

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Property Taxes (Continued)

During the 1993-94 fiscal year, the County authorized an alternative property tax distribution method referred to as the "Teeter Plan." This method allows for a 100% distribution of the current secured property tax levy to entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes was distributed. This results in the General Fund receiving distributions of approximately 50-55% in December, 40-45% in April and the remaining balance in the Fall of each year. The Teeter Plan also provides that all of the payments of redemption penalties and interest on delinquent secured property taxes of participating agencies flow to a tax loss reserve fund (TLRF). Any amounts on deposit in the TLRF greater than one percent (1%) of the tax levy for participating entities may flow to the County General Fund. For fiscal year 2009-10, \$52.6 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 thousand; buildings, land and land improvements are \$1; and infrastructure and intangibles are \$150 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 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, 2010

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 Riverside County Regional Medical Center capitalizes net interest expense as a cost of property constructed. The Medical Center capitalized \$210.6 thousand for the year ending June 30, 2010.

Leases

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

Restricted Assets

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

Land Held for Resale

These assets, held by the County's Redevelopment Agency, are invested in various programs and are intended primarily for development and subsequent resale. These assets had a fair value of \$79.7 million at June 30, 2010.

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, 2010, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net assets was \$180.4 million.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Deferred Revenue / Unearned Revenue

Deferred revenue arises when a potential revenue transaction does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also arises when resources are received before the County has a legal claim to them, such as grants received in advance of incurring qualified expenditures. Unearned revenue is used for government-wide presentation only.

Long-term Debt

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

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

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

Bond Issuance Costs

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

Landfill Closure and Post-Closure Care Costs

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

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

Interfund Transactions

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Interfund Transactions (Continued)

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

Net Assets

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

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

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

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

Fund Equity

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

Use of Estimates

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

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

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

Each year the original budget, as published in a separate report the "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 project funds. The budgetary comparison statements are a part of the basic financial statements. Each budgetary comparison statement provides three separate types of information: (1) the original budget; (2) the final amended budget, which included legally authorized changes regardless of when they occurred; and (3) the actual amount of inflows and outflows in the budget-to-actual comparison.

Excess of expenditures over appropriations

For the year ended June 30, 2010, expenditures exceeded appropriations in capital outlay by \$31.0 million in the General Fund. This excess of expenditure resulted from the acquisition of \$31.0 million of capital leases. Accordingly, this is being funded by other financing sources-capital leases.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

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

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

	Total Governmental Funds (Page 31)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations	Statement of Net Assets Totals (Page 25)
Assets:					
Cash and investments	\$ 1,296,558	\$ -	\$ 238,920	\$ -	\$ 1,535,478
Receivables:					
Accounts receivable	17,900	-	2,453	-	20,353
Interest	4,068	-	354	-	4,422
Taxes	150,822	-	-	-	150,822
Due from other governments	298,088	(36,080)	559	-	262,567
Notes receivable	67,192	-	-	-	67,192
Inventories	2,763	-	3,686	-	6,449
Due from other funds	28,588	-	86	(28,674)	-
Prepaid items	2,165	-	-	-	2,165
Internal balances	-	-	-	43,518	43,518
Pension asset, net	-	424,946	-	-	424,946
OPEB Pension asset, net	-	18,523	-	-	18,523
Restricted cash and investments	591,474	-	1,003	-	592,477
Other noncurrent receivables	-	36,080	-	-	36,080
Advances to other funds	2,050	-	-	(2,050)	-
Land held for resale	79,665	-	-	-	79,665
Unamortized bond issuance costs	-	23,211	-	-	23,211
Deferred outflow of resources	-	27,890	-	-	27,890
Capital assets:					
Nondepreciable	-	1,089,810	1,699	-	1,091,509
Depreciable, net	-	2,169,380	40,478	-	2,209,858
Total assets	<u>\$ 2,541,333</u>	<u>\$ 3,753,760</u>	<u>\$ 289,238</u>	<u>\$ 12,794</u>	<u>\$ 6,597,125</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

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

	Total Governmental Funds (Page 31)	Long-term Assets and Liabilities	Internal Service Funds	Eliminations	Statement of Net Assets Totals (Page 25)
Liabilities:					
Accounts payable	\$ 114,838	\$ -	\$ 14,186	\$ -	\$ 129,024
Salaries and benefits payable	51,013	-	3,156	-	54,169
Due to other funds	26,141	-	7	(26,148)	-
Due to other governments	39,449	-	40	-	39,489
Deposits payable	3,434	-	-	-	3,434
Deferred/unearned revenue	253,983	(44,645)	-	-	209,338
Notes payable	257,300	-	-	-	257,300
Interest payable	-	16,870	-	-	16,870
Other liabilities	-	-	1,664	-	1,664
Interest rate swap	-	27,890	-	-	27,890
Long-term liabilities due within one year:					
Bonds payable	-	27,720	-	-	27,720
Capital lease obligations	-	11,704	12,282	-	23,986
Certificates of participation	-	18,174	-	-	18,174
Loans payable	-	254	-	-	254
Compensated absences	-	86,261	4,023	-	90,284
Estimated claims liability	-	-	32,718	-	32,718
Accrued remediation cost	-	225	-	-	225
Advance from other funds	2,050	-	-	(2,050)	-
Long-term liabilities due in more than one year:					
Bonds payable	-	1,380,297	-	-	1,380,297
Capital lease obligations	-	89,461	10,443	-	99,904
Certificates of participation	-	367,273	-	-	367,273
Loans payable	-	6,733	-	-	6,733
Notes payable	-	15,000	-	-	15,000
Accreted interest payable	-	44,750	-	-	44,750
Compensated absences	-	66,983	2,954	-	69,937
Estimated claims liability	-	-	84,545	-	84,545
Accrued remediation cost	-	1,789	-	-	1,789
Total liabilities	748,208	2,116,739	166,018	(28,198)	3,002,767
Fund balances/net assets:					
Total fund balances/net assets	1,793,125	1,637,021	123,220	40,992	3,594,358
Total liabilities and fund balances/net assets	\$ 2,541,333	\$ 3,753,760	\$ 289,238	\$ 12,794	\$ 6,597,125

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 4 – RESTATEMENTS OF BEGINNING FUND BALANCES / NET ASSETS

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

Government-wide:

	<u>Primary Government</u>	
	<u>Governmental Activities</u>	<u>Business Type</u>
Government-wide net assets, as of June 30, 2009, as previously reported	\$ 3,431,923	\$ 214,252
Fund financial statements:		
Land held for resale, not previously reported	12,916	
To defer revenue for pre-need services	(264)	
Expenditures incurred, not previously reported	(10,444)	
Capital assets understated in prior years		8,919
Notes payable, previously paid	1,500	
Government-wide financial statements:		
Acquisition of Capital Assets, not previously reported	17,219	
Accumulated depreciation was overstated in prior years	<u>22,257</u>	
Net assets as of June 30, 2009, as restated	<u>\$ 3,475,107</u>	<u>\$ 223,171</u>

Fund Financials:

Description	<u>Governmental Funds</u>			<u>Proprietary Funds</u>		
	Major Fund	Non-Major Funds		Enterprise Funds		Internal Service Funds
		Perris				
	RDA Capital Project Fund	Valley Cemetery Special Revenue	PSEC Capital Project Fund	RCRMC	Waste Mgmt	Fleet Services
Fund balances as of June 30, 2009, as previously reported	\$305,703	\$ 959	\$15,926	\$ 86,513	\$133,413	\$16,389
Prior Period Adjustments:						
Land held for resale, not previously reported	12,916					
To defer revenue for pre-need services		(264)				
Expenditures incurred, not previously reported			(10,444)			
Capital assets understated in prior years				2,127	6,792	
Notes payable, previously paid						1,500
Fund balances, as of June 30, 2009, as restated	<u>\$318,619</u>	<u>\$ 695</u>	<u>\$ 5,482</u>	<u>\$ 88,640</u>	<u>\$140,205</u>	<u>\$17,889</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 5 – CASH AND INVESTMENTS

Cash and Investments

As of June 30, 2010, Cash and Investments are classified in the accompanying financial statements as follows (in thousands):

	Governmental Activities	Business-Type Activities	Component Unit	Fiduciary Funds	Total
Cash and investments	\$ 1,535,478	\$ 102,759	\$ 58,220	\$ 3,161,093	\$ 4,857,550
Restricted cash and investments	592,477	122,330	25,459	-	740,266
Total cash and investments	<u>\$ 2,127,955</u>	<u>\$ 225,089</u>	<u>\$ 83,679</u>	<u>\$ 3,161,093</u>	<u>\$ 5,597,816</u>

As of June 30, 2010, cash and investments consist of the following (in thousands):

Deposits	\$ 897,223
Investments	<u>4,700,593</u>
Total Cash and Investments	<u>\$ 5,597,816</u>

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

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

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 5 – CASH AND INVESTMENTS (Continued)

Investment in State Investment Pool

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

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

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

As of June 30, 2010, the County had the following investments (in thousands):

Investment	Maturity	Fair Market Value	Weighted Average Maturity (Years)
Treasury Investments			
Commercial Paper	07/09	\$ 49,943	0.19
Federal Farm Credit Bank	11/09 - 05/13	394,851	1.14
Federal Home Loan Bank	07/09 - 07/12	1,110,791	1.04
Federal Home Loan Mortgage	11/09 - 05/13	1,088,857	1.17
Federal National Mortgage Association	03/10 - 04/14	1,069,427	1.79
Local Agency Obligations	11/09 - 12/09	15,635	1.44
US Bills and Bonds	10/09 - 06/12	660,959	0.34
Municipal Bonds	07/09 - 07/11	41,548	0.49
Total Treasury Investments		4,432,011	
Investments Outside the Treasury			
Money Market	N/A	151,849	0.00
Investment Agreements	30 Years	16,093	26.94
Investment Agreements	11/11 - 11/36	82,669	3.69
Investment Agreements	10/10	8,041	0.25
Local Agency Investment Funds	N/A	9,930	0.00
Total Investments Outside the Treasury		268,582	
Total Investments		\$ 4,700,593	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 5 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will be able to recover the value of its investment or collateral securities that are in the possession of another party. Neither the California Government Code nor the County's investment policy contain legal or policy requirements that would limit the County's exposure to custodial credit risk for deposits or investments except for the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. GASB Statement No. 40 requires that a disclosure is made with respect to custodial credit risks relating to deposits. The County has cash deposits with fiscal agents in excess of federal depository insurance limits held in collateralized accounts with securities held by Union Bank in the amount \$822.8 million. Investment securities are registered and held in the name of Riverside County.

Concentration of Credit Risk

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

Issuer	Investment Type	Amount
Federal Farm Credit Bank	Federal Agency	\$ 394,851
Federal Home Loan Bank	Federal Agency	1,110,791
Federal Home Loan Mortgage	Federal Agency	1,088,857
Federal National Mortgage Association	Federal Agency	1,069,427
US Treasury Bills and Bonds	US Treasury	660,959

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 5 – CASH AND INVESTMENTS (Continued)

Credit Risk

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

As of June 30, 2010, the County had the following investments (in thousands):

Investment	Maturity	Minimum Legal Rating	Rating June 30, 2010	Fair Market Value
Treasury Investments				
Commercial Paper (1)	07/09	A1/P1	A1//P1(1)	\$ 49,943
Federal Farm Credit Bank	11/09 - 05/13	N/A	AAA	394,851
Federal Home Loan Bank	07/09 - 07/12	N/A	AAA	1,110,791
Federal Home Loan Mortgage	11/09 - 05/13	N/A	AAA	1,088,857
Federal National Mortgage Association	03/10 - 04/14	N/A	AAA	1,069,427
Local Agency Obligations	11/09 - 12/09	NA	NA	15,635
US Treasury Bonds	10/09 - 06/12	A	AA(2)	660,959
Municipal Bonds	07/09 - 07/11	A	AA	41,548
Total Treasury Investments				<u>4,432,011</u>
Investments Outside the Treasury				
Money Market	N/A	AAA	AAA	151,849
Investment Agreements	30 Years	N/A	N/R	16,093
Investment Agreements	11/11 - 11/36	AA-/Aa2	N/R	82,669
Investment Agreements	10/10	N/A	N/R	8,041
Local Agency Investment Funds	N/A	N/A	N/R	9,930
Total Investments Outside the Treasury				<u>268,582</u>
Total Investments				<u><u>\$4,700,593</u></u>

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 6 – RESTRICTED CASH AND INVESTMENTS

The amount of assets restricted by legal and contractual requirements at June 30, 2010 is as follows (in thousands):

General Fund	
Restricted Program Money	\$ 296,543
Flood Special	
Restricted Program Money - Flood	5,655
Teeter Debt	
Teeter Commercial Paper Notes	153,217
Non Major Governmental Funds	
1985 Certificates	21,795
1990 Monterey Avenue	133
1997 Historic Court House	279
2000 Southwest Justice Center	546
2001 CAC Annex	2,532
2003 A Historic Courthouse	1,361
2003 B Capital Facilities	608
2005 A Capital Improvement Family Law	4,100
2005 B Historic Refunding	2,517
2006 A Capital Improvements	3,005
2007 A&B Public Communication and Refunding	65,037
2008A Southwest Justice Center	668
2009 Larson Justice Center	2,495
2009 Public Safety & Woodcrest Lib Refunding	4,966
Bankruptcy Court	6,773
District Court Financing Corporation	1,233
Inland Empire Tobacco	18,011
Total Non Major Governmental Funds	<u>136,059</u>
Regional Medical Center	
1993 Hospital Bonds	32,636
Waste Management Department	
Remediation Cost	19,409
Closure and post-closure care costs	67,150
Total Waste Management Department	<u>86,559</u>
Non Major Enterprise Funds	
Housing Authority Bond	186
Restricted Program Money - Flood	2,949
Total Non Major Enterprise Funds	<u>3,135</u>
Internal Service Funds	
Flood Control Equipment	1,003
Total Restricted Assets	<u><u>\$ 714,807</u></u>
Discretely Presented Component Units	
 Palm Desert Financing Authority	
2003 Lease Revenue Bonds	\$ 1,498
2008 Lease Revenue Bonds	23,961
Total Discretely Presented Component Units	<u><u>\$ 25,459</u></u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 7 – RECEIVABLES AND DEFERRED/UNEARNED REVENUE

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

Receivables						Total
Governmental Activities:	Accounts	Interest	Taxes	Due From Other Govts	Notes	Governmental
General Fund	\$ 8,468	\$ 2,091	\$ 27,714	\$ 263,240	-	\$ 301,513
Flood Control	552	393	5,668	202	-	6,815
Teeter Debt Service	-	175	113,346	-	-	113,521
Public Facilities Improvements	-	478	-	612	-	1,090
Redevelopment Capital Project	5,992	431	-	-	28,674	35,097
Nonmajor Governmental Funds	2,888	500	4,094	34,034	38,518	80,034
Internal Service Funds	2,453	354	-	559	-	3,366
Total receivables	<u>\$ 20,353</u>	<u>\$ 4,422</u>	<u>\$ 150,822</u>	<u>\$ 298,647</u>	<u>\$ 67,192</u>	<u>\$ 541,436</u>

Receivables						Total Business-
Business-type Activities:	Accounts	Interest	Taxes	Due From Other Govts	Allowance for uncollec- tibles	type Activities
Regional Medical Center	\$ 1,405,447	\$ 26	\$ -	\$ 47,658	\$ (1,342,638)	\$ 110,493
Waste Management	4,141	219	-	570	(4)	4,926
Nonmajor Funds	1,699	12	8	1,308	-	3,027
Total receivables	<u>\$ 1,411,287</u>	<u>\$ 257</u>	<u>\$ 8</u>	<u>\$ 49,536</u>	<u>\$ (1,342,642)</u>	<u>\$ 118,446</u>

Deferred/Unearned Revenue

Of the total governmental receivable of \$541.4 million, \$36.1 million is SB-90 long-term receivable, which has been deferred as of June 30, 2010. Governmental funds defer revenue when receivables are not available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue when resources received, but not yet earned. At June 30, 2010, the components of deferred/unearned revenue were as follows (in thousands):

Governmental activities:	<u>Unavailable</u>	<u>Unearned</u>
General fund:		
Due from other governments	\$ 52,108	
Resources received that do not yet meet the criteria for revenue		\$ 166,568
Flood Special Revenue		
Resources received that do not yet meet the criteria for revenue		4,937
Nonmajor funds:		
Due from other governments	147	
Resources received that do not yet meet the criteria for revenue		30,223
Total deferred revenue Governmental activities	<u>\$ 52,255</u>	<u>201,728</u>
Government-wide activities:		
Redevelopment Agency		
Resources received that do not yet meet the criteria for revenue		7,610
Total unearned revenue Government-wide activities		<u>\$ 209,338</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 8 – INTERFUND TRANSACTIONS

Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2010 is as follows (in thousands):

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Teeter Debt Service Fund	\$ 9,450	Delinquent property taxes
	Regional Medical Center	4,480	Medical service
	Nonmajor Governmental Funds	11,416	Fire service
	Internal Service Funds	7	Interfund activities
		25,353	
Teeter Debt Service	General Fund	35	Capital project
Redevelopment Capital Project	Nonmajor Governmental Funds	2,971	Capital project
Nonmajor Governmental Funds	General Fund	166	Transportation
	Nonmajor Governmental Funds	63	Housing Redevelopment project
		229	
Internal Service Funds	Flood Control Special Revenue	86	Interfund activities
Regional Medical Center	General Fund	1,954	Medical service
	Total	\$ 30,628	

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 Regional Park and Open-Space District Special Revenue Fund advanced \$2.0 million to the Regional Park and Open-Space District Capital Project Fund for the purpose of land improvements being constructed throughout the County Parks.

Transfers

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

(a) Between Governmental and Business-type Activities:

Transfer out	Transfer in	Amount	Purpose
<i>Operating or debt subsidy:</i>			
General Fund	Regional Medical Center	\$ 10,000	Operating Contribution
Public Facilities Improvement	Regional Medical Center	12,017	Capital projects
Regional Medical Center	Nonmajor Governmental Funds	4,111	Pension Obligation
Waste Management	Nonmajor Governmental Funds	312	Pension Obligation
Nonmajor Enterprise	Nonmajor Governmental Funds	158	Pension Obligation
	Total	\$ 26,598	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 8 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

(b) Between Funds within the Governmental Activities:¹

Transfer out	Transfer in	Amount	Purpose
<i>Operating or debt subsidy:</i>			
General Fund	Nonmajor Governmental Funds	\$ 2,724	Overhead reimbursement
	Nonmajor Governmental Funds	13,041	Reimbursement
	Nonmajor Governmental Funds	22,985	Pension Obligation
	Nonmajor Governmental Funds	737	Leases
	Nonmajor Governmental Funds	909	Professional services
	Nonmajor Governmental Funds	2,796	Capital projects
	Nonmajor Governmental Funds	309	Miscellaneous
	Nonmajor Governmental Funds	33,416	Debt service
	Teeter	3,077	Debt service
	Redevelopment Capital	530	Leases
	Public Facilities Capital Project	41,864	Capital projects
	Internal Service Funds	94	Reimbursement
	Flood Control Special Revenue	200	Reimbursement
		<u>122,682</u>	
Flood Control Special Revenue	Nonmajor Governmental Funds	600	Capital projects
	Internal Service Funds	391	Reimbursement
		<u>991</u>	
Teeter	General Fund	856	Debt Service
Public Facilities Improvement	Nonmajor Governmental Funds	14,190	Capital projects
	General Fund	67,350	Capital projects
	General Fund	18,991	Reimbursement
	Redevelopment Capital	13,306	Capital projects
		<u>113,837</u>	
Redevelopment Capital Project	General Fund	564	Capital projects
	General Fund	632	Leases
	General Fund	1,039	Reimbursement
	Public Facilities Capital Project	2,296	Capital projects
	Nonmajor Governmental Funds	6,216	Capital projects
	Nonmajor Governmental Funds	6,305	Reimbursement
	Nonmajor Governmental Funds	4,509	Debt service
		<u>\$ 21,561</u>	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 8 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

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

Transfer out	Transfer in	Amount	Purpose
<i>Operating or debt subsidy:</i>			
Nonmajor Governmental Funds	General Fund	\$ 155	Capital projects
	General Fund	51,630	Fire Services
	General Fund	379	Administrative support
	General Fund	685	CDGB
	General Fund	351	Debt Service
	General Fund	4,071	Leases
	General Fund	245	Law Enforcement
	General Fund	139	Pension Obligation
	General Fund	3,658	Professional services
	General Fund	11,267	Reimbursement
	General Fund	1,321	Miscellaneous
	Public Facilities Capital Project	13	Reimbursement
	Public Facilities Capital Project	1,422	Capital Projects
	Redevelopment Capital	484	Leases
	Redevelopment Capital	27,272	Capital Projects
	Nonmajor Governmental Funds	62,926	Debt Service
	Nonmajor Governmental Funds	2,107	Pension Obligation
	Nonmajor Governmental Funds	1,298	CDGB
	Nonmajor Governmental Funds	244	Leases
	Nonmajor Governmental Funds	783	Miscellaneous
	Nonmajor Governmental Funds	6,779	Administrative support
	Nonmajor Governmental Funds	129	Professional services
	Nonmajor Governmental Funds	19,509	Reimbursement
	Nonmajor Governmental Funds	332	Capital projects
		<u>197,199</u>	
Internal Service Funds	General Fund	500	Business services
	Flood Control Special Revenue	281	Reimbursement
	Internal Service Funds	3,022	Reimbursement
	Nonmajor Governmental Funds	1,293	Pension Obligation
		<u>5,096</u>	
	Total	<u>\$ 462,222</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, 2010

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 was as follows (in thousands):

	Balance July 1, 2009	Prior Period Adjustments*	Additions	Retirements	Transfers	Balance June 30, 2010
Governmental activities:						
<i>Capital assets, not being depreciated:</i>						
Land & easements	\$ 407,723	\$ -	\$ 18,284	\$ (1)	\$ 3,868	\$ 429,874
Construction in progress	464,647	-	280,770	(2,463)	(81,319)	661,635
Total capital assets, not being depreciated	<u>872,370</u>	<u>-</u>	<u>299,054</u>	<u>(2,464)</u>	<u>(77,451)</u>	<u>1,091,509</u>
<i>Capital assets, being depreciated:</i>						
Infrastructure						
Flood channels	222,981	-	669	-	11,505	235,155
Flood storm drains	305,994	-	11,142	-	953	318,089
Flood dams and basins	30,956	-	45	-	214	31,215
Roads	1,575,455	-	90,013	-	3,741	1,669,209
Traffic signals	22,325	-	181	-	925	23,431
Bridges	105,380	-	-	-	1	105,381
Runways	13,613	-	1	-	2,632	16,246
Parks trails and improvements	9,503	-	21	-	-	9,524
Land improvements	110	-	-	-	-	110
Structures and improvements	830,167	12,370	128,064	(5,716)	57,407	1,022,292
Equipment	379,453	4,849	11,464	(18,761)	-	377,005
Total capital assets, being depreciated	<u>3,495,937</u>	<u>17,219</u>	<u>241,600</u>	<u>(24,477)</u>	<u>77,378</u>	<u>3,807,657</u>
Less accumulated depreciation for:						
Infrastructure	(960,152)	(148)	(70,382)	-	11	(1,030,671)
Land improvements	(11)	-	-	-	-	(11)
Structures and improvements	(297,323)	23,130	(19,685)	3,646	(16)	(290,248)
Equipment	(261,489)	(725)	(32,770)	18,006	109	(276,869)
Total accumulated depreciation	<u>(1,518,975)</u>	<u>22,257</u>	<u>(122,837)</u>	<u>21,652</u>	<u>104</u>	<u>(1,597,799)</u>
Total capital assets, being depreciated, net	<u>1,976,962</u>	<u>39,476</u>	<u>118,763</u>	<u>(2,825)</u>	<u>77,482</u>	<u>2,209,858</u>
Governmental activities capital assets, net	<u>\$ 2,849,332</u>	<u>\$ 39,476</u>	<u>\$ 417,817</u>	<u>\$ (5,289)</u>	<u>\$ 31</u>	<u>\$ 3,301,367</u>

*Prior period adjustment represents \$17.2 million in capital assets not previously reported and \$22.3 in corrections to accumulated depreciation which was previously overstated.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 9 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2010 was as follows (in thousands):

	Balance July 1, 2009	Prior Period Adjustments	Additions	Retirements	Transfers	Balance June 30, 2010
Business-type activities:						
<i>Capital assets, not being depreciated:</i>						
Land & easements	\$ 21,081	\$ 244	\$ -	\$ -	\$ -	\$ 21,325
Construction in progress	21,468	6,841	15,977	(669)	(8,816)	34,801
Total capital assets, not being depreciated	42,549	7,085	15,977	(669)	(8,816)	56,126
<i>Capital assets, being depreciated:</i>						
Land improvements	11,662	-	-	-	-	11,662
Infrastructure-landfill liners	55,226	-	-	-	623	55,849
Infrastructure-other	13,586	1,663	30	-	6,270	21,549
Structures and improvements	214,757	-	574	(13)	1,408	216,726
Equipment	113,000	10	8,910	(8,155)	515	114,280
Total capital assets, being depreciated	408,231	1,673	9,514	(8,168)	8,816	420,066
Less accumulated depreciation for:						
Land improvements	(6,302)	48	(582)	-	-	(6,836)
Infrastructure-landfill liners	(14,735)	(1,107)	(2,721)	-	-	(18,563)
Infrastructure-other	(3,325)	(845)	(1,041)	-	261	(4,950)
Structures and improvements	(74,480)	359	(6,238)	12	(281)	(80,628)
Equipment	(96,549)	1,706	(6,535)	7,751	20	(93,607)
Total accumulated depreciation	(195,391)	161	(17,117)	7,763	-	(204,584)
Total capital assets, being depreciated, net	212,840	1,834	(7,603)	(405)	8,816	215,482
Business-type activities capital assets, net	\$ 255,389	\$ 8,919	\$ 8,374	\$ (1,074)	\$ -	\$ 271,608

Depreciation

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

General government	\$ 19,371
Public protection	16,975
Health and sanitation	1,328
Public assistance	1,158
Public ways and facilities	64,131
Recreation and culture	1,413
Education	388
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>18,073</u>
Total depreciation expense – governmental functions	<u>\$ 122,837</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 9 – CAPITAL ASSETS (Continued)

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

Regional Medical Center	\$ 9,589
Waste Management	5,809
Housing Authority	1,693
County Service Areas	3
Flood Control	23
Total depreciation expense – business-type functions	<u>\$ 17,117</u>

Capital Leases

	<u>Governmental</u>	<u>Business Type</u>
Land	\$ 5,780	\$ -
Construction in Progress	32,720	-
Structures and Improvements	56,129	-
Equipment	136,302	19,584
Less: Accumulated amortization	(98,742)	(8,587)
Total leased property, net	<u>\$ 132,189</u>	<u>\$ 10,997</u>

Discretely Presented Component Unit

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2010 was as follows (in thousands):

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010
Capital assets, being depreciated:				
Equipment	\$ 250	\$ -	\$ (159)	\$ 91
Total capital assets, being depreciated	<u>250</u>	<u>-</u>	<u>(159)</u>	<u>91</u>
Less accumulated depreciation for:				
Equipment	(208)	(6)	124	(90)
Total accumulated depreciation	<u>(208)</u>	<u>(6)</u>	<u>124</u>	<u>(90)</u>
Total capital assets, net	<u>\$ 42</u>	<u>\$ (6)</u>	<u>\$ (35)</u>	<u>\$ 1</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 10 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Waste Management (Waste) has recorded \$88.3 million as landfill closure and post-closure care expense to date (based on the use of the estimated capacities of the landfill ranging from 32% to 100%). State and Federal laws and regulations require Waste to place a final cover on all active landfills when closed and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Waste will recognize the remaining estimated cost of \$33.3 million as the remaining estimated capacity of 19.5 million tons is filled. Waste expects all currently permitted landfill capacities to be filled by 2039. The total estimate of \$121.6 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, 2010 %	Estimated Years Remaining
Anza (Anza)	\$ 2,844	100.0	-
Badlands (Moreno Valley)	31,333	47.4	8
Blythe (Blythe)	7,784	32.8	31
Coachella (Coachella)	8,812	100.0	-
Desert Center (Desert Center)	1,109	69.1	3
Double Butte (Winchester)	10,101	100.0	-
Edom Hill (Cathedral City)	19,279	100.0	-
Highgrove (Riverside)	6,676	100.0	-
Lamb Canyon (Beaumont)	17,959	43.0	11
Mead Valley (Perris)	8,733	100.0	-
Mecca II (Mecca)	3,432	99.4	29
Oasis (Oasis)	<u>3,546</u>	71.7	14
	<u>\$ 121,608</u>		

Waste is required by State and Federal laws and regulations to make annual contributions to a trust fund to finance closure and post-closure care. Title 14 of the California Code of Regulations (CCR) requires solid waste landfill operators to demonstrate the availability of financial resources to conduct closure and post-closure maintenance activities.

In accordance with sections 18283 and 18290 of the CCR, the County has implemented Pledge of Revenue agreements between the County and the California Integrated Waste Management Board (CIWMB) for six active landfills and six closed landfills to demonstrate financial responsibility for post-closure maintenance costs. Waste has determined that the projected net revenues, after current operating costs, from tipping fees during the thirty-year period of post-closure care maintenance will, during each year of this period, be greater than the yearly monitoring and post-closure care maintenance costs for each landfill. It is agreed that the amount of these Pledge of Revenue agreements may increase or decrease to match any adjustments to the identified cost estimates, which is mutually agreed to by the Waste and the CIWMB. Waste complies with these requirements and investments of \$67.1 million are held for these purposes at June 30, 2010 and are classified as Restricted Assets in the Statement of Net Assets. Waste expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure requirements are determined (due to changes in technology or applicable laws or regulations) these costs may need to be covered by charges to future landfill users.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 11 – OPERATING LEASES

The following is a year by year schedule of future minimum rental payments primarily for facilities leases. The schedule includes an average 4.5% per annum rental increase, principally for the General Fund, required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2010 (in thousands):

<u>Year Ending June 30</u>		
2011	\$	34,620
2012		30,462
2013		24,951
2014		19,736
2015		14,757
2016-2020		31,935
2021-2025		1,178
2026-2030		681
2031-2035		726
2036-2040		748
Total Minimum Payments	\$	<u>159,794</u>

Total rental expenditure/expense for the year ended June 30, 2010 was \$51.3 million of which \$4.0 million was recorded in the Enterprise Funds.

NOTE 12 – SHORT TERM DEBT

Tax and Revenue Anticipation Notes (TRANS)

On July 1, 2009, the County issued \$293.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANS), which were repaid June 30, 2010. The Notes were sold with a yield of 0.85%. This was to provide needed cash to cover the projected intra-period cash-flow deficits of the County's General Fund during the fiscal year July 1 through June 30.

Tax-Exempt Commercial Paper Notes (Teeter)

In December 1993, the County adopted the Teeter Plan, the alternative method for the distribution of secured property taxes and other assessments. In order to fulfill the requirements of the plan, the County obtained cash for the "buyout" of delinquent secured property taxes and the annual advance of current unpaid taxes to all entities that elected to participate in the Teeter Plan. The current financing takes place through the sale of Tax-Exempt Commercial Paper Notes (Teeter Notes). During FY 2009-10, the County retired \$252.5 million of the \$266.6 million principal amount outstanding at June 30, 2009. The County then issued \$171.9 million of Series B notes and \$71.3 million in Series C notes, leaving an outstanding balance of \$257.3 million at June 30, 2010.

Short-term debt activity for the year ended June 30, 2010, was as follows (in thousands):

	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010
FY 2009-10 TRANS	\$ -	\$ 293,000	\$ (293,000)	\$ -
Teeter Notes	266,629	243,200	(252,529)	257,300
Total	<u>\$ 266,629</u>	<u>\$ 536,200</u>	<u>\$ (545,529)</u>	<u>\$ 257,300</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS

Long-term obligations of the County consist of capital lease obligations, bonds, notes, and other liabilities which are payable from the General, Debt Service, Enterprise, and Internal Service Funds. The calculated legal debt limit for the County is \$2.7 billion.

Capital Leases

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

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

The following is a schedule by year of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2010 (in thousands):

<u>Year Ending June 30</u>	Component		Total	Business-
	Units	Others	Governmental	type
			Activities	Activities
2011	\$ 6,730	\$ 22,668	\$ 29,398	\$ 7,222
2012	6,734	15,874	22,608	6,073
2013	6,737	9,982	16,719	4,897
2014	6,735	6,724	13,459	3,144
2015	14,188	6,086	20,274	1,308
2016-2020	29,929	5,377	35,306	-
2021-2025	14,167	620	14,787	-
2026-2030	5,464	369	5,833	-
2031-2035	2,981	-	2,981	-
Total minimum payments	93,665	67,700	161,365	22,644
Less amount representing interest	(29,599)	(7,876)	(37,475)	(1,802)
Present value of net minimum lease payments	\$ 64,066	\$ 59,824	\$ 123,890	\$ 20,842

The statement of net assets includes the Palm Desert Financing Authority capital lease of \$64.1 million for the construction and acquisition of certain public facilities within the County, including the Palm Desert Sheriff's Station, community centers, the Blythe County Administrative Center, an animal shelter and a clinic facility.

The following schedules provide details of all certificates of participation, bonds payable, and notes payable for the County of Riverside that are outstanding as of June 30, 2010 (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, 2010</u>
<u>Certificates of Participation:</u>					
<u>CORAL</u>					
1985 Serial Certificates	12/09 – 12/15	Variable	\$7,600 - \$14,800	\$ 169,400	\$ 68,300
				169,400	68,300

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2010
<i>Certificates of Participation (Continued):</i>					
<u>CORAL</u>					
1990 Monterey Avenue:					
Serial Certificate	11/09 – 11/20	Variable	\$300 - \$800	\$ 8,800	\$ 5,900
				<u>8,800</u>	<u>5,900</u>
<u>CORAL</u>					
2001 CAC Annex:					
Serial Certificates	11/09 – 11/26	5.13%	\$815 - \$1,880	27,120	22,165
Term Certificate	11/27 – 11/30	5.13%	\$1,980 - \$2,295	8,540	8,540
Term Certificate	11/31	5.75%	\$2,415	2,415	2,415
				<u>38,075</u>	<u>33,120</u>
<u>CORAL</u>					
2003 A - Historic Court Project:					
Serial Certificates	11/09 – 11/18	3.00% - 5.00%	\$280 - \$400	4,125	3,055
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>12,120</u>
<u>CORAL</u>					
2003 B -Capital Facilities Refunding:					
Serial Certificates	11/09 – 11/18	2.00% - 4.20%	\$880 - \$395	8,685	3,670
				<u>8,685</u>	<u>3,670</u>
<u>CORAL</u>					
2005 A - Capital Improvement & Family Law Court Refunding:					
Serial Certificates	11/09 – 11/25	3.00% - 5.00%	\$1,090 - \$2,160	28,495	24,900
Term Certificate	11/26 – 11/33	5.00%	\$2,255 - \$2,145	9,905	9,905
Term Certificate	11/34 – 11/36	5.00%	\$2,265 - \$2,490	13,265	13,265
				<u>51,665</u>	<u>48,070</u>
<u>CORAL</u>					
2005 B - Historic Courthouse Refunding Project:					
Serial Certificates	11/09 – 11/25	3.00% - 5.00%	\$505 - \$1,740	18,835	16,730
Term Certificate	11/26 – 11/27	5.00%	\$1,860 - \$1,915	3,775	3,775
				<u>22,610</u>	<u>20,505</u>
<u>CORAL</u>					
2006 Series A - Cap Imp Project:					
Serial Certificates	11/09 – 11/26	3.75% - 5.13%	\$610 - \$1,235	16,425	15,230
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>33,480</u>
<u>CORAL</u>					
2007 A & B Public Safety Communication and Refunding Projects:					
Series A	11/10 – 11/17	3.85% - 5.00%	\$1,625 - \$10,850	73,775	68,805
				<u>73,775</u>	<u>68,805</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2010
<i>Certificates of Participation (Continued):</i>					
<u>CORAL</u>					
2009 Public Safety Communication and Woodcrest Library Refunding Projects: Series A	12/10 – 11/39	Variable	\$70 - \$420	\$ 45,685	\$ 45,685
				<u>45,685</u>	<u>45,685</u>
<u>CORAL</u>					
2009 Larson Justice Center Refunding: Serial Certificates	12/10 – 12/21	Variable	\$1,050 - \$4,860	24,680	24,680
				<u>24,680</u>	<u>24,680</u>
<u>Court Financing Corporation</u>					
Bankruptcy Courthouse:					
Acquisition Project Term Certificate	11/09 – 11/20	7.50%	\$835 - \$1,385	16,120	11,050
				<u>16,120</u>	<u>11,050</u>
<u>District Court Financing Corporation</u>					
U.S. District Court Project:					
Term /Series 1999	6/14/17	7.59%	\$902 - \$1,263	2,165	2,165
Term /Series 1999	6/15/15	1.93%	\$1,187 - \$1,658	17,635	7,287
Term /Series 2002	6/15/20	3.00%	\$50 - \$75	925	610
				<u>20,725</u>	<u>10,062</u>
				<u>\$ 528,085</u>	<u>\$ 385,447</u>
Total Certificates of Participation					
Bonds Payable:					
<u>CORAL</u>					
2000 A Southwest Justice Center: Term Certificate	11/09 – 11/13	4.88% - 5.40%	\$1,830 - \$2,240	\$ 17,945	\$ 8,240
				<u>17,945</u>	<u>8,240</u>
<u>CORAL</u>					
2008 A Southwest Justice Center: Term Certificate	12/08 – 11/32	Variable	\$2,480 - \$6,410	78,895	78,895
				<u>78,895</u>	<u>78,895</u>
<u>CORAL</u>					
1997 B & C (Hospital): Term Bonds (Series C)	06/01/19	5.81%	\$1,733	1,733	1,733
				<u>1,733</u>	<u>1,733</u>
<u>RDA</u>					
2005 Tax Allocation Revenue Bonds	10/09 – 10/37	4.50% - 5.00%	\$2,620 - \$6,490	144,075	134,440
				<u>144,075</u>	<u>134,440</u>
<u>RDA</u>					
2004 A Tax Allocation Housing Bonds	10/09 – 10/37	4.75% - 5.00%	\$1,905 - \$5,600	38,225	38,225
				<u>38,225</u>	<u>38,225</u>
<u>RDA</u>					
2004 A-T Tax Allocation Housing Bonds	10/09 – 10/28	2.90% - 4.87%	\$1,045 - \$760	37,000	31,230
				<u>37,000</u>	<u>31,230</u>
<u>RDA</u>					
2010 A Tax Allocation Housing Bonds	10/37 - 10/40	6.00%	\$2,845 - \$5,160	15,885	15,885
				<u>15,885</u>	<u>15,885</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2010
<i>Bonds Payable (Continued):</i>					
<u>RDA</u>					
2010 A-T Tax Allocation Housing Bonds	10/12 - 10/39	4.75% - 7.75%	\$820 - \$1,550	\$ 50,860	\$ 50,860
				<u>50,860</u>	<u>50,860</u>
<u>RDA</u>					
2005 Tax Allocation Housing/Refunding	10/09 - 10/33	3.00% - 4.50%	\$395 - \$1,105	18,245	16,360
				<u>18,245</u>	<u>16,360</u>
<u>RDA</u>					
2007 A Tax Allocation Refunding Bonds	10/09 - 09/1/34	3.00% - 4.50%	\$1,795 - \$6,450	89,990	86,470
				<u>89,990</u>	<u>86,470</u>
<u>Taxable Pension Obligation Bond</u>					
Pension Obligation Bonds (Series 2005-A)	8/09 - 8/35	4.91% - 5.04%	\$3,425 - \$5,530	400,000	375,100
				<u>400,000</u>	<u>375,100</u>
<u>RDA</u>					
2004 Tax Allocation Revenue Bonds	10/09 - 10/37	2.50% - 5.00%	\$1,220 - \$14,395	102,785	95,470
2007 Tax Allocation Revenue - Series A	10/09 - 10/37	3.50% - 4.37%	\$2,945 - \$8,925	169,720	160,565
2007 Tax Allocation Revenue - Series B	10/09 - 10/37	4.00% - 4.75%	\$550 - \$1,955	33,820	32,090
				<u>306,325</u>	<u>288,125</u>
<u>Inland Empire Tobacco Securitization Authority</u>					
Series 2007 A	06/17 - 06/21	4.625% - 5.1%		87,650	76,020
Series 2007 B	06/20 - 06/26	5.75%		53,758	53,758
Series 2007 C-1	06/26 - 06/36	6.625%		53,542	53,542
Series 2007 C-2	06/33 - 06/45	6.750%		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
				<u>294,084</u>	<u>282,454</u>
Total Bonds Payable				\$ 1,493,262	\$ 1,408,017
<i>Loans Payable:</i>					
<u>RDA</u>					
2000 Loans Payable	01/09 - 01/22	3.50% - 7.00%	\$82 - \$210	\$ 1,329	\$ 1,423
<u>CORAL</u>					
2007 Monroe Park Building	12/15	6.50%	\$154 - \$4,624	5,973	5,564
Total Loans Payable				\$ 7,302	\$ 6,987
<u>RDA</u>					
2009 Bond Anticipation Notes	07/09 - 07/11	Pool Rate	\$15,000	\$ 15,000	\$ 15,000
Total Notes Payable				\$ 15,000	\$ 15,000
Total Governmental Activities				\$ 2,043,649	\$ 1,815,451

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Business-Type Activities

Type of indebtedness (purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2010
Bonds Payable:					
<i><u>Regional Medical Center</u></i>					
1993 A & B (Hospital):					
Term Bonds (Series A)	06/10 – 06/12	6.38%	\$12,230 - \$13,870	\$ 81,135	\$ 26,895
Term Bonds (Series B)	06/13 – 06/14	6.75%	\$7,050 - \$7,475	14,525	14,525
Loss on Defeasance (net)				-	(738)
				<u>95,660</u>	<u>40,682</u>
<i><u>Regional Medical Center</u></i>					
1997 A (Hospital): Serial Capital Cap Apprec. Bonds (net of future cap apprec \$130,470)					
	06/13 – 06/26	5.70% - 6.01%	\$3,034 - \$3,445	41,170	41,170
				<u>41,170</u>	<u>41,170</u>
<i><u>Regional Med Center 1997</u></i>					
Serial Bonds (Series B)	06/10 – 06/13	4.38% - 5.15%	\$395 - \$455	4,785	1,300
Term Bonds (Series B)	06/14 – 06/19	5.00% - 5.70%	\$475 - \$13,007	63,935	63,935
Term Bonds (Series C)	06/19	6.25%	\$3,265	3,265	3,265
Less: Sheriff's Part (Series C)				(1,733)	(1,733)
Bond Discount				-	(12)
Loss on Defeasance (net)				-	(1,537)
				<u>70,252</u>	<u>65,218</u>
<i><u>Housing Authority</u></i>					
1998 Series A:					
Term Bonds	12/09 – 12/18	6.85%	\$110 - \$200	1,625	1,410
Deferred Charges				-	(556)
				<u>1,625</u>	<u>854</u>
Total Bonds Payable				<u>\$ 208,707</u>	<u>\$ 147,924</u>
Total Business-Type Activities				<u>\$ 208,707</u>	<u>\$ 147,924</u>
Discretely Presented Component Unit					
Bonds Payable:					
<i><u>Palm Desert Financing Authority</u></i>					
2003 Lease Rev Bonds Series A:					
Serial Certificates	05/09 – 05/23	2.25% - 4.70%	\$595 - \$995	\$ 13,270	\$ 10,145
Term Certificate	05/24 – 05/27	4.750%	\$1,035 - \$715	3,975	3,975
Term Certificate	05/28 – 05/33	4.75% - 5.00%	\$750 - \$950	5,065	5,065
Bond Discount				-	(177)
				<u>22,310</u>	<u>19,008</u>
2008 Lease Rev Bonds Series A:					
Serial Certificates	05/10 – 05/18	4.00% - 5.50%	\$1,935 - \$6,200	43,845	41,910
Term Certificate	05/19 – 05/22	6.000%	\$6,540 - \$7,790	28,600	28,600
Bond Discount				-	(542)
				<u>72,445</u>	<u>69,968</u>
Total Bonds Payable				<u>\$ 94,755</u>	<u>\$ 88,976</u>
Total Discretely Presented Component Unit				<u>\$ 94,755</u>	<u>\$ 88,976</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2010, 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
2011	\$ 254	\$ 508	\$ 18,174	\$ 22,512
2012	273	489	26,397	20,671
2013	296	466	28,361	18,684
2014	319	443	29,761	17,179
2015	214	317	32,208	14,196
2016-2020	5,421	509	118,655	46,805
2021-2025	210	21	55,200	23,915
2026-2030	-	-	36,295	14,220
2031-2035	-	-	27,690	6,138
2036-2040	-	-	12,706	869
Total	\$ 6,987	\$ 2,753	\$ 385,447	\$ 185,189

Governmental Year ending June 30	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2011	\$ 27,720	\$ 57,614	\$ -	\$ 191
2012	33,815	59,144	15,000	16
2013	36,510	53,627	-	-
2014	39,570	52,086	-	-
2015	43,000	48,325	-	-
2016-2020	271,866	247,532	-	-
2021-2025	271,655	175,018	-	-
2026-2030	179,000	117,295	-	-
2031-2035	220,080	66,931	-	-
2036-2040	183,122	19,045	-	-
2041-2045	-	-	-	-
2046-2050	29,653	1,945	-	-
2051-2055	-	-	-	-
2056-2058	72,026	4,671	-	-
Total	\$ 1,408,017	\$ 903,233	\$ 15,000	\$ 207

As of June 30, 2010, annual debt service requirements of business-type activities to maturity are as follows (in thousands):

Business-type Year ending June 30	Bonds Payable		Other Long-term Liabilities	
	Principal	Interest	Principal	Interest
2011	\$ 13,555	\$ 11,574	\$ -	\$ -
2012	14,430	11,026	-	-
2013	10,674	10,406	-	-
2014	10,930	9,920	-	-
2015	13,516	9,416	-	-
2016-2020	63,520	38,463	6,795	-
2021-2025	20,697	19,916	-	-
2026-2030	3,445	1,034	-	-
Total Requirements	150,767	111,755	\$ 6,795	\$ -
Bond Discount/Premium, net	(12)	-	-	-
Deferred Charges (Housing)	(556)	-	-	-
Loss on Defeasance (net)	(2,275)	-	-	-
Total	\$ 147,924	\$ 111,755		

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Discretely Presented Component Unit Year ending June 30	Bonds Payable	
	Principal	Interest
2011	\$ 5,030	\$ 4,702
2012	5,250	4,484
2013	5,485	4,254
2014	5,750	3,989
2015	6,035	3,709
2016-2020	35,120	13,538
2021-2025	20,105	3,783
2026-2030	4,210	1,254
2031-2035	2,710	271
Total Requirements	89,695	39,984
Bond Discount/Premium, net	(719)	-
Total	\$ 88,976	\$ 39,984

Accreted Interest Payable

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2010 (in thousands):

	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010
Governmental Activities:				
<i>Certificates of Participation:</i>				
Court Financing (US District Court Project)	\$ 2,439	\$ 356	-	\$ 2,795
<i>Bonds:</i>				
Inland Empire Tobacco Securitization Authority	26,013	15,942	-	41,955
Total governmental-type activities	\$ 28,452	\$ 16,298	-	\$ 44,750
Business-type Activities:				
<i>Lease Revenue Bonds:</i>				
Regional Medical Center (1997A Hosp)	\$ 43,696	\$ 5,115	-	\$ 48,811
Total business-type activities	\$ 43,696	\$ 5,115	-	\$ 48,811

The accreted interest payable balances at June 30, 2010 represent accreted interest on the U.S. District Court Project, the 2007 Inland Empire Tobacco Securitization Authority Bonds, and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were \$2.2 million for the U.S. District Court Project, \$294.1 million for the 2007 Inland Empire Tobacco Securitization Authority Bonds, and \$41.2 million for the 1997 A Hospital Serial Capital Appreciation Bonds. The total accreted value on the bonds and certificates upon maturity will be \$7.2 million for the U.S. District Court Project, \$171.6 million for the 1997 A Hospital Serial Capital Appreciation Bonds, and \$3.5 billion for the 2007 Inland Empire Tobacco Securitization Authority Bonds. The County is under no obligation to make payments of accreted value of or redemption premiums, if any, or interest on the Series 2007 Bonds.

The increases of \$16.3 million and \$5.1 million represent current year's accretion for governmental activities and business activities respectively. The accumulated accretion for business-type activities is \$48.9 million at June 30, 2010. The accumulated accretion for U.S. District Court Financing and the Inland Empire Tobacco Securitization Authority in governmental activities is \$44.8 million. The un-accreted balances at June 30, 2010 are \$81.7 million for the 1997-A Hospital (RCRMC) project, \$4.4 million for the U.S. District Court, and \$3.4 billion for the Tobacco Securitization Authority Capital Appreciation Bonds.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Bonds, Certificates of Participation/ Refunding

During the fiscal year ended June 30, 2010, the Redevelopment Agency issued Tax Allocation Housing Bonds Series A for financing low and moderate income housing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas. The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture. The outstanding balance at June 30, 2010 is \$15.9 million.

During the fiscal year ended June 30, 2010, the Redevelopment Agency also issued Tax Allocation Housing Bonds Series A-T for financing low and moderate income housing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas. The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture. The total outstanding balance at June 30, 2010 is \$50.9 million.

In December 2009, CORAL issued 2009 Larson Justice Center Project Refunding Certificate of Participation to provide funds to refund and repay the certificates of participation relating to 1998 Larson Justice Center Project with an outstanding principal amount of \$22.3 million; to fund the reserve fund; and to pay certain cost of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carry amount of the old debt by \$975 thousand. The 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 future debt service payments. The outstanding balance at June 30, 2010 is \$24.7 million.

In December 2009, CORAL also issued 2009 Public Safety Communication and Woodcrest Library Projects Refunding Certificate of Participation to provide funds to refund and redeem the principal amount of \$37.4 million for certification of participation relating to 2007 Series B Public Safety Communication Project and 2006 Certificates of Participation Anticipation Note relating to Woodcrest Library Project with an outstanding principal amount of \$6.0 million; to fund capitalized interest on a portion of the certificates 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. The outstanding balance at Jun 30, 2010 is \$45.7 million.

County Bond Anticipation Note

On July 21, 2009, the Redevelopment Agency entered into an agreement with the County of Riverside Treasurer and Tax Collector for a principal amount not to exceed \$15.0 million. The proceeds of the note will be used to finance certain redevelopment projects within and outside the Romoland Subarea of the I-215 Corridor project area as well as the Homeland Subarea of the MID County project area. The Agency will use future bond proceeds or tax increment to repay the note. The principal amount of the note is due on or before July 21, 2011. Interest accrues at a variable interest rate equal to the rate of interest payable with respect to the Riverside County Pooled Investment Fund plus 0.50%. The outstanding balance at June 30, 2010 is \$15.0 million.

Defeasance of Debt

In April 2007, the Redevelopment Agency (RDA) issued \$89.9 million in Tax Allocation Refunding Bonds to provide proceeds that were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2001 Tax Allocation Bond for \$87.9 million. As a result, the refunding portion of the 2001 Tax Allocation Bond is considered to be defeased and the liability has been removed from the government activities column of the Statement of Net Assets. At June 30, 2010, \$83.5 million in 2001 Tax Allocation Bonds held in trust were considered to be defeased and outstanding.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (Continued)

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, 2010, was \$2.6 million.

Single Family and Multi-Family Mortgage Revenue Bonds

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

A total of \$68.5 million of Mortgage Revenue Bonds has been issued and \$64.3 million is outstanding as of June 30, 2010. 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 \$120.9 million at June 30, 2010, to provide financing or improvements benefiting certain property owners. Special assessment bonds consist of Community Facilities District Bonds and Assessment District Bonds. The County, including its special districts, is not liable for the payment of principal or interest on the bonds, which are obligations solely of the benefited property owners. Certain debt service transactions relating to certain special assessment bonds are accounted for in the Agency Funds.

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

The Riverside County Flood Control and Water Conservation District (Flood Control) has issued special assessment bonds, totaling \$2.3 million as of June 30, 2010, for the construction of flood control facilities. The bonds are to be repaid through special assessment revenue and are not considered obligations of Flood Control. In accordance with bond covenants, Flood Control has established a reserve for potential delinquencies. If a delinquency occurs in the payment of any assessment installment, Flood Control has the duty to transfer the amount of such delinquent installment from the Reserve Fund into the Redemption Fund assessment installment. Flood Control's liability to advance funds for bond redemption in the event of delinquent assessment installments is limited to the reserves established.

State Appellate Court Financing

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

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 2014-2015. Under the amended and restated swap agreement, CORAL paid Citigroup Financial Products, Inc., (Citigroup) 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% 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, 2010. 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.

Fair Value: As of June 30, 2010 and 2009, the swap had a negative fair value of \$27.9 million and \$24.7 million, respectively, a decrease in fair value of \$3.8 million occurred during the fiscal year 2009-10. The fair value was recorded in the County's Statement of Net Assets 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 Citigroup at June, 30 2010.

Credit Risks: The swap counterparty was rated A+ by Moody's and A+ by Standard & Poor's as of June 30, 2010. The swap agreement specifies that if the long-term senior unsecured debt rating of Citigroup is withdrawn, suspended or falls below A- (Standard & Poor) or A3 (Moody's), a collateral agreement will be executed within 30 days or the fair value of the swaps will be fully collateralized by the counterparty.

Basis Risks: 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, 2010, CORAL's rate was 64.0% of LIBOR, or .2%, whereas Municipal Swap Index or the reset rate on bonds was .2%. The synthetic rate on the bonds at June 30, 2010 was 5.2%.

Termination Risks: CORAL always has the right to terminate the swaps. Citigroup is limited in so far as both CORAL and the insurer are not performing. The swap may be terminated by CORAL if Citigroup'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 Citigroup 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 Citigroup for a payment equal to the swaps' fair values.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Interest Rate Swap (Continued)

Swap Payment and Associated Debt: Using rates as of June 30, 2010, debt service requirements of the variable-rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows, (in thousands):

Fiscal Year Ending June 30	Variable Rate Bonds		Net Swap Payments	Total Interest
	Principal	Interest		
2011	\$ -	\$ 1,099	\$ 2,835	\$ 3,934
2012	-	1,099	2,835	3,934
2013	-	1,099	2,835	3,934
2014	-	1,099	2,834	3,933
2015	-	1,099	2,834	3,933
2016-2020	14,260	4,988	12,870	17,858
2021-2025	19,025	3,786	9,767	13,553
2026-2030	24,715	2,215	5,714	7,929
2031-2033	18,300	382	981	1,363
	<u>\$ 76,300</u>	<u>\$ 16,866</u>	<u>\$ 43,505</u>	<u>\$ 60,371</u>

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

Changes in long-term liabilities

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2010 (in thousands):

	Balance June 30, 2009	New Additions	Payments / Reclass	Balance June 30, 2010	Amounts Due Within One Year
Governmental activities:					
Debt long-term liabilities:					
Bonds payable	\$ 1,359,277	\$ 66,745	\$ (18,005)	\$ 1,408,017	\$ 27,720
Capital lease obligations	117,611	33,563	(27,284)	123,890	23,986
Certificates of participation	391,914	70,365	(76,832)	385,447	18,174
Loans payable	7,222	-	(235)	6,987	254
Notes payable	6,000	15,000	(6,000)	15,000	-
Total debt long-term liabilities	<u>1,882,024</u>	<u>185,673</u>	<u>(128,356)</u>	<u>1,939,341</u>	<u>70,134</u>
Other long-term liabilities:					
Accrued interest payable	28,452	16,298	-	44,750	-
Compensated absences*	144,919	15,577	(274)	160,221	90,284
Estimated claims liabilities	117,280	80,206	(80,223)	117,263	32,718
Accrued remediation costs	2,793	-	(779)	2,014	225
Other long-term liabilities (a)	1,500	-	(1,500)	-	-
Total other long-term liabilities	<u>294,944</u>	<u>112,081</u>	<u>(82,776)</u>	<u>324,248</u>	<u>123,227</u>
Total governmental activities – long-term liabilities	<u>\$ 2,176,968</u>	<u>\$ 297,754</u>	<u>\$ (211,132)</u>	<u>\$ 2,263,589</u>	<u>\$ 193,361</u>

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

(a) Fleet & Purchasing (ISF) loan for \$1.5 million was paid in previous fiscal years.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

Changes in long-term liabilities (Continued)

The following is a summary of business-type activities long-term liabilities transactions for the year ended June 30, 2010 (in thousands):

	Balance June 30, 2009	Additions	Payments / Reclass	Balance June 30, 2010	Amounts Due Within One Year
<u>Business-type activities:</u>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses*	\$ 159,959	\$ -	\$ (12,035)	\$ 147,924	\$ 13,555
Capital lease (RCRMC)	14,028	12,641	(5,827)	20,842	6,430
Total debt long-term liabilities	173,987	12,641	(17,862)	168,766	19,985
Other long-term liabilities:					
Accreted interest payable	43,696	5,115	-	48,811	-
Accrued closure and post-closure	49,646	252	-	49,898	4,262
Compensated absences	18,498	1,697	(36)	20,159	12,943
Accrued remediation costs	20,728	652	-	21,380	1,218
Other long-term liabilities (a)	6,795	-	-	6,795	-
Total other long-term liabilities	139,363	7,716	(36)	147,043	18,423
Total business-type activities – long-term liabilities	\$ 313,350	\$ 20,357	\$ (17,898)	\$ 315,809	\$ 38,408
<u>Discretely Presented Component Unit</u>					
Debt long-term liabilities:					
Bonds payable	\$ 91,454	\$ -	\$ (2,478)	\$ 88,976	\$ 5,030
Other long-term liabilities:					
Compensated absences	253	-	-	253	149
Total discretely presented component unit – long-term liabilities	\$ 91,707	\$ -	\$ (2,478)	\$ 89,229	\$ 5,179

* The reduction in bonds payable amount of \$12.0 million includes a bond discount amortization of \$12.0 thousand, deferred charges of \$555.5 thousand, and losses on bond defeasance of \$2.3 million during fiscal year 2009-10.

(a) 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 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 20.47% to the County and 79.53% to the Tobacco Securitization Authority for Calendar year 2010. During the fiscal year ended June 30, 2010, \$15.7 million was received by the Tobacco Authority; \$10.0 million, or 63.7%, was distributed to the County per the above agreement,

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

leaving \$5.7 million, or 36.3%, of the specific tobacco settlement revenues were pledged (see page 139). The County is under no obligation to make payments of the principal or accreted value of or redemption premiums, if any, or interest on the Series 2007 bonds in the event that revenues are insufficient for the payment thereof.

Redevelopment Agency has pledged a portion of future tax increment revenues and a portion of investment earnings to repay the Agency's long-term debt. The Agency's long-term debt is payable solely from the tax increment and a portion of investment earnings in the Agency's project areas. Total principal and interest remaining on the bonds is \$1.3 billion, payable through fiscal year 2040. During the fiscal year ended June 30, 2010, \$80.3 million was received from tax increment and investment earnings combined. Of this amount, principal and interest paid were \$11.8 million and \$28.2 million respectively, or 0.5% of the specific revenues pledged.

The Housing Authority 1998 bonds are secured by an agreement with the City of Corona, which has pledged to pay \$218.0 thousand to the Housing Authority each year until the bonds are redeemed in their entirety on December 1, 2018. The bond indenture requires the Housing Authority to remit the entire \$218.0 thousand received each year to the bond trustee to pay for the bond's annual debt service payments, which in fiscal year 2010 were \$110.0 thousand (principal) and \$100.4 thousand (interest).

The Housing Authority reports the \$218.0 thousand received each year as revenue. In fiscal year 2009-10, the \$218.0 thousand represented about 0.3% of the total revenues of the Housing Authority. MBIA Insurance Corporation has issued a surety bond in lieu of a cash funded reserve. The outstanding balance as of June 30, 2010, before applying the deferred charge, was \$1.4 million.

Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% 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 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% 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 City 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, 2010

NOTE 14 – FUND BALANCES

Fund balances that are not available for appropriation or are not considered “expendable available financial resources” are reserved. Unreserved fund balances that have been earmarked by the Board for a specified purpose are considered designated. Such reserved and designated fund balances at June 30, 2010 are as follows (in thousands):

	Major Funds			
	General Fund	Flood Special Revenue	Public Facilities Improvements	Redevelopment Capital Projects
<u>Reserved:</u>				
Encumbrances	\$ 3,022	\$ -	\$ -	\$ 99,248
Imprest cash	371	1	-	-
Inventories	1,941	-	-	-
Advances	-	-	-	-
Program operations	83,576	-	35,354	-
Construction	-	-	292,449	-
Notes receivable	-	-	-	28,674
General	122	-	-	-
Debt service	454	-	-	-
Land held for resale	-	-	-	50,583
Prepays	888	832	-	-
Total reserved fund balances	90,374	833	327,803	178,505
<u>Unreserved:</u>				
Unreserved, designated:				
Strategic planning	206,675	-	1,500	-
Program operations	43,788	236,269	-	89,842
Capital projects and programs	-	-	9,350	-
Total unreserved, designated fund balances	250,463	236,269	10,850	89,842
Total unreserved, undesignated fund balances	45,649	4,822	-	-
Total fund balances	\$ 386,486	\$ 241,924	\$ 338,653	\$ 268,347

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 14 – FUND BALANCES (Continued)

<u>Nonmajor Funds</u>							
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Government	Total Governmental Funds	<u>Reserved:</u>	
\$ 24,914	\$ -	\$ -	\$ -	\$ 24,914	\$ 127,184	Encumbrances	
118	-	-	-	118	490	Imprest cash	
822	-	-	-	822	2,763	Inventories	
2,050	-	-	-	2,050	2,050	Advances	
41,228	-	-	439	41,667	160,597	Program operations	
1,674	-	57,570	-	59,244	351,693	Construction	
38,518	-	-	-	38,518	67,192	Notes receivable	
51	28,634	7,203	-	35,888	36,010	General	
-	98,572	-	-	98,572	99,026	Debt service	
29,082	-	-	-	29,082	79,665	Land held for resale	
55	-	390	-	445	2,165	Prepays	
<u>138,512</u>	<u>127,206</u>	<u>65,163</u>	<u>439</u>	<u>331,320</u>	<u>928,835</u>	Total reserved fund balances	
						<u>Unreserved:</u>	
						Unreserved, designated:	
-	-	-	-	-	208,175	Strategic planning	
32,782	-	3	-	32,785	402,684	Program operations	
-	-	7,731	-	7,731	17,081	Capital projects and programs	
<u>32,782</u>	<u>-</u>	<u>7,734</u>	<u>-</u>	<u>40,516</u>	<u>627,940</u>	Total unreserved, designated fund balances	
185,879	-	-	-	185,879	236,350	Total unreserved, undesignated fund balances	
<u>\$ 357,173</u>	<u>\$ 127,206</u>	<u>\$ 72,897</u>	<u>\$ 439</u>	<u>\$ 557,715</u>	<u>\$ 1,793,125</u>	Total fund balances	

Net Assets: The government-wide statement of net assets reports \$604.9 million of restricted net assets for governmental activities, of which \$314.8 million is restricted by enabling legislation.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 15 – RISK MANAGEMENT

The County is self-insured for general liability, medical malpractice, and workers' compensation claims. The County records estimated liabilities for general liability, medical malpractice, and workers' compensation claims filed or estimated to be filed for incidents that have occurred. Estimated liability accruals include those incidents that are reported as well as an amount for those incidents that 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 \$15.0 million, subject to a self-insured retention (SIR) of \$1.0 million for each occurrence. A self insured retention is a form of a deductible. The County also purchases an additional \$10.0 million per occurrence in excess of the \$15.0 million for a total of \$25.0 million in limits. Medical malpractice utilizes an excess policy providing coverage on claims made basis. Limits under the malpractice policy are \$10.0 million subject to a self-insured retention of \$1.1 million. The general liability policy provides an additional \$10.0 million in excess limits above the medical malpractice policy for a total of \$20.0 million. The maximum limit under the excess workers' compensation, Section A, is statutory (unlimited); Section B, employer liability is \$5.0 million per claim. Section A is subject to a \$2.0 million SIR for each accident, employee injury, or disease. Settlements have not exceeded coverage for each of the past three fiscal years.

The County's property insurance program provides insurance coverage for all risks subject to a \$50.0 thousand deductible; flood coverage is subject to a 2.0% deductible within a 100-year flood zone and \$25.0 thousand outside a 100-year flood zone. The County's property is categorized into four Towers and each Tower provides \$600.0 million in limits. Earthquake (covering scheduled locations equal to or greater than \$1.0 million in value and lesser valued locations where such coverage is required by contract) has a sub-limit in each Tower of \$80.0 million with an additional \$285.0 million excess rooftop limit available to any one Tower. In addition, for earthquake, the program includes a \$280.0 million excess rooftop limit that may be triggered during the policy year if an earthquake event somewhere in the state has depleted the initial limits. Earthquake is subject to a deductible equal to 5.0% of replacement cost value subject to a \$100.0 thousand minimum. Boiler and Machinery provides up to \$100.0 million in limits, with various deductibles. The limits in each Tower are shared with other counties on a per event basis. Should a catastrophic event occur and losses exceed the limits, the County would be responsible.

The activities related to such programs are accounted for in Internal Service Funds. Accordingly, estimated liabilities for claims, including loss adjustment expenses, filed or to be filed, for incidents that have occurred through June 30, 2010 are reported in these funds. Where certain funds have an accumulated deficit or insufficient reserves, the County provides funding to reduce the deficit and increase the reserves. If the funding is above the Board of Supervisors approved 70.0% confidence level an appropriate reduction in funding including a one-time holiday on department charges may be granted. Revenues for these Internal Service Funds are primarily provided by other County departments and are intended to cover the self-insured claim payments, insurance premiums, and operating expenses. The revenue is not used to cover catastrophic events and other uninsured liabilities. Cash available in the Risk Management and Workers' Compensation Internal Service Funds at June 30, 2010 plus revenues to be collected during fiscal year 2010-11 are expected to be sufficient to cover all fiscal year 2010-11 payments. The carrying amount of unpaid claim liabilities is \$117.3 million. The liabilities are discounted at 4.0%.

	<u>June 30, 2009</u>	<u>June 30, 2010</u>
Unpaid claims, beginning of year	\$ 135,320	\$ 117,280
Increase (decrease) in provision for insured events of prior years	(2,003)	1,202
Incurred claims for current year	50,341	79,004
Claim payments	<u>(66,378)</u>	<u>(80,223)</u>
Unpaid claims, end of year	<u>\$ 117,280</u>	<u>\$ 117,263</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 16 – MEDI-CAL AND MEDICARE PROGRAMS

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

Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed at a per diem rate based upon estimated certified public expenditures (CPEs) and outpatient services are reimbursed under a schedule of maximum allowable reimbursement provided by the California Department of Health Care Services. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed based upon pre-established rates for diagnostic-related groups. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology. The Regional Medical Center is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Regional Medical Center and audit thereof by the Medicare fiscal intermediary. Normal estimation differences between final settlements and amounts accrued in previous years are reflected in net patient services revenue. The fiscal intermediary has audited the Regional Medical Center's Medicare cost reports through June 30, 2002 and June 30, 2007 for Medi-Cal. Reports on the results of desk reviews have been received through June 30, 2007 for Medicare which are subject to revision within a three year period.

In September 2005, the State of California significantly modified its Medi-Cal program under a new waiver with the Centers for Medicare and Medicaid Services (CMS). In connection with the new waiver, the State legislature passed the Medi-Cal Hospital Uninsured Demonstration Project Act, or SB 1100, which replaced the SB 855 and SB 1255 programs. For the SB 1100 program, the State continues to provide supplemental payments to the hospital for uncompensated care. However, the use of intergovernmental transfers (IGTs) by the State, as the non-federal match, was modified to a methodology consisting of certified public expenditures (CPEs) up to 50 percent of costs and IGTs of 75 percent of costs. The Regional Medical Center has recorded net patient revenue of \$70 million for SB-1100 for the year ended June 30, 2010.

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

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

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

A representation of the jointly governed organizations on which the County served at June 30, 2010 follows:

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

NOTE 18 – RETIREMENT PLAN

Plan Descriptions

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

Funding Policy

Active plan members in CalPERS are required to contribute 8.0% (9.0% for safety employees) of their annual covered salary. Miscellaneous member (non-prosecution unit) employees make their own contributions for the first five years. Prior to October 25, 2005, Miscellaneous prosecution unit member employees hired on or after September 3, 1992, made their own contributions for the first year. Effective October 25, 2005, the County makes the full contribution required of all Miscellaneous prosecution unit member employees. With some exceptions, safety member employees hired after June 25, 1992, make their own contributions for the first three years. For certain bargaining units, the County makes the contribution required of the employees on their behalf, regardless of hire date. The County, Flood Control, Park District and Waste Management are required to contribute the actuarially determined remaining amounts necessary to fund the benefit for its members. State statute establishes the contribution requirements of the plan member. The employer contribution rate is established and may be amended by CalPERS. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration.

Early Retirement Incentive

During FY 2009/10 the County Board of Supervisors authorized three early retirement incentives for all employees, other than elected officials covered by the CalPERS Local Miscellaneous and Local Safety contracts (see Table below). During FY 2008/09 The County Board of Supervisors authorized one early retirement incentive for all employees, other than elected officials covered by CalPERS Local Miscellaneous. The early retirement incentives offered eligible employees who elected to retire within a designated window specified by the County, two additional

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 18 – RETIREMENT PLAN (Continued)

Early Retirement Incentive (Continued)

years of service. Eligible employees were those who were in specified job classifications, had attained 50 years of age and who had five 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 sum or 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 first start to be payable two years after the end of the fiscal year in which the early retirement incentive window closes. The first estimated employer rate increase will occur in FY 2011/12 for the Early Retirement Incentive offered to Local Miscellaneous employees in FY 2008/09. The County estimates the cost of the early retirement incentive to be an additional 0.35% in the Employer Contribution rate. In FY 2012 /13 the Employer Contribution rate will increase an estimated 0.43% for Local Safety, and in FY 2013/14 the Employer Contribution rate will increase an estimated 0.27% for Local Miscellaneous as a result of the three early retirement incentives authorized in FY 2009/10.

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	0.35%	2011/2012
Local Safety	07/11 - 10/08/2009 ⁽¹⁾ 07/15 - 10/13/2009 ⁽²⁾	653	151	0.43%	2012/2013
Local Miscellaneous	02/11 - 08/09/2010	3,597	578	0.27%	2013/2014

(1)=District Attorney (2)=Sheriff

For fiscal year 2009-10, the contribution rates were:

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
Contribution rates:					
County	11.999%	18.605%	12.829%	13.839%	14.526%
Plan Members	8.000%	9.000%	8.000%	8.000%	8.000%

Annual Pension Cost

For fiscal year 2009-10, 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	\$ 93,642	\$ 44,729	\$ 1,951	\$ 603	\$ 450
Interest on net pension obligation (asset)	(24,989)	(6,884)	-	-	-
Adjustment to annual required contribution	18,654	5,138	139	-	434
Annual pension cost	87,307	42,983	2,090	603	884
Contributions made	(93,642)	(44,729)	(1,951)	(603)	(450)
Increase (decrease) in net pension obligation (asset)	(6,335)	(1,746)	139	-	434
Net pension obligation (asset) beginning of year	(322,445)	(88,821)	(2,223)	-	(2,384)
Net pension obligation (asset) end of year	\$ (328,780)	\$ (90,567)	\$ (2,084)	\$ -	\$ (1,950)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 18 – RETIREMENT PLAN (Continued)

Three-Year Trend Information
(dollar amounts in thousands)

	Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
County - Miscellaneous	June 30, 2008	\$ 79,320	107.68 %	\$ (316,231)
	June 30, 2009	88,406	107.03	(322,445)
	June 30, 2010	87,307	107.26	(328,780)
County - Safety	June 30, 2008	36,271	104.63	(87,109)
	June 30, 2009	40,951	104.18	(88,821)
	June 30, 2010	42,983	104.06	(90,567)
Flood Control	June 30, 2008	1,891	92.65	(2,362)
	June 30, 2009	1,874	93.09	(2,223)
	June 30, 2010	2,090	93.35	(2,084)
Parks District	June 30, 2008	596	100.00	-
	June 30, 2009	567	100.00	-
	June 30, 2010	603	100.00	-
Waste Management	June 30, 2008	1,040	61.22	(2,818)
	June 30, 2009	1,002	56.69	(2,384)
	June 30, 2010	884	50.90	(1,950)

Actuarial Methods and Assumptions

The following information as of the most recent actuarial valuation:

	County Miscellaneous	County Safety	Flood Control	Park District	Waste Management
Actuarial valuation	6/30/2009	6/30/2009	6/30/2009	6/30/2009	6/30/2009
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	28 years	30 years	28 years	18 years	18 years
Asset valuation method	15 Years Smoothed Market	15 Years Smoothed Market	15 Years Smoothed Market	15 Years Smoothed Market	15 Years Smoothed Market
Actuarial assumptions:					
Investment rate of return	7.75%	7.75%	7.75%	7.75%	7.75%
Projected salary increases	3.55%-14.45%*	3.55%- 13.15%*	3.55%- 14.45%*	3.55%- 14.45%*	3.55%- 14.45%*
Inflation	3.00%	3.00%	3.00%	3.00%	3.00%
Payroll growth	3.25%	3.25%	3.25%	3.25%	3.25%

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 18 – RETIREMENT PLAN (Continued)

Funded Status and the Funding Progress

The following is funded status information for each plan as of June 30, 2009, the most recent actuarial valuation date (dollar amounts in thousands):

	Actuarial Value of Assets (a)	Actuarial Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (Excess of assets over AAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Excess of Assets over AAL) as a Percentage of Covered Payroll ((b-a)/c)
County - Miscellaneous	\$ 3,401,037	\$3,790,233	\$ 389,196	89.73 %	\$ 841,104	46.27 %
County - Safety	1,511,048	1,642,555	131,507	91.99	265,238	49.58
Flood Control	93,681	112,269	18,588	83.44	14,668	126.72
Parks District**	694,385	883,394	189,009	78.60	161,973	116.69
Waste Management**	694,385	883,394	189,009	78.60	161,973	116.69

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

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

NOTE 19 – DEFINED BENEFIT PENSION PLAN

Plan Descriptions and Contribution Information

Plan Description. The County provides an IRS Section 401(a) single-employer defined benefit pension plan for part-time and temporary employees who are not eligible for social security or CalPERS retirement benefits through the County. This plan is self-funded and self-administered. Contributions made to the Plan are deposited with the County Treasurer, who invests the contributions. A participant is 100% vested immediately.

Contributions. Participants in the plan are required to contribute 3.75% of their compensation to the plan. According to the June 30, 2009 valuation, the County's current required contribution rate is 0.55%. The County elected to contribute 2.0% of payroll in order to reach a target 90% funded ratio within one year. The plan's current funded ratio is 90.6%. The County's rate is impacted by the rate of return earned by Plan assets. The Plan actuary periodically calculates the minimum recommended employer contribution rate through preparation of an actuarial valuation report. The County determines the contribution rates. Administrative costs of the plan are paid by the Trustee from Plan assets.

Membership for the plan consisted of the following at July 1, 2009, the date of the latest actuarial valuation:

Number of Participants:	
Active plan members	1,243
Terminated and inactive members	7,306
Retirees	96
Total	<u>8,645</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 19 – DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies

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

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

Schedule of Annual Pension cost and the Net Pension Obligation (NPO) for 2010 and the two preceding years were as follows (dollar amounts in thousands):

Fiscal Year Ending	Annual Required Contribution	Interest on NPO	Adjustment to the ARC	Annual Pension Cost	Actual Contribution	NPO End of Year	Percentage Contributed
2008	\$ 745	\$ -	\$ -	\$ 745	\$ 1,993	\$ (1,248)	268 %
2009	189	(67)	105	227	1,880	(2,901)	828
2010	144	(145)	227	226	840	(3,515)	372

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

Annual required contribution	\$ 144
Interest on net pension obligation (asset)	(145)
Adjustment to annual required contribution	227
Annual pension cost	<u>226</u>
Contributions made	<u>(840)</u>
Increase(decrease) in net pension obligation (asset)	(614)
Net pension obligation (asset) beginning of year	<u>(2,901)</u>
Net pension obligation (asset) end of year	<u><u>\$ (3,515)</u></u>

Schedule of Funding Progress

The funded status of the plan as of July 1, 2009, 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, 2007	\$ 13,778	\$ 20,468	\$ 6,690	67.31 %	\$ 41,333	16.19 %
July 1, 2008	16,989	19,471	2,482	87.25	27,928	8.89
July 1, 2009	19,384	21,402	2,018	90.57	26,550	7.60

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 19 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Methods and Assumptions

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

Valuation date	7/1/2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar Projected Payroll
Remaining amortization period	20 years, Open
Asset valuation method	Market Value plus Receivables
Actuarial assumptions:	
Investment rate of return	5.0%
Projected salary increases	3.0%
Inflation rate	3.0%

NOTE 20 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Descriptions

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

The benefits are provided in the form of:

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

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

Funding Policy and Annual OPEB Cost

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 20 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

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

	<u>County</u>	<u>Flood Control</u>	<u>Park District</u>	<u>Waste Management</u>
Contribution rates:				
County	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256	Bargaining Unit Determined \$25-\$256
Plan members	\$307-\$745	\$307-\$745	\$307-\$745	\$307-\$745
Annual required contribution	\$ 4,454	\$ 47	\$ 9	\$ 99
Interest on net OPEB obligation	(1,006)	(11)	(17)	-
Adjustment to annual required contribution	790	9	12	-
Annual OPEB cost	<u>4,238</u>	<u>45</u>	<u>4</u>	<u>99</u>
Contributions made	<u>(8,363)</u>	<u>(179)</u>	<u>(22)</u>	<u>(158)</u>
Increase in net OPEB obligation	(4,125)	(134)	(18)	(59)
Net OPEB obligation (asset) beginning of year	<u>(13,890)</u>	<u>(141)</u>	<u>(215)</u>	<u>(3)</u>
Net OPEB obligation (asset) end of year	<u><u>\$ (18,015)</u></u>	<u><u>\$ (275)</u></u>	<u><u>\$ (233)</u></u>	<u><u>\$ (62)</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 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	06/30/08	\$ 4,390	340.1 %	\$ (10,540)
	06/30/09	3,755	189.2	(13,890)
	06/30/10	4,238	197.3	(18,015)
Flood Control	06/30/08	29	345.0	(71)
	06/30/09	23	404.3	(141)
	06/30/10	45	397.8	(275)
Park District	06/30/08	21	1,057.1	(201)
	06/30/09	6	333.3	(215)
	06/30/10	4	550.0	(233)
Waste Management	06/30/08	61	62.3	23
	06/30/09	63	141.3	(3)
	06/30/10	99	159.6	(62)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 20 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2010, was as follows (dollar amounts in thousands):

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

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

Actuarial Methods and Assumptions

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 21 – COMMITMENTS AND CONTINGENCIES

Lawsuits and Other Claims

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

Federal Grant Revenue

Compliance examinations for the fiscal year ended June 30, 2009, 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 2009-10 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 30, 2011.

Commitments

At June 30, 2010, 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. \$138.8 million will be payable upon future performance under the contracts.

Landfill Construction and Consulting Contracts

The Waste Management Department (Waste) entered into various construction and consulting contracts to facilitate its landfill operations and is in the process of installing landfill liners at Lamb Canyon in accordance with State and Federal laws and regulations. Waste expects to complete the installation of several landfill liners over the next five years and estimates additional future costs to be \$18.7 million. These additional costs will be capitalized as the costs are incurred.

Remediation Contingencies

Governmental Funds

Release of gasoline and diesel fuel has been reported at 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. Currently the County is performing the appropriate site assessments. As of June 30, 2010 the Governmental Activities reflect a \$2.0 million accrued remediation liability (Note 13). The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations and other factors that could result in revisions to these estimates. The County continues to work with the CRWQCB on each of the tanks. Based on the work performed by the County, the CRWQCB will determine if additional assessments, monitoring and/or remediation will be required.

Enterprise Funds

Waste is presently aware of groundwater contamination at nine of its landfills, six of which are closed. Waste is also aware of air/gas contamination at 17 landfills, 11 of which are closed. Based on engineering studies, Waste estimates the present value of the total costs of corrective action for foreseeable contaminate releases at \$21.4 million. At June 30, 2010, Waste has accrued \$21.4 million for the estimated costs related to the remediation of these landfills. Remediation expense for fiscal year 2010 results from current estimates and current actual expenses.

Waste has established a remediation restricted cash fund and 17 remediation restricted cash escrow funds to set aside funds for future remediation costs as they are required to be performed. Investments of \$19.4 million are held for these purposes at June 30, 2010 and are classified as restricted cash and investments in the accompanying statements of net assets.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2010

NOTE 22 – SUBSEQUENT EVENTS

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

On July 1, 2010, the County issued \$343 million in Tax and Revenue Anticipation Notes in the form of Series A due March 31, 2011 and Series B due June 30, 2011. The stated interest rate for the A Bonds is set at 2.0% per annum with a yield of 0.43%. The interest rate for the B Bond is set at 2.0% per annum with a yield of 0.55%. A portion of the Note proceeds were used to prepay CalPERS contributions for 2010-11 in the amount of \$86.5 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 2011 and legally available for payment thereof. Proceeds for the Bonds will be used for fiscal year 2011 General Fund expenditures, including current expenditures, capital expenditures, and the discharge of other obligations or indebtedness of the County.

Teeter Obligation Notes, Series C

In October 2010, the County issued \$20.8 million in 2010 Teeter Obligation Notes, Series C to refund a portion of the outstanding 2009 Teeter Obligations Notes, Series C. The 2010 Notes bear interest rate of 2% and a maturity date of October 12, 2011.

Tax Allocation Bonds

In July 2010, the Redevelopment Agency issued \$5.6 million in 2010 Tax Allocation Bonds, Series C, to fund projects of benefit to the Agency's Mid-County Redevelopment Project Area. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 2.0% to 6.2% per annum. Principal on the bonds is payable in annual installments that range from \$545.0 thousand to \$1.12 million and commence on October 1, 2011 through October 1, 2040.

In July 2010, the Redevelopment Agency issued \$32.4 million in 2010 Tax Allocation Bonds, Series D, to fund projects of benefit to the Agency's Desert Communities Redevelopment Project Area. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 2.0% to 6.0% per annum. Principal on the bonds is payable in annual installments that range from \$640.0 thousand to \$2.2 million and commence on October 1, 2011 through October 1, 2037.

In July 2010, the Redevelopment Agency issued \$50.5 million in 2010 Tax Allocation Bonds, Series E, to fund projects of benefit to the Agency's Interstate 215 Corridor Redevelopment Project Area. Interest on the bond is payable October 1 and April 1 of each year. Interest on the bond accrues at rates varying from 2.0% to 6.5% per annum. Principal on the bonds is payable in annual installments that range from \$585.0 thousand to \$6.4 million and commence on October 1, 2011 through October 1, 2040.

Bond Anticipation Notes

In July 2010, the Redevelopment Agency repaid the outstanding principal balance and interest accrued of the \$15.0 million notes payable. The outstanding principal was due on or before July 21, 2011.

AB 1653

In 2009, California lawmakers created a hospital fee program under AB 1383, which imposes a fee on hospitals for the specific purpose of generating match monies to be used to draw down additional federal Medicaid funds. These funds will be used to increase Medi-Cal payments to hospitals and provide funding for children's health care coverage. AB 1653 is a follow-up piece of legislation that makes the statutory changes to hospital fee program required by Centers for Medicare & Medicaid Services (CMS). On October 7, 2010, AB 1653 was approved by CMS. As a result, the RMC is anticipated to receive an additional fee in the amount of approximately \$43.3 million, which covers a 27-month period (April 2009 through June 2011). The proportional share of the fee for fiscal year 2010 is approximately \$22.1 million. As of December 1, 2010, the RMC has received hospital fee revenue of \$12.5 million for the fiscal year 2010, which is determined to be a recognized subsequent event and has been accrued in the accompanying financial statements. The remaining hospital fee of \$9.6 million for the fiscal year 2010 is determined to be an unrecognized subsequent event due to uncertainties in the actual payment calculations and further CMS decisions.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2010

RETIREMENT PLANS - SCHEDULES OF FUNDING PROGRESS

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

Riverside County – Miscellaneous

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2007	\$ 2,894,148	\$ 3,029,360	\$ 135,212	95.54 %	\$ 754,118	17.93 %
June 30, 2008	3,174,975	3,350,223	175,248	94.77	841,613	20.82
June 30, 2009	3,401,037	3,790,233	389,196	89.73	841,104	46.27

Riverside County - Safety

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2007	\$ 1,291,421	\$ 1,369,534	\$ 78,113	94.30 %	\$ 214,634	36.39 %
June 30, 2008	1,414,120	1,469,416	55,296	96.24	240,746	22.97
June 30, 2009	1,511,048	1,642,555	131,507	91.99	265,238	49.58

Flood Control and Water Conservation District

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2007	\$ 82,383	\$ 90,833	\$ 8,450	90.70 %	\$ 13,818	61.15 %
June 30, 2008	88,463	98,300	9,837	89.99	14,137	69.58
June 30, 2009	93,681	112,269	18,588	83.44	14,668	126.72

*Regional Park and Open-Space District**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2007	\$ 576,070	\$ 699,664	\$ 123,594	82.34 %	\$ 139,335	88.70 %
June 30, 2008	641,168	776,167	134,999	82.61	155,115	87.03
June 30, 2009	694,385	883,394	189,009	78.60	161,973	116.69

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

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2010

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, 2007	\$ 576,070	\$ 699,664	\$ 123,594	82.34 %	\$ 139,335	88.70 %
June 30, 2008	641,168	776,167	134,999	82.61	155,115	87.03
June 30, 2009	694,385	883,394	189,009	78.60	161,973	116.69

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

Riverside County - Part-time and Temporary Help Retirement

Six - Year Trend Information

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)**	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2004	\$ 7,352	\$ 9,338	\$ 1,986	78.73 %	\$ 29,670	6.69 %
June 30, 2005	8,534	11,020	2,486	77.44	27,388	9.08
June 30, 2006	10,520	13,673	3,153	76.94	29,124	10.83
June 30, 2007	13,778	20,468	6,690	67.31	41,333	16.19
June 30, 2008	16,989	19,471	2,482	87.25	27,928	8.89
June 30, 2009	19,384	21,402	2,018	90.57	26,550	7.60

**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
2005	\$ 616	100 %	\$ -
2006	633	100	-
2007	1,914	100	-
2008	745	267	(1,248)
2009	227	828	(2,901)
2010	226	372	(3,515)

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2010

OPEB - SCHEDULES OF FUNDING PROGRESS

(Dollars in thousands)

Riverside County

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

Flood Control and Water Conservation District

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

Regional Park and Open-Space District

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

Waste Management Department

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

***Estimate only.



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COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Teeter Debt Service Fund
 For the Fiscal Year Ended June 30, 2010
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 1,005	\$ 1,005
Other revenue	4,173	4,173	-	(4,173)
Total revenues	4,173	4,173	1,005	(3,168)
EXPENDITURES:				
Current:				
General government	1,856	1,000	597	(403)
Debt service:				
Interest	5,394	5,394	2,629	(2,765)
Total expenditures	7,250	6,394	3,226	(3,168)
Excess (deficiency) of revenues over (under) expenditures	(3,077)	(2,221)	(2,221)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	3,077	3,077	3,077	-
Transfers out	-	(856)	(856)	-
Total other financing sources (uses)	3,077	2,221	2,221	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Public Facilities Improvements Capital Projects Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ 18,194	\$ 18,194	\$ 4,101	\$ (14,093)
Aid from other governmental agencies:				
Other	16,142	60,636	55,551	(5,085)
Charges for services	255,818	246,945	35,406	(211,539)
Other revenue	83,494	47,849	5,712	(42,137)
Total revenues	373,648	373,624	100,770	(272,854)
EXPENDITURES:				
Current:				
General government	559,132	529,238	219,654	(309,584)
Public ways and facilities	37,598	30,213	635	(29,578)
Total expenditures	596,730	559,451	220,289	(339,162)
Excess (deficiency) of revenues over (under) expenditures	(223,082)	(185,827)	(119,519)	66,308
OTHER FINANCING SOURCES (USES):				
Transfers in	-	45,595	45,595	-
Transfers out	-	(125,854)	(125,854)	-
Total other financing sources (uses)	-	(80,259)	(80,259)	-
NET CHANGE IN FUND BALANCE	(223,082)	(266,086)	(199,778)	66,308
Fund balance, beginning of year	538,431	538,431	538,431	-
FUND BALANCE, END OF YEAR	\$ 315,349	\$ 272,345	\$ 338,653	\$ 66,308

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Redevelopment Agency Capital Projects Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property:				
Interest	\$ 732	\$ 732	\$ 2,733	\$ 2,001
Rents and concessions	50	50	98	48
Charges for current services	185	5,045	-	(5,045)
Other revenue	180,389	138,797	5,397	(133,400)
Total revenues	<u>181,356</u>	<u>144,624</u>	<u>8,228</u>	<u>(136,396)</u>
EXPENDITURES:				
Current:				
General government	181,356	179,581	93,456	(86,125)
Interest	-	75	75	-
Total expenditures	<u>181,356</u>	<u>179,656</u>	<u>93,531</u>	<u>(86,125)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(35,032)	(85,303)	(50,271)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	41,592	41,592	-
Transfers out	-	(21,561)	(21,561)	-
Issuance of debt	-	15,000	15,000	-
Total other financing sources (uses)	<u>-</u>	<u>35,031</u>	<u>35,031</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(1)	(50,272)	(50,271)
Fund balance, beginning of year, as previously reported	305,703	305,703	305,703	-
Adjustments to beginning fund balance	-	-	12,916	12,916
Fund balance, beginning of year	<u>305,703</u>	<u>305,703</u>	<u>318,619</u>	<u>12,916</u>
FUND BALANCE, END OF YEAR	\$ 305,703	\$ 305,702	\$ 268,347	\$ (37,355)



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COUNTY OF RIVERSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
ASSETS:					
Cash and investments	\$ 319,561	\$ 59,107	\$ 15,446	\$ 438	\$ 394,552
Accounts receivable	1,299	1,589	-	-	2,888
Interest receivable	282	175	42	1	500
Taxes receivable	4,094	-	-	-	4,094
Due from other governments	33,312	-	722	-	34,034
Inventories	822	-	-	-	822
Due from other funds	229	-	-	-	229
Prepaid items	55	-	390	-	445
Restricted cash and investments	-	70,469	65,590	-	136,059
Advances to other funds	2,050	-	-	-	2,050
Notes receivable	38,518	-	-	-	38,518
Land held for resale	29,082	-	-	-	29,082
Total assets	<u>\$ 429,304</u>	<u>\$ 131,340</u>	<u>\$ 82,190</u>	<u>\$ 439</u>	<u>\$ 643,273</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 23,968	\$ 1,129	\$ 7,072	\$ -	\$ 32,169
Salaries and benefits payable	3,751	-	153	-	3,904
Due to other governments	2,231	-	-	-	2,231
Due to other funds	11,427	3,005	18	-	14,450
Deposits payable	384	-	-	-	384
Advance from other funds	-	-	2,050	-	2,050
Deferred revenue	30,370	-	-	-	30,370
Total liabilities	<u>72,131</u>	<u>4,134</u>	<u>9,293</u>	<u>-</u>	<u>85,558</u>
Fund balances:					
Reserved	138,512	127,206	65,163	439	331,320
Unreserved, designated, reported in:					
Special revenue funds	32,782	-	-	-	32,782
Capital projects funds	-	-	7,734	-	7,734
Unreserved, undesignated, reported in:					
Special revenue funds	185,879	-	-	-	185,879
Total fund balances	<u>357,173</u>	<u>127,206</u>	<u>72,897</u>	<u>439</u>	<u>557,715</u>
Total liabilities and fund balances	<u>\$ 429,304</u>	<u>\$ 131,340</u>	<u>\$ 82,190</u>	<u>\$ 439</u>	<u>\$ 643,273</u>

COUNTY OF RIVERSIDE

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

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2010

(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES:					
Taxes	\$ 91,088	\$ 75,182	\$ -	\$ -	\$ 166,270
Licenses, permits and franchise fees	2,473	-	-	-	2,473
Fines, forfeitures and penalties	1,507	-	-	-	1,507
Use of money and property:					
Interest	1,623	2,644	363	-	4,630
Rents and concessions	7,405	5,774	-	-	13,179
Aid from other governmental agencies:					
Federal	131,364	-	33	-	131,397
State	35,578	-	551	-	36,129
Other	23,452	4,283	-	-	27,735
Charges for services	52,079	2,152	1,893	24	56,148
Other revenue	10,854	5,654	40	-	16,548
Total revenues	<u>357,423</u>	<u>95,689</u>	<u>2,880</u>	<u>24</u>	<u>456,016</u>
EXPENDITURES:					
Current:					
General government	32,097	70,534	7,461	-	110,092
Public protection	11,197	-	-	-	11,197
Public ways and facilities	129,675	-	-	-	129,675
Health and sanitation	8,176	-	-	-	8,176
Public assistance	100,495	-	-	-	100,495
Education	18,359	-	-	-	18,359
Recreation and culture	10,885	-	1,423	-	12,308
Debt service:					
Principal	1,542	36,651	21,227	-	59,420
Interest	137	67,930	-	-	68,067
Cost of issuance	510	1,309	-	-	1,819
Capital outlay	73	771	7,982	-	8,826
Total expenditures	<u>313,146</u>	<u>177,195</u>	<u>38,093</u>	<u>-</u>	<u>528,434</u>
Excess (deficiency) of revenues					
Over (under) expenditures	44,277	(81,506)	(35,213)	24	(72,418)
OTHER FINANCING SOURCES (USES):					
Transfers in	66,120	132,209	10,344	45	208,718
Transfers out	(109,431)	(84,831)	(2,937)	-	(197,199)
Issuance of debt	58,568	8,177	-	-	66,745
Issuance of refunding bonds	-	70,365	-	-	70,365
Discount on long-term debt	(626)	-	-	-	(626)
Premium on long-term debt	-	937	-	-	937
Redemption of refunded debt	-	(65,713)	-	-	(65,713)
Total other financing sources (uses)	<u>14,631</u>	<u>61,144</u>	<u>7,407</u>	<u>45</u>	<u>83,227</u>
NET CHANGE IN FUND BALANCES	58,908	(20,362)	(27,806)	69	10,809
Fund balances, beginning of year,					
as previously reported	298,529	147,568	111,147	370	557,614
Adjustments to beginning fund balances	(264)	-	(10,444)	-	(10,708)
Fund balances, beginning of year, as restated	<u>298,265</u>	<u>147,568</u>	<u>100,703</u>	<u>370</u>	<u>546,906</u>
FUND BALANCES, END OF YEAR	\$ 357,173	\$ 127,206	\$ 72,897	\$ 439	\$ 557,715

COUNTY OF RIVERSIDE

SPECIAL REVENUE FUNDS

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

TRANSPORTATION

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

COMMUNITY SERVICES

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

REDEVELOPMENT AGENCY

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

COUNTY SERVICE AREAS

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

REGIONAL PARK AND OPEN-SPACE

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

AIR QUALITY IMPROVEMENT

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

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.

COUNTY OF RIVERSIDE

SPECIAL REVENUE FUNDS

IN-HOME SUPPORT SERVICES

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

PERRIS VALLEY CEMETERY DISTRICT

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

OTHER SPECIAL REVENUE

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



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COUNTY OF RIVERSIDE

Combining Balance Sheet

Special Revenue Funds

June 30, 2010

(Dollars in Thousands)

	<u>Transportation</u>	<u>Community Services</u>	<u>Redevelopment Agency</u>	<u>County Service Areas</u>	<u>Regional Park and Open-Space</u>
ASSETS:					
Cash and investments	\$ 128,734	\$ 37,702	\$ 99,183	\$ 17,365	\$ 12,601
Accounts receivable	975	191	-	-	52
Interest receivable	153	12	42	26	18
Taxes receivable	88	3,247	-	406	272
Due from other governments	18,342	13,638	-	143	275
Inventories	822	-	-	-	-
Due from other funds	167	-	62	-	-
Prepaid items	-	55	-	-	-
Advances to other funds	-	-	-	-	2,050
Notes receivable	-	-	38,518	-	-
Land held for resale	-	-	29,082	-	-
Total assets	<u>\$ 149,281</u>	<u>\$ 54,845</u>	<u>\$ 166,887</u>	<u>\$ 17,940</u>	<u>\$ 15,268</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 15,384	\$ 4,086	\$ 3,306	\$ 133	\$ 651
Salaries and benefits payable	1,991	1,190	-	66	262
Due to other governments	1,477	752	-	1	-
Due to other funds	-	11,393	27	-	-
Deposits payable	-	-	-	122	-
Deferred revenue	25,431	3,460	-	-	23
Total liabilities	<u>44,283</u>	<u>20,881</u>	<u>3,333</u>	<u>322</u>	<u>936</u>
Fund balances (Note 14):					
Reserved:	41,267	4,297	90,513	18	2,055
Unreserved:					
Designated	-	526	27,442	5	4,808
Undesignated	63,731	29,141	45,599	17,595	7,469
Total fund balances	<u>104,998</u>	<u>33,964</u>	<u>163,554</u>	<u>17,618</u>	<u>14,332</u>
Total liabilities and fund balances	<u>\$ 149,281</u>	<u>\$ 54,845</u>	<u>\$ 166,887</u>	<u>\$ 17,940</u>	<u>\$ 15,268</u>

Air Quality Improvement	In-Home Support Services	Perris Valley Cemetery	Other Special Revenue	Total	
\$ 939	\$ 857	\$ 856	\$ 21,324	\$ 319,561	ASSETS:
-	-	-	81	1,299	Cash and investments
1	1	1	28	282	Accounts receivable
-	-	41	40	4,094	Interest receivable
135	570	-	209	33,312	Taxes receivable
-	-	-	-	822	Due from other governments
-	-	-	-	229	Inventories
-	-	-	-	55	Due from other funds
-	-	-	-	2,050	Prepaid items
-	-	-	-	38,518	Advances to other funds
-	-	-	-	29,082	Notes receivable
-	-	-	-		Land held for resale
<u>\$ 1,075</u>	<u>\$ 1,428</u>	<u>\$ 898</u>	<u>\$ 21,682</u>	<u>\$ 429,304</u>	Total assets
					LIABILITIES AND FUND BALANCES:
					Liabilities:
\$ 10	\$ 1	\$ 14	\$ 383	\$ 23,968	Accounts payable
-	67	-	175	3,751	Salaries and benefits payable
-	-	-	1	2,231	Due to other governments
7	-	-	-	11,427	Due to other funds
-	-	262	-	384	Deposits payable
-	-	33	1,423	30,370	Deferred revenue
<u>17</u>	<u>68</u>	<u>309</u>	<u>1,982</u>	<u>72,131</u>	Total liabilities
					Fund balances (Note 14):
-	5	14	343	138,512	Reserved:
-	-	-	1	32,782	Unreserved:
1,058	1,355	575	19,356	185,879	Designated
<u>1,058</u>	<u>1,360</u>	<u>589</u>	<u>19,700</u>	<u>357,173</u>	Undesignated
					Total fund balances
<u>\$ 1,075</u>	<u>\$ 1,428</u>	<u>\$ 898</u>	<u>\$ 21,682</u>	<u>\$ 429,304</u>	Total liabilities and fund balances

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
 For the Fiscal Year Ended June 30, 2010
 (Dollars in Thousands)

	Transportation	Community Services	Redevelopment Agency	County Service Areas	Regional Park and Open-Space
REVENUES:					
Taxes	\$ 17,376	\$ 48,945	\$ 18,795	\$ 876	\$ 4,079
Licenses, permits, and franchise fees	2,446	-	-	-	-
Fines, forfeitures, and penalties	1	525	-	-	-
Use of money and property:					
Interest	888	16	294	141	92
Rents and concessions	23	710	84	2	783
Aid from other governmental agencies:					
Federal	19,331	108,490	-	-	-
State	27,824	4,351	-	12	227
Other	9,223	13,016	1,071	8	129
Charges for services	30,044	638	-	8,250	4,143
Other revenue	2,930	7,117	223	131	98
Total revenues	<u>110,086</u>	<u>183,808</u>	<u>20,467</u>	<u>9,420</u>	<u>9,551</u>
EXPENDITURES:					
Current:					
General government	-	21,138	6,157	-	-
Public protection	6,526	-	-	-	56
Public ways and facilities	118,436	-	-	3,838	-
Health and sanitation	-	3,996	-	764	-
Public assistance	-	100,495	-	-	-
Education	-	18,359	-	-	-
Recreation and culture	-	-	-	712	10,173
Debt service:					
Principal	1,210	332	-	-	-
Interest	137	-	-	-	-
Cost of issuance	-	-	510	-	-
Capital outlay	-	-	-	-	50
Total expenditures	<u>126,309</u>	<u>144,320</u>	<u>6,667</u>	<u>5,314</u>	<u>10,279</u>
Excess (deficiency) of revenues over (under) expenditures	(16,223)	39,488	13,800	4,106	(728)
OTHER FINANCING SOURCES (USES):					
Transfers in	33,964	26,084	-	709	3,028
Transfers out	(17,119)	(71,497)	(8,964)	(2,418)	(2,139)
Issuance of debt	-	-	58,568	-	-
Discount on long-term debt	-	-	(626)	-	-
Total other financing sources (uses)	<u>16,845</u>	<u>(45,413)</u>	<u>48,978</u>	<u>(1,709)</u>	<u>889</u>
NET CHANGE IN FUND BALANCES	<u>622</u>	<u>(5,925)</u>	<u>62,778</u>	<u>2,397</u>	<u>161</u>
Fund balances, beginning of year, as previously reported	104,376	39,889	100,776	15,221	14,171
Adjustments to beginning fund balances	-	-	-	-	-
Fund balances, beginning of year, as restated	<u>104,376</u>	<u>39,889</u>	<u>100,776</u>	<u>15,221</u>	<u>14,171</u>
FUND BALANCES, END OF YEAR	<u>\$ 104,998</u>	<u>\$ 33,964</u>	<u>\$ 163,554</u>	<u>\$ 17,618</u>	<u>\$ 14,332</u>

Air Quality Improvement	In-Home Support Services	Perris Valley Cemetery	Other Special Revenue	Total	
\$ -	\$ -	\$ 207	\$ 810	\$ 91,088	REVENUES:
-	-	-	27	2,473	Taxes
-	-	-	981	1,507	Licenses, permits, and franchise fees
9	5	12	166	1,623	Fines, forfeitures, and penalties
-	-	-	5,803	7,405	Use of money and property:
-	1,248	-	2,295	131,364	Interest
518	808	3	1,835	35,578	Rents and concessions
-	-	-	5	23,452	Aid from other governmental agencies:
-	-	205	8,799	52,079	Federal
-	-	6	349	10,854	State
527	2,061	433	21,070	357,423	Other
					Charges for services
					Other revenue
					Total revenues
					EXPENDITURES:
258	-	-	4,544	32,097	Current:
-	-	444	4,171	11,197	General government
-	-	-	7,401	129,675	Public protection
-	1,852	-	1,564	8,176	Public ways and facilities
-	-	-	-	100,495	Health and sanitation
-	-	-	-	18,359	Public assistance
-	-	-	-	10,885	Education
-	-	-	-	-	Recreation and culture
-	-	-	-	1,542	Debt service:
-	-	-	-	137	Principal
-	-	-	-	510	Interest
-	-	-	-	-	Cost of issuance
-	-	23	-	73	Capital outlay
258	1,852	467	17,680	313,146	Total expenditures
269	209	(34)	3,390	44,277	Excess (deficiency) of revenues over (under) expenditures
-	163	2	2,170	66,120	OTHER FINANCING SOURCES (USES):
(543)	(555)	(74)	(6,122)	(109,431)	Transfers in
-	-	-	-	58,568	Transfers out
-	-	-	-	(626)	Issuance of debt
(543)	(392)	(72)	(3,952)	14,631	Discount on long-term debt
(274)	(183)	(106)	(562)	58,908	Total other financing sources (uses)
1,332	1,543	959	20,262	298,529	NET CHANGE IN FUND BALANCES
-	-	(264)	-	(264)	Fund balances, beginning of year, as previously reported
1,332	1,543	695	20,262	298,265	Adjustments to beginning fund balances
\$ 1,058	\$ 1,360	\$ 589	\$ 19,700	\$ 357,173	Fund balances, beginning of year, as restated
					FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Transportation Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Over (Under)
REVENUES:				
Taxes	\$ 23,938	\$ 23,938	\$ 17,376	\$ (6,562)
License, permits, and franchise fees	2,330	2,330	2,446	116
Fines, forfeitures, and penalties	1	1	1	-
Use of money and property:				
Interest	2,787	2,787	888	(1,899)
Rents and concessions	22	22	23	1
Aid from other governmental agencies:				
Federal	30,049	30,049	19,331	(10,718)
State	30,722	30,722	27,824	(2,898)
Other	8,000	8,000	9,223	1,223
Charges for current services	86,493	56,112	30,044	(26,068)
Other revenue	14,325	11,274	2,930	(8,344)
Total revenues	<u>198,667</u>	<u>165,235</u>	<u>110,086</u>	<u>(55,149)</u>
EXPENDITURES:				
Current:				
Public protection	9,873	8,274	6,526	(1,748)
Public ways and facilities	186,010	171,871	118,436	(53,435)
Debt service:				
Principal	1,393	1,303	1,210	(93)
Interest	184	174	137	(37)
Total expenditures	<u>197,460</u>	<u>181,622</u>	<u>126,309</u>	<u>(55,313)</u>
Excess (deficiency) of revenues over (under) expenditures	1,207	(16,387)	(16,223)	164
OTHER FINANCING SOURCES (USES):				
Transfers in	-	33,964	33,964	-
Transfers out	-	(17,119)	(17,119)	-
Total other financing sources (uses)	<u>-</u>	<u>16,845</u>	<u>16,845</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,207	458	622	164
Fund balance, beginning of year	104,376	104,376	104,376	-
FUND BALANCE, END OF YEAR	<u>\$ 105,583</u>	<u>\$ 104,834</u>	<u>\$ 104,998</u>	<u>\$ 164</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Community Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 64,213	\$ 64,213	\$ 48,945	\$ (15,268)
Fines, forfeitures, and penalties	169	323	525	202
Use of money and property:				
Interest	41	41	16	(25)
Rents and concessions	711	711	710	(1)
Aid from other governmental agencies:				
Federal	126,867	158,840	108,490	(50,350)
State	4,380	4,121	4,351	230
Other	13,158	13,338	13,016	(322)
Charges for current services	23,076	4,499	638	(3,861)
Other revenue	9,712	3,932	7,117	3,185
Total revenues	242,327	250,018	183,808	(66,210)
EXPENDITURES:				
Current:				
General government	37,842	40,843	21,138	(19,705)
Public protection	63,905	12,752	-	(12,752)
Health and sanitation	3,177	6,865	3,996	(2,869)
Public assistance	124,726	134,477	100,495	(33,982)
Education	23,454	21,283	18,359	(2,924)
Debt service:				
Principal	1,859	1,142	332	(810)
Total expenditures	254,963	217,362	144,320	(73,042)
Excess (deficiency) of revenues over (under) expenditures	(12,636)	32,656	39,488	6,832
OTHER FINANCING SOURCES (USES):				
Transfers in	-	26,084	26,084	-
Transfers out	-	(71,497)	(71,497)	-
Total other financing sources (uses)	-	(45,413)	(45,413)	-
NET CHANGE IN FUND BALANCE	(12,636)	(12,757)	(5,925)	6,832
Fund balance, beginning of year	39,889	39,889	39,889	-
FUND BALANCE, END OF YEAR	\$ 27,253	\$ 27,132	\$ 33,964	\$ 6,832

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Redevelopment Agency Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 19,411	\$ 19,411	\$ 18,795	\$ (616)
Use of money and property:				
Interest	828	828	294	(534)
Rents and concessions	-	-	84	84
Aid from other governmental agencies:				
Other	34,348	34,348	1,071	(33,277)
Other revenue	2,027	108	223	115
Total revenues	56,614	54,695	20,467	(34,228)
EXPENDITURES:				
Current:				
General government	56,613	46,595	6,157	(40,438)
Cost of issuance	-	510	510	-
Total expenditures	56,613	47,105	6,667	(40,438)
Excess (deficiency) of revenues over (under) expenditures	1	7,590	13,800	6,210
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(8,964)	(8,964)	-
Issuance of debt	-	2,000	58,568	56,568
Discount on long-term debt	-	(626)	(626)	-
Total other financing sources (uses)	-	(7,590)	48,978	56,568
NET CHANGE IN FUND BALANCE	1	-	62,778	62,778
Fund balance, beginning of year	100,776	100,776	100,776	-
FUND BALANCE, END OF YEAR	\$ 100,777	\$ 100,776	\$ 163,554	\$ 62,778

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
County Service Areas Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Over (Under)</u>
REVENUES:				
Taxes	\$ 702	\$ 702	\$ 876	\$ 174
Use of money and property:				
Interest	250	250	141	(109)
Rents and concessions	-	-	2	2
Aid from other governmental agencies:				
State	8	8	12	4
Other	-	-	8	8
Charges for current services	7,487	6,778	8,250	1,472
Other revenue	1,942	2,705	131	(2,574)
Total revenues	<u>10,389</u>	<u>10,443</u>	<u>9,420</u>	<u>(1,023)</u>
EXPENDITURES:				
Current:				
Public protection	443	308	-	(308)
Public ways and facilities	7,827	6,681	3,838	(2,843)
Health and sanitation	800	800	764	(36)
Recreation and cultural services	1,319	1,151	712	(439)
Total expenditures	<u>10,389</u>	<u>8,940</u>	<u>5,314</u>	<u>(3,626)</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,503	4,106	2,603
OTHER FINANCING SOURCES (USES):				
Transfers in	-	709	709	-
Transfers out	-	(2,418)	(2,418)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,709)</u>	<u>(1,709)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(206)	2,397	2,603
Fund balance, beginning of year	<u>15,221</u>	<u>15,221</u>	<u>15,221</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 15,221</u>	<u>\$ 15,015</u>	<u>\$ 17,618</u>	<u>\$ 2,603</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Regional Park and Open-Space Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 4,598	\$ 4,284	\$ 4,079	\$ (205)
Use of money and property:				
Interest	343	328	92	(236)
Rents and concessions	674	674	783	109
Aid from other governmental agencies:				
State	401	401	227	(174)
Other	95	140	129	(11)
Charges for current services	5,963	4,495	4,143	(352)
Other revenue	1,015	36	98	62
Total revenues	13,089	10,358	9,551	(807)
EXPENDITURES:				
Current:				
Public protection	5	172	56	(116)
Recreation and cultural services	14,775	13,235	10,173	(3,062)
Capital outlay	332	307	50	(257)
Total expenditures	15,112	13,714	10,279	(3,435)
Excess (deficiency) of revenues over (under) expenditures	(2,023)	(3,356)	(728)	2,628
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,028	3,028	-
Transfers out	-	(2,139)	(2,139)	-
Total other financing sources (uses)	-	889	889	-
NET CHANGE IN FUND BALANCE	(2,023)	(2,467)	161	2,628
Fund balance, beginning of year	14,171	14,171	14,171	-
FUND BALANCE, END OF YEAR	\$ 12,148	\$ 11,704	\$ 14,332	\$ 2,628

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Air Quality Improvement Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$ -	\$ 20	\$ 9	\$ (11)
Aid from other governmental agencies:				
State	-	650	518	(132)
Total revenues	<u>-</u>	<u>670</u>	<u>527</u>	<u>(143)</u>
EXPENDITURES:				
Current:				
General government	-	682	258	(424)
Total expenditures	<u>-</u>	<u>682</u>	<u>258</u>	<u>(424)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(12)	269	281
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(543)	(543)	-
Total other financing sources (uses)	<u>-</u>	<u>(543)</u>	<u>(543)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	(555)	(274)	281
Fund balance, beginning of year	<u>1,332</u>	<u>1,332</u>	<u>1,332</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,332</u>	<u>\$ 777</u>	<u>\$ 1,058</u>	<u>\$ 281</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
In-Home Support Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ -	\$ -	\$ 5	\$ 5
Aid from other governmental agencies:				
Federal	1,307	1,307	1,248	(59)
State	1,378	1,215	808	(407)
Total revenues	2,685	2,522	2,061	(461)
EXPENDITURES:				
Current:				
Health and sanitation	3,505	2,950	1,852	(1,098)
Total expenditures	3,505	2,950	1,852	(1,098)
Excess (deficiency) of revenues over (under) expenditures	(820)	(428)	209	637
OTHER FINANCING SOURCES (USES):				
Transfers in	-	163	163	-
Transfers out	-	(555)	(555)	-
Total other financing sources (uses)	-	(392)	(392)	-
NET CHANGE IN FUND BALANCE	(820)	(820)	(183)	637
Fund balance, beginning of year	1,543	1,543	1,543	-
FUND BALANCE, END OF YEAR	\$ 723	\$ 723	\$ 1,360	\$ 637

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Perris Valley Cemetery Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 231	\$ 231	\$ 207	\$ (24)
Interest	15	15	12	(3)
Aid from other governmental agencies:				
State	-	-	3	3
Charges for current services	354	352	205	(147)
Other revenue	-	-	6	6
Total revenues	600	598	433	(165)
EXPENDITURES:				
Current:				
Public protection	490	416	444	28
Capital outlay	110	110	23	(87)
Total expenditures	600	526	467	(59)
Excess (deficiency) of revenues over (under) expenditures	-	72	(34)	(106)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2	2	-
Transfers out	-	(74)	(74)	-
Total other financing sources / (uses)	-	(72)	(72)	-
NET CHANGE IN FUND BALANCE	-	-	(106)	(106)
Fund balance, beginning of year, as previously reported	959	959	959	-
Adjustments to beginning fund balance	-	-	(264)	(264)
Fund balance, beginning of year, restated	959	959	695	(264)
FUND BALANCE, END OF YEAR	\$ 959	\$ 959	\$ 589	\$ (370)

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 908	\$ 906	\$ 810	\$ (96)
License, permits, and franchise fees	20	23	27	4
Fines, forfeitures, and penalties	-	-	981	981
Use of money and property:				
Interest	181	181	166	(15)
Rents and concessions	5,987	6,117	5,803	(314)
Aid from other governmental agencies:				
Federal	2,780	4,510	2,295	(2,215)
State	2,065	2,397	1,835	(562)
Other	-	-	5	5
Charges for current services	6,087	5,279	8,799	3,520
Other revenue	1,407	1,102	349	(753)
Total revenues	<u>19,435</u>	<u>20,515</u>	<u>21,070</u>	<u>555</u>
EXPENDITURES:				
Current:				
General government	4,845	5,087	4,544	(543)
Public protection	5,621	4,962	4,171	(791)
Public ways and facilities	11,337	11,037	7,401	(3,636)
Health and sanitation	1,824	1,982	1,564	(418)
Total expenditures	<u>23,627</u>	<u>23,068</u>	<u>17,680</u>	<u>(5,388)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,192)	(2,553)	3,390	5,943
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,170	2,170	-
Transfers out	-	(6,122)	(6,122)	-
Total other financing sources (uses)	<u>-</u>	<u>(3,952)</u>	<u>(3,952)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(4,192)	(6,505)	(562)	5,943
Fund balance, beginning of year	20,262	20,262	20,262	-
FUND BALANCE, END OF YEAR	<u>\$ 16,070</u>	<u>\$ 13,757</u>	<u>\$ 19,700</u>	<u>\$ 5,943</u>

COUNTY OF RIVERSIDE

DEBT SERVICE FUNDS

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

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)

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

REDEVELOPMENT AGENCY

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

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

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

COUNTY OF RIVERSIDE BANKRUPTCY COURT CORPORATION (BANKRUPTCY COURT)

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

TAXABLE PENSION OBLIGATION BONDS (PENSION OBLIGATION)

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

INLAND EMPIRE TOBACCO SECURITIZATION AUTHORITY

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

COUNTY OF RIVERSIDE
Combining Balance Sheet
Debt Service Funds
June 30, 2010
(Dollars in Thousands)

	CORAL	Redevelopment Agency	District Court Financing Corporation	Bankruptcy Court
ASSETS:				
Cash and investments	\$ -	\$ 49,045	\$ -	\$ -
Accounts receivable	-	391	-	-
Interest receivable	2	98	-	-
Restricted cash and investments	44,452	-	1,233	6,773
Total assets	<u>\$ 44,454</u>	<u>\$ 49,534</u>	<u>\$ 1,233</u>	<u>\$ 6,773</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 223	\$ 617	\$ -	\$ -
Due to other funds	-	3,005	-	-
Total liabilities	<u>223</u>	<u>3,622</u>	<u>-</u>	<u>-</u>
Fund balances (Note 14):				
Reserved	44,231	45,912	1,233	6,773
Total fund balances	<u>44,231</u>	<u>45,912</u>	<u>1,233</u>	<u>6,773</u>
Total liabilities and fund balances	<u>\$ 44,454</u>	<u>\$ 49,534</u>	<u>\$ 1,233</u>	<u>\$ 6,773</u>

Pension Obligation	Inland Empire Tobacco Securitization Authority	Total
\$ 10,062	\$ -	\$ 59,107
1,198	-	1,589
10	65	175
-	18,011	70,469
<u>\$ 11,270</u>	<u>\$ 18,076</u>	<u>\$ 131,340</u>

ASSETS:

Cash and investments	59,107
Accounts receivable	1,589
Interest receivable	175
Restricted cash and investments	70,469
Total assets	131,340

LIABILITIES AND FUND BALANCES:

Liabilities:

\$ 289	\$ -	\$ 1,129
-	-	3,005
<u>289</u>	<u>-</u>	<u>4,134</u>

Accounts payable	1,129
Due to other funds	3,005
Total liabilities	4,134

Fund balances (Note 14):

10,981	18,076	127,206
<u>10,981</u>	<u>18,076</u>	<u>127,206</u>
<u>\$ 11,270</u>	<u>\$ 18,076</u>	<u>\$ 131,340</u>

Reserved	127,206
Total fund balances	127,206
Total liabilities and fund balances	131,340

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Debt Service Funds
 For the Fiscal Year Ended June 30, 2010
 (Dollars in Thousands)

	CORAL	Redevelopment Agency	District Court Financing Corporation
REVENUES:			
Taxes	\$ -	\$ 75,182	\$ -
Use of money and property:			
Interest	490	573	22
Rents and concessions	924	-	2,382
Aid from other governmental agencies:			
Other	-	4,283	-
Charges for services	-	-	-
Other revenue	-	-	-
Total revenues	<u>1,414</u>	<u>80,038</u>	<u>2,404</u>
EXPENDITURES:			
Current:			
General government	1,285	54,656	3
Debt service:			
Principal	16,885	10,664	1,232
Interest	16,600	28,115	554
Cost of issuance	1,309	-	-
Capital outlay	-	-	208
Total expenditures	<u>36,079</u>	<u>93,435</u>	<u>1,997</u>
Excess (deficiency) of revenues over (under) expenditures	(34,665)	(13,397)	407
OTHER FINANCING SOURCES (USES):			
Transfers in	91,014	10,229	-
Transfers out	(56,930)	(27,901)	-
Issuance of debt	-	8,177	-
Issuance of refunding bonds	70,365	-	-
Premium on long-term debt	787	150	-
Redemption of refunded debt	(65,713)	-	-
Total other financing sources (uses)	<u>39,523</u>	<u>(9,345)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	4,858	(22,742)	407
Fund balances, beginning of year	39,373	68,654	826
FUND BALANCES, END OF YEAR	<u>\$ 44,231</u>	<u>\$ 45,912</u>	<u>\$ 1,233</u>

Bankruptcy Court	Pension Obligation	Inland Empire Tobacco Securitization Authority	Total	
\$ -	\$ -	\$ -	\$ 75,182	REVENUES:
				Taxes
2	715	842	2,644	Use of money and property:
2,468	-	-	5,774	Interest
				Rents and concessions
-	-	-	4,283	Aid from other governmental agencies:
-	2,152	-	2,152	Other
-	1	5,653	5,654	Charges for services
2,470	2,868	6,495	95,689	Other revenue
				Total revenues
				EXPENDITURES:
				Current:
2	14,435	153	70,534	General government
				Debt service:
835	3,425	3,610	36,651	Principal
613	18,254	3,794	67,930	Interest
-	-	-	1,309	Cost of issuance
563	-	-	771	Capital outlay
2,013	36,114	7,557	177,195	Total expenditures
				Excess (deficiency) of revenues over (under) expenditures
457	(33,246)	(1,062)	(81,506)	
				OTHER FINANCING SOURCES (USES):
-	30,966	-	132,209	Transfers in
-	-	-	(84,831)	Transfers out
-	-	-	8,177	Issuance of debt
-	-	-	70,365	Issuance of refunding bonds
-	-	-	937	Premium on long-term debt
-	-	-	(65,713)	Redemption of refunded debt
-	30,966	-	61,144	Total other financing sources (uses)
457	(2,280)	(1,062)	(20,362)	NET CHANGE IN FUND BALANCES
6,316	13,261	19,138	147,568	Fund balances, beginning of year
\$ 6,773	\$ 10,981	\$ 18,076	\$ 127,206	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Redevelopment Agency Debt Service Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Taxes	\$ 77,643	\$ 77,643	\$ 75,182	\$ (2,461)
Use of money and property:				
Interest	795	795	573	(222)
Aid from other governmental agencies:				
Other	324	4,000	4,283	283
Other revenue	10,230	5,720	-	(5,720)
Total revenues	<u>88,992</u>	<u>88,158</u>	<u>80,038</u>	<u>(8,120)</u>
EXPENDITURES:				
Current:				
General government	88,992	55,832	54,656	(1,176)
Debt service:				
Principal	-	10,664	10,664	-
Interest	-	28,115	28,115	-
Total expenditures	<u>88,992</u>	<u>94,611</u>	<u>93,435</u>	<u>(1,176)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(6,453)	(13,397)	(6,944)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	10,229	10,229	-
Transfers out	-	(27,901)	(27,901)	-
Issuance of debt	-	-	8,177	8,177
Premium on long-term debt	-	-	150	150
Total other financing sources (uses)	<u>-</u>	<u>(17,672)</u>	<u>(9,345)</u>	<u>8,327</u>
NET CHANGE IN FUND BALANCE	-	(24,125)	(22,742)	1,383
Fund balance, beginning of year	68,654	68,654	68,654	-
FUND BALANCE, END OF YEAR	<u>\$ 68,654</u>	<u>\$ 44,529</u>	<u>\$ 45,912</u>	<u>\$ 1,383</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Pension Obligation Bond Debt Service Fund
For the Fiscal Year Ended June 30, 2010
(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)
REVENUES:				
Use of money and property:				
Interest	\$ -	\$ -	\$ 715	\$ 715
Charges for current services	7,424	7,424	2,152	(5,272)
Other revenue	-	-	1	1
Total revenues	<u>7,424</u>	<u>7,424</u>	<u>2,868</u>	<u>(4,556)</u>
EXPENDITURES:				
Current:				
General government	16,711	16,711	14,435	(2,276)
Debt service:				
Principal	3,425	3,425	3,425	-
Interest	18,254	18,254	18,254	-
Total expenditures	<u>38,390</u>	<u>38,390</u>	<u>36,114</u>	<u>(2,276)</u>
Excess (deficiency) of revenues over (under) expenditures	(30,966)	(30,966)	(33,246)	(2,280)
OTHER FINANCING SOURCES (USES):				
Transfers in	30,966	30,966	30,966	-
Total other financing sources (uses)	<u>30,966</u>	<u>30,966</u>	<u>30,966</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	(2,280)	(2,280)
Fund balance, beginning of year	13,261	13,261	13,261	-
FUND BALANCE, END OF YEAR	<u>\$ 13,261</u>	<u>\$ 13,261</u>	<u>\$ 10,981</u>	<u>\$ (2,280)</u>



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COUNTY OF RIVERSIDE

CAPITAL PROJECTS FUNDS

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

PUBLIC SAFETY ENTERPRISE COMMUNICATION (PSEC)

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

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)

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

FLOOD CONTROL

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

REGIONAL PARK AND OPEN-SPACE

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

COUNTY OF RIVERSIDE ENTERPRISE SOLUTIONS FOR PROPERTY TAXATION (CREST)

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

COUNTY OF RIVERSIDE
Combining Balance Sheet
Capital Projects Funds
June 30, 2010
(Dollars in Thousands)

	PSEC	CORAL	Flood Control
ASSETS:			
Cash and investments	\$ -	\$ -	\$ 356
Interest receivable	-	22	-
Due from other governments	33	-	-
Prepaid items	390	-	-
Restricted cash and investments	-	65,590	-
Total assets	<u>\$ 423</u>	<u>\$ 65,612</u>	<u>\$ 356</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ 228	\$ 5,461	\$ -
Salaries and benefits payable	104	-	-
Due to other funds	18	-	-
Advances from other funds	-	-	-
Total liabilities	<u>350</u>	<u>5,461</u>	<u>-</u>
Fund balances (Note 14):			
Reserved	73	60,151	-
Unreserved:			
Designated	-	-	356
Total fund balances	<u>73</u>	<u>60,151</u>	<u>356</u>
Total liabilities and fund balances	<u>\$ 423</u>	<u>\$ 65,612</u>	<u>\$ 356</u>

Regional Park and Open-Space	CREST	Total	
\$ 10,665	\$ 4,425	\$ 15,446	ASSETS:
15	5	42	Cash and investments
689	-	722	Interest receivable
-	-	390	Due from other governments
-	-	65,590	Prepaid items
			Restricted cash and investments
<u>\$ 11,369</u>	<u>\$ 4,430</u>	<u>\$ 82,190</u>	Total assets
			LIABILITIES AND FUND BALANCES:
			Liabilities:
\$ 1,349	\$ 34	\$ 7,072	Accounts payable
-	49	153	Salaries and benefits payable
-	-	18	Due to other funds
2,050	-	2,050	Advances from other funds
<u>3,399</u>	<u>83</u>	<u>9,293</u>	Total liabilities
			Fund balances (Note 14):
592	4,347	65,163	Reserved
			Unreserved:
7,378	-	7,734	Designated
<u>7,970</u>	<u>4,347</u>	<u>72,897</u>	Total fund balances
<u>\$ 11,369</u>	<u>\$ 4,430</u>	<u>\$ 82,190</u>	Total liabilities and fund balances

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Capital Projects Fund
 For the Fiscal Year Ended June 30, 2010
 (Dollars in Thousands)

	<u>PSEC</u>	<u>CORAL</u>	<u>Flood Control</u>
REVENUES:			
Interest	\$ (24)	\$ 175	\$ 2
Aid from other governmental agencies:			
Federal	33	-	-
State	-	-	-
Charges for services	-	-	-
Other revenue	-	-	-
Total revenues	<u>9</u>	<u>175</u>	<u>2</u>
EXPENDITURES:			
Current:			
General government	5,192	170	-
Recreation and culture	-	-	-
Debt service:			
Principal	-	21,227	-
Capital outlay	-	-	413
Total expenditures	<u>5,192</u>	<u>21,397</u>	<u>413</u>
Excess (deficiency) of revenues over (under) expenditures	(5,183)	(21,222)	(411)
OTHER FINANCING SOURCES (USES):			
Transfers in	882	264	600
Transfers out	<u>(1,108)</u>	<u>(933)</u>	<u>-</u>
Total other financing sources (uses)	<u>(226)</u>	<u>(669)</u>	<u>600</u>
NET CHANGE IN FUND BALANCES	(5,409)	(21,891)	189
Fund balances, beginning of year, as previously reported	15,926	82,042	167
Adjustments to beginning fund balances	<u>(10,444)</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, restated	<u>5,482</u>	<u>82,042</u>	<u>167</u>
FUND BALANCES, END OF YEAR	<u>\$ 73</u>	<u>\$ 60,151</u>	<u>\$ 356</u>

Regional Park and Open-Space	CREST	Total	
\$ 183	\$ 27	\$ 363	REVENUES:
-	-	33	Interest
551	-	551	Aid from other governmental agencies:
-	1,893	1,893	Federal
40	-	40	State
<u>774</u>	<u>1,920</u>	<u>2,880</u>	Charges for services
			Other revenue
			Total revenues
			EXPENDITURES:
			Current:
-	2,099	7,461	General government
1,423	-	1,423	Recreation and culture
			Debt service:
-	-	21,227	Principal
7,569	-	7,982	Capital outlay
<u>8,992</u>	<u>2,099</u>	<u>38,093</u>	Total expenditures
			Excess (deficiency) of revenues
(8,218)	(179)	(35,213)	over (under) expenditures
			OTHER FINANCING SOURCES (USES):
6,411	2,187	10,344	Transfers in
(592)	(304)	(2,937)	Transfers out
<u>5,819</u>	<u>1,883</u>	<u>7,407</u>	Total other financing sources (uses)
(2,399)	1,704	(27,806)	NET CHANGE IN FUND BALANCES
10,369	2,643	111,147	Fund balances, beginning of year,
-	-	(10,444)	as previously reported
<u>10,369</u>	<u>2,643</u>	<u>100,703</u>	Adjustments to beginning fund balances
			Fund balances, beginning of year, restated
<u>\$ 7,970</u>	<u>\$ 4,347</u>	<u>\$ 72,897</u>	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
PSEC Capital Projects Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Use of money and property:				
Interest	\$ -	\$ -	\$ (24)	\$ (24)
Aid from other governmental agencies:				
Federal	-	697	33	(664)
Other revenue	4,349	4,176	-	(4,176)
Total revenues	<u>4,349</u>	<u>4,873</u>	<u>9</u>	<u>(4,864)</u>
EXPENDITURES:				
Current:				
General government	5,849	7,072	5,192	(1,880)
Total expenditures	<u>5,849</u>	<u>7,072</u>	<u>5,192</u>	<u>(1,880)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,500)</u>	<u>(2,199)</u>	<u>(5,183)</u>	<u>(2,984)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	882	882	-
Transfers out	-	(1,108)	(1,108)	-
Total other financing sources (uses)	<u>-</u>	<u>(226)</u>	<u>(226)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,500)	(2,425)	(5,409)	(2,984)
Fund balance, beginning of year, as previously reported	5,482	5,482	15,926	10,444
Adjustments to beginning fund balance	-	-	(10,444)	(10,444)
Fund balance, beginning of year, restated	<u>5,482</u>	<u>5,482</u>	<u>5,482</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,982</u>	<u>\$ 3,057</u>	<u>\$ 73</u>	<u>\$ (2,984)</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Flood Control Capital Projects Fund
For the Fiscal Year Ended June 30, 2010
(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>		
REVENUES:				
Interest	\$ -	\$ -	\$ 2	\$ 2
Charges for current services	1	1	-	(1)
Other revenue	4,975	4,375	-	(4,375)
Total revenues	<u>4,976</u>	<u>4,376</u>	<u>2</u>	<u>(4,374)</u>
EXPENDITURES:				
Capital outlay	<u>4,975</u>	<u>4,975</u>	<u>413</u>	<u>(4,562)</u>
Total expenditures	<u>4,975</u>	<u>4,975</u>	<u>413</u>	<u>(4,562)</u>
Excess (deficiency) of revenues over (under) expenditures	1	(599)	(411)	188
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>600</u>	<u>600</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1	1	189	188
Fund balance, beginning of year	<u>167</u>	<u>167</u>	<u>167</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 168</u>	<u>\$ 168</u>	<u>\$ 356</u>	<u>\$ 188</u>

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Regional Park and Open-Space District Capital Projects Fund
For the Fiscal Year Ended June 30, 2010
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES:				
Interest	\$ 244	\$ 226	\$ 183	\$ (43)
Aid from other governmental agencies:				
State	2,937	2,937	551	(2,386)
Other revenue	12,825	10,215	40	(10,175)
Total revenues	16,006	13,378	774	(12,604)
EXPENDITURES:				
Current:				
Recreation and cultural services	4,608	5,399	1,423	(3,976)
Capital outlay	13,232	15,632	7,569	(8,063)
Total expenditures	17,840	21,031	8,992	(12,039)
Excess (deficiency) of revenues over (under) expenditures	(1,834)	(7,653)	(8,218)	(565)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	6,411	6,411	-
Transfers out	-	(592)	(592)	-
Total other financing sources (uses)	-	5,819	5,819	-
NET CHANGE IN FUND BALANCE	(1,834)	(1,834)	(2,399)	(565)
Fund balance, beginning of year	10,369	10,369	10,369	-
FUND BALANCE, END OF YEAR	\$ 8,535	\$ 8,535	\$ 7,970	\$ (565)

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
CREST Capital Projects Fund
For the Fiscal Year Ended June 30, 2010
(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>		
REVENUES:				
Use of money and property:				
Interest	\$ 5	\$ 5	\$ 27	\$ 22
Charges for current services	2,000	2,000	1,893	(107)
Other revenue	2,437	250	-	(250)
Total revenues	<u>4,442</u>	<u>2,255</u>	<u>1,920</u>	<u>(335)</u>
EXPENDITURES:				
Current:				
General government	5,289	4,985	2,099	(2,886)
Total expenditures	<u>5,289</u>	<u>4,985</u>	<u>2,099</u>	<u>(2,886)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(847)</u>	<u>(2,730)</u>	<u>(179)</u>	<u>2,551</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,187	2,187	-
Transfers out	-	(304)	(304)	-
Total other financing sources (uses)	<u>-</u>	<u>1,883</u>	<u>1,883</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(847)	(847)	1,704	2,551
Fund balance, beginning of year	2,643	2,643	2,643	-
FUND BALANCE, END OF YEAR	<u>\$ 1,796</u>	<u>\$ 1,796</u>	<u>\$ 4,347</u>	<u>\$ 2,551</u>



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COUNTY OF RIVERSIDE

PERMANENT FUNDS

PERRIS VALLEY CEMETERY ENDOWMENT FUND

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



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COUNTY OF RIVERSIDE
Combining Balance Sheet
Permanent Fund
June 30, 2010
(Dollars in Thousands)

		Perris Valley Cemetery Endowment Fund
ASSETS:		
Cash and investments	\$	438
Interest receivable		1
Total assets	\$	<u>439</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
Total liabilities		<u>-</u>
Fund balances (Note 14):		
Reserved		<u>439</u>
Total fund balances		<u>439</u>
Total liabilities and fund balances	\$	<u>439</u>

COUNTY OF RIVERSIDE
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Permanent Fund
 For the Fiscal Year Ended June 30, 2010
 (Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
REVENUES:	
Charges for services	\$ 24
Total revenues	24
EXPENDITURES:	
Total expenditures	-
Excess (deficiency) of revenues over (under) expenditures	24
OTHER FINANCING SOURCES (USES):	
Transfers in	45
Total other financing sources (uses)	45
NET CHANGE IN FUND BALANCES	69
Fund balances, beginning of year	370
FUND BALANCES, END OF YEAR	\$ 439

COUNTY OF RIVERSIDE

NONMAJOR ENTERPRISE FUNDS

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

COUNTY SERVICE AREAS

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

HOUSING AUTHORITY

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

FLOOD CONTROL

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