

**County of Riverside, California**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2013**



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



COUNTY OF RIVERSIDE, CALIFORNIA  
**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

FISCAL YEAR ENDED JUNE 30, 2013



PREPARED BY THE OFFICE OF:  
**PAUL ANGULO, CPA, M.A.**  
COUNTY AUDITOR-CONTROLLER



**COUNTY OF RIVERSIDE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**June 30, 2013**

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# INTRODUCTORY SECTION





COUNTY OF RIVERSIDE  
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Fax (951) 955-3802

**AC** | AUDITOR  
CONTROLLER  
COUNTY OF RIVERSIDE  
Paul Angulo, CPA, M.A.  
Auditor-Controller

December 13, 2013

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

Members of the Board and Citizens of Riverside County:

The Comprehensive Annual Financial Report (CAFR) of the County of Riverside for the fiscal year ended June 30, 2013 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 complement this letter of transmittal and should be read in conjunction with it.

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

The County has eleven independent fiscal entities that are considered blended component units and 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 is the fourth largest county by area in the state of California. It encompasses 7,295 square miles and extends nearly 184 miles across Southern California, from the Arizona border west to within 10 miles of the Pacific Ocean. It is situated east of Los Angeles and Orange Counties, south of San Bernardino County, and north of San Diego and Imperial Counties.

There are 28 incorporated cities located within the County. The latest city to be incorporated was Jurupa Valley on July 1, 2011. The largest cities in the County are Riverside (the County seat) with a population of 311,955, Moreno Valley 198,129, Corona 156,823, Temecula 104,879, and Murrieta 105,832. Estimated population figures are

developed by the California State Department of Finance, and each year it is revised on January 1, with a revised estimate for the prior year. Total County population was 2,255,059 on January 1, 2013, an increase of 1.2 percent as compared to the revised estimate for January 1, 2012. Approximately 16 percent of the residents live in unincorporated areas.

The County is governed by a five-member Board of Supervisors, who serve four-year terms, and annually elect a Chairman and Vice-Chairman. The Supervisors represent five districts.

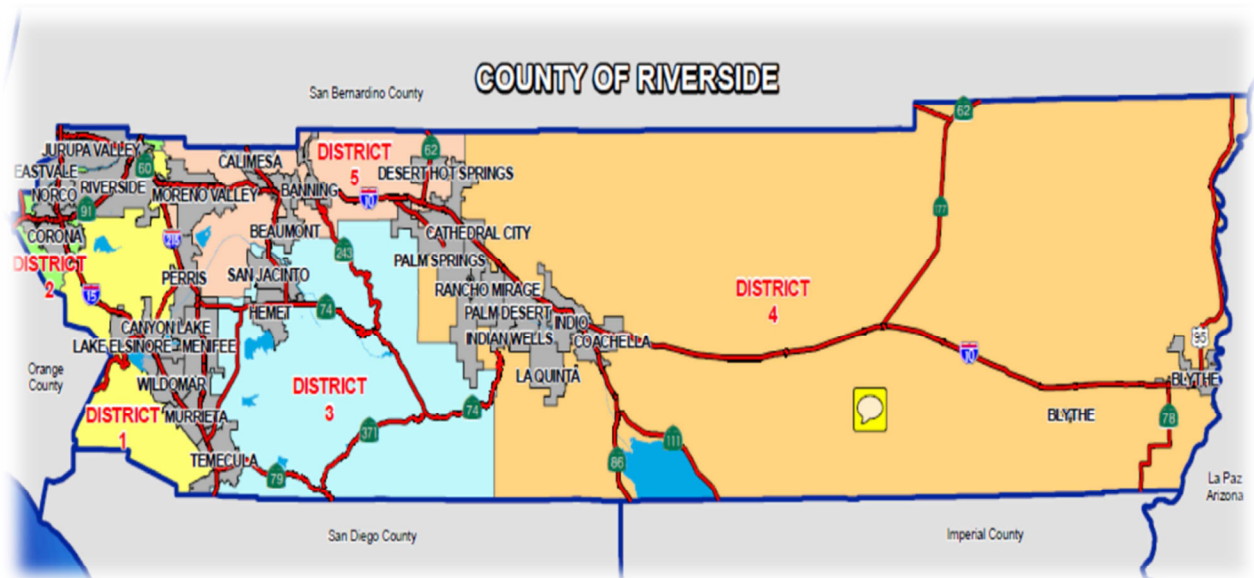
The First District includes areas within the cities of Riverside, Canyon Lake, Lake Elsinore, Wildomar and the unincorporated communities of Lakeland Village, Lake Mathews, Mead Valley, Santa Rosa Rancho, as well as portions of Gavilan Hills and Woodcrest.

The Second District includes the cities of Corona, Norco, approximately one-third of the City of Riverside, Eastvale, and Jurupa Valley (the newest city as of July 1, 2011). The unincorporated communities consist of Home Gardens, El Cerrito, Coronita, and Highgrove.

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

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

The Fifth District includes the cities of Banning, Beaumont, Calimesa, Menifee, Moreno Valley, Perris, and the northern portion of Palm Springs. The unincorporated areas include Nuevo, Lakeview, Juniper Flats, Meadowbrook, Good Hope, a portion of Mead Valley, Romoland, Homeland, Green Acres, Box Springs, Pigeon Pass, Reche Canyon, San Timoteo Canyon, Oak Valley, Cherry Valley, Banning Bench, Cabazon, Palm Springs Village, and Palm Springs West.



Source: Riverside County GIS

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

<b>Certificate, Licenses and Permits</b>	<b>Human Services</b>
Birth, marriage, and death certificates, animal licensing and building permits	Assistance for Families, Veteran Services, Utility Assistance, Assistance for the Elderly
<b>Children’s Services</b>	<b>Libraries and Museums</b>
Child Support Services, Mentor programs, and Children Medical Services	Edward Dean Museum, and Riverside County Law Library
<b>Criminal Justice</b>	<b>Parks and Recreation</b>
District Attorney, Probation, Public Defender, and Sheriff	Regional Parks
<b>Education</b>	<b>Pets and Animal Services</b>
Office of Education	Animal Control, and Animal Shelters
<b>Emergency Services</b>	<b>Property Information</b>
Office of Emergency Services, Early Warning Notification System, Shelter Grant program, and Homeless program	Building permit report, obtain property information via GIS, pay property taxes online, track your property tax online, record map inquiry, information on new home owners and Riverside County land information
<b>Environment</b>	<b>Public and Official Records</b>
Solid waste, liquid waste, medical waste, sewage disposal, water systems, wells, backflow devices, food services, public pools and mobile home parks, vector control, hazardous materials services, fire protection services, waste reduction, and recycling	Official recorded documents, fictitious business names search, grantor/grantee search, vital records, and court records search
<b>Flood Control</b>	<b>Roads and Highways</b>
Flood Control and water conservation	Road maintenance, land development, engineering services, and survey
<b>Health</b>	<b>Taxes</b>
Family health centers, disease control, nutrition services, family planning, health education, injury prevention, emergency medical services, mental health services, industrial hygiene, laboratory, Epidemiology, medical marijuana identification cards	Property tax portal, tax bills, Assessor-County Clerk Recorder, Treasurer-Tax Collector, and Auditor-Controller
<b>Housing</b>	
First time home buyer programs, low income housing, rental assistance program, homeless shelter, and neighborhood stabilization program	

## FACTORS AFFECTING ECONOMIC CONDITION

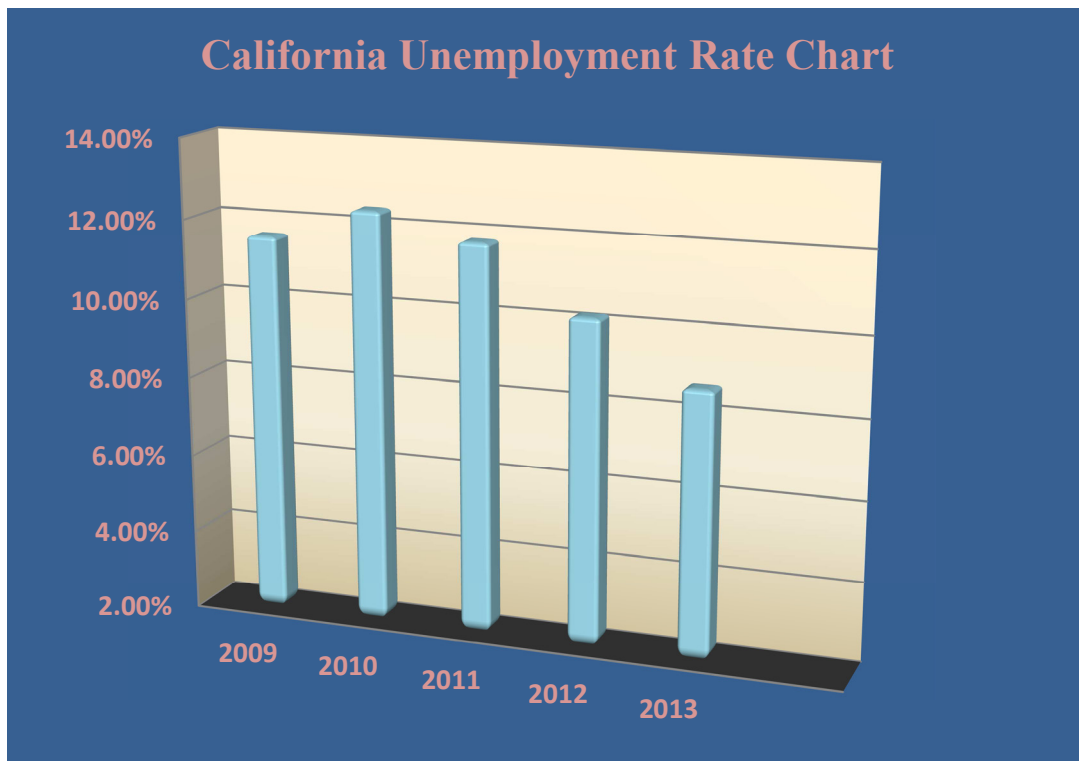
### State Economy

The California economy continues to work towards recovery. It is predicted that Inland Southern California will regain its status as one of the high growth regions of the country within a few years. The region currently ranks fourth in the nation for price appreciation.

The number of California homeowners entering the foreclosure process fell last quarter to the second-lowest level in seven and a half years. The drop-off is the result of a stronger job market, home price appreciation, and a variety of government foreclosure avoidance efforts, a real estate information service reported.

The California's nonfarm payroll jobs increased by 39,800 in October for a total gain of 868,300 jobs since the recovery began in February 2010, according to data released by the California Employment Development Department (EDD). The year-over-year change, October 2012 to October 2013, nonfarm payroll employment in California increased by 207,300 jobs up to 1.4 percent.

The state's unemployment rate was 10.1 percent in October 2012 and it dropped to 8.7 percent in September 2013, unchanged in October. Statewide the unemployment ranges from a low 5.0 percent in Marin County to a high of 26.3 percent in Imperial County.



### Local Economy

Economist at California State University, Fullerton, projected robust growth in assessed value under a positive economic scenario. The County Assessor applied the maximum 2 percent inflation factor allowed under Prop. 13 to the assessed role, in part offsetting ongoing Prop. 8 reductions, and allowing for a projected overall rise in enrolled assessed valuations of 3.95 percent this fiscal year. Also significant reductions in foreclosure-related activity,

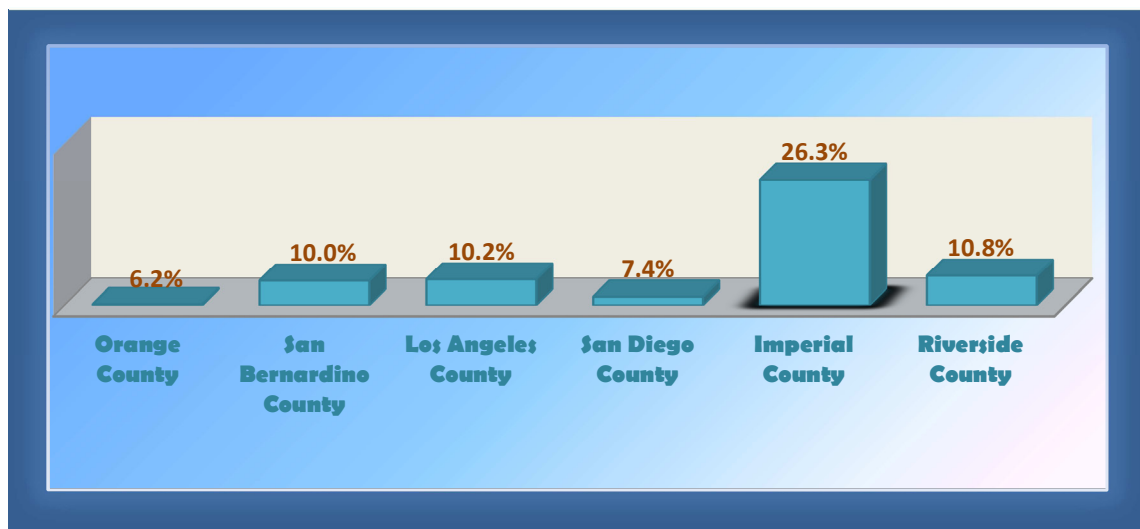


increases in year-over-year median sales prices for residential property, and improvement within the commercial property market continue to function as stabilizing factors for the rebound of the local real estate market.

Median sale prices of residential properties in Riverside County have increased by approximately 25 percent and sales volume is up 6 percent year-over-year for August. Accordingly, properties that have not been affected by Prop. 8 assessment reductions are not expected to increase by the traditional 2 percent for the 2014-15 tax year.

Riverside County's unemployment rate has slightly improved from 12 percent in September 2012 to 10.8 percent in September 2013. The trade, transportation and utilities sector added the most nonfarm job growth in the Riverside-San Bernardino-Ontario statistical area on a year-over-year basis, followed by increases in retail trade, transportation, and warehousing. Leisure and hospitality sector also added jobs as well as education and health services.

### Unemployment Comparison of Neighboring Counties



Source: Employment Development Department, September 2013.

### Relevant Financial Information

*Debt Advisory Committee* provides advice to the Board of Supervisors (the Board) on debt issuance and management.

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

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

*Investment Oversight Committee* shall cause an annual audit to be performed, and review the annual audit report prior to submittal to the Board of Supervisors; and to review the County of Riverside (the County) investment policies.

### Financial Reporting Awards

The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the County of Riverside for its *CAFR* for the fiscal year ended June 30, 2012. This was the twenty-fifth consecutive year the County has achieved this prestigious award. In

order to be awarded a Certificate of Achievement, a government entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

The County of Riverside has also been awarded for *Outstanding Achievement* in the preparation of the Popular Annual Financial Report (PAFR), which is also referred to as Financial Highlights for the fiscal year ended June 2012. This was the seventh consecutive year the County has achieved this award. In order to receive an award for *Outstanding Achievement in Popular Annual Financial Reporting*, a government entity must publish a PAFR, with contents conforming to program standards of creativity, presentation, understandability and reader appeal. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR and PAFR continue to meet the Certificate of Achievement Program's requirements and we are submitting both reports to the GFOA to determine the eligibility for new certificates.

### **Acknowledgments**

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

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

*Respectfully submitted,*



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**PAUL ANGULO, CPA, M.A.**  
**RIVERSIDE COUNTY AUDITOR-CONTROLLER**

# COUNTY OF RIVERSIDE

List of Principal Officials  
As of June 30, 2013

## ELECTED OFFICIALS

Board of Supervisors



KEVIN JEFFRIES  
First District



JOHN F.  
TAVAGLIONE  
Second District



JEFF STONE  
Vice Chairman  
Third District



JOHN BENOIT  
Chairman  
Fourth District



MARION ASHLEY  
Fifth District

## COUNTYWIDE ELECTED OFFICIALS



PAUL ZELLERBACH  
District Attorney



STANLEY SNIFF, JR.  
Sheriff  
Coroner  
Public Administrator



PAUL ANGULO  
Auditor  
Controller



LARRY WARD  
Assessor  
Clerk  
Recorder



DON KENT  
Treasurer  
Tax Collector

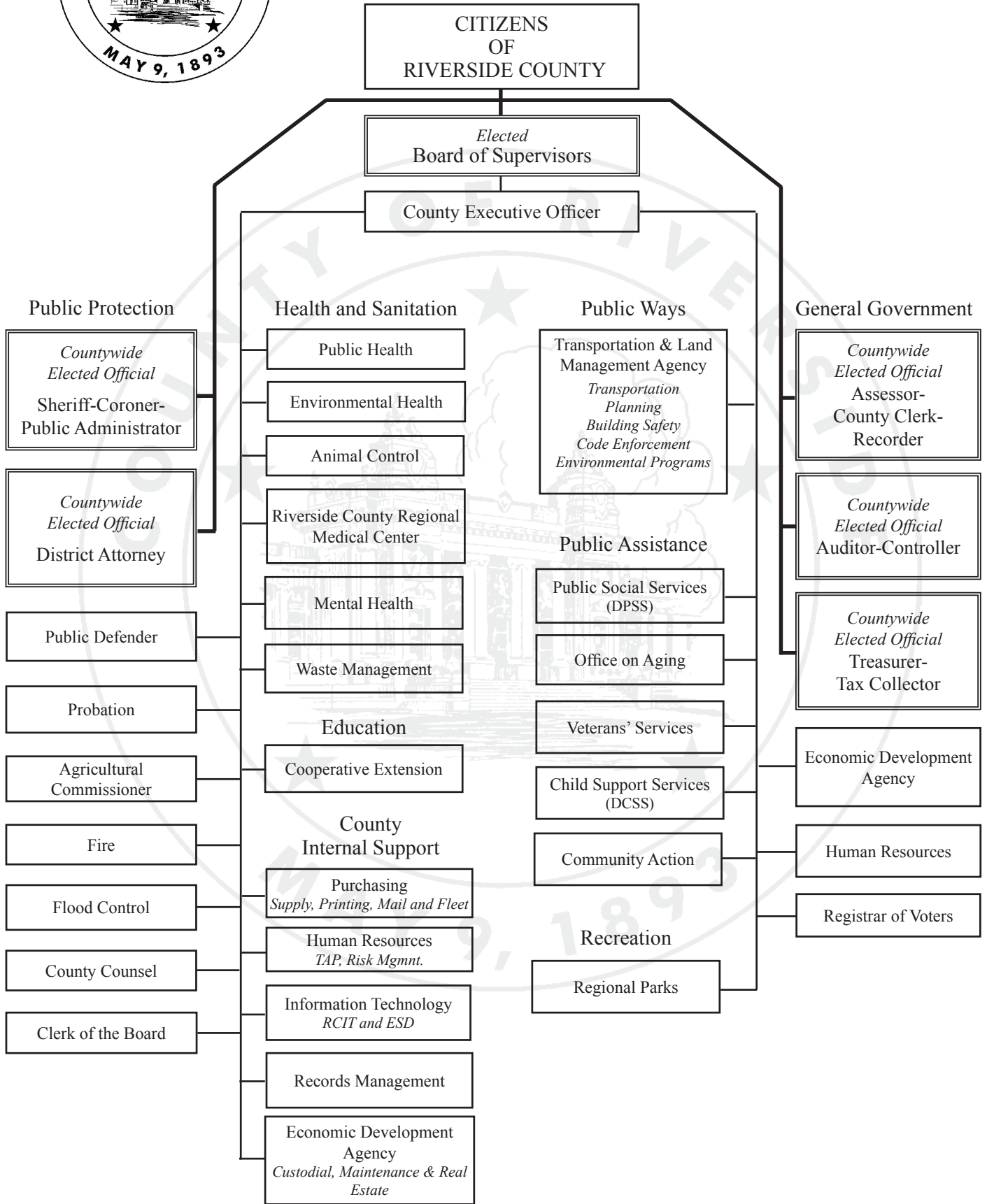
## APPOINTED OFFICIALS

JAY ORR  
County Executive Officer

PAMELA WALLS  
County Counsel



**COUNTY OF RIVERSIDE  
ORGANIZATION CHART**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**County of Riverside  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

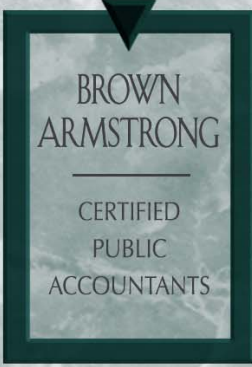


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# FINANCIAL SECTION





BROWN ARMSTRONG  
*Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of Supervisors  
 County of Riverside, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Riverside, California, (the County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Riverside County Flood Control and Water Conservation District (the Flood Control), Housing Authority of the County of Riverside (the Housing Authority), Riverside County Regional Park and Open-Space District (the Park District), Perris Valley Cemetery District (the Cemetery District), Riverside County Redevelopment Successor Agency (the Successor Agency), and Riverside County Children and Families Commission (the Commission), which represent the following percentages, respectively, of the assets and revenues of the following opinion units:

<u>Opinion Unit</u>	<u>Assets</u>	<u>Revenues</u>
Governmental Activities	19%	3%
Business-Type Activities	22%	15%
Aggregate Remaining Fund Information	6%	1%
Discretely Presented Component Units	47%	72%

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

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

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

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REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

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

### **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the general fund, the transportation special revenue fund, and the flood control special revenue fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As disclosed in the Note 1 to the financial statements, the County implemented Governmental Accounting Standards Board (GASB) Statements No. 60, 61, 62, and 63, and implemented GASB Statement No. 65 in advance during the fiscal year 2013. Among these new GASB Statements, GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, have significant impact over the County's financial statements. Our opinion is not modified with respect to the matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-28, the County's Retirement Plans schedule of funding progress on pages 119-120, and the schedule of funding progress for the County's Other Post Employment Benefit (OPEB) plan on page 121 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and respective budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and respective budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and respective budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**





# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

It is presented as required supplementary information for the benefit of the readers of the Comprehensive Annual Financial Report.

## Management’s Discussion & Analysis (Unaudited)

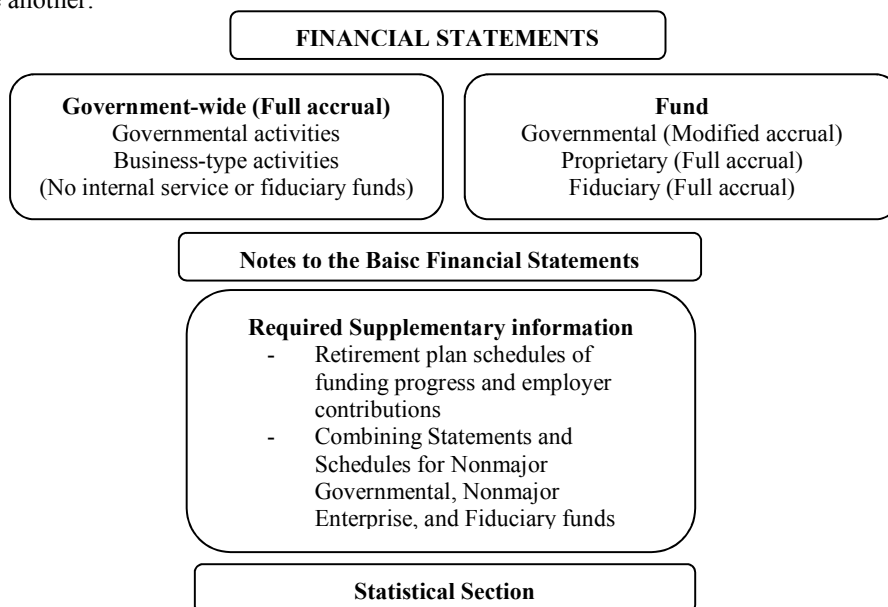
This section of the County of Riverside (the County)’s Comprehensive Annual Financial Report presents a narrative overview and analysis of the County’s financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal beginning on page v and the County’s basic financial statements which begin on page 29.

### FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2012-13, the County’s assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by \$4.6 billion (*net position*). The net position included \$860.7 million of unrestricted resources, which may be used to meet the County’s ongoing obligations to citizens and creditors; \$644.7 million of restricted resources, which is required by external sources or through enabling legislation to be used for specific purposes; and \$3.1 billion is net investment in capital assets.
- At the close of the current fiscal year, the County’s governmental funds reported combined fund balances of \$1.1 billion, a decrease of \$218.7 million in comparison with the prior year. Approximately 17.9% of this amount (\$199.9 million) is available for spending at the County’s discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed, assigned, and unassigned* components of *fund balance*) for the general fund was \$252.6 million, or approximately 11.0 % of total general fund expenditures.
- As of July 1, 2012, the County implemented Governmental Accounting Standards Board Statement (GASB) No. 65 – *Items Previously Reported as Assets and Liabilities*. The beginning net position restated by \$10.9 million to write off the unamortized bond issuance costs that were previously reported as assets. Furthermore, unavailable revenue in governmental funds of \$68.7 million was reclassified from liability to deferred inflows of resources which were recognized as a receivable before time requirements are met, but after all other eligibility requirements have been met.
- There is a net increase of \$8.4 million in deferred inflow of resources related to service concession arrangement (SCA) for capital assets.

### 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 illustration below shows how the required parts of this annual report are arranged and related to one another.



## Management’s Discussion & Analysis (Unaudited)

The overview section below summarizes the major feature of the financial statements and describes the structure and contents of each of the statements in more detail.

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
<b>Scope</b>	Entire County (except fiduciary funds)	The day-to-day operating activities of the County for basic governmental services	The day-to-day operating activities of the County for business-type enterprises	Instances in which the County is the trustee or agent for someone’s resources
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of asset / liability information</b>	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or debt included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term
<b>Type of inflow / outflow information</b>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter, expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**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 position* presents financial information on all of the County’s assets, liabilities, deferred inflow/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining. The statement of net position in summary can be found on page 8, and in more detail on page 29.

The *statement of activities*, presented on page 10 in summary and on pages 30 - 31 in detail, provides information showing how the County’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. For example, property tax revenues have been recorded that have been accrued but not yet collected, and expenditures for compensated absences have been accrued, but not paid.

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

## Management's Discussion & Analysis (Unaudited)

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 (PDFA) 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 presented separately from the financial information of the primary government.

The blended component units are:

- County of Riverside Asset Leasing Corporation (CORAL)
- County of Riverside District Court Financing Corporation
- County of Riverside Bankruptcy Court Corporation
- Housing Authority of the County of Riverside
- In-Home Supportive Services Public Authority
- Riverside County Flood Control and Water Conservation District (Flood Control)
- Riverside County Regional Park and Open-Space District
- Riverside County Public Financing Authority
- Riverside County Service Areas
- Inland Empire Tobacco Securitization Authority
- Perris Valley Cemetery District

**Fund Financial Statements**, illustrated on pages 34 - 51, provide information regarding the three major categories of County funds – governmental, proprietary, and fiduciary. The focus of governmental and proprietary fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**Governmental Funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements often have a budgetary orientation, are prepared on the modified accrual basis of accounting, and focus primarily on the sources, uses, and balances of current financial resources. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. The governmental funds' balance sheet and statement of revenues, expenditures, and changes in fund balances provided are accompanied by 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, transportation special revenue fund, flood control special revenue fund, teeter debt service fund, and public facilities improvements capital projects fund) in separate columns.

## Management's Discussion & Analysis (Unaudited)

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

Budgetary comparison statements are also included in the fund financial statements. The statements present the County's annual estimated revenue and appropriation budgets for all governmental fund budgets except for CORAL, District Court Financing Corporation, Bankruptcy Court, Inland Empire Tobacco Securitization Authority, Public Financing Authority, and Redevelopment Agency (RDA) Housing Successor Agency. The budgetary comparison statements have been provided to demonstrate compliance with their respective budgets.

**Proprietary Funds** are used to account for services for which the County charges customers, either outside customers or internal departments of the County. Proprietary funds statements, found on pages 46 - 49, 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, Housing Authority, County Service Areas, and Flood Control. RMC, Waste Management, and Housing Authority financial statements are reported in separate columns of the proprietary fund statements due to the materiality criteria defined by GASB Statement No. 34. Financial information for the remaining enterprise funds (nonmajor funds) is combined into a single, aggregated presentation. Individual fund statements for County Service Areas 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, Enterprise Solution Division (accounting and human resources information technology system), risk management, temporary assistance pool, Economic Development Agency (Facilities Management), and flood control equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund financial information for each internal service fund is provided in the supplementary information section.

**Fiduciary Funds** report assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's programs nor be reflected in the government-wide financial statements. Fiduciary funds maintained by the County include a pension trust fund, investment trust funds, private-purpose trust funds, and agency funds. The fiduciary fund financial statements on pages 50 - 51, are presented on the economic resources measurement focus and the accrual basis of accounting.

**Notes to the Basic Financial Statements** provide additional information other than that displayed on the face of the financial statements and are essential for fair presentation of the financial information in the government-wide and fund financial statements. The notes can be found on pages 53 - 117 of this report.

**Required Supplementary Information**, in addition to this MD&A, presents schedules of retirement plan funding progress and employer contribution. Required supplementary information can be found on pages 119 - 121 of this report.

**Combining and individual fund statements and schedules** provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 123 - 176 of this report.

## Management's Discussion & Analysis (Unaudited)

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. The table below focuses on the net position and changes in net position in the County's governmental and business-type activities. It presents an analysis of the County's net position as of June 30, 2013, in comparison to the prior fiscal year 2011-12. At the end of the current fiscal year, the County reported positive net position in all three categories: net investment in capital assets, restricted net position and unrestricted net position. Total assets and deferred outflow of resources, as indicated below, exceeded liabilities and deferred inflow of resources by \$4.6 billion representing an increase of \$192.2 million (\$181.3 million changes in net position and restatement of \$10.9 million, See Note 3), or 4.1%.

A more detailed statement can be found on Page 29 in the government-wide financial statements.

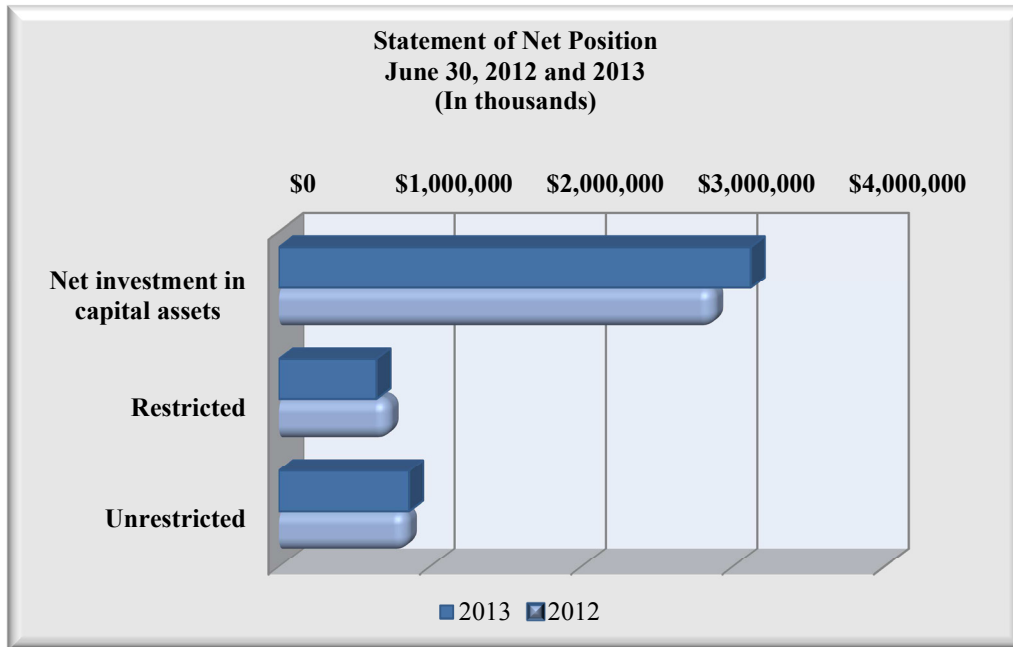
#### Statement of Net Position June 30, 2013 (In thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2013	2012	2013	2012	2013	2012	%
<b>Assets:</b>							
Current and other assets	\$ 2,542,934	\$ 2,903,152	\$ 521,110	\$ 308,604	\$ 3,064,044	\$ 3,211,756	-4.6%
Capital assets	3,913,392	3,704,789	275,292	269,673	4,188,684	3,974,462	5.4%
<b>Total assets</b>	<b>6,456,326</b>	<b>6,607,941</b>	<b>796,402</b>	<b>578,277</b>	<b>7,252,728</b>	<b>7,186,218</b>	<b>0.9%</b>
<b>Deferred outflows of resources:</b>							
Deferred outflows of resources:	26,821	-	347	-	27,168	-	0.0%
<b>Total deferred outflows of resources</b>	<b>26,821</b>	<b>-</b>	<b>347</b>	<b>-</b>	<b>27,168</b>	<b>-</b>	<b>0.0%</b>
<b>Liabilities:</b>							
Current liabilities	651,424	788,496	152,033	100,275	803,457	888,771	-9.6%
Long-term liabilities	1,492,824	1,543,912	333,806	311,845	1,826,630	1,855,757	-1.6%
<b>Total liabilities</b>	<b>2,144,248</b>	<b>2,332,408</b>	<b>485,839</b>	<b>412,120</b>	<b>2,630,087</b>	<b>2,744,528</b>	<b>-4.2%</b>
<b>Deferred inflows of resources:</b>							
Deferred inflows of resources:	17,703	-	9,118	-	26,821	-	0.0%
<b>Total deferred inflows of resources</b>	<b>17,703</b>	<b>-</b>	<b>9,118</b>	<b>-</b>	<b>26,821</b>	<b>-</b>	<b>0.0%</b>
<b>Net position:</b>							
Net investment in capital assets	2,998,987	2,740,429	118,594	130,510	3,117,581	2,870,939	8.6%
Restricted	550,326	683,835	94,346	41,103	644,672	724,938	-11.1%
Unrestricted	771,883	851,269	88,852	(5,456)	860,735	845,813	1.8%
<b>Total net position</b>	<b>\$ 4,321,196</b>	<b>\$ 4,275,533</b>	<b>\$ 301,792</b>	<b>\$ 166,157</b>	<b>\$ 4,622,988</b>	<b>\$ 4,441,690</b>	<b>4.1%</b>

## Management's Discussion & Analysis (Unaudited)

Below are the three components of net position and their respective balances as of June 30, 2013:

- Net investment in capital assets was \$3.1 billion, or 67.5%, of the County's total net position compared to \$2.9 billion, or 64.6%, for fiscal year 2011-12. This component consists of capital assets such as land and easements, structures and improvements, infrastructure, and equipment, net of accumulated depreciation. The amount is further reduced by any debt attributable to the acquisition, construction, or improvement of the assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's 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.
- \$644.7 million, or 13.9%, of the County's total restricted net position compared to \$724.9 million, or 16.3% for fiscal year 2011-12. This component 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.
- \$860.7 million, or 18.6%, of the County's total net position is unrestricted that may be used to meet the County's ongoing obligations to citizens and creditors. Of this amount, \$771.9 million is from governmental activities and \$88.8 million from business-type activities, compared to prior year whereas, \$851.3 million was from governmental activities and a \$5.5 million deficit from business-type activities.



## Management's Discussion & Analysis (Unaudited)

The following table provides information from the Statement of Activities of the County as of June 30, 2013, as compared to the prior year:

### Statement of Activities For the year ended June 30, 2013 (In thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2013	2012	2013	2012	2013	2012	%
<b>Revenues:</b>							
<b>Program revenues:</b>							
Charges for services	\$ 588,461	\$ 580,797	\$ 600,747	\$ 505,665	\$ 1,189,208	\$ 1,086,462	9.5%
Operating grants and contributions	1,503,390	1,447,694	-	-	1,503,390	1,447,694	3.8%
Capital grants and contributions	27,695	27,909	698	335.00	28,393	28,244	0.5%
<b>General revenues:</b>							
Property taxes	277,417	322,337	-	-	277,417	322,337	-13.9%
Sales and use taxes	29,751	26,744	-	-	29,751	26,744	11.2%
Unrestricted intergovernmental revenue	220,811	226,384	-	-	220,811	226,384	-2.5%
Investment earnings	2,035	11,801	(33)	907	2,002	12,708	-84.2%
Other	206,337	176,113	-	-	206,337	176,113	17.2%
<b>Total revenues</b>	<b>2,855,897</b>	<b>2,819,779</b>	<b>601,412</b>	<b>506,907</b>	<b>3,457,309</b>	<b>3,326,686</b>	<b>3.9%</b>
<b>Expenses:</b>							
General government	194,641	270,474	-	-	194,641	270,474	-28.0%
Public protection	1,065,373	1,047,202	-	-	1,065,373	1,047,202	1.7%
Public ways and facilities	89,469	84,797	-	-	89,469	84,797	5.5%
Health and sanitation	422,982	374,950	-	-	422,982	374,950	12.8%
Public assistance	807,611	827,092	-	-	807,611	827,092	-2.4%
Education	18,998	10,376	-	-	18,998	10,376	83.1%
Recreation and culture	12,274	15,806	-	-	12,274	15,806	-22.3%
Interest on long-term debt	29,453	39,098	-	-	29,453	39,098	
Regional Medical Center	-	-	473,916	417,074	473,916	417,074	13.6%
Waste Management	-	-	53,069	57,272	53,069	57,272	-7.3%
Housing Authority	-	-	90,678	91,469	90,678	91,469	-0.9%
Flood Control	-	-	2,472	2,306	2,472	2,306	7.2%
County Service Areas	-	-	459	456	459	456	0.7%
<b>Total expenses</b>	<b>2,640,801</b>	<b>2,669,795</b>	<b>620,594</b>	<b>568,577</b>	<b>3,261,395</b>	<b>3,238,372</b>	<b>0.7%</b>
<b>Excess (deficiency) before</b>							
Transfers	215,096	149,984	(19,182)	(61,670)	195,914	88,314	121.8%
Transfer in (out)	(1,049)	(11,702)	1,049	11,702	-	-	0.0%
<b>Change in net position, before extraordinary items</b>	<b>214,047</b>	<b>138,282</b>	<b>(18,133)</b>	<b>(49,968)</b>	<b>195,914</b>	<b>88,314</b>	<b>121.8%</b>
Extraordinary Items	(158,337)	502,639	154,589	-	(3,748)	502,639	-100.7%
<b>Change in net position</b>	<b>55,710</b>	<b>640,921</b>	<b>136,456</b>	<b>(49,968)</b>	<b>192,166</b>	<b>590,953</b>	<b>-67.5%</b>
Net position, beginning of year, as Restated	4,265,486	3,634,612	165,336	216,125	4,430,822	3,850,737	15.1%
<b>Net position, end of year</b>	<b>\$ 4,321,196</b>	<b>\$ 4,275,533</b>	<b>\$ 301,792</b>	<b>\$ 166,157</b>	<b>\$ 4,622,988</b>	<b>\$ 4,441,690</b>	<b>4.1%</b>



## Management's Discussion & Analysis (Unaudited)

The following are specific major factors that resulted in the net position changes in governmental activities between fiscal years 2012-13 and 2011-12 as shown in the table of the previous page.

### *Revenues for governmental activities*

Revenues from *Charges for services* increased by \$7.7 million, or 1.3%. 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. The increase was mainly due to law enforcement services provided to cities within the County of Riverside who have contract with the Sheriff Department for city police services.

Revenues from *Operating grants and contributions* increased by \$55.7 million, or 3.8%, due to significant changes in the following state and federal sources:

- \$19.2 million increase in state's realignment of public safety programs pursuant to Assembly Bill (AB) 118 for the reallocation of trial court security revenue from charges for services. \$11.0 million increase in state allocation of the one-half cent proposition 172 public safety sales tax funds due to the improvement in sales activity in the County as the consumer confidence rebounded. \$9.6 million increase in local revenue AB109 criminal justice program due to individuals sentenced to non-serious and non-violent crimes will serve their sentences in County jails instead of state prison. \$37.2 million increase in caseload growth for calworks and in-home support services programs due to more individuals seeking assistance primarily in food stamps and medi-cal.
- The increase was offset by \$19.1 million decrease in federal grants for nutrition information and education in Women, Infant, and Children (WIC) programs, the highway user tax was decreased as the state recaptured overpayment made in fiscal year 2011-12, and American Recovery and Reinvestment Act (ARRA) program was ended.

Revenues from *Capital grants and contributions* decreased by \$214.0 thousand or 0.8%, due to a reduction in the number of projects that were awarded by the Federal Aviation Administration (FAA) for federal capital improvement projects.

Revenues from *Property taxes* decreased by \$44.9 million, or 13.9%, due to the fact the County no longer receiving the pass through tax increment from the former Redevelopment Agency.

Revenues from *Sales and used taxes* increased by \$3.0 million, or 11.2% was mainly generated from a strong demand in new automobiles, restaurant sales particularly in quick-service and fast casual chains, and use tax from the development of solar energy projects. The rate increased from 7.75% to 8.0%. In addition, the last city to incorporate was Jurupa Valley which received over \$6.0 million in sales tax revenue in fiscal year 2011-12, no new cities are anticipated in fiscal year 2012-13 to further decrease sales tax revenue.

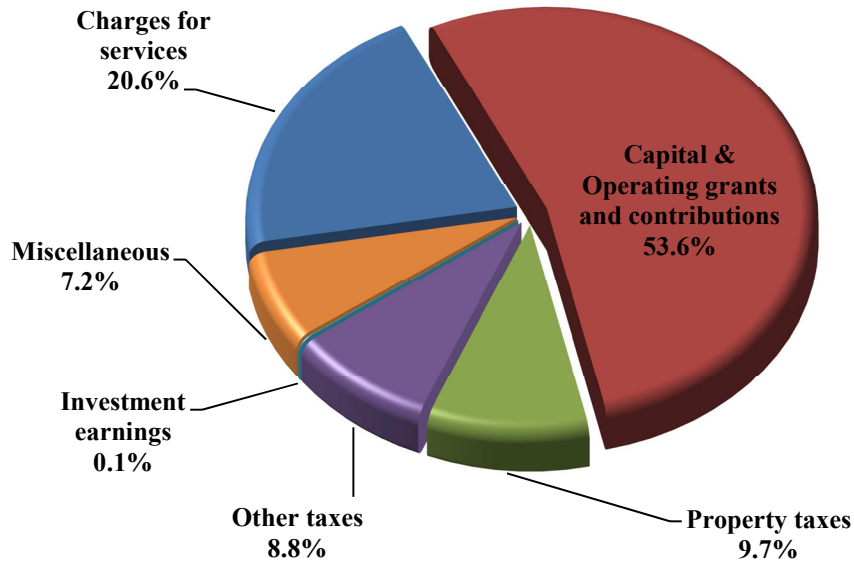
Revenues from *Unrestricted intergovernmental revenue* decreased by \$5.6 million or 2.5%. The decrease was attributed to \$4.5 million received in fiscal year 2011-12 from excess of County allocation of fiscal year 2006-07 to fiscal year 2009-10 vehicle license fee collections adjusted by State Controller Office. The realignment revenue received from vehicle license fee decreased by \$1.5 million in fiscal year 2012-13.

Revenues from *Investment earnings* decreased by \$9.8 million from \$11.8 million to \$2.0 million, or 82.8%, as a result of continual declines in interest earnings reflecting rate cuts by the Federal Reserve and decline in investment pool earnings.

The significant change in *Other revenue sources* was in Property Tax – Low and Moderate Income Housing (LMIH) Residual Assets due to the result of RDA dissolution where unencumbered low and moderate income housing set aside money AB1484 was distributed to the County according to Successor Agency debt requirement and available tax increment.

## Management's Discussion & Analysis (Unaudited)

### Governmental Activities Revenue by Source For fiscal year ended June 30, 2013



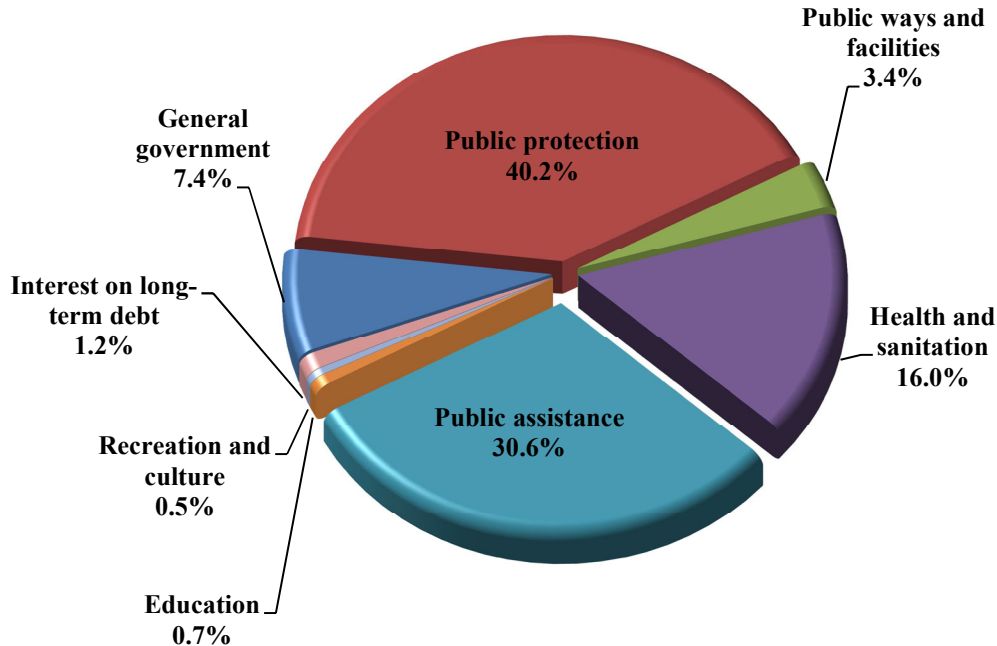
#### *Expenses for governmental activities*

Total expenses for governmental activities were \$2.6 billion for the current fiscal year, a decrease of \$29.0 million or 1.1%, as compared to prior fiscal year. The following are the key components accounting for the variance:

- General government represents \$194.6 million, or 7.4%, of the total governmental activities expenses, decreased by \$75.8 million or 28.0% from prior year. The decrease resulted from administrative and operation costs incurred by the former Redevelopment Agency for low and moderate income housing related programs, and construction costs of infrastructure and public facilities.
- Public protection represents \$1.1 billion or 40.3%, of the total governmental activities expenses, increased by \$18.2 million, or 1.7% from prior year due to sheriff's payroll and benefits, and construction costs of the new detention center. Additional analysis can be found in general fund financial analysis on page 18.
- Health and sanitation represents \$423.0 million or 16.0% of the total expenses, increased by \$48.0 million or 12.8% from prior year in services and supplies caused by the expansion of Mental Health Service Act (MHSA) formerly known as Proposition 63. It was approved by California voters to provide a 1.0% tax on personal income over \$1.0 million in order to expand and transform the county mental health service system.
- \$89.5 million, or 3.4% of the total governmental activities expenses, increased by \$4.7 million or 5.5% for public ways and facilities due to roads and road improvement projects.
- \$807.6 million or 30.6% of the total expenses, decreased by \$19.5 million or 2.4% from prior year for public assistance which was mainly due to the discontinuation of programs funded by Community Development Block Grant (CDBG) and the Neighborhood Stabilization Program. The remaining 2.3% represents education for \$19.0 million or 0.7%; recreation and culture for \$12.3 million or 0.5%, and interest on long-term debt for \$29.5 million or 1.1%.

## Management's Discussion & Analysis (Unaudited)

### Governmental Activities Expenses by Function For fiscal year ended June 30, 2013



### Business-type Activities

The following are specific major factors that resulted in the net position changes in business-type activities between fiscal years 2012-13 and 2011-12 as shown in the above table.

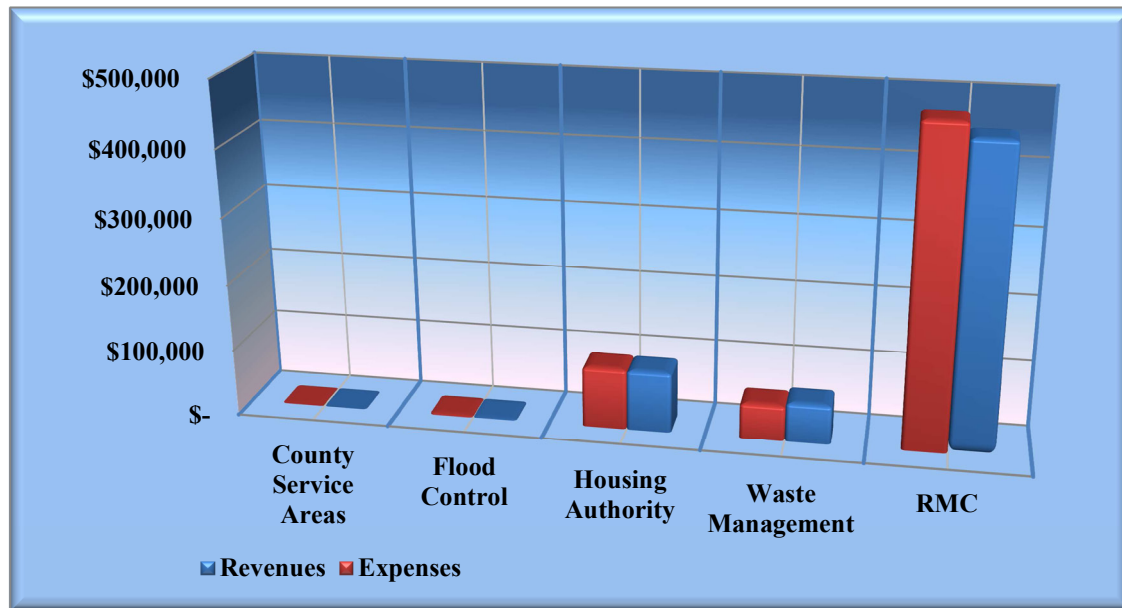
Revenues: The County has three major business-type activities: Riverside County Regional Medical Center (RMC), Waste Management, and Housing Authority. In addition, Flood Control and County Service Areas are included in the business-type activities of the County. Business-type activities recover all or a significant portion of their costs through user fees and charges and provide services primarily to non-County entities.

For the current year, \$600.7 million or 99.9%, 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, \$450.3 million, was received by RMC as compared to \$371.8 million for the prior fiscal year. The increase was mainly attributed to the new revenue sources being earned in the current fiscal year: \$54.1 million in federal and state funds for subsidizing the costs associated with providing care to uninsured and indigent population, \$6.8 million in Hospital Quality Assurance Fee Program, \$5.7 million from Electronic Health Record (EHR) incentive program which is a reimbursement for conversion to electronic health records.

Expenses: Total expenses for business-type activities were \$620.6 million for the fiscal year compared to \$568.6 million for the prior fiscal year. This represents an increase of \$52.0 million or 9.1%. Expenses of \$473.9 million or 76.4% were incurred by RMC in the current fiscal year, as compared to \$417.1 million or 73.4%, for the prior fiscal year. In addition, expenses for Waste Management Department expenses were \$53.1 million or 8.6%, compared to \$57.3 million or 10.1% from prior fiscal year; Housing Authority expenses were \$90.7 million or 14.6% of total expenses for business-type activities, compared to prior fiscal year's expenses of \$91.5 million or 16.1%; Flood Control and County Service Areas account for the remaining 0.5% of expenses consistent with the prior fiscal year.

## Management's Discussion & Analysis (Unaudited)

### Revenues and Expenses Business Type Activities For fiscal year ended June 30, 2013 (In thousands)



## FINANCIAL ANALYSIS OF FUND STATEMENTS

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

### Governmental Fund

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

As of June 30, 2013, the County's governmental funds reported combined fund balances of \$1.1 billion, a decrease of \$218.7 million in comparison with the prior year. The components of total fund balance are as follows (See Note 16 - Fund Balances for additional information):

- Nonspendable fund balance – \$5.5 million, are amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance – \$508.5 million, are amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance – \$314.4 million, are amounts that are committed for a specific purpose. These funds require action from the Board of Supervisors to remove or change the specified use.
- Assigned fund balance – \$86.4 million, are amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. Assigned amounts cannot cause a deficit in unassigned fund balance.
- Unassigned fund balance – \$199.9 million, funds that are not reported in any other category and are available for any purpose within the general fund.

## Management's Discussion & Analysis (Unaudited)

Total governmental fund revenue increased by \$18.1 million or 0.7%, from the prior fiscal year with \$2.8 billion being recognized for the fiscal year ended June 30, 2013. Expenditures decreased by \$40.2 million or 1.4%, from the prior fiscal year with \$2.8 billion being expended for governmental functions during fiscal year 2012-13. Overall, governmental fund balance decreased by \$218.7 million or 16.4%. In comparison, fiscal year 2011-12 had a decrease in governmental fund balance of \$432.1 million or 24.5%, over fiscal year 2010-11.

The *general fund* is the primary operating fund of the County. At the end fiscal year 2012-13, the general fund's total fund balance was \$357.2 million, as compared to \$336.6 million in fiscal year 2011-12. As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The nonspendable portion of fund balance was \$3.2 million, and the spendable portion was \$354.0 million. The current year unassigned fund balance is 8.7% of the total general fund expenditures of \$2.3 billion, as compared to 7.6% of the prior year expenditures total of \$2.3 billion. The total fund balance of the general fund for the current year is 15.6% of the total general fund expenditures as compared to 14.9% for the prior year.

Transportation and Land Management Agency fund balance decreased by \$9.3 million or 8.9%, due to numerous large interchange improvement projects costs incurred during fiscal year 2012-13: North Indian Canyon Dr. Interchange, Palm Dr./Gene Autry Trail Inter-change, Goetz Rd Bridge, Van Buren Bridge and Van Buren Blvd Interchange.

Flood control fund balance decreased by \$1.3 million or 0.5%, \$256.3 million from prior year to \$254.9 million due to construction costs increased mainly in new drainage infrastructure projects and maintenance of flood control in the district's zones.

Public Facilities Improvement Capital Project fund balance decreased from \$242.5 million to \$199.6 million, 17.7% or \$42.9 million. The decrease was due to the completion of various building construction and remodeling projects and the utilization of the reserve for construction account to reimburse costs of multiple capital projects such as, Desert Hot Springs Family Care Clinic, Blythe Animal Shelter, North Shore Yacht, Smith Correctional Facility, Palm Desert Sheriff Station, and Lake Matthew Fire Station. In addition, the construction of Eastern Region Detention Center and Van Horn Youth Treatment and Education Center started during fiscal year 2012-13.

### Other Governmental Funds

The other governmental funds reported a combined net decrease in fund balance of \$185.8 million. The significant change was primarily the result of transferring assets and liabilities of all housing functions to Housing Authority of the County of Riverside from Riverside County Redevelopment Successor Housing Agency.

### 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 (RMC) 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 position were \$448.3 million, compared to \$310.4 million for prior fiscal year, increased by \$137.1 million or 44.1%. Of the year ended balances, unrestricted net position was as follows:

- Regional Medical Center: \$-32.6 million
- Waste Management: \$56.8 million
- Housing Authority: \$131.3 million
- Other enterprise fund activities: \$2.5 million
- Internal service fund activities: \$56.6 million

### Management’s Discussion & Analysis (Unaudited)

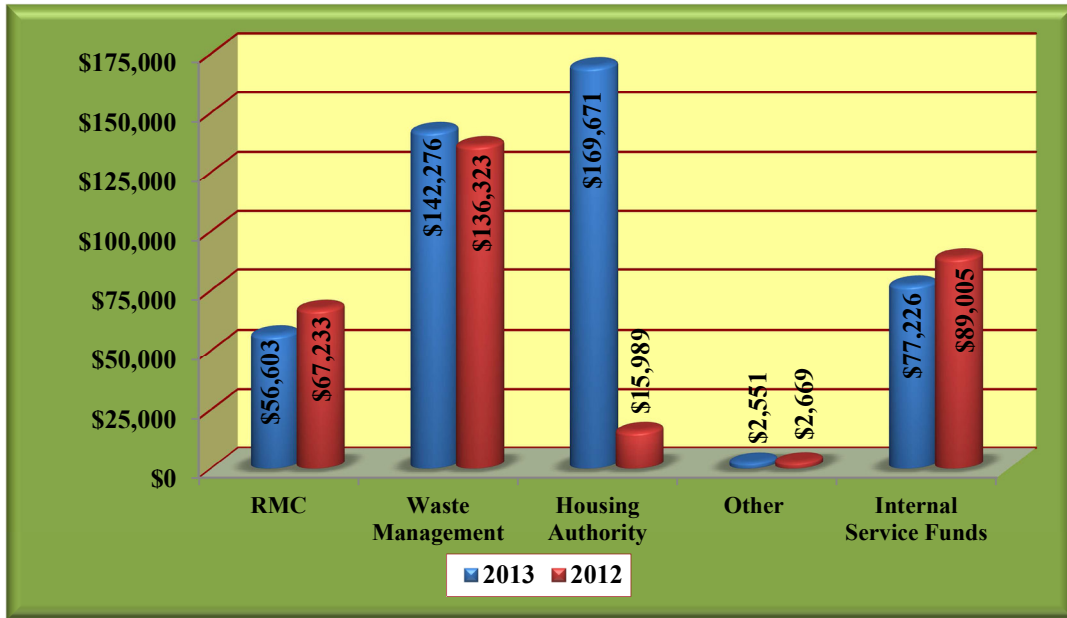
RMC’s net position decreased by \$10.6 million (\$9.8 million and restatement of \$0.8 thousands) or 15.8%, from \$67.2 million to \$56.6 million. The decrease is attributable to operating expenses including employee benefit and pension expenses, medical supply purchases, and interest expense from new bond issuance.

Waste Management’s net position increased from \$136.3 million to \$142.3 million. The increase resulted primarily from the reclassification of closure, post-closure, and remediation funds into liability accounts.

An increase of \$153.7 million in Housing Authority’s net position attributed to the following:

- Increase in total operating revenues due to the additional income received from the Housing Successor Agency leases and short-term loans.
- Gain from sale of property as a result of transfer of land parcels, loans receivables, and cash to the Housing Authority as Successor Agency for the housing functions of the former Redevelopment Agency of the County of Riverside.
- Increase in capital contribution, which is primarily related to the site improvements and modernization projects that were completed this fiscal year.

**Proprietary Funds Net Position**  
For fiscal year ended June 30, 2013  
(In Thousands)



## 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:

**General Fund - Revenues by Source**  
For fiscal year ended June 30, 2013  
(In Thousands)

Revenues by Sources	2013		2012		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
Taxes	\$ 246,144	10.2%	\$ 216,746	9.3%	\$ 29,398	13.6%
Intergovernmental revenues	1,561,505	64.8%	1,487,205	63.5%	74,300	5.0%
Charges for services	374,750	15.6%	354,451	15.1%	20,299	5.7%
Other revenue	133,282	5.5%	156,017	6.7%	(22,735)	-14.6%
Other financing sources	94,019	3.9%	126,258	5.4%	(32,239)	-25.5%
<b>Total</b>	<b>\$ 2,409,700</b>	<b>100.0%</b>	<b>\$ 2,340,677</b>	<b>100%</b>	<b>\$ 69,023</b>	<b>2.9%</b>

General fund revenues had an overall increase of \$69.0 million, or 2.9%, from the prior year. The increase was due primarily to the changes in the following:

- An increase of \$29.4 million in *Taxes* from the distribution of property tax - LMIH residual assets as the result of RDA dissolution where unencumbered low and moderate income housing set aside money AB1484 according to successor agency debt requirement and available tax increment.
- The increase in *Intergovernmental revenues* was primarily attributed to allocation and realignment revenue from the State and Federal aids. See explanation previously discussed on page 11.
- *Charges for services* increased by \$20.3 million, or 5.7%, was primarily due to law enforcement services contracted with cities within Riverside County, and election services due to higher number of candidates running during fiscal year 2012-13 for governmental positions.
- The decrease in *Other revenue* was mainly due to a one time release of committed fund balance in fiscal year 2011-12 to support program activities related to public social services caused by the shortfall of state funding.
- The decreased in *Other financing sources* was mainly caused by the reimbursements from capital improvement program fund to finance capital projects costs in fiscal year 2011-12, and contribution from other county funds to finance debt service payments. In addition, the County no longer receives negotiated pass-through payments previously received from the former Redevelopment Agency.



## 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):

### General Fund - Expenditures by Function For fiscal year ended June 30, 2013 (In Thousands)

Expenditures by Function	2013		2012		Increase / (Decrease)	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
General government	\$ 103,896	4.3%	\$ 127,195	5.4%	\$ (23,299)	-18.3%
Public protection	1,043,017	43.7%	1,010,999	43.0%	32,018	3.2%
Health and sanitation	388,325	16.3%	369,165	15.7%	19,160	5.2%
Public assistance	735,057	30.8%	719,670	30.6%	15,387	2.1%
Other expenditures	22,207	0.9%	25,000	1.1%	(2,793)	-11.2%
Other financing uses	96,547	3.9%	98,045	4.2%	(1,498)	-1.5%
<b>Total</b>	<b>\$ 2,389,049</b>	<b>100.0%</b>	<b>\$ 2,350,074</b>	<b>100.0%</b>	<b>\$ 38,975</b>	<b>1.7%</b>

Total expenditures for general fund were \$2.4 billion, an increase of \$39.0 million, or 1.7%, from the prior year. Significant changes are as follows:

- A decrease of \$23.3 million, or 18.3% in *General government* was mainly due to capital project costs funded by capital improvement program and legal costs incurred in settlement agreement with French Valley Business Center LLC during fiscal year 2011-12.
- The significant increase in *Public protection* were including the jail population and additional positions as the result of implementation of AB109, health benefit contribution to Riverside Sheriff Association (RSA) Public Safety Unit members from \$204.0 per pay period to \$356.0, disbursements to the State of CA Department of Forestry for fire protection services, and the retirement contribution rate for Safety Plan increased from 21.3% to 22.5%.
- The increase in *Health and sanitation* was mainly due to higher than anticipated usage of institution for mental disease, state hospital, and children's programs, and out-of-network health and mental health services provided to Low Income Health Program (LIHP) participants.
- The increase in *Public assistance* was due to hiring caseworkers and support staffs which were caused by more individuals seeking assistance primarily in Food Stamps and Medi-Cal.
- *Other expenditures* decreased by \$4.5 million, or 18.1%, were mainly due to a decrease in principal and interest payments for capital asset leases for buildings and other purchases.

### GENERAL FUND BUDGETARY HIGHLIGHTS

This section provides a summary of the primary factors attributing to the general fund variances between 1) the original adopted and the final 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.



## Management's Discussion & Analysis (Unaudited)

### Variance between General Fund Original Adopted and Final Amended Budget

#### Estimated Revenue Variances

The original adopted general fund estimated revenue budget decreased by \$9.5 million, or 0.4%, from \$2.47 billion to the final amended revenue budget of \$2.46 billion. The \$9.5 million represents a decrease of \$51.3 million in charges for current services, a decrease of \$8.6 million in other revenue, offset by increases of \$23.4 million in state aid, \$14.3 million in federal aid, and \$11.6 million in taxes.

State aid: The increase in state aid of \$23.4 million, or 2.3%, was partially the result of increases of \$10.5 million for the Low Income Health Program, \$6.9 million for AB109, \$2.7 million for public health and \$1.5 million in Prop 10 funding. The increase for the LIHP will be used to cover costs associated with the out-of-network services provided by contracted and non-contracted providers for eligible LIHP participants. The increase in AB109 funding which shifts responsibility of incarcerating low level offenders from the State to Counties will add eighteen deputies, two supervisors and two accounting personnel. Lastly, the Riverside County Children and Families Commission (the Commission) awarded the Department of Public Health funding in the amount of \$2.7 million for the Nutrition and Physical Activity Self-Assessment for Child Care Program. Four positions will be added with this funding.

Federal aid: The increase in federal aid of \$14.3 million, or 2.9%, was partially the result of increases of \$5.1 million in Department of Public Social Services (DPSS) public assistance administration claims, \$3.3 in public health grants, \$2.7 Sheriff and \$2.0 Fire. DPSS increased the budget for the implementation of the Community First Choice Option, which provides home and community based attendant services and support to individuals who meet the State's nursing facility clinical eligibility standards. Public assistance administration experienced a shift in the flow of funds from the state resulting in the addition of five registered nurses and one senior public information specialist. The Sheriff received an additional \$1.0 million from the Department of Justice for a DNA grant aimed at investigating unsolved homicide cases. The Sheriff also received a \$1.1 million Indian Gaming Operation Stonegarden Grant (OPSG), intended to aid in intelligence gathering, seeking to weaken terrorist activities. The Fire Department increased their budget by rolling over the following grants from the prior fiscal year: Homeland Security and the Emergency Management Performance Grant.

Taxes: The increase in taxes of \$11.6 million, or 5.5%, was for the redevelopment – low and moderate income housing residual assets. At the direction of the State Department of Finance, the Auditor-Controller distributed the monies to the general fund, as ABX126 instructed that assets that were not essential in meeting enforceable obligations of the redevelopment agencies upon dissolution, be liquidated and distributed to taxing entities, such as the County.

Charges for current services: The net decrease of \$51.3 million, or 11.0%, for charges for current services was mainly the result of intergovernmental activities. There was also an offset of \$7.4 million due to contract increases to the following law enforcement contract cities: Coachella Valley, Eastvale, and Lake Elsinore.

Other revenue: The decrease in other revenue of \$8.6 million, or 10.2%, was primarily the result of intergovernmental activities and a reclassification of operating transfers to other financing sources. An estimate of \$3.2 million was returned to the county general fund related to a recent settlement resolving a long standing dispute for sales between fiscal years 2003 and 2012 pertaining to the tobacco master settlement agreement (MSA). Funds in the amount of \$2.2 million will be used for the Van Horn Youth Center construction and \$1.0 million will be set aside for budget stabilization. Unused Capital Improvement Program (CIP) contingency and capital funds for the Riverside Public Defender building remodel were re-appropriated to the general fund budget stabilization, with the change to bond financing of this project and completion of other projects.

#### Expenditure Appropriation Variances

The original adopted general fund appropriation budget of \$2.5 billion decreased by \$12.0 million, or 0.5%, during the fiscal year. The significant appropriation changes were an increase of \$20.8 million in health and sanitation, and an increase of \$18.6 million in public protection, offset by a decrease of \$44.0 million in debt service and a decrease of \$9.7 million in general government.

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

The major appropriation variances are described below.

General government: The appropriation budget decreased by \$9.9 million, or 5.0%, from the original adopted budget of \$197.2 million to \$187.3 million. The following information describes the significant factors for the variances:

- Salaries and employee benefits increased by \$2.4 million, or 3.0%. Of the \$2.4 million, \$1.4 million was attributed to Economic Development Agency (EDA) is plan to lay off all 25 positions that were initially slated for layoffs. The remainder is related to Human Resources projects exceeding budgeted payroll costs.
- Other charges increased by \$2.5 million, or 3.5%, mainly due to the use of community improvement designation funds to other county funds by the Board of Supervisors. These increases were offset by intergovernmental activities.
- Appropriation for contingencies decreased by \$13.7 million, or 68.6%. The Sheriff deferred six months of costs in the amount of \$6.0 million for the City of Jurupa Valley (the City), which will allow the City to remain incorporated, provide essential public safety, while working on the restoration of funding. \$1.1 million is to provide essential support and administrative services for court security funding per AB118 funding and SB1021 statutory changes, as these services were transferred from the superior courts to the counties. To cover the fourth quarter invoice owed per cooperative agreement with the California Department of Forestry, \$3.5 million was requested by the Fire Department. Past property tax administration fees (PTAF) are to be refunded to cities as a result of the ruling for disputes over tax calculations, with the first installment paid in April of 2013 for \$2.4 million.
- Intrafund transfers decreased by \$2.0 million, or 4.4%, mainly belongs to increases by the EDA Property Management division and Human Resources. The EDA Property Management division increased its budget by \$0.6 million to cover additional project cost being funded by the general fund. Human Resources increased budget by \$0.6 million due to a rise in arbitration and communication services.

Public protection: The appropriation budget increased by \$18.6 million, or 1.7%, from the original adopted budget of \$1.1 billion. The following information describes the significant factors for the variances:

- Salaries and employee benefits increased by \$2.5 million, or 0.3%, primarily due to Sheriff, Probation, Public Defender, and District Attorney for positions to implement AB109 criminal justice alignment, for which \$10.4 million was due to intergovernmental activities.
- Services and supplies increased by \$10.7 million, or 3.5%, mainly due to Sheriff, Probation, Public Defender, and District Attorney for implementation of AB109 criminal justice alignment. An increase of \$6.5 million for the Sheriff was distributed to staffing, facility improvement and operational costs, transportation costs, as well as program and jail alternatives reflecting a multi-disciplinary approach to realignment and reimbursement of the narrow banding Public Safety Enterprise Communication (PSEC) project. The Fire Department also added \$3.9 million for the California Department of Forestry and reimbursement for the narrow banding PSEC project.
- Capital assets increased by \$4.1 million, or 77.7%, primarily due to the Sheriff Correctional and Patrol equipment purchases related to AB109. Due to the congestion and the need for expansion, the correctional facilities increased security throughout the jail system.

Health and sanitation: The appropriation budget increased by \$20.8 million, or 4.8%, from the original adopted budget of \$430.1 million to \$450.8 million. The following information describes the significant factors for the variances:

- Salaries and employee benefits increased by \$3.7 million, or 1.8%, as a result of a funding increase from the state, for example, five registered nurse positions and one senior public information specialist were added to the Department of Public Health.
- Services and supplies increased by \$6.0 million, or 6.6%, mainly due increase related to fiscal year 2011-12 approved encumbrance items. In addition, Public Health received funding for the replacement equipment for 19 Women, Infant and Children (WIC) Supplemental Nutrition Program in addition to a host of other funding grants.

## Management's Discussion & Analysis (Unaudited)

- Other charges increased by \$9.9 million, or 5.0%, mainly due to the \$10.5 million for the Low Income Health Program and the transfer of \$7.0 million in funding from Mental Health to the Regional Medical Center, offset by intergovernmental activity.

### 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 \$92.1 million resulting from unexpended appropriations of \$236.7 million, or 9.4%, and overestimated revenue of \$144.6 million, or 5.9%. The following contributed to the variance:

#### Revenue Variances

General fund actual revenues of \$2.3 billion were 5.9%, or \$144.6 million, less than the final amended revenue budget of \$2.5 billion. Other revenue, Charges for services, Federal aid, State aid and Rents and concessions were all less than the final budget with taxes offsetting with an increase to the final budget.

Other revenue: Actual revenues of \$26.3 million were less than the final amended budget of \$75.7 million by \$49.4 million, or 65.3%. This was primarily due to intergovernmental activities, which was offset by a reduction in contributions to other funds such as CORAL.

Charges for current services: Actual revenues of \$374.8 million were less than the final amended budget of \$414.5 million by \$39.8 million, or 9.6%. A majority of the variance is due to Fire Protection contract services. These services are budgeted at their full cost without factoring in any salary savings. Actuals were less than the final budget by \$22.6 million due to those savings. Public Health actuals were less than budget by \$15.1 million which was attributed to Low Income Health Program (LIHP) patients being seen in clinics rather than the Ambulatory Care Centers and the reduction in Medi-Cal rebates due to the LIHP program. EDA programs were less than budgeted by \$8.7 million, as a result of electricity reduction due to solar projects and loss of Successor Agency (former Redevelopment) funded projects. The Probation Department experience \$2.9 million less in revenue than what was budgeted, as the result of pretrial services that were transferred to the Superior Court of California as of July 1, 2012. These items were all offset by Intergovernmental activities.

Federal aid: Actual revenues of \$478.8 million were less than the final amended budget of \$508.2 million by \$29.4 million, or 5.8%. The following departments received revenue less than budgeted amounts: DPSS, Mental Health, Probation, Public Health and the Fire Department. Actual reimbursements for Public Assistance Claims were less than budgeted by \$16.4 million. Mental Health revised claims after year-end thus actuals were lower than budgeted amounts while Probation and Fire experienced a lower than expected reimbursable claim amount. Lastly, Public Health actuals were lower by \$3.0 million due to the late start of the California Visiting Nurse program.

State aid: Actual revenues of \$1.0 billion were less than the final amended budget of \$1.03 billion by \$24.8 million, or 2.4%. The following describes the significant factors for the variances: Due to a decrease in the amount of state funding received, contributions to Health and Mental Health Agencies also decreased by \$16.5 million. Expenditures related to the Mental Health Services Act were less than budget by \$9.0 million. The implementation of AB109 was slower than anticipated, which resulted in less actual expenditures than budgeted for Mental Health, Probation and the Sheriff Department. Public Health and DPSS received state funding greater than budgeted amounts. This was due to unanticipated realignment revenue received and increased caseload growth for DPSS.

Rents and concessions: Actual revenues of \$3.7 million were less than the final amended budget of \$25.3 million by \$21.7 million, or 85.5% as a result of amounts budgeted to the Capital Finance Administration but no activity throughout the fiscal year.

Taxes: Actual revenues of \$246.1 million were greater than the final amended budget of \$222.7 million by \$23.4 million, or 10.5% and this was the result of ABX126, the sale of redevelopment assets for dissolved agencies.

## Management's Discussion & Analysis (Unaudited)

### Expenditure Variances

General fund actual expenditures of \$2.3 billion were 9.4%, or \$236.7 million, less than the final amended appropriation budget of \$2.6 billion. General government, public assistance, public protection, health and sanitation, and debt service were the five most significant factors attributing to the unexpended appropriations as follows:

General government: Actual expenditures of \$103.9 million were less than the final amended budget of \$187.3 million by \$83.4 million, or 44.5%. The following describes the significant factors for the variances:

- Salaries and employee benefits were \$4.9 million, or 5.8%, below budget. Savings were achieved from delaying the layoff of EDA staff while other departments exercised conservative hiring practices.
- Services and supplies were \$5.7 million, or 8.5%, less than budgeted due to decrease in Executive Office subfund activity, lower utility costs and EDA's anticipated time of use rate that did not materialize as expected during fiscal year 2012-13.
- Other charges were \$66.6 million, or 87.8%, less than budgeted primarily due to intergovernmental activities. Other savings were the result of decreases in contributions to other funds, and differences in the variable rate for CORAL lease payments.

Public protection: Actual expenditures of \$1.0 billion were less than the final amended budget of \$1.1 billion by \$43.4 million, or 4.0%. The following describes the significant factors for the variances:

- Salaries and employee benefits were \$14.6 million, or 2.0%, less than budgeted primarily due to Probation, Sheriff, and the Department of Child Support Services (DCSS). Probation's savings of \$10.7 million is a result of over 230 unfilled positions. Sheriff had savings of \$4.5 from unfilled positions which were offset by changes in contract Memorandum of Understanding (MOU) rates and overtime law enforcement services at the Presidential Summit in Rancho Mirage when President Barack Obama met with Chinese President Xi Jinping. DCSS also experienced savings of \$2.1 million from the department's salary savings through staff attrition, recruitment issues and unfilled positions. Offset by intergovernmental activities.
- Services and supplies were \$13.7 million, or 4.3%, less than budgeted mainly due to Sheriff, Fire, District Attorney, Probation, Animal Services, Code Enforcement, and Executive Office. Sheriff had savings of \$4.6 million primarily due internal service cost variances as well as contract deferrals. Fire had savings of \$1.3 million due to an increase in contracted rates with the State of California offset by non-asset grant purchases. District Attorney had savings of \$2.4 million due to less than expected cost for software maintenance, office supplies, and other miscellaneous expenditures. Probation had savings of \$3.0 million primarily due to the implementation of AB109 criminal justice realignment. Probation planned for new leases to accommodate the anticipated growth and additional Post Release Community Supervision Accountability Teams (PRCSAT) related expenditures however many of these items were encumbered at year-end and re-allocated to fiscal year 2013-14. Code Enforcement had savings of \$0.8 million mainly due to fewer than expected abatements. Executive Office had savings of \$0.8 million primarily from less than expected projects costs for AB233 in trial court funding.
- Other charges were \$9.6 million, or 21.7%, less than budgeted primarily due to the Sheriff, Probation and Fire. The Sheriff's savings of \$7.0 million was mainly the result of capital project deferrals. Probation's Juvenile Hall Division had savings of \$2.1 million unexpended costs that were encumbered for fiscal year 2013-14. Executive Office had savings of \$0.9 million due to less expenditure for AB233 in trial court funding.
- Capital assets were \$4.3 million, or 45.0%, less than budgeted due to the County Clerk-Recorder delay in replacing the Recorder System (CARDS) for \$2.3 million along with the cancellation of the Sheriff's video visitation project which was cancelled, as the radio were not received by year end.

Health and sanitation: Actual expenditures of \$388.3 million were less than the final amended budget of \$450.8 million by \$62.5 million, or 13.9%.

## Management's Discussion & Analysis (Unaudited)

The following describes the significant factors for the variances:

- Salaries and employee benefits were \$22.1 million, or 10.3%, less than budgeted amounts. Mental Health Treatment experienced an \$8.8 million savings as a result of vacancies in preparation for increased service demands due to the Affordable Care Act. \$4.1 million in additional budgeted Mental Health positions were not filled until late fiscal year 2012-13 resulting in additional savings. Public Health and Ambulatory care generated savings of \$9.0 million due to vacant positions.
- Services and supplies were \$10.0 million, or 10.3%, less than budgeted primarily due to a \$5.5 million savings in the Public Health Agency and a \$4.5 million savings in Mental Health. In fiscal year 2012-13, the Community Health Agency Administration was dissolved and separated into smaller departments such as Public Health, Environmental Health, and Animal Control. The savings was a result of the shifting of budgets between the departments and the allocation of expenditures among them. There were also savings for the Maddy Emergency Medical Services (EMS) program to County physicians and hospitals for their share of uncompensated emergency medical costs. Mental Health experienced lower actual expenditures due to lower than anticipated number of licenses required for outside vendors to access their new Electronic Management of Records System.
- Other charges were \$25.5 million, or 12.3%, less than budgeted primarily due to Executive Office, Mental Health, and the Medical Indigent Services Program (MISP). Executive Office received \$16.5 million less than expected allocation from the State which was based on actual vehicle license revenue. Therefore, less was available to distribute for the Executive Office's contribution to health and mental health. Mental Health had savings of \$7.8 million mainly due the ending of SB 90 placement services in fiscal year 2012-13, placement of clients in other facilities and reduced contractor costs due to programmatic service delivery costs. There was a saving of \$3.8 million for the transition of medically indigent patients to LIHP payments. These savings were offset by intergovernmental activities.

Public assistance: Actual expenditures of \$735.1 million were less than the final amended budget of \$762.4 million by \$27.3 million, or 3.6%. The following describes the significant factors for the variances:

- Salaries and employee benefits were \$8.0 million, or 3.2%, less than budgeted mainly due DPSS decreasing the level of temporary staff and vacancies.
- Services and supplies were \$10.2 million, or 13.1%, less than budgeted primarily due to DPSS lower than expected facility charges with the cancellation or delay of large projects, including Norco and Perris Self Sufficiency, unpurchased software and savings from the C-IV Service Center Technology Deployment project.
- Other charges were \$9.0 million, or 2.1%, less than budgeted primarily due to a decrease in caseloads for Stage 1 childcare services, CalWorks, ad Foster Care Programs. DPSS also had a \$3.3 million from the delay in the implementation of the Child Welfare Service (CWS) Counseling Assessment Referral Treatment (CART) Memorandum of Understanding (MOU) and the In-Home Supportive Services MOE which was not effective until December 2012.

Debt service: Actual expenditures of \$19.6 million were less than the final amended budget of \$41.1 million by \$21.5 million, or 52.4%, primarily due to a decrease in principal and interest payments for capital asset leases for buildings and other purchases.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

As of June 30, 2013, the County's capital assets for both its governmental and business-type activities amounted to \$4.2 billion (net of accumulated depreciation). The capital assets include land and easements, land improvements, construction in progress, equipment, and infrastructure. The County's infrastructure is comprised of channels, storm drains, levees, basins, roads, traffic signals, bridges, runways, parks, park trails, and landfill liners. The County's capital assets increased by 5.4%, or \$214.2 million, from \$4.0 billion in fiscal year 2011-12 to \$4.2 billion in fiscal year 2012-13.



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

Construction in progress experienced a decrease from a 24.1% in fiscal year 2011-12 to a 9.8% increase in fiscal year 2012-13, as the last major projects funded with capital improvement plan funds are underway or nearing completion and no new redevelopment projects were initiated. There are more worthy projects than there is debt capacity, which is currently reserved for jail construction and existing projects. This fiscal year an increase in equipment of 23.4% took place and 9.8% in structures and improvements, as major general fund projects that were underway were completed and equipment was distributed to respective departments for the Public Safety Enterprise Communication (PSEC) project, such as the Sheriff Department.

In fiscal year 2012-13, new major projects budgeted for construction and design included the following: The new Alternate Emergency Operations Center, Communications Hub and Tower Relocation project in Indio, with a budget amount of \$11.1 million. The Indio prime communication site will relocate to the County Sheriff's Station at Doctor Carreon Boulevard. It will meet required communication coverage objectives to immediate areas in and around the City of Indio, and will also provide the required network linkages to other sites within the PSEC system, consisting of approximately 14,000 square feet of improvements and a new tower that will measure 150 feet in height. The County was awarded grant funding for the expansion of the East County Detention Center, resulting in the demolition of four courtrooms and the creation of two projects which entail four new courtrooms strategically located to better serve the needs of the court. Two new courtrooms for \$7.8 million will be adjacent to Southwest Juvenile Hall and will provide courtrooms solely for juvenile cases and \$2.6 million for two 6,415 square feet new courtrooms at the Larson Justice Center, to alleviate the need to utilize existing criminal courtrooms for family law and community court cases. The County's Transportation Improvement Program budgeted for three major projects. The ramp improvement for \$4.0 million on Interstate 10 at Hobson Way, west of the inspection station will improve traffic flow and enhance safety, as well as \$2.5 million for the bike lane and multi-purpose trail improvements along the Santa Ana River from the Prado Basin near Highway 71 to the Green River Golf Course. The resurfacing of Stanford Street from Thornton Avenue to Florida Avenue and a traffic signal in the intersection of Stanford Street and Mayberry Avenue in the East Hemet community for \$1.5 million.

### **Construction in Progress**

#### **Additions to Construction in Progress for fiscal year 2012-13:**

In fiscal year 2012-13, additions in the amount of \$270.1 million consisted of costs related to existing projects and new projects.

Existing project costs include the following:

- Roads and signal infrastructure additions were \$90.1 million.
- The EDA incurred \$50.3 million for projects such as the East County Detention Center consisting of 1,250 new beds up from 353 beds, as Riverside County has the fastest growing population and the detention center bed growth has not kept pace with the population growth. Approximately 10,000 square feet for the Jurupa Valley Sheriff's Evidence Warehouse and 14,335 square feet for the Rubidoux Child Development Center.
- Public Safety Enterprise Communication (PSEC) experienced \$16.7 million.
- Library projects for \$11.7 million include the renovation to the Palm Desert Library, which will include a new audio-visual section, computer area, and additional visitor space.
- CREST project incurred an additional \$5.5 million towards the new integrated property tax management system.

New project costs include the following:

- Transportation and Land Management Agency experienced the addition of \$30.9 million in infrastructure.
- PSEC sustained \$25.6 million towards the cell towers.
- Flood Control incurred \$19.8 million in new cost for storm drains and channels.
- The EDA cost was \$4.8 million for projects such as the addition of 12 new offices on 14th Street and improvement for the Department of Mental Health and the new classroom and special training facility space dedicated to the Sheriff and Fire Department at the Ben Clark Training Center.

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

### **Construction in Progress Transfers**

Completed construction in progress projects of approximately \$169.5 million were transferred from construction in progress to other designated capital asset accounts during fiscal year 2012-13. The major projects were as follows:

- \$148.2 million was transferred to structures and improvements. Examples include, the 77,000 square foot Thermal Sheriff Station for \$41.2 million, which is comprised of a forensic laboratory, a 12,000 gallon fueling station, and a 12,000 square foot hanger. Perris Valley's Big League of Dreams Sports Park for \$26.8 million, consists of six baseball fields, four of which are designed to look like scaled down versions of the Dodger, Angel, and Yankee stadiums, as well as Fenway Park. The completion of the state of the art Northwest Riverside County/City Animal Shelter, which accommodates for 400 dogs, 200 cats, 12 horses, and a variety of other animals for \$26.7 million. Cabazon's Civic Center for \$16.0 million, provides the benefit of a 13,026 square feet child development center, a 5,470 square feet library, an administration building for Cabazon Water District and many other amenities. \$11.4 million for the Mead Valley Library Project, consisting of a 22,000 square foot library, reading rooms, a photovoltaic system, amphitheater, and street improvements.
- \$12.2 million was transferred to infrastructure. The Day Creek Channel, Stage 6, Phase 2 located in Jurupa Valley and the Calimesa Avenue L Storm Drain were completed by the Flood Control and Water Conservation District at a cost of \$10.9 million. Regional Park and Open Space District incurred \$1.0 million, primarily design and development for ventures such as the Santa Ana River Trail (SART) and the Prado Dam linkage. Land acquisition for the expansion of the Highgrove Trails to serve the increased demand for recreational trails resulting from large population increases in western Riverside County and the Highgrove area in particular, as well as for future infrastructure intended to connect city water and sewer to Mayflower Park, situated alongside the Colorado River in Blythe.

### **Land and Easements**

Additions of \$19.6 million in land were processed this fiscal year. Approximately 37.4 acres of land located on the southwest corner of Highway 111 and Oasis Street in Indio was acquired for \$13.0 million. Currently the National Date Festival Fair Grounds buildings occupy 33 acres of the land and 4.21 acres is used by the existing County Jail buildings in Indio, which are subject to demolition as part of the New East County Detention Center Project. The Flood Control District had land additions of \$4.4 million, for which \$1.1 million was for the construction of flood control improvements with appurtenances for the Homeland/Romoland Master Drainage Plan Line A Stage 3. The project traverses the cities of Perris and Menifee and consists of new road crossings, mostly an interim unlined open channel with the intent to provide immediate flooding relief for the area east of the I-215 freeway, in particular for the area adjacent to Encanto Road.

### **Service Concession Arrangements**

Pursuant to GASB Statement Number 60, Waste Management reports \$8.8 million for the Edom Hill Transfer Station Building and Improvements Service Concession Arrangement. The 30,000 square foot facility provides transfer capabilities for the County of Riverside solid waste processing and follows the closure of the adjacent Edom Hill Landfill. It includes a Household Hazardous Waste operation and a 460,000 gallon water tank for fire protection.

### **Depreciable Capital Assets**

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 2012-13 depreciable capital asset current year additions of \$81.3 million were comprised of the following:

- Infrastructure in the amount of \$37.1 million consisting of donated roads in the amount of \$28.4 million and \$8.4 million in flood storm drains and channels.

## Management's Discussion & Analysis (Unaudited)

- Equipment in the amount of \$42.9 million distributed as follows:

Equipment leased	\$ 25.9 million
Equipment field	7.4 million
Computer and office equipment	3.3 million
Miscellaneous equipment	3.6 million
Equipment vehicles	2.7 million

### Retirements of Depreciable Assets:

Retirement of depreciable assets totaled \$25.1 million. Equipment was retired ranging from the categories of computer and office equipment to vehicle and leased equipment in the amount of \$18.3 million. This figure includes \$11.0 million in vehicles sent to surplus for auction sales and approximately \$2.2 million in phone system equipment, making way for the converged network project to reduce communication cost. Structures and improvements experienced \$6.6 million, such as the demolition of the 11<sup>th</sup> Street jail. The structure was approximately 30,000 square feet, which posed a health and safety hazard and is intended to be replaced by a pedestrian plaza immediately adjacent to the to the historic Riverside County Courthouse.

### Depreciable Transfers:

Completed construction in progress transferred for approximately \$169.5 million 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 \$137.5 million in depreciation.

### 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)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2013	2012	2013	2012	2013	2012	%
Infrastructure	\$ 1,415,087	\$ 1,436,036	\$ 43,844	\$ 47,366	\$ 1,458,931	\$ 1,483,402	-1.6%
Land and easements	469,522	449,978	21,358	21,351	490,880	471,329	4.1%
Land improvements	87	88	3,080	3,662	3,167	3,750	-15.5%
Structures and improvements	1,103,314	988,262	121,056	126,899	1,224,370	1,115,161	9.8%
Equipment	110,155	84,889	12,118	14,206	122,273	99,095	23.4%
Construction in progress	815,227	745,536	65,006	56,189	880,233	801,725	9.8%
Concession Arrangements	-	-	8,830	-	8,830	-	0.0%
<b>Total Outstanding</b>	<b>\$ 3,913,392</b>	<b>\$ 3,704,789</b>	<b>\$ 275,292</b>	<b>\$ 269,673</b>	<b>\$ 4,188,684</b>	<b>\$ 3,974,462</b>	<b>5.4%</b>

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



## Management's Discussion & Analysis (Unaudited)

### Debt Administration

Per Board of Supervisors policy, the County's Debt Advisory Committee reviews all debt issuances of the County and its financing component unit organizations and advises the Board of Supervisors accordingly. Net bonded debt per capita equaled \$359.0 million as of June 30, 2013. The calculated legal debt limit for the County is \$2.5 billion.

The following are credit ratings maintained by the County:

	<u>Moody's Investors Services, Inc.</u>	<u>Standard &amp; Poor's Corp.</u>	<u>Fitch</u>
Long-term lease debt	Aa3	AA	AA-
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 2012-13, the County issued \$250.0 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 2012-13, funding for the County's ongoing obligation under Teeter was accomplished through the sale of Tax-Exempt Commercial Paper Notes. During fiscal year 2012-13, the County retired \$79.0 million of the \$171.3 million principal amount outstanding at June 30, 2012. The County then issued \$50.5 million of Series D notes, leaving an outstanding balance of \$142.8 million at June 30, 2013. This amount includes funding to advance \$52.9 million fiscal year 2011-12 delinquencies and refunding of \$89.90 million of prior years' property taxes that remain delinquent. The County's General Fund is pledged to the repayment of the Series B delinquent taxes.

The table below provides summarized information (including comparative amounts from the preceding year) for the County's outstanding long-term liabilities as of June 30, 2013.

#### County's Outstanding Debt Obligations (In Thousands)

	Governmental Activities		Business-type Activities		Total		Increase/ (Decrease)
	2013	2012	2013	2012	2013	2012	%
Loan payable	\$ 4,420	\$ 4,925	\$ -	\$ -	\$ 4,420	\$ 4,925	-10.3%
Bonds payable	744,460	750,492	143,710	121,061	888,170	871,553	1.9%
Certificate of participation	282,095	309,511	-	-	282,095	309,511	-8.9%
Capital leases	67,748	100,995	7,224	12,055	74,972	113,050	-33.7%
<b>Total outstanding</b>	<b>\$ 1,098,723</b>	<b>\$ 1,165,923</b>	<b>\$ 150,934</b>	<b>\$ 133,116</b>	<b>\$ 1,249,657</b>	<b>\$ 1,299,039</b>	<b>-3.8%</b>

**Outstanding Debt:** The County of Riverside's total debt decreased by 3.8% or \$49.4 million during the current fiscal year primarily due to scheduled retirements of outstanding debt. Additional information on the County's long-term debt can be found in Note 14 of this report.

## Management's Discussion & Analysis (Unaudited)

### ECONOMIC FACTORS AND THE FISCAL YEAR 2013-14 BUDGET OUTLOOK

Economists' forecasts remain relatively unchanged for the upcoming fiscal year. There will be slow growth, if any, over the near future. Riverside County's budget plans for fiscal year 2013-14 eliminate the use of one-time reserves to fund ongoing operating costs. Reports of improving job and housing markets produce confirmation that economic recovery is under way and that the worst is in the past.

Fiscal year 2013-14 discretionary revenue is expected to increase by approximately 3.0% (\$16.4 million) when compared to fiscal year 2012-13. The following table reflects anticipated discretionary revenue totals and sources for fiscal year 2013-14.

Source	Final Budget Estimate (In Thousands)
Taxes	\$ 216,203
Other Taxes	42,658
Licenses, Permits, Franchise Taxes	5,000
Fines, Forfeitures, Penalties	24,006
Use of Money and Property	2,603
State	195,666
Federal	2,050
Charges for services	629
Miscellaneous	97,844
Total	<u>\$ 586,659</u>

The County's employee retirement benefit contribution rate for fiscal year 2013-14 for miscellaneous members is 15.0% and the Safety contribution rate is 23.4%. 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 2014-15 rates are projected at 14.5% (Miscellaneous) and 21.9% (Safety). Additional information regarding the County's retirement plans are included in Notes 20, 21, and 22 of the financial statements and schedules of retirement funding progress are included in the required supplementary information section.

The fiscal year 2013-14 assessment roll value increased by 4.0%, yielding a total property tax roll of \$213.0 billion, compared to \$204.9 billion in fiscal year 2012-13. The \$8.1 billion increase included a reduction in foreclosure related activity, increase in both residential sales prices and volume, a full 2.0% increase in inflation factor, and a slight increase in some commercial properties.

### REQUESTS FOR INFORMATION

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

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



**COUNTY OF RIVERSIDE**  
**Statement of Net Position**  
**June 30, 2013**  
**(Dollars in Thousands)**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Children and Families Commission	Palm Desert Financing Authority
<b>ASSETS:</b>					
Cash and investments (Note 4)	\$ 1,090,226	\$ 142,589	\$ 1,232,815	\$ 43,522	\$ -
Receivables, net (Notes 1 and 6)	403,805	181,187	584,992	4,252	-
Internal balances (Note 7)	60,577	(60,577)	-	-	-
Inventories	6,569	8,418	14,987	-	-
Prepaid items and deposits	6,344	5,390	11,734	-	-
Restricted cash and investments (Notes 4 and 5)	456,157	137,050	593,207	-	12,163
Other noncurrent receivables (Note 6)	41,356	-	41,356	-	42,702
Loans receivable (Note 6)	-	72,037	72,037	-	-
Pension asset, net (Notes 20 and 21)	451,501	648	452,149	-	-
OPEB asset, net (Note 22)	26,399	-	26,399	-	-
Land held for resale	-	34,368	34,368	-	-
Capital assets (Note 8):					
Nondepreciable assets	1,284,749	95,194	1,379,943	-	-
Depreciable assets, net	2,628,643	180,098	2,808,741	-	-
Total assets	<u>6,456,326</u>	<u>796,402</u>	<u>7,252,728</u>	<u>47,774</u>	<u>54,865</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Defeasance of debt	-	347	347	-	-
Interest rate swap (Note 14)	26,821	-	26,821	-	-
Total deferred outflows of resources	<u>26,821</u>	<u>347</u>	<u>27,168</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES:</b>					
<b>Current Liabilities:</b>					
Cash overdrawn (Note 4)	-	21,647	21,647	-	-
Accounts payable	107,241	17,242	124,483	2,666	1
Salaries and benefits payable	66,455	12,799	79,254	94	-
Due to other governments	27,071	97,688	124,759	13	-
Interest payable	8,960	870	9,830	-	532
Deposits payable	352	89	441	-	-
Advances from grantors and third parties (Note 12)	271,093	-	271,093	-	-
Notes payable (Note 13)	142,840	-	142,840	-	-
Other liabilities	591	1,698	2,289	-	-
Interest rate swap (Note 14)	26,821	-	26,821	-	-
Long-term liabilities (Note 14) :					
Due within one year	178,450	36,947	215,397	161	5,070
Due beyond one year	1,314,374	296,859	1,611,233	118	51,175
Total liabilities	<u>2,144,248</u>	<u>485,839</u>	<u>2,630,087</u>	<u>3,052</u>	<u>56,778</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Teeter tax loss reserve (Note 15)	17,703	-	17,703	-	-
Grants received in advance (Note 15)	-	722	722	-	-
Service concession arrangement (Note 9)	-	8,396	8,396	-	-
Total deferred inflows of resources	<u>17,703</u>	<u>9,118</u>	<u>26,821</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	2,998,987	118,594	3,117,581	-	-
Restricted for:					
Children's programs	-	-	-	44,722	-
Community development	173,461	-	173,461	-	-
Debt service	106,440	53,609	160,049	-	-
Health and sanitation	25,373	10,308	35,681	-	-
Public protection	79,493	-	79,493	-	-
Public ways and facilities	152,854	-	152,854	-	-
Other programs	12,705	30,429	43,134	-	-
Unrestricted	771,883	88,852	860,735	-	(1,913)
Total net position	<u>\$ 4,321,196</u>	<u>\$ 301,792</u>	<u>\$ 4,622,988</u>	<u>\$ 44,722</u>	<u>\$ (1,913)</u>

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, 2013**  
**(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	\$ 194,641	\$ 138,851	\$ 123,043	\$ -
Public protection	1,065,373	339,379	287,413	-
Public ways and facilities	89,469	51,004	48,516	27,514
Health and sanitation	422,982	47,558	265,409	-
Public assistance	807,611	2,719	771,230	-
Education	18,998	364	7,072	-
Recreation and cultural services	12,274	8,586	707	181
Interest on long-term debt	29,453	-	-	-
Total governmental activities	<u>2,640,801</u>	<u>588,461</u>	<u>1,503,390</u>	<u>27,695</u>
Business-type activities:				
Regional Medical Center	473,916	450,340	-	698
Waste Management Department	53,069	58,302	-	-
Housing Authority	90,678	90,015	-	-
Flood Control	2,472	1,735	-	-
County Service Areas	459	355	-	-
Total business-type activities	<u>620,594</u>	<u>600,747</u>	<u>-</u>	<u>698</u>
Total primary government	<u>\$ 3,261,395</u>	<u>\$ 1,189,208</u>	<u>\$ 1,503,390</u>	<u>\$ 28,393</u>
Component units:				
Children and Families Commission	\$ 22,194	\$ -	\$ 21,739	\$ -
Palm Desert Financing Authority	9,607	8,635	-	-
Total Component Units	<u>\$ 31,801</u>	<u>\$ 8,635</u>	<u>\$ 21,739</u>	<u>\$ -</u>
General revenues:				
Taxes:				
Property taxes				
Sales and use taxes				
Other taxes				
Unrestricted intergovernmental revenue				
Investment earnings (loss)				
Other				
Transfers				
Total general revenues and transfers				
Changes in net position before extraordinary items				
Extraordinary Item				
Extraordinary gain (loss), RDA Successor dissolution				
Changes in net position				
NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)				
NET POSITION, END OF YEAR				

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

Net (Expenses) Revenues and Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Children and Families Commission	Palm Desert Financing Authority	
					FUNCTION/PROGRAM ACTIVITIES:
					Primary government:
					Governmental activities:
\$ 67,253	\$ -	\$ 67,253			General government
(438,581)	-	(438,581)			Public protection
37,565	-	37,565			Public ways and facilities
(110,015)	-	(110,015)			Health and sanitation
(33,662)	-	(33,662)			Public assistance
(11,562)	-	(11,562)			Education
(2,800)	-	(2,800)			Recreation and cultural services
(29,453)	-	(29,453)			Interest on long-term debt
<u>(521,255)</u>	<u>-</u>	<u>(521,255)</u>			Total governmental activities
					Business-type activities:
-	(22,878)	(22,878)			Regional Medical Center
-	5,233	5,233			Waste Management Department
-	(663)	(663)			Housing Authority
-	(737)	(737)			Flood Control
-	(104)	(104)			County Service Areas
<u>-</u>	<u>(19,149)</u>	<u>(19,149)</u>			Total business-type activities
<u>(521,255)</u>	<u>(19,149)</u>	<u>(540,404)</u>			Total primary government
			\$ (455)	\$ -	Component units:
			<u>-</u>	<u>(972)</u>	Children and Families Commission
			<u>(455)</u>	<u>(972)</u>	Palm Desert Financing Authority
					Total Component Units
					General revenues:
					Taxes:
277,417	-	277,417	-	-	Property taxes
29,751	-	29,751	-	-	Sales and use taxes
37,883	-	37,883	-	-	Other taxes
220,811	-	220,811	-	-	Unrestricted intergovernmental revenue
2,035	(33)	2,002	(26)	28	Investment earnings (loss)
168,454	-	168,454	263	-	Other
<u>(1,049)</u>	<u>1,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	Transfers
<u>735,302</u>	<u>1,016</u>	<u>736,318</u>	<u>237</u>	<u>28</u>	Total general revenues and transfers
214,047	(18,133)	195,914	(218)	(944)	Changes in net position before extraordinary items
					Extraordinary Item
(158,337)	154,589	(3,748)	-	-	Extraordinary gain (loss), RDA Successor dissolution
<u>55,710</u>	<u>136,456</u>	<u>192,166</u>	<u>(218)</u>	<u>(944)</u>	Changes in net position
<u>4,265,486</u>	<u>165,336</u>	<u>4,430,822</u>	<u>44,940</u>	<u>(969)</u>	NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)
<u>\$ 4,321,196</u>	<u>\$ 301,792</u>	<u>\$ 4,622,988</u>	<u>\$ 44,722</u>	<u>\$ (1,913)</u>	NET POSITION, END OF YEAR

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



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**BASIC FINANCIAL STATEMENTS-  
FUND FINANCIAL STATEMENTS**





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**COUNTY OF RIVERSIDE**

Balance Sheet

Governmental Funds

June 30, 2013

(Dollars in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	General	Transportation	Flood Control	Teeter Debt Service
Assets:				
Cash and investments (Note 4)	\$ 128,655	\$ 145,644	\$ 256,683	\$ -
Accounts receivable (Notes 1 and 6)	9,167	1,463	525	-
Interest receivable (Note 6)	687	53	130	20
Taxes receivable (Note 6)	10,931	22	1,357	83,276
Due from other governments (Note 6)	308,532	12,015	1,334	-
Due from other funds (Note 7)	9,071	-	52	35
Inventories	2,059	1,031	-	-
Prepaid items and deposits	818	2,600	1,971	-
Restricted cash and investments (Notes 4 and 5)	307,452	-	1,806	67,984
Advances to other funds (Note 7)	3,342	-	-	-
<b>Total assets</b>	<b>780,714</b>	<b>162,828</b>	<b>263,858</b>	<b>151,315</b>
Deferred outflows of resources:				
	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 780,714</b>	<b>\$ 162,828</b>	<b>\$ 263,858</b>	<b>\$ 151,315</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 24,234	\$ 38,241	\$ 4,231	\$ -
Salaries and benefits payable	57,519	1,804	1,037	-
Due to other governments	23,377	1,553	1,820	-
Due to other funds (Note 7)	9,190	72	37	8,475
Deposits payable	19	-	-	-
Advances from grantors and third parties (Note 12)	242,271	26,856	-	-
Teeter notes payable (Note 13)	-	-	-	142,840
Advances from other funds (Note 7)	-	-	-	-
<b>Total liabilities</b>	<b>356,610</b>	<b>68,526</b>	<b>7,125</b>	<b>151,315</b>
Deferred inflows of resources (Note 15)	66,855	-	1,808	-
Fund balances (Note 16):				
Nonspendable	3,247	1,044	1	-
Restricted	101,440	79,127	-	-
Committed	42,183	1,310	253,117	-
Assigned	10,460	12,821	1,807	-
Unassigned	199,919	-	-	-
<b>Total fund balances</b>	<b>357,249</b>	<b>94,302</b>	<b>254,925</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 780,714</b>	<b>\$ 162,828</b>	<b>\$ 263,858</b>	<b>\$ 151,315</b>

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

Public Facilities Improvements Capital Projects	Other Governmental Funds	Total Governmental Funds	ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
\$ 203,494	\$ 126,976	\$ 861,452	Assets:
-	1,498	12,653	Cash and investments (Note 4)
89	124	1,103	Accounts receivable (Notes 1 and 6)
-	1,511	97,097	Interest receivable (Note 6)
15	8,570	330,466	Taxes receivable (Note 6)
-	33	9,191	Due from other governments (Note 6)
-	-	3,090	Due from other funds (Note 7)
-	587	5,976	Inventories
-	78,915	456,157	Prepaid items and deposits
-	1,700	5,042	Restricted cash and investments (Notes 4 and 5)
203,598	219,914	1,782,227	Advances to other funds (Note 7)
-	-	-	Total assets
-	-	-	Deferred outflows of resources:
\$ 203,598	\$ 219,914	\$ 1,782,227	Total assets and deferred outflows of resources
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
\$ 4,035	\$ 4,539	\$ 75,280	Accounts payable
-	2,150	62,510	Salaries and benefits payable
-	313	27,063	Due to other governments
3	191	17,968	Due to other funds (Note 7)
-	333	352	Deposits payable
-	1,966	271,093	Advances from grantors and third parties (Note 12)
-	-	142,840	Teeter notes payable (Note 13)
-	1,700	1,700	Advances from other funds (Note 7)
4,038	11,192	598,806	Total liabilities
-	-	68,663	Deferred inflows of resources (Note 15)
Fund balances (Note 16):			
-	1,168	5,460	Nonspendable
153,404	174,552	508,523	Restricted
1,912	15,914	314,436	Committed
44,244	17,088	86,420	Assigned
-	-	199,919	Unassigned
199,560	208,722	1,114,758	Total fund balances
\$ 203,598	\$ 219,914	\$ 1,782,227	Total liabilities, deferred inflows of resources and fund balances

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



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**COUNTY OF RIVERSIDE**

Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position  
June 30, 2013  
(Dollars in Thousands)

Fund balances - total governmental funds (page 35) \$ 1,114,758

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds. 3,880,708

Net OPEB and pension assets are not current financial resources and therefore are not reported in the governmental funds. 477,900

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. 50,960

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

Bonds Payable	\$ 744,460	
Capital lease obligations	55,648	
Certificates of participation	282,095	
Loans payable	4,420	
Accrued interest payable	8,960	
Accreted interest payable	94,661	
Accrued remediation cost	2,793	
Compensated absences	<u>156,628</u>	(1,349,665)

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 position. 146,535

Net position of governmental activities (page 29) \$ 4,321,196

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, 2013  
(Dollars in Thousands)

	General	Transportation	Flood Control	Teeter Debt Service
<b>REVENUES:</b>				
Taxes	\$ 246,144	\$ 6,492	\$ 40,226	\$ -
Licenses, permits, and franchise fees	16,442	2,324	-	-
Fines, forfeitures, and penalties	85,241	-	-	-
Use of money and property:				
Investment earnings (loss)	1,676	(243)	(217)	(155)
Rents and concessions	3,670	-	180	-
Aid from other governmental agencies:				
Federal	478,791	28,609	-	-
State	1,001,545	41,025	619	-
Other	81,169	4,115	-	-
Charges for services	374,750	41,175	5,946	-
Other revenue	26,253	22,566	14,937	4
Total revenues	<u>2,315,681</u>	<u>146,063</u>	<u>61,691</u>	<u>(151)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	103,895	-	-	469
Public protection	1,043,017	5,545	62,825	-
Public ways and facilities	-	161,842	-	-
Health and sanitation	388,325	-	-	-
Public assistance	735,057	-	-	-
Education	564	-	-	-
Recreation and culture	346	-	-	-
<b>Debt service:</b>				
Principal	14,464	568	-	-
Interest	5,112	46	-	-
Cost of issuance	-	-	-	-
Capital outlay	1,721	-	-	-
Total expenditures	<u>2,292,501</u>	<u>168,001</u>	<u>62,825</u>	<u>469</u>
Excess (deficiency) of revenues over (under) expenditures	23,180	(21,938)	(1,134)	(620)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	92,297	18,763	-	703
Transfers out	(96,547)	(6,088)	(200)	(83)
Issuance of refunding bonds	-	-	-	-
Premium on long-term debt	-	-	-	-
Redemption of refunded debt	-	-	-	-
Capital leases	1,721	-	-	-
Total other financing sources (uses)	<u>(2,529)</u>	<u>12,675</u>	<u>(200)</u>	<u>620</u>
Net change in fund balances before Extraordinary loss	20,651	(9,263)	(1,334)	-
<b>EXTRAORDINARY ITEMS:</b>				
Extraordinary loss	-	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	20,651	(9,263)	(1,334)	-
Fund balances, beginning of year	336,598	103,565	256,259	-
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 357,249</u>	<u>\$ 94,302</u>	<u>\$ 254,925</u>	<u>\$ -</u>

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



Public Facilities Improvements Capital Projects	Other Governmental Funds	Total Governmental Funds	
\$ -	\$ 54,304	\$ 347,166	REVENUES:
-	32	18,798	Taxes
-	1,140	86,381	Licenses, permits, and franchise fees
(209)	1,518	2,370	Fines, forfeitures, and penalties
344	15,052	19,246	Use of money and property:
			Investment earnings (loss)
			Rents and concessions
			Aid from other governmental agencies:
28	61,902	569,330	Federal
-	4,296	1,047,485	State
24,144	22,692	132,120	Other
9,741	32,662	464,274	Charges for services
908	28,161	92,829	Other revenue
<u>34,956</u>	<u>221,759</u>	<u>2,779,999</u>	Total revenues
			EXPENDITURES:
			Current:
35,406	68,472	208,242	General government
-	6,010	1,117,397	Public protection
799	14,826	177,467	Public ways and facilities
-	5,232	393,557	Health and sanitation
-	63,793	798,850	Public assistance
-	18,255	18,819	Education
-	16,244	16,590	Recreation and culture
			Debt service:
-	40,331	55,363	Principal
-	22,830	27,988	Interest
-	378	378	Cost of issuance
-	23,706	25,427	Capital outlay
<u>36,205</u>	<u>280,077</u>	<u>2,840,078</u>	Total expenditures
			Excess (deficiency) of revenues
(1,249)	(58,318)	(60,079)	over (under) expenditures
			OTHER FINANCING SOURCES (USES):
15,449	104,362	231,574	Transfers in
(57,148)	(73,743)	(233,809)	Transfers out
-	17,640	17,640	Issuance of refunding bonds
-	759	759	Premium on long-term debt
-	(18,155)	(18,155)	Redemption of refunded debt
-	-	1,721	Capital leases
<u>(41,699)</u>	<u>30,863</u>	<u>(270)</u>	Total other financing sources (uses)
			Net change in fund balances before
(42,948)	(27,455)	(60,349)	Extraordinary loss
			EXTRAORDINARY ITEMS:
-	158,337	158,337	Extraordinary loss
(42,948)	(185,792)	(218,686)	NET CHANGE IN FUND BALANCES
242,508	394,514	1,333,444	Fund balances, beginning of year
<u>\$ 199,560</u>	<u>\$ 208,722</u>	<u>\$ 1,114,758</u>	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, 2013**  
**(Dollars in Thousands)**

Net change in fund balances - total governmental funds (page 39) \$ (218,686)

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	\$ 349,490	
Less loss on disposal of capital assets	(26,850)	
Less current year depreciation	<u>(111,061)</u>	211,579

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 position. 11,439

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Proceeds in excess of principal payments		63,809
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Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Also, any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements. 904

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	35	
Change in accreted interest	(15,838)	
Change in long-term compensated absences	<u>995</u>	(14,808)

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. 1,473

Change in net position of governmental activities (page 31)	<u>\$ 55,710</u>	
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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, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 211,112	\$ 222,742	\$ 246,144	\$ 23,402
Licenses, permits, and fees	17,707	18,324	16,442	(1,882)
Fines, forfeitures, and penalties	85,195	85,222	85,241	19
Use of money and property:				
Investment earnings	3,113	3,113	1,676	(1,437)
Rents and concessions	25,194	25,343	3,670	(21,673)
Aid from other governmental agencies:				
Federal	493,961	508,235	478,791	(29,444)
State	1,002,869	1,026,300	1,001,545	(24,755)
Other government	80,642	80,782	81,169	387
Charges for services	465,778	414,521	374,750	(39,771)
Other revenue	84,233	75,678	26,253	(49,425)
Total revenues	2,469,804	2,460,260	2,315,681	(144,579)
<b>EXPENDITURES:</b>				
Current:				
General government:				
Salaries and employee benefits	82,292	84,720	79,825	(4,895)
Services and supplies	67,466	67,721	61,990	(5,731)
Other charges	73,339	75,871	9,238	(66,633)
Capital assets	505	1,148	520	(628)
Intrafund transfers	(46,412)	(48,445)	(47,678)	767
Appropriation for contingencies	20,000	6,282	-	(6,282)
Total general government	197,190	187,297	103,895	(83,402)
Public protection:				
Salaries and employee benefits	720,938	723,396	708,800	(14,596)
Services and supplies	304,287	315,007	301,321	(13,686)
Other charges	44,096	44,433	34,790	(9,643)
Capital assets	5,332	9,473	5,209	(4,264)
Intrafund transfers	(6,790)	(6,057)	(7,103)	(1,046)
Total public protection	1,067,863	1,086,252	1,043,017	(43,235)
Health and sanitation:				
Salaries and employee benefits	210,766	214,468	192,338	(22,130)
Services and supplies	90,913	96,880	86,919	(9,961)
Other charges	197,250	207,136	181,617	(25,519)
Capital assets	894	1,425	536	(889)
Intrafund transfers	(69,765)	(69,082)	(73,085)	(4,003)
Total health and sanitation	\$ 430,058	\$ 450,827	\$ 388,325	\$ (62,502)

(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, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Public assistance:				
Salaries and employee benefits	\$ 248,402	\$ 248,402	\$ 240,445	\$ (7,957)
Services and supplies	78,177	78,181	67,934	(10,247)
Other charges	434,150	435,961	426,949	(9,012)
Capital assets	100	115	19	(96)
Intrafund transfers	(294)	(294)	(290)	4
Total public assistance	<u>760,535</u>	<u>762,365</u>	<u>735,057</u>	<u>(27,308)</u>
Education:				
Salaries and employee benefits	289	289	279	(10)
Services and supplies	304	299	285	(14)
Total education	<u>593</u>	<u>588</u>	<u>564</u>	<u>(24)</u>
Recreation and culture:				
Services and supplies	-	419	328	(91)
Other charges	-	139	18	(121)
Capital assets	-	1	-	(1)
Total recreation and culture	<u>-</u>	<u>559</u>	<u>346</u>	<u>(213)</u>
Debt service:				
Principal	80,191	36,144	14,464	(21,680)
Interest	4,997	4,997	5,112	115
Total debt service	<u>85,188</u>	<u>41,141</u>	<u>19,576</u>	<u>(21,565)</u>
Capital outlay	-	-	1,721	1,721
Total expenditures	<u>2,541,427</u>	<u>2,529,029</u>	<u>2,292,501</u>	<u>(236,528)</u>
Excess (deficiency) of revenues over (under) expenditures	(71,623)	(68,769)	23,180	91,949
OTHER FINANCING SOURCES (USES):				
Transfers in	-	92,297	92,297	-
Transfers out	-	(96,547)	(96,547)	-
Capital leases	-	-	1,721	1,721
Total other financing sources (uses)	<u>-</u>	<u>(4,250)</u>	<u>(2,529)</u>	<u>1,721</u>
NET CHANGE IN FUND BALANCE	(71,623)	(73,019)	20,651	93,670
Fund balance, beginning of year	336,598	336,598	336,598	-
FUND BALANCE, END OF YEAR	<u>\$ 264,975</u>	<u>\$ 263,579</u>	<u>\$ 357,249</u>	<u>\$ 93,670</u>

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

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Transportation Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Over (Under)
<b>REVENUES:</b>				
Taxes	\$ 5,100	\$ 5,100	\$ 6,492	\$ 1,392
Licenses, permits, and franchise fees	2,530	2,530	2,324	(206)
Use of money and property:				
Investment earnings (loss)	443	443	(243)	(686)
Aid from other governmental agencies:				
Federal	17,650	17,650	28,609	10,959
State	44,466	44,466	41,025	(3,441)
Other	5,514	5,514	4,115	(1,399)
Charges for services	76,085	58,711	41,175	(17,536)
Other revenue	5,458	4,558	22,566	18,008
Total revenues	157,246	138,972	146,063	7,091
<b>EXPENDITURES:</b>				
Current:				
Public protection	7,530	6,445	5,545	(900)
Public ways and facilities	152,048	154,598	161,842	7,244
Debt service:				
Principal	-	597	568	(29)
Interest	-	49	46	(3)
Total expenditures	159,578	161,689	168,001	6,312
Excess (deficiency) of revenues over (under) expenditures	(2,332)	(22,717)	(21,938)	779
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	18,763	18,763	-
Transfers out	-	(6,088)	(6,088)	-
Total other financing sources (uses)	-	12,675	12,675	-
<b>NET CHANGE IN FUND BALANCE</b>	(2,332)	(10,042)	(9,263)	779
Fund balance, beginning of year	103,565	103,565	103,565	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 101,233	\$ 93,523	\$ 94,302	\$ 779

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

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Statement**  
**Flood Control Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 40,182	\$ 40,182	\$ 40,226	\$ 44
Use of money and property:				
Investment earnings (loss)	1,507	1,507	(217)	(1,724)
Rents and concessions	170	170	180	10
Aid from other governmental agencies:				
Federal	1	1	-	(1)
State	589	589	619	30
Charges for services	4,261	4,261	5,946	1,685
Other revenue	17,543	17,543	14,937	(2,606)
Total revenues	64,253	64,253	61,691	(2,562)
<b>EXPENDITURES:</b>				
Current:				
Public protection	161,047	160,847	62,825	(98,022)
Total expenditures	161,047	160,847	62,825	(98,022)
Excess (deficiency) of revenues over (under) expenditures	(96,794)	(96,594)	(1,134)	95,460
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(200)	(200)	-
Total other financing sources (uses)	-	(200)	(200)	-
<b>NET CHANGE IN FUND BALANCE</b>	(96,794)	(96,794)	(1,334)	95,460
Fund balance, beginning of year	256,259	256,259	256,259	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 159,465	\$ 159,465	\$ 254,925	\$ 95,460

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

**COUNTY OF RIVERSIDE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2013**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental
	Regional Medical Center	Waste Management	Housing Authority	Other	Total	Internal Service Funds
<b>ASSETS:</b>						
Current assets:						
Cash and investments (Note 4)	\$ 10	\$ 110,809	\$ 29,113	\$ 2,657	\$ 142,589	\$ 228,774
Accounts receivable - net (Notes 1 and 6)	56,411	3,723	180	303	60,617	3,192
Interest receivable (Note 6)	-	83	-	4	87	103
Taxes receivable (Note 6)	-	-	-	14	14	-
Due from other governments (Note 6)	113,039	5,252	2,164	14	120,469	547
Due from other funds (Note 7)	9,050	-	-	-	9,050	112
Inventories	8,178	240	-	-	8,418	3,479
Land held for sale	-	-	34,368	-	34,368	-
Prepaid items and deposits	5,386	-	4	-	5,390	368
Restricted cash and investments (Notes 4 and 5)	53,804	52,153	28,374	2,719	137,050	-
Total current assets	<u>245,878</u>	<u>172,260</u>	<u>94,203</u>	<u>5,711</u>	<u>518,052</u>	<u>236,575</u>
Noncurrent assets:						
Loans Receivable (Note 6)	-	-	72,037	-	72,037	-
Pension asset, net (Note 20)	-	648	-	-	648	-
Capital assets (Note 8):						
Nondepreciable assets	66,256	23,635	5,303	-	95,194	896
Depreciable assets	119,062	51,580	9,428	28	180,098	31,788
Total noncurrent assets	<u>185,318</u>	<u>75,863</u>	<u>86,768</u>	<u>28</u>	<u>347,977</u>	<u>32,684</u>
Total assets	<u>431,196</u>	<u>248,123</u>	<u>180,971</u>	<u>5,739</u>	<u>866,029</u>	<u>269,259</u>
<b>DEFERRED OUTFLOWS OR RESOURCES:</b>						
Defeasance of debt (Note 15)	-	-	347	-	347	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>347</u>	<u>-</u>	<u>347</u>	<u>-</u>
<b>LIABILITIES:</b>						
Current liabilities:						
Cash overdrawn (Note 4)	21,647	-	-	-	21,647	-
Accounts payable	11,661	2,606	135	2,840	17,242	31,961
Salaries and benefits payable	12,049	723	-	27	12,799	3,945
Due to other governments	96,836	5	847	-	97,688	8
Due to other funds (Note 7)	306	-	-	12	318	67
Interest payable	864	-	6	-	870	-
Deposits payable	-	38	-	51	89	-
Other liabilities	-	570	954	174	1,698	591
Accrued closure and post-closure costs (Notes 10 and 2)	-	6,978	-	-	6,978	-
Accrued remediation costs (Note 23)	-	834	-	-	834	-
Compensated absences (Notes 1 and 14)	13,341	1,042	116	15	14,514	4,972
Capital lease obligations (Note 14)	3,946	-	-	-	3,946	6,952
Bonds payable (Note 14)	10,530	-	145	-	10,675	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	22,933
Total current liabilities	<u>171,180</u>	<u>12,796</u>	<u>2,203</u>	<u>3,119</u>	<u>189,298</u>	<u>71,429</u>
Noncurrent liabilities:						
Compensated absences (Note 2)	6,873	1,564	1,042	69	9,548	4,128
Advances from other funds (Note 7)	-	-	-	-	-	3,342
Accrued closure and post closure care costs (Note 10)	-	47,147	-	-	47,147	-
Accrued remediation costs (Note 10 & 23)	-	35,831	-	-	35,831	-
Capital lease obligations (Notes 1 and 2)	3,277	-	-	-	3,277	5,148
Bonds payable (Note 14)	132,150	-	885	-	133,035	-
Notes payable	-	-	6,795	-	6,795	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	107,986
OPEB obligation, net (Note 22)	-	113	-	-	113	-
Other long-term liabilities (Note 14)	61,113	-	-	-	61,113	-
Total noncurrent liabilities	<u>203,413</u>	<u>84,655</u>	<u>8,722</u>	<u>69</u>	<u>296,859</u>	<u>120,604</u>
Total liabilities	<u>374,593</u>	<u>97,451</u>	<u>10,925</u>	<u>3,188</u>	<u>486,157</u>	<u>192,033</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Grants received in advance (Note 15)	-	-	722	-	722	-
Service concession arrangement (Note 9)	-	8,396	-	-	8,396	-
Total deferred inflows of resources	<u>-</u>	<u>8,396</u>	<u>722</u>	<u>-</u>	<u>9,118</u>	<u>-</u>
<b>NET POSITION:</b>						
Net investment in capital assets	35,415	75,215	7,936	28	118,594	20,584
Restricted for debt service	53,609	-	-	-	53,609	-
Restricted for health and sanitation	-	10,308	-	-	10,308	-
Restricted other	193	-	30,463	41	30,697	-
Unrestricted	(32,614)	56,753	131,272	2,482	157,893	56,642
Total net position	<u>\$ 56,603</u>	<u>\$ 142,276</u>	<u>\$ 169,671</u>	<u>\$ 2,551</u>	<u>371,101</u>	<u>\$ 77,226</u>
Adjustments to reflect the consolidation of						
internal service fund activities related to enterprise funds					(69,309)	
Net position of business-type activities					<u>\$ 301,792</u>	

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



**COUNTY OF RIVERSIDE**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds					Governmental
	Regional					Activities
	Medical Center	Waste Management	Housing Authority	Other	Total	Internal Service Funds
<b>OPERATING REVENUES:</b>						
Net patient revenue (Notes 1 and 18)	\$ 392,069	\$ -	\$ -	\$ -	\$ 392,069	\$ -
Charges for services	34,442	56,436	7,626	1,843	100,347	206,364
Other revenue	23,829	1,866	82,389	247	108,331	34,291
<b>Total operating revenues</b>	<b>450,340</b>	<b>58,302</b>	<b>90,015</b>	<b>2,090</b>	<b>600,747</b>	<b>240,655</b>
<b>OPERATING EXPENSES:</b>						
Cost of material used	-	212	-	-	212	1,851
Personnel services	250,284	15,565	8,906	1,031	275,786	74,374
Communications	2,166	222	-	-	2,388	3,995
Insurance	5,996	196	366	-	6,558	8,736
Maintenance of building and equipment	10,584	1,239	827	99	12,749	15,822
Insurance claims	-	-	-	-	-	108,391
Supplies	78,024	1,831	-	24	79,879	30,024
Purchased services	74,098	16,112	-	891	91,101	18,859
Depreciation and amortization	9,275	5,181	1,306	12	15,774	10,624
Rents and leases of equipment	3,872	47	-	8	3,927	51,280
Public assistance	-	5	71,614	-	71,619	-
Utilities	3,530	283	612	114	4,539	1,684
Remediation costs (recovery)	-	(764)	-	-	(764)	-
Other	11,142	12,056	6,679	34	29,911	4,858
<b>Total operating expenses</b>	<b>448,971</b>	<b>52,185</b>	<b>90,310</b>	<b>2,213</b>	<b>593,679</b>	<b>330,498</b>
<b>Operating income (loss)</b>	<b>1,369</b>	<b>6,117</b>	<b>(295)</b>	<b>(123)</b>	<b>7,068</b>	<b>(89,843)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income (loss)	(47)	96	(87)	5	(33)	(259)
Interest expense	(13,214)	-	(368)	-	(13,582)	(1,500)
Gain (loss) on disposal of capital assets	(36)	(45)	-	-	(81)	18
Other nonoperating revenues / (expenses)	-	-	-	-	-	(8)
Extraordinary items, net gain	-	-	154,589	-	154,589	-
<b>Total nonoperating revenues (expenses)</b>	<b>(13,297)</b>	<b>51</b>	<b>154,134</b>	<b>5</b>	<b>140,893</b>	<b>(1,749)</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>(11,928)</b>	<b>6,168</b>	<b>153,839</b>	<b>(118)</b>	<b>147,961</b>	<b>(91,592)</b>
Premium contributions	698	-	-	-	698	78,627
Transfers in	5,000	-	-	-	5,000	6,487
Transfers out	(3,579)	(215)	(157)	-	(3,951)	(5,301)
<b>CHANGE IN NET POSITION</b>	<b>(9,809)</b>	<b>5,953</b>	<b>153,682</b>	<b>(118)</b>	<b>149,708</b>	<b>(11,779)</b>
Net position, beginning of the year, as previously reported	67,233	136,323	15,989	2,669		89,005
Adjustments to beginning net position (Note 3)	(821)	-	-	-		-
Net position, beginning of the year	66,412	136,323	15,989	2,669		89,005
<b>NET POSITION, END OF YEAR</b>	<b>\$ 56,603</b>	<b>\$ 142,276</b>	<b>\$ 169,671</b>	<b>\$ 2,551</b>		<b>\$ 77,226</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(13,252)	
Change in net position of business-type activities					<u>\$ 136,456</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, 2013  
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Regional Medical Center	Waste Management	Housing Authority	Other	Total	Internal Service Funds
Cash flows from operating activities						
Cash receipts from customers / other funds	\$ 393,842	\$ 58,441	\$ 88,283	\$ 2,077	\$ 542,643	\$ 241,321
Cash paid to suppliers for goods and services	(159,171)	(21,986)	(79,576)	(1,147)	(261,880)	(230,239)
Cash paid to employees for services	(247,581)	(14,892)	(8,909)	(1,050)	(272,432)	(73,895)
Net cash provided by (used in) operating activities	<u>(12,910)</u>	<u>21,563</u>	<u>(202)</u>	<u>(120)</u>	<u>8,331</u>	<u>(62,813)</u>
Cash flows from noncapital financing activities						
Other Non-Operating Expenses	-	-	-	-	-	(8)
Transfers received	5,000	-	-	-	5,000	6,487
Transfers paid	(3,579)	(215)	(157)	-	(3,951)	(5,301)
Net cash provided by (used in) noncapital financing activities	<u>1,421</u>	<u>(215)</u>	<u>(157)</u>	<u>-</u>	<u>1,049</u>	<u>1,178</u>
Cash flows from capital and related financing activities						
Acquisition of Assets from RDA dissolution	-	-	(106,405)	-	(106,405)	-
Gain (Loss) on Disposal of Capital Assets	(36)	(45)	154,589	-	154,508	18
Acquisition and construction of capital assets	(6,998)	(13,152)	(1,243)	-	(21,393)	(7,648)
Principal paid on capital leases	(4,832)	-	-	-	(4,832)	(3,000)
Premium contributions	698	-	-	-	698	78,627
Acquisition on bonds payable	22,367	-	282	-	22,649	-
Interest paid on long-term debt	(12,759)	-	(369)	-	(13,128)	(1,500)
Net cash provided by (used in) capital and related financing activities	<u>(1,560)</u>	<u>(13,197)</u>	<u>46,854</u>	<u>-</u>	<u>32,097</u>	<u>66,497</u>
Cash flows from investing activities						
Interest received on investments	(47)	93	(87)	5	(36)	(259)
Net cash provided by investing activities	<u>(47)</u>	<u>93</u>	<u>(87)</u>	<u>5</u>	<u>(36)</u>	<u>(259)</u>
Net increase (decrease) in cash and cash equivalents	(13,096)	8,244	46,408	(115)	41,441	4,603
Cash and cash equivalents, beginning of year	45,263	154,718	11,079	5,491	216,551	224,171
Cash and cash equivalents, end of year	<u>\$ 32,167</u>	<u>\$ 162,962</u>	<u>\$ 57,487</u>	<u>\$ 5,376</u>	<u>\$ 257,992</u>	<u>\$ 228,774</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, 2013  
(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Regional Medical Center	Waste Management	Housing Authority	Other	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 1,369	\$ 6,117	\$ (295)	\$ (123)	\$ 7,068	\$ (89,843)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Depreciation and amortization	9,275	5,181	1,306	12	15,774	10,624
Decrease (Increase) accounts receivable	(871)	347	(76)	(46)	(646)	(224)
Decrease (Increase) due from other funds	(8,283)	4	-	-	(8,279)	88
Decrease (Increase) due from other governments	(47,344)	(212)	(1,309)	33	(48,832)	802
Decrease (Increase) deferred outflow of resources	-	-	(347)	-	(347)	-
Decrease (Increase) inventories	(727)	34	-	-	(693)	143
Decrease (Increase) prepaid items and deposits	846	-	(2)	-	844	79
Increase (Decrease) accounts payable	(1,070)	196	135	63	(676)	14,428
Increase (Decrease) due to other funds	79	-	-	10	89	(19)
Increase (Decrease) due to other governments	30,077	-	829	(10)	30,896	(50)
Increase (Decrease) deposits payable	-	-	-	2	2	-
Increase (Decrease) accrued closure costs	-	1,588	-	-	1,588	-
Increase (Decrease) accrued remediation costs	-	(764)	-	-	(764)	-
Increase (Decrease) other liabilities	1,036	3	(1,162)	(42)	(165)	199
Increase (Decrease) estimated claims liability	-	-	-	-	-	481
Increase (Decrease) deferred inflows of resources	-	8,396	722	-	9,118	-
Increase (Decrease) salaries and benefits payable	710	30	-	(11)	729	87
Increase (Decrease) compensated absences	1,993	96	(3)	(8)	2,078	392
Decrease (Increase) pension assets, net	-	547	-	-	547	-
Net cash provided (used) by operating activities	<u>\$ (12,910)</u>	<u>\$ 21,563</u>	<u>\$ (202)</u>	<u>\$ (120)</u>	<u>\$ 8,331</u>	<u>\$ (62,813)</u>
Noncash investing, capital, and financing activities:						
Capital lease obligations	<u>\$ 611</u>					<u>\$ 4,604</u>
Acquisition of Assets from RDA dissolution			<u>\$ 106,405</u>			

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

**COUNTY OF RIVERSIDE**  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013  
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust	Agency Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS:</b>				
Cash and investments (Note 4)	\$ -	\$ -	\$ 155,261	\$ 226,773
Federal agency	18,211	2,172,800	-	-
Cash and equivalent	2,645	315,575	-	-
Commercial paper	1,272	151,761	-	-
Negotiable CDs	663	79,052	-	-
Municipal bonds	211	25,151	-	-
Bond - U.S. Treasury	3,262	389,144	-	-
Local agency obligation	3	307	-	-
Accounts receivable	113	12,596	1,307	47
Interest receivable	-	1,454	45	38
Taxes receivable	-	31	-	36,133
Due from other governments	-	-	1,816	350
Due from other funds	-	-	5	-
Advance to other funds	-	-	5,517	-
Land held for sale	-	-	50,468	-
	<u>26,380</u>	<u>3,147,871</u>	<u>214,419</u>	<u>263,341</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	-	-	5,351	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES:</b>				
Accounts payable	-	-	17,725	132,561
Salaries and benefits payable	-	-	-	6
Due to other governments	-	-	2,600	130,774
Note payable	-	-	790,643	-
Interest payable	-	-	9,791	-
Accreted interest payable	-	-	3,713	-
Other long-term liabilities	-	-	5,690	-
	<u>          </u>	<u>          </u>	<u>830,162</u>	<u>\$ 263,341</u>
<b>NET POSITION:</b>				
Held in trust for pension benefits, external pool participants, and other purposes	<u>\$ 26,380</u>	<u>\$ 3,147,871</u>	<u>\$ (610,392)</u>	

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

**COUNTY OF RIVERSIDE**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2013  
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust
<b>ADDITIONS:</b>			
Employer contributions	\$ 946	\$ -	\$ -
Employee contributions	1,332	-	-
Contributions to pooled investments	-	21,594,435	-
Contributions to private-purpose trust	-	-	23,253
Investment income	-	-	43
Total additions	<u>2,278</u>	<u>21,594,435</u>	<u>23,296</u>
<b>DEDUCTIONS:</b>			
Distributions from pension trust	-	-	-
Distributions from pooled investments	-	21,161,499	-
Distributions from private-purpose trust	-	-	85,180
Administrative and other expenses	24	-	-
Total deductions	<u>24</u>	<u>21,161,499</u>	<u>85,180</u>
Change in net position	2,254	432,936	(61,884)
Net position held in trust, beginning of the year	<u>24,126</u>	<u>2,714,935</u>	<u>(548,508)</u>
Net position held in trust, end of the year	<u>\$ 26,380</u>	<u>\$ 3,147,871</u>	<u>\$ (610,392)</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**





**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements**  
**June 30, 2013**

**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.

**Component Units** are legally separate organizations for which the elected officials of the County are either financially accountable or for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the County's operations. The 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 County.

In conformity with generally accepted accounting principles, the financial statements of thirteen component units have been included and combined with financial data of the County. Eleven component units have an integral relationship with and serve as an extension of the County. Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity*, management has determined that each entity is presented as a blended component unit due to the composition of each governing board and the control of the day-to-day activities through the budget process. Two component units are presented discretely. Each blended and discretely presented component unit has a June 30 fiscal year-end.

**Blended Component Units**

*Housing Authority of the County of Riverside (Housing Authority)* The Board is the governing body of the Housing Authority. Among its duties, it approves the Housing Authority's budget, rates and charges for the use of facilities, and appoints the management. The 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 Asset Leasing Corporation (CORAL)* The Board appoints the governing board of CORAL and CORAL provides services entirely to the County through the purchase of land and construction of facilities, which are then leased back to the County. 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 Riverside County Redevelopment Successor Agency and other local agencies. The Public Financing Authority is reported as a governmental fund type.

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Blended Components (Continued)**

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

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

*Inland Empire Tobacco Securitization Authority (the Authority)* The Board appoints two of the three members of the governing board of the Authority. The San Bernardino County Board of Supervisors appoints the third member. The Authority was created by a Joint Exercise of Powers Agreement (the Agreement) effective as of July 18, 2007 between Riverside County and San Bernardino County. The Authority was created for the purpose of securitizing the payments to be received by the County 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 Units**

*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 (the Authority) is a joint powers authority between the County of Riverside and Palm Desert Successor Agency (the Agency) established on January 1, 2002 under Section 6502 of the Joint Powers Act, California Government Code Section 6500. The County and the Agency 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 Governmental Accounting Standards Board Statement (GASB) Statement No. 61, the County is financially accountable for the Authority's issuance of the lease revenue bond that is under the Authority's management (2008 Series A).

The Authority's Commission is the governing body of the Authority, which consists of the County Executive Officer, one member of the County Board of Supervisors, the Executive Director of the Agency and a member of the Agency'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 - 11<sup>th</sup> Floor, P.O. Box 1326, Riverside, CA 92502-1326.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**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-eight cities and numerous self-governed special districts provide services to the residents of the County. The operations of these entities have been excluded from the basic financial statements since each entity conducts its own day-to-day operations and is controlled by its own governing board.

**Basis of Presentation**

*Government-wide Financial Statements*

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

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Expenses by function have been adjusted for any internal service profit/loss existing at fiscal year-end. In addition, 32.8% or \$14.4 million, of the County's \$43.8 million indirect costs, allocated through the Countywide Cost Allocation Program (COWCAP), have been included in the expenses of those functions which can obtain reimbursement through State and Federal Programs or other charges. Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

*Fund Financial Statements*

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

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

The County reports the following major governmental funds:

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Basis of Presentation (Continued)**

*Transportation Fund* accounts for revenue 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. The fund was established to provide for maintenance and construction of roadways and for specialized engineering services to other governmental units and the public.

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

*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.

*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 County reports the following major enterprise funds:

*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.

*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.

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

The County reports the following additional fund types:

*Internal Service Funds* account for the County's records management and archives, fleet services, information services, printing services, supply services, purchasing, Riverside County Information Technology (RCIT) Enterprise Solutions Division project (accounting, purchasing, and human resources information system), risk management, temporary assistance pool, custodial services, maintenance services, real estate, and flood control equipment on a cost-reimbursement basis. Internal Service Funds are presented in summary form as part of the proprietary fund financial statements. In the government-wide financial statements, the changes in net position at the end of the fiscal year, as presented in the 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 California Public Employees' Retirement System (CalPERS) participation. The County's pension trust fund uses the economic resources measurement focus and accrual basis of accounting.

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**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 Redevelopment Successor Agency, public guardian conservatorship, public social service foster care, and maintenance and children's trust. The County's private-purpose trust fund uses the economic resources measurement focus and accrual basis of accounting.

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

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

Governmental fund type financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues and other governmental fund type financial resources (e.g., bond issuance proceeds) are recognized when they become both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property and sales taxes are considered available for the year levied and are accrued when received within sixty days after fiscal year-end. Revenue received from expenditure driven (cost-reimbursement) grants, as defined by GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, 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.

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.

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

Securities, including U.S. Treasury and Agency securities, are carried at fair value/cost based on current market prices on a monthly basis. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within 90 days of June 30, 2013, which are carried at cost. Bond anticipation notes are carried at fair value/cost. Commercial paper is carried at amortized cost/cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Basis of Presentation (Continued)**

*Cash and Investments (Continued)*

investment contracts are carried at fair value based on net realizable value. Mutual funds are carried at fair value based on the funds' share price. Local Agency Obligations are carried at cost based on the value of each participating dollar.

The fair value of a 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 76.8% of the funds on deposit in the County Treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 23.2% of the total funds on deposit in the County Treasury represented discretionary deposits.

*Receivables*

The RMC 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 \$245.1 million and \$738 million, respectively. The RMC has contracted with a Medi-Cal managed care plan to provide services to patients enrolled with Medicare and Medi-Cal programs. The RMC receives a fixed monthly premium payment for each patient enrolled. Revenue under this agreement is recognized in the period in which the RMC is required to provide services.

*Property Taxes*

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and the Revenue and Taxation Code. Property is assessed by the County Assessor and State Board of Equalization at 100.0% of full cash or market value (with some exceptions) pursuant to Article XIII A of the California State Constitution and statutory provisions. The total for fiscal year 2012-13 gross assessed valuation of the County was \$205.1 billion.

The property tax levy to support general operations of the various local government jurisdictions is limited to 1.0% of the full cash value of taxable property and distributed in accordance with statutory formulas.

Amounts needed to finance the annual requirements of voter-approved debt (approved by the electorate prior to June 30, 1978) are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

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

Property taxes are levied on both real and personal property and are recorded as receivables at the date of levy. Secured property taxes are levied on or before the first business day of September of each year. These taxes become a lien on real property on January 1 proceeding the fiscal year for which taxes are levied. Tax payments can be made in two equal installments; the first is due November 1 and 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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Basis of Presentation (Continued)**

*Property Taxes (Continued)*

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

During fiscal year 1993-94, the County authorized an alternative property tax distribution method referred to as the “Teeter Plan.” This method allows for a 100.0% distribution of the current secured property tax levy to entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes was distributed. This results in the general fund receiving distributions of approximately 50.0-55.0% in December, 40.0-45.0% in April and the remaining balance in the fall of each year. The Teeter Plan also provides that all of the payments of redemption penalties and interest on delinquent secured property taxes of participating agencies flow to a tax loss reserve fund (TLRF). Any amounts on deposit in the TLRF greater than 1.0% of the tax levy for participating entities may flow to the County general fund. For fiscal year 2012-13, \$32 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 \$5.0 thousand; buildings, land and land improvements are \$1.0 dollar; and, infrastructure and intangibles are \$150.0 thousand. Betterments result in more productive, efficient or long-lived assets. Significant betterments are considered capital assets when they result in an improvement of \$2.5 thousand or more.

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

The estimated useful lives are as follows:

Infrastructure	
Flood channels	99 years
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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Basis of Presentation (Continued)**

*Capital Assets (Continued)*

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

Interest is capitalized on construction in progress in the proprietary funds. 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 RMC capitalizes net interest expense as a cost of property constructed. The RMC capitalized \$37.1 thousand for the year ending June 30, 2013.

*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.

*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, 2013, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net position was \$189.6 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 California Public Employees' Retirement System (CalPERS), unused accumulated sick leave for most employees with at least 5 but less than 15 years of service shall be credited at the rate of 50.0% of current salary value thereof provided however, that the total payment shall not exceed a sum equal to 960 hours of full pay.

Unused accumulated sick leave for employees with more than 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 Outflows and Inflows of Resources*

Pursuant to GASB Statement Number 63 and GASB Statement Number 65, the County recognizes deferred outflows and inflows of resources. The deferred outflow of resources is defined as a consumption of net position by the government that is applicable to the future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period. Refer to Note 15 for a detailed listing of the deferred inflows of resources the County has recognized.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Basis of Presentation (Continued)**

*Long-term Debt*

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

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

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

*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.

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” (the current portion of interfund loans) or “advances to/advances from other funds” (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the governmental fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are neither available for appropriation nor available as financial resources.

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

*Net Position*

The government-wide financial statements and proprietary fund financial statements utilize a net position presentation. Net position are categorized as net investment in capital assets, restricted net position, or unrestricted net position.

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Basis of Presentation (Continued)**

*Restricted Net Position* – 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 Position* – This category represents net position of the County, not restricted for any project or other purpose.

*Fund Equity*

In the fund financial statements, fund equity may be categorized as nonspendable, restricted, committed, assigned, and unassigned. All of the County's governmental fund balances will be comprised of the following categories:

- Nonspendable fund balance – amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.
- Restricted fund balance – amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance – amounts that are committed can only be used for specific purposes determined by formal action from the Board, the County's highest level of decision-making authority.
- Assigned fund balance – amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. Authority to assign: assignments within the general fund must be established by the County Executive Officer or an Executive Officer designee. Assigned amounts cannot cause a deficit in unassigned fund balance.
- Unassigned fund balance – funds that are not reported in any other category and are available for any purpose within the general fund.

The Board establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution (ordinances and resolutions are considered of equal authority with respect to fund balance). This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted fund balance resource first, followed by the unrestricted resources in the committed and unassigned fund balances, as they are needed.

No formal action is required to remove an assignment. Assignments within the general fund must be established by the County Executive Officer or an Executive Officer designee.

The general fund is the only fund that will have an unassigned fund balance.

*Fund Balance Policy*

On September 13, 2011, the Board approved Policy B-30, Governmental Fund Balance and Reserve Policy to ensure fund balance is accurately classified and reported on the annual financial statements per GASB Statement No. 54. This policy applies to governmental fund types which include the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds.

The purpose of this policy is to establish the guidelines for:

- The use of reserves with a restricted purpose versus an unrestricted purpose when both are available for expenditures.
- The establishment of stabilization arrangements for governmental funds.
- The minimum fund balance allowable for governmental funds.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Basis of Presentation (Continued)**

*Spending Prioritization for Fund Categories*

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Board to consider restricted amounts to be reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Board that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts.

*Minimum Fund Balance Policy for Governmental Funds*

Establishing guidelines for minimum fund balance for governmental funds is essential to ensuring a prudent level of fund balance is maintained for unanticipated expenditures, delays in revenue receipt, or revenue shortfalls.

*Unassigned Fund Balance - General Fund*

The County shall maintain a minimum unassigned fund balance in its general fund of at least 25.0% of the fiscal year's estimated discretionary revenue. A significant portion of the minimum unassigned fund balance may be used for one-time or short-term expenditures caused by an economic crisis and should be designated within an "Economic Uncertainty" account. Use of these funds should be as the last resort in balancing the County budget.

During the initial implementation of this policy, the Executive Office will develop a plan to ensure fund balance is at the minimum level within three years. The plan for accomplishing this will be included with the recommended budget submitted to the Board for approval each fiscal year. Following the initial implementation of the policy, if fund balance drops below the established minimum levels, the Executive Office will develop a plan to replenish the balance to established minimum levels within two years and submit the plan to the Board for approval.

*Fund Balance - Special Revenue Funds*

Special revenue fund balances shall be kept at the higher of the minimum level dictated by the funding source or an amount that does not fall below zero. In the event that the fund balance drops below the established minimum levels, the department with primary responsibility for expending the special revenue will develop a plan to replenish the balance to established minimum levels within two years and submit the plan to the Board for approval.

*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.

*Committed Fund Balance - Disaster Relief*

The County shall commit a portion of the general fund for disaster relief. The use of these funds will be restricted to one-time or short-term expenditures that are the result of a natural disaster or act of terrorism. The funds restricted for this purpose shall be at least 2.0% of discretionary revenue or \$15.0 million, whichever is greater.

**Current Governmental Accounting Standards Board Statements**

*Governmental Accounting Standards Board Statement No. 60*

In November of 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2011. The provisions of this statement generally are required to be applied retroactively for all periods presented.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Basis of Presentation (Continued)**

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

*Governmental Accounting Standards Board Statement No. 61*

In November of 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*. The objective of this statement is to improve guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those statements. The provisions of this statement are effective for financial statements for periods beginning after June 15, 2012.

*Governmental Accounting Standards Board Statement No.62*

In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. The codification incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure. No new generally accepted accounting principles were released in this statement. Statement No. 62 is effective for periods beginning after December 15, 2011.

*Governmental Accounting Standards Board Statement No.63*

In June of 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previously, GASB Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. Statement No. 63 amends the net position reporting requirements in Statement No. 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. Statement No. 63 is effective for periods beginning after December 15, 2011.

*Governmental Accounting Standards Board Statement No. 65*

In March of 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources and deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Concept Statement No. 4 introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, it provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process. GASB Statement No. 65 also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 is effective for periods beginning after December 15, 2012. The County has elected to early implement this statement.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Future Governmental Accounting Standards Board Statements**

*Governmental Accounting Standards Board Statement No. 66*

In March of 2012, GASB issued Statement No. 66, *Technical Correction – 2012 – an amendment of GASB Statement No. 10 and No. 62*. The objective of this statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Statement No. 66 amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provisions that limits fund based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, it will cause governments to base their decisions about fund type classification on the nature of the activity to be reported. Statement No. 66 also amends Statement No. 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. Statement No. 66 is effective for periods beginning after December 15, 2012. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 67*

In June of 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans- an amendment of GASB Statement No. 25*. The objective of this statement is to improve financial reporting by state and local governmental pension plans. This resulted from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Statement No. 67 amends the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. Statement No. 67 is effective for periods beginning after June 15, 2013. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 68*

In June of 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27*. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. The statement also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This resulted from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. Statement No. 68 is effective for periods beginning after June 15, 2014. The County has elected not to early implement this statement.

*Governmental Accounting Standards Board Statement No. 69*

In January of 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Statement No. 69 is effective for periods beginning after December 15, 2013. The County has elected not to early implement this statement.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

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

*Governmental Accounting Standards Board Statement No. 70*

In October of 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-Exchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive non-exchange financial guarantees. This Statement requires a government that extends a non-exchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. Statement No. 70 is effective for periods beginning after June 15, 2013. The County has elected not to early implement this statement.

**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 Sections 29000-29144 and 30200 of the Government Code of the State of California (the Government Code), commonly known as the County Budget Act, and Board Resolution No. 90-338. Annual budgets are adopted on the modified accrual basis of accounting in conformity with generally accepted accounting principles. Budgeted governmental funds consist of the general fund, major funds, and some nonmajor funds (all special revenue funds, certain debt service funds, and certain capital projects funds). Annual budgets are not adopted for the following debt service funds: CORAL, District Court Financing Corporation, Bankruptcy Court, Inland Empire Tobacco Securitization Authority; the CORAL Capital Projects Fund; RDA Housing Successor Agency; Riverside County Public Financing Authority and the Perris Valley Cemetery Permanent Fund.

As adopted by the Board, expenditures are controlled by the County at the budgetary unit level, which is the organization level, for each appropriation (object) class. The appropriation classes are salaries and benefits, services and supplies, other charges, capital assets, transfers out, and intrafund transfers. The separately prepared Expenditure by Appropriation – Budget and Actual report, showing budgetary comparisons at the object level of control, is available in the Auditor-Controller’s Office.

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

Budgetary comparison statements are prepared for the general fund, special revenue funds, certain debt service funds, and certain capital projects funds. The budgetary comparison statements are a part of the basic financial statements. Each budgetary comparison statement provides three separate types of information: (1) the original 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, 2013, expenditures exceeded appropriations in capital outlay by \$1.7 million in the general fund. This excess of expenditures resulted from the acquisition of \$1.7 million of capital leases. Accordingly, this is being funded by other financing sources-capital leases. The expenditure exceeded appropriations in Special Revenue Transportation Fund by \$6.3 million. This excess of expenditures resulted from the overestimated reimbursement from other departments within the same fund.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

The County's beginning net position has been restated to reflect the cumulative effect of prior year adjustments. A summary of the restatements as of June 30, 2013 is as follows (in thousands):

**Government-wide:**

	<b>Primary Government</b>	
	Governmental Activities	Business-Type Activities
Government-wide net position, as of June 30, 2012, as previously reported	\$ 4,275,533	\$ 166,157
Fund financial statements:		
Cumulative effect of change in accounting principle	-	(821)
Government-wide financial statements:		
Cumulative effect of change in accounting principle	(10,047)	-
Net position as of June 30, 2012, as restated	\$ 4,265,486	\$ 165,336

**Fund Financials:**

Description	<b>Proprietary Funds</b>			
	Enterprise Funds			Nonmajor Enterprise Funds
	Regional Medical Center	Waste Management	Housing Authority	Other Enterprise Funds
Net position as of June 30, 2012, as previously reported	\$ 67,233	\$ 136,323	\$ 15,989	\$ 2,669
Prior Period Adjustment:				
Cumulative effect of change in accounting principle	(821)	-	-	-
Net position, as of June 30, 2012, as restated	\$ 66,412	\$ 136,323	\$ 15,989	\$ 2,669

As of July 1, 2012, the County implemented *GASB Statement No. 65 – Items Previously Reported as Assets and Liabilities* and restated the beginning net position by \$10.9 million to write off the unamortized bond issuance costs that were previously reported as assets. These amounts should be an expense in the year they are incurred. The County classified these items as a cumulative effect of changes in accounting principle in the current fiscal year.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 4 – CASH AND INVESTMENTS**

As of June 30, 2013, cash and investments are classified in the accompanying financial statements as follows (in thousands):

	Governmental Activities	Business-Type Activities	Discretely Presented Component Unit	Fiduciary Funds	Total
Cash and investments	\$ 1,090,226	\$ 120,942	\$ 43,522	\$ 3,542,091	\$ 4,796,781
Restricted cash and investments	456,157	137,050	12,163	-	605,370
Total cash and investments	<u>\$ 1,546,383</u>	<u>\$ 257,992</u>	<u>\$ 55,685</u>	<u>\$ 3,542,091</u>	<u>\$ 5,402,151</u>

As of June 30, 2013, cash and investments consist of the following (in thousands):

Deposits	\$ 150,997
Investments	<u>5,251,154</u>
Total Cash and Investments	<u>\$ 5,402,151</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](http://www.treasurer-tax.co.riverside.ca.us).

Authorized investment type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Municipal Bonds (MUNI)	3 Years	15%	5% **
U.S. Treasury	5 Years	100%	N/A
Local Agency Obligations (LAO)	3 Years	2.5%	2.50%
Federal Agencies	5 Years	100%	N/A
Commercial Paper (CP)	270 Days	40%	5% *
Certificate & Time deposits (NCD & TCD)	1 Year	25%	5% *
Repurchase Agreements (REPO)	45 Days	40% / 25%	20%
Reverse Repurchase Agreements ***	60 Days	10%	10%
Medium Term Notes	3 Years	20%	5% *
CalTRUST Short Term Fund	Daily Liquidity	1%	1%
Money Market Mutual Funds	Daily Liquidity	20%	None
Local Agency Investment Fund	Daily Liquidity	Max \$50M	N/A
Cash/Deposit Account	N/A	N/A	N/A

\* Maximum of 5% per issuer (rated AAA/Aaa) in combined commercial paper, certificate & time deposits, and medium term notes.

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

\*\*\* Only for emergency liquidity purposes



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

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

As of June 30, 2013, the County and Component Units had the following investments (in thousands):

	Fair Market Value	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating	Rating (1) June 30, 2013	% of Portfolio
<b>County Treasurer Investments</b>							
Federal Home Loan Bank	\$ 1,133,198	0.100 - 1.500%	07/13 - 06/18	1.35	N/A	AAA/Aaa	22.87%
Federal National Mortgage Association	1,110,332	0.100 - 1.350%	08/13 - 05/18	3.14	N/A	AAA/Aaa	22.41%
Federal Home Loan Mortgage	588,571	0.160 - 1.465%	08/13 - 11/16	1.42	N/A	AAA/Aaa	11.88%
US Treasury Bills and Bonds	615,330	0.156 - 0.255%	09/13 - 07/14	0.62	N/A	AA+/Aaa	12.42%
Federal Farm Credit Bonds	421,335	0.130 - 1.300%	08/13 - 04/16	0.97	N/A	AAA/Aaa	8.50%
Negotiable Certificate of Deposits	125,000	0.140 - 0.160%	07/13 - 09/13	0.17	A1/P1	AA-/Aa1	2.52%
Commercial Paper	239,970	0.120 - 0.180%	07/13 - 08/13	0.08	A1/P1	AA+/Aa2	4.84%
Money Market Mutual Funds	445,000	0.048 - 0.081%	07/13	0.00	AAA	AAA/Aaa	8.98%
Municipal Bonds	39,770	0.300 - 1.190%	11/13 - 05/16	1.42	AA-/Aa3	AA+/Aaa	0.80%
Farmer Mac	182,283	0.180 - 0.750%	01/14 - 04/18	1.25	N/A	N/R	3.68%
CalTRUST	54,000	0.342%	07/13	0.00	N/A	AAA/Aaa	1.09%
Local Agency Obligations	485	0.878%	06/20	6.96	N/A	N/R	0.01%
<b>Total County Treasurer Investments</b>	<b>4,955,274</b>						<b>100.00%</b>
<b>Investments Outside the County Treasury</b>							
<b>Blended Component Unit Investments</b>							
Money Market Mutual Funds (2)	107,099	0.010 - 0.389%	07/13	0.00	AA-/Aa2	AAA/Aaa	37.75%
Investment Agreements	125,637	2.385 - 4.460%	12/14 - 11/36	6.47	AA-/Aa2	AA+/Aaa	44.28%
Money Market Mutual Funds (3)	46,300	0%	N/A	0.00	N/A	N/R	16.32%
Local Agency Investment Funds	4,681	0.250%	07/13	0.00	N/A	N/R	1.65%
<b>Total Blended Component Units</b>	<b>283,717</b>						<b>100.00%</b>
<b>Discretely Presented Component Units</b>							
<b>Palm Desert Financing Authority</b>							
Local Agency Investment Funds	7,243	0.250%	07/13	0.00	N/A	NR	59.56%
Money Market Mutual Funds (2)	4,920	0.010%	07/13	0.48	AAA	AAA	40.45%
<b>Total Discretely Presented Component Units</b>	<b>12,163</b>						<b>100.00%</b>
<b>Total Investments</b>	<b>\$ 5,251,154</b>						

(1) Investment ratings are from S&P and Moody's

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

(3) Housing Authority and Inland Empire Tobacco Securitization Authority do not require money market mutual funds to be rated

**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 and a monthly fair market valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer’s Office website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The fair value of the County’s investment in this pool is reported in the accompanying financial statements at amounts based upon the County’s 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. As of June 30, 2013, CORAL has \$2.5 million, Housing Authority has \$1.5 million, Regional Medical Center has \$0.7 million and Palm Desert Financing Authority has \$7.2 million in LAIF.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**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.

**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 in the amount of \$319.6 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 Statement No. 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. These investments are identified on the investment table on page 69.

**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.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 5 – RESTRICTED CASH AND INVESTMENTS**

The amount of assets restricted by legal and contractual requirements at June 30, 2013 is as follows (in thousand):

<b>General Fund</b>	
Restricted Program Money	\$ 307,452
<b>Total General Fund</b>	<u>307,452</u>
<b>Flood Control</b>	
Restricted Program Money	1,806
<b>Total Flood Control</b>	<u>1,806</u>
<b>Teeter Debt</b>	
Teeter Commercial Paper Notes	67,984
<b>Total Teeter Debt</b>	<u>67,984</u>
<b>Other Governmental Funds</b>	
1985 Certificates	18,456
1990 Monterey Avenue	133
1997 Historic Court House	280
2000 Southwest Justice Center	542
2003 A Historic Courthouse	1,356
2003 B Capital Facilities	423
2005 A Capital Improvement Family Law	3,522
2005 B Historic Refunding	2,789
2006 A Capital Improvements	2,188
2007 A Public Safety & Refunding	9,275
2008A Southwest Justice Center	912
2009 Larson Justice Center	2,667
2009 Public Safety & Woodcrest Lib Refunding	4,835
2012 CAC Annex	2,551
Bankruptcy Court	6,958
District Court Financing Corporation	1,026
Inland Empire Tobacco Securitization Authority	19,611
Public Financing Authority	1,391
<b>Total Other Governmental Funds</b>	<u>78,915</u>
<b>Regional Medical Center</b>	
1993 Hospital Bonds	53,804
<b>Total Regional Medical Center</b>	<u>53,804</u>
<b>Waste Management</b>	
Remediation costs	23,027
Closure and post-closure care costs	28,092
Customer deposits	431
Deferred revenue	565
Deposit payable	38
<b>Total Waste Management</b>	<u>52,153</u>
<b>Housing Authority</b>	
Housing Authority Bond	28,374
<b>Total Housing Authority</b>	<u>28,374</u>
<b>Other Enterprise Funds</b>	
Restricted Program Money - Flood	2,719
<b>Total Other Enterprise Funds</b>	<u>2,719</u>
<b>Discretely Presented Component Unit</b>	
Palm Desert Financing Authority	12,163
<b>Total Discretely Presented Component Unit</b>	<u>12,163</u>
<b>Total Restricted Cash and Investments</b>	<u>\$ 605,370</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 6– RECEIVABLES**

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

Receivables Governmental activities:	Accounts	Interest	Taxes	Due From Other Govts	Total
					Governmental Activities
General fund	\$ 9,167	\$ 687	\$ 10,931	\$ 308,532	\$ 329,317
Transportation	1,463	53	22	12,015	13,553
Flood Control	525	130	1,357	1,334	3,346
Teeter debt service	-	20	83,276	-	83,296
Public facilities improvements	-	89	-	15	104
Nonmajor governmental funds	1,498	124	1,511	8,570	11,703
Internal service funds	3,192	103	-	547	3,842
Total receivables	\$ 15,845	\$ 1,206	\$ 97,097	\$ 331,013	\$ 445,161

Receivables Business-type activities:	Accounts	Interest	Taxes	Loans	Due From Other Govts	Allowance for uncollectibles	Total
							Business-type Activities
Regional Medical Center	\$ 1,039,531	\$ -	\$ -	\$ -	\$ 113,039	\$ (983,120)	\$ 169,450
Waste Management	3,723	83	-	-	5,252	-	9,058
Housing Authority	180	-	-	72,037	2,164	-	74,381
Nonmajor funds	303	4	14	-	14	-	335
Total receivables	\$ 1,043,737	\$ 87	\$ 14	\$ 72,037	\$ 120,469	\$ (983,120)	\$ 253,224



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**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 7 – INTERFUND TRANSACTIONS**

**(a) Interfund Receivables/ Payables**

The composition of interfund balances as of June 30, 2013 is as follows (in thousands):

*Due to/from other funds :*

Payable Fund	Receivable Fund			
	General Fund	Flood Control	Teeter Debt Service	Other Governmental Funds
<b>General Fund</b>				
Delinquent property tax	\$ -	\$ -	\$ 35	\$ -
Interfund activity	-	-	-	33
Medical services	-	-	-	-
<b>Total General Fund</b>	-	-	-	-
<b>Transportation</b>				
Interfund activity	72	-	-	-
<b>Total Transportation</b>	-	-	-	-
<b>Flood Control</b>				
Interfund activity	-	-	-	-
<b>Total Flood Control</b>	-	-	-	-
<b>Teeter Debt Service</b>				
Delinquent property tax	8,475	-	-	-
<b>Total Teeter Debt Service</b>	-	-	-	-
<b>Public Facilities Improvements Capital Projects</b>				
Interfund activity	3	-	-	-
<b>Total Public Facilities Imprv Cap projects</b>	-	-	-	-
<b>Nonmajor Governmental Funds</b>				
Interfund activity	191	-	-	-
<b>Total Nonmajor Governmental Funds</b>	-	-	-	-
<b>Regional Medical Center</b>				
Interfund activity	1	-	-	-
Law enforcement	305	-	-	-
<b>Total Regional Medical Center</b>	-	-	-	-
<b>Other Enterprise Funds</b>				
Interfund activity	-	11	-	-
<b>Total Other Enterprise Funds</b>	-	-	-	-
<b>Internal Service Funds</b>				
Interfund activity	24	41	-	-
<b>Total Internal Service Funds</b>	-	-	-	-
<b>Total Receivable</b>	<b>\$ 9,071</b>	<b>\$ 52</b>	<b>\$ 35</b>	<b>\$ 33</b>

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

*Advances to/from other funds:*

The General Fund advanced \$3.3 million to the Economic Development Agency for the internal service fund start up costs.

The Regional Park and Open-Space District Special Revenue Fund advanced \$700 thousand to the Regional Park and Open-Space District Capital Projects Fund for the purpose of land improvements being constructed throughout the County Parks.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

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

Receivable Fund			
Regional Medical Center	Internal Service Funds	Total Payable	
			General Fund
\$ -	\$ -	\$ 35	Delinquent property tax
-	72	105	Interfund activity
9,050	-	9,050	Medical services
-	-	9,190	<b>Total General Fund</b>
			Transportation
-	-	72	Interfund activity
-	-	72	<b>Total Transportation</b>
			Flood Control
-	37	37	Interfund activity
-	-	37	<b>Total Flood Control</b>
			Teeter Debt Service
-	-	8,475	Delinquent property tax
-	-	8,475	<b>Total Teeter Debt Service</b>
			Public Facilities Improvements Capital Projects
-	-	3	Interfund activity
-	-	3	<b>Total Public Facilities Imprv Cap Projects</b>
			Nonmajor Governmental Funds
-	-	191	Interfund activity
-	-	191	<b>Total Nonmajor Governmental Funds</b>
			Regional Medical Center
-	-	1	Interfund activity
-	-	305	Law enforcement
-	-	306	<b>Total Regional Medical Center</b>
			Other Enterprise Funds
-	1	12	Interfund activity
-	-	12	<b>Total Other Enterprise Funds</b>
			Internal Service Funds
-	2	67	Interfund activity
-	-	67	<b>Total Internal Service Funds</b>
<b>\$ 9,050</b>	<b>\$ 112</b>	<b>\$ 18,353</b>	<b>Total Receivable</b>

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

The Open-Space District Capital Projects Fund advanced \$1 million to the Regional Park and Open-Space District Special Revenue Fund as an operating cash loan.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Transfers**

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

Transfer-Out	Transfers In			
	General Fund	Transportation	Teeter Debt Service	Public Facilities Improvements Capital Projects
General Fund				
Capital projects	\$ -	\$ -	\$ -	\$ 12,060
Debt service	-	-	703	-
Operating contribution	-	-	-	-
Pension obligation	-	-	-	-
Reimbursement	-	1,936	-	-
<b>Total General Fund</b>	-	-	-	-
Transportation				
Capital projects	-	-	-	727
Pension obligation	-	-	-	-
Reimbursement	1,803	-	-	-
<b>Total Transportation</b>	-	-	-	-
Flood Control				
Capital projects	-	-	-	-
<b>Total Flood Control</b>	-	-	-	-
Teeter Debt Service				
Debt service	83	-	-	-
<b>Total Teeter Debt Service</b>	-	-	-	-
Public Facilities Improvements Capital Projects				
Capital projects	291	14,186	-	-
Debt service	18,344	-	-	-
Operating contribution	12,200	-	-	-
Reimbursement	2,897	-	-	-
<b>Total Public Facilities Imprv Cap Projects</b>	-	-	-	-
Nonmajor Governmental Funds				
Capital projects	9	1,335	-	2,662
Debt service	-	-	-	-
Fire	27,154	-	-	-
Pension obligation	159	-	-	-
Reimbursement	28,517	1,306	-	-
<b>Total Nonmajor Governmental Funds</b>	-	-	-	-
Regional Medical Center				
Debt service	-	-	-	-
Pension obligation	-	-	-	-
<b>Total Regional Medical Center</b>	-	-	-	-
Waste Management				
Pension obligation	-	-	-	-
<b>Total Waste Management</b>	-	-	-	-
Housing Authority				
Pension obligation	-	-	-	-
<b>Total Housing Authority</b>	-	-	-	-
Internal Service Funds				
Business Services	-	-	-	-
Pension obligation	-	-	-	-
Reimbursement	840	-	-	-
<b>Total Internal Service Funds</b>	-	-	-	-
<b>Total Transfers In</b>	<u>\$ 92,297</u>	<u>\$ 18,763</u>	<u>\$ 703</u>	<u>\$ 15,449</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, 2013**

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

**Transfers (Continued)**

**(b) Between Governmental and Business-type Activities:**

Transfers In				
Other Governmental Funds	Regional Medical Center	Internal Service Funds	Total Transfers Out	
\$ 7,928	\$ -	\$ -	\$ 19,988	General Fund
43,163	-	-	43,866	Capital projects
423	-	500	923	Debt service
19,994	-	-	19,994	Operating contribution
6,964	-	2,876	11,776	Pension obligation
-	-	-	96,547	Reimbursement
-	-	-		<b>Total General Fund</b>
-	-	-	727	Transportation
777	-	-	777	Capital projects
2,781	-	-	4,584	Pension obligation
-	-	-	6,088	Reimbursement
-	-	-		<b>Total Transportation</b>
200	-	-	200	Flood Control
-	-	-	200	Capital projects
-	-	-		<b>Total Flood Control</b>
-	-	-	83	Teeter Debt Service
-	-	-	83	Debt service
-	-	-		<b>Total Teeter Debt Service</b>
4,229	5,000	-	23,706	Public Facilities Improvements Capital Projects
-	-	-	18,344	Capital projects
-	-	-	12,200	Debt service
1	-	-	2,898	Operating contribution
-	-	-	57,148	Reimbursement
-	-	-		<b>Total Public Facilities Imprv Cap Projects</b>
-	-	-	4,006	Nonmajor Governmental Funds
1,966	-	-	1,966	Capital projects
-	-	-	27,154	Debt service
636	-	-	795	Fire
9,999	-	-	39,822	Pension obligation
-	-	-	73,743	Reimbursement
-	-	-		<b>Total Nonmajor Governmental Funds</b>
3,579	-	-	3,579	Regional Medical Center
-	-	-	-	Debt service
-	-	-	3,579	Pension obligation
-	-	-		<b>Total Regional Medical Center</b>
215	-	-	215	Waste Management
-	-	-	215	Pension obligation
-	-	-		<b>Total Waste Management</b>
157	-	-	157	Housing Authority
-	-	-	157	Pension obligation
-	-	-		<b>Total Housing Authority</b>
-	-	3,111	3,111	Internal Service Funds
1,350	-	-	1,350	Business Services
-	-	-	840	Pension obligation
-	-	-	5,301	Reimbursement
				<b>Total Internal Service Funds</b>
<u>\$ 104,362</u>	<u>\$ 5,000</u>	<u>\$ 6,487</u>	<u>\$ 243,061</u>	<b>Total Transfers In</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 8 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013 was as follows (in thousands):

	Balance July 1, 2012	Prior Period Adjustments	Additions	Retirements	Transfers	Balance June 30, 2013
<b>Governmental activities:</b>						
<i>Capital assets, not being depreciated:</i>						
Land & easements	\$ 449,978	\$ -	\$ 19,577	\$ (33)	\$ -	\$ 469,522
Construction in progress	745,536	-	259,323	(21,560)	(168,072)	815,227
Total capital assets, not being depreciated	1,195,514	-	278,900	(21,593)	(168,072)	1,284,749
<i>Capital assets, being depreciated:</i>						
Infrastructure						
Flood channels	252,969	-	1,783	-	5,170	259,922
Flood storm drains	376,325	-	6,627	-	5,706	388,658
Flood dams and basins	31,215	-	-	-	-	31,215
Roads	1,602,764	-	28,438	-	-	1,631,202
Traffic signals	18,972	-	1	-	-	18,973
Bridges	104,983	-	217	-	-	105,200
Runways	22,148	-	-	-	-	22,148
Parks trails and improvements	11,254	-	15	-	1,016	12,285
Land improvements	110	-	-	-	-	110
Structures and improvements	1,328,103	-	1,250	(6,641)	148,210	1,470,922
Equipment	382,041	-	40,490	(17,521)	7,970	412,980
Total capital assets, being depreciated	4,130,884	-	78,821	(24,162)	168,072	4,353,615
Less accumulated depreciation for:						
Infrastructure	(984,594)	-	(69,922)	-	-	(1,054,516)
Land improvements	(22)	-	(1)	-	-	(23)
Structures and improvements	(339,841)	-	(29,570)	1,803	-	(367,608)
Equipment	(297,152)	-	(22,192)	16,519	-	(302,825)
Total accumulated depreciation	(1,621,609)	-	(121,685)	18,322	-	(1,724,972)
Total capital assets, being depreciated, net	2,509,275	-	(42,864)	(5,840)	168,072	2,628,643
Governmental activities capital assets, net	\$ 3,704,789	\$ -	\$ 236,036	\$ (27,433)	\$ -	\$ 3,913,392

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

Capital asset activity for the year ended June 30, 2013 was as follows (in thousands):

	Balance July 1, 2012	Prior Period Adjustments	Additions	Retirements	Transfers	Balance June 30, 2013
<b>Business-type activities:</b>						
<i>Capital assets, not being depreciated:</i>						
Land & easements	\$ 21,351	\$ -	\$ 7	\$ -	\$ -	\$ 21,358
Construction in progress	56,189	-	10,793	(550)	(1,426)	65,006
Concession Arrangements	-	-	8,830	-	-	8,830
Total capital assets, not being depreciated	<u>77,540</u>	<u>-</u>	<u>19,630</u>	<u>(550)</u>	<u>(1,426)</u>	<u>95,194</u>
<i>Capital assets, being depreciated:</i>						
Land improvements	11,662	-	-	-	-	11,662
Infrastructure-landfill liners	55,226	-	-	-	-	55,226
Infrastructure-other	23,323	-	68	(158)	268	23,501
Structures and improvements	219,902	-	12	-	-	219,914
Equipment	77,554	-	2,427	(738)	1,158	80,401
Total capital assets, being depreciated	<u>387,667</u>	<u>-</u>	<u>2,507</u>	<u>(896)</u>	<u>1,426</u>	<u>390,704</u>
Less accumulated depreciation for:						
Land improvements	(8,000)	-	(582)	-	-	(8,582)
Infrastructure-landfill liners	(23,943)	-	(2,710)	-	-	(26,653)
Infrastructure-other	(7,240)	-	(1,084)	94	-	(8,230)
Structures and improvements	(93,003)	-	(5,855)	-	-	(98,858)
Equipment	(63,348)	-	(5,543)	608	-	(68,283)
Total accumulated depreciation	<u>(195,534)</u>	<u>-</u>	<u>(15,774)</u>	<u>702</u>	<u>-</u>	<u>(210,606)</u>
Total capital assets, being depreciated, net	<u>192,133</u>	<u>-</u>	<u>(13,267)</u>	<u>(194)</u>	<u>1,426</u>	<u>180,098</u>
Business-type activities capital assets, net	<u>\$ 269,673</u>	<u>\$ -</u>	<u>\$ 6,363</u>	<u>\$ (744)</u>	<u>\$ -</u>	<u>\$ 275,292</u>

**Depreciation**

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

General government	\$ 26,566
Public protection	15,532
Health and sanitation	1,579
Public assistance	1,187
Public ways and facilities	62,275
Recreation and culture	1,232
Education	2,690
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>10,624</u>
Total depreciation expense – governmental functions	<u>\$ 121,685</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

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

Regional Medical Center	\$	9,275
Waste Management		5,181
Housing Authority		1,306
County Service Areas		3
Flood Control		9
Total depreciation expense – business-type functions	<u>\$</u>	<u>15,774</u>

**Capital Leases**

Leased Property under capital leases by major class (in thousands):

	<u>Governmental</u>	<u>Business-Type</u>
Land	\$ 2,223	\$ -
Structures and Improvements	88,505	-
Equipment	143,635	15,357
Less: Accumulated amortization	<u>(106,137)</u>	<u>(10,000)</u>
Total leased property, net	<u>\$ 128,226</u>	<u>\$ 5,357</u>

**Discretely Presented Component Unit**

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2013, was as follows (in thousands):

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013
Capital assets, being depreciated:				
Equipment	\$ 77	\$ -	\$ (33)	\$ 44
Total capital assets, being depreciated	<u>77</u>	<u>-</u>	<u>(33)</u>	<u>44</u>
Less accumulated depreciation for:				
Equipment	<u>(77)</u>		33	<u>(44)</u>
Total accumulated depreciation	<u>(77)</u>	<u>-</u>	<u>33</u>	<u>(44)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

GASB Statement Number 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA)* defines an SCA as a type of public-private or public-public partnership. As used in Statement Number 60, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

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

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

**McIntyre Park Campground**

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

**Riviera RV Resort**

On or about January 1, 1970, and as later amended, the County of Riverside and later the Park entered into an agreement with Cavan Inc., now Destiny RV, LLC who assigned its lease rights to Riviera-Reynolds (the “company”). Under the terms of the agreement, the company is permitted to engage in the operation of a travel trailer park, rental of spaces in the park, food service operations including a grocery store, boat launching ramp and other associated camping functions through June 2013. The company will pay the Park the greater of \$3.0 hundred or seven percent of gross receipts earned from operation of the RV Park. The Park reports the RV Park as a capital asset with a carrying amount of \$131.4 thousand at year-end. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.

**Edom Hill Transfer Station**

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

A summary of the important details and capital assets pertaining to this SCA can be found below.

	<u>Date SCA Entered Into</u>	<u>Term of SCA</u>	<u>Expiration of SCA</u>	<u>Revenue Sharing</u>	<u>Minimum Rent Payment (per month)</u>
McIntyre Park Campground	10/15/1985	62 years	10/15/1947	Between 10.0% and 17.0% of the revenues it earns from the operation of the campground.	\$ -
Riviera RV Resort	1/1/1970	43 years	6/30/2013	Greater of \$300 or 7.0% of gross receipts earned from operation of the RV park.	-
Edom Hill Transfer Station	11/2/2002	30 years	11/2/2032	Service Fee ranging from \$4.41 to \$4.13 per ton, Disposal fee of \$23.00 per ton, and City Mitigation Fee of \$1 per ton for all incoming solid waste	-
					<u>\$ -</u>

Capital assets balance for the SCA for the year ended June 30, 2013 and over the term of the agreement are as follows:

	<u>Structures &amp; Structure Improvements</u>
McIntyre Park Campground	\$ 131
Riviera RV Resort	52
Edom Hill Transfer Station	8,830
	<u>\$ 9,013</u>

The deferred inflows of resources activity for the SCA for the year ended June 30, 2013 are as follows:

	<u>Balance July 1, 2012</u>	<u>Additions/ Restatements</u>	<u>Amortization<sup>1</sup></u>	<u>Balance June 30, 2013</u>
<b>SCA Capital Assets</b>				
McIntyre Park Campground <sup>2</sup>	\$ -	\$ -	\$ -	\$ -
Riviera RV Resort <sup>2</sup>	-	-	-	-
Edom Hill Transfer Station	-	8,830	(434)	8,396
Total Deferred inflows	<u>\$ -</u>	<u>\$ 8,830</u>	<u>\$ (434)</u>	<u>\$ 8,396</u>

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

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

State and Federal laws and regulations require Waste Management 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 Management will recognize the remaining estimated cost of \$16.9 million as the remaining estimated capacity of 16.4 million tons is filled. Waste Management expects all currently permitted landfill capacities to be filled by 2087. The total estimate of \$71.0 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, 2013 %	Estimated Years Remaining
Anza (Anza)	\$ 1,503	100.0	-
Badlands (Moreno Valley)	12,636	56.5	11
Blythe (Blythe)	8,171	35.7	34
Coachella (Coachella)	3,506	100.0	-
Desert Center (Desert Center)	1,535	69.5	74
Double Butte (Winchester)	3,215	100.0	-
Edom Hill (Cathedral City)	11,017	100.0	-
Highgrove (Riverside)	1,801	100.0	-
Lamb Canyon (Beaumont)	18,853	72.9	8
Mead Valley (Perris)	3,236	100.0	-
Mecca II (Mecca)	3,602	99.4	24
Oasis (Oasis)	<u>1,898</u>	73.8	50
	<u>\$ 70,973</u>		

Waste Management is required by State and Federal laws and regulations to make annual contributions to a trust fund to finance closure and post-closure care. Title 27 of the California Code of Regulations (CCR) requires solid waste landfill operators to demonstrate the availability of financial resources to conduct closure and post-closure maintenance activities.

In accordance with sections 22228 and 22245 of the CCR, the County has implemented Pledge of Revenue agreements between the County and the California Department of Resources, Recycling and Recovery (CalRecycle) for six active landfills and six closed landfills to demonstrate financial responsibility for post-closure maintenance costs. Waste Management 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 Management and the CalRecycle. Waste Management complies with these requirements and investments of \$28.1 million are held for these purposes at June 30, 2013 and are classified as Restricted Assets in the Statement of Net Position. Waste Management 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, 2013**

**NOTE 11 – OPERATING LEASES**

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2013 (in thousands):

Year Ending June 30	
2014	\$ 33,468
2015	27,709
2016	22,206
2017	19,517
2018	10,635
2019-2023	11,203
2024-2028	1,238
2029-2033	1,245
2034-2038	1,198
2039-2043	616
Total minimum payments	<u>\$ 129,035</u>

Total rental expenditure/expense for the year ended June 30, 2013 was \$92.4 million, of which \$3.9 million was recorded in the enterprise funds.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when earned. Therefore, the government-wide Statement of Net Position as well as governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for advances from grantors and third parties.

The balance as of June 30, 2013 of Advances from grantors and third parties are as follows:

	Balance June 30, 2013
<b>General Fund:</b>	
Advances on state grants for Probation Services	\$ 27,876
Advances on state & federal grants for Mental Health Services	134,277
Advances on state grants & other 3rd party advances for Public Health Services	7,852
Advances on state funding for Social Services	61,598
Advances on state & federal grants for Sheriff Services	5,934
Advances on state grants & other 3rd party advances for Environmental Health Services	2,001
Advances on state grants for District Attorney Services	819
Advances from Flood Control and Water Conservation District for permits	1,460
Advances on state grants for Public Defenders Services	215
Other advances	239
Total General fund	242,271
<b>Transportation Special Revenue Fund:</b>	
Developer fees	15,895
Senate Bill (SB) 621 Indian gaming	2,541
Advances from developers for median projects	5,728
Survey fees	963
Utility relocation	252
Comprehensive Transportation Plan	20
Building permit fees	845
Plan check fees	304
Deposit based fees	308
Total Transportation special revenue fund	26,856
<b>Other Governmental Funds:</b>	
Camping and recreation fees	596
Advance from state for Community Service Block Grant	382
Advance from state for the Employment Training Panel Project	22
Lease revenue from Library Systems & Services Inc.	208
Advance from state for Bio-terrorism Programs	351
Advance from First 5 - Children & Families Commission	395
Advances for aviation projects	10
Advances for the National Date Festival	2
Total Other governmental funds	1,966
<b>Grand total of advances from grantors and third parties</b>	<b>\$ 271,093</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 13 – SHORT-TERM DEBT**

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

On July 1, 2012, the County issued \$250.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANs), which were repaid on June 28, 2013. The Notes were issued with a yield rate of 0.18% for Series Bond A and 0.20% for Series Bond B. This was to provide needed cash to cover the projected intra-period cash-flow deficits of the County's General Fund during the fiscal year July 1 through June 30.

**Tax-Exempt Commercial Paper Notes (Teeter)**

In December 1993, the County adopted the Teeter Plan, the alternative method for the distribution of secured property taxes and other assessments. In order to fulfill the requirements of the plan, the County obtained cash for the "buyout" of delinquent secured property taxes and the annual advance of current unpaid taxes to all entities that elected to participate in the Teeter Plan. The current financing takes place through the sale of Tax-Exempt Commercial Paper Notes (Teeter Notes). During fiscal year 2012-13, the County retired \$79.0 million of the \$171.3 million principal amount outstanding at June 30, 2012. The County then issued \$50.5 million of Series B notes, leaving an outstanding balance of \$142.8 million at June 30, 2013.

Short-term debt activity for the year ended June 30, 2013, was as follows (in thousands):

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
Fiscal year 2012-13				
TRANs	\$ -	\$ 250,000	\$ (250,000)	\$ -
Teeter Notes	171,324	50,516	(79,000)	142,840
Total	<u>\$ 171,324</u>	<u>\$ 300,516</u>	<u>\$ (329,000)</u>	<u>\$ 142,840</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 14 – 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 \$2.5 billion.

**Capital Leases**

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

See Note 8 (Capital Assets) for assets under capital leases and related disclosure information by major asset class.

The following is a schedule by year of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2013 (in thousands):

<u>Year Ending June 30</u>	<u>Palm Desert Financing Authority</u>	<u>Other Governmental Activities</u>	<u>Total Governmental Activities</u>	<u>Business-type Activities</u>
2014	\$ 6,228	\$ 12,584	\$ 18,812	\$ 4,130
2015	6,229	7,619	13,848	2,244
2016	6,221	4,516	10,737	723
2017	6,226	1,384	7,610	333
2018	6,223	636	6,860	69
2019-2023	24,883	904	25,787	-
2024-2028	-	617	617	-
2029-2033	-	-	-	-
2034-2038	-	-	-	-
Total minimum payments	<u>56,010</u>	<u>28,260</u>	<u>84,271</u>	<u>7,499</u>
Less amount representing interest	<u>(13,309)</u>	<u>(3,214)</u>	<u>(16,524)</u>	<u>(275)</u>
Present value of net minimum lease	<u>\$ 42,702</u>	<u>\$ 25,046</u>	<u>\$ 67,748</u>	<u>\$ 7,224</u>

The statement of net position includes the Palm Desert Financing Authority capital lease of \$42.7 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, 2013 (in thousands):

**Governmental Activities**

<u>Type of indebtedness (purpose)</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2013</u>
<b><u>Certificates of Participation:</u></b>					
<b><u>CORAL</u></b>					
1985 Serial Certificates	12/09 – 12/15	Variable	\$5,400- \$15,000	\$ 169,400	\$ 39,800
				<u>169,400</u>	<u>39,800</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2013
<b><u>Certificates of Participation (Continued):</u></b>					
<b><u>CORAL</u></b>					
1990 Monterey Avenue:					
Serial Certificate	11/09 – 11/20	Variable	\$300 - \$800	\$ 8,800	\$ 4,800
				<u>8,800</u>	<u>4,800</u>
<b><u>CORAL</u></b>					
2003 A - Historic Court Project:					
Serial Certificates	11/09 – 11/18	3.00% - 5.00%	\$280 - \$400	4,125	2,155
Term Certificate	11/19 – 11/23	5.00%	\$420 - \$510	2,320	2,320
Term Certificate	11/24 – 11/28	5.00%	\$535 - \$650	2,955	2,955
Term Certificate	11/29 – 11/33	5.13%	\$685 - \$835	3,790	3,790
				<u>13,190</u>	<u>11,220</u>
<b><u>CORAL</u></b>					
2003 B -Capital Facilities Refunding:					
Serial Certificates	12/03 – 11/18	2.00% - 4.20%	\$300 - \$900	8,685	2,155
				<u>8,685</u>	<u>2,155</u>
<b><u>CORAL</u></b>					
2005 A - Capital Improvement & Family Law Court Refunding:					
Serial Certificates	11/09 – 11/25	3.00% - 5.00%	\$1,090 - \$2,160	28,495	21,405
Term Certificate	11/26 – 11/33	5.00%	\$2,255 - \$2,145	9,905	9,905
Term Certificate	11/34 – 11/36	5.00%	\$2,040 - \$2,490	13,265	13,265
				<u>51,665</u>	<u>44,575</u>
<b><u>CORAL</u></b>					
2005 B - Historic Courthouse Refunding Project:					
Serial Certificates	11/09 – 11/25	3.00% - 5.00%	\$325 - \$1,740	18,835	14,945
Term Certificate	11/26 – 11/27	5.00%	\$1,860 - \$1,915	3,775	3,775
				<u>22,610</u>	<u>18,720</u>
<b><u>CORAL</u></b>					
2006 Series A - Cap Imp Project:					
Serial Certificates	11/09 – 11/26	3.75% - 5.13%	\$610 - \$1,235	16,425	13,245
Term Certificate	11/27 – 11/31	4.75%	\$1,295 - \$1,560	7,130	7,130
Term Certificate	11/32 – 11/35	5.00%	\$1,635 - \$1,895	7,050	7,050
Term Certificate	11/36 – 11/37	4.63%	\$1,990 - \$2,080	4,070	4,070
				<u>34,675</u>	<u>31,495</u>
<b><u>CORAL</u></b>					
2007 A & B Public Safety Communication and Refunding Projects:					
Series A & B	11/10 – 11/17	3.85% - 5.00%	\$1,525 - \$10,850	111,125	49,280
				<u>111,125</u>	<u>49,280</u>
<b><u>CORAL</u></b>					
2009 Public Safety Communication and Woodcrest Library Refunding Projects:					
Series A	12/10 – 11/39	Variable	\$70 - \$4,200	45,685	45,440
				<u>45,685</u>	<u>45,440</u>
<b><u>CORAL</u></b>					
2009 Larson Justice Center Refunding:					
Serial Certificates	12/10 – 12/21	Variable	\$1,050 - \$4,860	\$ 24,680	\$ 20,475
				<u>24,680</u>	<u>20,475</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2013
<b><u>Certificates of Participation (Continued):</u></b>					
<b><u>Court Financing Corporation</u></b>					
Bankruptcy Courthouse:					
Acquisition Project Term Certificate	11/09 – 11/20	7.50%	\$835 - \$1,385	16,120	8,300
				16,120	8,300
<b><u>District Court Financing Corporation</u></b>					
U.S. District Court Project:					
Term/Series 1999	6/14/2017	7.59%	\$902 - \$1,263	2,165	2,165
Term/Series 1999	6/15/2015	1.93%	\$1,187 - \$1,658	17,635	3,210
Term/Series 2002	6/15/2020	3.00%	\$50 - \$75	925	460
				20,725	5,835
<b>Total Certificates of Participation</b>				<b>\$ 527,360</b>	<b>\$ 282,095</b>
<b>Bonds Payable:</b>					
<b><u>CORAL</u></b>					
2000 A Southwest Justice Center:					
Series Bonds	11/09 – 11/13	4.88% - 5.40%	\$1,830 - \$2,240	\$ 17,945	\$ 2,240
Series Bonds	11/14-11/32	5.20%	\$2,400-\$6,200	76,300	-
				94,245	2,240
<b><u>CORAL</u></b>					
2012 CAC Annex Refunding Project	11/12-11/31	2.00%-5.00%	\$1,120-\$2,435	33,360	31,800
<b><u>CORAL</u></b>					
2008 A Southwest Justice Center:					
Refunding Bonds	11/14-11/32	5.15%	\$2,480-\$6,410	78,895	78,895
				78,895	78,895
<b><u>CORAL</u></b>					
1997 B & C (Hospital):					
Term Bonds (Series C)	6/1/2019	5.81%	\$1,733	1,733	1,733
				1,733	1,733
<b><u>Taxable Pension Obligation Bond</u></b>					
Pension Obligation Bonds (Series 2005-A)	8/09 – 8/35	4.91% - 5.04%	\$3,425 - \$5,530	400,000	346,785
				400,000	346,785
<b><u>Inland Empire Tobacco Securitization Authority</u></b>					
Series 2007 A	06/17 – 06/21	4.63% - 5.10%		87,650	59,580
Series 2007 B	06/20 – 06/26	5.75%		53,758	53,756
Series 2007 C-1	06/26 – 06/36	6.63%		53,542	53,542
Series 2007 C-2	06/33 – 06/45	6.75%		29,653	29,653
Series 2007 D	06/32 – 06/57	7.00%		23,457	23,457
Series 2007 E	06/35 – 06/57	7.63%		18,948	18,948
Series 2007 F	06/42 – 06/57	8.00%		27,076	27,076
				294,084	266,012
<b><u>Riverside County Public Financing Authority</u></b>					
Series 2012	8/09 – 8/35	3.00% - 5.00%	\$280-\$9,535	17,640	16,995
				17,640	16,995
<b>Total Bonds Payable</b>				<b>\$ 919,957</b>	<b>\$ 744,460</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

<u>Type of indebtedness (purpose)</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Annual Principal Installments</u>	<u>Original Issue Amount</u>	<u>Outstanding at June 30, 2013</u>
<b>Loans Payable:</b>					
<b><u>CORAL</u></b>					
2011 Monroe Park Building Refunding	2/11 - 12/20	3.54%	\$180 - \$330	\$ 5,535	\$ 4,420
				<u>5,535</u>	<u>4,420</u>
<b>Total Loans Payable</b>				<u>\$ 5,535</u>	<u>\$ 4,420</u>
<b>Total Governmental Activities</b>				<u>\$ 1,452,852</u>	<u>\$ 1,030,975</u>
<b>Business-type Activities</b>					
<b><i>Bonds Payable:</i></b>					
<b><u>Regional Medical Center</u></b>					
1993 A & B (Hospital):					
Term Bonds (Series A)	12/09– 06/12	5.41%	\$12,230 - \$13,870	\$ 81,135	\$ -
Term Bonds (Series B)	12/09 – 06/14	5.41%	\$7,050 - \$7,475	14,525	7,475
Loss on Defeasance (net)				-	(91)
				<u>95,660</u>	<u>7,384</u>
<b><u>Regional Medical Center</u></b>					
1997 A (Hospital): Serial Capital Cap Apprec. Bonds (net of future cap apprec \$122,895)					
	06/13 – 06/26	5.70% - 6.01%	\$1,080 - \$4,981	41,170	38,136
				<u>41,170</u>	<u>38,136</u>
<b><u>Regional Med Center 1997</u></b>					
Serial Bonds (Series B)	06/10 – 06/13	4.38% - 5.15%	\$395 - \$455	-	-
Term Bonds (Series B)	06/14 – 06/19	4.00% - 5.70%	\$475 - \$11,475	63,935	-
Term Bonds (Series C )	6/19	5.81%	\$3,265	3,265	1,532
Bond Discount				-	(2)
Loss on Defeasance (net)				-	(874)
				<u>67,200</u>	<u>656</u>
<b><u>Regional Medical Center</u></b>					
2012 A & B (Hospital)					
Term Bonds (Series A)	06/13-06/29	2.00% - 5.00%	\$220-\$12,970	87,510	87,230
Term Bonds (Series B)	06/19	3.25%	\$3,020	3,020	3,020
Bond Premium				-	6,254
				<u>90,530</u>	<u>96,504</u>
<b><u>Housing Authority</u></b>					
1998 Series A:					
Term Bonds	12/09 – 12/18	6.85%	\$110 - \$200	2,405	1,030
				<u>2,405</u>	<u>1,030</u>
<b>Total Bonds Payable</b>				<u>\$ 296,965</u>	<u>\$ 143,710</u>
<b>Total Business-type Activities</b>				<u>\$ 296,965</u>	<u>\$ 143,710</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2013
<b>Discretely Presented Component Unit</b>					
<i>Bonds Payable:</i>					
<u><i>Palm Desert Financing Authority</i></u>					
2008 Lease Rev Bonds Series A:					
Serial Certificates	05/10 – 05/18	4.00% - 5.50%	\$1,935 - \$6,200	43,845	28,055
Term Certificate	05/19 – 05/22	6.00%	\$6,540 - \$7,790	28,600	28,600
Bond Discount				-	(410)
				<u>72,445</u>	<u>56,245</u>
<b>Total Bonds Payable</b>				<u>\$ 72,445</u>	<u>\$ 56,245</u>
<b>Total Discretely Presented Component Unit</b>				<u>\$ 72,445</u>	<u>\$ 56,245</u>

As of June 30, 2013, 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
2014	530	152	28,771	15,144
2015	540	133	31,168	12,725
2016	560	114	33,133	10,747
2017	585	94	18,912	8,914
2018	605	73	18,875	7,907
2019-2023	1,600	86	78,440	25,141
2024-2027	-	-	29,075	14,338
2028-2033	-	-	21,640	8,082
2034-2038	-	-	14,705	2,233
2039-2043	-	-	7,376	286
<b>Total</b>	<u>\$ 4,420</u>	<u>\$ 652</u>	<u>\$ 282,095</u>	<u>\$ 105,517</u>

Governmental Year ending June 30	Bonds Payable	
	Principal	Interest
2014	31,019	58,187
2015	31,213	55,731
2016	20,639	48,138
2017	22,944	45,949
2018	230,445	204,635
2019-2023	139,494	108,332
2024-2028	76,674	35,348
2029-2033	27,965	2,732
2034-2038	53,542	3,147
2039-2043	-	-
2044-2048	29,653	1,945
2049-2053	70,027	4,671
2054-2058	10,845	-
<b>Total</b>	<u>\$ 744,460</u>	<u>\$ 568,815</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

As of June 30, 2013, annual debt service requirements of business-type activities to maturity are as follows (in thousands):

<b>Business-type</b> Year ending June 30	Bonds Payable		Other Long-term Liabilities	
	Principal	Interest	Principal	Interest
2014	10,675	9,417	-	-
2015	12,850	6,876	-	-
2016	13,339	6,388	6,795	-
2017	13,813	5,922	-	-
2018	14,307	5,317	-	-
2019-2023	29,797	72,937	-	-
2024-2028	34,108	53,345	-	-
2029-2033	9,536	381	-	-
Total requirements	138,425	160,583	<u>\$ 6,795</u>	<u>\$ -</u>
Bond discount/premium, net	5,285	-		
Deferred charges (Housing)	-	-		
Loss on defeasance (net)	-	-		
<b>Total</b>	<u>\$ 143,710</u>	<u>\$ 160,583</u>		

<b>Discretely Presented Component Unit</b> Year ending June 30	Bonds Payable	
	Principal	Interest
2014	5,070	3,193
2015	5,325	2,940
2016	5,580	2,673
2017	5,880	2,380
2018	34,800	6,472
2019-2023	-	-
2024-2028	-	-
2029-2033	-	-
2034-2038	-	-
Total requirements	56,655	17,658
Bond discount/premium, net	(410)	-
<b>Total</b>	<u>\$ 56,245</u>	<u>\$ 17,658</u>

**Accreted Interest Payable**

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2013 (in thousands):

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013
<b><u>Governmental Activities:</u></b>				
<i>Certificates of Participation:</i>				
Court Financing (U.S. District Court Project)	\$ 3,592	\$ 445	\$ -	\$ 4,037
<i>Bonds:</i>				
Inland Empire Tobacco Securitization Authority	75,231	15,393	-	90,624
Total governmental-type activities	<u>\$ 78,823</u>	<u>\$ 15,838</u>	<u>\$ -</u>	<u>\$ 94,661</u>
<b><u>Business-type Activities:</u></b>				
<i>Lease Revenue Bonds:</i>				
Regional Medical Center (1997A Hosp)	\$ 59,984	\$ 6,063	\$ (4,934)	\$ 61,113
Total business-type activities	<u>\$ 59,984</u>	<u>\$ 6,063</u>	<u>\$ (4,934)</u>	<u>\$ 61,113</u>



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Accreted Interest Payable (Continued)**

The accreted interest payable balances at June 30, 2013 represent accreted interest on the U.S. District Court Project, the 2007 Inland Empire Tobacco Securitization Authority Bonds, and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were \$2.2 million for the U.S. District Court Project, \$294.1 million for the 2007 Inland Empire Tobacco Securitization Authority Bonds, and \$41.2 million for the 1997 A Hospital Serial Capital Appreciation Bonds. The total accreted value on the bonds and certificates upon maturity will be \$7.2 million for the U.S. District Court Project, \$171.6 million for the 1997 A Hospital Serial Capital Appreciation Bonds and \$3.5 billion for the 2007 Inland Empire Tobacco Securitization Authority Bonds. The County is under no obligation to make payments of accreted value or redemption premiums, if any, or interest on the Series 2007 Bonds.

The increases of \$15.8 million and \$6.0 million represent current year's accretion for governmental activities and business-type activities respectively. The accumulated accretion for business-type activities is \$61.1 million at June 30, 2013. The accumulated accretion for U.S. District Court Financing and the Inland Empire Tobacco Securitization Authority in governmental activities is \$94.7 million. The un-accreted balances at June 30, 2013 are \$64.4 million for the 1997-A Hospital Regional Medical Center (RMC) project, \$3.2 million for the U.S. District Court, and \$3.4 billion for the Inland Empire Tobacco Securitization Authority Capital Appreciation Bonds.

**Bonds, Certificates of Participation / Refunding**

On July 1, 2012, Regional Medical Center (RMC) issued \$90.5 million in lease revenue bonds. The 2012A Bonds are being issued for the purpose of (a) refunding a portion of the 1997B Bonds maturing in the years 2013, 2016 and 2019 (the "Refunded 1997B Bonds"), in the aggregate principal of \$63.8 million; (b) providing funds for additional improvements to the medical center campus; (c) depositing funds into the debt service reserve fund established under the indenture; and (d) paying a portion of costs of issuance of the 2012 Bonds. The new bonds have an interest rate of 2.0% to 5.0%.

The County of Riverside Palm Desert Financing Authority is a joint power agreement between the County of Riverside and Palm Desert Redevelopment Agency established on January 1, 2002. The Palm Desert Redevelopment Agency was dissolved on January 31, 2012. The Palm Desert Successor Agency succeeded the former Palm Desert Redevelopment Agency. On October 1, 2012, The Riverside County Public Financing Authority issued \$17.6 million in lease revenue refunding bonds. The proceeds of the Series 2012 Bonds will be used to (i) refinance certain previously acquired, constructed and installed public improvements by refunding the outstanding Riverside County Palm Desert Financing Authority ("the Authority") Lease Revenue Bonds (County Facilities Projects), 2003 Series A. The new bonds have an interest rate of 3.0% to 5.0%.

**Defeasance of Debt**

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, 2013, was \$1.4 million.

On December 2009, CORAL issued \$24.7 million certificates of participation (2009 Larson Justice Center Project Refunding COP) to provide funds to refund and prepay the certificates of participation relating to 1998 Larson Justice Center Project with an outstanding principal amount of \$23.7 million; to fund the reserve fund; and to pay certain cost of issuance incurred in connection with this refunding. The requisition price exceeded the net carry amount of the old debt by \$1.0 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$3.7 million and a reduction of \$1.5 million in future debt service payments.

In December 2009, CORAL also issued \$45.7 million certificates of participation (2009 Public Safety Communication and Woodcrest Library Projects Refunding COP) to provide funds to refund and redeem the certificates of participation relating to 2007 Series B Public Safety Communication Project with an outstanding principal amount of \$37.4 million; to provide funds to refund; and retire the series 2006 Certificates of Participation

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Defeasance of Debt (Continued)**

Anticipation Note relating to Woodcrest Library Project with an outstanding principal amount of \$6.0 million; to fund capitalized interest on a portion of the certificates of participation through July 1, 2012; to fund a security deposit with respect to Base Rental payable under the Sublease; and to pay certain cost of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carry amount of the old debts by \$2.3 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$3.3 million and an addition of \$6.9 million in future debt service payments.

On February 28, 2011, CORAL issued \$5.5 million in private placement bonds (2011 Monroe Building) to provide funds to refund and redeem the notes payable relating to the 2007 Monroe Park Building loan with an outstanding principal amount of \$5.4 million and to pay certain cost of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carrying amount of the old debt by \$140.0 thousand. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$527.0 thousand and a reduction of \$339.0 thousand in future debt service payments.

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

In July 2012, CORAL issued \$90.5 million in lease revenue bonds (2012 Series A and Taxable Series B County of Riverside Capital Projects) to provide funds to refund and prepay CORAL's Leasehold Revenue Bonds, 1997 Series B with an outstanding principal amount of \$64.4 million; to provide funds (\$30.0 million) for improvements to the Medical Center Campus; deposit funds into the Debt Service Reserve Fund; and pay certain cost of issuance incurred in connection with this refunding. The refunding resulted in a redemption premium of \$639.3 thousand for the 1997 Series B lease revenue bonds and a net premium of \$6.9 million for the 2012 Series A and Taxable Series B. The reacquisition price exceeded the net carry amount of the old debt by \$26.6 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$8.0 million and a reduction of \$7.1 million in future debt service payments.

**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 \$34.2 million of Mortgage Revenue Bonds have been issued and \$30.3 million is outstanding as of June 30, 2013. 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 \$77.2 million at June 30, 2013, to provide financing or improvements benefiting certain property owners. Special assessment bonds consist of Community Facilities District Bonds and Assessment District Bonds.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Special Assessment Bonds (Continued)**

The County, including its special districts, is not liable for the payment of principal or interest on the bonds, which are obligations solely of the benefited property owners. Certain debt service transactions relating to certain special assessment bonds are accounted for in the Agency Funds.

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

The Riverside County Flood Control and Water Conservation District (Flood Control) has issued special assessment bonds, totaling \$2.1 million as June 30, 2013, 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.

**Interest Rate Swap**

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

*Terms:* The bonds and the related swap agreement mature on November 1, 2032, and the swap's notional amount of \$76.3 million approximately matches a portion of \$78.9 million variable-rate bonds. The swap was effective at the same time the bonds were issued on May 24, 2000 due to the consistent critical terms between the swap and the associated debt and was amended and restated as of December 10, 2008. None of the critical terms were changed pursuant to this agreement. The notional value of the swap and the principal amount of the associated debt, decline starting in fiscal year 2014-15. Under the amended and restated swap agreement, CORAL paid Wells Fargo Bank, N.A. a fixed payment rate of 5.2%. CORAL receives an interest rate equal to an amount not to exceed the maximum interest rate payable on the Bonds, expressed as a decimal, equal to 64.0% of the monthly London Interbank Offered Rate (LIBOR) in the relevant calculation period. Conversely, the Bonds' variable-rate coupons have historically been similar to the Bond Market Association Municipal Swap Index (BMA). Under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the interest rate swap contract qualifies as a derivative financial instrument and a cash flow hedging. CORAL's net cash outflow or payment under the interest rate swap contract was \$2.8 million for the year ended June 30, 2013. The swap is not subject to rollover risk because the maturity of the swap matches the maturity of the principal amount of the associated debt or market-access risk as no other embedded instrument is involved with the swap that would require accessing the credit markets.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Interest Rate Swap (Continued)**

*Fair Value:* As of June 30, 2013 and 2012, the swap had a negative fair value of \$26.8 million and \$35.2 million, respectively, an increase in fair value of \$8.4 million occurred during the fiscal year 2012-13. The fair value was recorded in the County's Statement of Net Position as interest rate swap liability and deferred outflow in the assets section. Because the coupons on the Southwest Justice Center Series 2008A Leasehold Revenue Refunding Bonds adjust to changing interest rates, the Bonds do not have a corresponding fair value increase. The fair value was the quoted market price from Wells Fargo Bank, N.A. at June 30, 2013.

*Credit Risks:* The swap counterparty was rated Aa3 by Moody's and AA- by Standard & Poor's as of February 2013. The swap agreement specifies that if the long-term senior unsecured debt rating of Wells Fargo, N.A. is withdrawn, suspended or falls below BBB (Standard & Poor) or Baa2 (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:* The swap exposes CORAL to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the Bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2013, CORAL's rate was 64.0% of LIBOR, or 0.1%, whereas Municipal Swap Index or the reset rate on bonds was 0.1%. The synthetic rate on the bonds at June 30, 2013 was 5.2%.

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

*Swap Payment and Associated Debt:* Using rates as of June 30, 2013, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows (in thousands):

<b>Fiscal Year Ending June 30, 2013</b>	<b>Variable Rate Bonds</b>		<b>Net Swap Payments</b>	<b>Total Interest</b>
	<b>Principal</b>	<b>Interest</b>		
2014	\$ -	\$ 1,099	\$ 2,834	\$ 3,933
2015	-	1,099	2,834	3,933
2016	-	1,078	2,781	3,859
2017	5,160	1,040	2,685	3,725
2018	8,055	1,000	2,580	3,580
2019-2023	17,060	4,309	11,116	15,425
2024-2028	22,235	2,892	7,462	10,355
2029-2033	23,790	1,052	2,709	3,761
2034-2038	-	-	-	-
	<b>\$ 76,300</b>	<b>\$ 13,569</b>	<b>\$ 35,001</b>	<b>\$ 48,571</b>

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Changes in long-term liabilities**

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2013 (in thousands):

	Balance June 30, 2012	New Additions	Payments / Reclas	Balance June 30, 2013	Amounts Due Within One Year
<b>Governmental activities:</b>					
Debt long-term liabilities:					
Bonds payable	\$ 750,492	\$ 17,640	\$ (23,672)	\$ 744,460	\$ 31,019
Capital lease obligations	100,995	6,325	(39,572)	67,748	15,342
Certificates of participation	309,511	-	(27,416)	282,095	28,771
Loans payable	4,925	-	(505)	4,420	530
Total debt long-term liabilities	<u>1,165,923</u>	<u>23,965</u>	<u>(91,165)</u>	<u>1,098,723</u>	<u>75,662</u>
Other long-term liabilities:					
Accreted interest payable	78,823	15,838	-	94,661	-
Compensated absences (a)	166,330	814	(1,416)	165,728	79,682
Estimated claims liabilities (b)	130,438	42,565	(42,084)	130,919	22,993
Accrued remediation costs (c)	2,398	395	-	2,793	113
Total other long-term liabilities	<u>377,989</u>	<u>59,612</u>	<u>(43,500)</u>	<u>394,101</u>	<u>102,788</u>
Total governmental activities – long-term liabilities	<u>\$ 1,543,912</u>	<u>\$ 83,577</u>	<u>\$ (134,665)</u>	<u>\$ 1,492,824</u>	<u>\$ 178,450</u>

- (a) General fund, special revenue fund, and internal service fund are used to liquidate the compensated absences.  
(b) Internal service funds are used to liquidate the estimated claims liabilities.  
(c) General fund is used to liquidate the remediation costs

The following is a summary of business-type activities long-term liabilities transactions for the year ended June 30, 2013 (in thousands):

	Balance June 30, 2012	Additions	Payments / Reclas	Balance June 30, 2013	Amounts Due Within One Year
<b>Business-type activities:</b>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses (a)	\$ 121,061	\$ 96,917	\$ (74,268)	\$ 143,710	\$ 10,675
Capital lease (RMC)	12,055	611	(5,442)	7,224	3,946
Total debt long-term liabilities	<u>133,116</u>	<u>97,528</u>	<u>(79,710)</u>	<u>150,934</u>	<u>14,621</u>
Other long-term liabilities:					
Accreted interest payable	59,984	6,063	(4,934)	61,113	-
Accrued closure and post-closure costs	52,537	1,588	-	54,125	6,978
Compensated absences	21,984	2,535	(458)	24,061	14,514
Accrued remediation costs	37,429	-	(764)	36,665	834
OPEB obligation, net	-	113	-	113	-
Other long-term liabilities (b)	6,795	-	-	6,795	-
Total other long-term liabilities	<u>178,729</u>	<u>10,299</u>	<u>(6,156)</u>	<u>182,872</u>	<u>22,326</u>
Total business-type activities – long-term liabilities	<u>\$ 311,845</u>	<u>\$ 107,827</u>	<u>\$ (85,866)</u>	<u>\$ 333,806</u>	<u>\$ 36,947</u>

**Discretely Presented Component Unit**

Debt long-term liabilities:					
Bonds payable	\$ 78,799	\$ -	\$ (22,554)	\$ 56,245	\$ 5,070
Other long-term liabilities:					
Compensated absences	255	88	(64)	279	161
Total discretely presented component unit – long-term liabilities	<u>\$ 79,054</u>	<u>\$ 88</u>	<u>\$ (22,618)</u>	<u>\$ 56,524</u>	<u>\$ 5,231</u>

- (a) The reduction in bonds payable amount of \$71.2 million includes the refunding of serial bond 1997 B for \$64.3 million during fiscal year 2012-13.  
(b) The Housing Authority (Business-type Activity) has two notes payable, totaling \$6.8 million, under “Other long-term liabilities.”

**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



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Disclosure of Pledged Revenues (Continued)**

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 17.3% to the County and 82.7% to the Inland Empire Tobacco Securitization Authority for Calendar year 2013. During the fiscal year ended June 30, 2013, \$25.7 million was received by the Inland Empire Tobacco Securitization Authority; \$10.0 million, or 39.0%, was distributed to the County per the above agreement, leaving \$15.7 million, or 61.0%, of the specific tobacco settlement revenues available to be pledged (see page 143). 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.

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

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 2013 was \$135.0 thousand (principal) and \$83.0 thousand (interest).

The Housing Authority reports the \$218.0 thousand received each year as revenue. In fiscal year 2012-13, the \$218.0 thousand represented about 0.3% of the total revenues of the Housing Authority. Municipal Bond Insurance Association has issued a surety bond in lieu of a cash funded reserve. The outstanding balance as of June 30, 2013, before applying the deferred charge, was \$1.0 million.

**Proposition 1A Borrowing by the State of California**

Under the provisions of Proposition 1A and as part of the fiscal year 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8.0% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in-lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the County, Flood Control and Park District was \$38.4 million, \$4.2 million and \$386.7 thousand, respectively.

Authorized with the fiscal year 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100.0% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The County participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 15– DEFERRED INFLOWS OF RESOURCES**

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

The largest portions of the County’s deferred inflows of resources are SB90 and Teeter tax loss reserve. SB90 is California Senate Bill 90 of 1972 which established a requirement that the State reimburse local government agencies for the costs of new programs or increased levels of service on programs mandated by the State. Teeter tax loss reserve pursuant to California Revenue and Taxation Code Section 4703 was established as a tax loss reserve fund for covering losses that may occur in the amount of tax liens as a result of special sales of tax defaulted property.

Deferred inflows of resources balances for the year ended June 30, 2013 were as follows:

	Balance <u>June 30, 2013</u>
<b>Governmental type activities:</b>	
General Fund:	
SB 90	\$ 41,356
Teeter tax loss reserve	17,703
Property tax	5,917
Sales tax	<u>1,879</u>
Total general fund	<u>66,855</u>
Flood Control Special Revenue Fund:	
Property tax	<u>1,808</u>
Total governmental type activities	<u><u>\$ 68,663</u></u>
<b>Business type activities:</b>	
Housing Authority Fund:	
Grants received in advance	\$ 722
Waste Management Fund:	
Service concession arrangement	<u>8,396</u>
Total business type activities	<u><u>\$ 9,118</u></u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 16 – FUND BALANCES**

Fund balances that presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (See note 1 for a description of each categories. A detailed schedule of fund balances as of June 30, 2013 is as follows (in thousands):

	<b>Major Funds</b>			
	<b>General</b>	<b>Transportation</b>	<b>Flood Control</b>	<b>Public</b>
	<b>Fund</b>	<b>Special Revenue</b>	<b>Special Revenue</b>	<b>Facilities</b>
		<b>Funds</b>	<b>Funds</b>	<b>Improvements</b>
<b><u>Nonspendable:</u></b>				
Imprest cash	\$ 370	\$ 13	\$ 1	\$ -
Inventories	2,059	1,031	-	-
Permanent	-	-	-	-
Prepays	818	-	-	-
<b>Total nonspendable fund balances</b>	<b>3,247</b>	<b>1,044</b>	<b>1</b>	<b>-</b>
<b><u>Restricted for:</u></b>				
Teeter tax losses	8,813	-	-	-
Recorder modernization	19,315	-	-	-
Public protection	42,860	-	-	1,153
Fire stations	-	-	-	18,769
Roads	-	78,334	-	45,853
Traffic signals	-	-	-	13,353
Capital projects improvement program	-	-	-	18,285
Public facilities	182	-	-	35,343
Public assistance programs	4,019	-	-	-
Health and sanitation services	17,317	-	-	-
Housing assistance programs	-	-	-	-
Parks and recreation	-	-	-	20,433
Education	-	-	-	-
Debt service	2,387	-	-	-
Other purposes	6,547	-	-	-
Encumbrances	-	793	-	215
<b>Total restricted fund balances</b>	<b>101,440</b>	<b>79,127</b>	<b>-</b>	<b>153,404</b>
<b><u>Committed to:</u></b>				
Property tax system	6,128	-	-	-
Disaster relief	15,000	-	-	-
Public assistance	4,462	-	-	-
Public protection	9,982	812	253,117	-
Health and sanitation services	1,849	133	-	-
Parks and recreation	-	-	-	-
Other capital projects	1,000	-	-	412
Other purposes	3,762	365	-	1,500
<b>Total committed fund balances</b>	<b>42,183</b>	<b>1,310</b>	<b>253,117</b>	<b>1,912</b>
<b><u>Assigned to:</u></b>				
Public protection	-	-	-	-
Roads	-	12,820	-	17,003
Emergency safety communication system	-	-	-	-
Capital projects improvement program	-	-	-	25,205
Public assistance	-	-	-	-
Other capital projects	-	-	-	-
Other purposes	-	-	1,807	-
Encumbrances	10,460	1	-	2,036
<b>Total assigned fund balances</b>	<b>10,460</b>	<b>12,821</b>	<b>1,807</b>	<b>44,244</b>
<b><u>Unassigned fund balances</u></b>	<b>199,919</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total fund balances</b>	<b>\$ 357,249</b>	<b>\$ 94,302</b>	<b>\$ 254,925</b>	<b>\$ 199,560</b>



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

<u>Nonmajor Funds</u>						
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Nonmajor Governmental Funds	Total Governmental Funds	
\$ 108	\$ -	\$ -	\$ -	\$ 108	\$ 492	<b><u>Nonspendable:</u></b>
-	-	-	-	-	3,090	Imprest cash
-	-	-	473	473	473	Inventories
7	-	580	-	587	1,405	Permanent
115	-	580	473	1,168	5,460	Prepays
						<b>Total nonspendable fund balances</b>
-	-	-	-	-	8,813	<b><u>Restricted for:</u></b>
-	-	-	-	-	19,315	Teeter tax losses
8,169	-	-	-	8,169	52,182	Recorder modernization
3,979	-	-	-	3,979	22,748	Public protection
2,400	-	-	-	2,400	126,587	Fire stations
14,263	-	-	-	14,263	27,616	Roads
-	-	5,686	-	5,686	23,971	Traffic signals
5,590	-	-	-	5,590	41,115	Capital projects improvement program
5,215	-	-	-	5,215	9,234	Public facilities
7,058	-	-	-	7,058	24,375	Public assistance programs
3,165	-	-	-	3,165	3,165	Health and sanitation services
-	-	8,857	-	8,857	29,290	Housing assistance programs
24,638	-	-	-	24,638	24,638	Parks and recreation
-	79,951	-	-	79,951	82,338	Education
4,788	-	145	36	4,969	11,516	Debt service
612	-	-	-	612	1,620	Other purposes
79,877	79,951	14,688	36	174,552	508,523	Encumbrances
						<b>Total restricted fund balances</b>
-	-	-	-	-	6,128	<b><u>Committed to:</u></b>
-	-	-	-	-	15,000	Property tax system
9,104	-	-	-	9,104	13,566	Disaster relief
-	-	-	-	-	263,911	Public assistance
-	-	-	-	-	1,982	Public protection
6,659	-	-	-	6,659	6,659	Health and sanitation services
-	-	151	-	151	1,563	Parks and recreation
-	-	-	-	-	5,627	Other capital projects
15,763	-	151	-	15,914	314,436	Other purposes
						<b>Total committed fund balances</b>
35	-	-	-	35	35	<b><u>Assigned to:</u></b>
-	-	-	-	-	29,823	Public protection
-	-	177	-	177	177	Roads
-	-	4,085	-	4,085	29,290	Emergency safety communication system
405	-	-	-	405	405	Capital projects improvement program
-	-	9,132	-	9,132	9,132	Public assistance
3,186	-	-	-	3,186	4,993	Other capital projects
-	-	68	-	68	12,565	Other purposes
3,626	-	13,462	-	17,088	86,420	Encumbrances
						<b>Total assigned fund balances</b>
-	-	-	-	-	199,919	<b>Unassigned fund balances</b>
<b>\$99,381</b>	<b>\$ 79,951</b>	<b>\$28,881</b>	<b>\$ 509</b>	<b>\$ 208,722</b>	<b>\$ 1,114,758</b>	<b>Total fund balances</b>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 17 – RISK MANAGEMENT**

The County is self-insured for general liability, medical malpractice, and workers' compensation claims. The County records estimated liabilities for general liability, medical malpractice, and workers' compensation claims filed or estimated to be filed for incidents that have occurred. Estimated liability accruals include those incidents that are reported as well as an amount for those incidents that incurred but are not reported (IBNR) at fiscal year end. The funding of these estimates is based on actuarial experience and projections. The County fully self-insures short-term disability and unemployment insurance. Life insurance and long-term disability programs are fully insured. Depending on the plan, group health, dental, and vision may be either self-insured or fully insured.

The County supplements its self-insurance for general liability, medical malpractice, and workers' compensation with catastrophic excess insurance coverage. General liability utilizes a policy providing coverage on a per occurrence basis. Limits under the policy are \$10.0 million, subject to a self-insured retention (SIR) of \$1.0 million for each occurrence. A SIR is a form of a deductible. The County also purchases an additional \$15.0 million per occurrence in excess of the \$10.0 million for a total of \$25.0 million in limits. Medical malpractice utilizes an excess policy providing coverage on a per occurrence basis. Limits under the malpractice policy are \$20.0 million subject to a SIR of \$1.1 million. The maximum limit under the excess workers' compensation, Section A, is statutory (unlimited); Section B, employer liability is \$5.0 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 per occurrence deductible; flood coverage is subject to a 2.0% deductible per unit within a 100-year flood zone and \$25.0 thousand per unit deductible outside a 100-year flood zone. (A 'unit' is defined as; a separate building, contents in a separate building, property in the open (yard) or, time element coverage in a separate building.) The County's property is categorized into four Towers and 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 \$82.5 million with an additional \$275.0 million excess rooftop limit available to any one Tower. The excess rooftop limit may be triggered during the policy year if a covered earthquake event somewhere in the state has depleted the initial underlying limits. Earthquake coverage is subject to a deductible equal to 5.0% of replacement cost value per unit subject to a \$100.0 thousand minimum per unit. 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 (ISF). Accordingly, estimated liabilities for claims, including loss adjustment expenses, filed or to be filed, for incidents that have occurred through June 30, 2013 are reported in these funds. Where certain ISF funds have an accumulated deficit or insufficient reserves, the County provides funding to reduce the deficit and increase the reserves. If the funding is above the Board of Supervisors approved 70.0% confidence level, an appropriate reduction in funding including a one-time holiday on department charges may be granted. For fiscal year 2013-14 the Board of Supervisors approved continued reduced funding at slightly below the 55.0% confidence level for the General Liability ISF and at 55.0% for the Workers' Compensation ISF. Funding for the Medical Malpractice ISF was approved to return to the 70.0% confidence level. Revenues for these Internal Service Funds are primarily provided by other County departments and are intended to cover the self-insured claim payments, insurance premiums, and operating expenses. The revenue is not used to cover catastrophic events and other uninsured liabilities. Cash available in the Risk Management and Workers' Compensation Internal Service Funds at June 30, 2013 plus revenues to be collected during fiscal year 2013-2014 are expected to be sufficient to cover all fiscal year 2013-2014 payments. The carrying amount of unpaid claim liabilities is \$130.9 million. The liabilities are discounted at 2.5% for general liability and medical malpractice and 3.0% for workers' compensation.

	<u>June 30, 2012</u>	<u>June 30, 2013</u>
Unpaid claims, beginning of year	\$ 124,717	\$ 130,438
Increase (decrease) in provision for insured events of prior years	7,199	(2,148)
Incurred claims for current year	33,584	44,713
Claim payments	<u>(35,062)</u>	<u>(42,084)</u>
Unpaid claims, end of year	<u>\$ 130,438</u>	<u>\$ 130,919</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 18 – 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) and Low Income Health Plan (LIHP). Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. In addition, net patient service revenue includes a provision for doubtful accounts and estimated retroactive adjustments under reimbursement agreements with federal and state government programs and other third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed at a per diem rate based upon estimated certified public expenditures (CPEs) and outpatient services are reimbursed under a schedule of maximum allowable reimbursement provided by the California Department of Health Care Services. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed based upon pre-established rates for diagnostic-related groups. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology subject to payment caps and indexing formulas. 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 2010 and Medi-Cal cost reports through June 30, 2011. The Regional Medical Center has received notices of program reimbursement (NPR), a written notice reflecting the intermediary's final determination of the total amount of reimbursement due the medical center for Medicare through June 30, 2008 and for Medi-Cal, the Regional Medical Center has received NPR through June 30, 2010.

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 CPEs up to 50 percent of costs or Federal Medical Assistance Program (FMAP) rate. The Regional Medical Center has recorded net patient revenue of \$107.2 million for SB 1100 for the year ended June 30, 2013, of which \$41.5 million is from the Delivery System Reform Incentive Program (DSRIP), a waiver incentive based payment component of the Section 1115 Medicaid Waiver.

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 19 – JOINTLY GOVERNED ORGANIZATIONS**

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

A representation of the jointly governed organizations on which the County served at June 30, 2013 follows:

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

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 19 – 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 were 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 were formed in January 2004 with the responsibility of issuing the permits required to implement the Multi-Species Habitat Conservation Plan, which will ultimately create a 500,000-acre reserve system in the County. The conservation plan's proposed reserve system protects habitat for 146 varieties of species.

Coachella Valley Conservation Commission (CVCC) was formed in October 2005. The CVCC is a Joint Powers Agreement Agency comprised of the cities of Coachella, Cathedral City, Desert Hot Springs, Indian Wells, Indio, La

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

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 of the significant new MAP (million air passengers) that would have to be absorbed at other airports if LAX's future MAP is reduced.

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

On January 10, 2011, as part of the statewide budget process, Governor Brown proposed the elimination of Redevelopment Agencies (RDA) throughout California starting Fiscal Year 2011-2012. On December 29, 2011, after a period of litigation, the State of California Assembly Bill ABX1 26 was upheld by the California Supreme Court, and RDAs were officially dissolved as of February 01, 2012. The Riverside County Board of Supervisors accepted the designation as Successor Agency for the Redevelopment Agency for the County of Riverside pursuant to CA Health and Safety Code section 34171(j), and transferred the responsibility of all housing functions previously performed by the Redevelopment Agency for the County of Riverside to the Housing Authority of the County of Riverside.

**NOTE 20 – RETIREMENT PLAN**

**Plan Descriptions**

The County of Riverside (County), Flood Control and Water Conservation District (Flood Control), Regional Park and Open-Space District (Park District) and Waste Management Department (Waste Management) contract with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits to its employees. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and plan beneficiaries. CalPERS is a common investment and administrative agent for participating public entities within the State of California. State statutes governed by the Public Employees' Retirement Law (PERL), have established benefit provisions as well as other requirements. The County may select from a variety of optional benefit provisions offered by CalPERS. Upon selecting the benefit provisions and entering into a contractual agreement with CalPERS, the benefit provisions may be adopted through local ordinance.

CalPERS issues a comprehensive annual financial report (CAFR) which details its plan assets, liabilities, and plan activity. The County receives an annual valuation report which summarizes plan assets, liabilities and employer rates for its plans. Under GASB Statement No. 27, both the County (Miscellaneous and Safety) and Flood Control are considered single-employer defined benefit pension plans, while the Park District and Waste Management are considered cost-sharing multi-employer defined benefit pension plans due to their pooling composite. Copies of the CalPERS Annual Financial Report may be obtained from: CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

**Funding Policy**

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

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



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Public Employees’ Pension Reform Act (PEPRA)**

For some time, pension reform has been a topic of debate at local and national levels. Riverside County took the lead in initiating pension reform with its bargaining units. As a result of bargaining, County employees were required to pay their Employee Paid Member Contribution (EPMC), and a new retirement Tier (Tier II) was added to both the Miscellaneous and Safety units of the County. At the same time, Governor Brown initiated proposals that resulted in changes to the pension benefits. Due to the recent passage of Assembly Bill (AB) 340, which created the Public Employees’ Pension Reform Act (PEPRA), new lower retirement benefit formulas, final compensation periods, and new contribution requirements were implemented for new employees hired on or after January 1, 2013. The lower retirement benefit formula as a result of PEPRA (Tier) III is 2% at 62 for Miscellaneous and 2.7% at 57 for Safety. Employee contribution rates for Tier III vary based on PEPRA rules. Listed below is a table with the new retirement options and provision changes.

	Plan	EPMC	Earliest Retirement Age	PEPRA Compensation Limits	Final Compensation	Effective Date
County Plan Tier I						
Misc.	3.0% at 60	Yes	50	N/A	12 months	N/A
Safety	3.0% at 60	Yes	50	N/A	12 months	N/A
County Plan Tier II						
Misc.	2.0% at 60	No	50	N/A	36 months	8/23/2012
Safety	2.0% at 60	No	50	N/A	36 months	8/23/2012
County Plan Tier III(PEPRA)						
Misc.	2.0% at 62	No	52	\$ 113,700	36 months	1/1/2013
Safety	2.7% at 57	No	50	136,440	36 months	1/1/2013

**Early Retirement Incentive**

In fiscal year 2009-10, the County’s Board of Supervisors authorized three early retirement incentives for all Miscellaneous and Safety members, excluding Elected Officials covered by the CalPERS Local Miscellaneous and Local Safety contracts (see table below for participation detail). The Early Retirement Incentives offered eligible employees who elected to retire within a designated time period specified by the County, two additional years of service. Eligibility provisions for the Early Retirement Incentive required employees to be in specified job classifications, attainment of at least age 50, and completion of five (5) or more years of service credit with the County.

The County has the option to pay for the cost of each early retirement incentive in a single payment or spread the cost over a 20-year period. The County has elected to pay the cost over a 20-year period. The additional cost will result in increased employer contribution rates and will be payable two years after the end of the fiscal year in which the early retirement incentive window closes.

**Early Retirement Incentive Table**

Early Retirement Incentive	Window Periods	Total Eligible Employees	Employees Electing Early Retirement Incentive	Estimated Increase in Employer Contribution Rate	FY in Which Employer Contribution Rate will Increase
Local Miscellaneous	01/01 - 03/31/2009	3,400	678	0.4%	2011/2012
Local Safety	07/11 - 10/08/2009 <sup>(1)</sup> 07/15 - 10/13/2009 <sup>(2)</sup>	653	151	0.4%	2012/2013
Local Miscellaneous	02/11 - 08/09/2010	3,597	578	0.3%	2013/2014

(1) =District Attorney (2)=Sheriff

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**For fiscal year 2012/13, the employer and employee contribution rates were:**

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
County contribution rates:					
County Tier I	13.3%	22.4%	15.5%	17.1%	19.1%
County Tier II	13.3%	22.4%	15.5%	8.6%	N/A
County Tier III	13.3%	22.4%	15.5%	6.7%	N/A
Plan Members contribution rates					
County Tier I	8.0%	9.0%	8.0%	8.0%	8.0%
County Tier II	7.0%	9.0%	7.0%	7.0%	N/A
County Tier III	6.5%	10.8%	6.5%	6.5%	N/A

**Annual Pension Cost**

For fiscal year 2012-13, the annual pension costs for CalPERS is equal to the employer's required and actual contributions as noted below (dollar amounts in thousands):

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
Annual required contribution	\$ 112,615	\$ 62,059	\$ 2,767	\$ 851	\$ 478
Interest on net pension obligation (asset)	(26,492)	(7,297)	(140)	-	-
Adjustment to annual required contribution	19,775	5,447	364	-	434
Annual pension cost	105,898	60,209	2,991	851	912
Contributions made	(112,615)	(62,059)	(2,852)	(851)	(478)
Increase (decrease) in net pension obligation (asset)	(6,717)	(1,850)	139	-	434
Net pension obligation (asset) beginning of year	(341,828)	(94,160)	(1,806)	-	(1,082)
Net pension obligation (asset) end of year	\$ (348,545)	\$ (96,010)	\$ (1,667)	\$ -	\$ (648)

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 20 – 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, 2011	\$ 94,039	106.9 %	\$ (335,240)
	June 30, 2012	101,805	106.5	(341,828)
	June 30, 2013	105,898	106.3	(348,545)
County - Safety	June 30, 2011	49,297	103.6	(92,346)
	June 30, 2012	56,859	103.2	(94,160)
	June 30, 2013	60,209	103.1	(96,010)
Flood Control	June 30, 2011	2,255	93.8	(1,945)
	June 30, 2012	2,710	94.9	(1,806)
	June 30, 2013	2,991	95.4	(1,667)
Park District	June 30, 2011	585	100.0	-
	June 30, 2012	793	100.0	-
	June 30, 2013	851	100.0	-
Waste Management	June 30, 2011	865	49.8	(1,516)
	June 30, 2012	937	53.7	(1,082)
	June 30, 2013	912	52.4	(648)

**Actuarial Methods and Assumptions**

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

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
Actuarial valuation	6/30/2012	6/30/2012	6/30/2012	6/30/2012	6/30/2012
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll, Open	Level Percent of Payroll, Open	Level Percent of Payroll, Open	Level Percent of Payroll, Open	Level Percent of Payroll, Open
Remaining amortization period	24 years as of the Valuation Date	25 years as of the Valuation Date	25 years as of the Valuation Date	18 years as of the Valuation Date	18 years as of the Valuation Date
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	7.5%	7.5%	7.5%	7.5%	7.5%
Projected salary increases*	3.3%-14.2%	3.3%-14.2%	3.3%-14.2%	3.3%-14.2%	3.3%-14.2%
Inflation	2.8%	2.8%	2.8%	2.8%	2.8%
Payroll growth	3.0%	3.0%	3.0%	3.0%	3.0%



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Funded Status and the Funding Progress**

The following is funded status information for each plan as of June 30, 2013, which is the most recent actuarial valuation date (dollar amounts in thousands):

	Actuarial Value of Assets (a)	Actuarial Accrued 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	\$ 4,172,401	\$ 4,708,882	\$ 536,481	88.61 %	\$ 836,418	64.14 %
County - Safety	1,860,614	2,086,406	225,792	89.18	261,704	86.28
Flood Control	110,089	131,966	21,877	83.42	15,151	144.39
Park District**	903,411	1,081,962	178,551	83.50	153,162	116.58
Waste Management**	903,411	1,081,962	178,551	83.50	153,162	116.58

\*\* The amounts disclosed reflect the entire Risk Pool fund in which Park District and Waste Management are included and does not represent their specific assets and liabilities. CalPERS Risk Pool valuation does not report specific assets and liabilities separately.

The Schedule of Funding progress presented as required supplementary information (RSI), following the notes to the financial statements, presents multi-year trend information on whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

**NOTE 21 – DEFINED BENEFIT PENSION PLAN**

**Plan Descriptions and Contribution Information**

*Plan Description.* The County provides an IRS Section 401(a) single-employer defined benefit employee pension plan for Part-Time and Temporary employees (the Plan) who are not eligible for Social Security or CalPERS retirement benefits through the County. This Plan is self-funded and self-administered. Effective July 20, 2010, the County Board of Supervisors appointed U.S. Bank as the Plan’s Investment Consultant, Investment Manager and Trustee. Contributions made to the Plan are deposited with U.S. Bank, who maintains the responsibility of investing contributions in a diversified portfolio and reported at fair value. Participants are immediately 100% vested in the Plan upon enrollment. No financial report has been issued separately for public view under Defined Benefit Pension Plan.

*Contributions.* Participants in the Plan are required to contribute 3.75% of their compensation to the Plan. According to the July 01, 2012 valuation, the County’s current required contribution rate is 1.00%, however, the County elected to contribute 1.79 % of payroll in order to obtain a 90% target funded ratio within 5 years. The Plan’s current funded ratio is 97.3%. The Plan actuary periodically calculates the minimum recommended employer contribution rate through preparation of an actuarial valuation report and the County determines the contribution rates. Administrative costs of the Plan are paid by the Trustee from Plan assets.

Membership for the plan consisted of the following at July 1, 2012, the date of the latest actuarial valuation:

Number of Participants:	
Active plan members	1,956
Terminated and inactive members	6,273
Retirees	156
Total	<u>8,385</u>

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 21 – 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.* Prior to the transition to U.S. Bank, investments of the pension trust were fully invested in the County pool and reported at fair value. On September 28, 2010 Plan Investments were transferred to the new Trustee and Investment Manager, U.S. Bank. U.S. Bank invests Plan funds according to the Plan's Investment Policy. As of June 30, 2013, assets were invested in cash equivalents (1.0%), equities (68.3%), fixed income (30.6%), and accrued income (0.1%).

Schedule of Annual Pension Cost and the Net Pension Obligation (NPO) for 2013 and the two preceding years were as follows (dollar amounts in thousands):

Fiscal Year Ending	Annual Required Contribution (ARC)	Interest on NPO	Adjustment to the ARC	Annual Pension Cost	Actual Contribution	NPO End of Year	Percentage Contributed
2011	\$ 156	\$ (176)	\$ 275	\$ 255	\$ 425	\$ (3,685)	166.67 %
2012	160	(240)	(747)	(827)	559	(5,071)	(68.00)
2013	622	(330)	446	738	946	(5,279)	128.00

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

Annual required contribution	\$ 622
Interest on net pension obligation (asset)	(330)
Adjustment to annual required contribution	446
Annual pension cost	738
Contributions made	(946)
Increase (decrease) in net pension obligation (asset)	(208)
Net pension obligation (asset) beginning of year	(5,071)
Net pension obligation (asset) end of year	<u><u>\$ (5,279)</u></u>

**Schedule of Funding Progress**

The funded status of the Plan as of July 1, 2012, 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, 2010	\$ 19,992	\$ 23,633	\$ 3,641	84.59 %	\$ 41,284	8.82 %
July 1, 2011	23,063	27,079	4,016	85.17	33,657	11.93
July 1, 2012	23,654	24,307	653	97.31	32,424	2.01

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

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

**Actuarial Methods and Assumptions**

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

Valuation date	7/1/2012
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 22 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**Plan Descriptions**

The County of Riverside (County) and its Special Districts: Flood Control and Water Conservation District (Flood Control); Regional Parks and Open-Space District (Park District); and Waste Management offer post employment benefits to eligible County retirees. Benefit provisions are established and amended through negotiations between the County and the various bargaining units.

The post employment benefits provide:

- The County provides retiree medical benefits for eligible retirees enrolled in County sponsored plans. The benefits are provided in the form of:
  - Monthly County contributions toward the retiree’s medical premium, and
  - Monthly contributions of \$25 per month to the Riverside Sheriffs’ Association (RSA) Benefit Trust for RSA law enforcement retirees.
- Previously, the County allowed certain retirees to receive coverage prior to age 65 by paying premiums that were developed by blending active and retiree costs, which resulted in an implicit subsidy to retirees. The implicit subsidy has been discontinued since January 1, 2011.

A qualified Internal Revenue Code Section 115 Trust has been established for the County and Special Districts, with the exception of Waste Management, with the California Employers’ Retiree Benefit Trust (CERBT) for the purpose of receiving employer contributions that will prefund health and other post employment costs for retirees and their beneficiaries. The CERBT administers each plan’s assets and issues a financial report available for public review, which includes financial statements and required supplementary information for the trust fund. The CERBT report may be obtained from CalPERS Affiliate Programs Services Division, CERBT (OPEB), P.O. Box 1494 Sacramento, CA 95812-1494.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 22 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Funding Policy and Annual OPEB Cost**

It is the policy of the County of Riverside, along with the special districts (Park District and Flood Control) to fully contribute an amount at least equal to the Annual Required Contribution (ARC), as determined by the Post Retirement Benefits Actuarial Valuation Study for each trust. To facilitate funding for the ARC, the County has developed a rate structure. It is the policy of the Waste Management to fund the ARC on a 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 bargaining units. The liabilities and annual cost due to the County's contractual agreements to assist with retiree health care cost are calculated in accordance with Government Accounting Standards Board (GASB) Statement No. 45. GASB requires an Annual Required Contribution (ARC) to be developed each year based on the Plan's assets and liabilities. 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 (12 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	\$403-\$964	\$403-\$964	\$403-\$964	\$403-\$964
Annual required contribution	\$ 2,615	\$ 21	\$ 1	\$ 113
Interest on net OPEB obligation	(1,920)	(37)	(21)	(4)
Adjustment to annual required contribution	1,577	29	16	8
Annual OPEB cost	<u>2,272</u>	<u>13</u>	<u>(4)</u>	<u>117</u>
Contributions made	<u>(5,011)</u>	<u>(69)</u>	<u>(4)</u>	<u>(4)</u>
Increase in net OPEB obligation (asset)	(2,739)	(56)	(8)	113
Net OPEB obligation (asset) beginning of year	(22,836)	(483)	(277)	-
Net OPEB obligation (asset) end of year	<u>\$ (25,575)</u>	<u>\$ (539)</u>	<u>\$ (285)</u>	<u>\$ 113</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 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	06/30/11	\$ 3,012	203.0 %	\$ (21,118)
	06/30/12	2,119	181.1	(22,836)
	06/30/13	2,272	220.6	(25,575)
Flood Control	06/30/11	38	505.2	(429)
	06/30/12	16	437.5	(483)
	06/30/13	13	530.8	(539)
Park District	06/30/11	4	1,050.0	(271)
	06/30/12	(2)	200.0	(277)
	06/30/13	(4)	100.0	(285)
Waste Management	06/30/11	135	17.8	49
	06/30/12	(26)	88.4	-
	06/30/13	117	3.4	113

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 22 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

**Funded Status and Funding Progress**

The following is funded status information for each plan as of June 30, 2013, which is the most recent actuarial valuation date (dollar amounts in thousands):

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Actuarial accrued liability (a)	\$ 42,850	\$ 494	\$ 139	\$ 982
Actuarial value of plan assets (b)	<u>22,572</u>	<u>321</u>	<u>232</u>	<u>-</u>
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ 20,278</u>	<u>\$ 173</u>	<u>\$ (93)</u>	<u>\$ 982</u>
Funded ratio (b) / (a)	52.68%	64.98%	166.91%	0.00%
Covered payroll (c)	\$ 1,026,755	\$ 15,339	\$ 4,871	\$ 2,495
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) - (b)) / (c)	1.97%	1.13%	-1.91%	39.36%

Actuarial valuations are 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 (ARC) of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are projected about the future. The required schedule of funding progress, presented as required supplementary information, provides multi-year trend information reflecting 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. 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. The significant costing methods and projected assumptions were as follows:

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Actuarial valuation date	7/1/2012	7/1/2012	7/1/2011	7/1/2012
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage of Payroll, open	Level percentage of Payroll, open	Level percentage of Payroll, open	Level percentage of Payroll, close
Remaining amortization period	30 years	30 years	30 years	10 years
Actuarial assumptions:				
Investment rate of return	7.61%	7.61%	7.61%	4.5%
Projected salary increases	3.00%	3.00%	3.25%	3.00%
Healthcare inflation rate (initial)	5.00%	10.00%	10.00%	10.00%
Healthcare inflation rate (ultimate)	5.00%	5.00%	5.00%	5.00%
Inflation rate	3.00%	3.00%	3.25%	3.00%

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 23 – COMMITMENTS AND CONTINGENCIES**

**Lawsuits and Other Claims**

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

*Property Tax Administration Fee*

On July 7, 2010, the Court of Appeal of the State of California issued a decision in favor of the cities and against the County of Los Angeles in a case brought by 47 cities regarding the calculation of Property Tax Administration Fees (PTAF). The legal issue in dispute is whether counties can include “flip” and “swap” revenues in the calculation of administrative costs that counties recover from cities. At the trial court level, the court-appointed Referee had concluded that the County of Los Angeles’ calculation of the PTAF starting in fiscal year 2006-07 comported with Section 97.75 of California’s Revenue and Taxation Code. The Court of Appeal reversed the judgment and remanded for further proceedings, holding that the County of Los Angeles’ method of calculating its fee under Section 97.75 was unlawful. It is expected that the County of Los Angeles will petition the California Supreme Court for review. In the opinion of management, the decision to the case is significant for the County of Riverside because of similar claims against this County. The potential financial impact to the County related to the outcome of this case averages approximately \$7.2 million in tax administration fees for fiscal year 2006-07 through fiscal year 2011-12. The outstanding balance as of June 30, 2013 was \$4.8 million.

*County of Riverside Redevelopment Successor Agency*

It is reasonably possible that the State Department of Finance could invalidate some but not all of the obligations reported on the Successor Agency’s Recognized Obligation Payment Schedule (ROPS). Sec. 34171 (d) (1) of the Health and Safety Code recognizes bonds as enforceable obligations, as defined by Section 33602 and bonds issued pursuant to Section 58383 of the Government Code, including the required debt service. The majority of the total outstanding obligations reported on the ROPS of the Successor Agency to the RDA (92.0%) consist of bond debt service payments. The range of potential loss of revenue is only between \$0 to \$126.6 million spread over the remaining life of the Successor Agency through 2045.

**Federal Grant Revenue**

Compliance examinations for the fiscal year ended June 30, 2012, 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 2012-13 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2014.

**Commitments**

At June 30, 2013 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. \$77.8 million will be payable upon future performance under the contracts.

**Landfill Construction and Consulting Contracts**

The Waste Management Department 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 Management expects to complete the installation of several landfill liners over the next five years and estimates additional future costs to be \$17.9 million. These additional costs will be capitalized as the costs are incurred.

**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

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

**Remediation Contingencies**

*Governmental Funds*

Release of gasoline and diesel fuel has been reported at seven underground storage tanks. Orders have been issued by the California Regional Water Quality Control Board (CRWQCB) to assess and cleanup these sites by specific dates. It has determined the remediation plan and monitoring action are required. In addition to groundwater contamination, asbestos has been found in six facilities. As of June 30, 2013 the Governmental Activities reflect a \$2.8 million accrued remediation liability (Note 14). The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations and other factors that could result in revisions to these estimates.

*Enterprise Funds*

Waste Management is presently aware of groundwater contamination at nine of its landfills, six of which are closed. Waste Management is also aware of air/gas contamination at 17 landfills, 11 of which are closed. Based on engineering studies, Waste Management estimates the present value of the total costs of corrective action for foreseeable contaminate releases at \$31.1 million. At June 30, 2013, Waste Management has accrued \$36.7 million for the estimated costs related to the remediation of these landfills. Remediation expense for fiscal year 2013 results from current estimates and current actual expenses.

Waste Management 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 \$23.1 million are held for these purposes at June 30, 2013 and are classified as Accrued Remediation in the statements of net position.

**NOTE 24 – SUBSEQUENT EVENTS**

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

On July 1, 2013, the County issued \$250.0 million in Tax and Revenue Anticipation Notes in the form of Series A due March 31, 2014 and series B due June 30, 2014. The stated interest rate for the A bonds is set at 2.0% per annum with a yield of 0.16%. The interest rate for the B Bond is set at 2.0% per annum with a yield of 0.18%. Portions of the note proceeds were used to prepay CalPERS contributions for fiscal year 2013-14 in the amount of \$86.6 million. Between the prepayment discount of 3.6%, and earnings on cash flow the County expects to net \$3.2 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 2014 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2014 general fund expenditures, including current expenditures, capital expenditures, and the discharge of other obligations or indebtedness of the County.

**Riverside County Bonds and Certificates of Participation**

On October 2013, Fitch, one of the three major credit ratings, has assigned the County's bonds and certificates of participation ratings as follows:

- Riverside County implied general obligation (GO) bond rating at 'AA-',
- Riverside County pension obligation bonds (POB-series 2005A) at 'A+'.
- Riverside County certificates of participation (COPs- series 2003, 2003A, 2003B, 2005A, 2005B, 2007A, 2007B, 2009) at 'A+'.
- Riverside County Asset Leasing Corporation certification of participation (CORAL- COPS/series 2006A and lease revenue bonds (LRBs), series 1993B, 1997A, 1997B, 1997C, 2000A) at 'A+'.
- Riverside County Palm Desert Financing Authority lease revenue bonds (LRBs) (series 2003A) at 'A+'.
- Southwest Communities Financing Authority lease revenue bonds (LRBs) (series 2008A) at 'A+'.



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 24 – SUBSEQUENT EVENTS (Continued)**

**Riverside County Bonds and Certificates of Participation (Continued)**

Fitch's reasoning is summarized in the following paragraphs:

Riverside County's economy is large, diversified and well-situated for long-term growth. However, the County continues to report below-average income levels, a distressed housing market that has only recently shown signs of recovery, leaving a tax that has contracted significantly since its peak.

The County's housing market was one of the worst affected in the nation, with average home values falling 55.0% to a trough value of \$196.6 thousand in fiscal year 2012 from their \$433.0 thousand peak in fiscal year 2006. These severe price declines caused a cumulative multi-year property tax base contraction of 15.7% from fiscal years 2009-2013. Recently, the housing market has posted solid price gains, and fiscal year 2014 assessed value (AV) increased 3.9%.

The County's hospital enterprise is facing a significant structural deficit that may drain the enterprise's limited cash resources and necessitate internal cash flow borrowing. However, management is working to reduce the deficit, and a recent consultant report suggests the enterprise may turn cash flow positive in 12-18 months if recommended reforms are implemented.

Sales tax revenue derive from a large and diverse base and are in the third year of improvement. The recession caused severe cumulative declines of roughly 25.0% from fiscal years 2006-2009, but revenue have increased in each year since hitting bottom. The recovering economy and recently positive trends in the housing market, if sustained, could bode well for sales tax revenues moving forward.

**Teeter Obligation Notes, Series D and E**

On October 2, 2013, the County issued \$118.1 million in 2013 Teeter Obligation Notes, series D (Tax-Exempt) and \$1.6 million in 2013 Teeter Obligation Notes, Series E (Taxable) to refund a portion of the outstanding 2012 Teeter Obligation Notes, series D, and fund in advance of unpaid property taxes for agencies participating in the County's Teeter Plan. The 2013 Notes bear an interest rate of 2.0% for 2013 Teeter Obligation Note, series D and an interest rate of .4% for 2013 Teeter Obligation Note, Series E and a maturity date of October 15, 2014 when the existing Letter of Credit will expire.

**The Effects of the Economy on CalPERS**

Based on past performance of the CalPERS fund, CalPERS has estimated the County's miscellaneous and safety contribution rates for fiscal year 2013-14 will be 15.0% and 23.4%, respectively. Fiscal year 2014-15 contribution rates for miscellaneous and safety are estimated at 14.5% and 21.9%, respectively. They will be accounted for in fiscal year 2012-13 and future budget years.

**County of Riverside Asset Leasing Corp (CORAL)**

On July 17, 2013, CORAL issued \$66.0 million in lease revenue bonds (2013 series A Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) to provide money to acquire, construct, improve, furnish, and equip buildings that will house the offices for the County of Riverside's Public Defender, Probation Department, and Information and Technology Department; (ii) fund a reserve funds for the 2013 bonds; and (iii) pay cost of issuance in connection with the issuance of the 2013 bonds. The issuance resulted in a net premium of \$581.8 thousand.

**Riverside County Regional Medical Center**

For fiscal year 2012-13, RMC had a going concern regarding their fiscal wellbeing according to their notes on their financial statements. The County's Regional Medical Center system has been a growing source of budgetary stress in the past two years with operating deficits budgeted and forecasted over the next several years. Despite some near term fiscal improvements in net revenues related to the implementation of Healthcare Reform starting in January 14,



**COUNTY OF RIVERSIDE**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2013**

**NOTE 24 – SUBSEQUENT EVENTS (Continued)**

**Riverside County Regional Medical Center (Continued)**

noticeable increases in the cost of labor, increases in the cost of pharmacy amid a lack of growth in patient census has impacted the Regional Medical Center's operating results. It is our belief that in order to maintain solid operating results going forward that market-driven alignments will be necessary in order for the Medical Center to set the stage for another period of growth.

On May 7, 2013, the County Board of Supervisors approved an agreement with Huron Consulting Services LLC (Huron) to develop a strategic and financial performance improvement plan for the future direction of the Riverside County Health and Mental Health delivery system. On November 5, 2013, Riverside County Board of Supervisors approved a longer term agreement with Huron Consulting Services LLC to implement the Strategic Plan they presented to the County Board of Supervisors which include considerations for strategic partnerships, joint ventures, and alignments with other healthcare providers and targets to improve the bottom line of the Regional Medical Center with the goal of eliminating the Regional Medical Center's need for additional General Fund Support.

County and Regional Medical Center Management is addressing the structural financial deficits with Huron and have targeted aggressive revenue improvement and savings goals.

Finally, the Regional Medical Center has also recruited and hired a new Chief Executive Officer, Lowell Johnson, who specializes in hospital turnarounds. He was hired in November 2013 as the first step in the process to execute on the financial turnaround thru improvements in services, revenues and costs.

There is no assurance that the planned turnaround strategy will be successful. Without significant revenue improvements and cost reductions going forward, there is significant doubt that the Regional Medical Center will be able to continue as a going concern without additional County contributions.



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**REQUIRED SUPPLEMENTARY  
INFORMATION**



**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2013**

**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***

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Percentage of Covered Payroll ((b-a)/c)</b>
June 30, 2010	\$ 3,652,861	\$ 4,097,192	\$ 444,331	89.16 %	\$854,932	51.97 %
June 30, 2011	3,923,499	4,461,554	538,055	87.94	812,363	66.23
June 30, 2012	4,172,401	4,708,882	536,481	88.61	836,418	64.14

***Riverside County - Safety***

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered ((b-a)/c)</b>
June 30, 2010	\$ 1,624,730	\$ 1,809,468	\$ 184,738	89.79 %	\$265,165	69.67 %
June 30, 2011	1,745,937	2,032,001	286,064	85.92	273,170	104.72
June 30, 2012	1,860,614	2,086,406	225,792	89.18	261,704	86.28

***Flood Control and Water Conservation District***

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered ((b-a)/c)</b>
June 30, 2010	\$ 98,710	\$ 118,367	\$ 19,657	83.39 %	\$ 15,423	127.45 %
June 30, 2011	104,545	125,474	20,929	83.32	15,585	134.29
June 30, 2012	110,089	131,966	21,877	83.42	15,151	144.39

***Regional Park and Open-Space District\****

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>Percentage of Covered Payroll ((b-a)/c)</b>
June 30, 2010	\$ 754,859	\$ 945,221	\$ 190,362	79.86 %	\$159,157	119.61 %
June 30, 2011	825,991	1,023,127	197,136	80.73	160,900	122.52
June 30, 2012	903,411	1,081,962	178,551	83.50	153,162	116.58

\*The amounts disclosed are for the entire Risk Pool fund in which Regional Park and Open-Space District participates 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, 2013**

**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, 2010	\$ 754,859	\$ 945,221	\$ 190,362	79.86 %	\$159,157	119.61 %
June 30, 2011	825,991	1,023,127	197,136	80.73	160,900	122.52
June 30, 2012	903,411	1,081,962	178,551	83.50	153,162	116.58

\*The amounts disclosed are for the entire Risk Pool fund in which Waste Management Department participates 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, 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
June 30, 2009	19,384	21,402	2,018	90.57	26,550	7.60
June 30, 2010	19,992	23,633	3,641	84.59	41,284	8.82
June 30, 2011	23,063	27,079	4,016	85.17	33,657	11.93
June 30, 2012	23,654	24,307	653	97.31	32,424	2.01

\*\*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 (Asset)
2008	\$ 745	267 %	\$ (1,248)
2009	227	828	(2,901)
2010	226	372	(3,515)
2011	156	167	(3,685)
2012	160	568	(5,071)
2013	622	128	(5,279)

**COUNTY OF RIVERSIDE**  
**Required Supplementary Information**  
**June 30, 2013**

**OPEB - SCHEDULES OF FUNDING PROGRESS**  
(Dollars in thousands)

*Riverside County*

Actuarial Valuation Date	Actuarial Value of Assets (a)	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, 2010	\$ 14,272	\$ 43,158	\$ 28,886	33.07 %	\$ 1,030,030	2.80 %
July 1, 2011	19,460	40,166	20,706	48.45	1,012,698	2.04
July 1, 2012	22,572	42,850	20,278	52.68	1,026,755	1.97

*Flood Control and Water Conservation District*

Actuarial Valuation Date	Actuarial Value of Assets (a)	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, 2010	\$ 113	\$ 588	\$ 475	19.22 %	\$ 15,086	3.15 %
July 1, 2011	269	482	213	55.81	15,600	1.37
July 1, 2012	321	494	173	64.98	15,339	1.13

*Regional Park and Open-Space District*

Actuarial Valuation Date	Actuarial Value of Assets (a)	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, 2008 *	\$ 190	\$ 193	\$ 3	98.45 %	N/A	N/A
January 1, 2009	147	144	(3)	102.08	\$ 4,429	-0.07 %
July 1, 2011 **	232	139	(93)	166.91	4,871	-1.91

\*Estimate only.

\*\* The most recent actuarial valuation.

*Waste Management Department*

Actuarial Valuation Date	Actuarial Value of Assets (a)	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, 2008 *	\$ -	\$ 658	\$ 658	0.00 %	N/A	N/A
January 1, 2009	-	1,089	1,089	0.00	\$ 3,302	32.98 %
July 1, 2012	-	982	982	0.00	2,495	39.36

\*Estimate only.



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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND BUDGETARY  
SCHEDULES**



**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Teeter Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings (loss)	\$ -	\$ -	\$ (155)	\$ (155)
Other revenue	3,936	3,233	4	(3,229)
Total revenues	3,936	3,233	(151)	(3,384)
<b>EXPENDITURES:</b>				
Current:				
General government	3,936	3,853	469	(3,384)
Total expenditures	3,936	3,853	469	(3,384)
Excess (deficiency) of revenues over (under) expenditures	-	(620)	(620)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	703	703	-
Transfers out	-	(83)	(83)	-
Total other financing sources (uses)	-	620	620	-
<b>NET CHANGE IN FUND BALANCE</b>				
Fund balance, beginning of year	-	-	-	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Public Facilities Improvements Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2013**  
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Investment earnings (loss)	\$ 1,150	\$ 1,150	\$ (209)	\$ (1,359)
Rents and concessions	350	350	344	(6)
Aid from other governmental agencies:				
Federal	-	-	28	28
Other	24,102	24,102	24,144	42
Charges for services	42,048	30,931	9,741	(21,190)
Other revenue	16,997	27,242	908	(26,334)
Total revenues	84,647	83,775	34,956	(48,819)
EXPENDITURES:				
Current:				
General government	115,039	116,615	35,406	(81,209)
Public ways and facilities	21,837	15,137	799	(14,338)
Total expenditures	136,876	131,752	36,205	(95,547)
Excess (deficiency) of revenues over (under) expenditures	(52,229)	(47,977)	(1,249)	46,728
OTHER FINANCING SOURCES (USES):				
Transfers in	-	15,449	15,449	-
Transfers out	-	(57,148)	(57,148)	-
Total other financing sources (uses)	-	(41,699)	(41,699)	-
NET CHANGE IN FUND BALANCE	(52,229)	(89,676)	(42,948)	46,728
Fund balance, beginning of year	242,508	242,508	242,508	-
FUND BALANCE, END OF YEAR	\$ 190,279	\$ 152,832	\$ 199,560	\$ 46,728

# **NONMAJOR GOVERNMENTAL FUNDS**



**COUNTY OF RIVERSIDE**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2013**  
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>					
Assets:					
Cash and investments	\$ 98,086	\$ 6,014	\$ 22,367	\$ 509	\$ 126,976
Accounts receivable	322	1,176	-	-	1,498
Interest receivable	30	86	8	-	124
Taxes receivable	1,511	-	-	-	1,511
Due from other governments	8,389	-	181	-	8,570
Due from other funds	-	-	33	-	33
Prepaid items	7	-	580	-	587
Restricted cash and investments	-	72,700	6,215	-	78,915
Advances to other funds	700	-	1,000	-	1,700
Total assets	<u>109,045</u>	<u>79,976</u>	<u>30,384</u>	<u>509</u>	<u>219,914</u>
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 109,045</u>	<u>\$ 79,976</u>	<u>\$ 30,384</u>	<u>\$ 509</u>	<u>\$ 219,914</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>					
Liabilities:					
Accounts payable	\$ 3,968	\$ 25	\$ 546	\$ -	\$ 4,539
Salaries and benefits payable	2,002	-	148	-	2,150
Due to other governments	313	-	-	-	313
Due to other funds	82	-	109	-	191
Deposits payable	333	-	-	-	333
Advances from grantors and third parties	1,966	-	-	-	1,966
Advance from other funds	1,000	-	700	-	1,700
Total liabilities	<u>9,664</u>	<u>25</u>	<u>1,503</u>	<u>-</u>	<u>11,192</u>
Deferred inflows of resources	-	-	-	-	-
Fund balances:					
Nonspendable	115	-	580	473	1,168
Restricted	79,877	79,951	14,688	36	174,552
Committed	15,763	-	151	-	15,914
Assigned	3,626	-	13,462	-	17,088
Total fund balances	<u>99,381</u>	<u>79,951</u>	<u>28,881</u>	<u>509</u>	<u>208,722</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 109,045</u>	<u>\$ 79,976</u>	<u>\$ 30,384</u>	<u>\$ 509</u>	<u>\$ 219,914</u>

**COUNTY OF RIVERSIDE**

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

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2013

(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
<b>REVENUES:</b>					
Taxes	\$ 54,304	\$ -	\$ -	\$ -	\$ 54,304
Licenses, permits and franchise fees	32	-	-	-	32
Fines, forfeitures and penalties	1,140	-	-	-	1,140
Use of money and property:					
Investment earnings (loss)	(70)	1,601	(13)	-	1,518
Rents and concessions	8,186	6,866	-	-	15,052
Aid from other governmental agencies:					
Federal	61,902	-	-	-	61,902
State	4,115	-	181	-	4,296
Other	22,692	-	-	-	22,692
Charges for services	27,965	2,408	2,270	19	32,662
Other revenue	10,916	17,171	74	-	28,161
Total revenues	<u>191,182</u>	<u>28,046</u>	<u>2,512</u>	<u>19</u>	<u>221,759</u>
<b>EXPENDITURES:</b>					
Current:					
General government	29,618	30,720	8,134	-	68,472
Public protection	6,010	-	-	-	6,010
Public ways and facilities	14,826	-	-	-	14,826
Health and sanitation	5,232	-	-	-	5,232
Public assistance	63,793	-	-	-	63,793
Education	18,255	-	-	-	18,255
Recreation and culture	15,038	-	1,206	-	16,244
Debt service:					
Principal	-	40,331	-	-	40,331
Interest	-	22,830	-	-	22,830
Cost of issuance	-	378	-	-	378
Capital outlay	-	1,372	22,334	-	23,706
Total expenditures	<u>152,772</u>	<u>95,631</u>	<u>31,674</u>	<u>-</u>	<u>280,077</u>
Excess (deficiency) of revenues					
Over (under) expenditures	38,410	(67,585)	(29,162)	19	(58,318)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	19,578	71,021	13,763	-	104,362
Transfers out	(69,652)	(1,965)	(2,126)	-	(73,743)
Issuance of refunding bonds	-	17,640	-	-	17,640
Premium on long-term debt	-	759	-	-	759
Redemption of refunded debt	-	(18,155)	-	-	(18,155)
Total other financing sources (uses)	<u>(50,074)</u>	<u>69,300</u>	<u>11,637</u>	<u>-</u>	<u>30,863</u>
Net change in fund balances before					
Extraordinary loss	(11,664)	1,715	(17,525)	19	(27,455)
<b>EXTRAORDINARY ITEMS:</b>					
Extraordinary loss	158,337	-	-	-	158,337
<b>NET CHANGE IN FUND BALANCES</b>					
Fund balances, beginning of year	269,382	78,236	46,406	490	394,514
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 99,381</u>	<u>\$ 79,951</u>	<u>\$ 28,881</u>	<u>\$ 509</u>	<u>\$ 208,722</u>



# **SPECIAL REVENUE FUNDS**



# **COUNTY OF RIVERSIDE**

## **SPECIAL REVENUE FUNDS**

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

### **COMMUNITY SERVICES**

This fund provides financing for public services. Public services provided by this fund group are: Housing and Urban Development (HUD) Community Services Grant, EDA Administration, Community Action Partnership, Job Training Partnership, Office on Aging, USED 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 SUCCESSOR HOUSING 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 former 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 to the Regional Park and Open-Space District.

### **AIR QUALITY IMPROVEMENT**

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

### **IN-HOME SUPPORT SERVICES**

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

### **PERRIS VALLEY CEMETERY DISTRICT**

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

# **COUNTY OF RIVERSIDE**

## **SPECIAL REVENUE FUNDS**

### **OTHER SPECIAL REVENUE**

This fund provides financing to make services available to the public and governmental agencies. At the current time, the other special revenue fund accounts for the following services: Rideshare, 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, 2013**  
**(Dollars in Thousands)**

	Community Services	RDA - Housing Successor Agency	County Service Areas	Regional Park and Open-Space
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Cash and investments	\$ 40,557	\$ -	\$ 20,660	\$ 10,050
Accounts receivable	15	-	-	271
Interest receivable	5	-	10	4
Taxes receivable	1,207	-	171	112
Due from other governments	6,823	-	294	465
Prepaid items	7	-	-	-
Advances to other funds	-	-	-	700
Total assets	<u>48,614</u>	<u>-</u>	<u>21,135</u>	<u>11,602</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 48,614</u>	<u>\$ -</u>	<u>\$ 21,135</u>	<u>\$ 11,602</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 2,060	\$ -	\$ 296	\$ 435
Salaries and benefits payable	1,081	-	191	408
Due to other governments	300	-	2	7
Due to other funds	82	-	-	-
Deposits payable	3	-	51	-
Advances from grantors and third parties	963	-	-	596
Advances from other funds	-	-	-	1,000
Total liabilities	<u>4,489</u>	<u>-</u>	<u>540</u>	<u>2,446</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Nonspendable	76	-	1	7
Restricted	34,541	-	20,588	2,490
Committed	9,104	-	-	6,659
Assigned	404	-	6	-
Total fund balances	<u>44,125</u>	<u>-</u>	<u>20,595</u>	<u>9,156</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 48,614</u>	<u>\$ -</u>	<u>\$ 21,135</u>	<u>\$ 11,602</u>

Air Quality Improvement	In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
					<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>
					Assets:
\$ 345	\$ 1,411	\$ 611	\$ 24,452	\$ 98,086	Cash and investments
-	-	-	36	322	Accounts receivable
-	1	-	10	30	Interest receivable
-	-	6	15	1,511	Taxes receivable
121	477	-	209	8,389	Due from other governments
-	-	-	-	7	Prepaid items
-	-	-	-	700	Advances to other funds
<u>466</u>	<u>1,889</u>	<u>617</u>	<u>24,722</u>	<u>109,045</u>	Total assets
-	-	-	-	-	Deferred outflows of resources
<u>\$ 466</u>	<u>\$ 1,889</u>	<u>\$ 617</u>	<u>\$ 24,722</u>	<u>\$ 109,045</u>	Total assets and deferred outflows of resources
					<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>
					Liabilities:
\$ 15	\$ 1	\$ 16	\$ 1,145	\$ 3,968	Accounts payable
-	66	-	256	2,002	Salaries and benefits payable
-	-	1	3	313	Due to other governments
-	-	-	-	82	Due to other funds
-	-	279	-	333	Deposits payable
-	-	-	407	1,966	Advances from grantors and third parties
-	-	-	-	1,000	Advances from other funds
<u>15</u>	<u>67</u>	<u>296</u>	<u>1,811</u>	<u>9,664</u>	Total liabilities
-	-	-	-	-	Deferred inflows of resources
					Fund balances (Note 16):
-	5	-	26	115	Nonspendable
451	1,817	321	19,669	79,877	Restricted
-	-	-	-	15,763	Committed
-	-	-	3,216	3,626	Assigned
<u>451</u>	<u>1,822</u>	<u>321</u>	<u>22,911</u>	<u>99,381</u>	Total fund balances
<u>\$ 466</u>	<u>\$ 1,889</u>	<u>\$ 617</u>	<u>\$ 24,722</u>	<u>\$ 109,045</u>	Total liabilities, deferred inflows of resources and fund balances

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Special Revenue Funds  
For the Fiscal Year Ended June 30, 2013  
(Dollars in Thousands)

	Community Services	RDA - Housing Successor Agency	County Service Areas	Regional Park and Open-Space
<b>REVENUES:</b>				
Taxes	\$ 48,453	\$ -	\$ 641	\$ 4,267
Licenses, permits, and franchise fees	-	-	-	-
Fines, forfeitures, and penalties	343	-	-	-
Use of money and property:				
Investment earnings (loss)	(95)	75	(22)	(10)
Rents and concessions	1,075	41	14	984
Aid from other governmental agencies:				
Federal	59,206	-	-	1
State	2,331	-	107	164
Other	17,879	-	111	444
Charges for services	2,299	106	9,402	6,530
Other revenue	9,965	106	44	292
Total revenues	<u>141,456</u>	<u>328</u>	<u>10,297</u>	<u>12,672</u>
<b>EXPENDITURES:</b>				
Current:				
General government	14,112	6,233	-	-
Public protection	-	-	1	310
Public ways and facilities	-	-	8,042	-
Health and sanitation	2,439	-	777	-
Public assistance	63,792	-	-	-
Education	18,255	-	-	-
Recreation and culture	194	-	699	14,145
Total expenditures	<u>98,792</u>	<u>6,233</u>	<u>9,519</u>	<u>14,455</u>
Excess (deficiency) of revenues over (under) expenditures	42,664	(5,905)	778	(1,783)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	11,672	-	1,881	1,480
Transfers out	(59,985)	-	(2,499)	(1,957)
Total other financing sources (uses)	<u>(48,313)</u>	<u>-</u>	<u>(618)</u>	<u>(477)</u>
Net change in fund balances before extraordinary items	<u>(5,649)</u>	<u>(5,905)</u>	<u>160</u>	<u>(2,260)</u>
<b>EXTRAORDINARY ITEMS:</b>				
Extraordinary loss	-	158,337	-	-
<b>NET CHANGE IN FUND BALANCES</b>	(5,649)	(164,242)	160	(2,260)
Fund balances, beginning of year	<u>49,774</u>	<u>164,242</u>	<u>20,435</u>	<u>11,416</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 44,125</u>	<u>\$ -</u>	<u>\$ 20,595</u>	<u>\$ 9,156</u>



Air Quality Improvement	In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
\$ -	\$ -	\$ 194	\$ 749	\$ 54,304	REVENUES:
-	-	-	32	32	Taxes
-	-	-	797	1,140	Licenses, permits, and franchise fees
-	(2)	-	(16)	(70)	Fines, forfeitures, and penalties
-	-	-	6,072	8,186	Use of money and property:
-	916	-	1,779	61,902	Investment earnings (loss)
511	803	25	174	4,115	Rents and concessions
-	-	24	4,234	22,692	Aid from other governmental agencies:
-	-	192	9,436	27,965	Federal
-	-	-	509	10,916	State
511	1,717	435	23,766	191,182	Other
					Charges for services
					Other revenue
					Total revenues
-	-	-	9,273	29,618	EXPENDITURES:
311	-	491	4,897	6,010	Current:
-	-	-	6,784	14,826	General government
-	2,016	-	-	5,232	Public protection
-	1	-	-	63,793	Public ways and facilities
-	-	-	-	18,255	Health and sanitation
-	-	-	-	15,038	Public assistance
311	2,017	491	20,954	152,772	Education
					Recreation and culture
					Total expenditures
200	(300)	(56)	2,812	38,410	Excess (deficiency) of revenues over (under) expenditures
-	408	-	4,137	19,578	OTHER FINANCING SOURCES (USES):
(437)	(148)	(94)	(4,532)	(69,652)	Transfers in
(437)	260	(94)	(395)	(50,074)	Transfers out
					Total other financing sources (uses)
(237)	(40)	(150)	2,417	(11,664)	Net change in fund balances before extraordinary items
-	-	-	-	158,337	EXTRAORDINARY ITEMS:
(237)	(40)	(150)	2,417	(170,001)	Extraordinary loss
688	1,862	471	20,494	269,382	NET CHANGE IN FUND BALANCES
\$ 451	\$ 1,822	\$ 321	\$ 22,911	\$ 99,381	Fund balances, beginning of year
					FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Community Services Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 44,331	\$ 44,624	\$ 48,453	\$ 3,829
Fines, forfeitures, and penalties	350	350	343	(7)
Use of money and property:				
Investment earnings (loss)	9	9	(95)	(104)
Rents and concessions	1,525	1,377	1,075	(302)
Aid from other governmental agencies:				
Federal	78,813	85,442	59,206	(26,236)
State	2,301	2,401	2,331	(70)
Other	12,207	12,207	17,879	5,672
Charges for services	14,749	6,755	2,299	(4,456)
Other revenue	35,156	31,856	9,965	(21,891)
Total revenues	189,441	185,021	141,456	(43,565)
<b>EXPENDITURES:</b>				
Current:				
General government	23,693	21,209	14,112	(7,097)
Public protection	44,317	-	-	-
Health and sanitation	2,998	3,395	2,439	(956)
Public assistance	100,331	99,527	63,792	(35,735)
Education	23,055	20,998	18,255	(2,743)
Recreation and culture	515	247	194	(53)
Total expenditures	194,909	145,376	98,792	(46,584)
Excess (deficiency) of revenues over (under) expenditures	(5,468)	39,645	42,664	3,019
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	11,672	11,672	-
Transfers out	-	(59,985)	(59,985)	-
Total other financing sources (uses)	-	(48,313)	(48,313)	-
<b>NET CHANGE IN FUND BALANCE</b>	(5,468)	(8,668)	(5,649)	3,019
Fund balance, beginning of year	49,774	49,774	49,774	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 44,306	\$ 41,106	\$ 44,125	\$ 3,019

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**County Service Areas Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 770	\$ 770	\$ 641	\$ (129)
Use of money and property:				
Investment earnings (loss)	63	63	(22)	(85)
Rents and concessions	1	1	14	13
Aid from other governmental agencies:				
State	9	9	107	98
Other	1	1	111	110
Charges for services	10,478	8,597	9,402	805
Other revenue	4,962	4,962	44	(4,918)
Total revenues	16,284	14,403	10,297	(4,106)
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Public protection	820	469	1	(468)
Public ways and facilities	13,452	12,285	8,042	(4,243)
Health and sanitation	800	800	777	(23)
Recreation and culture	1,212	1,724	699	(1,025)
Total expenditures	16,284	15,278	9,519	(5,759)
Excess (deficiency) of revenues over (under) expenditures	-	(875)	778	1,653
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,881	1,881	-
Transfers out	-	(2,499)	(2,499)	-
Total other financing sources (uses)	-	(618)	(618)	-
<b>NET CHANGE IN FUND BALANCE</b>	-	(1,493)	160	1,653
Fund balance, beginning of year	20,435	20,435	20,435	-
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 20,435</b>	<b>\$ 18,942</b>	<b>\$ 20,595</b>	<b>\$ 1,653</b>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Regional Park and Open-Space Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Over (Under)
<b>REVENUES:</b>				
Taxes	\$ 3,520	\$ 3,520	\$ 4,267	\$ 747
Use of money and property:				
Investment earnings (loss)	38	38	(10)	(48)
Rents and concessions	979	979	984	5
Aid from other governmental agencies:				
Federal	-	-	1	1
State	325	325	164	(161)
Other	-	-	444	444
Charges for services	7,283	6,410	6,530	120
Other revenue	865	629	292	(337)
Total revenues	<u>13,010</u>	<u>11,901</u>	<u>12,672</u>	<u>771</u>
<b>EXPENDITURES:</b>				
Current:				
Public protection	462	462	310	(152)
Recreation and culture	15,906	15,112	14,145	(967)
Total expenditures	<u>16,368</u>	<u>15,574</u>	<u>14,455</u>	<u>(1,119)</u>
Excess (deficiency) of revenues over (under) expenditures	(3,358)	(3,673)	(1,783)	1,890
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,480	1,480	-
Transfers out	-	(1,957)	(1,957)	-
Total other financing sources (uses)	<u>-</u>	<u>(477)</u>	<u>(477)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,358)	(4,150)	(2,260)	1,890
Fund balance, beginning of year	<u>11,416</u>	<u>11,416</u>	<u>11,416</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 8,058</u></u>	<u><u>\$ 7,266</u></u>	<u><u>\$ 9,156</u></u>	<u><u>\$ 1,890</u></u>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Air Quality Improvement Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings (loss)	\$ 20	\$ 20	\$ -	\$ (20)
Aid from other governmental agencies:				
State	650	650	511	(139)
Total revenues	<u>670</u>	<u>670</u>	<u>511</u>	<u>(159)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,225	-	-	-
Public protection	-	788	311	(477)
Total expenditures	<u>1,225</u>	<u>788</u>	<u>311</u>	<u>(477)</u>
Excess (deficiency) of revenues over (under) expenditures	(555)	(118)	200	318
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(437)	(437)	-
Total other financing sources (uses)	<u>-</u>	<u>(437)</u>	<u>(437)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(555)</b>	<b>(555)</b>	<b>(237)</b>	<b>318</b>
Fund balance, beginning of year	<u>688</u>	<u>688</u>	<u>688</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 133</u></b>	<b><u>\$ 133</u></b>	<b><u>\$ 451</u></b>	<b><u>\$ 318</u></b>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**In-Home Support Services Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings (loss)	\$ -	\$ -	\$ (2)	\$ (2)
Aid from other governmental agencies:				
Federal	1,203	1,203	916	(287)
State	510	510	803	293
Charges for services	162	-	-	-
Other revenue	369	123	-	(123)
Total revenues	2,244	1,836	1,717	(119)
<b>EXPENDITURES:</b>				
Current:				
Health and sanitation	2,618	2,473	2,016	(457)
Public assistance	-	-	1	1
Total expenditures	2,618	2,473	2,017	(456)
Excess (deficiency) of revenues over (under) expenditures	(374)	(637)	(300)	337
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	408	408	-
Transfers out	-	(148)	(148)	-
Total other financing sources (uses)	-	260	260	-
<b>NET CHANGE IN FUND BALANCE</b>	(374)	(377)	(40)	337
Fund balance, beginning of year	1,488	1,862	1,862	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 1,114	\$ 1,485	\$ 1,822	\$ 337

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Perris Valley Cemetery District Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 203	\$ 203	\$ 194	\$ (9)
Use of money and property:				
Investment earnings (loss)	3	3	-	(3)
Aid from other governmental agencies:				
State	3	3	25	22
Other	-	-	24	24
Charges for services	265	265	192	(73)
Other revenue	200	200	-	(200)
Total revenues	<u>674</u>	<u>674</u>	<u>435</u>	<u>(239)</u>
<b>EXPENDITURES:</b>				
Current:				
Public protection	674	587	491	(96)
Total expenditures	<u>674</u>	<u>587</u>	<u>491</u>	<u>(96)</u>
Excess (deficiency) of revenues over (under) expenditures	-	87	(56)	(143)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(94)	(94)	-
Total other financing sources / (uses)	<u>-</u>	<u>(94)</u>	<u>(94)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(7)	(150)	(143)
Fund balance, beginning of year	471	471	471	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 471</u>	<u>\$ 464</u>	<u>\$ 321</u>	<u>\$ (143)</u>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Other Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 785	\$ 785	\$ 749	\$ (36)
License, permits, and franchise fees	32	32	32	-
Fines, forfeitures, and penalties	-	-	797	797
Use of money and property:				
Investment earnings (loss)	80	81	(16)	(97)
Rents and concessions	6,373	6,454	6,072	(382)
Aid from other governmental agencies:				
Federal	4,047	4,303	1,779	(2,524)
State	168	233	174	(59)
Other	6	4,253	4,234	(19)
Charges for services	11,554	9,381	9,436	55
Other revenue	1,065	500	509	9
Total revenues	24,110	26,022	23,766	(2,256)
<b>EXPENDITURES:</b>				
Current:				
General government	4,835	9,973	9,273	(700)
Public protection	7,072	6,703	4,897	(1,806)
Public ways and facilities	12,593	11,448	6,784	(4,664)
Total expenditures	24,500	28,124	20,954	(7,170)
Excess (deficiency) of revenues over (under) expenditures	(390)	(2,102)	2,812	4,914
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	4,137	4,137	-
Transfers out	-	(4,532)	(4,532)	-
Total other financing sources (uses)	-	(395)	(395)	-
<b>NET CHANGE IN FUND BALANCE</b>	(390)	(2,497)	2,417	4,914
Fund balance, beginning of year	20,494	20,494	20,494	-
<b>FUND BALANCE, END OF YEAR</b>	\$ 20,104	\$ 17,997	\$ 22,911	\$ 4,914



# DEBT SERVICE FUNDS



# COUNTY OF RIVERSIDE

## DEBT SERVICE FUNDS

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

### **COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)**

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

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

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

### **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.

### **PUBLIC FINANCING AUTHORITY**

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

**COUNTY OF RIVERSIDE**  
**Combining Balance Sheet**  
**Debt Service Funds**  
**June 30, 2013**  
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Bankruptcy Court	Pension Obligation
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Cash and investments	\$ -	\$ -	\$ -	\$ 6,014
Accounts receivable	-	-	-	1,176
Interest receivable	85	-	-	1
Restricted cash and investments	43,714	1,026	6,958	-
<b>Total assets</b>	<b>43,799</b>	<b>1,026</b>	<b>6,958</b>	<b>7,191</b>
Deferred outflows of resources	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 43,799</b>	<b>\$ 1,026</b>	<b>\$ 6,958</b>	<b>\$ 7,191</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ 25	\$ -	\$ -	\$ -
<b>Total liabilities</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Restricted	43,774	1,026	6,958	7,191
<b>Total fund balances</b>	<b>43,774</b>	<b>1,026</b>	<b>6,958</b>	<b>7,191</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 43,799</b>	<b>\$ 1,026</b>	<b>\$ 6,958</b>	<b>\$ 7,191</b>

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Total	
			ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
			Assets:
\$ -	\$ -	\$ 6,014	Cash and investments
-	-	1,176	Accounts receivable
-	-	86	Interest receivable
19,611	1,391	72,700	Restricted cash and investments
<u>19,611</u>	<u>1,391</u>	<u>79,976</u>	Total assets
<u>-</u>	<u>-</u>	<u>-</u>	Deferred outflows of resources
<u>\$ 19,611</u>	<u>\$ 1,391</u>	<u>\$ 79,976</u>	Total assets and deferred outflows of resources
			LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
			Liabilities:
\$ -	\$ -	\$ 25	Accounts payable
<u>-</u>	<u>-</u>	<u>25</u>	Total liabilities
<u>-</u>	<u>-</u>	<u>-</u>	Deferred inflows of resources
19,611	1,391	79,951	Fund balances (Note 16):
<u>19,611</u>	<u>1,391</u>	<u>79,951</u>	Restricted
<u>\$ 19,611</u>	<u>\$ 1,391</u>	<u>\$ 79,976</u>	Total fund balances
			Total liabilities, deferred inflows of resources and fund balances

**COUNTY OF RIVERSIDE**

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

Debt Service Funds

For the Fiscal Year Ended June 30, 2013

(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Bankruptcy Court	Pension Obligation
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings (loss)	\$ 734	\$ 119	\$ 195	\$ 537
Rents and concessions	1,315	2,423	2,137	-
Charges for services	-	-	-	2,408
Other revenue	-	-	-	-
Total revenues	<u>2,049</u>	<u>2,542</u>	<u>2,332</u>	<u>2,945</u>
<b>EXPENDITURES:</b>				
Current:				
General government	1,102	96	-	29,399
Debt service:				
Principal	28,575	1,501	960	-
Interest	14,518	291	482	-
Cost of issuance	25	-	-	-
Capital outlay	-	727	645	-
Total expenditures	<u>44,220</u>	<u>2,615</u>	<u>2,087</u>	<u>29,399</u>
Excess (deficiency) of revenues over (under) expenditures	(42,171)	(73)	245	(26,454)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	44,312	-	-	26,709
Transfers out	(1,965)	-	-	-
Issuance of refunding bonds	-	-	-	-
Premium on long-term debt	-	-	-	-
Redemption of refunded debt	-	-	-	-
Total other financing sources (uses)	<u>42,347</u>	<u>-</u>	<u>-</u>	<u>26,709</u>
NET CHANGE IN FUND BALANCES	176	(73)	245	255
Fund balances, beginning of year	43,598	1,099	6,713	6,936
FUND BALANCES, END OF YEAR	<u>\$ 43,774</u>	<u>\$ 1,026</u>	<u>\$ 6,958</u>	<u>\$ 7,191</u>

Inland Empire			
Tobacco	Public		
Securitization	Financing		
Authority	Authority	Total	
			REVENUES:
\$ 16	\$ -	\$ 1,601	Use of money and property:
-	991	6,866	Investment earnings (loss)
-	-	2,408	Rents and concessions
15,671	1,500	17,171	Charges for services
15,687	2,491	28,046	Other revenue
			Total revenues
			EXPENDITURES:
			Current:
123	-	30,720	General government
8,650	645	40,331	Debt service:
7,193	346	22,830	Principal
-	353	378	Interest
-	-	1,372	Cost of issuance
15,966	1,344	95,631	Capital outlay
			Total expenditures
			Excess (deficiency) of revenues
(279)	1,147	(67,585)	over (under) expenditures
			OTHER FINANCING SOURCES (USES):
-	-	71,021	Transfers in
-	-	(1,965)	Transfers out
-	17,640	17,640	Issuance of refunding bonds
-	759	759	Premium on long-term debt
-	(18,155)	(18,155)	Redemption of refunded debt
-	244	69,300	Total other financing sources (uses)
(279)	1,391	1,715	NET CHANGE IN FUND BALANCES
19,890	-	78,236	Fund balances, beginning of year
\$ 19,611	\$ 1,391	\$ 79,951	FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Pension Obligation Bond Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings (loss)	\$ -	\$ -	\$ 537	\$ 537
Charges for services	<u>34,114</u>	<u>7,404</u>	<u>2,408</u>	<u>(4,996)</u>
Total revenues	<u>34,114</u>	<u>7,404</u>	<u>2,945</u>	<u>(4,459)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	<u>34,113</u>	<u>34,113</u>	<u>29,399</u>	<u>(4,714)</u>
Total expenditures	<u>34,113</u>	<u>34,113</u>	<u>29,399</u>	<u>(4,714)</u>
Excess (deficiency) of revenues over (under) expenditures	1	(26,709)	(26,454)	255
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>-</u>	<u>26,709</u>	<u>26,709</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>26,709</u>	<u>26,709</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	1	-	255	255
Fund balance, beginning of year	<u>6,936</u>	<u>6,936</u>	<u>6,936</u>	<u>-</u>
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 6,937</u></u>	<u><u>\$ 6,936</u></u>	<u><u>\$ 7,191</u></u>	<u><u>\$ 255</u></u>



# **CAPITAL PROJECTS FUNDS**



# COUNTY OF RIVERSIDE

## CAPITAL PROJECTS FUNDS

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

### **PUBLIC SAFETY ENTERPRISE COMMUNICATION (PSEC)**

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

### **COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)**

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

### **FLOOD CONTROL**

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

### **REGIONAL PARK AND OPEN-SPACE**

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

### **COUNTY OF RIVERSIDE ENTERPRISE SOLUTIONS FOR PROPERTY TAXATION (CREST)**

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

**COUNTY OF RIVERSIDE**  
**Combining Balance Sheet**  
**Capital Projects Funds**  
**June 30, 2013**  
**(Dollars in Thousands)**

	PSEC	CORAL	Flood Control	Regional Park and Open-Space
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>				
Assets:				
Cash and investments	\$ 296	\$ -	\$ 151	\$ 8,398
Interest receivable	-	-	-	4
Due from other governments	-	-	-	181
Due from other funds	-	-	-	-
Prepaid items	580	-	-	-
Restricted cash and investments	-	6,215	-	-
Advances to other funds	-	-	-	1,000
Total assets	<u>876</u>	<u>6,215</u>	<u>151</u>	<u>9,583</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 876</u>	<u>\$ 6,215</u>	<u>\$ 151</u>	<u>\$ 9,583</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	\$ -	\$ 370	\$ -	\$ 40
Salaries and benefits payable	55	-	-	-
Due to other funds	43	-	-	-
Advances from other funds	-	-	-	700
Total liabilities	<u>98</u>	<u>370</u>	<u>-</u>	<u>740</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Nonspendable	580	-	-	-
Restricted	-	5,845	-	8,843
Committed	-	-	151	-
Assigned	198	-	-	-
Total fund balances	<u>778</u>	<u>5,845</u>	<u>151</u>	<u>8,843</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 876</u>	<u>\$ 6,215</u>	<u>\$ 151</u>	<u>\$ 9,583</u>

<u>CREST</u>	<u>Total</u>	
		<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>
		Assets:
\$ 13,522	\$ 22,367	Cash and investments
4	8	Interest receivable
-	181	Due from other governments
33	33	Due from other funds
-	580	Prepaid items
-	6,215	Restricted cash and investments
-	1,000	Advances to other funds
<u>13,559</u>	<u>30,384</u>	Total assets
<u>-</u>	<u>-</u>	Deferred outflows of resources
		Total assets and deferred outflows of resources
<u><u>\$ 13,559</u></u>	<u><u>\$ 30,384</u></u>	
		<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>
		Liabilities:
\$ 136	\$ 546	Accounts payable
93	148	Salaries and benefits payable
66	109	Due to other funds
-	700	Advances from other funds
<u>295</u>	<u>1,503</u>	Total liabilities
<u>-</u>	<u>-</u>	Deferred inflows of resources
		Fund balances (Note 16):
-	580	Nonspendable
-	14,688	Restricted
-	151	Committed
13,264	13,462	Assigned
<u>13,264</u>	<u>28,881</u>	Total fund balances
		Total liabilities, deferred inflows of resources and fund balances
<u><u>\$ 13,559</u></u>	<u><u>\$ 30,384</u></u>	

**COUNTY OF RIVERSIDE**

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

Capital Projects Funds

For the Fiscal Year Ended June 30, 2013

(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:				
Investment earnings (loss)	\$ (2)	\$ 20	\$ -	\$ (7)
Aid from other governmental agencies:				
State	-	-	-	181
Charges for services	-	-	-	-
Other revenue	74	-	-	-
Total revenues	<u>72</u>	<u>20</u>	<u>-</u>	<u>174</u>
EXPENDITURES:				
Current:				
General government	2,960	-	-	-
Recreation and culture	-	-	-	1,206
Capital outlay	-	22,241	93	-
Total expenditures	<u>2,960</u>	<u>22,241</u>	<u>93</u>	<u>1,206</u>
Excess (deficiency) of revenues over (under) expenditures	(2,888)	(22,221)	(93)	(1,032)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,823	814	200	2,821
Transfers out	(755)	-	-	(1,325)
Total other financing sources (uses)	<u>2,068</u>	<u>814</u>	<u>200</u>	<u>1,496</u>
NET CHANGE IN FUND BALANCES	(820)	(21,407)	107	464
Fund balances, beginning of year	1,598	27,252	44	8,379
FUND BALANCES, END OF YEAR	<u>\$ 778</u>	<u>\$ 5,845</u>	<u>\$ 151</u>	<u>\$ 8,843</u>

<u>CREST</u>	<u>Total</u>	
		REVENUES:
		Use of money and property:
\$ (24)	\$ (13)	Investment earnings (loss)
		Aid from other governmental agencies:
-	181	State
2,270	2,270	Charges for services
-	74	Other revenue
<u>2,246</u>	<u>2,512</u>	Total revenues
		EXPENDITURES:
		Current:
5,174	8,134	General government
-	1,206	Recreation and culture
-	22,334	Capital outlay
<u>5,174</u>	<u>31,674</u>	Total expenditures
		Excess (deficiency) of revenues
(2,928)	(29,162)	over (under) expenditures
		OTHER FINANCING SOURCES (USES):
7,105	13,763	Transfers in
(46)	(2,126)	Transfers out
<u>7,059</u>	<u>11,637</u>	Total other financing sources (uses)
4,131	(17,525)	NET CHANGE IN FUND BALANCES
<u>9,133</u>	<u>46,406</u>	Fund balances, beginning of year
<u>\$ 13,264</u>	<u>\$ 28,881</u>	FUND BALANCES, END OF YEAR

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**PSEC Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings (loss)	\$ -	\$ -	\$ (2)	\$ (2)
Aid from other governmental agencies:				
Other revenue	3,117	1,117	74	(1,043)
Total revenues	<u>3,117</u>	<u>1,117</u>	<u>72</u>	<u>(1,045)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	3,117	3,351	2,960	(391)
Total expenditures	<u>3,117</u>	<u>3,351</u>	<u>2,960</u>	<u>(391)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(2,234)	(2,888)	(654)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	2,823	2,823	-
Transfers out	-	(755)	(755)	-
Total other financing sources (uses)	<u>-</u>	<u>2,068</u>	<u>2,068</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(166)	(820)	(654)
Fund balance, beginning of year	1,598	1,598	1,598	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 1,598</u>	<u>\$ 1,432</u>	<u>\$ 778</u>	<u>\$ (654)</u>



**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Flood Control Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> Over (Under)
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings (loss)	\$ 1	\$ 1	\$ -	\$ (1)
Charges for current services	1	1	-	(1)
Other revenue	3,475	3,275	-	(3,275)
Total revenues	<u>3,477</u>	<u>3,277</u>	<u>-</u>	<u>(3,277)</u>
<b>EXPENDITURES:</b>				
Capital outlay	3,475	3,475	93	(3,382)
Total expenditures	<u>3,475</u>	<u>3,475</u>	<u>93</u>	<u>(3,382)</u>
Excess (deficiency) of revenues over (under) expenditures	2	(198)	(93)	105
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	200	200	-
Total other financing sources (uses)	<u>-</u>	<u>200</u>	<u>200</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2</b>	<b>2</b>	<b>107</b>	<b>105</b>
Fund balance, beginning of year	44	44	44	-
<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 46</u></u>	<u><u>\$ 46</u></u>	<u><u>\$ 151</u></u>	<u><u>\$ 105</u></u>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**Regional Park and Open-Space District Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2013**  
(Dollars in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> Over (Under)
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings (loss)	\$ -	\$ -	\$ (7)	\$ (7)
Aid from other governmental agencies:				
State	3,226	3,658	181	(3,477)
Other revenue	4,940	4,741	-	(4,741)
Total revenues	<u>8,166</u>	<u>8,399</u>	<u>174</u>	<u>(8,225)</u>
<b>EXPENDITURES:</b>				
Current:				
Recreation and culture	8,548	10,386	1,206	(9,180)
Total expenditures	<u>8,548</u>	<u>10,386</u>	<u>1,206</u>	<u>(9,180)</u>
Excess (deficiency) of revenues over (under) expenditures	(382)	(1,987)	(1,032)	955
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	2,821	2,821	-
Transfers out	-	(1,325)	(1,325)	-
Total other financing sources (uses)	<u>-</u>	<u>1,496</u>	<u>1,496</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(382)	(491)	464	955
Fund balance, beginning of year	8,379	8,379	8,379	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 7,997</u>	<u>\$ 7,888</u>	<u>\$ 8,843</u>	<u>\$ 955</u>

**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Schedule**  
**CREST Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2013**  
**(Dollars in Thousands)**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<b>REVENUES:</b>				
Use of money and property:				
Investment earnings (loss)	\$ 15	\$ 15	\$ (24)	\$ (39)
Charges for services	2,500	2,500	2,270	(230)
Other revenue	7,105	-	-	-
Total revenues	<u>9,620</u>	<u>2,515</u>	<u>2,246</u>	<u>(269)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	9,606	9,560	5,174	(4,386)
Total expenditures	<u>9,606</u>	<u>9,560</u>	<u>5,174</u>	<u>(4,386)</u>
Excess (deficiency) of revenues over (under) expenditures	14	(7,045)	(2,928)	4,117
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	7,105	7,105	-
Transfers out	-	(46)	(46)	-
Total other financing sources (uses)	<u>-</u>	<u>7,059</u>	<u>7,059</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	14	14	4,131	4,117
Fund balance, beginning of year	9,133	9,133	9,133	-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 9,147</u>	<u>\$ 9,147</u>	<u>\$ 13,264</u>	<u>\$ 4,117</u>



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# PERMANENT FUNDS



# 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 Perris Valley Cemetery. The resources are derived from an endowment care fee assessed on each sale of a burial right and earnings on these resources. Only income earned on these resources may be used for services, supplies or capital asset acquisition. The principal must be preserved intact.

**COUNTY OF RIVERSIDE**

Balance Sheet

Permanent Fund

June 30, 2013

(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>	
Assets:	
Cash and investments	\$ 509
Total assets	<u>509</u>
Deferred outflows of resources	<u>-</u>
Total assets and deferred outflows of resources	<u><u>\$ 509</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>	
Liabilities:	
Total liabilities	<u>-</u>
Deferred inflows of resources	<u>-</u>
Fund balances (Note 16):	
Nonspendable	473
Restricted	<u>36</u>
Total fund balances	<u>509</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 509</u></u>



**COUNTY OF RIVERSIDE**  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Permanent Fund  
For the Fiscal Year Ended June 30, 2013  
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund <hr style="border: 0.5px solid black;"/>
REVENUES:	
Charges for services	\$ 19
Total revenues	<hr style="border: 0.5px solid black;"/> 19
EXPENDITURES:	
Current:	
Public protection	<hr style="border: 0.5px solid black;"/> -
Total expenditures	<hr style="border: 0.5px solid black;"/> -
Excess (deficiency) of revenues over (under) expenditures	19
Fund balance, beginning of year	490
FUND BALANCE, END OF YEAR	<hr style="border: 0.5px solid black;"/> <u>\$ 509</u>



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# **NONMAJOR ENTERPRISE FUNDS**



# **COUNTY OF RIVERSIDE**

## **NONMAJOR ENTERPRISE FUNDS**

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

### **COUNTY SERVICE AREAS**

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

### **FLOOD CONTROL**

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

**COUNTY OF RIVERSIDE**  
Combining Statement of Net Position  
Nonmajor Enterprise Funds  
June 30, 2013  
(Dollars in Thousands)

	County Service Areas	Flood Control	Total
<b>ASSETS:</b>			
Current assets:			
Cash and investments	\$ 108	\$ 2,549	\$ 2,657
Accounts receivable-net	-	303	303
Interest receivable	-	4	4
Taxes receivable	14	-	14
Due from other governments	-	14	14
Restricted cash and investments	-	2,719	2,719
Total current assets	<u>122</u>	<u>5,589</u>	<u>5,711</u>
Noncurrent assets:			
Capital assets:			
Depreciable assets	21	7	28
Total noncurrent assets	<u>21</u>	<u>7</u>	<u>28</u>
Total assets	<u>143</u>	<u>5,596</u>	<u>5,739</u>
<b>DEFERRED OUTFLOWS OR RESOURCES:</b>			
	-	-	-
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	18	2,822	2,840
Salaries and benefits payable	-	27	27
Due to other funds	-	12	12
Deposits payable	51	-	51
Other liabilities	-	174	174
Compensated absences	-	15	15
Total current liabilities	<u>69</u>	<u>3,050</u>	<u>3,119</u>
Noncurrent portion of long-term liabilities:			
Noncurrent liabilities:			
Compensated absences	-	69	69
Total noncurrent liabilities	<u>-</u>	<u>69</u>	<u>69</u>
Total liabilities	<u>69</u>	<u>3,119</u>	<u>3,188</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
	-	-	-
Net position:			
Net investment in capital assets	21	7	28
Restricted	41	-	41
Unrestricted	12	2,470	2,482
Total net position	<u>\$ 74</u>	<u>\$ 2,477</u>	<u>\$ 2,551</u>

**COUNTY OF RIVERSIDE**

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

Nonmajor Enterprise Funds

For the Fiscal Year Ended June 30, 2013

(Dollars in Thousands)

	County Service Areas	Flood Control	Total
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 339	\$ 1,504	\$ 1,843
Other	16	231	247
Total operating revenues	<u>355</u>	<u>1,735</u>	<u>2,090</u>
<b>OPERATING EXPENSES:</b>			
Personnel services	215	816	1,031
Maintenance of building and equipment	99	-	99
Supplies	6	18	24
Purchased services	6	885	891
Depreciation and amortization	3	9	12
Rents and leases of equipment	-	8	8
Utilities	114	-	114
Other	16	18	34
Total operating expenses	<u>459</u>	<u>1,754</u>	<u>2,213</u>
Operating income (loss)	<u>(104)</u>	<u>(19)</u>	<u>(123)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment income	-	5	5
Total nonoperating revenues (expenses)	<u>-</u>	<u>5</u>	<u>5</u>
<b>CHANGE IN NET POSITION</b>	<b>(104)</b>	<b>(14)</b>	<b>(118)</b>
Net position, beginning of year	<u>178</u>	<u>2,491</u>	<u>2,669</u>
<b>NET POSITION, END OF YEAR</b>	<u><u>\$ 74</u></u>	<u><u>\$ 2,477</u></u>	<u><u>\$ 2,551</u></u>

**COUNTY OF RIVERSIDE**  
Statement of Cash Flows  
Combining Nonmajor Enterprise Funds  
For the Fiscal Year Ending June 30, 2013  
(Dollars in Thousands)

	County Service Areas	Flood Control	Total
Cash flows from operating activities			
Cash receipts from customers / other funds	\$ 355	\$ 1,722	\$ 2,077
Cash paid to suppliers for goods and services	(225)	(922)	(1,147)
Cash paid to employees for services	(215)	(835)	(1,050)
Net cash provided by (used in) operating activities	<u>(85)</u>	<u>(35)</u>	<u>(120)</u>
Cash flows from investing activities			
Interest received on investments	-	5	5
Net cash provided by investing activities	<u>-</u>	<u>5</u>	<u>5</u>
Net increase (decrease) in cash and cash equivalents	(85)	(30)	(115)
Cash and cash equivalents, beginning of year	193	5,298	5,491
Cash and cash equivalents, end of year	<u>\$ 108</u>	<u>\$ 5,268</u>	<u>\$ 5,376</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (104)	\$ (19)	\$ (123)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation and amortization	3	9	12
Decrease (Increase) accounts receivable	-	(46)	(46)
Decrease (Increase) due from other governments	-	33	33
Increase (Decrease) accounts payable	14	49	63
Increase (Decrease) due to other funds	-	10	10
Increase (Decrease) due to other governments	-	(10)	(10)
Increase (Decrease) deposits payable	2	-	2
Increase (Decrease) other liabilities	-	(42)	(42)
Increase (Decrease) salaries and benefits payable	-	(11)	(11)
Increase (Decrease) compensated absences	-	(8)	(8)
Net cash provided by (used in) operating activities	<u>\$ (85)</u>	<u>\$ (35)</u>	<u>\$ (120)</u>

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



# **INTERNAL SERVICE FUNDS**



# COUNTY OF RIVERSIDE

## INTERNAL SERVICE FUNDS

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

### **RECORDS MANAGEMENT AND ARCHIVES**

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

### **FLEET SERVICES**

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

### **INFORMATION SERVICES**

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

### **PRINTING SERVICES**

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

### **SUPPLY SERVICES**

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

### **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.

### **ECONOMIC DEVELOPMENT AGENCY (Facilities Management)**

The purpose of this fund was to account for custodial, maintenance, and real estate services provided to other County departments on a cost-reimbursement basis.

### **FLOOD CONTROL EQUIPMENT**

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

**COUNTY OF RIVERSIDE**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2013**  
**(Dollars in Thousands)**

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
<b>ASSETS:</b>					
Current assets:					
Cash and investments	\$ 1,330	\$ 11,016	\$ 6,116	\$ 2,879	\$ 3,840
Accounts receivable-net	-	17	38	17	7
Interest receivable	1	4	1	1	1
Due from other government	-	149	28	74	-
Due from other funds	17	56	-	-	-
Inventories	-	740	1,736	227	350
Prepaid items and deposits	-	-	-	-	-
Total current assets	<u>1,348</u>	<u>11,982</u>	<u>7,919</u>	<u>3,198</u>	<u>4,198</u>
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	-	661	235	-	-
Depreciable assets	238	23,961	3,458	841	203
Total noncurrent assets	<u>238</u>	<u>24,622</u>	<u>3,693</u>	<u>841</u>	<u>203</u>
Total assets	<u>1,586</u>	<u>36,604</u>	<u>11,612</u>	<u>4,039</u>	<u>4,401</u>
DEFERRED OUTFLOWS OR RESOURCES:	-	-	-	-	-
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	3	891	271	87	75
Salaries and benefits payable	47	158	1,265	79	32
Due to other governments	-	1	-	-	7
Due to other funds	22	-	1	-	-
Other liabilities	-	300	-	25	-
Compensated absences	47	238	1,619	100	42
Capital lease obligation	-	5,948	935	-	-
Estimated claims liability	-	-	-	-	-
Total current liabilities	<u>119</u>	<u>7,536</u>	<u>4,091</u>	<u>291</u>	<u>156</u>
Noncurrent liabilities:					
Compensated absences	48	303	1,125	57	36
Advance from other funds	-	-	-	-	-
Capital lease obligation	-	3,775	1,153	-	-
Estimated claims liabilities	-	-	-	-	-
Total noncurrent liabilities	<u>48</u>	<u>4,078</u>	<u>2,278</u>	<u>57</u>	<u>36</u>
Total liabilities	<u>167</u>	<u>11,614</u>	<u>6,369</u>	<u>348</u>	<u>192</u>
DEFERRED INFLOWS OF RESOURCES:	-	-	-	-	-
<b>NET POSITION:</b>					
Net investment in capital assets	238	14,899	1,605	841	203
Unrestricted	1,181	10,091	3,638	2,850	4,006
Total net position	<u>\$ 1,419</u>	<u>\$ 24,990</u>	<u>\$ 5,243</u>	<u>\$ 3,691</u>	<u>\$ 4,209</u>

OASIS Project	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
						ASSETS:
						Current assets:
\$ 4,551	\$ 183,397	\$ 1,860	\$ 6,165	\$ 7,620	\$ 228,774	Cash and investments
-	3,106	-	-	7	3,192	Accounts receivable-net
2	88	-	2	3	103	Interest receivable
-	-	-	296	-	547	Due from other government
-	-	-	-	39	112	Due from other funds
-	-	-	190	236	3,479	Inventories
-	305	-	63	-	368	Prepaid items and deposits
<u>4,553</u>	<u>186,896</u>	<u>1,860</u>	<u>6,716</u>	<u>7,905</u>	<u>236,575</u>	Total current assets
						Noncurrent assets:
						Capital assets:
-	-	-	-	-	896	Nondepreciable assets
447	69	-	67	2,504	31,788	Depreciable assets
<u>447</u>	<u>69</u>	<u>-</u>	<u>67</u>	<u>2,504</u>	<u>32,684</u>	Total noncurrent assets
<u>5,000</u>	<u>186,965</u>	<u>1,860</u>	<u>6,783</u>	<u>10,409</u>	<u>269,259</u>	Total assets
-	-	-	-	-	-	DEFERRED OUTFLOWS OR RESOURCES:
						LIABILITIES:
						Current liabilities:
6	29,170	41	1,259	158	31,961	Accounts payable
251	989	110	998	16	3,945	Salaries and benefits payable
-	-	-	-	-	8	Due to other governments
-	-	1	-	43	67	Due to other funds
-	-	-	266	-	591	Other liabilities
378	1,127	208	1,176	37	4,972	Compensated absences
69	-	-	-	-	6,952	Capital lease obligation
-	22,933	-	-	-	22,933	Estimated claims liability
<u>704</u>	<u>54,219</u>	<u>360</u>	<u>3,699</u>	<u>254</u>	<u>71,429</u>	Total current liabilities
						Noncurrent liabilities:
335	1,040	11	1,002	171	4,128	Compensated absences
-	-	-	3,342	-	3,342	Advance from other funds
220	-	-	-	-	5,148	Capital lease obligation
-	107,986	-	-	-	107,986	Estimated claims liabilities
<u>555</u>	<u>109,026</u>	<u>11</u>	<u>4,344</u>	<u>171</u>	<u>120,604</u>	Total noncurrent liabilities
<u>1,259</u>	<u>163,245</u>	<u>371</u>	<u>8,043</u>	<u>425</u>	<u>192,033</u>	Total liabilities
-	-	-	-	-	-	DEFERRED INFLOWS OF RESOURCES:
						NET POSITION:
158	69	-	67	2,504	20,584	Net investment in capital assets
3,583	23,651	1,489	(1,327)	7,480	56,642	Unrestricted
<u>\$ 3,741</u>	<u>\$ 23,720</u>	<u>\$ 1,489</u>	<u>\$ (1,260)</u>	<u>\$ 9,984</u>	<u>\$ 77,226</u>	Total net position

**COUNTY OF RIVERSIDE**  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2013  
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Printing Services	Supply Services
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 1,659	\$ 28,179	\$ 26,351	\$ 4,278	\$ 8,203
Other revenue	1	-	38	2,289	3,440
<b>Total operating revenues</b>	<b>1,660</b>	<b>28,179</b>	<b>26,389</b>	<b>6,567</b>	<b>11,643</b>
<b>OPERATING EXPENSES:</b>					
Cost of materials used	-	1,776	-	-	-
Personnel services	1,089	3,422	21,452	1,728	702
Communications	27	89	3,045	13	16
Insurance	24	75	124	13	19
Maintenance of building and equipment	60	2,398	3,349	434	87
Insurance claims	-	-	-	-	-
Supplies	36	9,944	675	2,849	9,967
Purchased services	17	797	1,109	903	292
Depreciation and amortization	26	7,064	1,227	223	20
Rents and leases of equipment	288	437	1,464	4	-
Utilities	33	90	366	57	32
Other	16	175	350	91	48
<b>Total operating expenses</b>	<b>1,616</b>	<b>26,267</b>	<b>33,161</b>	<b>6,315</b>	<b>11,183</b>
<b>Operating income (loss)</b>	<b>44</b>	<b>1,912</b>	<b>(6,772)</b>	<b>252</b>	<b>460</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income (loss)	(1)	(21)	(13)	(4)	(8)
Interest expense	-	(1,053)	(429)	(1)	-
Gain (loss) on disposal of capital assets	1	(87)	-	-	-
Other nonoperating revenues / (expenses)	-	(8)	-	-	-
<b>Total nonoperating revenues (expenses)</b>	<b>-</b>	<b>(1,169)</b>	<b>(442)</b>	<b>(5)</b>	<b>(8)</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>44</b>	<b>743</b>	<b>(7,214)</b>	<b>247</b>	<b>452</b>
Capital contributions	-	31	-	-	-
Transfers in	-	-	4,499	-	-
Transfers out	(19)	(63)	(2,057)	(33)	(13)
<b>CHANGE IN NET POSITION</b>	<b>25</b>	<b>711</b>	<b>(4,772)</b>	<b>214</b>	<b>439</b>
Net position, beginning of year	1,394	24,279	10,015	3,477	3,770
<b>NET POSITION, END OF YEAR</b>	<b>\$ 1,419</b>	<b>\$ 24,990</b>	<b>\$ 5,243</b>	<b>\$ 3,691</b>	<b>\$ 4,209</b>

OASIS Project	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
						OPERATING REVENUES:
\$ 9,555	\$ 46,385	\$ 4,153	\$ 76,420	\$ 1,181	\$ 206,364	Charges for services
-	13,505	2	9,544	5,472	34,291	Other revenue
<u>9,555</u>	<u>59,890</u>	<u>4,155</u>	<u>85,964</u>	<u>6,653</u>	<u>240,655</u>	Total operating revenues
						OPERATING EXPENSES:
-	-	-	-	75	1,851	Cost of materials used
6,214	14,153	2,900	20,657	2,057	74,374	Personnel services
141	250	54	260	100	3,995	Communications
18	8,241	10	212	-	8,736	Insurance
1,840	173	17	6,989	475	15,822	Maintenance of building and equipment
-	108,391	-	-	-	108,391	Insurance claims
73	3,956	159	1,224	1,141	30,024	Supplies
391	3,719	763	9,727	1,141	18,859	Purchased services
981	62	-	30	991	10,624	Depreciation and amortization
644	1,347	256	46,836	4	51,280	Rents and leases of equipment
58	81	17	950	-	1,684	Utilities
22	2,450	162	1,122	422	4,858	Other
<u>10,382</u>	<u>142,823</u>	<u>4,338</u>	<u>88,007</u>	<u>6,406</u>	<u>330,498</u>	Total operating expenses
<u>(827)</u>	<u>(82,933)</u>	<u>(183)</u>	<u>(2,043)</u>	<u>247</u>	<u>(89,843)</u>	Operating income (loss)
						NONOPERATING REVENUES (EXPENSES):
(4)	(181)	(9)	(10)	(8)	(259)	Investment income (loss)
(17)	-	-	-	-	(1,500)	Interest expense
-	-	-	-	104	18	Gain (loss) on disposal of capital assets
-	-	-	-	-	(8)	Other nonoperating revenues / (expenses)
<u>(21)</u>	<u>(181)</u>	<u>(9)</u>	<u>(10)</u>	<u>96</u>	<u>(1,749)</u>	Total nonoperating revenues (expenses)
(848)	(83,114)	(192)	(2,053)	343	(91,592)	Income (loss) before capital contributions and transfers
-	78,596	-	-	-	78,627	Capital contributions
-	1,488	-	500	-	6,487	Transfers in
<u>(120)</u>	<u>(1,732)</u>	<u>(884)</u>	<u>(380)</u>	<u>-</u>	<u>(5,301)</u>	Transfers out
(968)	(4,762)	(1,076)	(1,933)	343	(11,779)	CHANGE IN NET POSITION
<u>4,709</u>	<u>28,482</u>	<u>2,565</u>	<u>673</u>	<u>9,641</u>	<u>89,005</u>	Net position, beginning of year
<u>\$ 3,741</u>	<u>\$ 23,720</u>	<u>\$ 1,489</u>	<u>\$ (1,260)</u>	<u>\$ 9,984</u>	<u>\$ 77,226</u>	NET POSITION, END OF YEAR

**COUNTY OF RIVERSIDE**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ending June 30, 2013  
(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	\$ 1,643	\$ 28,300	26,506	\$ 6,615	\$ 11,648
Cash paid to suppliers for goods and services	(556)	(15,881)	(10,804)	(4,391)	(10,886)
Cash paid to employees for services	(1,090)	(3,424)	(20,717)	(1,739)	(696)
Net cash provided (used) by operating activities	(3)	8,995	(5,015)	485	66
Cash flows from noncapital financing activities					
Other Non-Operating Expenses	-	(8)	-	-	-
Transfers received	-	-	4,499	-	-
Transfers paid	(19)	(63)	(2,057)	(33)	(13)
Net cash provided (used) by noncapital financing activities	(19)	(71)	2,442	(33)	(13)
Cash flows from capital and related financing activities					
Gain (Loss) on Disposal of Capital Assets	1	(87)	-	-	-
Acquisition and construction of capital assets	(13)	(5,405)	(967)	1	-
Principal paid on capital leases	-	(1,993)	(182)	(102)	-
Capital contributions	-	31	-	-	-
Interest paid on long-term debt	-	(1,053)	(429)	(1)	-
Net cash provided (used) by capital and related financing activities	(12)	(8,507)	(1,578)	(102)	-
Cash flows from investing activities					
Interest received on investments	(1)	(22)	(10)	(4)	(8)
Net cash provided (used) by investing activities	(1)	(22)	(10)	(4)	(8)
Net increase (decrease) in cash and cash equivalents	(35)	395	(4,161)	346	45
Cash and cash equivalents, beginning of year	1,365	10,621	10,277	2,533	3,795
Cash and cash equivalents, end of year	<u>\$ 1,330</u>	<u>\$ 11,016</u>	<u>\$ 6,116</u>	<u>\$ 2,879</u>	<u>\$ 3,840</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities					
Operating income (loss)	\$ 44	\$ 1,912	\$ (6,772)	\$ 252	\$ 460
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation and amortization	26	7,064	1,227	223	20
Decrease (Increase) accounts receivable	-	1	93	22	3
Decrease (Increase) due from other funds	(17)	98	3	-	2
Decrease (Increase) due from other governments	-	22	21	26	-
Decrease (Increase) inventories	-	(141)	308	(87)	89
Decrease (Increase) prepaid items and deposits	-	-	-	-	-
Increase (Decrease) accounts payable	1	97	(631)	35	(514)
Increase (Decrease) due to other funds	(56)	-	1	-	-
Increase (Decrease) due to other governments	-	1	-	-	-
Increase (Decrease) other liabilities	-	(57)	-	25	-
Increase (Decrease) estimated claims liability	-	-	-	-	-
Increase (Decrease) salaries and benefits payable	-	2	307	(7)	1
Increase (Decrease) compensated absences	(1)	(4)	428	(4)	5
Net cash provided (used) by operating activities	<u>\$ (3)</u>	<u>\$ 8,995</u>	<u>\$ (5,015)</u>	<u>\$ 485</u>	<u>\$ 66</u>

Noncash investing, capital, and financing activities:  
Capital lease obligations

\$ 3,624    \$ 831



OASIS Project	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total	
\$ 9,555	\$ 59,549	\$ 4,171	\$ 86,679	\$ 6,655	\$ 241,321	Cash flows from operating activities
(3,548)	(112,251)	(1,431)	(67,177)	(3,314)	(230,239)	Cash receipts from internal services provided
(6,214)	(14,104)	(2,892)	(20,869)	(2,150)	(73,895)	Cash paid to suppliers for goods and services
						Cash paid to employees for services
(207)	(66,806)	(152)	(1,367)	1,191	(62,813)	Net cash provided (used) by operating activities
						Cash flows from noncapital financing activities
-	-	-	-	-	(8)	Advances from other funds
-	1,488	-	500	-	6,487	Transfers received
(120)	(1,732)	(884)	(380)	-	(5,301)	Transfers paid
(120)	(244)	(884)	120	-	1,178	Net cash provided (used) by noncapital financing activities
						Cash flows from capital and related financing activities
-	-	-	-	104	18	Gain (Loss) on Disposal of Capital Assets
(212)	-	-	1	(1,053)	(7,648)	Acquisition and construction of capital assets
(723)	-	-	-	-	(3,000)	Principal paid on capital leases
-	78,596	-	-	-	78,627	Capital contributions
(17)	-	-	-	-	(1,500)	Interest paid on long-term debt
(952)	78,596	-	1	(949)	66,497	Net cash provided (used) by capital and related financing activities
(3)	(184)	(9)	(10)	(8)	(259)	Cash flows from investing activities
						Interest received on investments
(3)	(184)	(9)	(10)	(8)	(259)	Net cash provided (used) by investing activities
(1,282)	11,362	(1,045)	(1,256)	234	4,603	Net increase (decrease) in cash and cash equivalents
5,833	172,035	2,905	7,421	7,386	224,171	Cash and cash equivalents, beginning of year
\$ 4,551	\$ 183,397	\$ 1,860	\$ 6,165	\$ 7,620	\$ 228,774	Cash and cash equivalents, end of year
						Reconciliation of operating income (loss) to net cash provided (used) by operating activities
\$ (827)	\$ (82,933)	\$ (183)	\$ (2,043)	\$ 247	\$ (89,843)	Operating income (loss)
						Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities
981	62	-	30	991	10,624	Depreciation and amortization
-	(344)	-	-	1	(224)	Decrease (Increase) accounts receivable
-	-	-	5	(3)	88	Decrease (Increase) due from other funds
-	3	16	710	4	802	Decrease (Increase) due from other governments
-	-	-	(23)	(3)	143	Decrease (Increase) inventories
-	75	-	4	-	79	Decrease (Increase) prepaid items and deposits
(361)	15,801	6	(69)	63	14,428	Increase (Decrease) accounts payable
-	-	1	-	35	(19)	Increase (Decrease) due to other funds
-	-	-	-	(51)	(50)	Increase (Decrease) due to other governments
-	-	-	231	-	199	Increase (Decrease) other liabilities
-	481	-	-	-	481	Increase (Decrease) estimated claims liability
(34)	31	(21)	(118)	(74)	87	Increase (Decrease) salaries and benefits payable
34	18	29	(94)	(19)	392	Increase (Decrease) compensated absences
\$ (207)	\$ (66,806)	\$ (152)	\$ (1,367)	\$ 1,191	\$ (62,813)	Net cash provided (used) by operating activities
						Noncash investing, capital, and financing activities:
\$ 149				\$ 4,604		Capital lease obligations



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# FIDUCIARY FUNDS



# COUNTY OF RIVERSIDE

## FIDUCIARY FUNDS

These funds were established for the purpose of accounting for assets held in 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, 2013  
(Dollars in Thousands)

	Other	Payroll Deductions	Property Tax Assessments	Warrants	Total
<b>ASSETS:</b>					
Cash and investments	\$ 87,556	\$ 11,123	\$ 76,342	\$ 51,752	\$ 226,773
Accounts receivable	47	-	-	-	47
Interest receivable	25	-	13	-	38
Taxes receivable	68	-	36,065	-	36,133
Due from other governments	350	-	-	-	350
Total assets	<u>\$ 88,046</u>	<u>\$ 11,123</u>	<u>\$ 112,420</u>	<u>\$ 51,752</u>	<u>\$ 263,341</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ 69,087	\$ 11,123	\$ 599	\$ 51,752	\$ 132,561
Salaries and benefits payable	6	-	-	-	6
Due to other governments	18,953	-	111,821	-	130,774
Total liabilities	<u>\$ 88,046</u>	<u>\$ 11,123</u>	<u>\$ 112,420</u>	<u>\$ 51,752</u>	<u>\$ 263,341</u>

**COUNTY OF RIVERSIDE**

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Fiscal Year Ended June 30, 2013

(Dollars in Thousands)

Other	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<u>Assets</u>				
Cash and investments	\$ 92,521	\$ 4,426,334	\$ 4,431,299	\$ 87,556
Accounts receivable	-	3,791	3,744	47
Interest receivable	4	39	18	25
Taxes receivable	70	68	70	68
Due from other governments	330	350	330	350
Total assets	\$ 92,925	\$ 4,430,582	\$ 4,435,461	\$ 88,046
<u>Liabilities</u>				
Accounts payable	\$ 73,816	\$ 610,393	\$ 615,122	\$ 69,087
Salaries and benefits payable	6	9	9	6
Due to other governments	19,103	3,819,304	3,819,454	18,953
Total liabilities	\$ 92,925	\$ 4,429,706	\$ 4,434,585	\$ 88,046
<u>Payroll Deductions</u>				
<u>Assets</u>				
Cash and investments	\$ 11,189	\$ 1,785,154	\$ 1,785,220	\$ 11,123
Due from other governments	4	-	4	-
Total assets	\$ 11,193	\$ 1,785,154	\$ 1,785,224	\$ 11,123
<u>Liabilities</u>				
Accounts payable	\$ 11,193	\$ 1,267,857	\$ 1,267,927	\$ 11,123
Total liabilities	\$ 11,193	\$ 1,267,857	\$ 1,267,927	\$ 11,123
<u>Property Tax Assessments</u>				
<u>Assets</u>				
Cash and investments	\$ 89,377	\$ 4,487,245	\$ 4,500,280	\$ 76,342
Interest receivable	39	13	39	13
Taxes receivable	45,132	45,133	54,200	36,065
Total assets	\$ 134,548	\$ 4,532,391	\$ 4,554,519	\$ 112,420
<u>Liabilities</u>				
Accounts payable	\$ 590	\$ 293,524	\$ 293,515	\$ 599
Due to other governments	133,958	4,391,438	4,413,575	111,821
Total liabilities	\$ 134,548	\$ 4,684,962	\$ 4,707,090	\$ 112,420

**COUNTY OF RIVERSIDE**  
Combining Statement of Changes in Fiduciary Assets and Liabilities  
Agency Funds  
For the Fiscal Year Ended June 30, 2013  
(Dollars in Thousands)

Warrants	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<u>Assets</u>				
Cash and investments	\$ 49,881	\$ 10,471,093	\$ 10,469,222	\$ 51,752
Interest receivable	-	-	-	-
Total assets	<u>\$ 49,881</u>	<u>\$ 10,471,093</u>	<u>\$ 10,469,222</u>	<u>\$ 51,752</u>
<u>Liabilities</u>				
Accounts payable	\$ 49,881	\$ 5,771,375	\$ 5,769,504	\$ 51,752
Total liabilities	<u>\$ 49,881</u>	<u>\$ 5,771,375</u>	<u>\$ 5,769,504</u>	<u>\$ 51,752</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and investments	\$ 242,968	\$ 21,169,826	\$ 21,186,021	\$ 226,773
Accounts receivable	-	3,791	3,744	47
Interest receivable	43	52	57	38
Taxes receivable	45,202	45,201	54,270	36,133
Due from other governments	334	350	334	350
Total assets	<u>\$ 288,547</u>	<u>\$ 21,219,220</u>	<u>\$ 21,244,426</u>	<u>\$ 263,341</u>
<u>Liabilities</u>				
Accounts payable	\$ 135,480	\$ 7,943,149	\$ 7,946,068	\$ 132,561
Salaries and benefits payable	6	9	9	6
Due to other governments	153,061	8,210,742	8,233,029	130,774
Total liabilities	<u>\$ 288,547</u>	<u>\$ 16,153,900</u>	<u>\$ 16,179,106</u>	<u>\$ 263,341</u>



**STATISTICAL  
SECTION**



## **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 Position by Component
- Changes in Net Position
- Governmental Activities Tax Revenues by Source
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

#### **Revenue Capacity Information**

**T6 – T10**

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

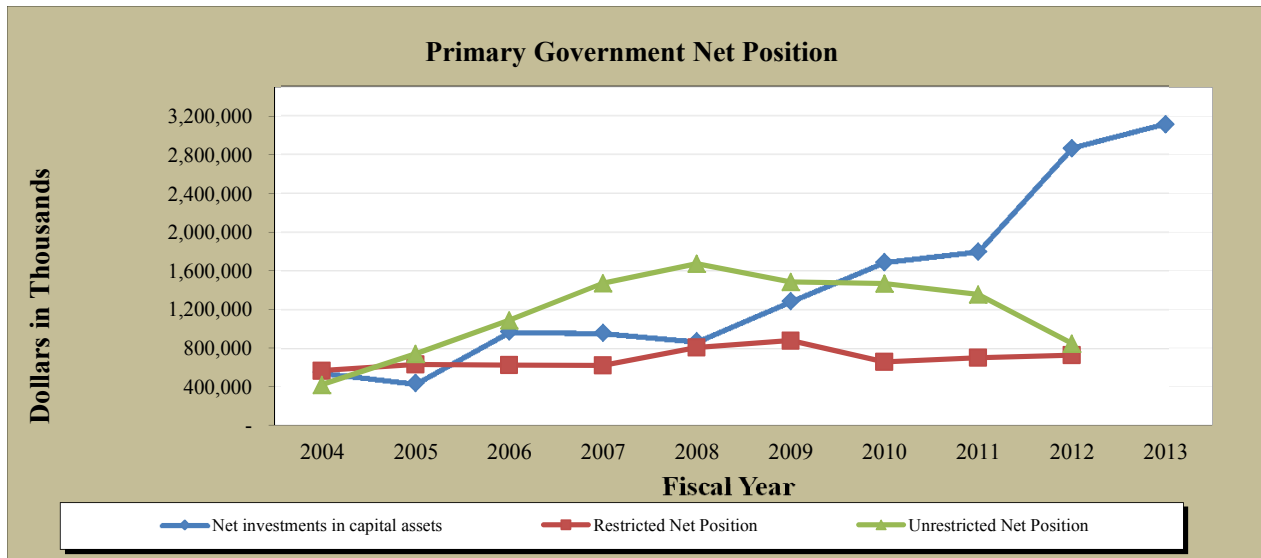
- Full-time Equivalent County Government Employees by Function/Program
- Operating Indicators by Function
- Capital Asset Statistics by Function

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 No. 34 in fiscal year 2001-02. Statistical Tables present information for the last eight years beginning with the first year after GASB Statement No. 34 implementation.

Table 1

**COUNTY OF RIVERSIDE  
Net Position by Component  
Last Ten Fiscal Years  
(Accrual basis of accounting)  
(Dollars in Thousands)  
June 30, 2013**

	Fiscal Year ending June 30th				
	2013	2012	2011	2010	2009
<b>Governmental Activities</b>					
Net investments in capital assets	\$ 2,998,987	\$ 2,740,429	\$ 1,687,128	\$ 1,594,275	\$ 1,204,971
Restricted	550,326	683,835	656,347	604,942	824,139
Unrestricted	771,883	851,269	1,295,657	1,395,141	1,402,813
Governmental activities, total net position	<u>\$ 4,321,196</u>	<u>\$ 4,275,533</u>	<u>\$ 3,639,132</u>	<u>\$ 3,594,358</u>	<u>\$ 3,431,923</u>
<b>Business-type Activities</b>					
Net investments in capital assets	\$ 118,594	\$ 130,510	\$ 113,489	\$ 96,901	\$ 81,512
Restricted	94,346	41,103	43,086	50,386	52,502
Unrestricted	88,852	(5,456)	59,550	72,397	80,238
Business-type activities, total net position	<u>\$ 301,792</u>	<u>\$ 166,157</u>	<u>\$ 216,125</u>	<u>\$ 219,684</u>	<u>\$ 214,252</u>
<b>Primary Government</b>					
Net investments in capital assets	\$ 3,117,581	\$ 2,870,939	\$ 1,800,617	\$ 1,691,176	\$ 1,286,483
Restricted	644,672	724,938	699,433	655,328	876,641
Unrestricted	860,735	845,813	1,355,207	1,467,538	1,483,051
Primary government, total net position	<u>\$ 4,622,988</u>	<u>\$ 4,441,690</u>	<u>\$ 3,855,257</u>	<u>\$ 3,814,042</u>	<u>\$ 3,646,175</u>



Source: Auditor-Controller, County of Riverside

Table 1

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	
					<b>Governmental Activities</b>
\$ 802,981	\$ 903,076	\$ 930,800	\$ 407,762	\$ 524,624	Net investments in capital assets
769,368	569,477	582,037	584,441	521,143	Restricted
<u>1,572,150</u>	<u>1,370,350</u>	<u>999,992</u>	<u>671,917</u>	<u>387,007</u>	Unrestricted
<u>\$ 3,144,499</u>	<u>\$ 2,842,903</u>	<u>\$ 2,512,829</u>	<u>\$ 1,664,120</u>	<u>\$ 1,432,774</u>	Governmental activities, total net position
					<b>Business-type Activities</b>
\$ 69,441	\$ 53,321	\$ 40,986	\$ 29,583	\$ 25,102	Net investments in capital assets
36,074	50,629	41,287	45,362	43,232	Restricted
<u>101,683</u>	<u>100,567</u>	<u>85,971</u>	<u>67,502</u>	<u>31,602</u>	Unrestricted
<u>\$ 207,198</u>	<u>\$ 204,517</u>	<u>\$ 168,244</u>	<u>\$ 142,447</u>	<u>\$ 99,936</u>	Business-type activities, total net position
					<b>Primary Government</b>
\$ 872,422	\$ 956,397	\$ 971,786	\$ 437,345	\$ 549,726	Net investments in capital assets
805,442	620,106	623,324	629,803	564,375	Restricted
<u>1,673,833</u>	<u>1,470,917</u>	<u>1,085,963</u>	<u>739,419</u>	<u>418,609</u>	Unrestricted
<u>\$ 3,351,697</u>	<u>\$ 3,047,420</u>	<u>\$ 2,681,073</u>	<u>\$ 1,806,567</u>	<u>\$ 1,532,710</u>	Primary government, total net position

Table 2

**COUNTY OF RIVERSIDE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**as of June 30, 2013**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for services:					
General government	\$ 138,851	\$ 147,510	\$ 159,570	\$ 140,723	\$ 143,644
Public protection	339,379	316,778	326,237	331,162	311,565
Other activities	110,231	116,509	105,931	95,438	100,819
Operating grants and contributions	1,503,390	1,447,694	1,393,016	1,384,791	1,344,611
Capital grants and contributions	27,695	27,909	32,114	31,112	29,771
Governmental activities program revenues	<u>2,119,546</u>	<u>2,056,400</u>	<u>2,016,868</u>	<u>1,983,226</u>	<u>1,930,410</u>
Business-type Activities:					
Charges for services:					
Regional Medical Center	450,340	371,827	386,533	367,273	360,584
Other activities	150,407	133,838	140,327	134,257	139,206
Capital grants and contributions	698	335	-	1,165	310
Business-type activities program revenues	<u>601,445</u>	<u>506,000</u>	<u>526,860</u>	<u>502,695</u>	<u>500,100</u>
Primary government program revenues	<u>2,720,991</u>	<u>2,562,400</u>	<u>2,543,728</u>	<u>2,485,921</u>	<u>2,430,510</u>
<b>Expenses</b>					
Governmental Activities:					
General government	194,641	270,474	298,032	323,949	285,393
Public protection	1,065,373	1,047,202	1,021,288	1,062,213	1,095,587
Public ways and facilities	89,469	84,797	87,424	31,024	31,283
Health and sanitation	422,982	374,950	369,984	347,634	392,945
Public assistance	807,611	827,092	907,202	820,637	770,484
Education	18,998	10,376	15,816	19,866	15,954
Recreation and cultural services	12,274	15,806	9,364	12,206	6,039
Interest on long-term debt	29,453	39,098	88,998	80,754	89,741
Governmental activities expenses	<u>2,640,801</u>	<u>2,669,795</u>	<u>2,798,108</u>	<u>2,698,283</u>	<u>2,687,426</u>
Business-type Activities:					
Regional Medical Center	473,916	417,074	401,120	389,991	379,278
Waste Management Department	53,069	57,272	56,688	49,956	61,116
Housing Authority	90,678	91,469	86,027	81,426	81,139
Flood Control	2,472	2,306	3,711	3,233	3,816
County service areas	459	456	383	454	457
Business-type activities expenses	<u>620,594</u>	<u>568,577</u>	<u>547,929</u>	<u>525,060</u>	<u>525,806</u>
Primary government expenses	<u>3,261,395</u>	<u>3,238,372</u>	<u>3,346,037</u>	<u>3,223,343</u>	<u>3,213,232</u>
<b>Net (expense)/revenue</b>					
Governmental activities	(521,255)	(613,395)	(781,240)	(715,057)	(757,016)
Business-type activities	(19,149)	(62,577)	(21,069)	(22,365)	(25,706)
Primary government, net (expense) / revenue	<u>\$ (540,404)</u>	<u>\$ (675,972)</u>	<u>\$ (802,309)</u>	<u>\$ (737,422)</u>	<u>\$ (782,722)</u>

Source: Auditor-Controller, County of Riverside

Table 2

2008	2007	2006	2005	2004	
					<b>Program Revenues</b>
					Governmental Activities:
					Charges for services:
\$ 171,403	\$ 171,070	\$ 174,781	\$ 125,937	\$ 105,248	General government
316,719	307,288	286,877	235,873	237,681	Public protection
123,483	130,837	113,413	97,182	93,100	Other activities
1,315,716	1,210,941	1,100,674	983,290	1,086,456	Operating grants and contributions
25,333	48,186	31,001	64,252	33,041	Capital grants and contributions
<u>1,952,654</u>	<u>1,868,322</u>	<u>1,706,746</u>	<u>1,506,534</u>	<u>1,555,526</u>	Governmental activities program revenues
					Business-type Activities:
					Charges for services:
333,414	337,905	330,125	354,510	266,484	Regional Medical Center
146,065	137,706	135,266	125,945	118,544	Other activities
306	261	227	-	125	Capital grants and contributions
<u>479,785</u>	<u>475,872</u>	<u>465,618</u>	<u>480,455</u>	<u>385,153</u>	Business-type activities program revenues
<u>2,432,439</u>	<u>2,344,194</u>	<u>2,172,364</u>	<u>1,986,989</u>	<u>1,940,679</u>	Primary government program revenues
					<b>Expenses</b>
					Governmental Activities:
					General government
331,741	296,917	259,993	187,911	232,322	Public protection
1,122,370	935,550	801,044	792,287	710,053	Public ways and facilities
20,558	57,578	61,443	79,649	93,529	Health and sanitation
330,206	350,082	350,451	290,001	376,338	Public assistance
752,779	688,213	634,522	552,298	590,719	Education
17,977	14,847	11,168	10,112	10,280	Recreation and cultural services
12,457	11,941	7,188	8,617	9,666	Interest on long-term debt
96,173	81,197	75,721	48,717	29,890	
<u>2,684,261</u>	<u>2,436,325</u>	<u>2,201,530</u>	<u>1,969,592</u>	<u>2,052,797</u>	Governmental activities expenses
					Business-type Activities:
353,481	329,128	290,962	356,255	296,227	Regional Medical Center
64,538	60,772	66,453	55,563	40,056	Waste Management Department
74,252	70,218	62,909	62,206	61,599	Housing Authority
5,201	6,242	5,705	4,928	4,318	Flood Control
343	329	285	320	329	County service areas
<u>497,815</u>	<u>466,689</u>	<u>426,314</u>	<u>479,272</u>	<u>402,529</u>	Business-type activities expenses
<u>3,182,076</u>	<u>2,903,014</u>	<u>2,627,844</u>	<u>2,448,864</u>	<u>2,455,326</u>	Primary government expenses
					<b>Net (expense)/revenue</b>
(731,607)	(568,003)	(494,784)	(463,058)	(497,271)	Governmental activities
(18,030)	9,183	39,304	1,183	(17,376)	Business-type activities
<u>\$ (749,637)</u>	<u>\$ (558,820)</u>	<u>\$ (455,480)</u>	<u>\$ (461,875)</u>	<u>\$ (514,647)</u>	Primary government, net (expense) / revenue

Continued

Table 2

**COUNTY OF RIVERSIDE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2013**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Continued:					
Primary government, net (expense) / revenue	\$ (540,404)	\$ (675,972)	\$ (802,309)	\$ (737,422)	\$ (782,722)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental Activities:					
Taxes:					
Property taxes	277,417	322,337	367,867	440,282	506,222
Sales tax and use tax	29,751	26,744	45,489	36,289	47,683
Other taxes	37,883	6,715	9,004	8,610	13,771
Intergovernmental revenue - not restricted to programs:					
Unrestricted intergovernmental revenue	220,811	226,384	235,153	246,493	273,825
Fines, forfeitures, and penalties	-	-	-	-	-
Investment earnings	2,035	11,801	19,494	29,026	87,041
Proceeds on sale of capital assets	-	-	-	-	-
Other	168,454	169,398	142,966	91,044	121,880
Transfers	(1,049)	(11,702)	(10,355)	(17,436)	(25,713)
Governmental activities	<u>735,302</u>	<u>751,677</u>	<u>809,618</u>	<u>834,308</u>	<u>1,024,709</u>
Business-type Activities:					
Investment earnings	(33)	907	538	1,442	6,142
Gain on sale of capital assets	-	-	-	-	-
Other	-	-	6,617	-	-
Transfers	1,049	11,702	10,355	17,436	25,713
Business-type activities	<u>1,016</u>	<u>12,609</u>	<u>17,510</u>	<u>18,878</u>	<u>31,855</u>
Total primary government	<u>736,318</u>	<u>764,286</u>	<u>827,128</u>	<u>853,186</u>	<u>1,056,564</u>
<b>Change in net position</b>					
Governmental activities	214,047	138,282	28,378	119,251	267,693
Business-type activities	(18,133)	(49,968)	(3,559)	(3,487)	6,149
Primary government change in net position	<u>\$ 195,914</u>	<u>\$ 88,314</u>	<u>\$ 24,819</u>	<u>\$ 115,764</u>	<u>\$ 273,842</u>



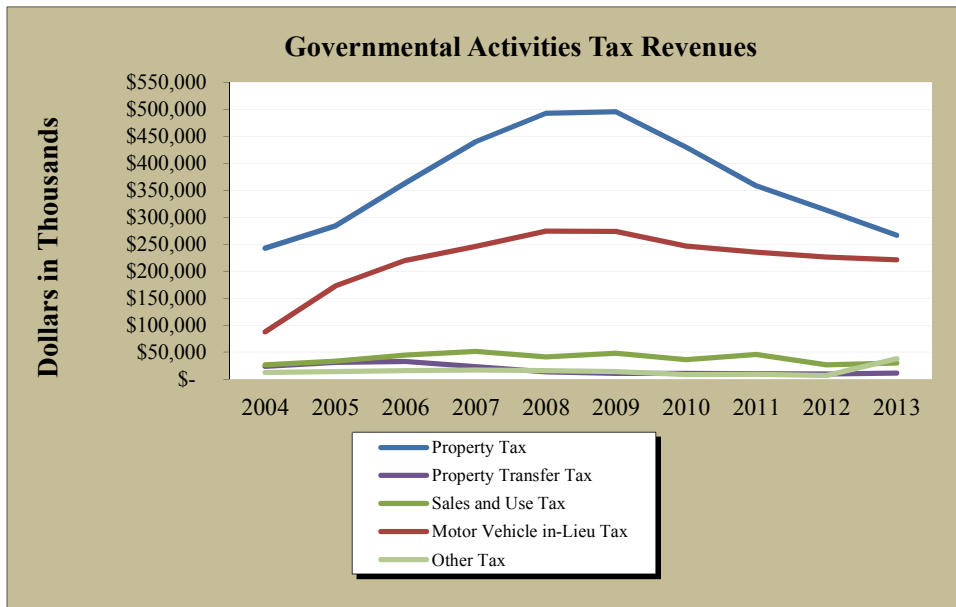
Table 2

2008	2007	2006	2005	2004	
\$ (749,637)	\$ (558,820)	\$ (455,480)	\$ (461,875)	\$ (514,647)	Continued: Primary government, net (expense) / revenue
					<b>General Revenues and Other Changes in Net Position</b>
					Governmental Activities:
					Taxes:
506,327	462,817	396,167	314,666	266,391	Property taxes
40,985	51,093	44,286	33,091	26,633	Sales tax and use tax
15,898	16,865	15,603	13,885	12,108	Other taxes
					Intergovernmental revenue - not restricted to programs:
274,282	245,723	220,190	172,265	87,435	Unrestricted intergovernmental revenue
-	-	-	70,578	43,344	Fines, forfeitures, and penalties
138,071	122,517	78,288	39,907	16,835	Investment earnings
-	-	-	-	1,491	Proceeds on sale of capital assets
85,924	13,191	96,265	99,330	146,392	Other
(10,322)	(16,892)	19,888	(31,000)	(16,791)	Transfers
1,051,165	895,314	870,687	712,722	583,838	Governmental activities
					Business-type Activities:
10,389	10,198	6,381	4,234	2,505	Investment earnings
-	-	-	346	4,208	Gain on sale of capital assets
-	-	-	-	-	Other
10,322	16,892	(19,888)	31,000	16,791	Transfers
20,711	27,090	(13,507)	35,580	23,504	Business-type activities
1,071,876	922,404	857,180	748,302	607,342	Total primary government
					<b>Change in net position</b>
319,558	327,311	375,903	249,664	86,567	Governmental activities
2,681	36,273	25,797	36,763	6,128	Business-type activities
\$ 322,239	\$ 363,584	\$ 401,700	\$ 286,427	\$ 92,695	Primary government change in net position

Table 3

**COUNTY OF RIVERSIDE**  
**Governmental Activities Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2013**

<b>Fiscal Year Ending June 30th</b>	<b>Property Tax</b>	<b>Property Transfer Tax</b>	<b>Sales and Use Tax</b>	<b>Unrestricted Intergovernmental Revenue</b>	<b>Other Tax</b>	<b>Total</b>
2013	\$ 266,294	\$ 11,123	\$ 29,751	\$ 220,811	\$ 37,883	\$ 565,862
2012	312,972	9,365	26,744	226,384	6,715	582,180
2011	357,908	9,959	45,489	235,153	9,004	657,513
2010	429,604	10,678	36,289	246,493	8,610	731,674
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



Source: Auditor-Controller, County of Riverside



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Table 4

**COUNTY OF RIVERSIDE**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2013**

	Fiscal Year Ending June 30th			
	2013	2012	2011	2010
<b>General Fund</b>				
Nonspendable	\$ 3,247	\$ 1,834	\$ 2,214	\$ 3,201
Restricted	101,440	101,651	98,552	93,653
Committed	42,183	52,439	50,097	250,444
Assigned	10,460	8,764	3,463	2,998
Unassigned	199,919	171,910	189,236	36,190
<b>Total General Fund</b>	<b>357,249</b>	<b>336,598</b>	<b>343,562</b>	<b>386,486</b>
<b>Transportation</b>				
Nonspendable	1,044	1,014	-	-
Restricted	79,127	95,805	-	-
Committed	1,310	1,811	-	-
Assigned	12,821	4,935	-	-
<b>Total Transportation</b>	<b>94,302</b>	<b>103,565</b>	<b>-</b>	<b>-</b>
<b>Flood Control</b>				
Nonspendable	1	1	1	1
Committed	253,117	252,368	237,211	222,944
Assigned	1,807	3,890	13,741	18,979
<b>Total Flood Control</b>	<b>254,925</b>	<b>256,259</b>	<b>250,953</b>	<b>241,924</b>
<b>Public Facilities Improvements</b>				
Restricted	153,404	131,184	158,628	200,501
Committed	1,912	-	6,451	10,850
Assigned	44,244	111,324	128,023	127,302
<b>Total Public Facilities Improvements</b>	<b>199,560</b>	<b>242,508</b>	<b>293,102</b>	<b>338,653</b>
<b>Redevelopment Capital Projects</b>				
Nonspendable	-	-	72,055	79,257
Committed	-	-	115,617	93,028
Assigned	-	-	83,881	96,062
<b>Total Redevelopment Capital Projects</b>	<b>-</b>	<b>-</b>	<b>271,553</b>	<b>268,347</b>
<b>Nonmajor Governmental Funds</b>				
Nonspendable	1,168	1,241	84,769	84,744
Restricted	174,552	354,214	410,787	434,900
Committed reported in:				
Special revenue funds	15,763	12,973	21,381	6,196
Debt Service Funds	-	-	1,206	1,206
Capital projects funds	151	323	1,690	355
Assigned	17,088	25,763	86,572	30,314
<b>Total Nonmajor Governmental Funds</b>	<b>208,722</b>	<b>394,514</b>	<b>606,405</b>	<b>557,715</b>
<b>Total All Governmental Funds</b>	<b>\$ 1,114,758</b>	<b>\$ 1,333,444</b>	<b>\$ 1,765,575</b>	<b>\$ 1,793,125</b>

Note: In fiscal year 2010-11 the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Fiscal year 2009-10 fund balances have been recharacterized to comply with GASB Statement No. 54 in order to facilitate year-to-year comparisons. In fiscal year 2011-12 Redevelopment Capital Projects are reported under the Successor Agency.

In fiscal year 2012-13 Transportation became a major fund, therefore only fiscal year 2011-12 and 2012-13 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside

Table 4

**COUNTY OF RIVERSIDE**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (Continued)**  
**(Modified accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2013**

	Fiscal Year Ending June 30th					
	2009	2008	2007	2006	2005	2004
<b>General Fund</b>						
Reserved	\$ 91,196	\$ 84,466	\$ 88,233	\$ 100,436	\$ 121,249	\$ 100,940
Unreserved, designated	203,821	335,630	339,773	277,833	185,014	70,361
Unreserved, undesignated	77,104	58,672	142,958	68,649	46,191	77,752
Total General Fund	<u>372,121</u>	<u>478,768</u>	<u>570,964</u>	<u>446,918</u>	<u>352,454</u>	<u>249,053</u>
<b>Transportation</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Flood Control</b>						
Reserved	1,794	4,500	-	940	3,914	19,051
Unreserved, designated	30,149	1,755	134,396	133,906	-	-
Unreserved, undesignated	196,973	193,170	32,724	3,044	120,052	107,482
Total Flood Control	<u>228,916</u>	<u>199,425</u>	<u>167,120</u>	<u>137,890</u>	<u>123,966</u>	<u>126,533</u>
<b>Public Facilities Improvements</b>						
Reserved	538,431	590,915	256,338	222,983	175,699	152,842
Unreserved, undesignated	-	-	-	-	-	184
Total Public Facilities Improvements	<u>538,431</u>	<u>590,915</u>	<u>256,338</u>	<u>222,983</u>	<u>175,699</u>	<u>153,026</u>
<b>Redevelopment Capital Projects</b>						
Reserved	189,627	122,036	269,263	88,391	61,460	-
Unreserved, undesignated	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>	<u>-</u>
<b>Nonmajor Governmental Funds</b>						
Reserved	371,076	331,147	192,566	196,938	149,222	159,413
Unreserved, designated reported in:						
Special revenue funds	27,666	37,121	53,268	78,501	86,593	13,041
Capital projects funds	6,933	6,935	9,671	2,056	1,805	20,353
Unreserved, undesignated reported in:						
Special revenue funds	151,939	139,367	115,637	106,564	197,438	189,570
Capital projects funds	-	-	-	-	-	(8,241)
Total Nonmajor Governmental Funds	<u>557,614</u>	<u>514,570</u>	<u>371,142</u>	<u>384,059</u>	<u>435,058</u>	<u>374,136</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>\$ 1,224,339</u>	<u>\$ 902,748</u>

Table 5

**COUNTY OF RIVERSIDE**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**  
**(Dollars in Thousands)**  
**June 30, 2013**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Revenues</b>					
Taxes	\$ 347,166	\$ 355,796	\$ 427,892	\$ 439,435	\$ 525,238
Licenses, permits, and franchise fees	18,798	19,513	20,294	19,197	22,546
Fines, forfeitures, and penalties	86,381	90,163	95,290	114,320	108,572
Use of money and property:					
Interest	2,370	10,827	18,305	26,929	81,040
Rents and concessions	19,246	19,588	17,659	17,393	17,151
Aid from other governmental agencies:					
Federal	569,330	577,654	609,531	636,167	546,030
State	1,047,485	986,658	921,329	857,191	955,389
Other	132,120	156,678	130,362	172,598	140,757
Charges for services	464,274	449,888	458,744	469,340	460,439
Other revenue	91,329	95,119	95,279	65,711	84,348
Total revenues	<u>2,778,499</u>	<u>2,761,884</u>	<u>2,794,685</u>	<u>2,818,281</u>	<u>2,941,510</u>
<b>Expenditures</b>					
General government	208,242	291,227	311,025	554,315	430,712
Public protection	1,117,397	1,072,442	1,081,489	1,068,051	1,126,662
Public ways and facilities	177,467	168,015	176,184	130,310	148,544
Health and sanitation	393,557	375,668	353,904	341,244	390,668
Public assistance	798,850	802,104	824,471	812,848	766,407
Education	18,819	18,942	19,282	18,910	15,731
Recreation and culture	16,590	15,220	18,755	12,620	12,801
Debt service:					
Principal	55,363	65,002	80,928	73,378	54,587
Interest	27,988	49,041	83,902	78,689	86,768
Cost of issuance	378	15	5,212	1,819	2,436
Capital outlay	25,427	22,583	30,439	39,844	48,899
Total expenditures	<u>2,840,078</u>	<u>2,880,259</u>	<u>2,985,591</u>	<u>3,132,028</u>	<u>3,084,215</u>
Revenues over (under) expenditures	(61,579)	(118,375)	(190,906)	(313,747)	(142,705)
<b>Other financing sources (uses)</b>					
Transfers in	231,574	323,052	267,985	463,296	538,029
Transfers out	(233,809)	(332,724)	(277,943)	(479,143)	(562,345)
Issuance of debt	-	-	170,481	81,745	-
Issuance of refunding bonds	19,140	33,360	-	70,365	78,895
Discount on long-term debt	-	-	-	(626)	-
Premium on long-term debt	759	2,840	-	937	-
Redemption of refunded debt	(18,155)	(32,797)	-	-	-
Payment to escrow agent	-	-	-	(65,713)	(76,300)
Proceeds from the sale of capital assets	-	-	6	-	-
Capital leases	1,721	2,671	8,321	31,018	22,746
Total other financing sources (uses)	<u>1,230</u>	<u>(3,598)</u>	<u>168,850</u>	<u>101,879</u>	<u>1,025</u>
Net change in fund balances	<u>\$ (60,349)</u>	<u>\$ (121,973)</u>	<u>\$ (22,056)</u>	<u>\$ (211,868)</u>	<u>\$ (141,680)</u>
Debt service as a % of non-capital expenditures	3.35%	4.50%	6.17%	5.85%	5.54%

Source: Auditor-Controller, County of Riverside

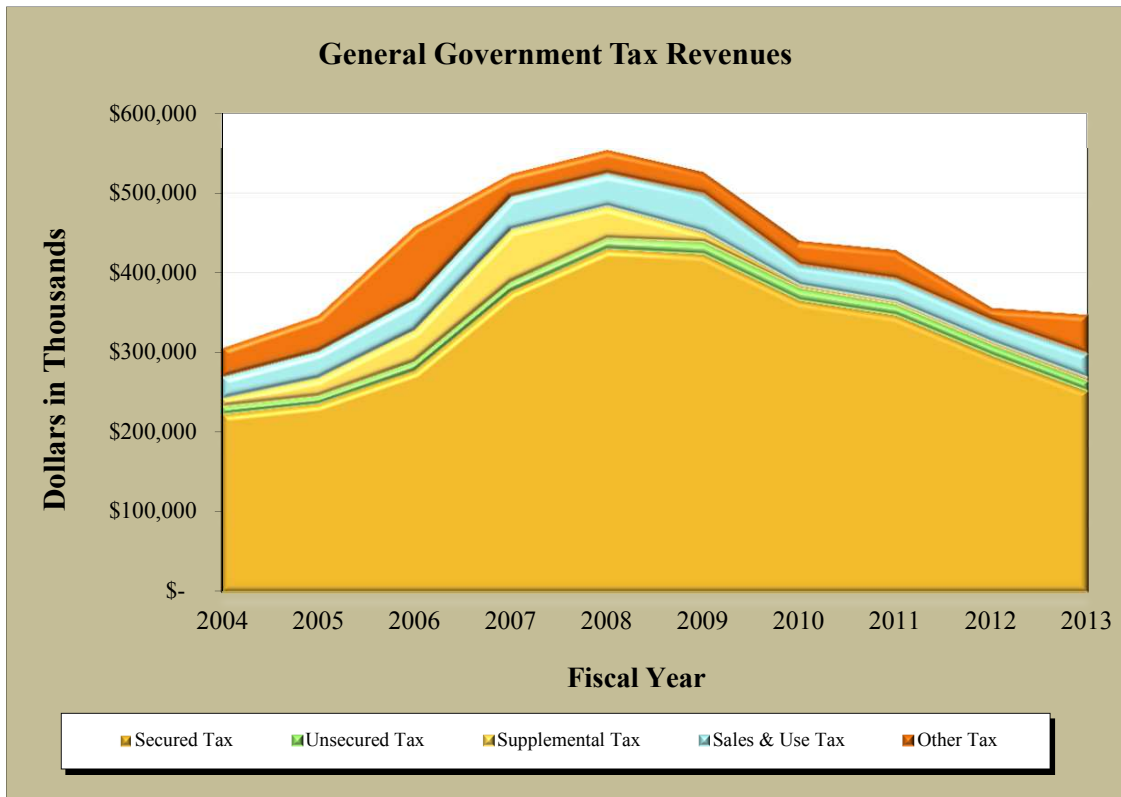
Table 5

2008	2007	2006	2005	2004	
\$ 553,158	\$ 523,028	\$ 457,117	\$ 346,248	\$ 305,132	<b>Revenues</b>
24,652	25,981	21,733	22,343	26,418	Taxes
92,029	82,946	62,984	70,578	43,297	Licenses, permits, and franchise fees
					Fines, forfeitures, and penalties
					Use of money and property:
128,307	113,789	73,838	37,624	16,145	Interest
15,486	43,171	41,798	39,831	31,952	Rents and concessions
					Aid from other governmental agencies:
544,587	496,685	451,036	446,628	430,970	Federal
971,299	937,630	830,634	705,289	713,146	State
103,858	89,111	69,042	55,661	46,750	Other
447,889	431,676	439,594	383,497	368,497	Charges for services
102,132	115,863	110,870	146,800	100,404	Other revenue
<u>2,983,397</u>	<u>2,859,880</u>	<u>2,558,646</u>	<u>2,254,499</u>	<u>2,082,711</u>	Total revenues
					<b>Expenditures</b>
409,336	320,254	270,340	250,568	217,416	General government
1,083,719	972,006	855,133	1,039,822	677,798	Public protection
152,603	157,055	141,017	111,088	133,973	Public ways and facilities
375,259	348,921	346,738	339,444	365,727	Health and sanitation
747,576	686,295	629,553	652,069	576,267	Public assistance
17,907	14,830	11,108	9,889	10,241	Education
11,647	11,707	12,727	20,058	9,242	Recreation and culture
					Debt service:
46,483	44,222	45,516	34,452	32,118	Principal
91,126	78,204	73,707	46,439	24,523	Interest
3,868	5,565	4,925	9,283	504	Cost of issuance
36,691	58,525	25,639	9,680	1,604	Capital outlay
<u>2,976,215</u>	<u>2,697,584</u>	<u>2,416,403</u>	<u>2,522,792</u>	<u>2,049,413</u>	Total expenditures
7,182	162,296	142,243	(268,293)	33,298	Revenues over (under) expenditures
					<b>Other financing sources (uses)</b>
805,400	313,044	294,835	203,411	163,383	Transfers in
(814,607)	(328,624)	(277,680)	(229,835)	(179,701)	Transfers out
294,084	34,173	178,750	596,330	21,645	Issuance of debt
111,125	259,600	-	74,200	-	Issuance of refunding bonds
(2,898)	-	-	-	-	Discount on long-term debt
3,272	2,876	857	4,827	-	Premium on long-term debt
-	-	-	-	-	Redemption of refunded debt
(24,290)	(103,396)	(35,684)	(53,338)	-	Payment to escrow agent
1,159	916	2,064	35	494	Proceeds from the sale of capital assets
8,670	8,811	7,929	6,616	1,008	Capital leases
<u>381,915</u>	<u>187,400</u>	<u>171,071</u>	<u>602,246</u>	<u>6,829</u>	Total other financing sources (uses)
<u>\$ 389,097</u>	<u>\$ 349,696</u>	<u>\$ 313,314</u>	<u>\$ 333,953</u>	<u>\$ 40,127</u>	Net change in fund balances
5.28%	5.07%	5.47%	3.35%	2.86%	Debt service as a % of non-capital expenditures

Table 6

**COUNTY OF RIVERSIDE**  
**General Government Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**  
**(Dollars in Thousands)**  
**June 30, 2013**

Fiscal Year Ending June 30th	Secured Tax	Unsecured Tax	Supplemental Tax	Sales & Use Tax	Other Taxes	Total
2013	\$ 251,236	\$ 12,459	\$ 4,714	\$ 29,751	\$ 49,006	\$ 347,166
2012	295,974	13,499	3,498	26,626	16,199	355,796
2011	346,356	13,404	3,681	28,393	36,058	427,892
2010	364,810	15,270	3,778	25,762	29,815	439,435
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



Source: Auditor-Controller, County of Riverside



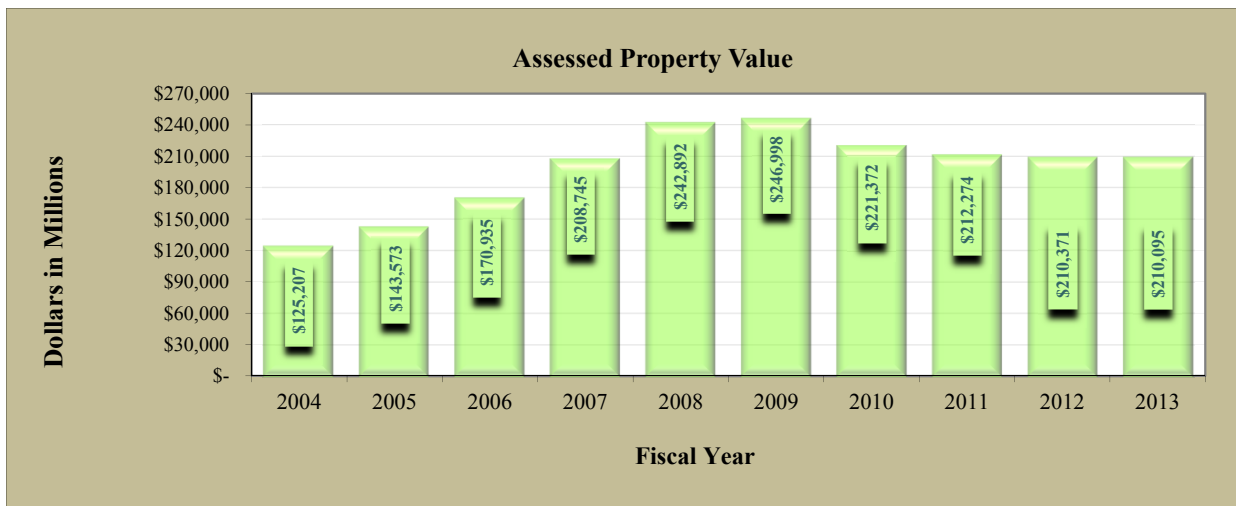


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Table 7

**COUNTY OF RIVERSIDE**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2013**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Real Property</b>					
Secured property	\$ 201,971,552	\$ 202,313,851	\$ 204,153,163	\$ 213,144,336	\$ 238,312,506
Unsecured property	8,123,443	8,057,242	8,121,065	8,227,172	8,685,393
<b>Total Gross Assessed Value</b>	<b>210,094,995</b>	<b>210,371,093</b>	<b>212,274,228</b>	<b>221,371,508</b>	<b>246,997,899</b>
<b>Less:</b>					
Tax-exempt real property	7,116,048	6,818,361	6,673,229	6,424,030	6,111,231
<b>Total Taxable Assessed Value</b>	<b>\$ 202,978,947</b>	<b>\$ 203,552,732</b>	<b>\$ 205,600,999</b>	<b>\$ 214,947,478</b>	<b>\$ 240,886,668</b>
<b>Total Direct Tax Rate</b>	1.1434	1.1254	1.1254	1.1222	1.1095
<b>Estimated Actual Taxable Value</b>	\$ 270,638,596	\$ 271,403,643	\$ 274,134,665	\$ 286,596,637	\$ 321,182,224
<b>Assessed Value as a % of Actual Value</b>	77.63%	77.51%	77.43%	77.24%	76.90%



Source: Auditor-Controller, County of Riverside

Table 7

<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	
\$ 235,351,116	\$ 202,009,520	\$ 164,618,837	\$ 137,784,611	\$ 119,840,527	<b>Real Property</b>
7,540,803	6,735,421	6,316,569	5,787,971	5,365,993	Secured property
242,891,919	208,744,941	170,935,406	143,572,582	125,206,520	Unsecured property
					<b>Total Gross Assessed Value</b>
5,574,813	5,125,567	5,014,256	4,730,573	4,301,937	<b>Less:</b>
					Tax-exempt real property
<b>\$ 237,317,106</b>	<b>\$ 203,619,374</b>	<b>\$ 165,921,150</b>	<b>\$ 138,842,009</b>	<b>\$ 120,904,583</b>	<b>Total Taxable Assessed Value</b>
1.0919	1.0772	1.0805	1.0866	1.0771	<b>Total Direct Tax Rate</b>
\$ 316,422,808	\$ 271,492,499	\$ 221,228,200	\$ 185,122,679	\$ 161,206,111	<b>Estimated Actual Taxable Value</b>
76.76%	76.89%	77.27%	77.56%	77.67%	<b>Assessed Value as a % of Actual Value</b>

**Table 8**

**COUNTY OF RIVERSIDE  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years  
June 30, 2013**

Fiscal Year Ending June 30th	County Direct Rates		Range of Overlapping Rates			Total Direct & Overlapping Rates
	Riverside County General Purpose	Debt Service	Total City Rate	Total School Districts Rate	Total Special Districts Rate	
2013	1.00000%	0.14340%	0% to .00572%	.01702% to .17570%	0% to .58076%	1.14340% to 1.58076%
2012	1.00000%	0.12540%	0% to .00571%	.01700% to .14030%	0% to .53864%	1.12540% to 1.53864%
2011	1.00000%	0.12540%	0% to .00575%	.01499% to .13224%	0% to .50000%	1.12540% to 1.50000%
2010	1.00000%	0.12220%	.00064% to .00577%	.01242% to .12628%	0% to .50000%	1.12220% to 1.50000%
2009	1.00000%	0.10950%	.00119% to .00747%	.01254% to .10963%	0% to .50000%	1.10950% to 1.50000%
2008	1.00000%	0.09190%	.00178% to .00627%	.00549% to .08521%	0% to .50000%	1.09190% to 1.50000%
2007	1.00000%	0.07720%	.00249% to .00821%	.00578% to .10282%	0% to .54324%	1.07720% to 1.54324%
2006	1.00000%	0.08050%	.00426% to .00861%	.01435% to .10210%	0% to .50997%	1.08050% to 1.50997%
2005	1.00000%	0.08660%	.00529% to .01092%	.01192% to .09581%	0% to .50000%	1.08660% to 1.50000%
2004	1.00000%	0.07870%	0% to .00608%	0% to .09819%	0% to .72543%	1.07710% to 1.72543%

Note: Total direct tax rate encompasses general levy, special assessments, and fixed charges.

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

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

Source: Auditor-Controller, County of Riverside

Table 9

**COUNTY OF RIVERSIDE**  
**Principal Property Tax Payers**  
**(Dollars in thousands)**  
**Current Year and Nine Years Ago**  
**June 30, 2013**

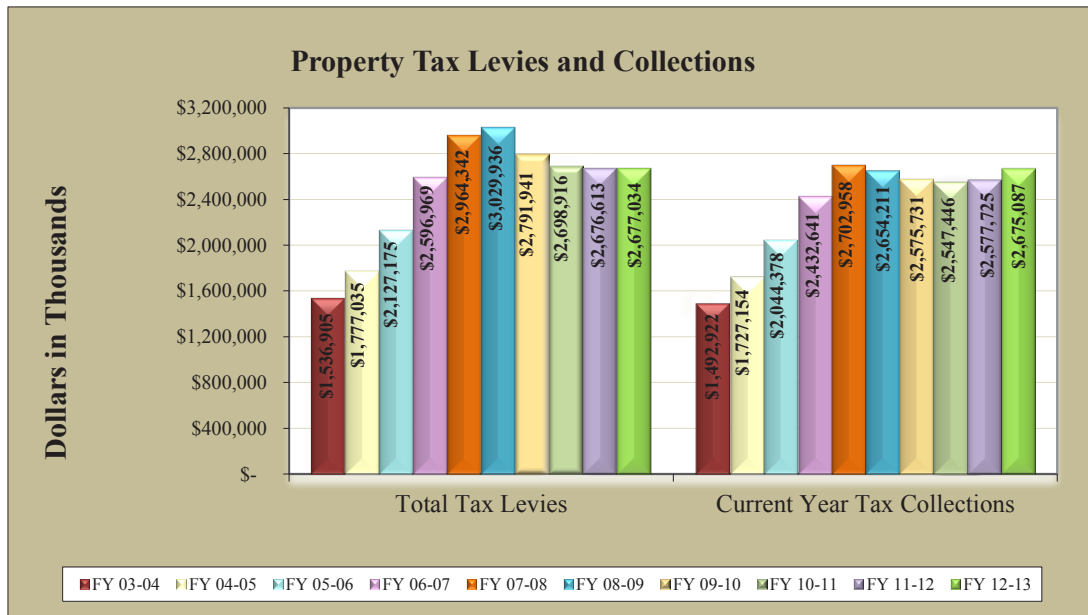
<u>Tax Payer</u>	<u>Fiscal Year</u>			
	<u>2013</u>		<u>2004</u>	
	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percentage of Total County Taxable Assessed Value</u>
So. California Edison Co.	\$ 23,532	0.83%	\$ 6,911	0.45%
Verizon California Inc.	9,205	0.33%	6,631	0.43%
So. California Gas Co.	6,789	0.24%	3,461	0.23%
Inland Empire Energy Center, LCC	5,994	0.21%		
Federal National Mortgage Assn	3,416	0.12%		
Tyler Mall LTD Partnership	2,899	0.10%		
Abbott Vascular Inc.	2,898	0.10%		
Blythe Energy, LLC	2,739	0.10%	3,462	0.23%
Bank of New York Mellon	2,726	0.10%		
Chelsea GCA Realty Partnership	2,525	0.09%		
KB Home Coastal Inc.			3,506	0.23%
DS Hotel			2,741	0.18%
KSL Desert Resorts, Inc.			2,554	0.17%
Pulte Home Corp			2,548	0.17%
Norco Ridge Ranch			2,391	0.16%
Tyler Mall LTD, Partnership			2,185	0.14%
<b>Total</b>	<b>\$ 62,723</b>	<b>2.22%</b>	<b>\$ 36,390</b>	<b>2.39%</b>

Source: Treasurer-Tax Collector, County of Riverside

Table 10

**COUNTY OF RIVERSIDE**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands)**  
**June 30, 2013**

Fiscal Year Ending June 30th	Total Secured Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections as of 6/30	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 2,677,034	\$ 2,675,087	99.93%	\$ -	\$ 2,675,088	99.93%
2012	2,676,613	2,577,725	96.31%	90,100	2,667,825	99.67%
2011	2,698,916	2,547,446	94.39%	104,466	2,651,912	98.26%
2010	2,791,941	2,575,731	92.26%	134,100	2,709,831	97.06%
2009	3,029,936	2,654,211	87.60%	199,368	2,853,579	94.18%
2008	2,964,342	2,702,958	91.18%	225,248	2,928,206	98.78%
2007	2,596,969	2,432,641	93.67%	131,299	2,563,940	98.73%
2006	2,127,175	1,972,483	92.73%	71,896	2,044,379	96.11%
2005	1,777,035	1,673,434	94.17%	53,720	1,727,154	97.19%
2004	1,536,905	1,413,508	91.97%	46,789	1,460,297	95.02%



\*Delinquent taxes reported by year of collection; data by levy year unavailable.

Source: Auditor-Controller, County of Riverside

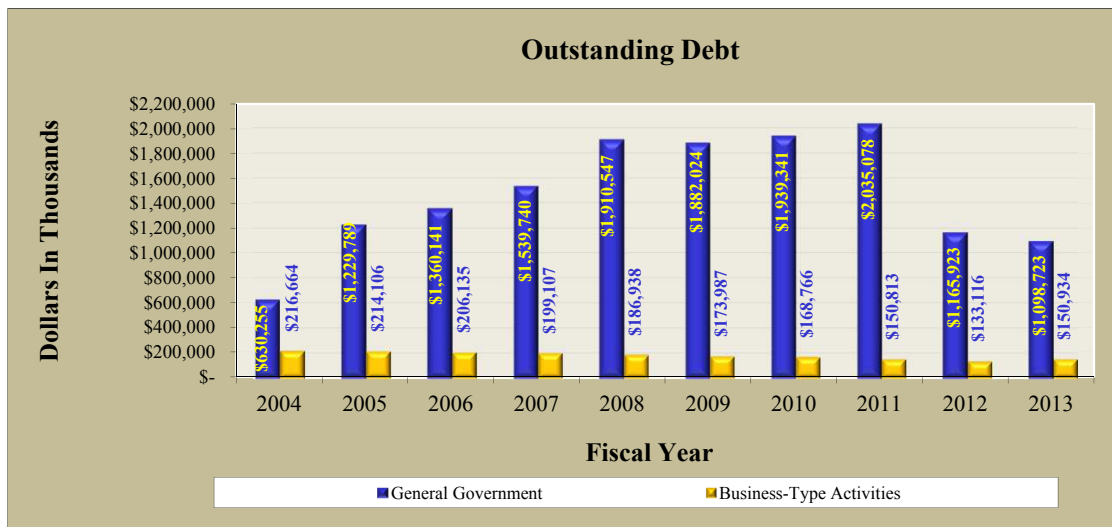


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Table 11

**COUNTY OF RIVERSIDE**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita Amount)**  
**June 30, 2013**

	Fiscal Year Ending June 30th				
	2013	2012	2011	2010	2009
<b>General Government</b>					
Bonds	\$ 744,460	\$ 750,492	\$ 1,551,323	\$ 1,408,017	\$ 1,359,277
Certificates of participation	282,095	309,511	367,272	385,447	391,914
Note and loans	4,420	4,925	5,355	21,987	13,222
Capital leases	67,748	100,995	111,128	123,890	117,611
<b>Business-Type Activities</b>					
Bonds	143,710	121,061	134,983	147,924	159,959
Certificates of participation				-	-
Capital leases	7,224	12,055	15,830	20,842	14,028
<b>Total Primary Government</b>	<b>\$ 1,249,657</b>	<b>\$ 1,299,039</b>	<b>\$ 2,185,891</b>	<b>\$ 2,108,107</b>	<b>\$ 2,056,011</b>
<b>Percentage of Personal Income</b>	1.67%	1.79%	3.08%	3.37%	3.28%
<b>Per Capita</b>	\$ 554	\$ 583	\$ 986	\$ 985	\$ 975



Note: Per Capita is an estimate for fiscal years 2012 and 2013

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



Table 11

	2008	2007	2006	2005	2004	
						<b>General Government</b>
\$	1,086,397	\$ 806,398	\$ 814,443	\$ 678,028	\$ 91,758	Bonds
	408,024	335,866	348,486	325,572	387,869	Certificates of participation
	310,809	310,139	113,383	150,344	67,010	Note and loans
	105,317	87,337	83,829	75,845	83,618	Capital leases
						<b>Business-Type Activities</b>
	170,814	181,263	191,142	200,555	210,558	Bonds
	-	-	-	1,040	2,040	Certificates of participation
	16,124	17,844	14,993	12,511	4,066	Capital leases
<b>\$</b>	<b>2,097,485</b>	<b>\$ 1,738,847</b>	<b>\$ 1,566,276</b>	<b>\$ 1,443,895</b>	<b>\$ 846,919</b>	<b>Total Primary Government</b>
	3.25%	2.90%	2.81%	2.92%	1.88%	<b>Percentage of Personal Income</b>
\$	1,004	\$ 856	\$ 807	\$ 769	\$ 477	<b>Per Capita</b>

Table 12

**COUNTY OF RIVERSIDE**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Dollars in Thousands, Except Per Capita Amount)**  
**June 30, 2013**

	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Bonds</b>	\$ 888,170	\$ 871,553	\$ 1,686,306	\$ 1,555,941	\$ 1,519,236
<b>Less:</b>					
Amounts available in debt service fund	79,951	78,236	151,405	127,206	147,568
<b>Total Net Obligation Bonds Outstanding</b>	<b>\$ 808,219</b>	<b>\$ 793,317</b>	<b>\$ 1,534,901</b>	<b>\$ 1,428,735</b>	<b>\$ 1,371,668</b>
<b>Percentage of Estimated</b>					
<b>Actual Taxable Value of Property</b>	0.30%	0.29%	0.56%	0.51%	0.43%
<b>Per Capita</b>	\$ 358	\$ 356	\$ 692	\$ 668	\$ 651

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	
\$ 1,257,211	\$ 987,661	\$ 1,005,585	\$ 878,583	\$ 302,316	<b>Bonds</b>
119,597	73,308	79,935	61,941	72,798	<b>Less:</b> Amounts available in debt service fund
<u>\$ 1,137,614</u>	<u>\$ 914,353</u>	<u>\$ 925,650</u>	<u>\$ 816,642</u>	<u>\$ 229,518</u>	<b>Total Net Obligation Bonds Outstanding</b>
					<b>Percentage of Estimated</b> <b>Actual Taxable Value of Property</b>
0.36%	0.34%	0.43%	0.32%	0.46%	
\$ 545	\$ 450	\$ 477	\$ 435	\$ 129	<b>Per Capita</b>

Table 13

**COUNTY OF RIVERSIDE**  
**Direct and Overlapping Governmental Activities Debt**  
**as of June 30, 2013**  
**(Dollars in Thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Applicable Percentage</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes: County	\$ 11,070,494	90.08%	\$ 9,971,771
Subtotal, overlapping debt			9,971,771
County of Riverside direct debt			1,098,723
Total Direct and Overlapping Debt			\$ 11,070,494

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

Source: California Municipal Statistics, Inc.



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Table 14

**COUNTY OF RIVERSIDE  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(Dollars in Thousands)  
June 30, 2013**

	Fiscal Year Ending June 30th				
	2013	2012	2011	2010	2009
Debt limit	\$ 2,537,237	\$ 2,544,409	\$ 2,570,012	\$ 2,686,843	\$ 3,011,083
Total net debt applicable to limit	(808,219)	(793,317)	(1,534,901)	(1,428,735)	(1,211,709)
Legal debt margin	<u>\$ 1,729,018</u>	<u>\$ 1,751,092</u>	<u>\$ 1,035,111</u>	<u>\$ 1,258,108</u>	<u>\$ 1,799,374</u>
Total net debt applicable to the limit as a percentage of debt limit	31.8%	31.2%	59.7%	53.2%	40.2%

**Legal Debt Margin Calculated for Fiscal Year 2013**

Assessed value	\$ 205,136,768
Less: Homeowners exemptions	<u>2,157,821</u>
Total assessed value	<u>202,978,947</u>
Debt limit (1.25% of total assessed value)	<u>2,537,237</u>
Debt applicable to limit:	
General obligation bonds (Governmental & Business-type)	888,170
Less: Amount set aside for repayment of general obligation debt	<u>79,951</u>
Total net debt applicable to limit	<u>808,219</u>
Legal debt margin	<u><u>\$ 1,729,018</u></u>

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

Source: Auditor-Controller, County of Riverside

Table 14

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	
\$	2,966,464	\$ 2,598,369	\$ 2,125,832	\$ 1,735,525	\$ 1,511,307	Debt limit
	<u>(966,800)</u>	<u>(733,090)</u>	<u>(603,194)</u>	<u>(616,087)</u>	<u>(635,290)</u>	Total net debt applicable to limit
\$	<u>1,999,664</u>	<u>\$ 1,865,279</u>	<u>\$ 1,522,638</u>	<u>\$ 1,119,438</u>	<u>\$ 876,017</u>	Legal debt margin
	32.6%	28.2%	28.4%	35.5%	42.0%	Total net debt applicable to the limit as a percentage of debt limit

**Table 15**

**COUNTY OF RIVERSIDE  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(Dollars in Thousands)  
June 30, 2013**

<b>Fiscal Year Ending June 30th</b>	<b>Lease Revenue Bonds</b>						<b>Coverage</b>
	<b>Revenue from Lease Payments</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>			
				<b>Principal</b>	<b>Interest</b>		
<b>2013</b>	\$ 25,182	\$ 1,517	\$ 23,665	\$ 14,159	\$ 12,707	88.09%	
<b>2012</b>	22,779	2,805	19,974	16,325	15,583	62.60%	
<b>2011</b>	16,067	2,072	13,995	15,355	16,039	44.58%	
<b>2010</b>	30,318	3,336	26,982	14,455	16,642	86.77%	
<b>2009</b>	39,334	10,682	28,652	13,160	16,865	95.43%	
<b>2008</b>	60,656	43,790	16,866	12,545	17,116	56.86%	
<b>2007</b>	31,046	5,939	25,107	12,115	16,976	86.31%	
<b>2006</b>	25,371	785	24,586	11,600	17,355	84.91%	
<b>2005</b>	21,601	676	20,925	11,175	17,551	72.84%	
<b>2004</b>	20,715	5,586	15,129	9,490	9,418	80.01%	

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



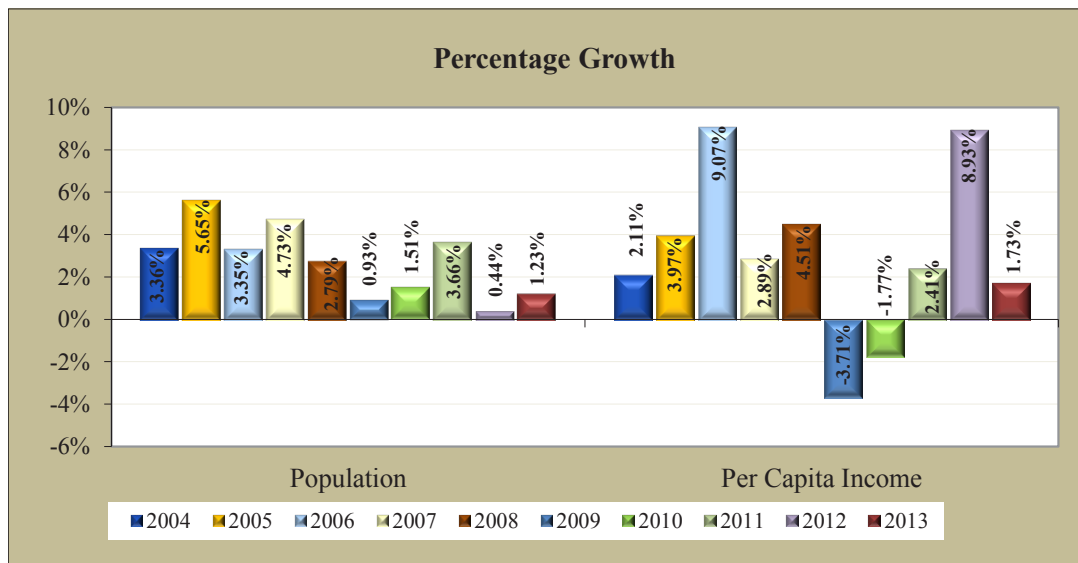
Table 15

<b>Inland Empire Tobacco Securitization Bonds</b>							
<b>Revenue from Tobacco Settlement</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>		<b>Coverage</b>	<b>Fiscal Year</b>	
			<b>Principal</b>	<b>Interest</b>			
\$ 15,687	\$ 123	\$ 15,564	\$ 8,650	\$ 7,193	98.24%	<b>2013</b>	
9,462	107	9,355	1,655	5,301	134.49%	<b>2012</b>	
9,290	123	9,167	6,135	3,615	94.02%	<b>2011</b>	
6,496	155	6,341	3,610	3,794	85.64%	<b>2010</b>	
9,500	134	9,366	4,235	3,995	113.80%	<b>2009</b>	
7,798	2,448	5,350	3,785	3,306	75.45%	<b>2008</b>	
-	-	-	-	-	0.00%	<b>2007</b>	
-	-	-	-	-	0.00%	<b>2006</b>	
-	-	-	-	-	0.00%	<b>2005</b>	
-	-	-	-	-	0.00%	<b>2004</b>	

Table 16

**COUNTY OF RIVERSIDE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**June 30, 2013**

Fiscal Year Ending June 30th	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2013	2,255,059	\$ 74,288,000 <sup>1</sup>	\$ 33,163 <sup>1</sup>	425,968	10.20%
2012	2,227,577	71,755,000 <sup>1</sup>	32,600 <sup>1</sup>	425,707	12.60%
2011	2,217,778	69,438,900	29,927	424,086	14.40%
2010	2,139,535	64,376,498	29,222	423,986	14.50%
2009	2,107,653	63,228,086	29,748	419,643	14.00%
2008	2,088,322	64,504,000	30,894	420,450	8.40%
2007	2,031,625	61,024,000	29,560	404,331	5.70%
2006	1,939,814	53,246,505	28,730	394,687	5.10%
2005	1,877,000	49,443,185	26,342	380,267	5.20%
2004	1,776,700	45,016,790	25,337	364,857	5.80%



Notes 1: Projection based on 10 years' running average (2001 - 2010)

Source: Bureau of Economic Analysis  
 Riverside County Superintendent of Schools  
 State of California, Employment Development Department  
 California State Department of Finance

Table 17

**COUNTY OF RIVERSIDE**  
**Principal Employers**  
**Current Year and Nine Years Ago**  
**June 30, 2013**

	Fiscal Year			
	2013	Percentage of Total County Employment	2004	Percentage of Total County Employment
Employer	Employees		Employees	Employment
County of Riverside	18,728	2.23%	16,337	2.13%
March Air Reserve Base	9,000	1.07%	-	-
Stater Brothers Market	6,900	0.82%	5,600	0.73%
Walmart	5,681	0.68%	-	-
University of California Riverside	5,497	0.65%	-	-
Riverside Unified School District	5,000	0.60%	-	-
Corona-Norco Unified School District	4,633	0.55%	2,893	0.38%
Kaiser Permanente Riverside Medical Center	4,500	0.54%	-	-
Moreno Valley Unified School District	3,355	0.40%	-	-
Hemet Unified School District	3,270	0.39%	-	-
Fleetwood Enterprises, Inc.		-	2,125	0.28%
Eisenhower Medical Center		-	1,972	0.26%
Valley Health System		-	1,756	0.23%
Riverside Community Hospital		-	1,641	0.21%
KSL Desert Resorts Inc.		-	1,600	0.21%
Desert Regional Medical Center		-	1,500	0.20%
Vons		-	1,500	0.20%
Total	<u>66,564</u>	<u>8.65%</u>	<u>36,924</u>	<u>4.92%</u>

Source: Economic Development Agency

Table 18

**COUNTY OF RIVERSIDE**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**  
**June 30, 2013**

<b>Function/Program</b>	<b>Full-time Equivalent Employees</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>General government</b>					
Legislative and administrative	95	81	87	98	92
Finance	448	405	411	438	456
Counsel	67	65	64	70	69
Personnel	175	159	172	167	182
Elections	34	34	39	42	41
Communication	-	11	11	12	11
Property management	454	507	531	500	494
Promotion	90	117	139	180	186
Other general	39	31	32	36	36
<b>Public protection</b>					
Judicial	1,433	1,294	1,345	1,444	1,485
Police protection	2,847	2,304	2,408	2,449	2,586
Detention and correction	2,741	2,085	2,067	2,076	2,220
Fire protection	231	200	198	188	190
Protection/inspection	93	86	87	100	98
Other protection	712	600	615	669	737
Administration	106	75	62	65	58
<b>Public ways and facilities</b>					
Public ways	455	411	413	465	506
Parking Facilities	20	18	18	20	-
<b>Health and sanitation</b>					
Health	2,400	2,118	2,063	2,024	2,075
Hospital care	40	34	31	31	30
Public health ambulatory care	304				
California children's services	144	140	138	143	148
<b>Public assistance</b>					
Aid programs	3,843	3,334	3,089	3,132	3,159
Veterans' services	12	12	12	12	12
Other assistance	364	289	355	348	285
<b>Education, recreation and culture</b>					
Library services	12	10	1	-	1
Agricultural extension	5	5	5	5	5
Cultural services	-	3	3	3	3
<b>County business-type functions</b>					
Hospital care	2,955	2,351	2,295	2,246	2,186
Sanitation	194	160	174	198	211
<b>Internal service</b>	<b>3,788</b>	<b>2,775</b>	<b>2,315</b>	<b>2,418</b>	<b>1,723</b>
<b>Special districts/Component units</b>	<b>840</b>	<b>660</b>	<b>591</b>	<b>547</b>	<b>533</b>
<b>Total</b>	<b>24,941</b>	<b>20,374</b>	<b>19,771</b>	<b>20,126</b>	<b>19,818</b>

Note: Temporary employees, 2,089, filled as of 4/29/13, are included in the total number employees.  
Source: County of Riverside, FY2013-14 Recommended Budget

Table 18

2008	2007	2006	2005	2004	
					<b>Function/Program</b>
					<b>General government</b>
96	92	93	87	92	Legislative and administrative
522	477	445	424	445	Finance
69	69	58	52	50	Counsel
216	191	179	160	153	Personnel
40	39	31	34	36	Elections
10	-	-	-	11	Communication
468	387	323	305	312	Property management
177	168	142	126	121	Promotion
39	-	-	1	1	Other general
					<b>Public protection</b>
1,506	1,371	1,204	1,150	1,213	Judicial
2,474	2,354	2,113	1,926	1,914	Police protection
2,174	1,972	1,811	1,748	1,803	Detention and correction
199	165	145	126	135	Fire protection
114	274	254	233	216	Protection/inspection
778	541	523	441	446	Other protection
60	50	39	36	37	Administration
					<b>Public ways and facilities</b>
532	517	497	488	491	Public ways
-	-	-	-	-	Parking Facilities
					<b>Health and sanitation</b>
2,214	2,023	1,939	1,862	1,901	Health
30	31	28	30	32	Hospital care
					Public health ambulatory care
168	159	152	143	127	California children's services
					<b>Public assistance</b>
3,297	2,948	2,841	2,796	2,744	Aid programs
13	12	11	10	10	Veterans' services
305	302	283	309	338	Other assistance
					<b>Education, recreation and culture</b>
1	1	1	1	1	Library services
6	5	5	4	4	Agricultural extension
2	2	2	2	2	Cultural services
					<b>County business-type functions</b>
2,097	1,889	1,680	1,589	1,526	Hospital care
206	170	158	149	130	Sanitation
2,202	2,934	2,538	2,147	2,305	
534	526	540	528	528	
					<b>Internal service</b>
					<b>Special districts/Component units</b>
					<b>Total</b>
20,549	19,669	18,035	16,907	17,124	

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2013**

<b>Function/Program</b>	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Agricultural Commissioner</b>					
Export phytosanitary certificates	18,346	19,875	20,406	25,745	36,772
Pesticide use inspections	783	793	764	682	831
Weights and measures regulated	138,547	137,727	134,290	131,175	129,528
Agriculture quality inspections	456	553	693	643	668
Plant pest inspections	10,361	11,931	9,584	9,667	48,944
Nursery acreage inspected	6,156	6,920	6,338	6,923	7,627
Weights and measures inspected	63,653	51,074	56,751	77,278	80,862
<b>Assessor-Clerk-Recorder</b>					
Assessments	906,467	904,706	904,040	941,928	942,174
Official records recorded	648,812	592,531	612,804	673,674	682,708
Vital records copies issued	78,405	78,768	80,391	87,194	97,422
Official records copies issued	32,792	26,153	28,990	26,348	33,135
<b>Auditor-Controller</b>					
Invoices paid	426,660	389,798	412,374	488,192	522,097
Vendor warrants (checks) issued	259,458	255,463	265,979	300,428	320,613
Active vendors	80,011	78,887	65,090	64,761	59,685
Payroll warrants (checks) issued	509,376	509,468	506,870	532,904	532,202
Average payroll warrants (checks) per pay period	19,591	19,595	19,495	19,737	20,469
Audits per fiscal year	25	26	26	30	30
Tax Bills Levied	984,268	972,577	999,241	977,115	974,041
Tax Refunds/Roll Changes Processed	63,500	79,606	123,476	115,904	152,672
<b>Community Action Partnership</b>					
Utility assistance (households)	13,911	21,912	22,207	27,956	12,869
Weatherization (households)	179	842	1,375	2,083	1,033
Energy education attendees	6,368	14,950	13,807	11,725	10,775
Disaster relief (residents)	11,316	13,968	12,058	17,989	15,336
Income tax returns prepared	3,111	2,711	3,006	2,257	2,011
After school programs (students)	19,200	20,700	18,400	13,800	11,000
Homeless program (bed nights)	-	-	-	-	-
Homeless program (meals)	-	-	-	-	-
Leadership program enrollment	-	166	593	182	-
Mediation (cases)	1,905	2,181	2,178	2,237	1,821
<b>Public Health</b>					
Facilities inspections	32,045	36,201	31,801	31,213	34,273
<b>Environmental Health</b>					
Patient visits	135,795	109,870	106,532	142,617	125,767
Patient services	353,269	392,621	390,607	313,409	466,800
<b>Animal Control Services</b>					
Animal impounds	35,201	36,518	49,408	62,770	71,834
Spays and neuters	11,908	9,771	8,305	7,225	8,480

Note: a - Number of pamphlets mailed  
b - Program not yet started / not tracked  
c - Homeless program reporting responsibilities were transferred from Community Action Partnership (CAP) to Department of Social Services (DPSS) at the end of FY2008  
d - Phytosanitary = Plant pest cleanliness  
e - Pesticide Use Inspections = Environmental monitoring

Source: Various County Departments

Table 19

2008	2007	2006	2005	2004		Function/Program
						<b>Agricultural Commissioner</b>
29,288	22,266	21,746	20,037	14,692	d	Export phytosanitary certificates
903	840	1,199	1,105	1,366	e	Pesticide use inspections
129,726	121,986	120,211	114,529	102,780		Weights and measures regulated
643	1,061	541	1,067	1,251		Agriculture quality inspections
25,987	14,532	4,975	5,933	6,296		Plant pest inspections
7,851	9,226	7,382	7,431	5,355		Nursery acreage inspected
83,269	97,039	150,308	101,223	31,794		Weights and measures inspected
						<b>Assessor-Clerk-Recorder</b>
938,462	920,555	896,998	859,413	831,610		Assessments
773,308	957,123	1,082,688	1,039,166	1,019,271		Official records recorded
97,427	88,640	82,015	73,379	68,892		Vital records copies issued
34,711	35,319	35,691	36,480	36,231		Official records copies issued
						<b>Auditor-Controller</b>
504,866	449,367	457,439	472,942	492,675		Invoices paid
255,767	237,645	235,044	242,763	220,649		Vendor warrants (checks) issued
75,575	68,358	62,699	56,686	49,970		Active vendors
522,215	496,386	469,692	449,011	448,845		Payroll warrants (checks) issued
20,085	19,092	18,065	17,270	17,263		Average payroll warrants (checks) per pay period
31	34	37	20	13		Audits per fiscal year
1,004,076	1,069,352	1,039,358	988,487	896,814		Tax Bills Levied
89,527	98,769	124,973	93,718	155,115		Tax Refunds/Roll Changes Processed
						<b>Community Action Partnership</b>
9,902	13,337	10,944	11,783	12,846		Utility assistance (households)
853	465	801	795	711		Weatherization (households)
19,396	14,590	10,389	11,508	1,953	a	Energy education attendees
16,366	13,551	8,605	1,514	-	b	Disaster relief (residents)
1,828	1,384	2,651	-	-	b	Income tax returns prepared
10,905	10,905	537	51	271		After school programs (students)
12,822	13,198	31,328	40,245	30,316	c	Homeless program (bed nights)
25,644	26,396	142,578	372,048	170,937	c	Homeless program (meals)
209	-	113	11	-	b	Leadership program enrollment
2,144	2,133	2,099	2,002	2,042		Mediation (cases)
						<b>Public Health</b>
33,009	31,760	32,000	40,642	38,105		Facilities inspections
						<b>Environmental Health</b>
149,223	139,885	123,843	135,539	125,936		Patient visits
601,889	438,639	369,041	339,095	376,534		Patient services
						<b>Animal Control Services</b>
30,305	27,362	29,206	20,467	21,307		Animal impounds
7,208	5,645	5,806	2,401	3,080		Spays and neuters

Continued

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2013**

<u>Function/Program</u>	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>County Library</b>					
Total circulation - books	3,059,094	3,387,218	3,724,657	3,718,343	3,464,547
Reference questions answered	434,057	441,269	404,913	370,619	382,795
Patron door count	4,148,012	4,080,738	731,699	3,599,064	3,170,424
Programs offered	6,521	8,382	7,624	7,214	5,618
Program attendance	143,053	163,692	163,416	148,612	127,717
<b>County Regional Medical Center</b>					
Emergency room treatments	119,606	101,952	99,706	96,993	88,459
Emergency room services - MH	14,275	16,750	15,376	14,288	9,702
Clinic visits	125,471	127,546	129,041	131,624	129,171
Admissions	24,260	23,949	23,638	23,536	23,253
Patient days	124,599	121,949	123,250	121,915	118,452
Discharges	24,279	23,694	23,668	23,559	23,238
<b>Fire</b>					
Medical assistance	97,054	96,843	97,066	94,193	91,707
Fires extinguished	13,517	12,990	4,271	4,449	4,406
Other services	20,049	11,856	16,522	17,076	18,486
Communities served	94	78	78	78	78
<b>Mental Health</b>					
Mental health clients (crisis/long-term care)	37,591	35,696	33,260	30,657	30,065
Substance abuse clients	15,755	17,849	16,987	16,736	18,712
Detention clients	11,899	10,544	8,874	10,831	12,781
Probate conservatorship clients	355	351	424	474	256
Mental health conservatorship clients	858	879	832	675	240
<b>Probation</b>					
Adults on probation	17,406	14,992	16,271	17,790	17,469
Juveniles in secure detention	194	193	225	248	241
Juveniles in treatment facilities	86	107	128	125	112
Juveniles in detention facilities	8,505	9,148	10,741	11,385	10,783
<b>Public Social Services</b>					
CalWORKs clients	33,341	33,682	33,412	31,022	26,905
Food stamp clients	116,333	107,076	91,606	74,484	52,877
Medi-Cal clients	135,570	130,562	124,061	116,758	107,904
In-home support services	20,641	19,070	18,201	16,852	16,307
Foster care placements	3,237	3,113	3,130	3,085	3,486
Child welfare services	9,178	9,664	9,916	9,591	10,217
Homeless program (bed nights)	8,296	8,331	10,746	12,900	10,854
Homeless program (meals)	16,592	16,660	21,494	25,800	21,707

Note: a - Average monthly  
b - Average daily  
c - Homeless program reporting responsibilities were transferred from Community Action Partnership (CAP) to Department of Social Services (DPSS) at the end of FY2008

Source: Various County Departments



Table 19

2008	2007	2006	2005	2004	Function/Program
<b>County Library</b>					
3,280,929	2,352,624	2,051,276	2,324,539	2,222,575	Total circulation - books
426,533	383,428	454,590	430,226	423,925	Reference questions answered
2,744,576	2,352,403	2,433,646	2,226,360	1,447,505	Patron door count
5,570	4,546	2,353	2,274	3,759	Programs offered
103,393	80,100	84,994	45,605	68,437	Program attendance
<b>County Regional Medical Center</b>					
82,584	76,666	73,448	68,105	66,411	Emergency room treatments
7,867	7,624	7,536	8,076	8,276	Emergency room services - MH
124,318	123,479	106,943	109,568	113,171	Clinic visits
23,433	24,393	22,262	21,723	20,587	Admissions
115,811	112,138	105,203	96,820	92,643	Patient days
23,440	24,430	22,244	21,741	20,554	Discharges
<b>Fire</b>					
89,404	89,329	86,129	80,484	76,601	Medical assistance
5,659	6,372	5,060	14,696	14,816	Fires extinguished
19,472	16,310	19,035	10,870	10,786	Other services
78	78	78	78	78	Communities served
<b>Mental Health</b>					
29,814	28,476	26,435	26,578	28,411	Mental health clients (crisis/long-term care)
17,746	18,597	18,120	18,188	18,432	Substance abuse clients
9,441	5,522	6,351	6,041	6,402	Detention clients
206	232	266	281	282	Probate conservatorship clients
279	279	294	275	239	Mental health conservatorship clients
<b>Probation</b>					
17,022	15,974	16,051	13,937	13,282	Adults on probation
293	343	322	310	367	Juveniles in secure detention
113	126	113	98	107	Juveniles in treatment facilities
12,463	14,283	13,218	12,405	14,435	Juveniles in detention facilities
<b>Public Social Services</b>					
22,310	20,336	19,880	20,846	20,296	CalWORKs clients
36,339	30,781	28,749	27,992	24,796	Food stamp clients
101,542	105,578	108,887	110,994	105,598	Medi-Cal clients
14,845	13,934	12,590	12,171	11,314	In-home support services
5,057	4,306	5,175	5,088	4,418	Foster care placements
11,912	12,333	11,639	11,153	9,411	Child welfare services
-	-	-	-	-	Homeless program (bed nights)
-	-	-	-	-	Homeless program (meals)

Continued

Table 19

**COUNTY OF RIVERSIDE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**June 30, 2013**

<b>Function/Program</b>	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>Registrar of Voters</b>					
Voting precincts	1,218	853	1,649	2,370	2,387
Polling places	642	522	746	1,158	1,205
Voters a	943,402	852,217	1,009,933	1,815,892	1,747,556
Poll workers	2,960	2,300	3,281	4,186	6,287
<b>Sheriff</b>					
Number of bookings	57,330	53,691	53,974	55,306	62,007
Coroner case load	11,639	10,947	10,555	10,027	9,582
Calls for services b	172,664	176,062	232,821	255,601	302,400
<b>TLMA - Building &amp; Safety</b>					
Building permits issued	666	566	605	1,248	986
Building plans checked	665	558	595	1,241	918
Building structures inspected	514	447	890	1,321	1,780
<b>Veterans' Services</b>					
Phone inquiries answered	36,107	36,707	43,617	41,569	39,393
Client interviews	14,714	14,990	15,630	25,209	13,955
Claims filed	5,735	6,030	5,485	5,581	5,812
<b>Waste Management</b>					
Landfill tonnage	1,102,626	1,071,309	1,071,394	1,032,942	1,024,267
Recycling tonnage	2,679	2,206	2,499	1,803	2,356

Notes: a - Number of voters that were mailed voting materials for all elections in the fiscal year  
b - Unincorporated areas  
c - Program not yet started / not tracked

Source: Various County Departments

Table 19

2008	2007	2006	2005	2004	
<b>Function/Program</b>					
<b>Registrar of Voters</b>					
3,474	1,472	1,872	1,160	2,389	Voting precincts
2,017	610	1,060	613	1,299	Polling places
1,705,406	931,821	1,658,509	870,300	1,919,561	Voters
8,355	2,622	3,992	2,692	4,911	Poll workers
<b>Sheriff</b>					
59,054	61,697	56,926	55,375	52,497	Number of bookings
9,394	9,212	8,943	8,558	7,826	Coroner case load
280,000	279,415	250,000	240,182	219,145	Calls for services
<b>TLMA - Building &amp; Safety</b>					
1,800	5,786	10,232	9,980	10,452	Building permits issued
1,507	5,151	8,759	8,251	9,128	Building plans checked
3,158	8,580	9,593	8,182	8,887	Building structures inspected
<b>Veterans' Services</b>					
29,553	23,287	21,917	25,276	-	c Phone inquiries answered
10,571	8,199	7,467	7,559	-	c Client interviews
5,194	3,786	3,372	3,503	-	c Claims filed
<b>Waste Management</b>					
1,220,124	1,325,284	1,423,469	1,328,935	1,231,767	Landfill tonnage
3,385	3,048	3,758	2,619	2,850	Recycling tonnage

Table 20

**COUNTY OF RIVERSIDE**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**  
**June 30, 2013**

<b>Function/Program</b>	<b>Fiscal Year Ending June 30th</b>				
	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
<b>County Libraries</b>					
Branch libraries	35	33	33	33	33
Book mobiles	2	2	2	2	2
Books in collection	1,657,925	1,570,834	1,668,434	1,612,925	1,564,186
<b>County Regional Medical Center</b>					
Major clinics	4	4	4	4	4
Routine and specialty clinics	37	32	30	30	30
Beds licensed	439	439	439	439	439
<b>Fire</b>					
Stations	38	42	46	49	49
Trucks	142	145	156	154	149
<b>Parks and Recreation</b>					
Regional parks	11	11	12	12	13
Historic sites	5	5	4	4	6
Nature centers	4	4	4	4	5
Archaeological sites	6	6	6	6	7
Wildlife reserves	9	9	9	9	16
RV and Mobile Home Parks	3	3	3	3	-
Managed Areas	5	5	5	5	-
Recreational Facilities	2	2	2	-	-
<b>Sheriff</b>					
Patrol stations	10	10	10	10	10
Patrol vehicles	916	915	896	883	923
<b>Waste Management</b>					
Landfills	6	6	6	6	6
Capacity in tons	54,230,474	54,189,339	54,177,558	51,794,663	51,794,663

Source: Various County Departments

Table 20

2008	2007	2006	2005	2004	Function/Program
<b>County Libraries</b>					
33	29	29	29	28	Branch libraries
2	2	2	2	2	Book mobiles
1,552,108	1,784,149	1,221,744	1,477,670	1,098,082	Books in collection
<b>County Regional Medical Center</b>					
4	4	4	4	4	Major clinics
30	30	30	30	30	Routine and specialty clinics
439	439	439	439	439	Beds licensed
<b>Fire</b>					
49	49	48	48	48	Stations
143	141	135	125	126	Trucks
<b>Parks and Recreation</b>					
13	13	13	13	13	Regional parks
6	6	6	6	6	Historic sites
5	5	5	5	5	Nature centers
7	7	7	7	7	Archaeological sites
16	16	16	16	16	Wildlife reserves
-	-	-	-	-	RV and Mobile Home Parks
-	-	-	-	-	Managed Areas
-	-	-	-	-	Recreational Facilities
<b>Sheriff</b>					
10	10	10	10	10	Patrol stations
974	702	598	583	576	Patrol vehicles
<b>Waste Management</b>					
6	6	7	7	8	Landfills
51,609,663	51,609,663	52,392,284	50,948,302	50,872,281	Capacity in tons

