915
Adjustments to beginning fund balances (Note 4)	3,008	-	-
Fund balances, beginning of year, as restated	<u>481,776</u>	<u>-</u>	<u>590,915</u>
FUND BALANCES, END OF YEAR	<u>\$ 372,121</u>	<u>\$ -</u>	<u>\$ 538,431</u>

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

Redevelopment Capital Projects	Other Governmental Funds	Total Governmental Funds	
\$ -	\$ 250,758	\$ 525,238	REVENUES:
-	2,706	22,546	Taxes
-	1,425	108,572	Licenses, permits, and franchise fees
8,980	18,961	81,040	Fines, forfeitures, and penalties
-	13,994	17,151	Use of money and property:
-	73,820	546,030	Interest
-	47,055	955,389	Rents and concessions
-	28,003	140,757	Aid from other governmental agencies:
-	68,683	460,439	Federal
4,895	35,172	84,348	State
13,875	540,577	2,941,510	Other
			Charges for services
			Other revenue
			Total revenues
			EXPENDITURES:
			Current:
70,543	73,633	430,712	General government
-	64,225	1,126,662	Public protection
-	143,487	148,544	Public ways and facilities
-	8,080	390,668	Health and sanitation
-	47,079	766,407	Public assistance
-	15,056	15,731	Education
-	12,571	12,801	Recreation and culture
-	43,338	54,587	Debt service:
-	73,293	86,768	Principal
-	2,436	2,436	Interest
-	26,153	48,899	Cost of issuance
70,543	509,351	3,084,215	Capital outlay
			Total expenditures
			Excess (deficiency) of revenues
(56,668)	31,226	(142,705)	over (under) expenditures
			OTHER FINANCING SOURCES (USES):
28,779	330,841	538,029	Transfers in
(23,026)	(293,288)	(562,345)	Transfers out
-	78,895	78,895	Issuance of refunding bonds
-	(76,300)	(76,300)	Payment to refunded bonds escrow agent
-	-	22,746	Capital leases
5,753	40,148	1,025	Total other financing sources (uses)
(50,915)	71,374	(141,680)	NET CHANGE IN FUND BALANCES
356,618	713,995	2,140,296	Fund balances, beginning of year, as previously reported
-	1,161	4,169	Adjustments to beginning fund balances (Note 4)
356,618	715,156	2,144,465	Fund balances, beginning of year, as restated
\$ 305,703	\$ 786,530	\$ 2,002,785	FUND BALANCES, END OF YEAR

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



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COUNTY OF RIVERSIDE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Net change in fund balances - total governmental funds (page 35)		\$ (141,680)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay and other capital projects as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	\$ 498,976	
Less loss on sale of capital assets	(20,211)	
Less current year depreciation	<u>(101,602)</u>	377,163
Prepaid pension costs and OPEB costs are expended in the governmental funds when paid but are recognized as a financial resource in the statement of net assets.		
		12,874
Bond issuance costs are expended in the governmental funds when paid but are capitalized and amortized in the statement of net assets. This is the net amount of capitalized bond issuance cost.		
		1,115
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Proceeds in excess of principal payments		27,893
Current amortization of bond premiums		277
Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Also, any liability of earned but unavailable deferred revenue must be eliminated in the government-wide financial statements.		
		(8,183)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest	(794)	
Change in accreted interest	(13,865)	
Change in long-term compensated absences	<u>(6,866)</u>	(21,525)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.		
		<u>19,759</u>
Change in net assets of governmental activities (page 27)		<u><u>\$ 267,693</u></u>

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

COUNTY OF RIVERSIDE
 Budgetary Comparison Statement
 General Fund
 For the Fiscal Year Ended June 30, 2009
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 291,283	\$ 270,280	\$ 274,480	\$ 4,200
Licenses, permits, and fees	21,211	21,226	19,840	(1,386)
Fines, forfeitures, and penalties	105,567	101,452	107,147	5,695
Use of money and property:				
Interest	27,886	27,886	33,414	5,528
Rents and concessions	24,531	24,531	3,157	(21,374)
Aid from other governmental agencies:				
Federal	465,424	478,864	472,210	(6,654)
State	991,772	1,005,014	908,334	(96,680)
Other government	92,647	100,247	95,812	(4,435)
Charges for current services	504,157	421,400	364,649	(56,751)
Other revenue	37,327	34,616	36,149	1,533
Total revenues	<u>2,561,805</u>	<u>2,485,516</u>	<u>2,315,192</u>	<u>(170,324)</u>
EXPENDITURES:				
Current:				
General government				
Salaries and employee benefits	129,495	128,419	114,534	(13,885)
Services and supplies	151,784	171,085	139,524	(31,561)
Other charges	113,106	46,761	16,691	(30,070)
Capital assets	1,023	1,433	416	(1,017)
Intrafund transfers	(132,442)	(144,317)	(124,349)	19,968
Appropriation for contingencies	34,819	53,014	-	(53,014)
Total general government	<u>297,785</u>	<u>256,395</u>	<u>146,816</u>	<u>(109,579)</u>
Public protection:				
Salaries and employee benefits	717,951	711,581	690,122	(21,459)
Services and supplies	330,897	352,337	329,683	(22,654)
Other charges	59,065	52,178	45,284	(6,894)
Capital assets	6,418	7,926	6,467	(1,459)
Intrafund transfers	(9,658)	(10,039)	(9,119)	920
Total public protection	<u>1,104,673</u>	<u>1,113,983</u>	<u>1,062,437</u>	<u>(51,546)</u>
Health and sanitation:				
Salaries and employee benefits	201,886	199,958	188,606	(11,352)
Services and supplies	111,164	118,909	110,161	(8,748)
Other charges	205,228	205,230	187,593	(17,637)
Capital assets	7,576	5,226	1,246	(3,980)
Intrafund transfers	(116,012)	(116,048)	(105,018)	11,030
Total health and sanitation	<u>\$ 409,842</u>	<u>\$ 413,275</u>	<u>\$ 382,588</u>	<u>\$ (30,687)</u>

(Continued)

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

COUNTY OF RIVERSIDE
Budgetary Comparison Statement
General Fund (Continued)
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Public assistance:				
Salaries and employee benefits	\$ 248,864	\$ 244,234	\$ 222,225	\$ (22,009)
Services and supplies	106,045	103,592	86,738	(16,854)
Other charges	432,883	440,833	417,434	(23,399)
Capital assets	485	2,288	1,639	(649)
Intrafund transfers	(13,158)	(13,158)	(8,708)	4,450
Total public assistance	<u>775,119</u>	<u>777,789</u>	<u>719,328</u>	<u>(58,461)</u>
Education:				
Salaries and employee benefits	320	315	259	(56)
Services and supplies	279	418	416	(2)
Total education	<u>599</u>	<u>733</u>	<u>675</u>	<u>(58)</u>
Public ways and facilities:				
Salaries and employee benefits	4,620	4,541	3,819	(722)
Services and supplies	519	527	409	(118)
Other charges	530	29	-	(29)
Capital assets	156	241	150	(91)
Total public ways and facilities	<u>5,825</u>	<u>5,338</u>	<u>4,378</u>	<u>(960)</u>
Recreation and culture:				
Salaries and employee benefits	89	92	90	(2)
Services and supplies	166	219	186	(33)
Other charges	117	7	2	(5)
Intrafund transfers	(37)	(84)	(48)	36
Total recreation and culture	<u>335</u>	<u>234</u>	<u>230</u>	<u>(4)</u>
Debt service:				
Principal	59,417	13,438	11,249	(2,189)
Interest	9,750	23,675	11,252	(12,423)
Total debt service	<u>69,167</u>	<u>37,113</u>	<u>22,501</u>	<u>(14,612)</u>
Capital outlay	-	-	22,746	22,746
Total expenditures	<u>2,663,345</u>	<u>2,604,860</u>	<u>2,361,699</u>	<u>(243,161)</u>
Excess (deficiency) of revenues over (under) expenditures	(101,540)	(119,344)	(46,507)	72,837
OTHER FINANCING SOURCES (USES):				
Transfers in	-	99,825	99,825	-
Transfers out	-	(185,719)	(185,719)	-
Capital leases	-	-	22,746	22,746
Total other financing sources (uses)	<u>-</u>	<u>(85,894)</u>	<u>(63,148)</u>	<u>22,746</u>
NET CHANGE IN FUND BALANCE	(101,540)	(205,238)	(109,655)	95,583
Fund balance, beginning of year, as previously reported	478,768	478,768	478,768	-
Adjustment to beginning fund balance	3,008	3,008	3,008	-
Fund balance, beginning of year	<u>481,776</u>	<u>481,776</u>	<u>481,776</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 380,236</u>	<u>\$ 276,538</u>	<u>\$ 372,121</u>	<u>\$ 95,583</u>

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

COUNTY OF RIVERSIDE

Statement of Net Assets

Proprietary Funds

June 30, 2009

(Dollars in Thousands)

ASSETS:	Business-type Activities - Enterprise Funds				Governmental
	Regional Medical Center	Waste Management	Other	Total	Internal Service Funds
	Current assets:				
Cash and investments (Note 5)	\$ 77,755	\$ 45,344	\$ 10,891	\$ 133,990	\$ 245,744
Accounts receivable - net (Notes 1 and 7)	56,753	3,996	1,715	62,464	4,036
Interest receivable (Note 7)	345	346	22	713	612
Taxes receivable (Note 7)	-	-	9	9	-
Due from other governments (Note 7)	18,620	792	313	19,725	130
Inventories	7,508	346	-	7,854	2,824
Pension asset, net (Note 18)	-	2,384	-	2,384	-
OPEB asset, net (Note 20)	-	3	-	3	-
Due from other funds (Note 8)	-	-	4	4	202
Restricted cash and investments (Notes 5 and 6)	32,815	85,205	10,004	128,024	1,001
Prepaid items and deposits	2,051	-	3	2,054	-
Total current assets	195,847	138,416	22,961	357,224	254,549
Noncurrent assets:					
Capital assets (Note 9):					
Depreciable assets	137,728	63,446	11,666	212,840	53,503
Nondepreciable assets	27,124	10,571	4,854	42,549	1,013
Bond issuance costs	1,245	-	-	1,245	-
Total noncurrent assets	166,097	74,017	16,520	256,634	54,516
Total assets	361,944	212,433	39,481	613,858	309,065
LIABILITIES:					
Current liabilities:					
Accounts payable	12,377	3,948	2,809	19,134	11,663
Salaries and benefits payable	15,095	1,338	52	16,485	4,960
Due to other funds (Note 8)	2,365	-	11	2,376	47
Due to other governments	13,215	27	7	13,249	264
Interest payable	717	-	9	726	-
Deposits payable	-	42	49	91	-
Other liabilities	-	655	2,867	3,522	2,781
Accrued closure and post-closure costs (Notes 10 and 13)	-	4,262	-	4,262	-
Accrued remediation costs (Note 21)	-	1,218	-	1,218	-
Compensated absences (Notes 1 and 13)	10,412	908	20	11,340	3,605
Capital lease obligations (Note 13)	4,597	-	-	4,597	15,626
Bonds payable (Note 13)	12,625	-	110	12,735	-
Estimated claims liabilities (Notes 13 and 15)	-	-	-	-	33,062
Total current liabilities	71,403	12,398	5,934	89,735	72,008
Noncurrent liabilities:					
Compensated absences (Note 13)	4,462	1,728	968	7,158	2,420
Accrued closure and post closure care costs (Note 10)	-	45,384	-	45,384	-
Accrued remediation costs (Note 21)	-	19,510	-	19,510	-
Capital lease obligations (Notes 1 and 13)	9,431	-	-	9,431	20,060
Bonds payable (Note 13)	146,439	-	785	147,224	-
Estimated claims liabilities (Notes 13 and 15)	-	-	-	-	84,218
Other long-term liabilities (Note 13)	43,696	-	6,795	50,491	1,500
Total noncurrent liabilities	204,028	66,622	8,548	279,198	108,198
Total liabilities	275,431	79,020	14,482	368,933	180,206
NET ASSETS:					
Invested in capital assets, net of related debt	(8,240)	74,017	15,735	81,512	17,330
Restricted for debt service	32,622	-	-	32,622	-
Restricted for health and sanitation	-	14,103	-	14,103	-
Restricted other	193	-	5,584	5,777	-
Unrestricted	61,938	45,293	3,680	110,911	111,529
Total net assets	\$ 86,513	\$ 133,413	\$ 24,999	244,925	\$ 128,859
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds				(30,673)	
Net assets of business-type activities				\$ 214,252	

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

COUNTY OF RIVERSIDE

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Fiscal Year Ended June 30, 2009

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	Regional				Activities
	Medical	Waste			Internal
	Center	Management	Other	Total	Service
					Funds
OPERATING REVENUES:					
Net patient revenue (Notes 1 and 16)	\$ 320,750	\$ -	\$ -	\$ 320,750	\$ -
Charges for services	33,587	50,132	5,702	89,421	167,420
Other revenue	6,247	7,133	76,239	89,619	26,058
Total operating revenues	360,584	57,265	81,941	499,790	193,478
OPERATING EXPENSES:					
Cost of material used	-	169	-	169	1,798
Personnel services	202,716	20,305	9,024	232,045	72,505
Communications	2,004	357	-	2,361	4,146
Insurance	3,690	525	1	4,216	9,134
Maintenance of building and equipment	9,169	1,832	2,854	13,855	11,899
Insurance claims	200	-	-	200	67,345
Supplies	43,339	2,690	40	46,069	30,093
Purchased services	69,894	25,206	1,522	96,622	15,130
Depreciation and amortization	9,699	4,338	1,766	15,803	20,500
Rents and leases of equipment	3,775	49	27	3,851	3,594
Public assistance	-	-	66,578	66,578	-
Utilities	3,729	284	626	4,639	434
Closure and post-closure care costs	-	27	-	27	-
Other	10,438	4,292	1,796	16,526	4,286
Total operating expenses	358,653	60,074	84,234	502,961	240,864
Operating income (loss)	1,931	(2,809)	(2,293)	(3,171)	(47,386)
NONOPERATING REVENUES (EXPENSES):					
Investment income	2,237	3,394	511	6,142	6,002
Interest expense	(13,152)	-	(179)	(13,331)	(2,179)
Gain (loss) on disposal of capital assets	(3)	85	50	132	(465)
Total nonoperating revenues (expenses)	(10,918)	3,479	382	(7,057)	3,358
Income (loss) before capital contributions and transfers	(8,987)	670	(1,911)	(10,228)	(44,028)
Capital contributions	310	-	-	310	55,538
Transfers in	29,863	-	-	29,863	4,124
Transfers out	(3,717)	(291)	(142)	(4,150)	(5,521)
CHANGE IN NET ASSETS	17,469	379	(2,053)	15,795	10,113
Net assets, beginning of the year, as previously reported	69,044	132,129	27,052		102,424
Adjustments to beginning net assets (Note 4)	-	905	-		16,322
Net assets, beginning of the year	69,044	133,034	27,052		118,746
NET ASSETS, END OF YEAR	\$ 86,513	\$ 133,413	\$ 24,999		\$ 128,859
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				(9,646)	
Change in net assets of business-type activities				\$ 6,149	

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

COUNTY OF RIVERSIDE
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ending June 30, 2009
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities
	Regional Medical Center	Waste Management	Other	Total	Internal Service Funds
Cash flows from operating activities					
Cash receipts from customers / other funds	\$ 352,096	\$ 57,411	\$ 83,765	\$ 493,272	\$ 192,614
Cash paid to suppliers for goods and services	(138,729)	(31,564)	(74,477)	(244,770)	(157,690)
Cash paid to employees for services	(201,712)	(19,780)	(9,091)	(230,583)	(72,676)
Net cash provided by (used in) operating activities	<u>11,655</u>	<u>6,067</u>	<u>197</u>	<u>17,919</u>	<u>(37,752)</u>
Cash flows from noncapital financing activities					
Advances from other funds	-	-	-	-	(150)
Advances to other funds	-	-	-	-	150
Transfers received	29,863	-	-	29,863	4,124
Transfers paid	(3,717)	(291)	(142)	(4,150)	(5,521)
Net cash provided by (used in) noncapital financing activities	<u>26,146</u>	<u>(291)</u>	<u>(142)</u>	<u>25,713</u>	<u>(1,397)</u>
Cash flows from capital and related financing activities					
Proceeds from sale of capital assets	-	85	850	935	810
Acquisition and construction of capital assets	(9,275)	(5,883)	(563)	(15,721)	(17,659)
Principal paid on capital leases	(2,096)	-	-	(2,096)	(2,328)
Capital contributions	310	-	-	310	55,538
Principal paid on bonds payable	(10,819)	-	(36)	(10,855)	-
Interest paid on long-term debt	(13,150)	-	(179)	(13,329)	(2,179)
Net cash provided by (used in) capital and related financing activities	<u>(35,030)</u>	<u>(5,798)</u>	<u>72</u>	<u>(40,756)</u>	<u>34,182</u>
Cash flows from investing activities					
Interest received on investments	2,409	3,942	548	6,899	7,045
Net cash provided by investing activities	<u>2,409</u>	<u>3,942</u>	<u>548</u>	<u>6,899</u>	<u>7,045</u>
Net increase (decrease) in cash and cash equivalents	5,180	3,920	675	9,775	2,078
Cash and cash equivalents, beginning of year	105,390	126,629	20,220	252,239	244,667
Cash and cash equivalents, end of year	<u>\$ 110,570</u>	<u>\$ 130,549</u>	<u>\$ 20,895</u>	<u>\$ 262,014</u>	<u>\$ 246,745</u>

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

COUNTY OF RIVERSIDE
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ending June 30, 2009
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds				Governmental
	Regional	Waste	Other	Total	Internal
	Medical Center	Management			Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 1,931	\$ (2,809)	\$ (2,293)	\$ (3,171)	\$ (47,386)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization	9,699	4,338	1,766	15,803	20,500
Decrease (Increase) accounts receivable	(12,484)	751	1,379	(10,354)	(914)
Decrease (Increase) bond issuance cost	264	-	-	264	-
Decrease (Increase) due from other funds	-	-	(4)	(4)	(176)
Decrease (Increase) due from other governments	3,732	(605)	449	3,576	226
Decrease (Increase) inventories	(596)	75	-	(521)	(300)
Decrease (Increase) prepaid items and deposits	(392)	-	128	(264)	11
Increase (Decrease) accounts payable	573	756	(445)	884	8,733
Increase (Decrease) due to other funds	1,670	-	11	1,681	(89)
Increase (Decrease) due to other governments	1,407	1	7	1,415	(50)
Increase (Decrease) deposits payable	-	27	4	31	-
Increase (Decrease) accrued closure costs	-	2,377	-	2,377	-
Increase (Decrease) accrued remediation costs	-	446	-	446	-
Increase (Decrease) other liabilities	4,847	185	(738)	4,294	(95)
Increase (Decrease) estimated claims liability	-	-	-	-	(18,041)
Increase (Decrease) salaries and benefits payable	1,228	22	(37)	1,213	(454)
Increase (Decrease) compensated absences	(224)	95	(30)	(159)	283
Decrease (Increase) pension assets, net	-	408	-	408	-
Net cash provided (used) by operating activities	<u>\$ 11,655</u>	<u>\$ 6,067</u>	<u>\$ 197</u>	<u>\$ 17,919</u>	<u>\$ (37,752)</u>
Noncash investing, capital, and financing activities:					
Capital lease obligations	<u>\$ 2,059</u>			<u>\$ 2,059</u>	<u>\$ 14,655</u>

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

COUNTY OF RIVERSIDE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust	Agency Funds
ASSETS:				
Cash and investments (Note 5)	\$ -	\$ -	\$ 15,609	\$ 291,336
Federal agency	15,157	2,274,415	-	-
Cash and equivalent	1,657	248,642	-	-
Commercial paper	186	27,979	-	-
Medium term notes	1,606	240,854	-	-
Municipal bonds	290	43,556	-	-
Local agency obligation	327	49,036	-	-
Accounts receivable	203	1,449	4	12
Interest receivable	39	7,899	25	88
Taxes receivable	-	1	-	136,915
Due from other governments	-	-	-	1,483
Total assets	<u>19,465</u>	<u>2,893,831</u>	<u>15,638</u>	<u>429,834</u>
LIABILITIES:				
Accounts payable	-	-	6,501	147,080
Salaries and benefits payable	-	-	-	9
Due to other governments	-	-	-	282,745
Total liabilities	<u>-</u>	<u>-</u>	<u>6,501</u>	<u>\$ 429,834</u>
NET ASSETS:				
Held in trust for pension benefits, external pool participants, and other purposes	<u>\$ 19,465</u>	<u>\$ 2,893,831</u>	<u>\$ 9,137</u>	

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

COUNTY OF RIVERSIDE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust
ADDITIONS:			
Employer contributions	\$ 1,880	\$ -	\$ -
Employee contributions	1,061	-	-
Contributions to pooled investments	-	18,945,451	-
Contributions to private-purpose trust	-	-	4,856
Investment income	478	-	254
Total additions	<u>3,419</u>	<u>18,945,451</u>	<u>5,110</u>
DEDUCTIONS:			
Distribution from pension trust	663	-	-
Distributions from pooled investments	-	19,030,049	-
Distributions from private-purpose trust	-	-	5,076
Administrative and other expenses	284	-	-
Total deductions	<u>947</u>	<u>19,030,049</u>	<u>5,076</u>
Change in net assets	2,472	(84,598)	34
Net assets held in trust, beginning of the year	<u>16,993</u>	<u>2,978,429</u>	<u>9,103</u>
Net assets held in trust, end of the year	<u>\$ 19,465</u>	<u>\$ 2,893,831</u>	<u>\$ 9,137</u>

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



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BASIC FINANCIAL STATEMENTS – NOTES TO THE BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS -
NOTES TO THE BASIC FINANCIAL
STATEMENTS





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COUNTY OF RIVERSIDE

Notes to the Basic Financial Statements

June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Riverside (the County) is a legal subdivision of the State of California charged with general governmental powers. The County's powers are exercised through a five member Board of Supervisors (the Board), which, as the governing body of the County, is responsible for the legislative and executive control of the County. Services provided by the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and culture. As required by accounting principles generally accepted in the United States of America, these financial statements present the County (the primary government) and its component units, entities for which the County 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 is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. Each blended and discretely presented component unit has a June 30 fiscal year-end.

Blended Component Units

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

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

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

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

County of Riverside Asset Leasing Corporation (CORAL) The Board appoints the governing board of CORAL and CORAL provides services entirely to the County through the purchase or construction of land and/or facilities, which are then leased back to the County. CORAL is reported as a governmental fund type.

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

Riverside County Public Financing Authority (Public Financing Authority) The Board is the governing body of the Public Financing Authority. The Public Financing Authority was formed for the purpose of assisting in financing public improvements of the County, the RDA, and other local agencies. The Public Financing Authority is reported as a governmental fund type. As of June 30, 2009, this fund had no activity.

County of Riverside District Court Financing Corporation (District Corporation) The Board is the governing body of the District Corporation. The District Corporation assists the County by providing for the acquisition, construction and renovation of U.S. District Court facilities. The District Corporation is reported as a governmental fund type.

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Components (Continued)

Perris Valley Cemetery District (the District) The Board is the governing body of the District. The District is a public cemetery district operating under the provisions of the Health and Safety Code of the State of California. The District was created in July 1927 for the purpose of operating a public cemetery for the residents of the Perris Valley.

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

Discretely Presented Component Unit

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

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

Palm Desert Financing Authority The Palm Desert Financing Authority (Authority) is a joint powers authority between the County of Riverside and Palm Desert Redevelopment Agency (PDRDA) established on January 1, 2002 under Section 6502 of the Joint Powers Act, California Government Code Section 6500. The County and the PDRDA agreed to create the Authority for the purpose of establishing a vehicle to reduce local borrowing costs, promote greater use of existing and new financial instruments and mechanisms, and assist local agencies in the financing of public capital improvements. Although the Authority is a legally separate entity, in substance under Government Accounting Standards Board Statement 14, the County is financially accountable for the Authority's issuance of both lease revenue bonds that are under the Authority's management (2003 Series A and 2008 Series A).

The Authority's Commission is the governing body of the Authority, which consists of the County Administrative Officer, one member of the County Board of Supervisors, the Executive Director of the PDRDA and a member of the PDRDA's Board. It is discretely presented because its governing body is not substantially the same as the County's governing body.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Presentation of Financial Information Related to County Fiduciary Responsibilities

The basic financial statements also include an Investment Trust fund to account for cash and investments held by the County Treasurer for numerous self-governed school and special districts. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and other assets. School and special district boards that are separately elected and that are independent of the County Board of Supervisors, administer activities of the school districts and special districts. The County Auditor-Controller makes disbursements upon the request of the responsible self-governed special district officers. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County. Twenty-six cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements since each entity conducts its own day-to-day operations and is controlled by its own governing board.

Current Governmental Accounting Standards Board Statements

Governmental Accounting Standards Board Statement No. 49

In November of 2006, GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This Statement is effective for periods beginning after December 15, 2007. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. For recognized pollution remediation liabilities and recoveries, this Statement requires governments to disclose the nature and source of pollution remediation obligations, the amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, the potential for changes in estimates, and estimated recoveries that reduce the measurement of the liability. See Notes 13 and 21.

Governmental Accounting Standards Board Statement No. 52

In November of 2007, GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. This Statement more appropriately reports the resources available in endowments and more closely aligns financial reporting with the objectives of endowments. It results in property held for similar purposes by comparable entities being reported in the same manner. Reporting land and other real estate held as investments at fair value enhances users' ability to meaningfully evaluate an entity's investment decisions and performance. This Statement is not applicable at this time.

Governmental Accounting Standards Board Statement No. 55

In March of 2009, GASB issued Statement No. 55, *The hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. This Statement will make it easier for preparers of state and local government financial statements to identify and apply all relevant guidance. This Statement has been implemented in fiscal year 2009.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Current Governmental Accounting Standards Board Statements (Continued)

Governmental Accounting Standards Board Statement No. 56

In March of 2009, GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. This Statement addresses three issues not included in the authoritative literature that establishes *accounting principles* – related party transactions, going concern considerations, and subsequent events. The requirements in this Statement will improve financial reporting by contributing to the GASB’s efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This Statement has been implemented in fiscal year 2009.

Future Governmental Accounting Standards Board Statements

Governmental Accounting Standards Board Statement No. 51

In June of 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This Statement is effective for financial statements for periods beginning after June 15, 2009. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to enhance the comparability of the accounting and financial reporting of such assets among state and local governments. This Statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. Additionally, this Statement establishes a specified-conditions approach to recognizing intangible assets that are internally generated.

This Statement also establishes guidance specific to intangible assets related to amortization. The County has elected not to early implement GASB No. 51 and has not determined its effect on the County’s financial statements.

Governmental Accounting Standards Board Statement No. 53

In June of 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments used by governments include interest rate and commodity swaps, interest rate locks, options (caps, floors, and collars), swaptions, forward contracts, and futures contracts. Governments enter into derivative instruments as investments; as hedges of identified financial risks associated with assets or liabilities, or expected transactions (that is, hedgeable items); or to lower the costs for borrowings. Governments often enter into derivative instruments with the intention of effectively fixing cash flows or synthetically fixing prices. Governments also enter into derivative instruments to offset the changes in fair value of hedgeable items. A key provision in this Statement is that derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGICs) that are fully benefit-responsive, are reported at fair value. The objectives, terms, and risks of hedging derivative instruments are required disclosures. Disclosures also include a summary of derivative instrument activity that provides an indication of the location of fair value amounts reported on the financial statements. The disclosures for investment derivative instruments are similar to the disclosures of other investments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009. The County has elected not to early implement GASB No. 53 and has not determined its effect on the County’s financial statements.

Governmental Accounting Standards Board Statement No. 54

In March of 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories. This Statement also

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements (Continued)

provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resources providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The assigned fund balance classification is for amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. Disclosure of the policies in the notes to the financial statements is required. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The County has elected not to early implement GASB No. 54 and has not determined its effect on the County's financial statements.

Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, excluding fiduciary activities. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely, to a significant extent, on fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Expenses by function have been adjusted for any internal service profit/loss existing at fiscal year-end. In addition, 26.7%, or \$15.1 million, of the County's \$56.6 million indirect costs, allocated through the Countywide Cost Allocation Program (COWCAP), have been included in the expenses of those functions which can obtain reimbursement through State and Federal Programs or other charges. Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. *Operating* expenses include the cost of sales and services, administrative expenses and depreciation on capital assets. All expenses not meeting this definition are reported as *nonoperating* expenses.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance, education, and recreation and culture services.

The *Teeter Debt Service Fund* accounts for revenue from collection of delinquent taxes, which is then used to pay principal of the debt issued to finance the Teeter Plan.

The *Public Facilities Improvements Capital Project Fund* accounts for revenues and expenditures related to the acquisition and construction of public buildings and park or recreational facilities. Revenues are obtained from State funding, sale of capital assets, contributions, and from other funds when allocated by the Board of Supervisors.

The *Redevelopment Agency Capital Project Fund* accounts for tax increment revenue used to pay principal and interest for Redevelopment Agency tax allocation bonds. These bonds are legal obligations of the Redevelopment Agency issued to finance construction of infrastructure and public facilities for various project areas.

The County reports the following major enterprise funds:

The *Regional Medical Center ("RMC")* accounts for the maintenance of physical plant facilities and quality care to all patients in accordance with accreditation standards, the bylaws, rules and regulations of the medical staff and the RMC. Revenue for this fund is primarily from charges for services and secondarily from the County's General Fund.

The *Waste Management Department ("Waste Management")* accounts for solid waste revenues, expenses, and the allocation of net income for solid waste projects initiated for the public's benefit. The fund facilitates management and accounting of solid waste projects. Waste Management prepares and maintains the County's Solid Waste Management Plan, provides environmental monitoring in accordance with State and Federal mandates, and administers landfill closure and acquisition.

The County reports the following additional fund types:

Internal Service Funds account for the County's records management and archives, fleet services, information services, printing services, supply services, purchasing, OASIS project (accounting, purchasing, and human resources information system), risk management, temporary assistance pool, and flood control equipment on a cost-reimbursement basis. Internal Service Funds are presented in summary form as part of the proprietary fund financial statements. In the government-wide financial statements, the changes in net assets at the end of the fiscal year, as presented in the Statements of Activities, were allocated to the functions of both the governmental and business-type activities, to reflect the entire activity for the year. Since the predominant users of the internal services are the County's governmental activities, the asset and liability balances of the internal service funds are consolidated into the governmental activities column at the government-wide level.

Pension Trust Fund accounts for resources held in trust for the members and beneficiaries of a defined benefit pension plan for County employees not eligible for social security or CalPERS participation. The County's pension trust fund uses the economic resources measurement focus and accrual basis of accounting.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Private Purpose Trust Fund accounts for resources held and administered by the County in a fiduciary capacity for individuals, private organizations, or other governments based on trust arrangements. The fund includes the public guardian conservatorship, public social service foster care, and maintenance and children's trust. The County's private purpose trust fund uses the economic resources measurement focus and accrual basis of accounting.

Agency Funds account for assets held by the County in a custodial capacity. These funds only involve the receipt, temporary investment, and remittance to individuals, private organizations, or other governments and include property taxes and special assessments collected on behalf of cities, special districts, and other taxing agencies. The County's agency funds have an accrual basis of accounting but no measurement focus.

The government-wide, proprietary, pension trust, investment trust, and private-purpose trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions occur. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental fund type financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues and other governmental fund type financial resources (e.g. bond issuance proceeds) are recognized when they become both measurable and available.

Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property and sales taxes are considered available for the year levied and are accrued when received within sixty days after fiscal year-end. Revenue received from expenditure driven (cost-reimbursement) grants, as defined by GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transaction*, are considered available and accrued if expected to be received within twelve months after fiscal year-end. All other revenue streams are considered available and accrued if they are expected to be received within ninety days after the fiscal year-end. Since revenue from these sources are not available to meet current period liabilities, these sources are financed through proceeds received from Tax and Revenue Anticipation Notes (TRANs) which are outstanding for a twelve month period. General capital assets acquisitions are reported as expenditures in governmental fund statements. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For business-type activities reported on the government-wide financial statements and proprietary fund financial statements, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

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

Cash and Investments

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Securities, including U.S. Treasury and Agency securities, are carried at fair value based on current market prices on a monthly basis. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within 90 days of June 30, 2009, 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 a participants' position in the pool is not the same as the value of the pooled shares. The method used to determine the value of participants' equity withdrawn is based on the book value, amortized cost, and accrued interest of the participants' percentage participation at the date of such withdrawal.

State law requires that the County Treasurer hold all operating monies of the County, school districts, and certain special districts. Collectively, these mandatory deposits constituted approximately 83.02% of the funds on deposit in the County Treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 16.98% of the total funds on deposit in the County Treasury represented discretionary deposits.

Receivables

The Regional Medical Center accounts receivable are reported at their gross value and, where appropriate, are reduced by contractual allowances and the estimated uncollectible amounts. The estimated allowance for uncollectibles and allowance for contractals are \$383.0 million and \$885.2 million, respectively. The Regional Medical Center has contracted with a Medi-Cal managed care plan to provide services to patients enrolled with Medicare and Medi-Cal programs. The Regional Medical Center receives a fixed monthly premium payment for each patient enrolled. Revenue under this agreement is recognized in the period in which the Regional Medical Center is required to provide services.

Property Taxes

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and the Revenue and Taxation Code. Property is assessed by the County Assessor and State Board of Equalization at 100% of full cash or market value (with some exceptions) pursuant to Article XIII A of the California State Constitution and statutory provisions. The total fiscal year 2008-09 gross assessed valuation of the County was \$243.1 billion.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Property taxes are levied on both real and personal property and are recorded as receivables at the date of levy. Secured property taxes are levied on or before the first business day of September of each year. These taxes become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. Tax payments can be made in two equal installments; the first is due November 1 and are delinquent with penalties after December 10; the second is due February 1 and are delinquent with penalties after April 10. Secured property taxes that are delinquent and unpaid as of June 30th 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.

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

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

During 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 balance in the Fall of each year. The Teeter Plan also provides that all of the payments of redemption penalties and interest on delinquent secured property taxes of participating agencies flow to a tax loss reserve fund (TLRF). Any amounts on deposit in the TLRF greater than one percent (1%) of the tax levy for participating entities may flow to the County General Fund. For fiscal year 2008-09, \$52.2 million was transferred from the TLRF to the General Fund.

Prepaid Items and Inventories

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

Inventories, which consist of materials and supplies held for consumption, are valued at the lower of cost (on a first-in, first-out basis) or market in the proprietary funds. Inventories for all governmental funds are valued at average cost. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as expenditures when consumed rather than when purchased. Material amounts of inventory are reported as assets of the respective fund. Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that portion of fund balance not available for future appropriation.

Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, traffic signals, park trails and improvements, flood control channels, storm drains, dams, and basins. The capitalization threshold for equipment is \$5,000; buildings, land and land

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

improvements is \$1; and infrastructure is \$150,000. Betterments result in more productive, efficient or long-lived assets. Significant betterments are considered capital assets when they result in an improvement of \$2,500 or more.

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Infrastructure	
Flood channels	99 years
Flood storm drains	65 years
Flood dams and basins	99 years
Roads	20 years
Traffic signals	10 years
Parks trails and improvements	20 years
Bridges	50 years
Buildings	25-50 years
Improvements	10-20 years
Equipment	3-20 years

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

Interest is capitalized on construction in progress in the proprietary funds in accordance with Statement of Financial Accounting Standards No. 62, *Capitalization of Interest Cost in Situations Involving Certain Tax Exempt Borrowings and Certain Gifts and Grants*. Accordingly, interest capitalized is the total interest cost from the date of the borrowing net of any allowable interest carried on temporary investments of the proceeds of those borrowings until the specified asset is ready for its intended use. The Riverside County Regional Medical Center capitalizes net interest expense as a cost of property constructed. The Medical Center capitalized \$258.2 thousand for the year ending June 30, 2009.

Leases

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

Restricted Assets

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

Land Held for Resale

These assets, held by the County's Redevelopment Agency, are invested in various programs and are intended primarily for development and subsequent resale. These assets had a fair value of \$80.0 million at June 30, 2009.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Employee Compensated Absences

County policy permits employees in some bargaining units to accumulate earned, but unused vacation, holiday, and sick pay benefits. Vacation and holiday pay are accrued when incurred. For other bargaining units, annual leave is earned and accrued, but not vacation or sick leave. Proprietary funds report accrued vacation and holiday pay as a liability of the individual fund while governmental funds record amounts that are due and payable at year-end as a liability of the fund and amounts due in the future as a liability in the government-wide financial statements. At June 30, 2009, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net assets was \$163.4 million.

The County allows unlimited accumulation of sick leave. Upon service retirement, disability retirement, or death of an employee or officer, and subject to the provisions of any applicable agreement between the employing agency and the Public Employee's Retirement System, unused accumulated sick leave for most employees with at least five (5) but less than 15 years of service shall be credited at the rate of fifty percent (50%) of current salary value thereof provided, however, that the total payment shall not exceed a sum equal to 960 hours of full pay. Unused accumulated sick leave for employees with more than fifteen or more years of service shall be credited at the rate of the current salary value provided, however, that the total payment shall not exceed a sum equal to 960 hours of full pay. In addition, the employee may also elect to place the payable amount of sick leave into a VEBA (Voluntary Employee Beneficiary Association) account which may be used for future health care costs.

Deferred Revenue / Unearned 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 arises when resources are received before the County has a legal claim to them, such as grants received in advance of incurring qualified expenditures. Unearned revenue is used for government-wide presentation only.

Long-term Debt

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

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

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

Bond Issuance Costs

Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

Landfill Closure and Post-Closure Care Costs

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Interfund Transactions

Interfund transactions are reflected as loans, services provided reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate. These transactions are subject to elimination upon consolidation and are referred to as either “due to/due from other funds” (i.e., the current portion of interfund loans) or “advances to/advances from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the governmental fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are neither available for appropriation nor available as financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Net Assets

The government-wide financial statements and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted net assets, or unrestricted net assets.

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

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors, laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

Unrestricted Net Assets – This category represents net assets of the County, not restricted for any project or other purpose.

Fund Equity

In the fund financial statements, fund equity may be categorized as reserved and/or designated. Governmental funds report reservations of fund balance for amounts that are not appropriable or that are legally restricted for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

On or before October 2 of each fiscal year, after conducting public hearings concerning the proposed budget, the County Board of Supervisors (the Board) adopts a budget in accordance with the provisions of Section 29000-29144 and 30200 of the Government Code of the State of California (the Government Code), commonly known as the County Budget Act, and Board Resolution No. 90-338. Annual budgets are adopted on the modified accrual basis of accounting in conformity with generally accepted accounting principles. Budgeted governmental funds consist of the general fund, major funds, and some non-major funds (all special revenue funds, certain debt service funds, and certain capital project funds). Annual budgets are not adopted for the following debt service funds: CORAL, District Court Financing Corporation, Bankruptcy Court, Inland Empire Tobacco Securitization Authority; the CORAL Capital Project Fund; or the Perris Valley Cemetery Permanent Fund.

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, capital assets, transfers out, and intrafund transfers. The separately prepared Expenditure by Appropriation – Budget and Actual report, showing budgetary comparisons at the object level of control, is available in the Auditor-Controller’s Office.

Each year the original budget, as published in a separate report the “Final Budget,” is adjusted to reflect increases or decreases in revenues and changes in fund balance. These changes are offset by an equal change in available appropriations. The County Executive Officer is authorized by the Board to transfer appropriations between appropriation classes within the same budgetary unit. Transfers of appropriations between budgetary units require approval of the Board (legal level of control). Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act. All annual appropriations lapse at year-end.

Budgetary comparison statements are prepared for the general fund, special revenue funds, certain debt service funds, and certain capital project funds. The budgetary comparison statements are a part of the basic financial statements. Each budgetary comparison statement provides three separate types of information: (1) the original budget; (2) the final amended budget, which included legally authorized changes regardless of when they occurred; and (3) the actual amount of inflows and outflows in the budget-to-actual comparison.

Excess of expenditures over appropriations

For the year ended June 30, 2009, expenditures exceeded appropriations in capital outlay by \$22.7 million in the General Fund. This overexpenditure resulted from the acquisition of \$22.7 million of capital leases accordingly this is being funded by other financing sources-capital leases.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported for governmental activities in the statement of net assets are different from those reported for governmental funds in the balance sheet. The following provides a reconciliation of those differences (in thousands):

	Total Governmental Funds (Page 31)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations	Statement of Net Assets Totals (Page 25)
Assets:					
Cash and investments	\$ 1,545,012	\$ -	\$ 245,744	\$ -	\$ 1,790,756
Receivables:					
Accounts receivable	38,448	-	4,036	-	42,484
Interest	6,563	-	612	-	7,175
Taxes	157,767	-	-	-	157,767
Due from other governments	273,551	(37,183)	130	-	236,498
Notes receivable	37,934	-	-	-	37,934
Inventories	3,039	-	2,824	-	5,863
Due from other funds	21,563	-	202	(21,765)	-
Prepaid items	16,756	-	-	-	16,756
Internal balances	-	-	-	33,045	33,045
Pension asset, net	-	416,390	-	-	416,390
OPEB Pension asset, net	-	14,246	-	-	14,246
Restricted cash and investments	581,737	-	1,001	-	582,738
Other noncurrent receivables	-	37,183	-	-	37,183
Advances to other funds	2,300	-	-	(2,300)	-
Land held for resale	80,035	-	-	-	80,035
Capital assets:					
Nondepreciable	-	818,867	53,503	-	872,370
Depreciable, net	-	1,975,949	1,013	-	1,976,962
Bond issuance costs	-	22,383	-	-	22,383
Total assets	<u>\$ 2,764,705</u>	<u>\$ 3,247,835</u>	<u>\$ 309,065</u>	<u>\$ 8,980</u>	<u>\$ 6,330,585</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 3 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

	Total Governmental Funds (Page 31)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations	Statement of Net Assets Totals (Page 25)
Liabilities:					
Accounts payable	\$ 123,219	\$ -	\$ 11,663	\$ -	\$ 134,882
Salaries and benefits payable	96,475	-	4,960	-	101,435
Due to other funds	19,346	-	47	(19,393)	-
Due to other governments	49,336	-	264	-	49,600
Deposits payable	1,993	-	-	-	1,993
Deferred revenue / Unearned revenue	202,622	(55,058)	-	-	147,564
Notes payable	266,629	-	-	-	266,629
Interest payable	-	16,810	-	-	16,810
Other liabilities	-	-	2,781	-	2,781
Long-term liabilities due within one year:					
Bonds payable	-	21,980	-	-	21,980
Capital lease obligations	-	10,704	15,626	-	26,330
Certificates of participation	-	17,127	-	-	17,127
Loans payable	-	235	-	-	235
Notes payable	-	6,000	-	-	6,000
Compensated absences	-	81,184	3,605	-	84,789
Estimated claims liability	-	-	33,062	-	33,062
Accrued remediation cost	-	472	-	-	472
Advance from other funds	2,300	-	-	(2,300)	-
Long-term liabilities due in more than one year:					
Bonds payable	-	1,337,297	-	-	1,337,297
Capital lease obligations	-	71,221	20,060	-	91,281
Certificates of participation	-	374,787	-	-	374,787
Loans payable	-	6,987	-	-	6,987
Accreted interest payable	-	28,452	-	-	28,452
Compensated absences	-	57,710	2,420	-	60,130
Estimated claims liability	-	-	84,218	-	84,218
Accrued remediation cost	-	2,321	-	-	2,321
Other long term liabilities	-	-	1,500	-	1,500
Total liabilities	761,920	1,978,229	180,206	(21,693)	2,898,662
Fund balances/net assets:					
Total fund balances/net assets	2,002,785	1,269,606	128,859	30,673	3,431,923
Total liabilities and fund balances/net assets	\$ 2,764,705	\$ 3,247,835	\$ 309,065	\$ 8,980	\$ 6,330,585

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 4 – RESTATEMENTS OF BEGINNING FUND BALANCES / NET ASSETS

The County's beginning fund balances/net assets have been restated to reflect the cumulative effect of prior year adjustments and reclassifications. A summary of the restatements as of June 30, 2009 is as follows (in thousands):

Government-wide:

	<u>Primary Government</u>		<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business Type</u>	Palm Desert Financing Authority
Government-wide net assets, as of June 30, 2008, as previously reported	\$ 3,144,499	\$ 207,198	\$ -
Fund financial statements:			
Expenditures previously recorded	5,000	905	
Adjustment to prior year revenue accruals	(1,992)		
Perris Valley Cemetery not previously recorded	1,161		
Effect of change in accounting estimate			
Estimated claims liability	16,322		
Government-wide financial statements:			
Perris Valley Cemetery not previously recorded			1,400
Capital assets not previously reported	2,282		
Effects of GASB 49 implementation	(3,042)		
Net assets as of June 30, 2008, as restated	<u>\$ 3,164,230</u>	<u>\$ 208,103</u>	<u>\$ 1,400</u>

Fund Financials:

Description	<u>Governmental Funds</u>		<u>Proprietary Funds</u>	
	General Fund	Non-Major Funds Perris Valley Cemetery	Enterprise Funds Waste Management	Internal Service Funds Risk Management
Fund balances as of June 30, 2008, as previously reported	\$ 478,768	\$ -	\$ 132,129	\$ 49,653
Expenditures previously recorded	5,000		905	
Adjustment to prior year revenue accruals	(1,992)			
Equity transfer of funds				
Perris Valley Cemetery not previously recorded		1,161		
Effect of change in accounting estimate				
Estimated claims liability				16,322
Fund balances, as of June 30, 2008, as restated	<u>\$ 481,776</u>	<u>\$ 1,161</u>	<u>\$ 133,034</u>	<u>\$ 65,975</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 5 – CASH AND INVESTMENTS

Cash and Investments

As of June 30, 2009, Cash and Investments are classified in the accompanying financial statements as follows (in thousands):

	Governmental Activities	Business-Type Activities	Component Unit	Fiduciary Funds	Total
Cash and investments	\$ 1,790,756	\$ 133,990	\$ 60,752	\$ 3,210,650	\$ 5,196,148
Restricted cash and investments	582,738	128,024	57,470	-	768,232
Total cash and investments	\$ 2,373,494	\$ 262,014	\$ 118,222	\$ 3,210,650	\$ 5,964,380

As of June 30, 2009, cash and investments consist of the following (in thousands):

Deposits	\$ 778,429
Investments	<u>5,185,951</u>
Total Cash and Investments	<u>\$ 5,964,380</u>

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

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Public Agency Bonds	3 Years	15%	4%
U.S. Treasury	5 Years	100%	N/A
Local Agency Obligations	3 Years	2.5%	2.50%
Federal Agencies	5 Years	100%	N/A
Bankers Acceptances	180 Days	30%	None
Commercial Paper	270 Days	40%	4% *
Certificate & Time Deposits	1 Year	25%	4% *
Repurchase Agreements	45 Days	40% / 25%	20%
Reverse Repurchase Agreements	60 Days	10%	10%
Medium Term Notes	2 Years	20%	4% *
CalTrust Short Term Fund	Daily Liquidity	1%	1%
Mutual Funds	Daily Liquidity	20%	None
Secured Bank Deposits	1 Year	2%	None
Local Agency Investment Funds	N/A	N/A	N/A

* Maximum of 4% per issuer in combined commercial paper, certificate & time deposits and medium term notes.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 5 – CASH AND INVESTMENTS (Continued)

Investment in State Investment Pool

The County of Riverside is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio. In addition, the State Treasurer's Office performs a monthly fair market valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at www.treasurer.ca.gov. The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's prorate share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

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

As of June 30, 2009, the County had the following investments (in thousands):

Investment	Maturity	Fair Market Value	Weighted Average Maturity (Years)
Treasury Investments			
Commercial Paper	07/09	\$ 49,825	0.08
Federal Farm Credit Bank	11/09 - 05/13	507,734	1.54
Federal Home Loan Bank	07/09 - 07/12	1,125,235	0.99
Federal Home Loan Mortgage	11/09 - 05/13	874,354	0.85
Federal National Mortgage Association	03/10 - 04/14	1,568,949	1.54
Local Agency Obligations	11/09 - 12/09	86,629	0.45
Local Agency Obligations *	12/20	680	11.47
Medium Term Notes	10/09 - 06/12	439,522	1.82
Municipal Bonds	07/09 - 07/11	100,582	1.19
Total Treasury Investments		4,753,510	
Investments Outside the Treasury			
Money Market	N/A	354,140	0.00
Investment Agreements	30 years	16,093	26.94
Investment Agreements	30 years	5,491	23.58
Investment Agreements	10/09 - 10/10	44,895	0.42
Local Agency Investment Funds	N/A	11,822	0.00
Total Investments Outside the Treasury		432,441	
Total Investments		\$ 5,185,951	

* Board of Supervisors approved to invest greater than 3 years

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 5 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will be able to recover the value of its investment or collateral securities that are in the possession of another party. Neither the California Government Code nor the County’s investment policy contain legal or policy requirements that would limit the County’s exposure to custodial credit risk for deposits or investments except for the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. GASB Statement No. 40 requires that a disclosure is made with respect to custodial credit risks relating to deposits. The County has cash deposits with fiscal agents in excess of federal depository insurance limits held in collateralized accounts with securities held by Union Bank of California in the amount \$685.4 million. Investment securities are registered and held in the name of Riverside County.

Concentration of Credit Risk

The investment policy of the County contains certain limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. In accordance with GASB 40, Deposits and Investment Risk Disclosures, the County should provide information about the concentration of credit risk associated with their investments in any one issuer that represent 5% or more of total County investments. However, money market and mutual funds are excluded from this disclosure requirement. Instruments in any one issuer that represent 5% or more of County investments are as follows (in thousands):

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Federal Farm Credit Bank	Federal Agency	\$ 507,734
Federal Home Loan Bank	Federal Agency	1,125,235
Federal home Loan Mortgage	Federal Agency	874,354
Federal National Mortgage Association	Federal Agency	1,568,949

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 5 – CASH AND INVESTMENTS (Continued)

Credit Risk

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

As of June 30, 2009, the County had the following investments (in thousands):

Investment	Maturity	Minimum Legal Rating	Rating June 30, 2009	Fair Market Value
Treasury Investments				
Commercial Paper (1)	07/09	A1/P1	A1//P1(1)	\$ 49,825
Federal Farm Credit Bank	11/09 - 05/13	N/A	AAA	507,734
Federal Home Loan Bank	07/09 - 07/12	N/A	AAA	1,125,235
Federal Home Loan Mortgage	11/09 - 05/13	N/A	AAA	874,354
Federal National Mortgage Association	03/10 - 04/14	N/A	AAA	1,568,949
Local Agency Obligations	11/09 - 12/09	NA	NA	86,629
Local Agency Obligations (3)	12/20	NA	NA	680
Medium Term Notes	10/09 - 06/12	A	AA(2)	439,522
Municipal Bonds	07/09 - 07/11	A	AA	100,582
Total Treasury Investments				4,753,510
Investments Outside the Treasury				
Money Market	N/A	AAA	AAA	354,140
Investment Agreements	30 years	N/A	N/R	16,093
Investment Agreements	30 years	N/A	N/R	5,491
Investment Agreements	10/09 - 10/10	N/A	N/R	44,895
Local Agency Investment Funds	N/A	N/A	N/R	11,822
Total Investments Outside the Treasury				432,441
Total Investments				\$ 5,185,951

(1) Majority of Commercial Paper and Negotiable CD are A1+/P1

(2) All Medium Term Notes with a maturity greater than a year are AAA

(3) Board of Supervisors approved to invest greater than 3 years

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 6 – RESTRICTED CASH AND INVESTMENTS

The amount of assets restricted by legal and contractual requirements at June 30, 2009 is as follows (in thousands):

General Fund	
Restricted Program Money	\$ 252,084
Total General Fund	<u>252,084</u>
Teeter Debt	
Teeter Commercial Paper Notes	174,237
Total Teeter Debt	<u>174,237</u>
Non Major Governmental Funds	
1985 Certificates	22,708
1990 Monterey Avenue	133
1997 Historic Court House	279
1998 Larson Justice Center	19
2000 Southwest Justice Center	566
2001 CAC Annex	2,555
2003 A Historic Courthouse	1,360
2003 B Capital Facilities	697
2005 A Capital Improvement Family Law	4,023
2005 B Historic Refunding	2,456
2006 A Capital Improvements	2,806
2007 A&B Public Communication and Refunding	83,294
2008A Southwest Justice Center	546
Restricted Program Money - Flood	9,111
Bankruptcy Court	6,316
District Court Financing Corporation	826
Inland Empire Tobacco	17,721
Total Non Major Governmental Funds	<u>155,416</u>
Regional Medical Center	
1993 Hospital Bonds	32,815
Total Regional Medical Center	<u>32,815</u>
Waste Management Department	
Restricted Program Money	85,205
Total Waste Management Department	<u>85,205</u>
Non Major Enterprise Funds	
Housing Authority Bond	7,239
Restricted Program Money - Flood	2,765
Total Non Major Enterprise Funds	<u>10,004</u>
Internal Service Funds	
Flood Control Equipment	1,001
Total Internal Service Funds	<u>1,001</u>
Total Restricted Assets	
	<u>\$ 710,762</u>
Discretely Presented Component Units	
Palm Desert Financing Authority	
2003 Lease Revenue Bonds	\$ 1,498
2008 Lease Revenue Bonds	55,972
Total Discretely Presented Component Units	<u>\$ 57,470</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 7 – RECEIVABLES

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

Receivables	General	Teeter	Public	Redevelopment	Major
Governmental Activities:	Fund	Debt Service	Facilities	Capital	Governmental
			Improvements	Projects	Funds
Accounts	\$ 31,150	\$ -	\$ 1,997	\$ 334	\$ 33,481
Interest	3,315	336	1,109	410	5,170
Taxes	46,813	100,638	-	-	147,451
Due from other governments	250,144	-	1,801	-	251,945
Notes	-	-	-	6,364	6,364
Total receivables	<u>\$ 331,422</u>	<u>\$ 100,974</u>	<u>\$ 4,907</u>	<u>\$ 7,108</u>	<u>\$ 444,411</u>

Receivables	Maioir	Nonmaior	Internal	Total
Governmental Activities:	Governmental	Governmental	Service	Governmental
	Funds	Funds	Funds	Activities
Accounts	\$ 33,481	\$ 4,967	\$ 4,036	\$ 42,484
Interest	5,170	1,393	612	7,175
Taxes	147,451	10,316	-	157,767
Due from other governments	251,945	21,606	130	273,681
Notes	6,364	31,570	-	37,934
Total receivables	<u>\$ 444,411</u>	<u>\$ 69,852</u>	<u>\$ 4,778</u>	<u>\$ 519,041</u>

Receivables	Regional	Waste	Nonmajor	Total Business-
Business-type Activities:	Medical Center	Management	Funds	type Activities
Accounts	\$ 1,324,942	\$ 4,000	\$ 1,715	\$ 1,330,657
Interest	345	346	22	713
Taxes	-	-	9	9
Due from other governments	18,620	792	313	19,725
Gross receivables	1,343,907	5,138	2,059	1,351,104
Less: Allowance for contractals	(885,228)	-	-	(885,228)
Allowance for uncollectibles	(382,961)	(4)	-	(382,965)
Total receivables	<u>\$ 75,718</u>	<u>\$ 5,134</u>	<u>\$ 2,059</u>	<u>\$ 82,911</u>

Of the total governmental receivable of \$519.0 million, \$37.2 million is SB-90 long-term receivable, which has been deferred as of June 30, 2009. Governmental funds defer revenue when receivables are not available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue when resources received, but not yet earned. At June 30, 2009, the components of deferred/unearned revenue were as follows (in thousands):

Governmental activities:	Unavailable	Unearned
General fund:		
Due from other governments	\$ 62,713	
Resources received that do not yet meet the criteria for revenue recognition		\$ 118,064
Public Facilities Improvement Capital Projects:		
Resources received that do not yet meet the criteria for revenue recognition		23
Nonmajor funds:		
Due from other governments	82	
Resources received that do not yet meet the criteria for revenue recognition		21,740
Total governmental	<u>\$ 62,795</u>	<u>139,827</u>
Government-wide activities:		
Redevelopment Agency		
Resources received that do not yet meet the criteria for revenue recognition		7,737
		<u>\$ 147,564</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 8 – INTERFUND TRANSACTIONS

Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2009 is as follows (in thousands):

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Teeter Debt Service Fund	\$ 8,559	Delinquent property taxes
	Regional Medical Center	2,365	Medical service
	Nonmajor Governmental Funds	8,186	Fire service
		<u>19,110</u>	
Public Facility Improvement Fund	Nonmajor Governmental Funds	50	Capital project
Internal Service Funds	Nonmajor Governmental Funds	193	Interfund activities
	Internal Service Funds	9	Interfund activities
		<u>202</u>	
Nonmajor Enterprise Funds	Nonmajor Enterprise Funds	4	Interfund activities
Nonmajor Governmental Funds	Redevelopment Capital Projects	489	Transportation
	Public Facility Improvement Fund	1,417	Tobacco settlement
	Nonmajor Government Funds	452	Interfund activities
	Nonmajor Enterprise Funds	7	Interfund activities
	Internal Service Funds	38	Interfund activities
		<u>2,403</u>	
	Total	<u>\$ 21,769</u>	

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 2,300 (1)
	Total	<u>\$ 2,300</u>

(1) The regional park and open-space district special revenue fund advanced \$2.3 million to the regional park and open-space district capital project fund for the purpose of land improvements being constructed throughout the County Parks.

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and reallocations of special revenue. The following schedule briefly summarizes the County's transfer activity (in thousands):

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 8 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

(a) Between Governmental and Business-type Activities:

Transfer out	Transfer in	Amount	Purpose
<i>Operating or debt subsidy:</i>			
General Fund	Regional Medical Center	\$ 2,420	Capital projects
General Fund	Regional Medical Center	10,000	Tobacco settlement
General Fund	Regional Medical Center	<u>7,260</u>	Operating contribution
		<u>19,680</u>	
Public Facilities Improvement	Regional Medical Center	10,183	Capital projects
Regional Medical Center	Nonmajor Governmental Funds	3,717	Pension obligation
Waste Management	Nonmajor Governmental Funds	291	Pension obligation
Nonmajor Enterprise	Nonmajor Governmental Funds	142	Pension obligation
	Total	<u>\$ 34,013</u>	

(b) Between Funds within the Governmental Activities:¹

Transfer out	Transfer in	Amount	Purpose
<i>Operating or debt subsidy:</i>			
General Fund	Nonmajor Governmental Funds	\$ 930	Overhead reimbursement
	Nonmajor Governmental Funds	3,605	Administrative support
	Nonmajor Governmental Funds	14,682	Reimbursement
	Nonmajor Governmental Funds	21,726	Pension obligation
	Nonmajor Governmental Funds	667	Leases
	Nonmajor Governmental Funds	797	Professional services
	Nonmajor Governmental Funds	14,589	Capital projects
	Nonmajor Governmental Funds	7	Miscellaneous
	Nonmajor Governmental Funds	34,286	Miscellaneous
	Teeter	2,374	Debt service
	Redevelopment Capital	24	Leases
	Public Facilities Capital Project	72,089	Capital projects
	Internal Service Funds	<u>263</u>	Reimbursement
		<u>166,039</u>	
Teeter	General Fund	<u>1,936</u>	Debt service
Public Facilities Improvement	Nonmajor Governmental Funds	9	Reimbursement
	Nonmajor Governmental Funds	18,410	Capital projects
	General Fund	1,871	Capital projects
	General Fund	2,286	Leases
	General Fund	730	Debt service
	General Fund	5,690	Reimbursement
	Redevelopment Capital	18,743	Capital projects
	Internal Service Funds	<u>454</u>	Capital projects
		<u>\$ 48,193</u>	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 8 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

(b) Between Funds within the Governmental Activities (Continued):¹

Transfer out	Transfer in	Amount	Purpose
Redevelopment Capital Project	General Fund	\$ 707	Capital projects
	General Fund	6	Reimbursement
	Public Facilities Capital Project	231	Capital projects
	Nonmajor Governmental Funds	7,041	Capital projects
	Nonmajor Governmental Funds	5,956	Reimbursement
	Nonmajor Governmental Funds	9,085	Debt service
		<u>23,026</u>	
Nonmajor Governmental Funds	General Fund	59	Capital projects
	General Fund	60,413	Fire services
	General Fund	470	Administrative support
	General Fund	545	CDGB
	General Fund	599	Debt service
	General Fund	6,203	Leases
	General Fund	757	Law enforcement
	General Fund	150	Pension obligation
	General Fund	6,863	Professional services
	General Fund	9,257	Reimbursement
	General Fund	27	Miscellaneous
	Public Facilities Capital Project	582	Reimbursement
	Public Facilities Capital Project	3,308	Capital projects
	Redevelopment Capital	10,012	Capital projects
	Nonmajor Governmental Funds	165,290	Debt service
	Nonmajor Governmental Funds	1,790	Pension obligation
	Nonmajor Governmental Funds	1,162	CDGB
	Nonmajor Governmental Funds	232	Leases
	Nonmajor Governmental Funds	1,026	Miscellaneous
	Nonmajor Governmental Funds	3,633	Administrative support
	Nonmajor Governmental Funds	1,811	Overhead reimbursement
	Nonmajor Governmental Funds	444	Professional services
	Nonmajor Governmental Funds	17,533	Reimbursement
Nonmajor Governmental Funds	713	Capital projects	
Internal Service Funds	409	Reimbursement	
		<u>293,288</u>	
Internal Service Funds	General Fund	1,256	Business services
	Internal Service Funds	2,998	Reimbursement
	Nonmajor Governmental Funds	1,267	Pension obligation
		<u>5,521</u>	
	Total	<u>\$ 538,003</u>	

1) These transfers were eliminated in the consolidation, by column, for the Governmental and Business-type activities.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009 was as follows (in thousands):

	Balance July 1, 2008	Additions	Retirements	Transfers *	Balance June 30, 2009
Governmental activities:					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 342,274	\$ 54,461	\$ (76)	\$ 11,064	\$ 407,723
Construction in progress	364,890	269,737	(1,048)	(168,932)	464,647
Total capital assets, not being depreciated	707,164	324,198	(1,124)	(157,868)	872,370
<i>Capital assets, being depreciated:</i>					
Infrastructure					
Flood channels	222,532	449	-	-	222,981
Flood storm drains	266,710	33,879	-	5,405	305,994
Flood dams and basins	30,611	345	-	-	30,956
Roads	1,370,042	76,630	-	128,783	1,575,455
Traffic signals	18,365	637	-	3,323	22,325
Bridges	105,380	-	-	-	105,380
Runways	12,682	931	-	-	13,613
Parks trails and improvements	7,751	185	-	1,567	9,503
Land improvements	110	-	-	-	110
Structures and improvements	782,687	43,301	(12,214)	16,393	830,167
Equipment	364,990	40,833	(27,277)	907	379,453
Total capital assets, being depreciated	3,181,860	197,190	(39,491)	156,378	3,495,937
Less accumulated depreciation for:					
Infrastructure	(891,577)	(68,399)	9	(185)	(960,152)
Land improvements	(11)	-	-	-	(11)
Structures and improvements	(270,381)	(19,050)	2,440	(10,332)	(297,323)
Equipment	(254,500)	(34,653)	25,670	1,994	(261,489)
Total accumulated depreciation	(1,416,469)	(122,102)	28,119	(8,523)	(1,518,975)
Total capital assets, being depreciated, net	1,765,391	75,088	(11,372)	147,855	1,976,962
Governmental activities capital assets, net	\$ 2,472,555	\$ 399,286	\$ (12,496)	\$ (10,013)	\$ 2,849,332

*Transfers include a prior period adjustment of \$2.2 million for capital assets acquired in prior years not previously reported.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 9 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2009 was as follows (in thousands):

	Balance July 1, 2008	Additions	Retirements	Transfers	Balance June 30, 2009
Business-type activities:					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 21,147	\$ -	\$ (66)	\$ -	\$ 21,081
Construction in progress	18,557	11,562	(2,204)	(6,447)	21,468
Total capital assets, not being depreciated	39,704	11,562	(2,270)	(6,447)	42,549
<i>Capital assets, being depreciated:</i>					
Land improvements	11,662	-	-	-	11,662
Infrastructure-landfill liners	52,828	2,398	-	-	55,226
Infrastructure-other	10,827	2,575	-	184	13,586
Structures and improvements	212,732	526	-	1,499	214,757
Equipment	111,539	4,710	(3,745)	496	113,000
Total capital assets, being depreciated	399,588	10,209	(3,745)	2,179	408,231
Less accumulated depreciation for:					
Land improvements	(5,672)	(630)	-	-	(6,302)
Infrastructure-landfill liners	(12,891)	(1,738)	-	(106)	(14,735)
Infrastructure-other	(2,904)	(389)	-	(32)	(3,325)
Structures and improvements	(68,116)	(6,345)	-	(19)	(74,480)
Equipment	(93,435)	(6,576)	3,642	(180)	(96,549)
Total accumulated depreciation	(183,018)	(15,678)	3,642	(337)	(195,391)
Total capital assets, being depreciated, net	216,570	(5,469)	(103)	1,842	212,840
Business-type activities capital assets, net	\$ 256,274	\$ 6,093	\$ (2,373)	\$ (4,605)	\$ 255,389

Depreciation

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

General government	\$ 18,696
Public protection	16,389
Health and sanitation	1,066
Public assistance	903
Public ways and facilities	63,105
Recreation and culture	1,443
Depreciation on capital assets held by the County's internal service funds is charged to the various functions based on their use of the assets	<u>20,500</u>
Total depreciation expense – governmental functions	<u><u>\$ 122,102</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 9 – CAPITAL ASSETS (Continued)

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

Regional Medical Center	\$ 9,574
Waste Management	4,338
Housing Authority	1,734
County Service Areas	5
Flood Control	<u>27</u>
Total depreciation expense – business-type functions	<u><u>\$ 15,678</u></u>

Capital Leases

	<u>Governmental</u>	<u>Business Type</u>
Land	\$ 5,780	\$ -
Construction in Progress	3,541	-
Structures and Improvements	56,129	-
Equipment	140,677	11,962
Less: Accumulated amortization	<u>(94,849)</u>	<u>(5,680)</u>
Total leased property, net	<u><u>\$ 111,278</u></u>	<u><u>\$ 6,282</u></u>

Discretely Presented Component Unit

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2009 was as follows (in thousands):

	Balance July 1, 2008	Additions	Retirements	Balance June 30, 2009
Capital assets, being depreciated:				
Equipment	\$ 339	\$ -	\$ (89)	\$ 250
Total capital assets, being depreciated	<u>339</u>	<u>-</u>	<u>(89)</u>	<u>250</u>
Less accumulated depreciation for:				
Equipment	(261)	(36)	89	(208)
Total accumulated depreciation	<u>(261)</u>	<u>(36)</u>	<u>89</u>	<u>(208)</u>
Total capital assets, net	<u><u>\$ 78</u></u>	<u><u>\$ (36)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 42</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 10 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Waste Management (Waste) has recorded \$87.9 million as landfill closure and post-closure care expense to date (based on the use of the estimated capacities of the landfill ranging from 30% 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 cost of \$31.9 million as the remaining estimated capacity of 18.2 million tons is filled. Waste expects all currently permitted landfill capacities to be filled by 2039. The total estimate of \$119.8 million is based on what it would cost to perform all closure and post-closure care costs at present value. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

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

Facility Name (City)	Cumulative Expense	Capacity Used as of June 30, 2009 %	Estimated Years Remaining
Anza (Anza)	\$ 2,826	100.0	-
Badlands (Moreno Valley)	15,574	51.7	8
Blythe (Blythe)	2,459	31.9	31
Coachella (Coachella)	8,773	100.0	-
Desert Center (Desert Center)	757	69.1	3
Double Butte (Winchester)	10,064	100.0	-
Edom Hill (Cathedral City)	19,214	100.0	-
Highgrove (Riverside)	6,656	100.0	-
Lamb Canyon (Beaumont)	7,040	39.7	11
Mead Valley (Perris)	8,697	100.0	-
Mecca II (Mecca)	3,371	99.4	29
Oasis (Oasis)	2,494	71.2	25
	\$ 87,925		

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, the County has implemented Pledge of Revenue agreements between the County and the California Integrated Waste Management Board (CIWMB) for six active landfills and six 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 the Waste and the CIWMB. Waste complies with these requirements and investments of \$64.5 million are held for these purposes at June 30, 2009 and are classified as Restricted Assets in the Statement of Net Assets. 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 11 – OPERATING LEASES

The following is a year by year schedule of future minimum rental payments primarily for facilities leases. The schedule includes an average 4.5% 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, 2009 (in thousands):

<u>Year Ending June 30</u>	
2010	\$ 37,402
2011	30,287
2012	26,062
2013	19,874
2014	15,349
2015-2019	42,638
2020-2024	<u>1,178</u>
Total Minimum Payments	<u>\$ 172,790</u>

Rental expense was \$40.6 million principally in the General Fund for the year ended June 30, 2009.

NOTE 12 – SHORT TERM DEBT

Tax and Revenue Anticipation Notes (TRANs)

On July 1, 2008, the County issued \$315 million of tax exempt Tax and Revenue Anticipation Notes (TRANs), which were repaid June 30, 2009. The Notes were sold with a yield of 1.6%. This was to provide needed cash to cover the projected intra-period cash-flow deficits of the County’s General Fund during the fiscal year July 1 through June 30.

Tax-Exempt Commercial Paper Notes (Teeter)

In December 1993, the County adopted the Teeter Plan, the alternative method for the distribution of secured property taxes and other assessments. In order to fulfill the requirements of the plan, the County obtained cash for the “buyout” of delinquent secured property taxes and the annual advance of current unpaid taxes to all entities that elected to participate in the Teeter Plan. The current financing takes place through the sale of Tax-Exempt Commercial Paper Notes (Teeter Notes). During FY 2008-09, the County retired \$98.8 million of the \$168.4 million principal amount outstanding at June 30, 2008. The County then issued \$116.4 million of Series B notes and Series C of \$80.6 million in notes, leaving an outstanding balance of \$266.6 million at June 30, 2009.

Short-term debt activity for the year ended June 30, 2009, was as follows (in thousands):

	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009
FY 2008-09 TRANs	\$ -	\$ 315,000	\$ (315,000)	\$ -
Teeter Notes	168,436	196,993	(98,800)	266,629
Total	<u>\$ 168,436</u>	<u>\$ 511,993</u>	<u>\$ (413,800)</u>	<u>\$ 266,629</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS

Long-term obligations of the County consist of capital lease obligations, bonds, notes, and other liabilities which are payable from the General, Debt Service, Enterprise, and Internal Service Funds. The calculated legal debt limit for the County is \$3.0 billion.

Capital Leases

Capital leases for governmental funds are recorded both as capital expenditures and as other financing sources at inception in the fund financial statements, with the liability and the asset recorded in the government-wide statement of net assets. Capital leases are secured by a pledge of the leased equipment.

See Note 9 (Capital Assets) for Assets under Capital Leases for related disclosure information by major asset class.

The following is a schedule by year of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2009 (in thousands):

Year Ending June 30	Component		Total	Business-
	Units	Others	Governmental	type
			Activities	Activities
2010	\$ 2,792	\$ 28,072	\$ 30,864	\$ 5,099
2011	3,331	22,183	25,514	4,391
2012	3,340	14,946	18,286	3,241
2013	3,339	9,059	12,398	2,064
2014	3,336	5,906	9,243	313
2015-2019	16,681	10,243	26,924	-
2020-2024	12,484	879	13,362	-
2025-2029	6,417	493	6,910	-
2030-2034	3,974	-	3,974	-
Total minimum payments	55,694	91,781	147,475	15,108
Less amount representing interest	(19,603)	(10,261)	(29,864)	(1,080)
Present value of net minimum lease payments	\$ 36,091	\$ 81,520	\$ 117,611	\$ 14,028

The statement of net assets includes the Palm Desert Financing Authority capital lease of \$36.1 million for the construction and acquisition of certain public facilities within the County, including the Palm Desert Sheriff's Station, community centers, the Blythe County Administrative Center, an animal shelter and a clinic facility.

The following schedules provide details of all certificates of participation, bonds payable, and notes payable for the County of Riverside that are outstanding as of June 30, 2009 (in thousands):

Governmental Activities

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
<u>Certificates of Participation:</u>					
<u>CORAL</u>					
1985 Serial Certificates	12/01/08 – 12/01/15	Variable	\$5,400 - \$15,000	\$ 169,400	\$ 75,900
				<u>169,400</u>	<u>75,900</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
<i>Certificates of Participation (Continued):</i>					
<u>CORAL</u>					
2005 A - Capital Improvement & Family Law Court Refunding:					
Serial Certificates	11/01/08 – 11/01/25	3.00% - 5.00%	\$ 325 - \$ 1740	\$ 28,495	\$ 25,990
Term Certificate	11/01/26 – 11/01/33	5.00%	\$ 2,255 - \$ 1,955	9,905	9,905
Term Certificate	11/01/34 – 11/01/36	5.00%	\$ 2,040 - \$ 2,490	13,265	13,265
				51,665	49,160
<u>CORAL</u>					
2005 B - Historic Courthouse Refunding Project:					
Serial Certificates	11/01/08 – 11/01/25	3.00% - 5.00%	\$ 325 - \$ 1740	18,835	17,235
Term Certificate	11/01/26 – 11/01/27	5.00%	\$ 1,860 - \$ 1,915	3,775	3,775
				22,610	21,010
<u>CORAL</u>					
1998 Larson Justice Center:					
Serial Certificates	12/01/08 – 12/01/12	4.30% - 4.75%	\$ 1,195 - \$ 1,550	18,185	5,790
Term Certificate	12/01/13 – 12/01/18	5.00%	\$ 1,625 - \$ 2,075	11,055	11,055
Term Certificate	12/01/19 – 12/01/21	5.00%	\$ 2,175 - \$ 2,400	6,860	6,860
				36,100	23,705
<u>CORAL</u>					
2001 CAC Annex:					
Serial Certificates	11/01/08 – 11/01/26	5.00% - 5.13%	\$ 705 - \$ 1,880	27,120	22,980
Term Certificate	11/01/27 – 11/01/30	5.13%	\$ 1,980 - \$ 2,295	8,540	8,540
Term Certificate	11/1/31	5.75%	\$ 2,415	2,415	2,415
				38,075	33,935
<u>CORAL</u>					
2006 Series A - Cap Imp Project:					
Serial Certificates	11/01/08 – 11/01/26	3.75% - 5.13%	\$ 585 - \$ 1,235	16,425	15,840
Term Certificate	11/01/27 – 11/01/31	4.75%	\$ 1,295 - \$ 1,560	7,130	7,130
Term Certificate	11/01/32 – 11/01/35	5.00%	\$ 1,635 - \$ 1,895	7,050	7,050
Term Certificate	11/01/36 – 11/01/37	4.63%	\$ 1,990 - \$ 2,080	4,070	4,070
				34,675	34,090
<u>CORAL</u>					
2003 A - Historic Court Project:					
Serial Certificates	11/01/08 – 11/01/18	3.00% - 5.00%	\$ 260 - \$ 400	4,125	3,335
Term Certificate	11/01/19 – 11/01/23	5.00%	\$ 420 - \$ 510	2,320	2,320
Term Certificate	11/01/24 – 11/01/28	5.00%	\$ 535 - \$ 650	2,955	2,955
Term Certificate	11/01/29 – 11/01/33	5.13%	\$ 720 - \$ 835	3,790	3,790
				13,190	12,400
<u>CORAL</u>					
2003 B –Capital Facilities Refunding:					
Serial Certificates	11/01/08 – 11/01/11	2.00% - 4.20%	\$ 300 - \$ 900	8,685	4,550
				\$ 8,685	\$ 4,550

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
<i>Certificates of Participation (Continued):</i>					
<u>CORAL</u>					
1990 Monterey Avenue:					
Serial Certificate	11/01/08 – 11/01/20	Variable	\$200 - \$800	\$ 8,800	\$ 6,200
				<u>8,800</u>	<u>6,200</u>
<u>CORAL</u>					
2007 A & B Public Safety Communication and Refunding Projects:					
Series A	11/01/08 – 11/01/17	3.85% - 5.00%	\$1,560 - \$10,850	73,775	70,430
Series B	11/01/18 – 11/01/21	Auction Rate	\$1,825 - \$12,300	37,350	37,350
				<u>111,125</u>	<u>107,780</u>
<u>Court Financing Corporation</u>					
Bankruptcy Courthouse:					
Acquisition Project Term Certificate	11/01/08 – 11/01/27	7.50%	\$230 - \$1,420	16,120	11,885
				<u>16,120</u>	<u>11,885</u>
<u>District Court Financing Corporation</u>					
U.S. District Court Project:					
Term /Series 1999	6/14/20	7.59%	\$640 - \$844	2,165	2,165
Term /Series 1999	6/15/15	1.93%	Variable	17,635	8,474
Term /Series 2002	6/15/20	3.00%	Variable	925	660
				<u>20,725</u>	<u>11,299</u>
Total Certificates of Participation				<u>\$ 531,170</u>	<u>\$ 391,914</u>
Bonds Payable:					
<u>CORAL</u>					
2000 A Southwest Justice Center:					
Term Certificate	11/01/08 – 11/01/13	4.88% - 5.40%	\$1,585 - \$2,240	\$ 17,945	\$ 10,070
				<u>17,945</u>	<u>10,070</u>
<u>CORAL</u>					
2008 A Southwest Justice Center:					
Term Certificate	12/01/08 – 12/01/32	Variable	\$2,480 - \$6,410	78,895	78,895
				<u>78,895</u>	<u>78,895</u>
<u>CORAL</u>					
1997 B & C (Hospital):					
Term Bonds (Series C)	06/01/19	5.81%	\$1,733	1,733	1,733
				<u>1,733</u>	<u>1,733</u>
<u>RDA</u>					
2005 Tax Allocation Revenue Bonds					
	10/01/08 – 10/01/37	4.50% - 5.00%	\$1,995 - \$6,490	144,075	137,060
				<u>144,075</u>	<u>137,060</u>
<u>RDA</u>					
2004 A Tax Allocation Housing Bonds					
	10/01/08 – 10/01/37	4.75% - 5.00%	\$4,700 - \$16,015	38,225	38,225
				<u>38,225</u>	<u>38,225</u>
<u>RDA</u>					
2004 A-T Tax Allocation Housing Bonds					
	10/01/08 – 10/01/28	2.90% - 4.87%	\$1,800 - \$7,955	37,000	32,275
				<u>\$ 37,000</u>	<u>\$ 32,275</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
<i>Bonds Payable (Continued):</i>					
<u>RDA</u>					
2005 Tax Allocation Housing/Refunding	10/01/08 – 10/01/33	3.00% - 4.50%	\$365 - \$4,120	\$ 18,245	\$ 16,755
				<u>18,245</u>	<u>16,755</u>
<u>RDA</u>					
2007 A Tax Allocation Refunding Bonds	10/01/08 – 09/1/34	3.00% - 4.50%	\$1,725 - \$6,450	89,990	88,265
				<u>89,990</u>	<u>88,265</u>
<u>Taxable Pension Obligation Bond</u>					
Pension Obligation Bonds (Series 2005-A)	8/15/08 – 8/15/35	4.91%	\$5,905 - \$5,530	400,000	378,525
				<u>400,000</u>	<u>378,525</u>
<u>RDA</u>					
2004 Tax Allocation Revenue Bonds	10/01/08 – 10/01/37	2.50% - 5.00%	\$2,705 - \$40,300	102,785	96,690
2007 Tax Allocation Revenue - Series A	10/01/08 – 10/01/37	3.50% - 4.37%	\$3,380 - \$8,925	169,720	163,510
2007 Tax Allocation Revenue - Series B	10/01/08 – 10/01/37	4.00% - 4.75%	\$645 - \$1,955	33,820	32,640
				<u>306,325</u>	<u>292,840</u>
<u>Inland Empire Tobacco Securitization Authority</u>					
Series 2007 A	06/01/17 – 06/01/21	4.625% - 5.0%		87,650	78,200
Series 2007 B	06/01/20 – 06/01/26	5.75%		53,758	53,758
Series 2007 C-1	06/01/26 – 06/01/36	6.625%		53,542	53,542
Series 2007 C-2	06/01/33 – 06/01/45	6.750%		29,653	29,653
Series 2007 D	06/01/32 – 06/01/57	7.00%		23,457	23,457
Series 2007 E	06/01/35 – 06/01/57	7.63%		18,948	18,948
Series 2007 F	06/01/42 – 06/01/57	8.00%		27,076	27,076
				<u>294,084</u>	<u>284,634</u>
Total Bonds Payable				<u>\$ 1,426,517</u>	<u>\$ 1,359,277</u>
<i>Loans Payable:</i>					
<u>RDA</u>					
2000 Loans Payable	01/01/08 – 01/01/15	3.50% - 7.00%	\$56 - \$956	\$ 1,329	\$ 1,504
<u>CORAL</u>					
2007 Monroe Park Building	12/5/2015	6.50%	\$122 - \$4,621	5,973	5,718
Total Loans Payable				<u>\$ 7,302</u>	<u>\$ 7,222</u>
<u>CORAL</u>					
2006 Capital Anticipation Notes	12/1/08 – 11/12/09	Pool Rate	\$6,000	\$ 6,000	\$ 6,000
Total Notes Payable				<u>\$ 6,000</u>	<u>\$ 6,000</u>
Total Governmental Activities				<u>\$ 1,970,989</u>	<u>\$ 1,764,413</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2009
Business-Type Activities					
Bonds Payable:					
<u>Regional Medical Center</u>					
1993 A & B (Hospital):					
Term Bonds (Series A)	06/01/10 – 06/01/12	6.38%	\$ 12,230 - \$ 13,870	\$ 134,535	\$ 39,125
Term Bonds (Series B)	06/01/13 – 06/01/14	6.75%	\$ 7,050 - \$ 7,475	14,525	14,525
Loss on Defeasance (net)				-	(1,156)
				149,060	52,494
<u>Regional Medical Center</u>					
1997 A (Hospital): Serial Capital Cap Apprec. Bonds (net of future cap apprec \$130,470)					
	06/01/13 – 06/01/26	5.70% - 6.01%	\$ 1,081 - \$ 4,981	41,170	41,170
				41,170	41,170
<u>Regional Med Center 1997</u>					
Serial Bonds (Series B)	06/01/08 – 06/01/13	4.38% - 5.70%	\$ 330 - \$ 455	4,785	1,695
Term Bonds (Series B)	06/01/14 – 06/01/19	5.00% - 5.70%	\$ 475 - \$ 11,475	63,935	63,935
Term Bonds (Series C)	6/1/209	6.25%	\$ 3,265	3,265	3,265
Less: Sheriff's Part (Series C)				(1,733)	(1,733)
Bond Discount				-	(1)
Loss on Defeasance (net)				-	(1,761)
				70,252	65,400
<u>Housing Authority</u>					
1998 Series A:					
Term Bonds	12/01/08 – 12/01/18	6.85%	\$ 100 - \$ 200	1,625	1,520
Deferred Charges				-	(625)
				1,625	895
Total Bonds Payable				\$ 262,107	\$ 159,959
Total Business-Type Activities				\$ 262,107	\$ 159,959
Discretely Presented Component Unit					
Bonds Payable:					
<u>Palm Desert Financing Authority</u>					
2003 Lease Rev Bonds Series A:					
Serial Certificates	05/01/08 – 05/01/23	2.25% - 4.70%	\$ 585 - \$ 995	\$ 13,270	\$ 10,740
Term Certificate	05/01/24 – 05/01/27	4.750%	\$ 1,035 - \$ 715	3,975	3,975
Term Certificate	05/01/28 – 05/01/33	4.750%	\$ 750 - \$ 950	1,815	1,815
Term Certificate	05/01/28 – 05/01/33	5.000%	\$ 750 - \$ 950	3,250	3,250
Bond Discount				-	(185)
				22,310	19,595
2008 Lease Rev Bonds Series A:					
Serial Certificates	05/01/10 – 05/01/18	4.00% - 5.50%	\$ 1,935 - \$ 6,200	43,845	43,845
Term Certificate	05/01/19 – 05/01/22	6.000%	\$ 6,540 - \$ 7,790	28,600	28,600
Bond Discount				-	(586)
				72,445	71,859
Total Bonds Payable				\$ 94,755	\$ 91,454
Total Discretely Presented Component Unit				\$ 94,755	\$ 91,454

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2009, annual debt service requirements of governmental activities to maturity are as follows (in thousands):

Governmental Year ending June 30	Loans Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2010	\$ 235	\$ 527	\$ 17,127	\$ 23,428
2011	254	508	18,464	22,030
2012	273	489	26,242	20,154
2013	296	466	28,216	18,158
2014	319	826	29,616	16,678
2015-2029	5,635	21	127,094	51,187
2020-2024	210	-	65,785	25,386
2025-2029	0	-	36,195	15,235
2030-2034	0	-	28,280	6,997
2035-2039	-	-	14,895	1,300
Total	\$ 7,222	\$ 2,837	\$ 391,914	\$ 200,553

Governmental Year ending June 30	Bonds Payable		Other Long-term Liabilities	
	Principal	Interest	Principal	Interest
2010	\$ 21,980	\$ 54,802	\$ -	\$ -
2011	81,478	56,611	-	-
2012	32,995	52,671	-	-
2013	35,650	45,207	-	-
2014	26,880	41,615	1,500	-
2015-2029	220,718	222,591	-	-
2020-2024	260,095	167,578	-	-
2025-2029	178,475	109,153	-	-
2030-2034	203,865	65,353	-	-
2035-2039	198,007	21,388	-	-
2040-2044	-	-	-	-
2045-2049	29,653	1,945	-	-
2050-2054	-	-	-	-
2055-2057	69,481	4,671	-	-
Total	\$ 1,359,277	\$ 843,585	\$ 1,500	\$ -

Governmental Year ending June 30	Notes Payable	
	Principal	Interest
2010	\$ 6,000	\$ 74
Total	\$ 6,000	\$ 74

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2009, annual debt service requirements of business-type activities to maturity are as follows (in thousands):

Business-type Year ending June 30	Bonds Payable		Other Long-term Liabilities	
	Principal	Interest	Principal	Interest
2010	\$ 12,735	\$ 11,982	\$ -	\$ -
2011	13,555	11,469	-	-
2012	14,430	10,921	-	-
2013	10,674	10,301	-	-
2014	10,930	9,814	-	-
2015-2029	72,055	40,811	6,795	-
2020-2024	22,024	24,360	-	-
2025-2029	7,099	3,129	-	-
Total Requirements	163,502	122,788	\$ 6,795	\$ -
Bond Discount/Premium, net	(1)	-		
Deferred Charges (Housing)	(625)	-		
Loss on Defeasance (net)	(2,917)	-		
Total	\$ 159,959	\$ 122,788		

Discretely Presented Component Unit Year ending June 30	Bonds Payable	
	Principal	Interest
2010	\$ 2,530	\$ 4,797
2011	5,030	4,702
2012	5,250	4,484
2013	5,485	4,254
2014	5,750	3,989
2015-2029	33,355	15,317
2020-2024	26,820	5,326
2025-2029	4,470	1,468
2030-2034	3,535	444
Total Requirements	92,225	44,781
Bond Discount/Premium, net	(771)	-
Total	\$ 91,454	\$ 44,781

Accreted Interest Payable

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2009 (in thousands):

	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009
Governmental Activities:				
<i>Certificates of Participation:</i>				
Court Financing (US District Court Project)	\$ 2,087	\$ 352	\$ -	\$ 2,439
<i>Bonds:</i>				
Inland Empire Tobacco Securitization Authority	12,500	13,513	-	26,013
Total governmental-type activities	\$ 14,587	\$ 13,865	\$ -	\$ 28,452
Business-type Activities:				
<i>Lease Revenue Bonds:</i>				
Regional Medical Center (1997A Hosp)	\$ 38,849	\$ 4,847	\$ -	\$ 43,696
Total business-type activities	\$ 38,849	\$ 4,847	\$ -	\$ 43,696

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Accreted Interest Payable (Continued)

The accreted interest payable balances at June 30, 2009 represent accreted interest on the U.S. District Court Project, the 2007 Inland Empire Tobacco Securitization Authority Bonds, and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were \$2.2 million for the U.S. District Court Project, \$294.1 million for the 2007 Inland Empire Tobacco Securitization Authority Bonds, and \$41.2 million for the 1997 A Hospital Serial Capital Appreciation Bonds. The total accreted value on the bonds and certificates upon maturity will be \$7.2 million for the U.S. District Court Project, \$171.6 million for the 1997 A Hospital Serial Capital Appreciation Bonds, and \$3.5 billion for the 2007 Inland Empire Tobacco Securitization Authority Bonds. The County is under no obligation to make payments of accreted value of or redemption premiums, if any, or interest on the Series 2007 Bonds.

The increases of \$13.9 million and \$4.8 million represent current year's accretion for governmental activities and business activities respectively. Accumulated accretion is \$43.7 million at June 30, 2009.

The U.S. District Court Financing and the Inland Empire Tobacco Securitization Authority account for the remainder of \$28.5 million. The un-accreted balances at June 30, 2009 are \$86.8 million for the 1997-A Hospital (RCRMC) project, \$5.0 million for the U.S. District Court, and \$3.5 billion for the Tobacco Securitization Authority Capital Appreciation Bonds.

Bonds, Certificates of Participation/ Refunding

In December 2008, CORAL issued \$78.9 Demand Leasehold Revenue Refunding Bonds Series 2008A to provide funds to refund and redeem the entire \$76.3 million Leasehold Revenue Bonds, adjustable rate series 2000B; to pay the premium for a surety policy to provide the reserve requirement for the series 2008A bonds; and to pay the costs of issuance of the series 2008A Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$2.6 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic loss of \$1.6 million and an addition of \$3.9 million in future debt service payments. The amount of the defeased debt outstanding at June 30, 2009, was \$76.3 million.

Defeasance of Debt

In April 2007, the Redevelopment Agency (RDA) issued \$89.9 million in Tax Allocation Refunding Bonds to provide proceeds that were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 Tax Allocation Bond for \$87.9 million. As a result, the refunding portion of the 2001 Tax Allocation Bond is considered to be defeased and the liability has been removed from the government activities column of the Statement of Net Assets. At June 30, 2009, \$86.4 million in 2001 Tax Allocation Bonds held in trust were considered to be defeased and outstanding.

In August 2007, CORAL issued \$111.1 million of Certificates of Participation Bonds, 2007 Series A – *Fixed Rate Certificates* (\$73.7 million), and 2007 Series B – *Auction Rate Certificates* (\$37.5 million). A portion of the proceeds from the sale of the certificates were used to refund \$24.2 million of the 1997 Lease Refunding Certificates of Participation. The advance refunding resulted in a loss on refunding of \$206.5 thousand. Accordingly, the refunded certificates have been eliminated and the advance refunding certificates have been included in the financial statements. The amount of the defeased debt outstanding at June 30, 2009 was \$22.8 million.

In April 2005, CORAL issued \$22.6 million of Certificates of Participation, Series B (2005 Series B – *Historic Courthouse Refunding*). The proceeds from the sale of the certificates were used to advance refund \$21.1 million of the Historic Courthouse Certificates of Participation. Accordingly, the refunded certificates have been eliminated and the advance refunding certificates have been included in the financial statements. The amount of the defeased debt outstanding at June 30, 2009, was \$2.6 million.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

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 \$68.5 million of Mortgage Revenue Bonds has been issued and \$64.6 million is outstanding as of June 30, 2009. These bonds do not constitute an indebtedness of the County. The bonds are payable solely from payments made on and secured by a pledge of the acquired mortgage loans and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures.

In the opinion of the County officials, these bonds are not payable from any revenues or assets of the County, and neither the full faith and credit nor the taxing authority of the County, the State, or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded in the basic financial statements.

Special Assessment Bonds

Various special districts in the County reporting entity have issued special assessment bonds, totaling \$160.1 million at June 30, 2009, 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.

The Riverside County Flood Control and Water Conservation District (Flood Control) has issued special assessment bonds, totaling \$3.7 million as of June 30, 2009, for the construction of flood control facilities. The bonds are to be repaid through special assessment revenue and are not considered obligations of Flood Control. In accordance with bond covenants, Flood Control has established a reserve for potential delinquencies. If a delinquency occurs in the payment of any assessment installment, Flood Control has the duty to transfer the amount of such delinquent installment from the Reserve Fund into the Redemption Fund assessment installment. Flood Control's liability to advance funds for bond redemption in the event of delinquent assessment installments is limited to the reserves established.

State Appellate Court Financing

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Interest Rate Swap

Objective and Terms: As a means to lower financing costs and to reduce the risks associated with the fluctuation in market interest rates, the County entered into an amended and restated interest rate swap in connection with the Southwest Justice Center Series 2008A Leasehold Revenue Bonds (Bonds) in the amount of \$76.3 million. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 5.2%. The Bonds and the related swap agreement mature on November 1, 2032, and the swap’s notional amount of \$76.3 million approximately matches the \$78.9 million variable-rate bonds. The swap was effective at the same time the bonds were issued on May 24, 2000 and was amended and restated as of December 10, 2008.

Starting in fiscal year 2014-15, the notional value of the swap and the principal amount of the associated debt will decline. Under the amended and restated swap agreement, the County paid Citigroup Financial Products, Inc., (Citigroup) a fixed payment rate of 5.2%. As of December 2003, the “Alternative Floating Rate Option” was used to calculate interest paid to the County. The “Alternate Floating Rate Option” means a per annum rate, not to exceed the maximum interest rate payable on the Bonds, expressed as a decimal, equal to 64.0% of the monthly London Interbank Offered Rate (LIBOR) in effect for each Alternative Floating Rate Reset Date in the relevant calculation period. Conversely, the Bond variable-rate coupons have historically been similar to the Bond Market Association Municipal Swap Index (BMA).

Fair Value: The swap had a negative fair value of \$24.1 million as of June 30, 2009. The fair value is the market price quoted by Citigroup on June, 30 2009.

Credit Risks: The swap counterparty was rated A+ by Moody’s and A+ by Standard & Poor’s as of June 30, 2009. The swap agreement specifies that if the long-term senior unsecured debt rating of Citigroup is withdrawn, suspended or falls below A- (Standard & Poor) or A3 (Moody’s), a collateral agreement will be executed within 30 days or the fair value of the swaps will be fully collateralized by the counterparty.

Basis Risks: As of June 30, 2009, the County’s rate was 64.0% of LIBOR, or .2%, whereas Municipal Swap Index was .3%. The synthetic rate on the bonds at June 30, 2009 was 5.4%.

Swap Payment and Associated Debt: Using rates as of June 30, 2009, debt service requirements of the variable-rate debt and net swap payments, *assuming current interest rates remain the same* for their term, were as follows, (in thousands):

Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments	Total Interest
	Principal	Interest		
2010	\$ -	\$ 1,099	\$ 2,835	\$ 3,934
2011	-	1,099	2,835	3,934
2012	-	1,099	2,835	3,934
2013	-	1,099	2,835	3,934
2014	-	1,099	2,834	3,933
2015-2019	14,260	5,175	13,350	18,525
2020-2024	19,025	4,054	10,460	14,514
2025-2029	24,715	2,562	6,611	9,173
2030 - 2033	18,300	678	1,745	2,423
	<u>\$ 76,300</u>	<u>\$ 17,964</u>	<u>\$ 46,340</u>	<u>\$ 64,304</u>

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

*Termination Risks:*The County retains the right to terminate the swaps. If the swaps are terminated, the variable rate Bonds would no longer carry synthetic fixed-interest rates. Also, if at the time of termination the swaps had negative fair values, the County would be liable to Citigroup for a payment equal to the swaps’ fair values.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Changes in long-term liabilities

The following is a summary of long-term liabilities transactions for the year ended June 30, 2009 (in thousands):

	Balance	New	Payments	Balance	Amounts Due
	June 30, 2008	Additions	/ Reclass	June 30, 2009	Within
					One Year
<u>Governmental activities:</u>					
Debt long-term liabilities:					
Bonds payable***	\$ 1,086,397	\$ 78,895	\$ 193,985	\$ 1,359,277	\$ 21,980
Capital lease obligations	105,317	37,401	(25,107)	117,611	26,330
Certificates of participation	408,024	-	(16,110)	391,914	17,127
Loans payable***	304,809	-	(297,587)	7,222	235
Notes payable	6,000	-	-	6,000	6,000
Total debt long-term liabilities	1,910,547	116,296	(144,819)	1,882,024	71,672
Other long-term liabilities:					
Accreted interest payable	14,587	13,865	-	28,452	-
Compensated absences*	137,770	7,602	(453)	144,919	84,789
Estimated claims liabilities	135,321	50,340	(68,381)	117,280	33,062
Accrued remediation costs	-	2,793	-	2,793	472
Other long-term liabilities (a)	1,500	-	-	1,500	-
Total other long-term liabilities	289,178	74,600	(68,834)	294,944	118,323
Total governmental activities – long-term liabilities	\$ 2,199,725	\$ 190,896	\$(213,653)	\$ 2,176,968	\$ 189,995
<u>Business-type activities:</u>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses**	\$ 170,814	\$ -	\$ (10,855)	\$ 159,959	\$ 12,735
Capital lease (RCRMC)	16,124	2,059	(4,155)	14,028	4,597
Total debt long-term liabilities	186,938	2,059	(15,010)	173,987	17,332
Other long-term liabilities:					
Accreted interest payable	38,849	4,847	-	43,696	-
Accrued closure and post-closure	48,174	2,377	(905)	49,646	4,262
Compensated absences*	18,657	208	(367)	18,498	11,340
Accrued remediation costs	20,282	446	-	20,728	1,218
Other long-term liabilities (b)	6,795	-	-	6,795	-
Total other long-term liabilities	132,757	7,878	(1,272)	139,363	16,820
Total business-type activities – long-term liabilities	\$ 319,695	\$ 9,937	\$ (16,282)	\$ 313,350	\$ 34,152
<u>Discretely Presented Component Unit</u>					
Debt long-term liabilities:					
Bonds payable	\$ 20,173	\$ 71,829	\$ (548)	\$ 91,454	\$ 2,530
Other long-term liabilities:					
Compensated absences*	216	37	-	253	149
Total discretely presented component unit – long-term liabilities	\$ 20,389	\$ 71,866	\$ (548)	\$ 91,707	\$ 2,679

* Obligations for compensated absences have been paid from the fund associated with the obligation.

** The reduction in bonds payable amount of \$10.9 million includes a bond discount amortization of \$1.0 thousand, deferred charges of \$624.9 thousand, and losses on bond defeasance of \$2.9 million during fiscal year 2008-09.

*** Outstanding RDA Tax Allocation Bonds of \$297.4 million were reported as loans payable in previous years and were reclassified to Bonds Payable in fiscal year 2008-09.

(a) Fleet & Purchasing (ISF) has \$1.5 million in "Other long-term liabilities" (Governmental) for a Note Payable authorized by the Board.

(b) The Housing Authority (Business-type activity) has two notes payable, totaling \$6.8 million, under "Other long-term liabilities."

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Disclosure of Pledged Revenues

Inland Empire Tobacco Securitization Authority, a blended component unit of the County, issued \$294.1 million of tobacco asset-backed bonds. The bonds are solely secured by pledging a portion of County Tobacco Assets*** made payable to the County pursuant to agreements with the State and other parties. The portion of revenues that will be used to pay the debt service are (i) the County Tobacco Assets to the extent consisting of or relating to amounts due to the County after the first \$10.0 million has been paid to the County in each year beginning on January 1, 2008 and ending on December 31, 2020, (ii) the County Tobacco Assets to the extent consisting of or relating to amounts due to the County after the first \$11.5 million has been paid to the County in each year beginning on January 1, 2021 and ending on December 31, 2026, (iii) the County Tobacco Assets to the extent consisting of or relating to amounts due to the County from and after January 1, 2027, and (iv) the County Tobacco Assets to the extent consisting of or relating to the applicable percentage of a lump sum payment of 21.7% to the County and 78.3% to the Tobacco Securitization Authority for Calendar year 2008. During the fiscal year ended June 30, 2009, \$18.7 million was received by the Tobacco Authority; \$10.0 million, or 53.5%, was distributed to the County per the above agreement, leaving \$8.7 million, or 46.5%, of the specific tobacco settlement revenues were pledged (see page 139). The County is under no obligation to make payments of the principal or accreted value of or redemption premiums, if any, or interest on the Series 2007 bonds in the event that revenues are insufficient for the payment thereof.

Redevelopment Agency has pledged a portion of future tax increment revenues and a portion of investment earnings to repay the Agency's long-term debt. The Agency's long-term debt is payable solely from the tax increment and a portion of investment earnings in the Agency's project areas. Total principal and interest remaining on the bonds is \$1.1 billion, payable through fiscal year 2038. During the fiscal year ended June 30, 2009, \$81.2 million was received from tax increment and investment earnings combined. Of this amount, principal and interest paid were \$11.5 million and \$28.7 million respectively, or 0.5% of the specific revenues pledged.

The Housing Authority 1998 bonds are secured by an agreement with the City of Corona, which has pledged to pay \$218.0 thousand to the Housing Authority each year until the bonds are redeemed in their entirety on December 1, 2018. The bond indenture requires the Housing Authority to remit the entire \$218.0 thousand received each year to the bond trustee to pay for the bond's annual debt service payments, which in fiscal year 2009 were \$105.0 thousand (principal) and \$117.7 thousand (interest).

The Housing Authority reports the \$218.0 thousand received each year as revenue. In fiscal year 2009, the \$218.0 thousand represented about 0.3% of the total revenues of the Housing Authority. MBIA Insurance Corporation has issued a surety bond in lieu of a cash funded reserve. The outstanding balance as of June 30, 2009, before applying the deferred charge, was \$1.5 million.

*** Tobacco settlement revenue required to be paid to the State of California under the Master Settlement Agreement entered into by participating cigarette manufacturers, 46 states, California, and six other U.S. jurisdictions, in November 1988 in settlement of certain cigarette smoking-related litigation.



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COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 14 – FUND BALANCES

Fund balances that are not available for appropriation or are not considered “expendable available financial resources” are reserved. Unreserved fund balances that have been earmarked by the Board for a specified purpose are considered designated. Such reserved and designated fund balances at June 30, 2009 are as follows (in thousands):

	Major Funds			
	General Fund	Public Facilities Improvements	Redevelopment Capital Projects	Total Major Governmental Funds
<u>Reserved:</u>				
Encumbrances	\$ 1,700	\$ 1,516	\$ 129,743	\$ 132,959
Imprest cash	370	1	-	371
Inventories	2,132	-	-	2,132
Receivables	-	-	-	-
Advances	-	-	-	-
Program operations	82,598	19,745	-	102,343
Construction	-	517,169	-	517,169
Notes receivable	-	-	6,364	6,364
General	350	-	-	350
Debt service	326	-	-	326
Land held for resale	-	-	53,520	53,520
Capital outlay	-	-	-	-
Prepays	3,720	-	-	3,720
Total reserved fund balances	91,196	538,431	189,627	819,254
<u>Unreserved:</u>				
Unreserved, designated:				
Strategic planning	98,501	-	-	98,501
Probation	2,608	-	-	2,608
Program operations	64,072	-	116,076	180,148
Capital projects and programs	38,640	-	-	38,640
Total unreserved, designated fund balances	203,821	-	116,076	319,897
Total unreserved, undesignated fund balances	77,104	-	-	77,104
Total fund balances	\$ 372,121	\$ 538,431	\$ 305,703	\$ 1,216,255

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 14 – FUND BALANCES (Continued)

<u>Nonmajor Funds</u>						
<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Permanent Funds</u>	<u>Total Nonmajor Government</u>	<u>Total Governmental Funds</u>	<u>Reserved:</u>
\$ 24,476	\$ -	\$ 924	\$ -	\$ 25,400	\$ 158,359	Encumbrances
117	-	-	-	117	488	Imprest cash
907	-	-	-	907	3,039	Inventories
957	146	-	-	1,103	1,103	Receivables
2,300	-	-	-	2,300	2,300	Advances
30,194	-	-	370	30,564	132,907	Program operations
1,712	-	74,499	-	76,211	593,380	Construction
31,570	-	-	-	31,570	37,934	Notes receivable
51	41,308	17,505	-	58,864	59,214	General
-	106,114	-	-	106,114	106,440	Debt service
26,515	-	-	-	26,515	80,035	Land held for resale
-	-	169	-	169	169	Capital outlay
1,919	-	11,117	-	13,036	16,756	Prepays
<hr/>						
120,718	147,568	104,214	370	372,870	1,192,124	Total reserved fund balances
<hr/>						
						<u>Unreserved:</u>
						Unreserved, designated:
-	-	-	-	-	98,501	Strategic planning
-	-	-	-	-	2,608	Probation
57,815	-	3	-	57,818	237,966	Program operations
-	-	6,930	-	6,930	45,570	Capital projects and programs
<hr/>						
57,815	-	6,933	-	64,748	384,645	Total unreserved, designated fund balances
<hr/>						
348,912	-	-	-	348,912	426,016	Total unreserved, undesignated fund balances
<hr/>						
\$ 527,445	\$ 147,568	\$ 111,147	\$ 370	\$ 786,530	\$ 2,002,785	Total fund balances

Net Assets. The government-wide statement of net assets reports \$824.1 million of restricted net assets for governmental activities, of which \$302.0 million is restricted by enabling legislation.

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.”

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 15 – RISK MANAGEMENT

The County is self-insured for general liability, medical malpractice, and workers' compensation claims. The County records estimated liabilities for general liability, medical malpractice, and workers' compensation claims filed or estimated to be filed for incidents that have occurred. Estimated liability accruals include those incidents that are reported as well as an amount for those incidents that occurred but are unreported (IBNR) at fiscal year end. The funding of these estimates is based on actuarial experience and projections. The County fully self-insures short-term disability and unemployment insurance. Life insurance and long-term disability programs are fully insured. Depending on the plan, group health, dental, and vision may be either self-insured or fully insured.

The County supplements its self-insurance for general liability, medical malpractice, and workers' compensation with catastrophic excess insurance coverage. General liability utilizes a policy providing coverage on a per occurrence basis. Limits under the policy are \$15.0 million, subject to a self-insured retention (SIR) of \$1.0 million for each occurrence. A self insured retention is a form of a deductible. The County also purchases an additional \$10.0 million per occurrence excess of the \$15.0 million for a total of \$25.0 million in limits. Medical malpractice utilizes an excess policy providing coverage on claims made basis. Limits under the malpractice policy are \$10.0 million subject to a self-insured retention of \$1.1 million. The general liability policy provides an additional \$10.0 million in excess limits above the medical malpractice policy for a total of \$20.0 million. The maximum limit under the excess workers' compensation, Section A, is statutory (unlimited); Section B, employer liability is \$5.0 million per claim. Section A is subject to a \$2.0 million SIR for each accident, employee injury, or disease. Settlements have not exceeded coverage for each of the past three fiscal years.

The County's property insurance program provides insurance coverage for all risks subject to a \$50.0 thousand deductible; flood coverage is subject to a 2.0% deductible within a 100-year flood zone and \$25.0 thousand outside a 100-year flood zone. The County's property is categorized into four Towers and each Tower provides \$600.0 million in limits. Earthquake (covering scheduled locations equal to or greater than \$1.0 million in value and lesser valued locations where such coverage is required by contract) has a sub-limit in each Tower of \$80.0 million with an additional \$285.0 million excess rooftop limit available to any one Tower. In addition, for earthquake, the program includes a \$250.0 million excess rooftop limit that may be triggered during the policy year if an earthquake event somewhere in the state has depleted the initial limits. Earthquake is subject to a deductible equal to 5.0% of replacement cost value subject to a \$100.0 thousand minimum. Boiler and Machinery provides up to \$100.0 million in limits, with various deductibles. The limits in each Tower are shared with other counties on a per event basis. Should a catastrophic event occur and losses exceed the limits, the County would be responsible.

The activities related to such programs are accounted for in Internal Service Funds. Accordingly, estimated liabilities for claims, including loss adjustment expenses, filed or to be filed, for incidents that have occurred through June 30, 2009 are reported in these funds. Where certain funds have an accumulated deficit or insufficient reserves, the County provides funding to reduce the deficit and increase the reserves. If the funding is above the Board of Supervisors approved 70.0% confidence level an appropriate reduction in funding including a one-time holiday on department charges is granted. Revenues for these Internal Service Funds are primarily provided by other County departments and are intended to cover the self-insured claim payments, insurance premiums, and operating expenses. The revenue is not used to cover catastrophic events and other uninsured liabilities. Cash available in the Risk Management and Workers' Compensation Internal Service Funds at June 30, 2009 plus revenues to be collected during fiscal year 2009-10 are expected to be sufficient to cover all fiscal year 2009-10 payments. The carrying amount of unpaid claim liabilities is \$117.3 million. The liabilities are discounted at 4.0%.

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, 2008</u>	<u>June 30, 2009</u>
Unpaid claims, beginning of year	\$ 135,228	\$ 135,320
Increase (decrease) in provision for insured events of prior years	692	(2,003)
Incurred claims for current year	64,958	50,341
Claim payments	<u>(65,558)</u>	<u>(66,378)</u>
Unpaid claims, end of year	<u>\$ 135,320</u>	<u>\$ 117,280</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 16 – MEDI-CAL AND MEDICARE PROGRAMS

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

Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed at a per diem rate based upon estimated certified public expenditures (CPEs) and outpatient services are reimbursed under a schedule of maximum allowable reimbursement provided by the California Department of Health Care Services. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed based upon pre-established rates for diagnostic-related groups. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology. 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 services revenue. The fiscal intermediary has audited the Regional Medical Center's Medicare cost reports through June 30, 2002 and June 30, 2007 for Medi-Cal. Reports on the results of desk reviews have been received through June 30, 2007 for Medicare which are subject to revision within a three year period.

In September 2005, the State of California significantly modified its Medi-Cal program under a new waiver with the Centers for Medicare and Medicaid Services (CMS). In connection with the new waiver, the State legislature passed the Medi-Cal Hospital Uninsured Demonstration Project Act, or SB 1100, which replaced the SB 855 and SB 1255 programs. For the SB 1100 program, the State continues to provide supplemental payments to the hospital for uncompensated care. However, the use of intergovernmental transfers (IGTs) by the State, as the non-federal match, was modified to a methodology consisting of certified public expenditures (CPEs) up to 50 percent of costs and IGTs of 75 percent of costs. The Regional Medical Center has recorded net patient revenue of \$87 million for SB-1100 for the year ended June 30, 2009.

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

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

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

A representation of the jointly governed organizations on which the County served at June 30, 2009 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

Coachella Valley Association of Governments was formed in November 1973. Currently, the association includes the following members: the cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage; the local tribes of Agua Caliente Band of Cahuilla Indians and the Cabazon Band of Mission Indians; and Riverside County. The purpose of the Association is to conduct studies and projects designed to improve and coordinate the common governmental responsibilities and services on an area-wide and regional basis.

Western Riverside Council of Governments was formed in November 1989 with the cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Lake Elsinore, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, and Temecula for the purpose of serving as a forum for consideration, study, and recommendation on area-wide and regional problems.

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

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

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

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

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

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

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

Palm Springs Visitors and Convention Bureau was formed in December 1995 with those member cities located in the Coachella Valley area of the County. The purpose of the Authority is to encourage and promote all aspects of the hospitality, convention, and tourism industry in the Coachella Valley.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

NOTE 18 – RETIREMENT PLAN

Plan Descriptions

The County, Flood Control and Water Conservation District (Flood Control), the Regional Park and Open-Space District (Park District) and Waste Management contract with the California Public Employees Retirement System (CalPERS) to provide retirement benefits. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. State statutes within the Public Employees' Retirement Law have established a menu of benefit provisions as well as other requirements. The County selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Separate financial reports for the various County plans within CalPERS are not available. The County does receive annually a valuation report which summarizes assets, liabilities, and rates. Under GASB 27, County Miscellaneous and Safety, and Flood Control are considered single employer defined benefit pension plans, while Park District and Waste Management are considered multiple employer defined benefit pension plans because of its pooling configuration. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office - 400 P Street, Sacramento, CA 95814.

Funding Policy

Active plan members in CalPERS are required to contribute 8.0% (9.0% for safety employees) of their annual covered salary. The County contributes 1.0% of the total 8.0% contribution required of Miscellaneous member County employees hired prior to July 11, 2002, on their behalf and for their account. The County makes the full 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 dates make their own contributions for the first five years. Prior to October 25, 2005, Miscellaneous prosecution unit member employees hired on or after September 3, 1992, made their own contributions for the first year. Effective October 25, 2005, the County makes the full contribution required of all Miscellaneous prosecution unit member employees. 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 Control, Park District and Waste Management are required to contribute the actuarially determined remaining amounts necessary to fund the benefit for its members. State statute establishes the contribution requirements of the plan member. The employer contribution rate is established and may be amended by CalPERS. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 18 – RETIREMENT PLAN (Continued)

Early Retirement Incentive

On November 18, 2008, the County Board of Supervisors authorized an early retirement incentive for all employees, other than elected officials covered by the CalPERS Miscellaneous contract. The early retirement incentive offered eligible employees who elected to retire within the 90 day window specified by the County, January 1 through March 31, 2009, two additional years of retirement service credit and medical coverage at the same rates as active employees until January 1, 2011(see Note 20). Eligible employees were those who had attained 50 years of age and who had five or more years of service credit with the County.

Approximately 3,400 employees, out of 15,245 were eligible for the early retirement incentive. Of those eligible, 678 employees elected the early retirement incentive. The County has the option to pay for the cost of the early retirement incentive in a single sum or over a 20 year period. The County has elected to pay over the 20 year period; the additional cost will first start to be payable in FY 2011/12 and will be added to the Employer Rate in the CalPERS annual Valuations and reflected in the actuarial accrued liability. The County estimates the cost of the early retirement incentive to be an additional 0.35% in the Employer Contribution rate, or approximately \$2.3 million per year. The cost of the early retirement incentive is estimated to be \$30.6 million if paid in a single sum.

For fiscal year 2008-09, the contribution rates were:

	<u>County Miscellaneous</u>	<u>County Safety</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Contribution rates:					
County	12.116%	19.014%	13.054%	13.911%	14.293%
Plan Members	8.000%	9.000%	8.000%	8.000%	8.000%

Annual Pension Cost

For fiscal year 2008-09, the annual pension costs for CalPERS is equal to the employer's required and actual contributions as noted below (dollar amounts in thousands):

	<u>County Miscellaneous</u>	<u>County Safety</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Annual required contribution	\$ 94,620	\$ 42,663	\$ 1,874	\$ 567	\$ 568
Interest on net pension obligation (asset)	(24,508)	(6,751)	-	-	-
Adjustment to annual required contribution	18,294	5,039	139	-	434
Annual pension cost	88,406	40,951	2,013	567	1,002
Contributions made	(94,620)	(42,663)	(1,874)	(567)	(568)
Increase (decrease) in net pension obligation (asset)	(6,214)	(1,712)	139	-	434
Net pension obligation (asset) beginning of year	(316,231)	(87,109)	(2,362)	-	(2,818)
Net pension obligation (asset) end of year	<u>\$ (322,445)</u>	<u>\$ (88,821)</u>	<u>\$ (2,223)</u>	<u>\$ -</u>	<u>\$ (2,384)</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 18 – RETIREMENT PLAN (Continued)

Three-Year Trend Information
(dollar amounts in thousands)

	Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
County - Miscellaneous	June 30, 2007	\$ 73,628	108.12 %	\$ (310,138)
	June 30, 2008	79,320	107.68	(316,231)
	June 30, 2009	88,406	107.03	(322,445)
County - Safety	June 30, 2007	32,986	104.99	(85,430)
	June 30, 2008	36,271	104.63	(87,109)
	June 30, 2009	40,951	104.18	(88,821)
Flood Control	June 30, 2007	1,746	92.04	(2,501)
	June 30, 2008	1,891	92.65	(2,362)
	June 30, 2009	1,874	93.09	(2,223)
Parks District	June 30, 2007	524	100.00	-
	June 30, 2008	596	100.00	-
	June 30, 2009	567	100.01	-
Waste Management	June 30, 2007	1,119	60.24	(3,252)
	June 30, 2008	1,040	61.22	(2,818)
	June 30, 2009	1,002	56.69	(2,384)

Actuarial Methods and Assumptions

The following information as of the most recent actuarial valuation:

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
Actuarial valuation	6/30/2008	6/30/2008	6/30/2008	6/30/2008	6/30/2008
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	30 years	30 years	30 years	16 years	16 years
Asset valuation method	15 Years Smoothed Market	15 Years Smoothed Market	15 Years Smoothed Market	15 Years Smoothed Market	15 Years Smoothed Market
Actuarial assumptions:					
Investment rate of return	7.75%	7.75%	7.75%	7.75%	7.75%
Projected salary increases	3.25%-14.45%*	3.25%- 13.15%*	3.25%- 14.45%*	3.25%- 14.45%*	3.25%- 14.45%*
Inflation	3.00%	3.00%	3.00%	3.00%	3.00%
Payroll growth	3.25%	3.25%	3.25%	3.25%	3.25%

* Projected salary increases vary depending on Age, Service, and type of employment.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 18 – RETIREMENT PLAN (Continued)

Funded Status and the Funding Progress

The following is funded status information for each plan as of June 30, 2008, the most recent actuarial valuation date (dollar amounts in thousands):

	Actuarial Value of Assets (a)	Actuarial Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (Excess of assets over AAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Excess of Assets over AAL) as a Percentage of Covered Payroll ((b-a)/c)
County - Miscellaneous	\$ 3,174,975	\$3,350,223	\$ 175,248	94.77 %	\$ 841,613	20.82 %
County - Safety	1,414,120	1,469,416	55,296	96.24	240,746	22.97
Flood Control	88,463	98,300	9,837	89.99	14,137	69.58
Parks District**	641,168	776,167	134,999	82.61	155,115	87.03
Waste Management**	641,168	776,167	134,999	82.61	155,115	87.03

** The amounts disclosed are for the entire Risk Pool fund in which Parks District and Waste Management participate and not solely of their specific assets and liabilities. CalPERS Risk Pool valuation does not break out specific assets and liabilities.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 19 – DEFINED BENEFIT PENSION PLAN

Plan Descriptions and Contribution Information

Plan Description. The County provides an IRS Section 401(a) single-employer defined benefit pension plan for part-time and temporary employees who are not eligible for social security or CalPERS retirement benefits through the County. This plan 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.

Contributions. Participants in the plan are required to contribute 3.75% of their compensation to the plan. The County's current required contribution rate is 0.68%. The County elected to contribute 2.0% of payroll in order to reach a target 90% funded ratio within one year. The plan's current funded ratio is 87%. The County's rate is impacted by the rate of return earned by Plan assets. The Plan actuary periodically calculates the minimum recommended employee and employer contribution rates through preparation of an actuarial valuation report. The County determines the contribution rates. Administrative costs of the plan are paid by the Trustee from Plan assets.

Membership for the plan consisted of the following at July 1, 2008, the date of the latest actuarial valuation:

Number of Participants:	
Active plan members	2,838
Terminated and inactive members	4,932
Retirees	83
Total	<u>7,853</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 19 – DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies

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

Method Used to Value Investments. Investments of the pension trust are fully invested in the County pool and reported at fair value as described in Note 1.

Schedule of Annual Pension cost and the Net Pension Obligation (NPO) for 2009 and the two preceding years were as follows (dollar amounts in thousands):

Fiscal Year Ending	Annual Required Contribution	Interest on NPO	Adjustment to the ARC	Annual Pension Cost	Actual Contribution	NPO End of Year	Percentage Contributed
2007	\$ 1,914	\$ -	\$ -	\$ 1,914	\$ 1,914	\$ -	100 %
2008	745	-	-	745	1,993	(1,248)	268
2009	189	(67)	105	227	1,880	(2,901)	828

Annual Pension Cost and Net Pension Obligation (dollar amounts in thousands)

Annual required contribution	\$ 189
Interest on net pension obligation (asset)	(67)
Adjustment to annual required contribution	105
Annual pension cost	<u>227</u>
Contributions made	<u>(1,880)</u>
Increase (decrease) in net pension obligation (asset)	(1,653)
Net pension obligation (asset) beginning of year	(1,248)
Net pension obligation (asset) end of year	<u><u>\$ (2,901)</u></u>

Schedule of Funding Progress

The funded status of the plan as of July 1, 2008, the most recent actuarial valuation date and the two preceding years were as follows (dollar amounts in thousands):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2006	\$ 10,520	\$ 13,673	\$ 3,153	76.94 %	\$ 29,124	10.83 %
July 1, 2007	13,778	20,468	6,690	67.31	41,333	16.19
July 1, 2008	16,989	19,471	2,482	87.25	27,928	8.89

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 19 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Methods and Assumptions

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

Valuation date	7/1/2008
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar Projected Payroll
Remaining amortization period	20 years, Open
Asset valuation method	Market Value plus Receivables
Actuarial assumptions:	
Investment rate of return	5.0%
Projected salary increases	3.0%
Inflation rate	3.0%

NOTE 20 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Descriptions

The County, and the following special districts: the Flood Control and Water Conservation District (Flood Control), the Regional Park and Open-Space District (Park District) and Waste Management, offer benefits to eligible retirees.

The benefits are provided in the form of:

- Monthly contributions towards the retiree’s medical plan premium, for those eligible retirees enrolled in County sponsored medical plans,
- Allowing non-Medicare eligible retirees to receive medical plan coverage at the active employee premium rates instead of normally higher retiree rates. Employees are eligible for this benefit if they retired prior to January 1, 2009 or retired under the CalPERS Early Retirement Incentive Program before March 31, 2009 for County employees or before April 15, 2009 for Component Units. The effect of the Early Retirement Incentive Program has been reflected in the actuarial accrued liability in the most recent actuarial study. The benefit will cease to be effective January 1, 2011, at which time all retirees will be required to pay “retiree only” (i.e. unblended) premium rates, and
- Monthly contributions to the Riverside Sheriff’s Association (RSA) Trust for RSA law enforcement retirees.

Benefit provisions are established and amended through negotiations between the County and the respective unions. The County administers each plan’s medical benefits. A qualified Internal Revenue Code Section 115 trust has been established for each plan (except Waste Management) with the California Employers’ Retiree Trust (CERBT). CERBT administers each plan’s assets. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information for the plans. That report may be obtained from CalPERS Employer Services Division, PO Box 942709, Sacramento, CA 94229-2709.

Funding Policy and Annual OPEB Cost

It is the policy of the County, Park District and Flood Control to fully contribute an amount at least equal to the Annual Required Contribution (ARC) other than the amount attributable to the implicit subsidy as determined by the Post Retirement Benefits Actuarial Valuation Study for each trust. In order to facilitate funding the ARC the County will develop a rate structure. It is the policy of Waste Management to fund on as pay-as-you-go basis.

Contribution requirements of the plan members and the County are established and may be amended through negotiations between the County and the respective Unions. The County’s annual other postemployment benefit

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 20 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

(OPEB) cost (expense) for each plan is calculated based on the *ARC of the employer*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over 30 years (15 years for Waste Management).

The County's annual OPEB cost for the current year and the related information for each plan are as follows (dollar amounts in thousands, except for contribution rates):

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Contribution rates:				
County	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256
Plan members	\$305-\$712	\$305-\$712	\$305-\$712	\$305-\$712
Annual required contribution	\$ 3,918	\$ 25	\$ 10	\$ 64
Interest on net OPEB obligation	(763)	(6)	(16)	1
Adjustment to annual required contribution	600	4	12	(2)
Annual OPEB cost	<u>3,755</u>	<u>23</u>	<u>6</u>	<u>63</u>
Contributions made	(7,105)	(93)	(20)	(89)
Increase in net OPEB obligation	(3,350)	(70)	(14)	(26)
Net OPEB obligation (asset) beginning of year	(10,540)	(71)	(201)	23
Net OPEB obligation (asset) end of year	<u>\$ (13,890)</u>	<u>\$ (141)</u>	<u>\$ (215)</u>	<u>\$ (3)</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the two preceding years for each of the plans were as follows (dollar amounts in thousands):

	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
County	06/30/07	*	*	*
	06/30/08	\$ 4,390	340.1 %	\$ (10,540)
	06/30/09	3,755	189.2	(13,890)
Flood Control	06/30/07	*	*	*
	06/30/08	\$ 29	345.0	\$ (71)
	06/30/09	23	404.3	(141)
Park District	06/30/07	*	*	*
	06/30/08	\$ 21	1,057.1	\$ (201)
	06/30/09	6	333.3	(215)
Waste Management	06/30/07	*	*	*
	06/30/08	\$ 61	62.3	\$ 23
	06/30/09	63	141.3	(3)

*Second year of implementation, data not available.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 20 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2009, was as follows (dollar amounts in thousands):

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Actuarial accrued liability (a)	\$ 55,288	\$ 660	\$ 144	\$ 1,089
Actuarial value of plan assets (b)	9,872	105	147	-
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ 45,416</u>	<u>\$ 555</u>	<u>\$ (3)</u>	<u>\$ 1,089</u>
Funded ratio (b) / (a)	17.9%	15.91%	102.08%	0%
Covered payroll (c)	\$ 1,011,963	\$ 14,396	\$ 4,429	\$ 3,302
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ([(a) - (b)] / (c))	4.5%	3.9%	0.1%	33.0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Actuarial valuation date	1/1/2009	1/1/2009	1/1/2009	1/1/2009
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of pay, open	Level percentage of pay, open	Level percentage of pay, open	Level percentage of pay, closed
Remaining amortization period	30 years	30 years	30 years	13 years
Actuarial assumptions:				
Investment rate of return	7.24%-7.75%	7.75%	7.75%	4.5%
Projected salary increases	3.25%	3.25%	3.25%	3.25%
Healthcare inflation rate (initial)	10%	10%	10%	10%
Health inflation rate (ultimate)	7%	7%	7%	7%

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 21 – COMMITMENTS AND CONTINGENCIES

Lawsuits and Other Claims

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

Federal Grant Revenue

Compliance examinations for the fiscal year ended June 30, 2008, identified certain items of noncompliance with Federal grants and regulations. The total amount of expenditures that could be disallowed by the granting agencies cannot be determined at this time; however County management does not expect such amounts, if any, to be material to the basic financial statements.

The fiscal year 2008-09 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 30, 2010.

Commitments

At June 30, 2009, the County had various non-cancelable contracts and construction-in-progress with outside contractors. These contracts were financed through either the General Fund or Capital Projects Funds. \$779.3 million will be payable upon future performance under the contracts.

Trial Court Facilities Act of 2002 (SB 1732)

The bill provided for the transfer of the responsibility of a county to provide necessary and suitable court facilities by authorizing the transfer of that responsibility from the County to the Judicial Council pursuant to an agreement that was negotiated between the County and the Judicial Council, as specified, between July 1, 2003, and June 30, 2007. Per AB 1491, this deadline was extended to September 30, 2008. A list of courts, their respective transfer date, and continued cost to the County is as follows (in thousands):

Court	Annual Payment	Minute Order	Date
Larson Justice Center (33-C1)	\$ 560	3.2	4/19/2005
Moreno Valley (33-L1)	251	3.64	10/18/2005
Hall of Justice (33-A3)	684	3.8	5/8/2007
Banning (33-G1)	112	3.20	4/10/2007
Blythe (33-D1)	61	3.17	9/30/2008
Hemet (33-F1)	129	3.9	10/21/2008
Family Law Court (33-A1)	314	3.11	12/9/2008
Indio Juvenile Court (33-C3)	13	3.10	12/16/2008
Palm Springs Courts (33-E1)	112	3.11	12/16/2008
Temecula (33-H1)	50	3.8	12/16/2008
Corona (33-J1)	106	3.7	12/16/2008
Southwest Justice Center (33-M1)	250	3.9	12/16/2008
Riverside Juvenile Hall (33-N1)	96	3.6	12/16/2008
Indio CAC and Annex (33-C2/4)	293	3.6	12/16/2008
	\$ 3,031		

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 21 – COMMITMENTS AND CONTINGENCIES (Continued)

Landfill Construction and Consulting Contracts

The Waste Management Department (Waste) entered into various construction and consulting contracts to facilitate its landfill operations and is in the process of installing landfill liners at Lamb Canyon in accordance with State and Federal laws and regulations. Waste expects to complete the installation of several landfill liners over the next five years and estimates additional future costs to be \$20.7 million. These additional costs will be capitalized as the costs are incurred.

Remediation Contingencies

Governmental Funds

Release of gasoline and diesel fuel has been reported at eight underground storage tanks. Orders have been issued by the California Regional Water Quality Control Board (CRWQCB) to assess and cleanup these sites by specific dates. Currently the County is performing the appropriate site assessments. As of June 30, 2009 the Governmental Activities reflect a \$2.8 million accrued remediation liability (Note 13). The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations and other factors that could result in revisions to these estimates. The County continues to work with the CRWQCB on each of the tanks. Based on the work performed by the County, the CRWQCB will determine if additional assessments, monitoring and/or remediation will be required. In accordance with GASB 49 beginning net assets have been reduced by \$3.0 million which represents the estimated accrued remediation liability as of July 1, 2008 (Note 4).

Enterprise Funds

Waste is presently aware of groundwater contamination at nine of its landfills, six of which are closed. Waste is also aware of air/gas contamination at 17 landfills, 11 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 \$20.7 million. At June 30, 2009, Waste has accrued \$20.7 million for the estimated costs related to the remediation of these landfills. Remediation expense for fiscal year 2009 results from current estimates and current actual expenses.

Waste has established a remediation restricted cash fund and 17 remediation restricted cash escrow funds to set aside funds for future remediation costs as they are required to be performed. Investments of \$20.7 million and \$20.3 million are held for these purposes at June 30, 2009 and 2008, respectively, and are classified as restricted cash and investments in the accompanying statements of net assets.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2009

NOTE 22 – SUBSEQUENT EVENTS

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

On July 22, 2009, the County as a participant in the California Statewide Communities Development Authority Pool issued \$293 million of Tax and Revenue Anticipation Notes in the form of Series A-3 Bonds due June 30, 2010. The stated interest rate for the A-3 Bonds is set at 2.0% per annum with a yield of 0.85%. A portion of the Note proceeds were used to prepay CalPERS contributions for 2009-10 in the amount of \$92.1 million. Between the prepayment discount of 3.6%, and earnings on cash flow the County expects to net \$3.5 million in cost savings.

In accordance with California law, the TRANS Bonds are general obligations of the County and are payable only out of the taxes, income, revenues, cash receipts, and other monies of the County attributable to fiscal year 2009-10 and legally available for payment thereof. Proceeds for the Bonds will be used for fiscal year 2009-10 General Fund expenditures, including current expenditures, capital expenditures, and the discharge of other obligations or indebtedness of the County.

Educational Revenue Augmentation Fund (ERAF)

To meet its obligations to fund education at specified levels under Proposition 98, the state enacted legislation that shifted partial financial responsibility for funding education to local government (cities, counties, and special districts). The state did this by instructing county auditors to shift the allocation of local property tax revenues from local government to “educational revenue augmentation funds” (ERAFs), directing that specified amounts of city, county and other local agency property taxes be deposited into these funds to support schools. For 2009-2010, the State has directed the following ERAF tax shifts: First, a transfer of \$312.5 million to the Vehicle License Fee Property Tax Compensation Fund for distribution of 50.0% in January and 50.0% in May. Secondly, the State has directed a transfer of \$45.8 million to the Sales and Use Tax Compensation Fund for distribution of 50.0% in January and 50.0% in May. The total ERAF transfer for 2009-2010 is \$358.3 million.

Teeter Obligation Notes, Series C

On December 15, 2009 the County issued \$71.3 million in 2009 Teeter Obligation Notes, Series C to refund a portion of the outstanding 2008 Teeter Obligations Notes, Series C. The 2009 Notes bear interest rate of 2% and a maturity date of October 15, 2010.

The Effects of the Economy on CalPERS

Based on past performance of the CalPERS fund, CalPERS has estimated that the County’s Miscellaneous and Safety contribution rates for fiscal year 2009-10 will be 12.0% and 18.6%, respectively. Fiscal year 2010-11 contribution rates for Miscellaneous and Safety are estimated at 12.2% and 19.3%, respectively. They will be accounted for in fiscal year 2009-10 and future budget years.

Regency Towers Building Purchase

On October 28, 2009, the County paid \$131 million for the acquisition of the Regency Towers building located in downtown Riverside. The building is a 10 story, 250,000 square foot building that will provide workspace to approximately 800 County employees. The County district attorney will consolidate existing staff from other offices to be the primary residents of the new facility.

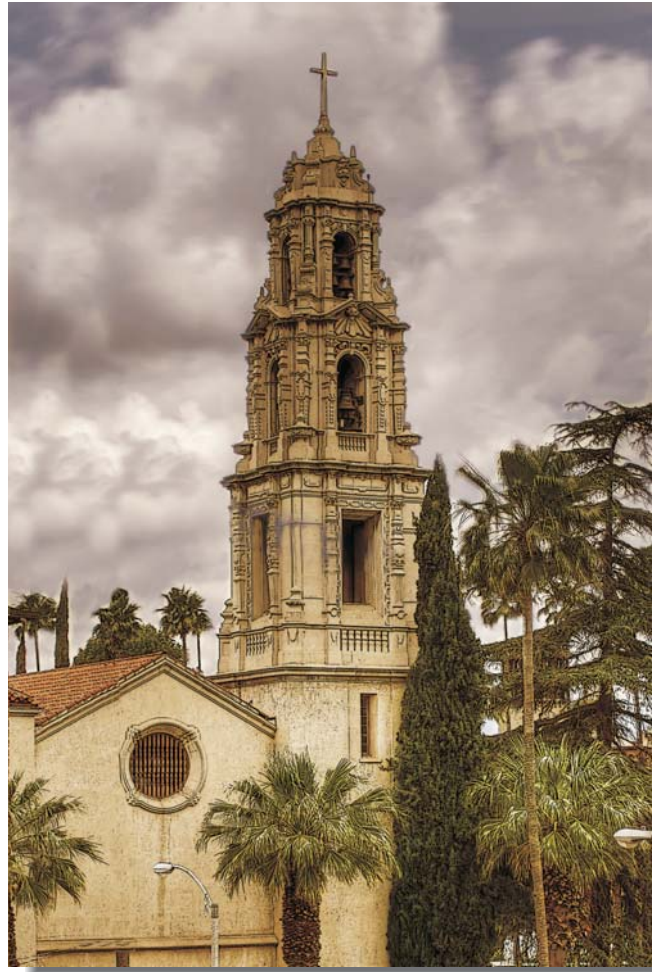
New Supervisor appointed to the Board

Roy Wilson died on August 26, 2009, during his fourth term on the Board. He served the fourth district of the County for fifteen years. After two months of searching and consideration, Governor Schwarzenegger appointed Senator John J. Benoit to the post on November 4, 2009. Mr. Benoit was representing the 37th District as a member of the California State Senate before taking the new position with the County.



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REQUIRED SUPPLEMENTARY INFORMATION



PHOTOGRAPHER
RICHARD S. PAUL
FIRST CONGREGATIONAL
CHURCH TOWER



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COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2009

RETIREMENT PLANS - SCHEDULES OF FUNDING PROGRESS

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

Riverside County – Miscellaneous

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2006	\$ 2,599,592	\$ 2,741,753	\$ 142,161	94.81 %	\$ 659,274	21.56 %
June 30, 2007	2,894,148	3,029,360	135,212	95.54	754,118	17.93
June 30, 2008	3,174,975	3,350,223	175,248	94.77	841,613	20.82

Riverside County - Safety

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2006	\$ 1,170,093	\$ 1,231,954	\$ 61,861	94.98 %	\$ 189,606	32.63 %
June 30, 2007	1,291,421	1,369,534	78,113	94.30	214,634	36.39
June 30, 2008	1,414,120	1,469,416	55,296	96.24	240,746	22.97

Flood Control and Water Conservation District

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2006	\$ 75,422	\$ 84,198	\$ 8,776	89.58 %	\$ 13,041	67.30 %
June 30, 2007	82,383	90,833	8,450	90.70	13,818	61.15
June 30, 2008	88,463	98,300	9,837	89.99	14,137	69.58

*Regional Park and Open-Space District**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2006	\$ 501,707	\$ 620,492	\$ 118,785	80.86 %	\$ 126,050	94.24 %
June 30, 2007	576,070	699,664	123,594	82.34	139,335	88.70
June 30, 2008	641,168	776,167	134,999	82.61	155,115	87.03

*The amounts disclosed are for the entire Risk Pool fund in which Parks and Waste Management Department participate and not solely of their specific assets and liabilities. CalPERS Risk Pool valuation does not break out specific assets and liabilities.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2009

RETIREMENT PLANS - SCHEDULES OF FUNDING PROGRESS (Continued)

(Dollars in thousands)

*Waste Management Department**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2006	\$ 501,707	\$ 620,492	\$ 118,785	80.86 %	\$ 126,050	94.24 %
June 30, 2007	576,070	699,664	123,594	82.34	139,335	88.70
June 30, 2008	641,168	776,167	134,999	82.61	155,115	87.03

*The amounts disclosed are for the entire Risk Pool fund in which Parks and Waste Management Department participate and not solely of their specific assets and liabilities. CalPERS Risk Pool valuation does not break out specific assets and liabilities.

Riverside County - Part-time and Temporary Help Retirement

Six - Year Trend Information

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)**	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2003	\$ 5,945	\$ 8,454	\$ 2,509	70.32 %	\$ 31,360	8.00 %
June 30, 2004	7,352	9,338	1,986	78.73	29,670	6.69
June 30, 2005	8,534	11,020	2,486	77.44	27,388	9.08
June 30, 2006	10,520	13,673	3,153	76.94	29,124	10.83
June 30, 2007	13,778	20,468	6,690	67.31	41,333	16.19
June 30, 2008	16,989	19,471	2,482	87.25	27,928	8.89

**All amounts provided prior to June 30, 2007 were based on information from reports from the prior actuary. The prior actuary's reports are based on the Entry Age Normal cost method. The Projected Unit Credit cost method is used as of June 30, 2007.

RETIREMENT PLANS – SCHEDULE OF EMPLOYER CONTRIBUTIONS

Riverside County - Part-time and Temporary Help Retirement

Fiscal Year	Annual Required Contribution	Percentage Contributed	Net Pension Obligation
2004	\$ 813	100 %	\$ -
2005	616	100	-
2006	633	100	-
2007	1,914	100	-
2008	745	267	(1,248)
2009	227	828	(2,901)

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2009

OPEB - SCHEDULES OF FUNDING PROGRESS

(Dollars in thousands)

Riverside County

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2007	\$ -	\$ 48,582	\$ 48,582	0.00 %	\$ 913,272	5.32 %
January 1, 2008	10,411	46,681	36,270	22.30	979,090	3.70
January 1, 2009	9,872	55,288	45,416	17.86	1,011,963	4.49

Flood Control and Water Conservation District

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2007	\$ -	\$ 303	\$ 303	0.00 %	\$ 14,656	2.07 %
January 1, 2008 ⁺	100	337	237	29.67	N/A	N/A
January 1, 2009	105	660	555	15.91	14,396	3.86

Regional Park and Open-Space District

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2007	\$ -	\$ 190	\$ 190	0.00 %	\$ 7,204	2.64 %
January 1, 2008 ⁺	190	193	3	98.45	N/A	N/A
January 1, 2009	147	144	(3)	102.08	4,429	0.07

Waste Management Department

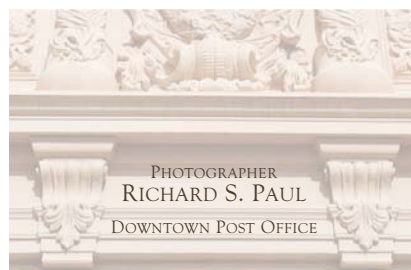
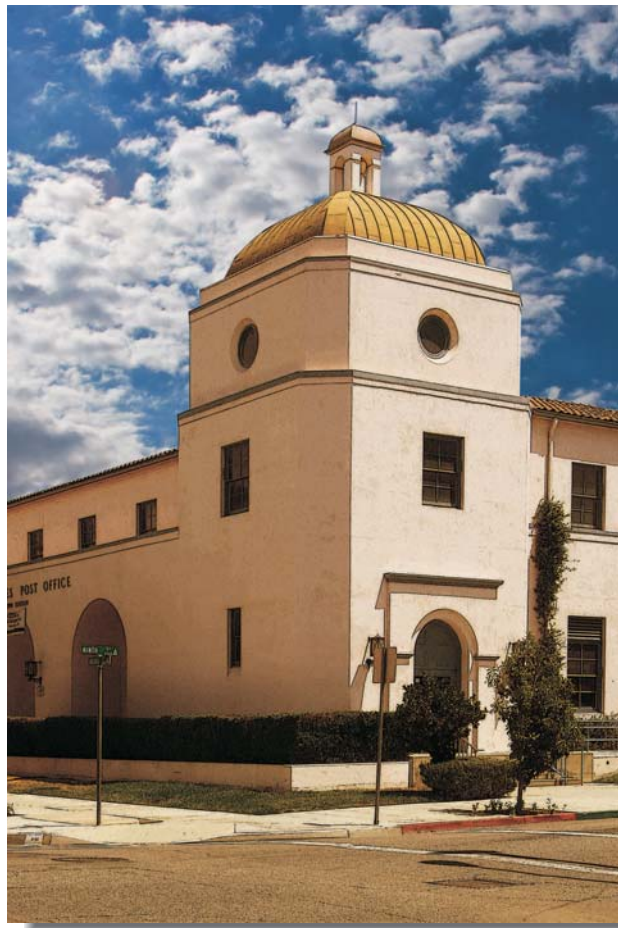
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2007	\$ -	\$ 654	\$ 654	0.00 %	\$ 4,405	14.85 %
January 1, 2008 ⁺	-	658	658	0.00	N/A	N/A
January 1, 2009	-	1,089	1,089	0.00	3,302	32.98

+ Estimate only.



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COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES





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COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Teeter Debt Service Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Interest	\$ 750	\$ 750	\$ 2,531	\$ 1,781
Other revenue	3,876	3,876	-	(3,876)
Total revenues	4,626	4,626	2,531	(2,095)
EXPENDITURES:				
Current:				
General government	2,686	750	746	(4)
Debt service:				
Interest	4,314	4,314	2,223	(2,091)
Total expenditures	7,000	5,064	2,969	(2,095)
Excess (deficiency) of revenues over (under) expenditures	(2,374)	(438)	(438)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	2,374	2,374	2,374	-
Transfers out	-	(1,936)	(1,936)	-
Total other financing sources (uses)	2,374	438	438	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Public Facilities Improvements Capital Projects Fund
 For the Fiscal Year Ended June 30, 2009
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
License, permits, and franchise fees	\$ 1	\$ 1	\$ -	\$ (1)
Use of money and property:				
Interest	7,045	7,045	17,154	10,109
Aid from other governmental agencies:				
Other	13,879	16,292	16,942	650
Charges for services	223,536	180,114	27,107	(153,007)
Other revenue	58,900	74,221	8,132	(66,089)
Total revenues	<u>303,361</u>	<u>277,673</u>	<u>69,335</u>	<u>(208,338)</u>
EXPENDITURES:				
Current:				
General government	350,589	388,307	138,974	(249,333)
Public ways and facilities	32,540	22,660	679	(21,981)
Total expenditures	<u>383,129</u>	<u>410,967</u>	<u>139,653</u>	<u>(271,314)</u>
Excess (deficiency) of revenues over (under) expenditures	(79,768)	(133,294)	(70,318)	62,976
OTHER FINANCING SOURCES (USES):				
Transfers in	-	76,210	76,210	-
Transfers out	-	(58,376)	(58,376)	-
Total other financing sources (uses)	<u>-</u>	<u>17,834</u>	<u>17,834</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(79,768)</u>	<u>(115,460)</u>	<u>(52,484)</u>	<u>62,976</u>
Fund balance, beginning of year	<u>590,915</u>	<u>590,915</u>	<u>590,915</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 511,147</u>	<u>\$ 475,455</u>	<u>\$ 538,431</u>	<u>\$ 62,976</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Redevelopment Agency Capital Projects Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ 2,399	\$ 2,399	\$ 8,980	\$ 6,581
Charges for current services	32	32	-	(32)
Other revenue	141,676	112,898	4,895	(108,003)
Total revenues	<u>144,107</u>	<u>115,329</u>	<u>13,875</u>	<u>(101,454)</u>
EXPENDITURES:				
Current:				
General government	144,107	121,082	70,543	(50,539)
Total expenditures	<u>144,107</u>	<u>121,082</u>	<u>70,543</u>	<u>(50,539)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(5,753)	(56,668)	(50,915)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	28,779	28,779	-
Transfers out	-	(23,026)	(23,026)	-
Total other financing sources (uses)	<u>-</u>	<u>5,753</u>	<u>5,753</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(50,915)	(50,915)
Fund balance, beginning of year	356,618	356,618	356,618	-
FUND BALANCE, END OF YEAR	<u>\$ 356,618</u>	<u>\$ 356,618</u>	<u>\$ 305,703</u>	<u>\$ (50,915)</u>



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NONMAJOR GOVERNMENTAL FUNDS



PHOTOGRAPHER
RICHARD S. PAUL
OLD CITY HALL



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COUNTY OF RIVERSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
ASSETS:					
Cash and investments	\$ 492,108	\$ 80,572	\$ 18,996	\$ 391	\$ 592,067
Accounts receivable	2,631	2,334	-	2	4,967
Interest receivable	1,120	221	51	1	1,393
Taxes receivable	10,316	-	-	-	10,316
Due from other governments	19,290	-	2,316	-	21,606
Inventories	907	-	-	-	907
Due from other funds	986	1,417	-	-	2,403
Prepaid items	1,919	-	11,117	-	13,036
Restricted cash and investments	9,111	64,215	82,090	-	155,416
Advances to other funds	2,300	-	-	-	2,300
Notes receivable	31,570	-	-	-	31,570
Land held for resale	26,515	-	-	-	26,515
Total assets	\$ 598,773	\$ 148,759	\$ 114,570	\$ 394	\$ 862,496
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 31,218	\$ 1,191	\$ 464	\$ 24	\$ 32,897
Salaries and benefits payable	7,986	-	305	-	8,291
Due to other governments	1,757	-	-	-	1,757
Due to other funds	8,527	-	354	-	8,881
Deposits payable	18	-	-	-	18
Advance from other funds	-	-	2,300	-	2,300
Deferred revenue	21,822	-	-	-	21,822
Total liabilities	71,328	1,191	3,423	24	75,966
Fund balances:					
Reserved	120,718	147,568	104,214	370	372,870
Unreserved, designated, reported in:					
Special revenue funds	57,815	-	-	-	57,815
Capital projects funds	-	-	6,933	-	6,933
Unreserved, undesignated, reported in:					
Special revenue funds	348,912	-	-	-	348,912
Total fund balances	527,445	147,568	111,147	370	786,530
Total liabilities and fund balances	\$ 598,773	\$ 148,759	\$ 114,570	\$ 394	\$ 862,496

COUNTY OF RIVERSIDE

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

Nonmajor Governmental Funds

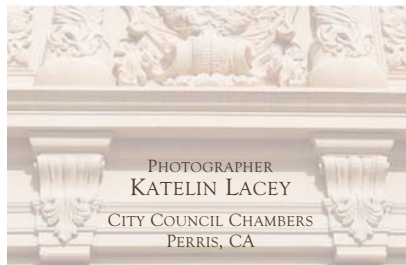
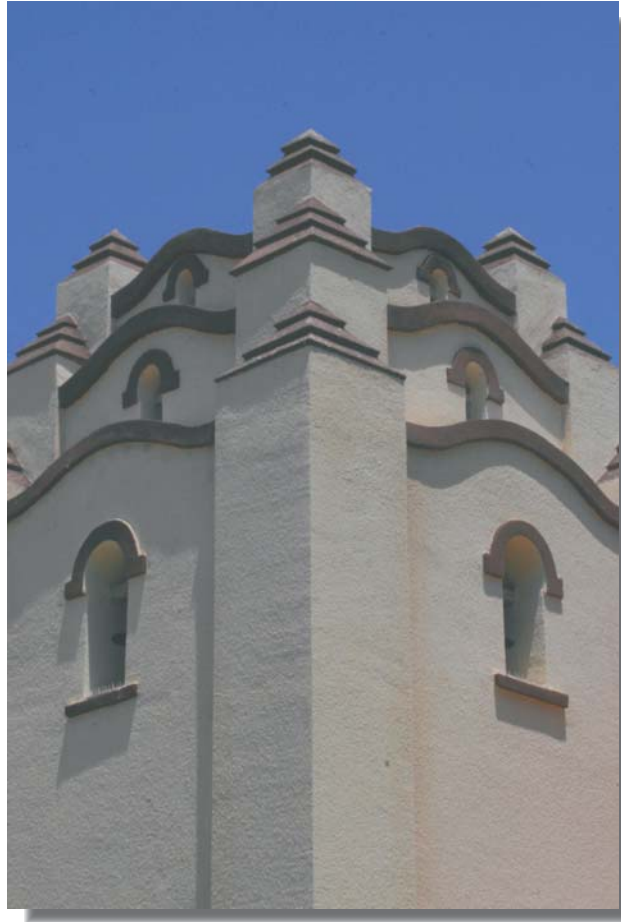
For the Fiscal Year Ended June 30, 2009

(Dollar in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES:					
Taxes	\$ 170,405	\$ 80,353	\$ -	\$ -	\$ 250,758
Licenses, permits and franchise fees	2,706	-	-	-	2,706
Fines, forfeitures and penalties	1,425	-	-	-	1,425
Use of money and property:					
Interest	10,827	5,251	2,873	10	18,961
Rents and concessions	8,104	5,890	-	-	13,994
Aid from other governmental agencies:					
Federal	73,820	-	-	-	73,820
State	45,299	-	1,756	-	47,055
Other	28,003	-	-	-	28,003
Charges for services	65,380	1,905	1,378	20	68,683
Other revenue	25,778	9,283	111	-	35,172
Total revenues	<u>431,747</u>	<u>102,682</u>	<u>6,118</u>	<u>30</u>	<u>540,577</u>
EXPENDITURES:					
Current:					
General government	42,807	21,618	9,208	-	73,633
Public protection	64,180	-	-	45	64,225
Public ways and facilities	143,487	-	-	-	143,487
Health and sanitation	8,080	-	-	-	8,080
Public assistance	47,079	-	-	-	47,079
Education	15,056	-	-	-	15,056
Recreation and culture	12,260	-	311	-	12,571
Debt service:					
Principal	1,595	41,743	-	-	43,338
Interest	159	73,134	-	-	73,293
Cost of issuance	-	2,436	-	-	2,436
Capital outlay	264	1,566	24,323	-	26,153
Total expenditures	<u>334,967</u>	<u>140,497</u>	<u>33,842</u>	<u>45</u>	<u>509,351</u>
Excess (deficiency) of revenues					
Over (under) expenditures	96,780	(37,815)	(27,724)	(15)	31,226
OTHER FINANCING SOURCES (USES):					
Transfers in	68,134	157,069	105,638	-	330,841
Transfers out	(116,720)	(93,878)	(82,690)	-	(293,288)
Issuance of refunding bonds	-	78,895	-	-	78,895
Payment to refunded bond escrow agent	-	(76,300)	-	-	(76,300)
Total other financing sources (uses)	<u>(48,586)</u>	<u>65,786</u>	<u>22,948</u>	<u>-</u>	<u>40,148</u>
NET CHANGE IN FUND BALANCES	<u>48,194</u>	<u>27,971</u>	<u>(4,776)</u>	<u>(15)</u>	<u>71,374</u>
Fund balances, beginning of year,					
as previously reported	478,475	119,597	115,923	-	713,995
Adjustments to beginning fund balances	776	-	-	385	1,161
Fund balances, beginning of year, as restated	<u>479,251</u>	<u>119,597</u>	<u>115,923</u>	<u>385</u>	<u>715,156</u>
FUND BALANCES, END OF YEAR	<u>\$ 527,445</u>	<u>\$ 147,568</u>	<u>\$ 111,147</u>	<u>\$ 370</u>	<u>\$ 786,530</u>

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS



PHOTOGRAPHER
KATELIN LACEY
CITY COUNCIL CHAMBERS
PERRIS, CA



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COUNTY OF RIVERSIDE

SPECIAL REVENUE FUNDS

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

TRANSPORTATION

This fund was 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 highway user taxes and are supplemented by Federal funds, vehicle code fines, and fees and reimbursements for engineering services provided.

FLOOD CONTROL

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

COMMUNITY SERVICES

This fund provides financing for public services. Public services provided by this fund group are: HUD Community Services Grant, EDA Administration, Community Action Partnership, Job Training Partnership, Office on Aging, USEDA Grant, County Free Library, Structural Fire Protection, Homeless Housing Relief, Home Program, EDA US Department of Agriculture Rural Development, Workforce Development, Healthy Kids, and Bio-terrorism Preparedness. The primary source of revenue for this fund is from State/Federal Grants.

REDEVELOPMENT AGENCY

This fund was established to account for administration and revenues/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 AREAS

This county service area fund was established to provide authorized services such as road, park, lighting maintenance, fire protection, or water to specified areas in the County. They are financed by ad valorem property taxes in the area benefited, or by special assessments levied on specific properties.

REGIONAL PARK AND OPEN-SPACE

The Regional Park and Open-Space District is a special district established to provide legal authority and expanded opportunity for open space acquisition and management and transferred regional park responsibility from the County of the District.

AIR QUALITY IMPROVEMENT

This fund accounts for Riverside County's portion of State of California motor vehicle fees restricted for the use of reducing air pollution.

COUNTY OF RIVERSIDE

SPECIAL REVENUE FUNDS

IN-HOME SUPPORT SERVICES

The goal of the IHSS program is to enable elderly and/or disabled persons to remain safely in independent living as long as possible. This in-home assistance is designed to allow persons to remain in their home rather than be placed in an institutional setting. IHSS receives revenue for the following services: meal preparation and clean-up, food shopping, bathing, dressing, personal care, domestic services (cleaning), and assistance with medications.

PERRIS VALLEY CEMETERY DISTRICT

The District is a public cemetery district operating under the provisions of the Health and Safety Code of the State of California. The District was created in July 1927 for the purpose operating a public cemetery for the residents of the Perris Valley.

OTHER SPECIAL REVENUE

This fund provides financing to make services available to the public and governmental agencies. At the current time, the other special revenue fund accounts the following services: Rideshare, AD CFD Administration, Aviation, Ladera Irrigation, National Date Festival, Cal-ID, Special Aviation, Supervisorial Road Districts, Multi-Species Habitat Conservation Agency, Riverside U.S. Grazing Fees, Mitigation Project Operations, Airport Land Use Commission, Prop 10, and DNA Identification.



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COUNTY OF RIVERSIDE
Combining Balance Sheet
Special Revenue Funds
June 30, 2009
(Dollars in Thousands)

	Transportation	Flood Control	Community Services	Redevelopment Agency	County Service Areas
ASSETS:					
Cash and investments	\$ 130,069	\$ 226,297	\$ 40,323	\$ 44,621	\$ 14,491
Accounts receivable	1,187	516	744	-	-
Interest receivable	256	611	18	96	46
Taxes receivable	167	2,494	6,001	-	910
Due from other governments	11,562	421	6,182	-	-
Inventories	907	-	-	-	-
Due from other funds	489	197	-	-	-
Prepaid items	-	1,793	126	-	-
Restricted cash and investment	-	9,111	-	-	-
Advances to other funds	-	-	-	-	-
Notes receivable	-	-	-	31,570	-
Land held for resale	-	-	-	26,515	-
Total assets	<u>\$ 144,637</u>	<u>\$ 241,440</u>	<u>\$ 53,394</u>	<u>\$ 102,802</u>	<u>\$ 15,447</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 16,564	\$ 10,452	\$ 1,264	\$ 2,026	\$ 107
Salaries and benefits payable	3,349	1,347	2,251	-	101
Due to other governments	1,453	228	49	-	-
Due to other funds	-	341	8,179	-	-
Deposits payable	-	-	-	-	18
Deferred revenue	18,895	156	1,762	-	-
Total liabilities	<u>40,261</u>	<u>12,524</u>	<u>13,505</u>	<u>2,026</u>	<u>226</u>
Fund balances (Note 14):					
Reserved:	28,415	1,794	4,562	80,489	243
Unreserved:					
Designated	38	30,149	526	17,799	5
Undesignated	75,923	196,973	34,801	2,488	14,973
Total fund balances	<u>104,376</u>	<u>228,916</u>	<u>39,889</u>	<u>100,776</u>	<u>15,221</u>
Total liabilities and fund balances	<u>\$ 144,637</u>	<u>\$ 241,440</u>	<u>\$ 53,394</u>	<u>\$ 102,802</u>	<u>\$ 15,447</u>

Regional Park and Open-Space	Air Quality Improvement	In-Home Support Services	Perris Valley Cemetery	Other Special Revenue	Total	
\$ 11,424	\$ 1,319	\$ 1,131	\$ 922	\$ 21,511	\$ 492,108	ASSETS:
49	-	-	13	122	2,631	Cash and investments
40	4	1	2	46	1,120	Accounts receivable
650	-	-	34	60	10,316	Interest receivable
210	141	543	-	231	19,290	Taxes receivable
-	-	-	-	-	907	Due from other governments
300	-	-	-	-	986	Inventories
-	-	-	-	-	1,919	Due from other funds
-	-	-	-	-	9,111	Prepaid items
-	-	-	-	-	2,300	Restricted cash and investment
2,300	-	-	-	-	2,300	Advances to other funds
-	-	-	-	-	31,570	Notes receivable
-	-	-	-	-	26,515	Land held for resale
<u>\$ 14,973</u>	<u>\$ 1,464</u>	<u>\$ 1,675</u>	<u>\$ 971</u>	<u>\$ 21,970</u>	<u>\$ 598,773</u>	Total assets
						LIABILITIES AND FUND BALANCES:
						Liabilities:
\$ 308	\$ 114	\$ -	\$ 6	\$ 377	\$ 31,218	Accounts payable
478	-	132	6	322	7,986	Salaries and benefits payable
4	11	-	-	12	1,757	Due to other governments
-	7	-	-	-	8,527	Due to other funds
-	-	-	-	-	18	Deposits payable
12	-	-	-	997	21,822	Deferred revenue
<u>802</u>	<u>132</u>	<u>132</u>	<u>12</u>	<u>1,708</u>	<u>71,328</u>	Total liabilities
						Fund balances (Note 14):
3,262	-	5	785	1,163	120,718	Reserved:
						Unreserved:
9,297	-	-	-	1	57,815	Designated
1,612	1,332	1,538	174	19,098	348,912	Undesignated
<u>14,171</u>	<u>1,332</u>	<u>1,543</u>	<u>959</u>	<u>20,262</u>	<u>527,445</u>	Total fund balances
<u>\$ 14,973</u>	<u>\$ 1,464</u>	<u>\$ 1,675</u>	<u>\$ 971</u>	<u>\$ 21,970</u>	<u>\$ 598,773</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, 2009
(Dollars in Thousands)

	Transportation	Flood Control	Community Services	Redevelopment Agency	County Service Areas
REVENUES:					
Taxes	\$ 25,066	\$ 53,167	\$ 64,315	\$ 20,088	\$ 1,641
Licenses, permits, and franchise fees	2,686	-	-	-	-
Fines, forfeitures, and penalties	1	-	480	-	-
Use of money and property:					
Interest	2,578	5,678	283	1,070	404
Rents and concessions	22	81	891	-	-
Aid from other governmental agencies:					
Federal	17,601	5	53,734	-	-
State	35,997	641	4,823	-	19
Other	10,107	-	17,742	-	13
Charges for services	27,887	13,439	1,317	-	9,841
Other revenue	11,832	7,773	5,264	230	177
Total revenues	<u>133,777</u>	<u>80,784</u>	<u>148,849</u>	<u>21,388</u>	<u>12,095</u>
EXPENDITURES:					
Current:					
General government	-	-	24,839	11,806	-
Public protection	8,148	50,584	762	-	7
Public ways and facilities	128,436	-	-	-	9,007
Health and sanitation	-	-	3,079	-	737
Public assistance	-	-	47,079	-	-
Education	-	-	15,056	-	-
Recreation and culture	-	-	-	-	1,025
Debt service:					
Principal	1,274	-	321	-	-
Interest	159	-	-	-	-
Capital outlay					
Total expenditures	<u>138,017</u>	<u>50,584</u>	<u>91,136</u>	<u>11,806</u>	<u>10,776</u>
Excess (deficiency) of revenues over (under) expenditures	(4,240)	30,200	57,713	9,582	1,319
OTHER FINANCING SOURCES (USES):					
Transfers in	33,247	-	26,682	-	115
Transfers out	(20,218)	(709)	(76,030)	(9,277)	(3,481)
Total other financing sources (uses)	<u>13,029</u>	<u>(709)</u>	<u>(49,348)</u>	<u>(9,277)</u>	<u>(3,366)</u>
NET CHANGE IN FUND BALANCES	8,789	29,491	8,365	305	(2,047)
Fund balances, beginning of year, as previously reported	95,587	199,425	31,524	100,471	17,268
Adjustments to beginning fund balances	-	-	-	-	-
Fund balances, beginning of year, as restated	<u>95,587</u>	<u>199,425</u>	<u>31,524</u>	<u>100,471</u>	<u>17,268</u>
FUND BALANCES, END OF YEAR	<u>\$ 104,376</u>	<u>\$ 228,916</u>	<u>\$ 39,889</u>	<u>\$ 100,776</u>	<u>\$ 15,221</u>

Regional Park and Open-Space	Air Quality Improvement	In-Home Support Services	Perris Valley Cemetery	Other Special Revenue	Total	
\$ 4,890	\$ -	\$ -	\$ 254	\$ 984	\$ 170,405	REVENUES:
-	-	-	-	20	2,706	Taxes
-	-	-	-	944	1,425	Licenses, permits, and franchise fees
289	36	21	22	446	10,827	Fines, forfeitures, and penalties
837	-	-	-	6,273	8,104	Use of money and property:
-	-	1,342	-	1,138	73,820	Interest
240	572	865	3	2,139	45,299	Rents and concessions
137	-	-	-	4	28,003	Aid from other governmental agencies:
4,407	-	-	201	8,288	65,380	Federal
7	-	-	-	495	25,778	State
10,807	608	2,228	480	20,731	431,747	Other
						Charges for services
						Other revenue
						Total revenues
						EXPENDITURES:
						Current:
-	384	-	-	5,778	42,807	General government
55	-	-	297	4,327	64,180	Public protection
-	-	-	-	6,044	143,487	Public ways and facilities
-	-	2,178	-	2,086	8,080	Health and sanitation
-	-	-	-	-	47,079	Public assistance
-	-	-	-	-	15,056	Education
11,235	-	-	-	-	12,260	Recreation and culture
-	-	-	-	-	1,595	Debt service:
-	-	-	-	-	159	Principal
264	-	-	-	-	264	Interest
11,554	384	2,178	297	18,235	334,967	Capital outlay
						Total expenditures
(747)	224	50	183	2,496	96,780	Excess (deficiency) of revenues over (under) expenditures
						OTHER FINANCING SOURCES (USES):
3,967	-	701	-	3,422	68,134	Transfers in
(2,177)	(302)	(557)	-	(3,969)	(116,720)	Transfers out
1,790	(302)	144	-	(547)	(48,586)	Total other financing sources (uses)
1,043	(78)	194	183	1,949	48,194	NET CHANGE IN FUND BALANCES
13,128	1,410	1,349	-	18,313	478,475	Fund balances, beginning of year, as previously reported
-	-	-	776	-	776	Adjustments to beginning fund balances
13,128	1,410	1,349	776	18,313	479,251	Fund balances, beginning of year, as restated
\$ 14,171	\$ 1,332	\$ 1,543	\$ 959	\$ 20,262	\$ 527,445	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Transportation Special Revenue Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 28,691	\$ 28,691	\$ 25,066	\$ (3,625)
License, permits, and franchise fees	3,740	3,740	2,686	(1,054)
Fines, forfeitures, and penalties	1	1	1	-
Use of money and property:				
Interest	3,266	3,266	2,578	(688)
Rents and concessions	-	-	22	22
Aid from other governmental agencies:				
Federal	15,046	15,046	17,601	2,555
State	31,148	31,148	35,997	4,849
Other	18,000	18,000	10,107	(7,893)
Charges for current services	96,986	68,745	27,887	(40,858)
Other revenue	21,262	21,004	11,832	(9,172)
Total revenues	218,140	189,641	133,777	(55,864)
EXPENDITURES:				
Current:				
Public protection	12,873	9,909	8,148	(1,761)
Public ways and facilities	200,679	193,081	128,436	(64,645)
Debt service:				
Principal	1,393	1,303	1,274	(29)
Interest	184	174	159	(15)
Total expenditures	215,129	204,467	138,017	(66,450)
Excess (deficiency) of revenues over (under) expenditures	3,011	(14,826)	(4,240)	10,586
OTHER FINANCING SOURCES (USES):				
Transfers in	-	33,247	33,247	-
Transfers out	-	(20,218)	(20,218)	-
Total other financing sources (uses)	-	13,029	13,029	-
NET CHANGE IN FUND BALANCE	3,011	(1,797)	8,789	10,586
Fund balance, beginning of year	95,587	95,587	95,587	-
FUND BALANCE, END OF YEAR	\$ 98,598	\$ 93,790	\$ 104,376	\$ 10,586

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Flood Control Special Revenue Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 54,658	\$ 54,658	\$ 53,167	\$ (1,491)
Use of money and property:				
Interest	7,509	7,509	5,678	(1,831)
Rents and concessions	208	208	81	(127)
Aid from other governmental agencies:				
Federal	1	1	5	4
State	659	659	641	(18)
Charges for services	10,416	10,416	13,439	3,023
Other revenue	6,393	6,393	7,773	1,380
Total revenues	79,844	79,844	80,784	940
EXPENDITURES:				
Current:				
Public protection	107,290	107,481	50,584	(56,897)
Total expenditures	107,290	107,481	50,584	(56,897)
Excess (deficiency) of revenues over (under) expenditures	(27,446)	(27,637)	30,200	57,837
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(709)	(709)	-
Total other financing sources (uses)	-	(709)	(709)	-
NET CHANGE IN FUND BALANCE	(27,446)	(28,346)	29,491	57,837
Fund balance, beginning of year	199,425	199,425	199,425	-
FUND BALANCE, END OF YEAR	\$ 171,979	\$ 171,079	\$ 228,916	\$ 57,837

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Community Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 69,217	\$ 69,217	\$ 64,315	\$ (4,902)
Fines, forfeitures, and penalties	516	516	480	(36)
Use of money and property:				
Interest	46	46	283	237
Rents and concessions	859	859	891	32
Aid from other governmental agencies:				
Federal	69,812	122,923	53,734	(69,189)
State	4,865	4,632	4,823	191
Other	13,157	13,222	17,742	4,520
Charges for current services	21,451	3,357	1,317	(2,040)
Other revenue	11,398	4,467	5,264	797
Total revenues	191,321	219,239	148,849	(70,390)
EXPENDITURES:				
Current:				
General government	33,527	31,965	24,839	(7,126)
Public protection	67,351	7,176	762	(6,414)
Health and sanitation	4,070	4,040	3,079	(961)
Public assistance	70,198	113,974	47,079	(66,895)
Education	23,539	21,526	15,056	(6,470)
Debt service:				
Principal	1,618	713	321	(392)
Total expenditures	200,303	179,394	91,136	(88,258)
Excess (deficiency) of revenues over (under) expenditures	(8,982)	39,845	57,713	17,868
OTHER FINANCING SOURCES (USES):				
Transfers in	-	26,682	26,682	-
Transfers out	-	(76,030)	(76,030)	-
Total other financing sources (uses)	-	(49,348)	(49,348)	-
NET CHANGE IN FUND BALANCE	(8,982)	(9,503)	8,365	17,868
Fund balance, beginning of year	31,524	31,524	31,524	-
FUND BALANCE, END OF YEAR	\$ 22,542	\$ 22,021	\$ 39,889	\$ 17,868

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Redevelopment Agency Special Revenue Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 17,688	\$ 17,688	\$ 20,088	\$ 2,400
Use of money and property:				
Interest	1,173	1,173	1,070	(103)
Aid from other governmental agencies:				
Other	1	1	-	(1)
Other revenue	46,428	46,428	230	(46,198)
Total revenues	<u>65,290</u>	<u>65,290</u>	<u>21,388</u>	<u>(43,902)</u>
EXPENDITURES:				
Current:				
General government	65,289	56,012	11,806	(44,206)
Total expenditures	<u>65,289</u>	<u>56,012</u>	<u>11,806</u>	<u>(44,206)</u>
Excess (deficiency) of revenues over (under) expenditures	1	9,278	9,582	304
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(9,277)	(9,277)	-
Total other financing sources (uses)	<u>-</u>	<u>(9,277)</u>	<u>(9,277)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1	1	305	304
Fund balance, beginning of year	100,471	100,471	100,471	-
FUND BALANCE, END OF YEAR	<u>\$ 100,472</u>	<u>\$ 100,472</u>	<u>\$ 100,776</u>	<u>\$ 304</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
County Service Areas Special Revenue Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 1,185	\$ 1,185	\$ 1,641	\$ 456
Use of money and property:				
Interest	355	355	404	49
Rents and concessions	1	1	-	(1)
Aid from other governmental agencies:				
State	13	13	19	6
Other	-	-	13	13
Charges for current services	9,288	9,173	9,841	668
Other revenue	2,541	3,211	177	(3,034)
Total revenues	13,383	13,938	12,095	(1,843)
EXPENDITURES:				
Current:				
Public protection	484	343	7	(336)
Public ways and facilities	10,719	11,191	9,007	(2,184)
Health and sanitation	775	775	737	(38)
Recreation and cultural services	1,404	1,503	1,025	(478)
Total expenditures	13,382	13,812	10,776	(3,036)
Excess (deficiency) of revenues over (under) expenditures	1	126	1,319	1,193
OTHER FINANCING SOURCES (USES):				
Transfers in	-	115	115	-
Transfers out	-	(3,481)	(3,481)	-
Total other financing sources (uses)	-	(3,366)	(3,366)	-
NET CHANGE IN FUND BALANCE	1	(3,240)	(2,047)	1,193
Fund balance, beginning of year	17,268	17,268	17,268	-
FUND BALANCE, END OF YEAR	\$ 17,269	\$ 14,028	\$ 15,221	\$ 1,193

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Regional Park and Open-Space Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 5,180	\$ 4,919	\$ 4,890	\$ (29)
Use of money and property:				
Interest	376	376	289	(87)
Rents and concessions	690	690	837	147
Aid from other governmental agencies:				
State	166	166	240	74
Other	70	70	137	67
Charges for current services	6,486	2,928	4,407	1,479
Other revenue	1,128	423	7	(416)
Total revenues	14,096	9,572	10,807	1,235
EXPENDITURES:				
Current:				
Public protection	10	500	55	(445)
Recreation and cultural services	14,306	12,352	11,235	(1,117)
Capital outlay	435	528	264	(264)
Total expenditures	14,751	13,380	11,554	(1,826)
Excess (deficiency) of revenues over (under) expenditures	(655)	(3,808)	(747)	3,061
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,967	3,967	-
Transfers out	-	(2,177)	(2,177)	-
Total other financing sources (uses)	-	1,790	1,790	-
NET CHANGE IN FUND BALANCE	(655)	(2,018)	1,043	3,061
Fund balance, beginning of year	13,128	13,128	13,128	-
FUND BALANCE, END OF YEAR	\$ 12,473	\$ 11,110	\$ 14,171	\$ 3,061

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Air Quality Improvement Special Revenue Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Interest	\$ 35	\$ 35	\$ 36	\$ 1
Aid from other governmental agencies:				
State	700	700	572	(128)
Total revenues	735	735	608	(127)
EXPENDITURES:				
Current:				
General government	1,255	953	384	(569)
Total expenditures	1,255	953	384	(569)
Excess (deficiency) of revenues over (under) expenditures	(520)	(218)	224	442
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(302)	(302)	-
Total other financing sources (uses)	-	(302)	(302)	-
NET CHANGE IN FUND BALANCE	(520)	(520)	(78)	442
Fund balance, beginning of year	1,410	1,410	1,410	-
FUND BALANCE, END OF YEAR	\$ 890	\$ 890	\$ 1,332	\$ 442

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 In-Home Support Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ -	\$ -	\$ 21	\$ 21
Aid from other governmental agencies:				
Federal	1,410	1,410	1,342	(68)
State	1,458	1,458	865	(593)
Other revenue	911	210	-	(210)
Total revenues	<u>3,779</u>	<u>3,078</u>	<u>2,228</u>	<u>(850)</u>
EXPENDITURES:				
Current:				
Health and sanitation	3,779	3,222	2,178	(1,044)
Total expenditures	<u>3,779</u>	<u>3,222</u>	<u>2,178</u>	<u>(1,044)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(144)	50	194
OTHER FINANCING SOURCES (USES):				
Transfers in	-	701	701	-
Transfers out	-	(557)	(557)	-
Total other financing sources (uses)	<u>-</u>	<u>144</u>	<u>144</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	194	194
Fund balance, beginning of year	1,349	1,349	1,349	-
FUND BALANCE, END OF YEAR	<u>\$ 1,349</u>	<u>\$ 1,349</u>	<u>\$ 1,543</u>	<u>\$ 194</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Perris Valley Cemetery Special Revenue Fund
 For the Fiscal Year Ended June 30, 2009
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 177	\$ 292	\$ 254	\$ (38)
Use of money and property:				
Interest	15	15	22	7
Aid from other governmental agencies:				
State	-	-	3	3
Charges for current services	155	200	201	1
Total revenues	347	507	480	(27)
EXPENDITURES:				
Public protection	346	449	297	(152)
Total expenditures	346	449	297	(152)
Excess (deficiency) of revenues over (under) expenditures	1	58	183	125
Fund balance, beginning of year	776	776	776	-
FUND BALANCE, END OF YEAR	\$ 777	\$ 834	\$ 959	\$ 125

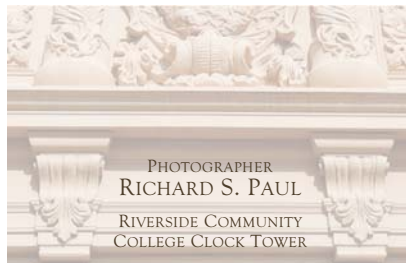
COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 919	\$ 919	\$ 984	\$ 65
License, permits, and franchise fees	19	19	20	1
Fines, forfeitures, and penalties	-	-	944	944
Use of money and property:				
Interest	309	347	446	99
Rents and concessions	6,830	6,885	6,273	(612)
Aid from other governmental agencies:				
Federal	1,497	2,862	1,138	(1,724)
State	1,974	2,558	2,139	(419)
Other	-	-	4	4
Charges for current services	10,069	8,946	8,288	(658)
Other revenue	2,345	1,265	495	(770)
Total revenues	23,962	23,801	20,731	(3,070)
EXPENDITURES:				
Current:				
General government	6,610	6,569	5,778	(791)
Public protection	5,949	5,196	4,327	(869)
Public ways and facilities	10,018	9,823	6,044	(3,779)
Health and sanitation	1,785	2,159	2,086	(73)
Total expenditures	24,362	23,747	18,235	(5,512)
Excess (deficiency) of revenues over (under) expenditures	(400)	54	2,496	2,442
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,422	3,422	-
Transfers out	-	(3,969)	(3,969)	-
Total other financing sources (uses)	-	(547)	(547)	-
NET CHANGE IN FUND BALANCE	(400)	(493)	1,949	2,442
Fund balance, beginning of year	18,313	18,313	18,313	-
FUND BALANCE, END OF YEAR	\$ 17,913	\$ 17,820	\$ 20,262	\$ 2,442



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DEBT SERVICE FUNDS





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COUNTY OF RIVERSIDE

DEBT SERVICE FUNDS

These funds are used to account for the accumulation of resources and payment of long-term debt principal and interest.

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)

CORAL is a non-profit public benefit corporation established to assist the County of Riverside by acquiring equipment and facilities financed from the proceeds of borrowing and leasing such equipment and facilities to the County.

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 with various project areas.

COUNTY OF RIVERSIDE DISTRICT COURT FINANCING CORPORATION (DISTRICT COURT FINANCING CORPORATION)

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

COUNTY OF RIVERSIDE BANKRUPTCY COURT CORPORATION (BANKRUPTCY COURT)

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

TAXABLE PENSION OBLIGATION BONDS (PENSION OBLIGATION)

This fund is used to account for Series 2005 bonds that were issued to satisfy a portion of Riverside County's unfunded accrued actuarial liability for the California Public Employees' Retirement System (CalPERS).

INLAND EMPIRE TOBACCO SECURITIZATION AUTHORITY

The Inland Empire Tobacco Securitization Authority was established to assist the County of Riverside in the construction of certain capital projects, financed from the proceeds of the tobacco settlement revenues.

COUNTY OF RIVERSIDE

Combining Balance Sheet

Debt Service Funds

June 30, 2009

(Dollars in Thousands)

	CORAL	Redevelopment Agency	District Court Financing Corporation	Bankruptcy Court
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS:				
Cash and investments	\$ -	\$ 69,266	\$ -	\$ -
Accounts receivable	-	146	-	-
Interest receivable	46	138	-	-
Due from other funds	-	-	-	-
Restricted cash and investments	39,352	-	826	6,316
Total assets	<u>\$ 39,398</u>	<u>\$ 69,550</u>	<u>\$ 826</u>	<u>\$ 6,316</u>
 LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 25	\$ 896	\$ -	\$ -
Total liabilities	<u>25</u>	<u>896</u>	<u>-</u>	<u>-</u>
 Fund balances (Note 14):				
Reserved	39,373	68,654	826	6,316
Total liabilities and fund balances	<u>\$ 39,398</u>	<u>\$ 69,550</u>	<u>\$ 826</u>	<u>\$ 6,316</u>

Pension Obligation	Inland Empire Tobacco Securitization Authority	Total	
\$ 11,306	\$ -	\$ 80,572	ASSETS:
2,188	-	2,334	Cash and investments
37	-	221	Accounts receivable
-	1,417	1,417	Interest receivable
-	17,721	64,215	Due from other funds
<u>\$ 13,531</u>	<u>\$ 19,138</u>	<u>\$ 148,759</u>	Restricted cash and investments
			Total assets
LIABILITIES AND FUND BALANCES:			
			Liabilities:
<u>\$ 270</u>	<u>\$ -</u>	<u>\$ 1,191</u>	Accounts payable
<u>270</u>	<u>-</u>	<u>1,191</u>	Total liabilities
			Fund balances (Note 14):
<u>13,261</u>	<u>19,138</u>	<u>147,568</u>	Reserved
<u><u>\$ 13,531</u></u>	<u><u>\$ 19,138</u></u>	<u><u>\$ 148,759</u></u>	Total liabilities and fund balances

COUNTY OF RIVERSIDE

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

Debt Service Funds

For the Fiscal Year Ended June 30, 2009

(Dollars in Thousands)

	CORAL	Redevelopment Agency	District Court Financing Corporation	Bankruptcy Court
REVENUES:				
Taxes	\$ -	\$ 80,353	\$ -	\$ -
Use of money and property:				
Interest	2,389	1,067	26	29
Rents and concessions	1,482	-	2,342	2,066
Aid from other governmental agencies:				
Charges for services	-	-	-	-
Other revenue	-	-	-	-
Total revenues	<u>3,871</u>	<u>81,420</u>	<u>2,368</u>	<u>2,095</u>
EXPENDITURES:				
Current:				
General government	287	21,191	3	2
Debt service:				
Principal	15,799	10,294	1,150	795
Interest	20,898	28,384	641	652
Cost of issuance	2,436	-	-	-
Capital outlay	264	-	608	694
Total expenditures	<u>39,684</u>	<u>59,869</u>	<u>2,402</u>	<u>2,143</u>
Excess (deficiency) of revenues over (under) expenditures	(35,813)	21,551	(34)	(48)
OTHER FINANCING SOURCES (USES):				
Transfers in	113,322	14,812	-	-
Transfers out	(82,967)	(10,911)	-	-
Issuance of refunding bonds	78,895	-	-	-
Payment to refunded bond escrow agent	(76,300)	-	-	-
Total other financing sources (uses)	<u>32,950</u>	<u>3,901</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(2,863)	25,452	(34)	(48)
Fund balances, beginning of year	42,236	43,202	860	6,364
FUND BALANCES, END OF YEAR	<u>\$ 39,373</u>	<u>\$ 68,654</u>	<u>\$ 826</u>	<u>\$ 6,316</u>

Pension Obligation	Inland Empire Tobacco		Total	
	Securitization Authority			
\$ -	\$ -	\$ 80,353		REVENUES:
				Taxes
1,013	727	5,251		Use of money and property:
-	-	5,890		Interest
				Rents and concessions
1,905	-	1,905		Aid from other governmental agencies:
				Charges for services
510	8,773	9,283		Other revenue
<u>3,428</u>	<u>9,500</u>	<u>102,682</u>		Total revenues
				EXPENDITURES:
				Current:
-	135	21,618		General government
				Debt service:
9,470	4,235	41,743		Principal
18,564	3,995	73,134		Interest
-	-	2,436		Cost of issuance
-	-	1,566		Capital outlay
<u>28,034</u>	<u>8,365</u>	<u>140,497</u>		Total expenditures
				Excess (deficiency) of revenues
(24,606)	1,135	(37,815)		over (under) expenditures
				OTHER FINANCING SOURCES (USES):
28,935	-	157,069		Transfers in
-	-	(93,878)		Transfers out
-	-	78,895		Issuance of refunding bonds
-	-	(76,300)		Payment to refunded bond escrow agent
<u>28,935</u>	<u>-</u>	<u>65,786</u>		Total other financing sources (uses)
4,329	1,135	27,971		NET CHANGE IN FUND BALANCES
8,932	18,003	119,597		Fund balances, beginning of year
<u>\$ 13,261</u>	<u>\$ 19,138</u>	<u>\$ 147,568</u>		FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Redevelopment Agency Debt Service Fund
 For the Fiscal Year Ended June 30, 2009
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 70,750	\$ 79,749	\$ 80,353	\$ 604
Use of money and property:				
Interest	917	917	1,067	150
Aid from other governmental agencies:				
Other	-	917	-	(917)
Other revenue	14,728	-	-	-
Total revenues	86,395	81,583	81,420	(163)
EXPENDITURES:				
Current:				
General government	86,394	46,805	21,191	(25,614)
Debt service:				
Principal	-	10,294	10,294	-
Interest	-	28,384	28,384	-
Total expenditures	86,394	85,483	59,869	(25,614)
Excess (deficiency) of revenues over (under) expenditures	1	(3,900)	21,551	25,451
OTHER FINANCING SOURCES (USES):				
Transfers in	-	14,812	14,812	-
Transfers out	-	(10,911)	(10,911)	-
Total other financing sources (uses)	-	3,901	3,901	-
NET CHANGE IN FUND BALANCE	1	1	25,452	25,451
Fund balance, beginning of year	43,202	43,202	43,202	-
FUND BALANCE, END OF YEAR	\$ 43,203	\$ 43,203	\$ 68,654	\$ 25,451

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Pension Obligation Bond Debt Service Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ 190	\$ 190	\$ 1,013	\$ 823
Charges for current services	4,604	4,604	1,905	(2,699)
Other revenue	-	-	510	510
Total revenues	<u>4,794</u>	<u>4,794</u>	<u>3,428</u>	<u>(1,366)</u>
EXPENDITURES:				
Current:				
General government	5,695	5,695	-	(5,695)
Debt service:				
Principal	9,470	9,470	9,470	-
Interest	18,564	18,564	18,564	-
Total expenditures	<u>33,729</u>	<u>33,729</u>	<u>28,034</u>	<u>(5,695)</u>
Excess (deficiency) of revenues over (under) expenditures	(28,935)	(28,935)	(24,606)	4,329
OTHER FINANCING SOURCES (USES):				
Transfers in	28,935	28,935	28,935	-
Total other financing sources (uses)	<u>28,935</u>	<u>28,935</u>	<u>28,935</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	4,329	4,329
Fund balance, beginning of year	8,932	8,932	8,932	-
FUND BALANCE, END OF YEAR	<u>\$ 8,932</u>	<u>\$ 8,932</u>	<u>\$ 13,261</u>	<u>\$ 4,329</u>



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CAPITAL PROJECTS FUNDS



PHOTOGRAPHER
RICHARD S. PAUL
FOX THEATRE
RIVERSIDE, CALIFORNIA



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COUNTY OF RIVERSIDE

CAPITAL PROJECTS FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Fund Types.

PUBLIC SAFETY ENTERPRISE COMMUNICATION (PSEC)

The Public Safety Enterprise Communication fund is a multi-agency undertaking to address the County of Riverside 800 MHz public safety radio coverage and operational problems. The multi-year project will result in either a massive upgrade or a complete replacement of the existing radio system.

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)

CORAL is a non-profit public benefit corporation established to assist the County of Riverside by acquiring equipment and facilities financed from the proceeds of borrowing and leasing such equipment and facilities to the County.

FLOOD CONTROL

This fund is used to finance the construction of flood control channels and projects. Revenues are obtained from property taxes, special assessments, and proceeds of tax allocation bonds.

REGIONAL PARK AND OPEN-SPACE

The Regional Park and Open-Space District is a special district established to provide legal authority and expanded opportunity for open space acquisition and management. The District's creation allowed for the transfer of regional park responsibility from the County to the District.

COUNTY OF RIVERSIDE ENTERPRISE SOLUTIONS FOR PROPERTY TAXATION (CREST)

The Assessor, Auditor, and Tax Collector teamed up to collectively develop a new integrated property tax management system. The project begins with a Business Process Re-engineering phase that documents the integrated roles of the three departments. This phase identifies the current system's capabilities, strengths, and weaknesses. A second phase of the project builds on this re-engineering initiative to implement a replacement Property Tax System based on new technology.

COUNTY OF RIVERSIDE

Combining Balance Sheet

Capital Projects Funds

June 30, 2009

(Dollars in Thousands)

	<u>PSEC</u>	<u>CORAL</u>	<u>Flood Control</u>
ASSETS:			
Cash and investments	\$ 5,911	\$ -	\$ 170
Interest receivable	-	9	-
Due from other governments	-	-	-
Prepaid items	10,567	-	-
Restricted cash and investments	-	82,090	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 16,478</u>	<u>\$ 82,099</u>	<u>\$ 170</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 351	\$ 6	\$ -
Salaries and benefits payable	201	-	-
Due to other funds	-	51	3
Advances from other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>552</u>	<u>57</u>	<u>3</u>
Fund balances (Note 14):			
Reserved	15,926	82,042	167
Unreserved:			
Designated	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>15,926</u>	<u>82,042</u>	<u>167</u>
Total liabilities and fund balances	<u>\$ 16,478</u>	<u>\$ 82,099</u>	<u>\$ 170</u>

Regional Park and Open-Space	CREST	Total	
\$ 10,177	\$ 2,738	\$ 18,996	ASSETS:
31	11	51	Cash and investments
2,316	-	2,316	Interest receivable
550	-	11,117	Due from other governments
-	-	82,090	Prepaid items
<u>\$ 13,074</u>	<u>\$ 2,749</u>	<u>\$ 114,570</u>	Restricted cash and investments
			Total assets
			LIABILITIES AND FUND BALANCES:
			Liabilities:
\$ 105	\$ 2	\$ 464	Accounts payable
-	104	305	Salaries and benefits payable
300	-	354	Due to other funds
2,300	-	2,300	Advances from other funds
<u>2,705</u>	<u>106</u>	<u>3,423</u>	Total liabilities
			Fund balances (Note 14):
3,436	2,643	104,214	Reserved
			Unreserved:
6,933	-	6,933	Designated
<u>10,369</u>	<u>2,643</u>	<u>111,147</u>	Total fund balances
<u>\$ 13,074</u>	<u>\$ 2,749</u>	<u>\$ 114,570</u>	Total liabilities and fund balances

COUNTY OF RIVERSIDE

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

Capital Projects Fund

For the Fiscal Year Ended June 30, 2009

(Dollars in Thousands)

	<u>PSEC</u>	<u>CORAL</u>	<u>Flood Control</u>	<u>Regional Park and Open-Space</u>
REVENUES:				
Use of money and property:				
Interest	\$ 25	\$ 2,499	\$ 1	\$ 277
Aid from other governmental agencies:				
State	-	-	-	1,756
Charges for services	-	-	-	-
Other revenue	-	-	-	111
Total revenues	<u>25</u>	<u>2,499</u>	<u>1</u>	<u>2,144</u>
EXPENDITURES:				
Current:				
General government	5,821	-	-	-
Recreation and culture	-	-	-	311
Capital outlay	-	15,578	157	8,588
Total expenditures	<u>5,821</u>	<u>15,578</u>	<u>157</u>	<u>8,899</u>
Excess (deficiency) of revenues over (under) expenditures	(5,796)	(13,079)	(156)	(6,755)
OTHER FINANCING SOURCES (USES):				
Transfers in	11,881	82,967	300	7,783
Transfers out	<u>(1,498)</u>	<u>(79,036)</u>	<u>-</u>	<u>(1,746)</u>
Total other financing sources (uses)	<u>10,383</u>	<u>3,931</u>	<u>300</u>	<u>6,037</u>
NET CHANGE IN FUND BALANCES	4,587	(9,148)	144	(718)
Fund balances, beginning of year	<u>11,339</u>	<u>91,190</u>	<u>23</u>	<u>11,087</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 15,926</u></u>	<u><u>\$ 82,042</u></u>	<u><u>\$ 167</u></u>	<u><u>\$ 10,369</u></u>

<u>CREST</u>	<u>Total</u>	
		REVENUES:
		Use of money and property:
\$ 71	\$ 2,873	Interest
		Aid from other governmental agencies:
-	1,756	State
1,378	1,378	Charges for services
-	111	Other revenue
<u>1,449</u>	<u>6,118</u>	Total revenues
		EXPENDITURES:
		Current:
3,387	9,208	General government
-	311	Recreation and culture
-	24,323	Capital outlay
<u>3,387</u>	<u>33,842</u>	Total expenditures
		Excess (deficiency) of revenues
(1,938)	(27,724)	over (under) expenditures
		OTHER FINANCING SOURCES (USES):
2,707	105,638	Transfers in
(410)	(82,690)	Transfers out
<u>2,297</u>	<u>22,948</u>	Total other financing sources (uses)
359	(4,776)	NET CHANGE IN FUND BALANCES
<u>2,284</u>	<u>115,923</u>	Fund balances, beginning of year
<u>\$ 2,643</u>	<u>\$ 111,147</u>	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
PSEC Capital Projects Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ -	\$ -	\$ 25	\$ 25
Aid from other governmental agencies:				
Federal	-	216	-	(216)
Other revenue	11,797	-	-	-
Total revenues	<u>11,797</u>	<u>216</u>	<u>25</u>	<u>(191)</u>
EXPENDITURES:				
Current:				
General government	11,798	11,562	5,821	(5,741)
Total expenditures	<u>11,798</u>	<u>11,562</u>	<u>5,821</u>	<u>(5,741)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1)</u>	<u>(11,346)</u>	<u>(5,796)</u>	<u>5,550</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	11,881	11,881	-
Transfers out	-	(1,498)	(1,498)	-
Total other financing sources (uses)	<u>-</u>	<u>10,383</u>	<u>10,383</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1)	(963)	4,587	5,550
Fund balance, beginning of year	11,339	11,339	11,339	-
FUND BALANCE, END OF YEAR	<u>\$ 11,338</u>	<u>\$ 10,376</u>	<u>\$ 15,926</u>	<u>\$ 5,550</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Flood Control Capital Projects Fund
 For the Fiscal Year Ended June 30, 2009
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Interest	\$ 3	\$ 3	\$ 1	\$ (2)
Charges for current services	1	1	-	(1)
Other revenue	5,400	5,100	-	(5,100)
Total revenues	<u>5,404</u>	<u>5,104</u>	<u>1</u>	<u>(5,103)</u>
EXPENDITURES:				
Current:				
Capital outlay	5,375	5,375	157	(5,218)
Total expenditures	<u>5,375</u>	<u>5,375</u>	<u>157</u>	<u>(5,218)</u>
Excess (deficiency) of revenues over (under) expenditures	29	(271)	(156)	115
OTHER FINANCING SOURCES (USES):				
Transfers in	-	300	300	-
Total other financing sources (uses)	<u>-</u>	<u>300</u>	<u>300</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	29	29	144	115
Fund balance, beginning of year	23	23	23	-
FUND BALANCE, END OF YEAR	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 167</u>	<u>\$ 115</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Regional Park and Open-Space District Capital Projects Fund
 For the Fiscal Year Ended June 30, 2009
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ 258	\$ 258	\$ 277	\$ 19
Aid from other governmental agencies:				
State	5	986	1,756	770
Other revenue	19,362	13,557	111	(13,446)
Total revenues	19,625	14,801	2,144	(12,657)
EXPENDITURES:				
Current:				
Recreation and cultural services	5,175	5,139	311	(4,828)
Capital outlay	16,745	17,993	8,588	(9,405)
Total expenditures	21,920	23,132	8,899	(14,233)
Excess (deficiency) of revenues over (under) expenditures	(2,295)	(8,331)	(6,755)	1,576
OTHER FINANCING SOURCES (USES):				
Transfers in	-	7,783	7,783	-
Transfers out	-	(1,746)	(1,746)	-
Total other financing sources (uses)	-	6,037	6,037	-
NET CHANGE IN FUND BALANCE	(2,295)	(2,294)	(718)	1,576
Fund balance, beginning of year	11,087	11,087	11,087	-
FUND BALANCE, END OF YEAR	\$ 8,792	\$ 8,793	\$ 10,369	\$ 1,576

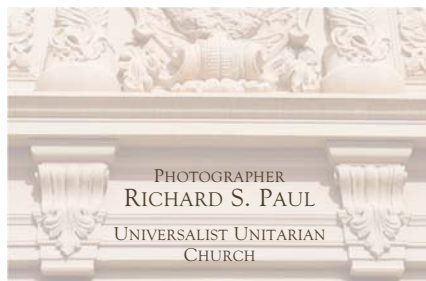
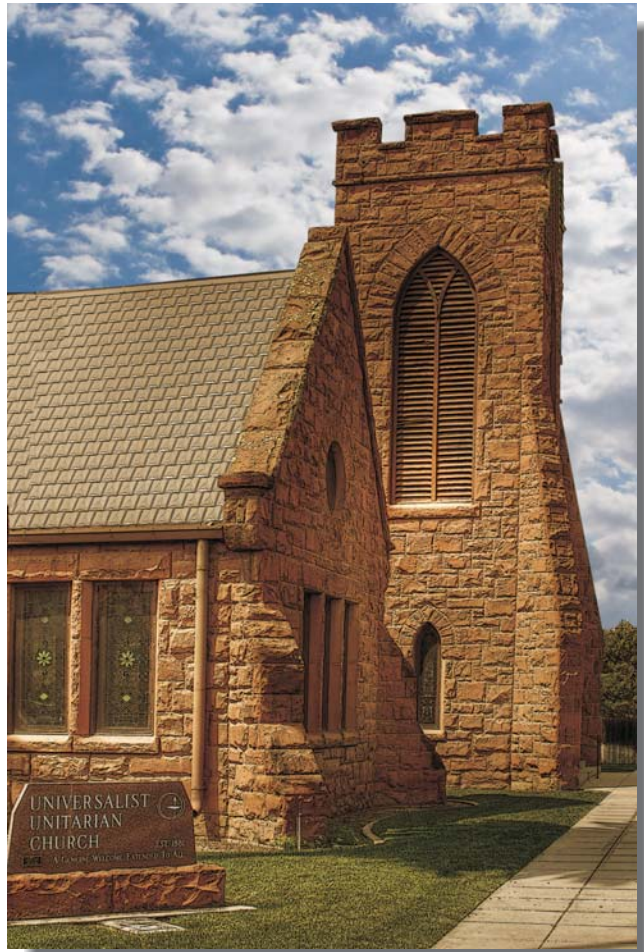
COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
CREST Capital Projects Fund
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ 5	\$ 5	\$ 71	\$ 66
Charges for current services	1,573	1,573	1,378	(195)
Other revenue	2,707	-	-	-
Total revenues	<u>4,285</u>	<u>1,578</u>	<u>1,449</u>	<u>(129)</u>
EXPENDITURES:				
Current:				
General government	5,686	5,276	3,387	(1,889)
Total expenditures	<u>5,686</u>	<u>5,276</u>	<u>3,387</u>	<u>(1,889)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,401)</u>	<u>(3,698)</u>	<u>(1,938)</u>	<u>1,760</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,707	2,707	-
Transfers out	-	(410)	(410)	-
Total other financing sources (uses)	<u>-</u>	<u>2,297</u>	<u>2,297</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,401)	(1,401)	359	1,760
Fund balance, beginning of year	2,284	2,284	2,284	-
FUND BALANCE, END OF YEAR	<u>\$ 883</u>	<u>\$ 883</u>	<u>\$ 2,643</u>	<u>\$ 1,760</u>



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PERMANENT FUNDS





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COUNTY OF RIVERSIDE

PERMANENT FUNDS

PERRIS VALLEY CEMETERY ENDOWMENT FUND

This fund is used to account for financial resources to be used for future maintenance of the Cemetery. The resources are derived from an endowment care fee assessed on each sale of a burial right and earnings on these resources. Only income earned on these resources may be used for services, supplies or capital asset acquisition. The principal must be preserved intact.



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COUNTY OF RIVERSIDE

Combining Balance Sheet

Permanent Fund

June 30, 2009

(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
ASSETS:	
Cash and investments	\$ 391
Accounts receivable	2
Interest receivable	1
	<hr/>
Total assets	\$ 394
LIABILITIES AND FUND BALANCES:	
Liabilities:	
Accounts payable	\$ 24
	<hr/>
Total liabilities	24
Fund balances (Note 14):	
Reserved	370
	<hr/>
Total fund balances	370
	<hr/>
Total liabilities and fund balances	\$ 394
	<hr/> <hr/>

COUNTY OF RIVERSIDE

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

Permanent Fund

For the Fiscal Year Ended June 30, 2009

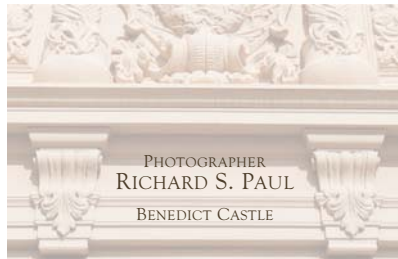
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
REVENUES:	
Use of money and property:	
Interest	\$ 10
Charges for services	20
Total revenues	<u>30</u>
EXPENDITURES:	
Current:	
Public protection	<u>45</u>
Total expenditures	<u>45</u>
Excess (deficiency) of revenues	(15)
over (under) expenditures	
NET CHANGE IN FUND BALANCES	(15)
Fund balances, beginning of year	-
Fund balances, beginning of year, as restated	<u>385</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 370</u></u>

NONMAJOR ENTERPRISE FUNDS



NONMAJOR ENTERPRISE FUNDS





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COUNTY OF RIVERSIDE

NONMAJOR ENTERPRISE FUNDS

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

COUNTY SERVICE AREAS

These three funds were established to account for revenues, expenses, and the allocation of net income for County Service Areas 62 and 122.

HOUSING AUTHORITY

The Housing Authority was established to provide affordable, decent, safe housing opportunities to low and moderate income families including elderly and handicapped persons, while supporting programs to foster economic self-sufficiency.

FLOOD CONTROL

These three funds were established to account for transactions resulting from topographical map sales, subdivision operations, and issuance of encroachment permits.

COUNTY OF RIVERSIDE
Combining Statement of Net Assets
Nonmajor Enterprise Funds
June 30, 2009
(Dollars in Thousands)

	County Service Areas	Housing Authority	Flood Control	Total
ASSETS:				
Current assets:				
Cash and investments	\$ 307	\$ 8,416	\$ 2,168	\$ 10,891
Accounts receivable-net	-	148	1,567	1,715
Interest receivable	1	-	21	22
Taxes receivable	9	-	-	9
Due from other governments	-	261	52	313
Due from other funds	-	-	4	4
Restricted cash and investments	-	7,239	2,765	10,004
Prepaid items and deposits	-	3	-	3
Total current assets	<u>317</u>	<u>16,067</u>	<u>6,577</u>	<u>22,961</u>
Noncurrent assets:				
Capital assets:				
Depreciable assets	33	11,597	36	11,666
Nondepreciable assets	-	4,854	-	4,854
Total noncurrent assets	<u>33</u>	<u>16,451</u>	<u>36</u>	<u>16,520</u>
Total assets	<u>350</u>	<u>32,518</u>	<u>6,613</u>	<u>39,481</u>
LIABILITIES:				
Current liabilities:				
Accounts payable	4	1	2,804	2,809
Salaries and benefits payable	-	-	52	52
Due to other funds	-	-	11	11
Due to other governments	-	7	-	7
Interest payable	-	9	-	9
Deposits payable	49	-	-	49
Other liabilities	-	2,743	124	2,867
Compensated absences	-	-	20	20
Bonds payable	-	110	-	110
Total current liabilities	<u>53</u>	<u>2,870</u>	<u>3,011</u>	<u>5,934</u>
Noncurrent portion of long-term liabilities:				
Noncurrent liabilities:				
Compensated absences	-	880	88	968
Bonds payable	-	785	-	785
Other long-term liabilities	-	6,795	-	6,795
Total noncurrent liabilities	<u>-</u>	<u>8,460</u>	<u>88</u>	<u>8,548</u>
Total liabilities	<u>53</u>	<u>11,330</u>	<u>3,099</u>	<u>14,482</u>
NET ASSETS:				
Invested in capital assets, net of related debt	33	15,666	36	15,735
Restricted	62	5,522	-	5,584
Unrestricted	202	-	3,478	3,680
Total net assets	<u>\$ 297</u>	<u>\$ 21,188</u>	<u>\$ 3,514</u>	<u>\$ 24,999</u>

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2009

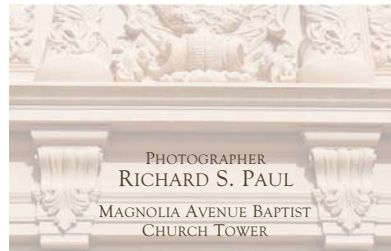
(Dollars in Thousands)

	County Service Areas	Housing Authority	Flood Control	Total
OPERATING REVENUES:				
Charges for services	\$ 339	\$ 2,469	\$ 2,894	\$ 5,702
Other	26	76,081	132	76,239
Total operating revenues	<u>365</u>	<u>78,550</u>	<u>3,026</u>	<u>81,941</u>
OPERATING EXPENSES:				
Personnel services	276	7,609	1,139	9,024
Insurance	1	-	-	1
Maintenance of building and equipment	63	2,787	4	2,854
Supplies	5	-	35	40
Purchased services	2	-	1,520	1,522
Depreciation and amortization	5	1,734	27	1,766
Rents and leases of equipment	8	-	19	27
Public assistance	-	66,578	-	66,578
Utilities	77	549	-	626
Other	18	1,755	23	1,796
Total operating expenses	<u>455</u>	<u>81,012</u>	<u>2,767</u>	<u>84,234</u>
Operating income (loss)	<u>(90)</u>	<u>(2,462)</u>	<u>259</u>	<u>(2,293)</u>
NONOPERATING REVENUES (EXPENSES):				
Investment income	9	303	199	511
Interest expense	(2)	(177)	-	(179)
Gain (loss) on disposal of capital assets	-	50	-	50
Total nonoperating revenues (expenses)	<u>7</u>	<u>176</u>	<u>199</u>	<u>382</u>
Income (loss) before transfers	<u>(83)</u>	<u>(2,286)</u>	<u>458</u>	<u>(1,911)</u>
Transfers out	<u>-</u>	<u>(142)</u>	<u>-</u>	<u>(142)</u>
CHANGE IN NET ASSETS	(83)	(2,428)	458	(2,053)
Net assets, beginning of year	<u>380</u>	<u>23,616</u>	<u>3,056</u>	<u>27,052</u>
NET ASSETS, END OF YEAR	<u>\$ 297</u>	<u>\$ 21,188</u>	<u>\$ 3,514</u>	<u>\$ 24,999</u>

COUNTY OF RIVERSIDE
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ending June 30, 2009
(Dollars in Thousands)

	County Service Areas	Housing Authority	Flood Control	Total
Cash flows from operating activities				
Cash receipts from customers / other funds	\$ 365	\$ 79,060	\$ 4,340	\$ 83,765
Cash paid to suppliers for goods and services	(172)	(71,034)	(3,271)	(74,477)
Cash paid to employees for services	(276)	(7,495)	(1,320)	(9,091)
Net cash provided by (used in) operating activities	<u>(83)</u>	<u>531</u>	<u>(251)</u>	<u>197</u>
Cash flows from noncapital financing activities				
Transfers paid	-	(142)	-	(142)
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(142)</u>	<u>-</u>	<u>(142)</u>
Cash flows from capital and related financing activities				
Proceeds from sale of capital assets	-	850	-	850
Acquisition and construction of capital assets	-	(539)	(24)	(563)
Principal paid on bonds payable	-	(36)	-	(36)
Interest paid on long-term debt	(2)	(177)	-	(179)
Net cash used in capital and related financing activities	<u>(2)</u>	<u>98</u>	<u>(24)</u>	<u>72</u>
Cash flows from investing activities				
Interest received on investments	11	303	234	548
Net cash provided by investing activities	<u>11</u>	<u>303</u>	<u>234</u>	<u>548</u>
Net increase (decrease) in cash and cash equivalents	(74)	790	(41)	675
Cash and cash equivalents, beginning of year	381	14,865	4,974	20,220
Cash and cash equivalents, end of year	<u>\$ 307</u>	<u>\$ 15,655</u>	<u>\$ 4,933</u>	<u>\$ 20,895</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (90)	\$ (2,462)	\$ 259	\$ (2,293)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation and amortization	5	1,734	27	1,766
Decrease (Increase) accounts receivable	-	14	1,365	1,379
Decrease (Increase) due from other funds	-	-	(4)	(4)
Decrease (Increase) due from other governments	-	496	(47)	449
Decrease (Increase) prepaid items and deposits	-	128	-	128
Increase (Decrease) accounts payable	(1)	-	(444)	(445)
Increase (Decrease) due to other funds	-	-	11	11
Increase (Decrease) due to other governments	-	7	-	7
Increase (Decrease) deposits payable	3	-	-	3
Increase (Decrease) other liabilities	-	500	(1,237)	(737)
Increase (Decrease) salaries and benefits payable	-	-	(37)	(37)
Increase (Decrease) compensated absences	-	114	(144)	(30)
Net cash provided by (used in) operating activities	<u>\$ (83)</u>	<u>\$ 531</u>	<u>\$ (251)</u>	<u>\$ 197</u>

INTERNAL SERVICE FUNDS





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COUNTY OF RIVERSIDE

INTERNAL SERVICE FUNDS

These funds were established to account for the goods and services provided by a County department to other County departments, or to other governments, on a cost-reimbursement basis.

RECORDS MANAGEMENT AND ARCHIVES

This fund was established to account for the operations of the Records Management and Archives Program, which is responsible for providing consistent standards and support services that promote responsible record keeping countywide. Sources of revenue include records storage, reformatting, preservation, and consulting services.

FLEET SERVICES

This fund finances the operation and maintenance of County vehicles, including the Sheriff's Department. Revenue is obtained on a cost-reimbursement basis.

INFORMATION SERVICES

These funds are supported by the revenues generated for services including software systems support, computer networks, data structure design, and organization of the County's computer systems.

PRINTING SERVICES

These funds account for the financing of printing and central mail services provided to County departments on a cost-reimbursement basis. This fund also provides services such as the paper reclamation program, which collects and sells County department waste paper for recycling.

SUPPLY SERVICES

This fund finances the operation that provides County departments with merchandise and services on a cost-reimbursement basis.

OASIS PROJECT

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

RISK MANAGEMENT

These funds account for the financing of employee insurance benefits and County self-insurance programs. These funds include medical, dental, disability, and unemployment insurance as well as general liability, medical malpractice, and worker's compensation.

TEMPORARY ASSISTANCE POOL (TAP)

The purpose of this fund is to provide a ready source of temporary workers to County departments, with lower overhead costs than are typically charged by outside temporary employment agencies.

FLOOD CONTROL EQUIPMENT

These funds were established to account for the financing of flood control equipment provided to other departments on a cost-reimbursement basis.

COUNTY OF RIVERSIDE
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
ASSETS:					
Current assets:					
Cash and investments	\$ 885	\$ 10,956	\$ 16,555	\$ 2,754	\$ 4,236
Accounts receivable-net	10	58	421	35	3
Interest receivable	2	17	37	6	7
Due from other government	-	29	-	101	-
Inventories	-	578	1,476	161	382
Due from other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Total current assets	<u>897</u>	<u>11,638</u>	<u>18,489</u>	<u>3,057</u>	<u>4,628</u>
Noncurrent assets:					
Capital assets:					
Depreciable assets	249	38,614	6,558	1,079	260
Non depreciable assets	-	832	181	-	-
Total noncurrent assets	<u>249</u>	<u>39,446</u>	<u>6,739</u>	<u>1,079</u>	<u>260</u>
Total assets	<u>1,146</u>	<u>51,084</u>	<u>25,228</u>	<u>4,136</u>	<u>4,888</u>
LIABILITIES:					
Current liabilities:					
Accounts payable	1	620	347	179	728
Salaries and benefits payable	120	288	1,522	142	57
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	4
Other liabilities	-	2,780	-	-	-
Compensated absences	113	251	1,345	96	43
Capital lease obligation	-	13,649	982	248	-
Estimated claims liability	-	-	-	-	-
Total current liabilities	<u>234</u>	<u>17,588</u>	<u>4,196</u>	<u>665</u>	<u>832</u>
Noncurrent liabilities:					
Compensated absences	61	214	974	12	11
Capital lease obligation	-	15,393	1,844	458	-
Estimated claims liabilities	-	-	-	-	-
Other long-term liabilities	-	1,500	-	-	-
Total noncurrent liabilities	<u>61</u>	<u>17,107</u>	<u>2,818</u>	<u>470</u>	<u>11</u>
Total liabilities	<u>295</u>	<u>34,695</u>	<u>7,014</u>	<u>1,135</u>	<u>843</u>
NET ASSETS:					
Invested in capital assets, net of related debt	249	8,904	3,913	373	260
Unrestricted	602	7,485	14,301	2,628	3,785
Total net assets	<u>\$ 851</u>	<u>\$ 16,389</u>	<u>\$ 18,214</u>	<u>\$ 3,001</u>	<u>\$ 4,045</u>

OASIS Project	Risk Management	Temporary Assistance Pool	Flood Control Equipment	Total	
\$ 6,913	\$ 194,250	\$ 4,127	\$ 5,068	\$ 245,744	ASSETS:
-	3,500	-	9	4,036	Current assets:
19	508	-	16	612	Cash and investments
-	-	-	-	130	Accounts receivable-net
-	-	-	227	2,824	Interest receivable
-	-	-	202	202	Due from other government
-	-	-	1,001	1,001	Inventories
6,932	198,258	4,127	6,523	254,549	Due from other funds
					Restricted cash and investments
					Total current assets
					Noncurrent assets:
3,279	525	7	2,932	53,503	Capital assets:
-	-	-	-	1,013	Depreciable assets
3,279	525	7	2,932	54,516	Non depreciable assets
10,211	198,783	4,134	9,455	309,065	Total noncurrent assets
					Total assets
					LIABILITIES:
					Current liabilities:
27	9,603	122	36	11,663	Accounts payable
554	1,438	728	111	4,960	Salaries and benefits payable
-	-	-	47	47	Due to other funds
-	226	-	34	264	Due to other governments
-	1	-	-	2,781	Other liabilities
498	1,179	44	36	3,605	Compensated absences
747	-	-	-	15,626	Capital lease obligation
-	33,062	-	-	33,062	Estimated claims liability
1,826	45,509	894	264	72,008	Total current liabilities
					Noncurrent liabilities:
332	635	21	160	2,420	Compensated absences
2,365	-	-	-	20,060	Capital lease obligation
-	84,218	-	-	84,218	Estimated claims liabilities
-	-	-	-	1,500	Other long-term liabilities
2,697	84,853	21	160	108,198	Total noncurrent liabilities
4,523	130,362	915	424	180,206	Total liabilities
					NET ASSETS:
					Invested in capital assets,
167	525	7	2,932	17,330	net of related debt
5,521	67,896	3,212	6,099	111,529	Unrestricted
\$ 5,688	\$ 68,421	\$ 3,219	\$ 9,031	\$ 128,859	Total net assets

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets

Internal Service Funds

For the Fiscal Year Ended June 30, 2009

(Dollars in Thousands)

	Records				
	Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
OPERATING REVENUES:					
Charges for services	\$ 2,557	\$ 39,134	\$ 40,004	\$ 5,414	\$ 10,124
Other revenue	-	448	5	2,255	6,921
Total operating revenues	2,557	39,582	40,009	7,669	17,045
OPERATING EXPENSES:					
Cost of materials used	-	1,756	-	-	-
Personnel services	1,706	4,172	20,858	1,966	784
Communications	19	111	3,184	58	38
Insurance	31	66	115	14	16
Maintenance of building and equipment	155	2,972	4,114	577	113
Insurance claims	-	-	-	-	-
Supplies	110	7,272	373	3,191	15,316
Purchased services	134	927	2,649	1,474	480
Depreciation and amortization	36	14,563	3,491	258	34
Rents and leases of equipment	294	386	1,132	4	-
Utilities	41	105	176	1	-
Other	40	196	1,024	139	44
Total operating expenses	2,566	32,526	37,116	7,682	16,825
Operating income (loss)	(9)	7,056	2,893	(13)	220
NONOPERATING REVENUES (EXPENSES):					
Investment income	24	173	382	58	70
Interest expense	-	(1,976)	(90)	(16)	-
Gain (loss) on disposal of capital assets	2	(443)	(34)	-	-
Total nonoperating revenues (expenses)	26	(2,246)	258	42	70
Income (loss) before capital contributions and transfers	17	4,810	3,151	29	290
Capital contributions	-	-	-	-	-
Transfers in	-	-	454	-	-
Transfers out	(35)	(83)	(437)	(40)	(15)
CHANGE IN NET ASSETS	(18)	4,727	3,168	(11)	275
Net assets, beginning of year, as previously reported	869	11,662	15,046	3,012	3,770
Adjustments to beginning net assets	-	-	-	-	-
Net assets, beginning of year	869	11,662	15,046	3,012	3,770
NET ASSETS, END OF YEAR	\$ 851	\$ 16,389	\$ 18,214	\$ 3,001	\$ 4,045

OASIS Project	Risk Management	Temporary Assistance Pool	Flood Control Equipment	Total	
					OPERATING REVENUES:
\$ 13,661	\$ 33,277	\$ 21,415	\$ 1,834	\$ 167,420	Charges for services
-	11,684	3	4,742	26,058	Other revenue
<u>13,661</u>	<u>44,961</u>	<u>21,418</u>	<u>6,576</u>	<u>193,478</u>	Total operating revenues
					OPERATING EXPENSES:
-	-	-	42	1,798	Cost of materials used
7,652	17,016	16,125	2,226	72,505	Personnel services
368	261	93	14	4,146	Communications
17	8,865	10	-	9,134	Insurance
3,357	117	4	490	11,899	Maintenance of building and equipment
-	67,345	-	-	67,345	Insurance claims
41	2,581	238	971	30,093	Supplies
2,424	3,744	1,941	1,357	15,130	Purchased services
1,008	137	11	962	20,500	Depreciation and amortization
584	964	226	4	3,594	Rents and leases of equipment
50	37	24	-	434	Utilities
34	1,805	150	854	4,286	Other
<u>15,535</u>	<u>102,872</u>	<u>18,822</u>	<u>6,920</u>	<u>240,864</u>	Total operating expenses
<u>(1,874)</u>	<u>(57,911)</u>	<u>2,596</u>	<u>(344)</u>	<u>(47,386)</u>	Operating income (loss)
					NONOPERATING REVENUES (EXPENSES):
204	4,920	16	155	6,002	Investment income
(97)	-	-	-	(2,179)	Interest expense
-	-	-	10	(465)	Gain (loss) on disposal of capital assets
<u>107</u>	<u>4,920</u>	<u>16</u>	<u>165</u>	<u>3,358</u>	Total nonoperating revenues (expenses)
					Income (loss) before capital contributions and transfers
(1,767)	(52,991)	2,612	(179)	(44,028)	Capital contributions
-	55,538	-	-	55,538	Transfers in
-	3,261	-	409	4,124	Transfers out
<u>(164)</u>	<u>(3,362)</u>	<u>(1,385)</u>	<u>-</u>	<u>(5,521)</u>	
<u>(1,931)</u>	<u>2,446</u>	<u>1,227</u>	<u>230</u>	<u>10,113</u>	CHANGE IN NET ASSETS
7,619	49,653	1,992	8,801	102,424	Net assets, beginning of year, as previously reported
-	16,322	-	-	16,322	Adjustments to beginning net assets
<u>7,619</u>	<u>65,975</u>	<u>1,992</u>	<u>8,801</u>	<u>118,746</u>	Net assets, beginning of year
<u>\$ 5,688</u>	<u>\$ 68,421</u>	<u>\$ 3,219</u>	<u>\$ 9,031</u>	<u>\$ 128,859</u>	NET ASSETS, END OF YEAR

COUNTY OF RIVERSIDE
Combining Statements of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

	Records				
	Management and Archives	Fleet Service	Information Services	Printing Services	Supply Services
Cash flows from operating activities					
Cash receipts from internal services provided	\$ 2,571	\$ 39,692	\$ 39,588	\$ 7,945	\$ 17,053
Cash paid to suppliers for goods and services	(830)	(18,781)	(16,904)	(5,203)	(16,384)
Cash paid to employees for services	(1,684)	(4,145)	(20,637)	(1,962)	(763)
Net cash provided (used) by operating activities	<u>57</u>	<u>16,766</u>	<u>2,047</u>	<u>780</u>	<u>(94)</u>
Cash flows from noncapital financing activities					
Advances from other funds	-	-	-	(150)	-
Advances to other funds	-	150	-	-	-
Transfers received	-	-	454	-	-
Transfers paid	(35)	(83)	(437)	(40)	(15)
Net cash provided (used) by noncapital financing activities	<u>(35)</u>	<u>67</u>	<u>17</u>	<u>(190)</u>	<u>(15)</u>
Cash flows from capital and related financing activities					
Proceeds from sale of capital assets	3	793	3	-	1
Acquisition and construction of capital assets	(198)	(12,989)	(2,704)	-	-
Principal paid on capital leases	-	(1,025)	(156)	(244)	-
Capital contributions	-	-	-	-	-
Interest paid on long-term debt	-	(1,976)	(90)	(16)	-
Net cash provided (used) by capital and related financing activities	<u>(195)</u>	<u>(15,197)</u>	<u>(2,947)</u>	<u>(260)</u>	<u>1</u>
Cash flows from investing activities					
Interest received on investments	28	188	428	62	79
Net cash provided by investing activities	<u>28</u>	<u>188</u>	<u>428</u>	<u>62</u>	<u>79</u>
Net increase (decrease) in cash and cash equivalents	(145)	1,824	(455)	392	(29)
Cash and cash equivalents, beginning of year	1,030	9,132	17,010	2,362	4,265
Cash and cash equivalents, end of year	<u>\$ 885</u>	<u>\$ 10,956</u>	<u>\$ 16,555</u>	<u>\$ 2,754</u>	<u>\$ 4,236</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ (9)	\$ 7,056	\$ 2,893	\$ (13)	\$ 220
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization	36	14,563	3,491	258	34
Decrease (Increase) accounts receivable	14	(1)	(421)	146	(3)
Decrease (Increase) due from other funds	-	14	-	6	6
Decrease (Increase) due from other governments	-	97	-	124	5
Decrease (Increase) inventories	-	66	(652)	87	95
Decrease (Increase) prepaid items and deposits	-	-	-	11	-
Increase (Decrease) accounts payable	(6)	(4,961)	(3,485)	157	(471)
Increase (Decrease) due to other funds	-	-	-	-	-
Increase (Decrease) due to other governments	-	-	-	-	(1)
Increase (Decrease) other liabilities	-	(95)	-	-	-
Increase (Decrease) estimated claims liability	-	-	-	-	-
Increase (Decrease) salaries and benefits payable	7	2	154	2	8
Increase (Decrease) compensated absences	15	25	67	2	13
Net cash provided (used) by operating activities	<u>\$ 57</u>	<u>\$ 16,766</u>	<u>\$ 2,047</u>	<u>\$ 780</u>	<u>\$ (94)</u>
Noncash investing, capital, and financing activities:					
Capital lease obligations		<u>\$ 13,820</u>	<u>\$ 835</u>		

OASIS Project	Risk Management	Temporary Assistance Pool	Flood Control Equipment	Total	
					Cash flows from operating activities
\$ 13,661	\$ 44,306	\$ 21,418	\$ 6,380	\$ 192,614	Cash receipts from internal services provided
(7,084)	(86,128)	(2,610)	(3,766)	(157,690)	Cash paid to suppliers for goods and services
(7,617)	(16,647)	(16,920)	(2,301)	(72,676)	Cash paid to employees for services
(1,040)	(58,469)	1,888	313	(37,752)	Net cash provided (used) by operating activities
					Cash flows from noncapital financing activities
-	-	-	-	(150)	Advances from other funds
-	-	-	-	150	Advances to other funds
-	3,261	-	409	4,124	Transfers received
(164)	(3,362)	(1,385)	-	(5,521)	Transfers paid
(164)	(101)	(1,385)	409	(1,397)	Net cash provided (used) by noncapital financing activities
					Cash flows from capital and related financing activities
-	-	-	10	810	Proceeds from sale of capital assets
-	(470)	(9)	(1,289)	(17,659)	Acquisition and construction of capital assets
(903)	-	-	-	(2,328)	Principal paid on capital leases
-	55,538	-	-	55,538	Capital contributions
(97)	-	-	-	(2,179)	Interest paid on long-term debt
(1,000)	55,068	(9)	(1,279)	34,182	Net cash provided (used) by capital and related financing activities
					Cash flows from investing activities
321	5,743	16	180	7,045	Interest received on investments
321	5,743	16	180	7,045	Net cash provided by investing activities
(1,883)	2,241	510	(377)	2,078	Net increase (decrease) in cash and cash equivalents
8,796	192,009	3,617	6,446	244,667	Cash and cash equivalents, beginning of year
\$ 6,913	\$ 194,250	\$ 4,127	\$ 6,069	\$ 246,745	Cash and cash equivalents, end of year
					Reconciliation of operating income (loss) to net cash provided (used) by operating activities
\$ (1,874)	\$ (57,911)	\$ 2,596	\$ (344)	\$ (47,386)	Operating income (loss)
					Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities
1,008	137	11	962	20,500	Depreciation and amortization
-	(655)	-	6	(914)	Decrease (Increase) accounts receivable
-	-	-	(202)	(176)	Decrease (Increase) due from other funds
-	-	-	-	226	Decrease (Increase) due from other governments
-	-	-	104	(300)	Decrease (Increase) inventories
-	-	-	-	11	Decrease (Increase) prepaid items and deposits
(209)	17,769	76	(137)	8,733	Increase (Decrease) accounts payable
-	(136)	-	47	(89)	Increase (Decrease) due to other funds
-	(1)	-	(48)	(50)	Increase (Decrease) due to other governments
-	-	-	-	(95)	Increase (Decrease) other liabilities
-	(18,041)	-	-	(18,041)	Increase (Decrease) estimated claims liability
23	116	(785)	19	(454)	Increase (Decrease) salaries and benefits payable
12	253	(10)	(94)	283	Increase (Decrease) compensated absences
\$ (1,040)	\$ (58,469)	\$ 1,888	\$ 313	\$ (37,752)	Net cash provided (used) by operating activities
					Noncash investing, capital, and financing activities:
				\$ 14,655	Capital lease obligations



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FIDUCIARY FUNDS



PHOTOGRAPHER
RICHARD S. PAUL
ROSE GARDEN VILLAGE
CLOCK TOWER



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COUNTY OF RIVERSIDE

FIDUCIARY FUNDS

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

OTHER

This fund was established to account for a wide array of fiduciary responsibilities. Some of these responsibilities include tax payments clearing, asset forfeiture, State Controller clearing, child support collections, undistributed bond proceeds, and family support clearing.

PAYROLL DEDUCTIONS

The purpose of this fund is to collect deductions from employee wages. The deductions are owed to a variety of third parties for health insurance, union dues, unemployment insurance, withholding tax, flexible spending accounts, and dental insurance.

PROPERTY TAX ASSESSMENTS

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

WARRANTS

This fund was established as a clearing fund for various categories of warrants issued by Riverside County.

COUNTY OF RIVERSIDE
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009
(Dollars in Thousands)

	Other	Payroll Deductions	Property Tax Assessments	Warrants	Total
ASSETS:					
Cash and investments	\$ 64,823	\$ 2,807	\$ 147,417	\$ 76,289	\$ 291,336
Accounts receivable	12	-	-	-	12
Interest receivable	78	9	-	1	88
Taxes receivable	138	-	136,777	-	136,915
Due from other governments	1,483	-	-	-	1,483
Total assets	<u>\$ 66,534</u>	<u>\$ 2,816</u>	<u>\$ 284,194</u>	<u>\$ 76,290</u>	<u>\$ 429,834</u>
LIABILITIES:					
Accounts payable	\$ 66,525	\$ 2,816	\$ 1,449	\$ 76,290	\$ 147,080
Salaries and benefits payable	9	-	-	-	9
Due to other governments	-	-	282,745	-	282,745
Total liabilities	<u>\$ 66,534</u>	<u>\$ 2,816</u>	<u>\$ 284,194</u>	<u>\$ 76,290</u>	<u>\$ 429,834</u>

COUNTY OF RIVERSIDE
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Other	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2009
<u>Assets</u>				
Cash and investments	\$ 197,855	\$ 4,563,020	\$ 4,696,052	\$ 64,823
Accounts receivable	-	12	-	12
Interest receivable	191	78	191	78
Taxes receivable	163	6,024	6,049	138
Due from other governments	191	1,483	191	1,483
Total assets	<u>198,400</u>	<u>4,570,617</u>	<u>4,702,483</u>	<u>66,534</u>
<u>Liabilities</u>				
Accounts payable	127,980	383,056	444,511	66,525
Salaries and benefits payable	8	8	7	9
Due to other governments	70,412	-	70,412	-
Total liabilities	<u>\$ 198,400</u>	<u>\$ 383,064</u>	<u>\$ 514,930</u>	<u>\$ 66,534</u>
<u>Payroll Deductions</u>				
<u>Assets</u>				
Cash and investments	\$ 647	\$ 1,831,642	\$ 1,829,482	\$ 2,807
Interest receivable	25	9	25	9
Total assets	<u>672</u>	<u>1,831,651</u>	<u>1,829,507</u>	<u>2,816</u>
<u>Liabilities</u>				
Accounts payable	672	1,879,239	1,877,095	2,816
Total liabilities	<u>\$ 672</u>	<u>\$ 1,879,239</u>	<u>\$ 1,877,095</u>	<u>\$ 2,816</u>
<u>Property Tax Assessments</u>				
<u>Assets</u>				
Cash and investments	\$ 62,971	\$ 4,213,505	\$ 4,129,059	\$ 147,417
Taxes receivable	165,011	136,777	165,011	136,777
Total assets	<u>227,982</u>	<u>4,350,282</u>	<u>4,294,070</u>	<u>284,194</u>
<u>Liabilities</u>				
Accounts payable	1,879	332,799	333,229	1,449
Due to other governments	226,103	3,803,963	3,747,321	282,745
Total liabilities	<u>\$ 227,982</u>	<u>\$ 4,136,762</u>	<u>\$ 4,080,550</u>	<u>\$ 284,194</u>

COUNTY OF RIVERSIDE

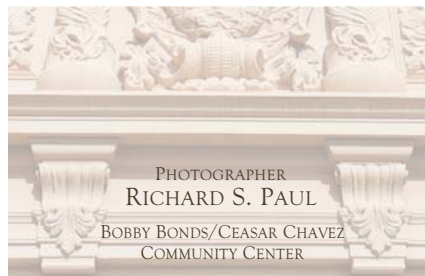
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2009

(Dollars in Thousands)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2009
<u>Warrants</u>				
<u>Assets</u>				
Cash and investments	\$ 89,384	\$ 10,728,620	\$ 10,741,715	\$ 76,289
Interest receivable	3	-	2	1
Total assets	<u>89,387</u>	<u>10,728,620</u>	<u>10,741,717</u>	<u>76,290</u>
<u>Liabilities</u>				
Accounts payable	89,387	6,013,705	6,026,802	76,290
Total liabilities	<u>\$ 89,387</u>	<u>\$ 6,013,705</u>	<u>\$ 6,026,802</u>	<u>\$ 76,290</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 350,857	\$ 21,336,787	\$ 21,396,308	\$ 291,336
Accounts receivable	-	12	-	12
Interest receivable	219	87	218	88
Taxes receivable	165,174	142,801	171,060	136,915
Due from other government	191	1,483	191	1,483
Total assets	<u>516,441</u>	<u>21,481,170</u>	<u>21,567,777</u>	<u>429,834</u>
<u>Liabilities</u>				
Accounts payable	219,918	8,608,799	8,681,637	147,080
Salaries and benefits payable	8	8	7	9
Due to other government	296,515	3,803,963	3,817,733	282,745
Total liabilities	<u>\$ 516,441</u>	<u>\$ 12,412,770</u>	<u>\$ 12,499,377</u>	<u>\$ 429,834</u>

STATISTICAL SECTION





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Statistical Section

This section of the Riverside County Comprehensive Annual Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, required supplementary information, and assessing the County's financial condition.

Contents

Table(s)

Financial Trends Information

T1 – T5

These tables contain trend information to assist readers in understanding and assessing how the County's financial position has changed over time.

- Net Assets by Component
- Changes in Net Assets
- Governmental Activities Tax Revenues by Source
- Fund Balance of Governmental Funds
- Changes in Fund Balances of Governmental Funds

Revenue Capacity Information

T6 – T10

These tables contain information to assist readers in understanding and assessing the factors affecting the County's local revenue sources, property tax, sales tax, and other taxes.

- General Government Tax Revenues by Source
- Assessed Value and Estimated Actual Value of Taxable Property
- Property Tax Rates, Direct and Overlapping Governments
- Principal Property Tax Payers
- Property Tax Levies and Collections

Debt Capacity Information

T11 – T15

These tables contain information to assist readers in understanding and assessing the County's current level of outstanding debt, and the County's ability to issue additional debt.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
- Pledged-Revenue Coverage

Economic and Demographic Information

T16 – T17

These tables provide economic and demographic information to assist readers in understanding the socioeconomic environment within which the County operates, and to facilitate the comparisons of financial information over time.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

T18 – T20

These tables provide contextual information about the County's operations and resources to assist readers in understanding and assessing the County's financial condition as it relates to the services that the County provides.

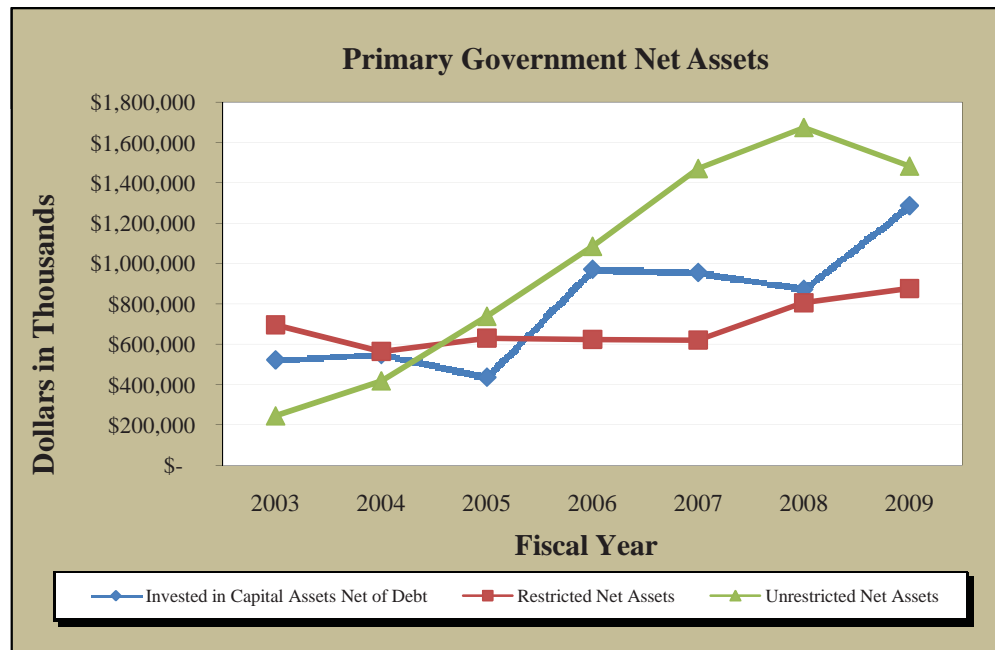
- Full-time Equivalent County Government Employees by Function/Program
- Operating Indicators by Function
- Capital Asset Statistics by Function

Source: Unless otherwise noted, the information in these tables is derived from Riverside County's Comprehensive Annual Financial Reports for the relevant years. The County implemented GASB Statement 34 in FY 2001-2002. Statistical Tables present information for the last seven years beginning with the first year after GASB Statement 34 implementation.

Table 1

COUNTY OF RIVERSIDE
Net Assets by Component
Last Seven Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)

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



Source: Auditor-Controller, County of Riverside

Table 1

<u>2004</u>	<u>2003</u>	
Governmental Activities		
\$ 524,624	\$ 503,294	Invested in capital assets, net of related debt
521,143	662,446	Restricted
<u>387,007</u>	<u>205,952</u>	Unrestricted
<u><u>\$ 1,432,774</u></u>	<u><u>\$ 1,371,692</u></u>	Governmental activities, total net assets
Business-type Activities		
\$ 25,102	\$ 19,972	Invested in capital assets, net of related debt
43,232	33,740	Restricted
<u>31,602</u>	<u>40,096</u>	Unrestricted
<u><u>\$ 99,936</u></u>	<u><u>\$ 93,808</u></u>	Business-type activities, total net assets
Primary Government		
\$ 549,726	\$ 523,266	Invested in capital assets, net of related debt
564,375	696,186	Restricted
<u>418,609</u>	<u>246,048</u>	Unrestricted
<u><u>\$ 1,532,710</u></u>	<u><u>\$ 1,465,500</u></u>	Primary government, total net assets

Table 2

COUNTY OF RIVERSIDE
Changes in Net Assets
Last Seven Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)

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

Table 2

<u>2004</u>	<u>2003</u>	
		Program Revenues
		Governmental Activities:
		Charges for services:
\$ 105,248	\$ 118,494	General Government
237,681	192,179	Public Protection
93,100	82,809	Other Activities
1,086,456	1,050,230	Operating grants and contributions
33,041	32,537	Capital grants and contributions
<u>1,555,526</u>	<u>1,476,249</u>	Governmental activities program revenues
		Business-type Activities:
		Charges for services:
266,484	189,141	Regional Medical Center
118,544	110,278	Other Activities
125	9,712	Capital grants and contributions
<u>385,153</u>	<u>309,131</u>	Business-type activities program revenues
<u>1,940,679</u>	<u>1,785,380</u>	Primary government program revenues
		Expenses
		Governmental Activities:
232,322	183,132	General government
710,053	620,663	Public protection
93,529	87,092	Public ways and facilities
376,338	330,830	Health and sanitation
590,719	588,502	Public assistance
10,280	8,609	Education
9,666	8,842	Recreation and cultural
29,890	33,666	Interest on long-term debt
<u>2,052,797</u>	<u>1,861,336</u>	Governmental activities expenses
		Business-type Activities:
296,227	228,339	Regional Medical Center
40,056	36,579	Waste Management Department
61,599	57,977	Housing Authority
4,318	2,054	Flood Control
329	294	County Service Areas
<u>402,529</u>	<u>325,243</u>	Business-type activities expense
<u>2,455,326</u>	<u>2,186,579</u>	Primary government expenses
		Net (expense)/revenue
(497,271)	(385,087)	Governmental activities
(17,376)	(16,112)	Business-type activities
<u>\$ (514,647)</u>	<u>\$ (401,199)</u>	Primary government, net (expense) / revenue

Continued

Table 2

COUNTY OF RIVERSIDE
Changes in Net Assets
Last Seven Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)

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

Source: Auditor-Controller, County of Riverside

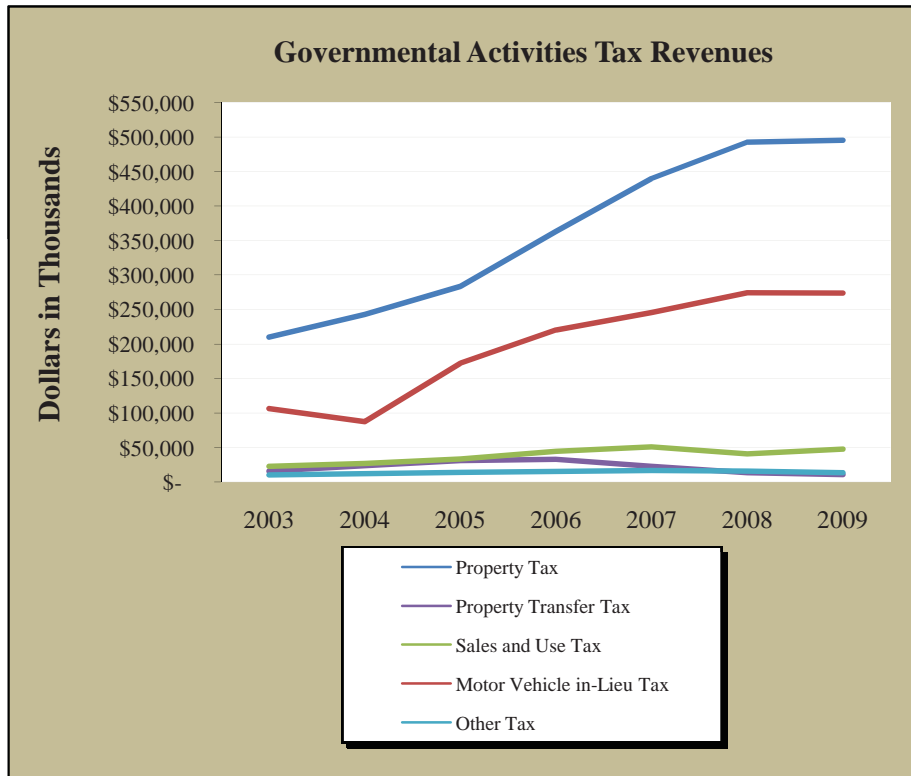
Table 2

<u>2004</u>	<u>2003</u>	
		Continued:
\$ (514,647)	\$ (401,199)	Primary government, net (expense) / revenue
		General Revenues and Other Changes in Net Assets
		Governmental Activities:
		Taxes:
266,391	225,775	Property taxes
26,633	22,444	Sales tax and use tax
12,108	10,377	Other taxes
		Intergovernmental revenue - not restricted to programs:
87,435	106,466	Motor vehicle in-lieu taxes
43,344	37,914	Fines, forfeitures, and penalties
16,835	24,909	Investment earnings
1,491	504	Proceeds on sale of capital assets
146,392	117,706	Other
(16,791)	(13,287)	Transfers
<u>583,838</u>	<u>532,808</u>	Governmental activities
		Business-type Activities:
2,505	3,235	Investment earnings
4,208	754	Gain on sale of capital assets
16,791	13,287	Transfers
<u>23,504</u>	<u>17,276</u>	Business-type activities
<u>607,342</u>	<u>550,084</u>	Total primary government
		Change in net assets
86,567	147,721	Governmental activities
6,128	1,164	Business-type activities
<u>\$ 92,695</u>	<u>\$ 148,885</u>	Primary government change in net assets

Table 3

COUNTY OF RIVERSIDE
Governmental Activities Tax Revenues By Source
Last Seven Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)

Fiscal Year	Property Tax	Property Transfer Tax	Sales and Use Tax	Motor Vehicle In-Lieu Tax	Other Tax	Total
2009	\$ 495,598	\$ 10,624	\$ 47,683	\$ 273,825	\$ 13,771	\$ 841,501
2008	492,849	13,478	40,985	274,282	15,898	837,492
2007	439,981	22,836	51,093	245,723	16,865	776,498
2006	363,407	32,760	44,286	220,190	15,603	676,246
2005	283,660	31,006	33,091	172,265	13,885	533,907
2004	242,647	23,744	26,633	87,435	12,108	392,567
2003	209,979	15,796	22,444	106,466	10,377	365,062



Source: Auditor-Controller, County of Riverside



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Table 4

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds
Last Seven Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)

	Fiscal Year				
	2009	2008	2007	2006	2005
General Fund					
Reserved	\$ 91,196	\$ 84,466	\$ 88,233	\$ 100,436	\$ 121,249
Unreserved, designated	203,821	335,630	339,773	277,833	185,014
Unreserved, undesignated	77,104	58,672	142,958	68,649	46,191
Total general fund	<u>372,121</u>	<u>478,768</u>	<u>570,964</u>	<u>446,918</u>	<u>352,454</u>
Public Facilities Improvements					
Reserved	538,431	590,915	256,338	222,983	175,699
Unreserved, undesignated	-	-	-	-	-
Total public facilities improvements	<u>538,431</u>	<u>590,915</u>	<u>256,338</u>	<u>222,983</u>	<u>175,699</u>
Redevelopment Capital Projects					
Reserved	189,627	122,036	269,263	88,391	61,460
Unreserved, designated	116,076	234,582	118,186	120,313	75,702
Total redevelopment capital projects	<u>305,703</u>	<u>356,618</u>	<u>387,449</u>	<u>208,704</u>	<u>137,162</u>
Nonmajor Governmental Funds					
Reserved	372,870	335,647	192,566	197,878	149,222
Unreserved, designated reported in:					
Special revenue funds	57,815	38,876	187,664	212,407	86,593
Capital projects funds	6,933	6,935	9,671	2,056	1,805
Unreserved, undesignated reported in:					
Special revenue funds	348,912	332,537	148,361	109,608	197,438
Capital projects funds	-	-	-	-	-
Total nonmajor governmental funds	<u>786,530</u>	<u>713,995</u>	<u>538,262</u>	<u>521,949</u>	<u>435,058</u>
Total all governmental funds	<u>\$ 2,002,785</u>	<u>\$ 2,140,296</u>	<u>\$ 1,753,013</u>	<u>\$ 1,400,554</u>	<u>\$ 1,100,373</u>

Source: Auditor-Controller, County of Riverside

Table 4

<u>2004</u>	<u>2003</u>	
\$ 100,940	\$ 103,489	General Fund
70,361	89,011	Reserved
77,752	26,078	Unreserved, designated
<u>249,053</u>	<u>218,578</u>	Unreserved, undesignated
		Total general fund
		Public Facilities Improvements
152,842	146,588	Reserved
184	-	Unreserved, undesignated
<u>153,026</u>	<u>146,588</u>	Total public facilities improvements
		Redevelopment Capital Projects
-	-	Reserved
-	-	Unreserved, designated
<u>-</u>	<u>-</u>	Total redevelopment capital projects
		Nonmajor Governmental Funds
159,413	159,357	Reserved
		Unreserved, designated reported in:
13,041	11,929	Special revenue funds
20,353	5,128	Capital projects funds
		Unreserved, undesignated reported in:
189,570	186,964	Special revenue funds
(8,241)	981	Capital projects funds
<u>374,136</u>	<u>364,359</u>	Total nonmajor governmental funds
<u>\$ 776,215</u>	<u>\$ 729,525</u>	Total all governmental funds

Table 5

COUNTY OF RIVERSIDE					
Changes in Fund Balances of Governmental Funds					
Last Seven Fiscal Years					
(Modified accrual basis of accounting)					
(Dollars in Thousands)					
	Fiscal Year				
	2009	2008	2007	2006	2005
Revenues					
Taxes	\$ 525,238	\$ 553,158	\$ 523,028	\$ 457,117	\$ 346,248
Licenses, permits, and franchise fees	22,546	24,652	25,981	21,733	22,343
Fines, forfeitures, and penalties	108,572	92,029	82,946	62,984	70,578
Use of money and property:					
Interest	81,040	128,307	113,789	73,838	37,624
Rents and concessions	17,151	15,486	43,171	41,798	39,831
Aid from other governmental agencies:					
Federal	546,030	544,587	496,685	451,036	446,628
State	955,389	971,299	937,630	830,634	705,289
Other	140,757	103,858	89,111	69,042	55,661
Charges for services	460,439	447,889	431,676	439,594	383,497
Other revenue	84,348	102,132	115,863	110,870	146,800
Total revenues	<u>2,941,510</u>	<u>2,983,397</u>	<u>2,859,880</u>	<u>2,558,646</u>	<u>2,254,499</u>
Expenditures					
General government	430,712	409,336	320,254	270,340	250,568
Public protection	1,126,662	1,083,719	972,006	855,133	1,039,822
Public ways and facilities	148,544	152,603	157,055	141,017	111,088
Health and sanitation	390,668	375,259	348,921	346,738	339,444
Public assistance	766,407	747,576	686,295	629,553	652,069
Education	15,731	17,907	14,830	11,108	9,889
Recreation and culture	12,801	11,647	11,707	12,727	20,058
Debt service:					
Principal	54,587	46,483	44,222	45,516	34,452
Interest	86,768	91,126	78,204	73,707	46,439
Cost of issuance	2,436	3,868	5,565	4,925	9,283
Capital outlay	48,899	36,691	58,525	25,639	9,680
Total expenditures	<u>3,084,215</u>	<u>2,976,215</u>	<u>2,697,584</u>	<u>2,416,403</u>	<u>2,522,792</u>
Revenues over (under) expenditures	(142,705)	7,182	162,296	142,243	(268,293)
Other financing sources (uses)					
Transfers in	538,029	805,400	313,044	294,835	203,411
Transfers out	(562,345)	(814,607)	(328,624)	(277,680)	(229,835)
Issuance of debt	-	294,084	34,173	178,750	596,330
Issuance of refunding bonds	78,895	111,125	259,600	-	74,200
Discount on long-term debt	-	(2,898)	-	-	-
Premium on long-term debt	-	3,272	2,876	857	4,827
Payment to escrow agent	(76,300)	(24,290)	(103,396)	(35,684)	(53,338)
Proceeds from the sale of capital assets	-	1,159	916	2,064	35
Capital leases	22,746	8,670	8,811	7,929	6,616
Total other financing sources (uses)	<u>1,025</u>	<u>381,915</u>	<u>187,400</u>	<u>171,071</u>	<u>602,246</u>
Net change in fund balances	<u>\$ (141,680)</u>	<u>\$ 389,097</u>	<u>\$ 349,696</u>	<u>\$ 313,314</u>	<u>\$ 333,953</u>
Debt service as a % of non-capital expenditures	5.56%	5.43%	5.30%	5.70%	3.74%

Source: Auditor-Controller, County of Riverside

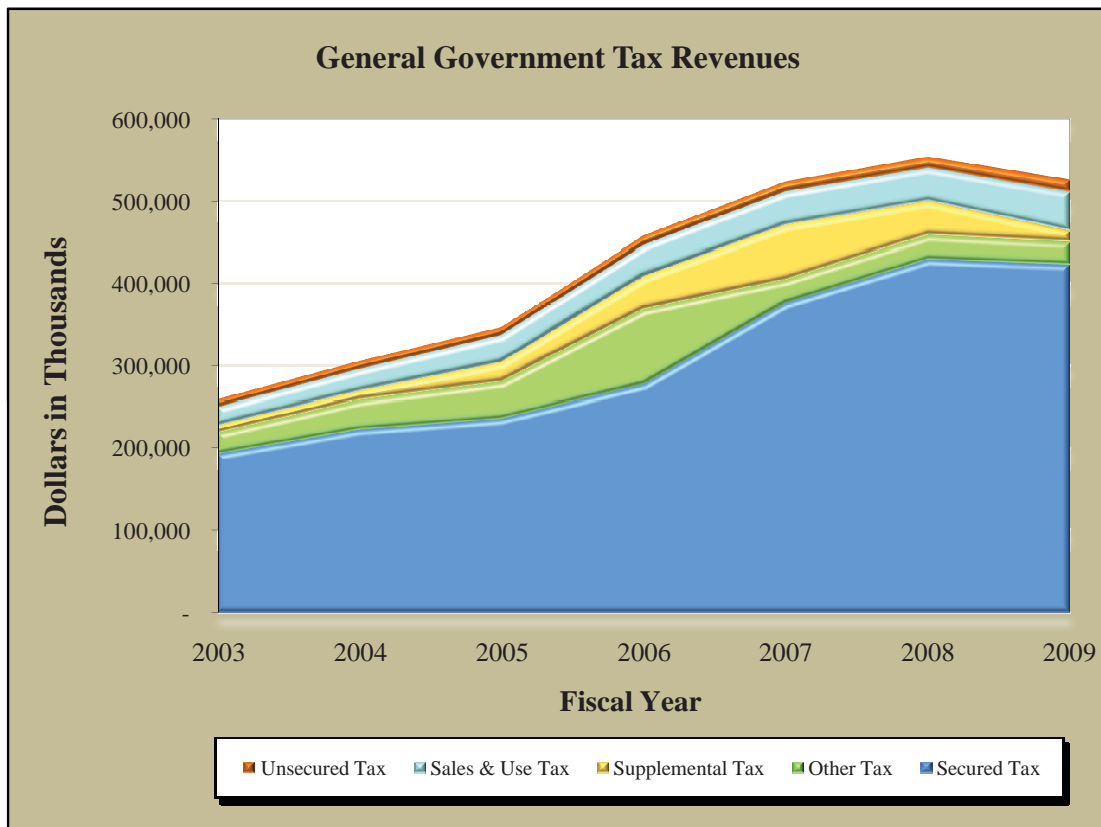
Table 5

2004	2003	
\$ 305,132	\$ 258,596	Revenues
26,418	25,677	Taxes
43,297	37,241	Licenses, permits, and franchise fees
		Fines, forfeitures, and penalties
		Use of money and property:
16,145	23,331	Interest
31,952	39,833	Rents and concessions
		Aid from other governmental agencies:
430,970	428,433	Federal
713,146	696,466	State
46,750	46,099	Other
368,497	327,918	Charges for services
100,404	132,900	Other revenue
2,082,711	2,016,494	Total revenues
		Expenditures
217,416	204,861	General government
677,798	613,781	Public protection
133,973	120,490	Public ways and facilities
365,727	339,123	Health and sanitation
576,267	570,458	Public assistance
10,241	9,261	Education
9,242	10,722	Recreation and culture
		Debt service:
32,118	37,643	Principal
24,523	31,220	Interest
504	-	Cost of issuance
1,604	22,489	Capital outlay
2,049,413	1,960,048	Total expenditures
33,298	56,446	Revenues over (under) expenditures
		Other financing sources (uses)
163,383	58,661	Transfers in
(179,701)	(71,879)	Transfers out
21,645	-	Issuance of debt
		Issuance of refunding bonds
-	-	Discount on long-term debt
-	-	Premium on long-term debt
-	-	Payment to escrow agent
494	-	Proceeds from the sale of capital assets
1,008	8,435	Capital leases
6,829	(4,783)	Total other financing sources (uses)
\$ 40,127	\$ 51,663	Net change in fund balances
2.89%	3.68%	Debt service as a % of non-capital expenditures

Table 6

COUNTY OF RIVERSIDE
General Government Tax Revenues By Source
Last Seven Fiscal Years
(Modified Accrual Basis of Accounting)
(Dollars in Thousands)

Fiscal Year	Secured Tax	Unsecured Tax	Supplemental Tax	Sales & Use Tax	Other Taxes	Total
2009	\$ 422,329	\$ 15,071	\$ 12,981	\$ 47,683	\$ 27,174	\$ 525,238
2008	428,790	13,193	40,815	40,985	29,375	553,158
2007	375,924	12,301	65,537	40,607	28,659	523,028
2006	277,266	11,405	39,661	37,532	91,253	457,117
2005	235,636	9,501	23,129	33,091	44,891	346,248
2004	222,635	9,600	10,411	26,633	35,853	305,132
2003	192,684	9,112	8,182	22,444	26,174	258,596



Source: Auditor-Controller, County of Riverside

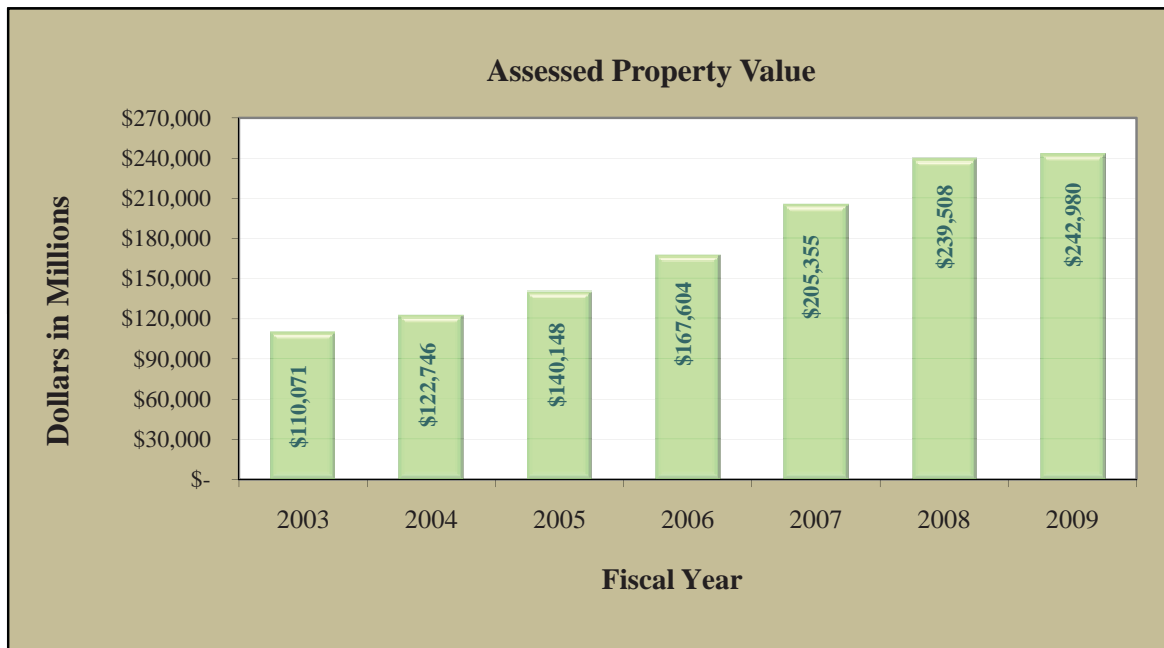


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Table 7

COUNTY OF RIVERSIDE
Assessed Value and Estimated Actual Value of Taxable Property
Last Seven Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2009	2008	2007	2006	2005
Real Property					
Secured property	\$ 234,579,456	\$ 231,996,185	\$ 198,619,682	\$ 161,287,719	\$ 134,299,740
Unsecured property	8,400,934	7,512,014	6,735,421	6,316,569	5,848,602
Total Gross Assessed Value	242,980,390	239,508,199	205,355,103	167,604,288	140,148,342
Less:					
Tax-exempt real property	6,109,816	5,529,546	5,109,756	4,993,449	4,657,680
Total Taxable Assessed Value	\$ 236,870,574	\$ 233,978,653	\$ 200,245,347	\$ 162,610,839	\$ 135,490,662
Total Direct Tax Rate	1.1095	1.0919	1.0772	1.0805	1.0866
Estimated Actual Taxable Value	\$ 315,827,432	\$ 311,971,537	\$ 266,993,796	\$ 216,814,452	\$ 180,654,216
Assessed Value as a % of Actual Value	76.93%	76.77%	76.91%	77.30%	77.58%



Source: Assessor-Clerk-Recorder, County of Riverside

Table 7

<u>2004</u>	<u>2003</u>	
\$ 117,379,593	\$ 105,080,028	Real Property
5,365,993	4,990,478	Secured property
<u>122,745,586</u>	<u>110,070,506</u>	Unsecured property
		Total Gross Assessed Value
		Less:
4,264,442	3,878,514	Tax-exempt real property
<u>\$ 118,481,144</u>	<u>\$ 106,191,992</u>	Total Taxable Assessed Value
		Total Direct Tax Rate
1.0771	1.0787	Estimated Actual Taxable Value
\$ 157,974,859	\$ 141,589,323	Assessed Value as a % of Actual Value
77.70%	77.74%	

Table 8

**COUNTY OF RIVERSIDE
Property Tax Rates
Direct and Overlapping Governments
Last Seven Fiscal Years**

Fiscal Year	County of Riverside		Range of Overlapping Rates		Total Direct & Overlapping Rates
	Total County Rate	Total City Rate	Total School District Rate	Total Special District Rate	
2009	1.00000%	.00119% to .00747%	.01254% to .10963%	0% to .50000%	1% to 1.50000%
2008	1.00000%	.00178% to .00627%	.00549% to .08521%	0% to .50000%	1% to 1.50000%
2007	1.00000%	.00249% to .00821%	.00578% to .10282%	0% to .54324%	1% to 1.54324%
2006	1.00000%	.00426% to .00861%	.01435% to .10210%	0% to .50997%	1% to 1.50997%
2005	1.00000%	.00529% to .01092%	.01192% to .09581%	0% to .50000%	1% to 1.50000%
2004	1.00000%	0% to .00608%	0% to .09819%	0% to .72543%	1% to 1.72543%
2003	1.00000%	0% to .00792%	0% to .72543%	0% to .71888%	1% to 1.71888%

Note: Overlapping governments in the context of the statistical section, all local governments located wholly or in part within the geographic boundaries of the reporting government.

Overlapping rate in the context of the statistical section, an amount or percentage applied to a unit of a specific revenue base by governments that overlap geographically, at least in part, with the government preparing the statistical section information.

Source: Auditor-Controller, County of Riverside

Table 9

COUNTY OF RIVERSIDE
Principal Property Tax Payers
(Dollars in thousands)
Current Year and Nine Years Ago

Tax Payer	Fiscal Year			
	2009		2000	
	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Percentage of Total County Taxable Assessed Value
So. California Edison Co.	\$ 15,492	0.51%	\$ 7,856	0.75%
Verizon California Inc.	10,975	0.36%	-	
Centex Homes	8,466	0.28%	-	
Deutsche Bank National Trust Co.	8,061	0.26%	-	
So. California Gas Co.	5,527	0.18%	3,313	0.31%
KB Home Coastal Inc.	5,214	0.17%	-	
Inland Empire Energy Center LLC	4,706	0.15%	-	
U S Bank National Association	4,154	0.14%	-	
KSL Desert Resort	4,105	0.13%	2,653	0.25%
Standard Pacific Corp.	4,061	0.13%	-	
General Telephone Co. of California	-		8,898	0.85%
Pacific Bell	-		3,017	0.29%
Mckenzie Vista	-		2,618	0.25%
Altamira Venture	-		2,515	0.24%
Secretary of Housing & Urban Development	-		2,175	0.21%
OTR	-		2,138	0.20%
Parade Grossman	-		2,050	0.20%
Total	\$ 70,761	2.31%	\$ 37,233	3.55%

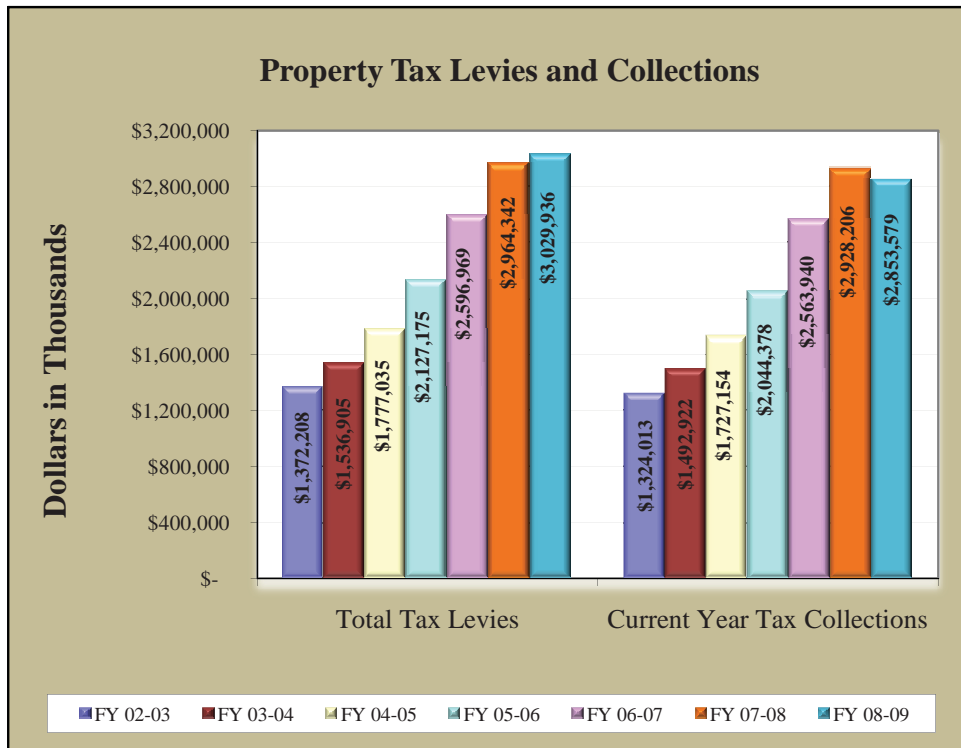
Source: Treasurer-Tax Collector, County of Riverside

Table 10

**COUNTY OF RIVERSIDE
Property Tax Levies and Collections
Last Seven Fiscal Years
(Dollars in Thousands)**

Fiscal Year	Total Secured Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections as of 6/30	
		Amount	Percentage of Levy	Delinquent* Tax Collections	Amount	Percentage of Levy
2009	\$ 3,029,936	\$ 2,853,579	94.18%	\$ 275,009	\$ 3,128,588	103.26%
2008	2,964,342	2,928,206	98.78%	159,726	3,087,932	104.17%
2007	2,596,969	2,563,940	98.73%	86,437	2,650,377	102.06%
2006	2,127,175	2,044,378	96.11%	66,977	2,111,356	99.26%
2005	1,777,035	1,727,154	97.19%	61,220	1,788,374	100.64%
2004	1,536,905	1,492,922	97.14%	67,284	1,560,206	101.52%
2003	1,372,208	1,324,013	96.49%	53,120	1,377,133	100.36%

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



Source: Auditor-Controller, County of Riverside

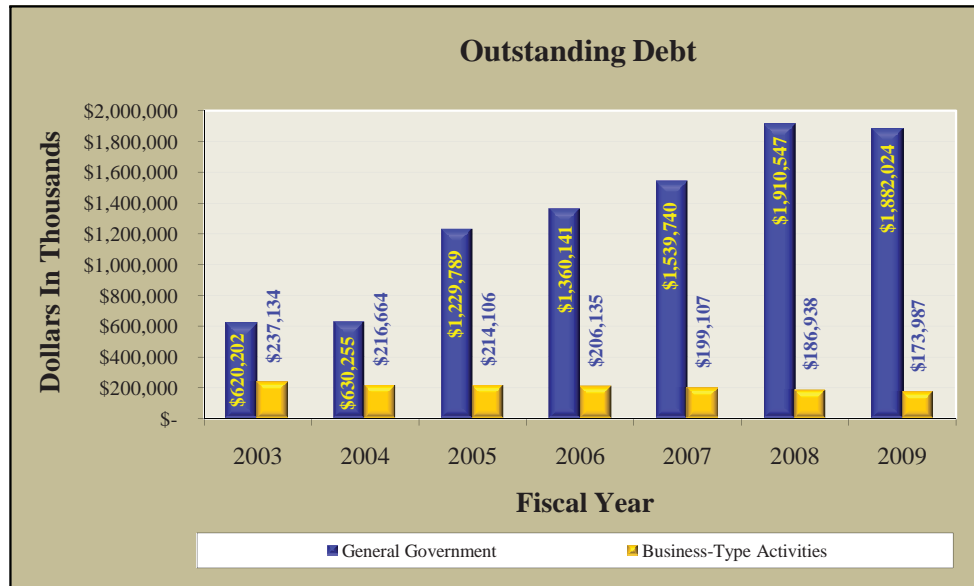


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Table 11

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

	Fiscal year				
	2009	2008	2007	2006	2005
General Government					
Bonds	\$1,359,277	\$1,086,397	\$ 806,398	\$ 814,443	\$ 678,028
Certificates of participation	391,914	408,024	335,866	348,486	325,572
Note and loans	13,222	310,809	310,139	113,383	150,344
Capital leases	117,611	105,317	87,337	83,829	75,845
Business-Type Activities					
Bonds	159,959	170,814	181,263	191,142	200,555
Certificates of participation	-	-	-	-	1,040
Capital leases	14,028	16,124	17,844	14,993	12,511
Total Primary Government	\$2,056,011	\$2,097,485	\$1,738,847	\$1,566,276	\$1,443,895
Percentage of Personal Income	3.17%	3.34%	2.91%	2.81%	2.92%
Per Capita	\$ 975	\$ 1,004	\$ 856	\$ 807	\$ 769



Note: Per Capita is an estimate for 2008 and 2009

Table 11

2004	2003	
\$ 91,758	\$ 91,758	General Government
387,869	357,855	Bonds
67,010	68,060	Certificates of participation
83,618	102,529	Note and loans
		Capital leases
		Business-Type Activities
210,558	228,392	Bonds
2,040	3,000	Certificates of participation
4,066	5,742	Capital leases
\$ 846,919	\$ 857,336	Total Primary Government
1.88%	2.01%	Percentage of Personal Income
\$ 477	\$ 499	Per Capita

Table 12

COUNTY OF RIVERSIDE
Ratios of General Bonded Debt Outstanding
Last Seven Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)

	Fiscal Year				
	2009	2008	2007	2006	2005
Bonds	\$ 1,359,277	\$ 1,086,397	\$ 806,398	\$ 814,443	\$ 678,028
Less:					
Amounts available in debt service fund	147,568	119,597	73,308	79,935	61,941
Total Net Obligation Bonds Outstanding	<u>\$ 1,211,709</u>	<u>\$ 966,800</u>	<u>\$ 733,090</u>	<u>\$ 734,508</u>	<u>\$ 616,087</u>
Percentage of Estimated Actual Taxable Value of Property	0.38%	0.31%	0.27%	0.34%	0.32%
Per Capita	\$ 575	\$ 463	\$ 361	\$ 379	\$ 328

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

Source: California State Department of Finance

Table 12

2004	2003	
\$ 91,758	\$ 91,758	Bonds
		Less:
		Amounts available in debt service fund
72,798	133,049	
\$ 18,960	\$ (41,291)	Total Net Obligation Bonds Outstanding
		Percentage of Estimated
		Actual Taxable Value of Property
0.46%	0.44%	
		Per Capita
\$ 11	\$ (24)	

Table 13

COUNTY OF RIVERSIDE
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009
(Dollars in Thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ 8,206,602	83.44%	<u>\$ 6,847,325</u>
Subtotal, overlapping debt			6,847,325
County of Riverside direct debt			<u>1,359,277</u>
Total direct and overlapping debt			<u><u>\$ 8,206,602</u></u>

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

Source: California Municipal Statistics, Inc.



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Table 14

COUNTY OF RIVERSIDE
Legal Debt Margin Information
Last Seven Fiscal Years
(Dollars in Thousands)

	Fiscal Year				
	2009	2008	2007	2006	2005
Debt limit	\$3,011,083	\$2,966,464	\$ 2,598,369	\$2,125,832	\$1,735,525
Total net debt applicable to limit	<u>(1,211,709)</u>	<u>(966,800)</u>	<u>(733,090)</u>	<u>(603,194)</u>	<u>(616,087)</u>
Legal debt margin	<u>\$1,799,374</u>	<u>\$1,999,664</u>	<u>\$ 1,865,279</u>	<u>\$1,522,638</u>	<u>\$1,119,438</u>
Total net debt applicable to the limit as a percentage of debt limit	40.2%	32.6%	28.2%	28.4%	35.5%

Legal Debt Margin Calculated for Fiscal Year 2009

Assessed value	\$243,093,830
Less: Homeowners exemptions	<u>2,207,161</u>
Total assessed value	<u>240,886,669</u>
Debt limit (1.25% of total assessed value)	<u>3,011,083</u>
Debt applicable to limit:	
General obligation bonds	1,359,277
Less: Amount set aside for repayment of general obligation debt	<u>147,568</u>
Total net debt applicable to limit	<u>1,211,709</u>
Legal debt margin	<u>\$ 1,799,374</u>

Definitions:

Debt limit - the maximum amount of outstanding gross or net debt legally permitted.

Debt margin - the difference between debt limit and existing debt.

Legal debt margin - the excess of the amount of debt legally authorized over the amount of debt outstanding.

Source: Auditor-Controller, County of Riverside

Table 14

<u>2004</u>	<u>2003</u>	
\$1,511,307	\$1,353,391	Debt limit
<u>(635,290)</u>	<u>(620,202)</u>	Total net debt applicable to limit
<u>\$ 876,017</u>	<u>\$ 733,189</u>	Legal debt margin
42.0%	45.8%	Total net debt applicable to the limit as a percentage of debt limit

Table 15

COUNTY OF RIVERSIDE
Pledged-Revenue Coverage
Last Seven Fiscal Years
(Dollars in Thousands)

Fiscal Year	Lease Revenue Bonds						Coverage
	Revenue from	Less:	Net	Debt Service			
	Lease Payments	Operating Expenses	Available Revenue	Principal	Interest		
2009	\$ 39,334	\$ 10,682	\$ 28,652	\$ 13,160	\$ 16,865	0.9543	
2008	60,656	43,790	16,866	12,545	17,116	0.5686	
2007	31,046	5,939	25,107	12,115	16,976	0.8631	
2006	25,371	785	24,586	11,600	17,355	0.8491	
2005	21,601	676	20,925	11,175	17,551	0.7284	
2004	20,715	5,586	15,129	9,490	9,418	0.8001	
2003	17,008	1,273	15,735	8,300	11,474	0.7957	

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

Source: Auditor-Controller, County of Riverside

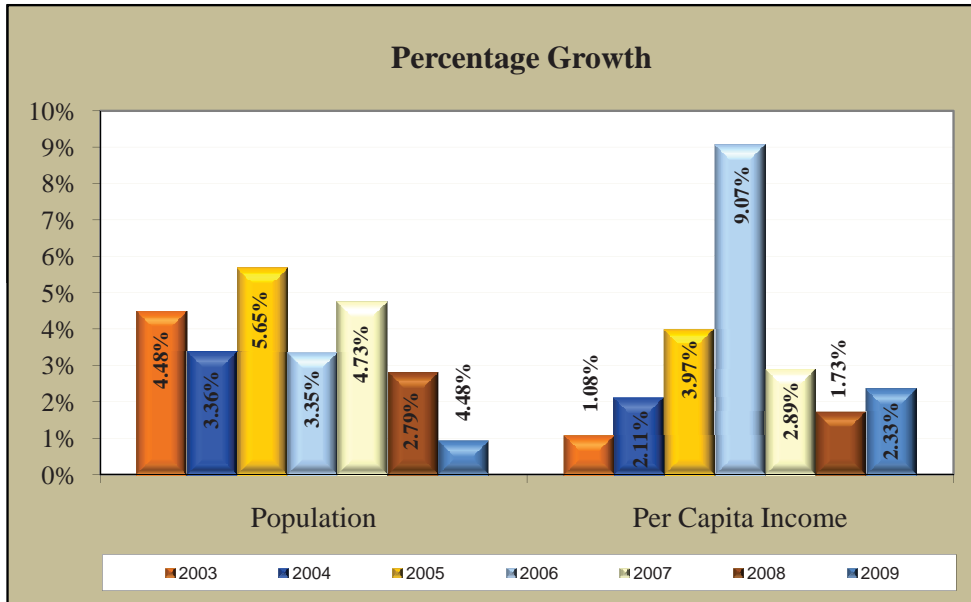
Table 15

Inland Empire Tobacco Securitization Bonds							
Revenue from Tobacco Settlement	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Fiscal Year	
			Principal	Interest			
\$ 8,773	\$ 135	\$ 8,638	\$ 4,235	\$ 3,995	1.0496	2009	
7,084	2,448	4,636	3,785	3,306	0.6538	2008	
-	-	-	-	-	-	2007	
-	-	-	-	-	-	2006	
-	-	-	-	-	-	2005	
-	-	-	-	-	-	2004	
-	-	-	-	-	-	2003	

Table 16

COUNTY OF RIVERSIDE
Demographic and Economic Statistics
Last Seven Fiscal Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment	Unemployment Rate
2009	2,107,653	\$ 64,640,000 ¹	\$ 30,772 ¹	33 ²	12.2 ²	419,643	14.00%
2008	2,088,322	62,304,000 ¹	30,070 ¹	33 ²	12.2 ²	420,450	8.40%
2007	2,031,625	61,024,000	29,560	33 ²	12.2 ²	404,331	5.70%
2006	1,939,814	53,246,505	28,730	33 ²	12.2 ²	394,687	5.10%
2005	1,877,000	49,443,185	26,342	33 ²	12.2 ²	380,267	5.20%
2004	1,776,700	45,016,790	25,337	33 ²	12.2 ²	364,857	5.80%
2003	1,719,000	42,655,266	24,814	33 ²	12.2 ²	349,607	6.20%



Notes: Projection based on 11 year running average
 Median age and education level based on census 2000

Source: California State Department of Finance
 Riverside County Superintendent of Schools
 State of California, Employment Development Department
 State Department of Commerce and Labor
 Riverside County Progressive Report

COUNTY OF RIVERSIDE
Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year			
	2009		2000	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
County of Riverside	19,818	2.17%	13,332	1.96%
March Air Reserve Base	8,400	0.92%	-	
U. C. Riverside	7,147	0.78%	-	
Wal-Mart	6,550	0.72%	2,870	0.42%
Stater Brothers Market	6,500	0.71%	5,200	0.76%
Riverside Unified School District	5,099	0.56%	-	
Pechanga Resort & Casino	5,000	0.55%	-	
Abbott Vascular	4,500	0.49%	-	
Riverside Community College District	3,765	0.41%	-	
Kaiser Permanente	3,200	0.35%	2,598	0.38%
Ralphs Grocery Co.	-		2,820	0.41%
Fleetwood Enterprises, Inc.	-		2,618	0.38%
Guidant Corporation	-		2,300	0.34%
Valley Health System	-		2,200	0.32%
Eisenhower Medical Center	-		1,881	0.28%
Marriott Desert Springs Resort	-		1,839	0.27%
Total	69,979	7.65%	37,658	5.54%

Note: Only the top ten employers that provided data to the Business Press are listed for each year.

Source: The Business Press, Riverside, California

Table 18

COUNTY OF RIVERSIDE
Full-time Equivalent County Government Employees by Function/Program
Last Seven Fiscal Years

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

Source: County of Riverside

Table 18

2004	2003	
		<u>Function/Program</u>
		General government
92	93	Legislative and administrative
445	449	Finance
50	50	Counsel
153	144	Personnel
36	39	Elections
11	10	Communication
312	306	Property management
121	110	Promotion
1	1	Other general
		Public protection
1,213	1,260	Judicial
1,914	1,902	Police protection
1,803	1,832	Detention and correction
135	122	Fire protection
216	206	Protection/inspection
446	419	Other protection
37	35	Administration
		Public ways and facilities
491	476	Public ways
		Health and sanitation
1,901	1,929	Health
32	31	Hospital care
127	119	California children's services
		Public assistance
2,744	2,720	Aid programs
10	11	Veterans' services
338	452	Other assistance
		Education, recreation and culture
1	1	Library services
4	5	Agricultural extension
2	-	Cultural services
		County business-type functions
1,526	1,538	Hospital care
130	94	Sanitation
2,305	2,058	Internal service
528	514	Special districts/Component units
17,124	16,926	Total

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function
Last Seven Fiscal Years

<u>Function/Program</u>	Fiscal year				
	2009	2008	2007	2006	2005
Sheriff					
Number of bookings	62,007	59,054	61,697	56,926	55,375
Coroner case load	9,582	9,394	9,212	8,943	8,558
Calls for services	c 302,400	280,000	279,415	250,000	240,182
Fire					
Medical assistance	91,707	89,404	89,329	86,129	80,484
Fires extinguished	4,406	5,659	6,372	5,060	14,696
Other services	18,486	19,472	16,310	19,035	10,870
Communities served	78	78	78	78	78
Probation					
Adults on probation	a 17,469	17,022	15,974	16,051	13,937
Juveniles in secure detention	b 241	293	343	322	310
Juveniles in treatment facilities	b 112	113	126	113	98
Juveniles in detention facilities	a 10,783	12,463	14,283	13,218	12,405
Waste Management					
Landfill tonnage	1,024,267	1,220,124	1,325,284	1,423,469	1,328,935
Recycling tonnage	2,356	3,385	3,048	3,758	2,619
County Library					
Total circulation - books	3,464,547	3,280,929	2,352,624	2,051,276	2,324,539
Reference questions answered	382,795	426,533	383,428	454,590	430,226
Patron door count	3,170,424	2,744,576	2,352,403	2,433,646	2,226,360
Programs offered	5,618	5,570	4,546	2,353	2,274
Program attendance	127,717	103,393	80,100	84,994	45,605
Assessor-Clerk-Recorder					
Assessments	942,174	938,462	920,555	896,998	859,413
Official records recorded	682,708	773,308	957,123	1,082,688	1,039,166
Vital records copies issued	97,422	97,427	88,640	82,015	73,379
Official records copies issued	33,135	34,711	35,319	35,691	36,480
County Regional Medical Center					
Emergency room treatments	88,459	82,584	76,666	73,448	68,105
Emergency room services - MH	9,702	7,867	7,624	7,536	8,076
Clinic visits	129,171	124,318	123,479	106,943	109,568
Admissions	23,253	23,433	24,393	22,262	21,723
Patient days	118,452	115,811	112,138	105,203	96,820
Discharges	23,238	23,440	24,430	22,244	21,741
Community Health Agency					
Facilities inspections	34,273	33,009	31,760	32,000	40,642
Patient visits	125,767	149,223	139,885	123,843	135,539
Patient services	466,800	601,889	438,639	369,041	339,095
Animal impounds	71,834	30,305	27,362	29,206	20,467
Spays and neuters	8,480	7,208	5,645	5,806	2,401

Note: a = Average monthly
b = Average daily
c = Unincorporated areas

Table 19

<u>2004</u>	<u>2003</u>	<u>Function/Program</u>
		Sheriff
52,497	49,617	Number of bookings
7,826	7,772	Coroner case load
219,145	206,122	Calls for services
		Fire
76,601	70,851	Medical assistance
14,816	14,714	Fires extinguished
10,786	10,689	Other services
78	78	Communities served
		Probation
13,282	11,618	Adults on probation
367	355	Juveniles in secure detention
107	98	Juveniles in treatment facilities
14,435	13,708	Juveniles in detention facilities
		Waste Management
1,231,767	1,148,312	Landfill tonnage
2,850	2,066	Recycling tonnage
		County Library
2,222,575	2,293,424	Total circulation - books
423,925	461,598	Reference questions answered
1,447,505	1,621,147	Patrons
3,759	3,588	Programs offered
68,437	61,921	Program attendance
		Assessor-Clerk-Recorder
831,610	791,348	Assessments
1,019,271	794,257	Official records recorded
68,892	70,071	Vital records copies issued
36,231	33,506	Official records copies issued
		County Regional Medical Center
66,411	66,136	Emergency room treatments
8,276	8,126	Emergency room services - MH
113,171	118,477	Clinic visits
20,587	19,690	Admissions
92,643	91,114	Patient days
20,554	19,705	Discharges
		Community Health Agency
38,105	36,546	Facilities inspections
125,936	123,230	Patient visits
376,534	336,909	Patient services
21,307	21,661	Animal impounds
3,080	2,372	Spays and neuters

Continued

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function
Last Seven Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Public Social Services					
CalWORKs clients	26,905	22,310	20,336	19,880	20,846
Food stamp clients	52,877	36,339	30,781	28,749	27,992
Medi-Cal clients	107,904	101,542	105,578	108,887	110,994
In-home support services	16,307	14,845	13,934	12,590	12,171
Foster care placements	3,486	5,057	4,306	5,175	5,088
Child welfare services	10,217	11,912	12,333	11,639	11,153
Community Action Partnership					
Utility assistance (households)	12,869	9,902	13,337	10,944	11,783
Weatherization (households)	1,033	853	465	801	795
Energy education attendees	10,775	19,396	14,590	10,389	11,508
Disaster relief (residents)	15,336	16,366	13,551	8,605	1,514
Income tax returns prepared	2,011	1,828	1,384	2,651	-
After school programs (students)	11,000	10,905	10,905	537	51
Homeless program (bed nights)	-	12,822	13,198	31,328	40,245
Homeless program (meals)	-	25,644	26,396	142,578	372,048
Leadership program enrollment	-	209	-	113	11
Mediation (cases)	1,821	2,144	2,133	2,099	2,002
Registrar of Voters					
Voting precincts	2,387	3,474	1,472	1,872	1,160
Polling places	1,205	2,017	610	1,060	613
Voters	1,747,556	1,705,406	931,821	1,658,509	870,300
Poll workers	6,287	8,355	2,622	3,992	2,692
Agricultural Commissioner					
Export phytosanitary certificates	36,772	29,288	22,266	21,746	20,037
Pesticide use inspections	831	903	840	1,199	1,105
Weights and measures regulated	129,528	129,726	121,986	120,211	114,529
Agriculture quality inspections	668	643	1,061	541	1,067
Plant pest inspections	48,944	25,987	14,532	4,975	5,933
Nursery acreage inspected	7,627	7,851	9,226	7,382	7,431
Weights and measures inspected	80,862	83,269	97,039	150,308	101,223
TLMA - Building & Safety					
Building permits issued	986	1,800	5,786	10,232	9,980
Building plans checked	918	1,507	5,151	8,759	8,251
Building structures inspected	1,780	3,158	8,580	9,593	8,182
Veterans' Services					
Phone inquiries answered	39,393	29,553	23,287	21,917	25,276
Client interviews	13,955	10,571	8,199	7,467	7,559
Claims filed	5,812	5,194	3,786	3,372	3,503

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

Phytosanitary = Plant pest cleanliness
Pesticide Use Inspections = Environmental monitoring

Table 19

2004	2003	<u>Function/Program</u>
Public Social Services		
20,296	19,908	CalWORKs clients
24,796	23,026	Food stamp clients
105,598	99,332	Medi-Cal clients
11,314	10,201	In-home support services
4,418	4,215	Foster care placements
9,411	10,467	Child welfare services
Community Action Partnership		
12,846	14,706	Utility assistance (households)
711	857	Weatherization (households)
1,953	37,445 a	Energy education attendees
-	-	Disaster relief (residents)
-	-	Income tax returns prepared
271	51	After school programs (students)
30,316	63,703	Homeless program (bed nights)
170,937	453,238	Homeless program (meals)
-	-	Leadership program enrollment
2,042	1,869	Mediation (cases)
Registrar of Voters		
2,389	2,087	Voting precincts
1,299	1,136	Polling places
1,919,561	1,335,785 c	Voters
4,911	4,668	Poll workers
Agricultural Commissioner		
14,692	15,623	Export phytosanitary certificates
1,366	1,257	Pesticide use inspections
102,780	95,334	Weights and measures regulated
1,251	1,202	Agriculture quality inspections
6,296	5,421	Plant pest inspections
5,355	6,501	Nursery acreage inspected
31,794	27,990	Weights and measures inspected
TLMA - Building & Safety		
10,452	10,106	Building permits issued
9,128	8,776	Building plans checked
8,887	8,533	Building structures inspected
Veterans' Services		
-	-	b Phone inquiries answered
-	-	b Client interviews
-	-	b Claims filed

Continued

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function
Last Seven Fiscal Years

<u>Function/Program</u>	Fiscal Year				
	2009	2008	2007	2006	2005
Auditor-Controller					
Invoices paid	522,097	504,866	449,367	457,439	472,942
Vendor warrants (checks) issued	320,613	255,767	237,645	235,044	242,763
Active vendors	59,685	75,575	68,358	62,699	56,686
Payroll warrants (checks) issued	532,202	522,215	496,386	469,692	449,011
Average payroll warrants (checks) per pay period	20,469	20,085	19,092	18,065	17,270
Mental Health					
Mental health clients (crisis/long-term care)	30,065	29,814	28,476	26,435	26,578
Substance abuse clients	18,712	17,746	18,597	18,120	18,188
Detention clients	12,781	9,441	5,522	6,351	6,041
Probate conservatorship clients	256	206	232	266	281
Mental health conservatorship clients	240	279	279	294	275

Table 19

<u>2004</u>	<u>2003</u>	<u>Function/Program</u>
Auditor-Controller		
492,675	563,252	Invoices paid
220,649	235,121	Vendor warrants (checks) issued
49,970	42,937	Active vendors
448,845	448,571	Payroll warrants (checks) issued
17,263	17,253	Average payroll warrants (checks) per pay period
Mental Health		
28,411	30,181	Mental health clients (crisis/long-term care)
18,432	18,613	Substance abuse clients
6,402	4,629	Detention clients
282	284	Probate conservatorship clients
239	212	Mental health conservatorship clients

Table 20

COUNTY OF RIVERSIDE
Capital Asset Statistics by Function
Last Seven Fiscal Years

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

Source: Various County Departments

Table 20

<u>2004</u>	<u>2003</u>	<u>Function/Program</u>
Sheriff		
10	10	Patrol stations
576	550	Patrol vehicles
Fire		
48	48	Stations
126	117	Trucks
Waste Management		
8	8	Landfills
50,872,281	42,712,387	Capacity in tons
Parks and Recreation		
13	13	Regional parks
6	6	Historic sites
5	5	Nature centers
7	7	Archaeological sites
16	16	Wildlife reserves
County Libraries		
28	27	Branch libraries
2	2	Book mobiles
1,098,082	1,029,424	Books in collection
County Regional Medical Center		
4	4	Major clinics
30	30	Routine and specialty clinics
439	439	Beds licensed



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