

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 8 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2018 was as follows (In thousands):

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Business-type activities:					
<i>Capital assets, not being depreciated:</i>					
Land & easements	\$ 21,359	\$ -	\$ -	\$ -	\$ 21,359
Construction in progress	36,345	47,386	(28,626)	(1,173)	53,932
Concession arrangements	8,830	-	-	-	8,830
Total capital assets, not being depreciated	66,534	47,386	(28,626)	(1,173)	84,121
<i>Capital assets, being depreciated:</i>					
Infrastructure	101,932	928	(775)	775	102,860
Land improvements	21,123	244	(244)	244	21,367
Structures and improvements	249,290	13,636	(154)	154	262,926
Equipment	174,836	24,716	(16,672)	9,063	191,943
Total capital assets, being depreciated	547,181	39,524	(17,845)	10,236	579,096
Less accumulated depreciation for:					
Infrastructure	(52,154)	(4,517)	-	-	(56,671)
Land improvements	(13,430)	(1,257)	-	-	(14,687)
Structures and improvements	(123,961)	(6,919)	-	-	(130,880)
Equipment	(114,200)	(15,142)	2,046	(3,024)	(130,320)
Total accumulated depreciation	(303,745)	(27,835)	2,046	(3,024)	(332,558)
Total capital assets, being depreciated, net	243,436	11,689	(15,799)	7,212	246,538
Business-type activities capital assets, net	\$ 309,970	\$ 59,075	\$ (44,425)	\$ 6,039	\$ 330,659

Depreciation

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

General government	\$ 45,412
Public protection	12,178
Health and sanitation	1,354
Public assistance	1,226
Public ways and facilities	111,251
Recreation and cultural services	2,919
Education	3,222
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	23,387
Total depreciation expense – governmental functions	\$ 200,949

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 8 – CAPITAL ASSETS (Continued)

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

RUHS-Medical Center	\$ 19,530
Waste Resources	6,758
Housing Authority	1,149
RUHS-CHC	390
Flood Control	5
County Service Areas	3
Total depreciation expense – business-type functions	<u>\$ 27,835</u>

Capital Leases

Leased property under capital leases by major class (In thousands):

	Governmental Activities	Business-type Activities
Land	\$ 488	\$ -
Structures and improvements	65,792	-
Equipment	142,607	19,174
Less: Accumulated amortization	<u>(79,329)</u>	<u>(10,687)</u>
Total leased property, net	<u>\$ 129,558</u>	<u>\$ 8,487</u>

Discretely Presented Component Unit

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2018 was as follows (In thousands):

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Capital assets, not being depreciated:					
Land	\$ 373	\$ -	\$ -	\$ -	\$ 373
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373</u>
Capital assets, being depreciated					
Building and improvements	1,898	-	-	-	1,898
Machinery and equipment	100	-	-	-	100
Total capital assets, being depreciated	<u>1,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,998</u>
Less accumulated depreciation for:					
Building and improvements	(167)	(54)	-	-	(221)
Machinery and equipment	(65)	(14)	-	-	(79)
Total accumulated depreciation	<u>(232)</u>	<u>(68)</u>	<u>-</u>	<u>-</u>	<u>(300)</u>
Total capital assets, being depreciated, net	<u>1,766</u>	<u>(68)</u>	<u>-</u>	<u>-</u>	<u>1,698</u>
Total capital assets, net	<u>\$ 2,139</u>	<u>\$ (68)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,071</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 9 – SERVICE CONCESSION ARRANGEMENTS (SCA)

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA)* defines an SCA as a type of public-private or public-public partnership. As used in GASB Statement No. 60, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

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

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

McIntyre Park Campground

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

Riviera RV Resort

On or about January 1, 1970, and as later amended, the County and later the Park entered into an agreement with Cavan Inc. The lease was assigned to J&W Enterprises, then to Alpine Capital LLC, then Reynolds Riviera Resorts, and lastly to The Cove RV Resort (the “Company”) as of December 2016. Under the terms of the agreement, the Company is permitted to engage in the operation of a travel trailer park, rental of spaces in the park, food service operations including a grocery store, boat launching ramp, and other associated camping functions through June 2044. The Company will pay the Park the greater of \$8.3 hundred or seven percent of gross receipts earned from operation of the RV Park. The Park reports the RV Park as a capital asset with a carrying amount of \$131.4 thousand at year-end. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.

Lake Skinner Recreation Area

On or about November 2007, the Park entered into an agreement with Pyramid Enterprise, Inc. d.b.a. Rocky Mountain Recreation Company of Piru, California (the “Company”) to sublease its rights to Lake Skinner Recreation Area Concessionaire. Under the provisions of the agreement, the Company is permitted to engage in the operation of a marina, camp store, cafe, parking lots, laundry facility, fueling station, and bike shop. The monthly payment from the Company to the Park will be the greater of the combination of 7% of all retail gross sales, 9% of all rental gross sales, and 2% of all fuel gross sales or \$2.5 thousand. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability. The term of the agreement is 10 years, renewable in 5 year increments.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

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

Gopher Hole Camp Store

On February 7, 2017, the Park entered into an agreement with Pyramid Enterprises, Inc. d.b.a. Rocky Mountain Recreation Company of Piru, California (the "Company") to lease the Rancho Jurupa Regional Park Gopher Hole camp store. Under the provisions of the agreement, the Company is permitted to engage in the operation of the store, office, storage 107, and storage 102. The Company will pay the Park ten percent of gross receipts earned from operation of the store each month. All remaining areas will remain under the control and responsibility of the Park. The term of the agreement is 3 years, with the option to renew 2 more years.

Edom Hill Transfer Station

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

Cove Waterpark and Dropzone Waterpark

On April 18, 2017, the Economic Development Agency (the Agency) entered into a 5-year agreement with Standguard Aquatics, Inc., a Georgia Corporation (the "Company") to operate and maintain the Cove Waterpark and the Dropzone Waterpark (the "Waterparks") in a clean, safe and good condition. The Waterparks are to be operated as paid recreational and competitive use facilities with food and beverage and other concessions as provided by the Agency. The Company shall pay the Agency a quarterly percentage rent. The percentage rent shall be calculated by multiplying the gross revenues from the Waterparks for the applicable quarterly period by a factor of 10 percent. The Agency has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Agency also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability. The term of the agreement is 5 years, renewable in one 5 year extension.

A summary of the important details and capital assets pertaining to the SCAs are described below (In thousands).

	Date SCA Entered Into	Term of SCA	Expiration of SCA	Revenue Sharing	Minimum Rent Payment (per month)
McIntyre Park Campground	10/15/1985	62 years	10/15/2047	Between 10.0% and 17.0% of the revenues it earns from the operation of the campground.	\$ -
Riviera RV Resort	1/1/1970	74 years	6/30/2044	Greater of \$8.3 hundred or 7.0% of gross receipts earned from operation of the RV park.	-
Lake Skinner Recreation Area	11/1/2007	15 years	10/31/2022	Greater of the combination of 7.0% of all retail gross sales, 9.0% of all rental gross sales, and 2.0% of all fuel gross sales or \$2.5 thousand.	-
Gopher Hole Camp Store	2/7/2017	3 years	2/7/2020	10.0% of monthly gross revenues from the operation of the store.	-
Edom Hill Transfer Station	11/2/2002	30 years	11/2/2032	Service Fee ranging from \$4.41 to \$4.13 per ton, Disposal fee of \$23.00 per ton, and City Mitigation Fee of \$1 per ton for all incoming solid waste.	-
Cove and Dropzone Waterparks	4/18/2017	5 years	5/18/2022	10.0% of the quarterly gross revenues from the operation of the waterparks.	-
					\$ -

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

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

Capital assets balance for the SCAs for the fiscal year ended June 30, 2018, and over the terms of the agreements are as follows (In thousands):

	Land, Structures, & Structure Improvements
McIntyre Park Campground	\$ 52
Riviera RV Resort	131
Lake Skinner Recreation Area	-
Gopher Hole Camp Store	-
Edom Hill Transfer Station	8,830
Cove and Dropzone Waterparks	46,810
	\$ 55,823

The deferred inflows of resources activity for the SCA for the year ended June 30, 2018 are as follows (In thousands):

SCA Capital Assets	Balance July 1, 2017	Additions/ Restatements	Amortization¹	Balance June 30, 2018
McIntyre Park Campground ²	\$ -	\$ -	\$ -	\$ -
Riviera RV Resort ²	-	-	-	-
Lake Skinner Recreation Area ²	-	-	-	-
Gopher Hole Camp Store ²	-	-	-	-
Edom Hill Transfer Station	6,659	-	(434)	6,225
Cove and Dropzone Waterparks ²	-	-	-	-
Total deferred inflows	\$ 6,659	\$ -	\$ (434)	\$ 6,225

¹ Amortization calculated using the straight-line method for the term of the agreement for the SCA.

² No upfront payments received or installment payments that are required to be reported as a deferred inflow of resources.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 10 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require Waste Resources to place a final cover on all active landfills when closed and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Waste Resources will recognize the remaining estimated cost of \$10.6 million as the remaining estimated capacity of 17.7 million tons is filled. Waste Resources expects all currently permitted landfill capacities to be filled by 2098. The total estimated closure liability of \$20.7 million and post-closure care cost of \$31.8 million is based on what it would cost to perform all closure and post-closure care costs at present value. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

In addition to the liability amounts calculated per California Department of Resources, Recycling, and Recovery (CalRecycle) regulations that are designated to the Escrow Funds, Waste Resources is also responsible for the post-closure care costs related to twenty-six (26) other landfill sites that have been inactive or closed since before 1988. Liability for these sites fluctuates dependent on the needs of each site and changes to, or the implementation of, laws and regulations. As of June 30, 2018, the post-closure liability is estimated at \$32.6 million.

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

Facility Name (City)	Total Estimate	Capacity Used as of June 30, 2018	Outstanding Recognized Liability	Estimated Years Remaining
Badlands (Moreno Valley)	\$ 10,392	68.6%	\$ 7,125	4
Blythe (Blythe)	5,016	33.1%	1,659	29
Edom Hill (Cathedral City)	5,583	100.0%	5,583	-
Lamb Canyon (Beaumont)	8,141	53.7%	4,369	11
Desert Center (Desert Center)	404	69.8%	282	69
Mecca II (Mecca)	980	98.8%	968	80
Oasis (Oasis)	732	94.1%	689	45
Total Closure Estimate	<u>\$ 31,248</u>		<u>\$ 20,675</u>	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

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

Post-Closure Escrow Fund Landfill Sites

<u>Facility Name (City)</u>	<u>Estimated Liability</u>
Badlands (Moreno Valley)	\$ 8,262
Blythe (Blythe)	2,564
Coachella (Coachella)	1,420
Double Butte (Winchester)	2,167
Edom Hill (Cathedral City)	2,661
Highgrove (Riverside)	1,774
Lamb Canyon (Beaumont)	5,906
Mead Valley (Perris)	1,379
Anza (Anza)	1,612
Desert Center (Desert Center)	1,243
Mecca II (Mecca)	1,540
Oasis (Oasis)	1,304
Total Post-Closure Estimate	<u>\$ 31,832</u>

Waste Resources is required by state and federal laws and regulations to make annual contributions to a trust fund to finance closure and post-closure care. Title 27 of the California Code of Regulations (CCR) requires solid waste landfill operators to demonstrate the availability of financial resources to conduct closure and post-closure maintenance activities. Waste Resources expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional closure and post-closure requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future landfill users.

In accordance with Sections 22228 and 22245 of the CCR, the County has implemented Pledge of Revenue agreements between the County and the California Department of Resources, Recycling and Recovery (CalRecycle) for six active landfills and six closed landfills to demonstrate financial responsibility for post-closure maintenance costs. Waste Resources has determined that the projected net revenues, after current operating costs, from tipping fees during the 30 year period of post-closure care maintenance will, during each year of this period, be greater than the yearly monitoring and post-closure care maintenance costs for each landfill. It is agreed that the amount of these Pledge of Revenue agreements may increase or decrease to match any adjustments to the identified cost estimates, which is mutually agreed to by Waste Resources and CalRecycle.

NOTE 11 - OPERATING LEASES

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2018 (In thousands):

<u>Year Ending June 30</u>	
2019	\$ 45,383
2020	41,990
2021	37,268
2022	32,421
2023	27,160
2024 - 2028	62,452
2029 - 2033	14,748
2034 - 2038	1,017
2039 - 2043	394
2044 - 2048	180
Total Minimum Payments	<u>\$ 263,013</u>

Total rental expenditure/expense for the year ended June 30, 2018 was \$113.0 million, of which \$9.0 million was recorded in the enterprise funds.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 12 – ADVANCES FROM GRANTORS AND THIRD PARTIES

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

The balance as of June 30, 2018 of advances from grantors and third parties is as follows (In thousands):

	Balance June 30, 2018
General Fund:	
Advances on state and federal grants for mental health services	\$ 168,686
Advances on state funding for social services	91,892
Advances on state grants for probation services	18,431
Advances on state grants and other 3rd party advances for public health services	15,182
Advances on state and federal grants for sheriff services	4,817
Advances on state grants and other federal grants for environmental health services	3,138
Advances on state grants and other 3rd party advances for emergency management services	990
Advances on state grants for district attorney services	920
Advances on state grants and other 3rd party advances for animal services	410
Advances on state grants for veteran services	275
Advances from 3rd party for registrar of voters services	172
Advances on state and federal grants for fire protection services	141
Advances on state grants for public defender services	138
Other advances	126
Total general fund	305,318
Transportation Special Revenue Fund:	
Developer fees	10,587
Federal exchange and state match	2,381
Advances from developers for median projects	1,674
Survey fees	798
Road deposits	338
Utility relocation	320
Deposit based fees	312
Advances for community facilities districts improvement projects	122
Total transportation special revenue fund	16,532
Flood Special Revenue Fund:	
Advances for flood control projects	500
Total flood special revenue fund	500
Public Facilities Improvements Capital Projects Fund:	
Advances for facility renewal projects	896
Total public facilities improvements capital projects fund	896
Other Governmental Funds:	
Advance from state for the community recidivism reduction grant program	878
Camping and recreation fees	584
Developer impact fees	660
Advance from state for community service block grant	320
Advances for aviation projects	35
Advance from 3rd parties for recreational events	3
Total other governmental funds	2,480
Grand total of advances from grantors and third parties	\$ 325,726

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 13 – SHORT-TERM DEBT

Tax and Revenue Anticipation Notes (TRANS)

On July 1, 2017, the County issued \$340.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANS), which will be paid by June 30, 2018. The notes were issued with a yield rate of 0.9% and a stated interest rate of 2.0%. This was to provide needed cash to cover the projected intra-period cash-flow deficits of the County's General Fund during the fiscal year July 1 through June 30.

Tax-Exempt Commercial Paper Notes (Teeter)

In December 1993, the County adopted the Teeter Plan, the alternative method for the distribution of secured property taxes and other assessments. In order to fulfill the requirements of the plan, the County obtained cash for the "buyout" of delinquent secured property taxes and the annual advance of current unpaid taxes to all entities that elected to participate in the Teeter Plan. The current financing takes place through the sale of Tax-Exempt Commercial Paper Notes (Teeter Notes). During fiscal year 2017-18, the County retired \$83.5 million and issued \$80.4 million 2017 Series A teeter obligation notes (tax-exempt) which includes a premium of \$1.7 million, leaving an outstanding balance of \$80.4 million at June 30, 2018.

Short-term debt activity for the year ended June 30, 2018, was as follows (In thousands):

	Balance				Balance
	June 30, 2017	Additions	Reductions		June 30, 2018
TRANS	\$ -	\$ 340,000	\$ (340,000)	\$	-
Teeter notes	83,462	80,403	(83,462)		80,403
Total	\$ 83,462	\$ 420,403	\$ (423,462)	\$	80,403

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS

Long-term obligations of the County consist of capital lease obligations, bonds, notes, and other liabilities that are payable from the general, debt service, enterprise, and internal service funds. The calculated legal debt limit for the County is \$3.3 billion.

Capital Leases

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

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

The following is a schedule by year of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2018 (In thousands):

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2019	\$ 28,049	\$ 5,250
2020	22,074	4,257
2021	13,938	2,911
2022	8,314	2,250
2023	5,961	1,435
2024-2028	21,302	5,364
2029-2033	25,862	5,005
2034-2038	13,849	-
Total minimum payments	139,349	26,472
Less amount representing interest	(22,507)	(4,951)
Present value of net minimum lease payments	<u>\$ 116,842</u>	<u>\$ 21,521</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

The following schedules provide details of all certificates of participation, bonds payable, and notes payable for the County that are outstanding as of June 30, 2018 (In thousands):

<u>Type of Indebtedness</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding at June 30, 2018</u>
Governmental activities:				
Certificates of Participation				
<u>CORAL</u>				
1990 Monterey Avenue: Serial Certificates	\$ 8,800	Variable	2020	\$ 2,200
2009 Series A - Public Safety Communication and Woodcrest Library Refunding Projects	45,685	Variable	2039	44,905
2009 Larson Justice Center Refunding: Serial Certificates	24,680	2.00% - 5.00%	2021	11,469
Total CORAL	<u>152,940</u>			<u>58,574</u>
<u>District Court Financing Corporation</u>				
U.S. District Court Project: Term/Series 1999	2,165	7.59%	2020	963
U.S. District Court Project: Term/Series 2002	925	3.00%	2020	145
Total District Court Financing Corporation	<u>3,090</u>			<u>1,108</u>
<u>Flood Control</u>				
Zone 4 - 2015 Negotiable Promissory Note	21,000	2.00% - 5.00%	2025	18,446
Total Flood Control	<u>21,000</u>			<u>18,446</u>
Total certificates of participations	<u>\$ 177,030</u>			<u>\$ 78,128</u>
Bonds payable				
<u>CORAL</u>				
2012 CAC Annex Refunding Project	\$ 33,360	2.00% - 5.00%	2031	\$ 27,548
2008 A Southwest Justice Center: Term Certificates	78,895	5.16%	2032	68,245
1997 B & C (Hospital): Term Bonds (Series C)	1,733	5.81%	2019	1,733
2013 Probation & RCIT: Term Bonds (Series A)	66,015	3.00% - 5.25%	2043	62,110
2014 Lease Refunding Court Facilities Project, Series A	10,890	2.00% - 5.00%	2033	8,827
2014 Lease Refunding Court Facilities Project, Series B	7,605	0.55% - 2.73%	2019	2,630
Total CORAL	<u>198,498</u>			<u>171,093</u>
<u>Taxable Pension Obligation Bonds</u>				
Pension Obligation Bonds (Series 2005-A)	400,000	4.91% - 5.04%	2035	266,365
Total Taxable Pension Obligation Bonds	<u>400,000</u>			<u>266,365</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

<u>Type of Indebtedness</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding at June 30, 2018</u>
Bonds payable (continued)				
<u>Inland Empire Tobacco Securitization Authority</u>				
Series 2007 A	\$ 87,650	5.10%	2021	\$ 42,440
Series 2007 B	53,758	5.75%	2026	53,758
Series 2007 C-1	53,542	6.63%	2036	53,542
Series 2007 C-2	29,653	6.75%	2045	29,653
Series 2007 D	23,457	7.00%	2057	23,458
Series 2007 E	18,948	7.63%	2057	18,949
Series 2007 F	27,076	8.00%	2057	27,076
Total Inland Empire Tobacco Securitization Authority	<u>294,084</u>			<u>248,876</u>
<u>Riverside County Public Financing Authority</u>				
Series 2012	17,640	3.00% - 5.00%	2021	13,195
Series 2015	325,000	2.00% - 5.00%	2046	343,303
Total Riverside County Public Financing Authority	<u>342,640</u>			<u>356,498</u>
<u>Riverside County Infrastructure Financing Authority</u>				
Series 2015 A	72,825	2.00% - 5.00%	2054	73,936
Series 2016 A	36,740	2.00% - 4.00%	2032	41,115
Series 2016 A-T	3,245	1.18% - 1.34%	2019	1,625
Series 2017 A	46,970	3.00% - 4.00%	2045	49,576
Series 2017 B	11,595	3.00% - 5.00%	2038	12,061
Series 2017 C	10,610	3.125% - 5.00%	2047	11,088
Total Riverside Infrastructure Financing Authority	<u>181,985</u>			<u>189,401</u>
Total bonds payable	<u>\$ 1,417,207</u>			<u>\$ 1,232,233</u>
Loans payable				
<u>CORAL</u>				
2011 Monroe Park Building Refunding	\$ 5,535	3.54%	2021	\$ 1,600
Total 2011 Monroe Park Building Refunding	<u>5,535</u>			<u>1,600</u>
Total loans payable	<u>\$ 5,535</u>			<u>\$ 1,600</u>
Total governmental activities	<u>\$ 1,599,772</u>			<u>\$ 1,311,961</u>
Business-Type Activities				
Bonds payable				
<u>Riverside University Health Systems - Medical Center (RUHS-MC)</u>				
1997 A Serial Capital Appreciation Bonds (net of future capital appreciation of \$130.5 million)	\$ 41,170	5.70% - 6.01%	2026	\$ 30,204
1997 Term bonds (Series C)	1,532	5.81%	2019	1,488
2012 Term bonds (Series A)	87,510	2.00% - 5.00%	2029	42,880
2012 Term bonds (Series B)	3,020	3.25%	2019	3,001
Total RUHS-MC	<u>133,232</u>			<u>77,573</u>
<u>Housing Authority</u>				
1998 Series A: Term Bonds	2,405	6.85%	2019	\$ 200
Total Housing Authority	<u>2,405</u>			<u>200</u>
Total bonds payable	<u>\$ 135,637</u>			<u>\$ 77,773</u>
Total business-type activities	<u>\$ 135,637</u>			<u>\$ 77,773</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2018, annual debt service requirements of governmental activities to maturity are as follows (In thousands):

Governmental Fiscal Year Ending June 30	Loans Payable		Certificates of Participation	
	Principal	Interest	Principal	Interest
2019	\$ 620	\$ 51	\$ 17,581	\$ 3,203
2020	650	29	18,323	2,314
2021	330	6	18,570	1,407
2022	-	-	9,110	784
2023	-	-	2,660	513
2024 - 2028	-	-	6,330	1,105
2029 - 2033	-	-	1,255	629
2034 - 2038	-	-	1,675	339
2039 - 2043	-	-	815	33
Total requirements	1,600	86	76,319	10,327
Bond discount/premium, net	-	-	1,809	-
Total	\$ 1,600	\$ 86	\$ 78,128	\$ 10,327

Governmental Fiscal Year Ending June 30	Bonds Payable	
	Principal	Interest
2019	\$ 134,108	\$ 50,571
2020	53,163	43,603
2021	48,465	40,187
2022	52,375	37,861
2023	56,570	35,300
2024 - 2028	206,630	138,971
2029 - 2033	202,674	95,806
2034 - 2038	156,898	60,219
2039 - 2043	110,890	31,613
2044 - 2048	99,208	7,134
2049 - 2053	3,840	-
2054 - 2058	65,642	4,671
Total requirements	1,190,463	545,936
Bond discount/premium, net	41,770	-
Total	\$ 1,232,233	\$ 545,936

As of June 30, 2018, annual debt service requirements of business-type activities unit to maturity are as follows (In thousands):

Business-type Fiscal Year Ending June 30	Bonds Payable		Other Long-term Liabilities	
	Principal	Interest	Principal	Interest
2019	\$ 13,182	\$ 8,180	\$ 1,178	\$ -
2020	4,981	15,769	-	-
2021	4,664	16,086	-	-
2022	4,376	16,374	-	-
2023	4,125	16,626	-	-
2024 - 2028	32,577	53,345	6,795	-
2029 - 2033	9,536	381	780	-
2034 - 2038	-	-	-	-
2039 - 2043	-	-	-	-
2044 - 2048	-	-	-	-
2049 - 2053	-	-	-	-
2054 - 2058	-	-	-	-
2059 - 2063	-	-	-	-
2064 - 2068	-	-	3,704	-
Total requirements	73,441	126,761	12,457	-
Bond discount/premium, net	4,332	-	-	-
Total	\$ 77,773	\$ 126,761	\$ 12,457	\$ -

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Accreted Interest Payable

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2018 (In thousands):

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
<u>Governmental Activities:</u>				
<i>Certificates of Participation:</i>				
Court Financing (U.S. District Court Project)	\$ 3,019	\$ -	\$ (1,007)	\$ 2,012
<i>Bonds:</i>				
Inland Empire Tobacco Securitization Authority	164,127	21,826	-	185,953
Total governmental-type activities	<u>\$ 167,146</u>	<u>\$ 21,826</u>	<u>\$ (1,007)</u>	<u>\$ 187,965</u>
<u>Business-type Activities:</u>				
<i>Lease Revenue Bonds:</i>				
Riverside University Health Systems - Medical Center (1997A Hosp)	\$ 72,900	\$ 6,318	\$ (2,847)	\$ 76,371
Total business-type activities	<u>\$ 72,900</u>	<u>\$ 6,318</u>	<u>\$ (2,847)</u>	<u>\$ 76,371</u>

The accreted interest payable balances at June 30, 2018 represent accreted interest on the U.S. District Court project, the 2007 Inland Empire Tobacco Securitization Authority Bonds, and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were \$2.2 million for the U.S. District Court Project, \$294.1 million for the 2007 Inland Empire Tobacco Securitization Authority Bonds, and \$41.2 million for the 1997 A Hospital Serial Capital Appreciation Bonds. The total accreted value on the bonds and certificates upon maturity will be \$7.2 million for the U.S. District Court Project, \$171.6 million for the 1997 A Hospital Serial Capital Appreciation Bonds and \$3.5 billion for the 2007 Inland Empire Tobacco Securitization Authority Bonds. The County is under no obligation to make payments of accreted value or redemption premiums, if any, or interest on the Series 2007 Bonds.

The increases of \$21.8 million and \$6.3 million represent the current year's accretion for governmental activities and business-type activities, respectively. The accumulated accretion for business-type activities is \$76.4 million at June 30, 2018. The accumulated accretion for U.S. District Court Financing and the Inland Empire Tobacco Securitization Authority in governmental activities is \$188.0 million. The un-accreted balances at June 30, 2018 are \$33.9 million for the 1997-A Hospital RUHS-MC project, and \$3.3 billion for the Inland Empire Tobacco Securitization Authority Bonds.

Bonds, Certificates of Participation / Refunding

In December 2017, the Infrastructure Financing Authority issued \$47.0 million in lease revenue refunding bonds, 2017 Series A. The 2017 Series bond is being issued for the purpose of (i) refunding the outstanding Riverside Community Properties Development, Inc. Lease Revenue Bonds, 2013 (Riverside County Law Building Project) and (ii) pay the costs incurred in connection with the issuance of the bonds. The bonds have an interest rate of 3% to 4%.

In December 2017, the Infrastructure Financing Authority also issued \$22.2 million in lease revenue refunding bonds, 2017 Series B and Series C. The Series B Bonds are being issued for the purpose of (i) refunding all of the outstanding Southwest Communities Financing Authority 2008 Lease Revenue Bonds Series A (County of Riverside Capital Projects) and (ii) pay the costs incurred in connection with the issuance of the Series B Bonds. The Series C Bonds are being issued for the purpose of (i) financing the acquisition and construction of certain capital improvements to be owned and operated by the County and (ii) pay the costs incurred in connection with the issuance of the Series C bonds. The new bonds have an interest rate of 3% to 5%.

Defeasance of Debt

In December 2009, CORAL issued \$24.7 million of certificates of participation (2009 Larson Justice Center Project Refunding Certificate of Participation) to provide funds to refund and prepay the certificates of participation relating to the 1998 Larson Justice Center Project with an outstanding principal amount of \$23.7 million; to fund the reserve fund; and to pay certain costs of issuance incurred in connection with this refunding. The requisition price exceeded the net carry amount of the old debt by \$1.0 million. This amount is being netted against the new debt and amortized

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (continued)

over the new debt's life. The transaction resulted in an economic gain of \$3.7 million and a reduction of \$1.5 million in future debt service payments.

In December 2009, CORAL also issued \$45.7 million of certificates of participation (2009 Public Safety Communication and Woodcrest Library Projects Refunding Certification of Participation) to provide funds to refund and redeem the certificates of participation relating to 2007 Series B Public Safety Communication Project with an outstanding principal amount of \$37.4 million; to provide funds to refund and retire the series 2006 Certificates of Participation Anticipation Note relating to Woodcrest Library Project with an outstanding principal amount of \$6.0 million; to fund capitalized interest on a portion of the certificates of participation through July 1, 2012; to fund a security deposit with respect to base rental payable under the sublease; and to pay certain costs of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carry amount of the old debts by \$2.3 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$3.3 million and an addition of \$6.9 million in future debt service payments.

On February 28, 2011, CORAL issued \$5.5 million in private placement bonds (2011 Monroe Building) to provide funds to refund and redeem the notes payable relating to the 2007 Monroe Park Building loan with an outstanding principal amount of \$5.4 million and to pay certain costs of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carrying amount of the old debt by \$140.0 thousand. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$527.2 thousand and a reduction of \$339.2 thousand in future debt service payments.

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

In July 2012, CORAL issued \$90.5 million in lease revenue bonds (2012 Series A and Taxable Series B County of Riverside Capital Projects) to provide funds to refund and prepay CORAL's Leasehold Revenue Bonds, 1997 Series B with an outstanding principal amount of \$64.4 million; to provide funds (\$30.0 million) for improvements to the Medical Center Campus; deposit funds into the debt service reserve fund; and pay certain costs of issuance incurred in connection with this refunding. The refunding resulted in a redemption premium of \$639.4 thousand for the 1997 Series B lease revenue bonds and a net premium of \$6.9 million for the 2012 Series A and Taxable Series B. The reacquisition price exceeded the net carry amount of the old debt by \$26.6 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$8.0 million and a reduction of \$7.1 million in future debt service payments.

In June 2014, CORAL issued \$18.5 million in lease revenue bonds (2014 A & B Court Facilities Project) to provide funds mainly to refund the 2003 A Historic Courthouse Projects, 2003 B Capital Facilities Project Refunding, and 2003 Bankruptcy Court Project (a County bond) with a total outstanding principal amount of \$20.0 million; and to pay certain costs of issuance incurred in connection with this refunding. The refunding resulted in a premium of \$756.0 thousand for the 2014 A and B Court Facilities Project. The reacquisition price exceeded the net carry amount of the old debt by \$1.5 million. This amount is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic gain of \$4.2 million and a reduction of \$3.3 million in future debt service payments.

In October 2016, the Infrastructure Finance Authority issued \$40.0 million in lease revenue bonds (2016 Series A and Series A-T) for the purpose of refunding the outstanding Riverside County Palm Desert Financing Authority Lease Revenue Bonds (County Facilities Projects) 2008 Series A, with a total outstanding principal amount of \$40.4 million, to finance the acquisition, construction and installation of certain capital improvements to be owned and operated by the County, and to pay costs incurred in connection with the issuance of the bonds. The refunding resulted in an unamortized bond premium of \$5.2 million, loss on refunding of \$3.8 million, and a net carrying value of \$41.3 million.

In December 2017, the Infrastructure Financing Authority issued \$47.0 million in lease revenue refunding bonds, 2017 Series A. The 2017 Series bond is being issued for the purpose of (i) refunding the outstanding Riverside Community Properties Development, Inc. Lease Revenue Bonds, 2013 (Riverside County Law Building Project)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (continued)

The outstanding principal balance on the 2017 Series A, or \$46,970,000, is stated net of related unamortized bond premiums of \$2,606,484, resulting in net carrying value of \$49,576,484.

In December 2017, the Infrastructure Financing Authority also issued 2017 Series B & C lease revenue bonds (County of Riverside Capital Projects) for \$11.6 million and \$10.6 million respectively. The 2017 Series B lease revenue bonds were issued to refund the outstanding Southwest Communities Financing Authority 2008 Lease Revenue Bonds Series A with a principal balance outstanding of \$13.2 million. The 2017 Series C lease revenue bonds were issued to provide funds to finance the acquisition and construction of certain capital improvements to be owned and operated by the County.

The outstanding principal balance on the 2017 Series B, or \$11,135,000, is stated net of related unamortized bond premiums of \$926,369, resulting in a net carrying value of \$12,061,369.

The outstanding principal balance on the 2017 Series C, or \$10,550,000, is stated net of related unamortized bond premiums of \$538,299, resulting in a net carrying value of \$11,088,299.

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 \$24.0 million of Mortgage Revenue Bonds have been issued and \$17.9 million is outstanding as of June 30, 2018. 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 \$87.0 million at June 30, 2018, to provide financing or improvements benefiting certain property owners. Special assessment bonds consist of Community Facilities District Bonds and Assessment District Bonds.

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

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

State Appellate Court Financing

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – 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 2008 Series A Leasehold Revenue Bonds in the notional amount of \$76.3 million. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 5.2%.

Terms: The bonds and the related swap agreement mature on November 1, 2032, and the swap's notional amount of \$76.3 million approximately matches a portion of \$78.9 million variable-rate bonds. The swap was effective at the same time the bonds were issued on May 24, 2000, and was amended and restated as of December 10, 2008. The interest rate swap agreement was novated in January 2012 to substitute Wells Fargo Bank, N.A. as the new counterparty. The notional value of the swap and the principal amount of the associated debt decline starting in fiscal year 2014-15. Under the amended and restated swap agreement, CORAL pays Wells Fargo Bank, N.A. a fixed payment rate of 5.2%.

CORAL receives an interest rate equal to an amount not to exceed the maximum interest rate payable on the bonds, expressed as a decimal, equal to 64.0% of the monthly London Interbank Offered Rate (LIBOR) in the relevant calculation period. Conversely, the bonds' variable-rate coupons have historically been similar to the Bond Market Association Municipal Swap Index (BMA). Under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the interest rate swap contract qualifies as a derivative financial instrument and a cash flow hedging. CORAL's net cash outflow or payment under the interest rate swap contract was \$301.6 thousand for the year ended June 30, 2018.

Fair Value: As of June 30, 2018 and 2017, the swap had a negative fair value of \$16.8 million and \$21.7 million, respectively, a decrease in fair value of \$4.9 million occurred during the fiscal year 2017-18. The fair value was recorded in the CORAL's statement of net position as interest rate swap liability and deferred outflows of resources in the assets section. Because the coupons on the Southwest Justice Center Series 2008 A Leasehold Revenue Refunding Bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was the quoted market price from Wells Fargo Bank, N.A. at June 30, 2018.

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

Basis Risks: The swap exposes CORAL to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2018, CORAL's rate was 64.0% of LIBOR, or 0.1%, whereas BMA or the reset rate on bonds was 0.1%. The synthetic rate on the bonds at June 30, 2018 was 5.2%.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Changes in long-term liabilities

Swap Payment and Associated Debt: Using rates as of June 30, 2018, 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, 2018	Variable Rate Bonds		Net Swap Payments	Total Interest
	Principal	Interest		
2019	\$ 3,000	\$ 958	\$ 2,470	\$ 3,428
2020	3,205	913	2,354	3,267
2021	3,410	865	2,231	3,096
2022	3,620	814	2,100	2,914
2023	3,825	760	1,961	2,721
2024-2028	18,200	2,892	7,462	10,354
2029-2033	17,370	1,052	2,709	3,761
	<u>\$ 52,630</u>	<u>\$ 8,254</u>	<u>\$ 21,287</u>	<u>\$ 29,541</u>

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

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2018 (In thousands):

	Balance June 30, 2017	New Additions	Payments / Reclass	Balance June 30, 2018	Amounts Due Within One Year
Governmental activities:					
Debt long-term liabilities:					
Bonds payable	\$ 1,206,942	\$ 73,271	\$ (47,980)	\$ 1,232,233	\$ 134,108
Capital lease obligations	180,290	12,101	(75,549)	116,842	25,269
Certificates of participation	94,467	-	(16,339)	78,128	17,581
Loans payable	2,205	-	(605)	1,600	620
Total debt long-term liabilities	<u>1,483,904</u>	<u>85,372</u>	<u>(140,473)</u>	<u>1,428,803</u>	<u>177,578</u>
Other long-term liabilities:					
Accreted interest payable	167,146	21,826	(1,007)	187,965	-
Compensated absences (a)	238,119	273	(7,611)	230,781	146,200
Estimated claims liabilities (b)	203,898	102,854	(60,490)	246,262	61,295
Net OPEB liability	-	12,927	-	12,927	-
Net pension liabilities (d)	2,220,528	624,577	-	2,845,105	-
Accrued remediation costs (c)	1,502	-	(319)	1,183	429
Total other long-term liabilities	<u>2,831,193</u>	<u>762,457</u>	<u>(69,427)</u>	<u>3,524,223</u>	<u>207,924</u>
Total governmental activities – long-term liabilities	<u>\$ 4,315,097</u>	<u>\$ 847,829</u>	<u>\$ (209,900)</u>	<u>\$ 4,953,026</u>	<u>\$ 385,502</u>

- (a) General Fund, Special Revenue Funds, and Internal Service Funds are used to liquidate the compensated absences.
- (b) Internal Service Funds are used to liquidate the estimated claims liabilities.
- (c) General Fund is used to liquidate the remediation costs.
- (d) General Fund, Special Revenue, Capital Projects and Internal Service Funds are used to liquidate net pension liabilities.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Changes in long-term liabilities (Continued)

The following is a summary of business-type and discretely presented component unit activities long-term liabilities transactions for the year ended June 30, 2018 (In thousands):

	Balance June 30, 2017	New Additions	Payments / Reclass	Balance June 30, 2018	Amounts Due Within One Year
<u>Business-type activities:</u>					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses	\$ 92,371	\$ -	\$ (14,598)	\$ 77,773	\$ 13,182
Capital lease	8,423	15,323	(2,225)	21,521	4,669
Total debt long-term liabilities	<u>100,794</u>	<u>15,323</u>	<u>(16,823)</u>	<u>99,294</u>	<u>17,851</u>
Other long-term liabilities:					
Accreted interest payable	72,900	6,318	(2,847)	76,371	243
Accrued closure and post-closure costs	82,587	2,494	-	85,081	851
Compensated absences	30,834	6,099	(257)	36,676	21,825
Accrued remediation costs	45,254	400	-	45,654	913
OPEB obligation, net	135	2,077	-	2,212	-
Total OPEB liability	-	630	-	630	-
Net pension liabilities	317,678	118,422	-	436,100	-
Other long-term liabilities (a)	6,795	5,662	-	12,457	1,178
Total other long-term liabilities	<u>556,183</u>	<u>142,102</u>	<u>(3,104)</u>	<u>695,181</u>	<u>25,010</u>
Total business-type activities – long-term liabilities	<u>\$ 656,977</u>	<u>\$ 157,425</u>	<u>\$ (19,927)</u>	<u>\$ 794,475</u>	<u>\$ 42,861</u>
<u>Discretely Presented Component Unit</u>					
Other long-term liabilities:					
Compensated absences	\$ 200	\$ 10	\$ -	\$ 210	\$ 115
Net pension liability	2,988	2,243	-	5,231	-
Total discretely presented component unit – long-term liabilities	<u>\$ 3,188</u>	<u>\$ 2,253</u>	<u>\$ -</u>	<u>\$ 5,441</u>	<u>\$ 115</u>

(a) For Business-type Activities, Other long-term liabilities consist of the following:
Housing Authority has two note payable, totaling \$11.3 million, Riverside University Health System has a note payable of \$1.2 million.

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 14.1% to the County and 85.9% to the Inland Empire Tobacco Securitization Authority for calendar year 2017. During the fiscal year ended June 30, 2018, \$19.4 million was received by the Inland Empire Tobacco Securitization Authority; \$10.0 million, or 51.5%, was distributed to the County per the above agreement, leaving \$13.2 million, or 48.5%, of the specific tobacco settlement revenues available to be pledged (see page 167). The County is under no obligation to make payments of the principal or accreted value or redemption premiums; if any, or interest on the Series 2007 bonds in the event that revenues are insufficient for the payment thereof.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Disclosure of Pledged Revenues (Continued)

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.

The Housing Authority reports the \$218.0 thousand received each year as revenue. MBIA Insurance Corporation has issued a surety bond in lieu of a cash funded reserve. The outstanding balance as of June 30, 2018, before applying the deferred charge, was \$390.0 thousand.

NOTE 15 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred outflows of resources in the government-wide and proprietary fund financial statements. These items are a consumption of net position or fund balance by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The County has three items that are reportable on the government-wide statement of net position: the first item relates to outflows from changes in the net pension liability (Notes 20 and 21), the second item relates to changes in the OPEB liability (Note 22) and the third item relates to the interest rate swap (Note 14) that have met all requirements other than timing. Deferred outflows of resources that are reported in the proprietary funds are included in the government-wide statement of net position.

Deferred outflows of resources balances for the year ended June 30, 2018 were as follows (In thousands):

	Balance June 30, 2018
Government-wide deferred outflows of resources:	
Governmental activities:	
Interest rate swap	\$ 16,845
OPEB	9,903
Pension	1,321,193
Total governmental activities	1,347,941
Business-type activities:	
OPEB	1,683
Pension	212,590
Total business-type activities	214,273
Total government-wide deferred outflows of resources	\$ 1,562,214
 Discretely presented component unit	
deferred outflows of resources:	
Pension	\$ 2,649
Total discretely presented component unit deferred outflows of resources	\$ 2,649

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 15 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

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

The largest portions of the County's deferred inflows of resources are pensions, Senate Bill (SB) 90 and Teeter tax loss reserve. Pensions are related to GASB Statement No. 68, which can be found in Notes 20 and 21. SB90 is California SB90 of 1972, which established a requirement that the State of California reimburse local government agencies for the costs of new programs or increased levels of service on programs mandated by the State. Teeter tax loss reserve pursuant to California Revenue and Taxation Code Section 4703 was established as a tax loss reserve fund for covering losses that may occur in the amount of tax liens as a result of special sales of tax defaulted property.

Deferred inflows of resources balances for the year ended June 30, 2018 were as follows (In thousands):

	Balance June 30, 2018
Government-wide deferred inflows of resources:	
Governmental activities:	
Teeter tax loss reserve	\$ 23,250
OPEB	808
Pension	366,523
Total governmental activities	390,581
Business-type activities:	
Service concession arrangement	6,225
OPEB	298
Housing Opportunities for Persons with Aids (HOPWA) grant	585
Pension	54,880
Total business-type activities	61,988
Total government-wide deferred inflows of resources	\$ 452,569
 Governmental funds deferred inflows of resources:	
General Fund:	
SB 90	\$ 23,973
Teeter tax loss reserve	23,250
Property tax	4,613
Total general fund	51,836
Flood Control Special Revenue Fund:	
Property tax	924
Special assessments	51
Total flood control special revenue fund	975
Other Governmental Funds:	
Property tax	4
Total other governmental funds	4
Total governmental funds deferred inflows of resources	\$ 52,815
 Discretely presented component unit deferred inflows of resources:	
Pension	\$ 80
Total discretely presented component unit deferred inflows of resources	\$ 80

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 16 – FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (See Note 1 for a description of each category.) A detailed schedule of fund balances as of June 30, 2018 is as follows (In thousands):

	Major Funds					Total Major Governmental Funds
	General Fund	Transportation	Flood Control	Public Facilities Improvements Capital Projects	Public Financing Authority	
Fund balances:						
Nonspendable						
Inventory	\$ 2,360	\$ 1,217	\$ -	\$ -	\$ -	\$ 3,577
Prepaid items	781	5	-	-	-	786
Imprest cash	329	1	1	-	-	331
Permanent fund	-	-	-	-	-	-
Total nonspendable	3,470	1,223	1	-	-	4,694
Restricted						
Aging	-	-	-	-	-	-
Air quality planning	229	-	-	-	-	229
Airport	-	-	-	-	-	-
Auto theft interdiction	562	-	-	-	-	562
CAP local initiative program	-	-	-	-	-	-
Construction & capital projects	8,409	-	-	154,583	15,671	178,663
Court services	9,395	-	-	-	-	9,395
Debt services	1,759	-	-	2,379	-	4,138
District attorney	17,126	-	-	-	-	17,126
Domestic violence	2,139	-	-	-	-	2,139
Emergency medical services	7,095	-	-	-	-	7,095
Emergency preparedness	-	-	-	-	-	-
Endowment care	-	-	-	-	-	-
Environmental health	327	-	-	-	-	327
Public ways and facilities	-	-	236,080	17,402	-	253,482
Fire protection	-	-	-	-	-	-
Geographical info system	-	-	-	-	-	-
Hazmat	2,659	-	-	-	-	2,659
Humane services	134	-	-	-	-	134
Landscape maintenance	-	3,380	-	-	-	3,380
Libraries	-	-	-	-	-	-
Mental health	9,041	-	-	-	-	9,041
Modernization	8,792	-	-	-	-	8,792
Other purposes	3,935	-	-	-	-	3,935
Parks and recreation	-	-	-	9,413	-	9,413
Public assistance	2,725	-	-	-	-	2,725
Public health	1,540	-	-	-	-	1,540
Public protection	2,969	-	-	-	-	2,969
Public safety revenue	1,794	-	-	-	-	1,794
Roads	-	61,979	-	-	-	61,979
Sheriff patrol	8,908	-	-	-	-	8,908
Teeter tax losses	6,343	-	-	-	-	6,343
Total restricted	95,881	65,359	236,080	183,777	15,671	596,768

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 16— FUND BALANCES (Continued)

Nonmajor Funds							
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds	Total Governmental Funds		
\$	-	\$	-	\$	-	\$	3,577
	7		580		587		1,373
	49		-		49		380
	-		-		701		701
	56		580		1,337		6,031
							Fund balances:
							Nonspendable
							Inventory
							Prepaid items
							Imprest cash
							Permanent fund
							Total nonspendable
							Restricted
							415 Aging
							434 Air quality planning
							1,344 Airport
							562 Auto theft interdiction
							371 CAP local initiative program
							190,379 Construction & capital projects
							9,395 Court services
							44,768 Debt services
							114 District attorney
							17,126 Domestic violence
							2,139 Emergency medical services
							7,095 Emergency preparedness
							2,778 Endowment care
							52 Environmental health
							327 Public ways and facilities
							253,482 Fire protection
							16,742 Geographical info system
							1,590 Hazmat
							2,659 Humane services
							134 Landscape maintenance
							22,532 Libraries
							31,487 Mental health
							9,041 Modernization
							8,792 Other purposes
							464 Parks and recreation
							5,274 Public assistance
							7,679 Public health
							5,605 Public protection
							5,469 Public safety revenue
							17 Roads
							1,718 Sheriff patrol
							5,417 Teeter tax losses
							6,343
							Total restricted
							101,657
							44,768
							19,509
							52
							165,986
							762,754

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 16 – FUND BALANCES (Continued)

	Major Funds					Total Major Governmental Funds
	General Fund	Transportation	Flood Control	Public Facilities Improvements Capital Projects	Public Financing Authority	
Fund balances:						
Committed						
Code enforcement	\$ -	\$ 3,474	\$ -	\$ -	\$ -	\$ 3,474
Community improvement	172	-	-	-	-	172
Construction & capital projects	500	3	-	3,375	-	3,878
EDA special projects	-	-	-	-	-	-
Environmental programs	1,595	351	-	-	-	1,946
Legal services	1,214	-	-	-	-	1,214
Other purposes	2,637	-	-	-	-	2,637
Parks	-	-	-	-	-	-
Sheriff correction	16,793	-	-	-	-	16,793
Solar program	-	-	-	-	-	-
Youth protection	379	-	-	-	-	379
Total committed	23,290	3,828	-	3,375	-	30,493
Assigned						
Airports	-	-	-	-	-	-
Capital improvement projects	278	-	-	5	-	283
Construction & capital projects	-	-	-	1,220	-	1,220
Debt service	-	-	-	-	-	-
Equipment	-	6,303	-	-	-	6,303
Other purposes	86	-	-	-	-	86
Probation	3,494	-	-	-	-	3,494
Professional services	734	-	-	-	-	734
Public health	488	-	-	-	-	488
Public protection	2,676	-	-	-	-	2,676
Roads	-	8,816	-	-	-	8,816
Sheriff correction	4,708	-	-	-	-	4,708
Total assigned	12,464	15,119	-	1,225	-	28,808
Unassigned	234,477	-	-	-	-	234,477
Total fund balances	\$ 369,582	\$ 85,529	\$ 236,081	\$ 188,377	\$ 15,671	\$ 895,240

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 16 – FUND BALANCES (Continued)

Nonmajor Funds						
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds	Total Governmental Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,474	Fund balances:
-	-	-	-	-	172	Committed
900	-	-	-	900	3,878	Code enforcement
-	-	-	-	-	900	Community improvement
-	-	-	-	-	1,946	Construction & capital projects
-	-	-	-	-	1,214	EDA special projects
4,757	-	-	-	4,757	2,637	Environmental programs
-	-	-	-	-	4,757	Legal services
703	-	-	-	703	16,793	Other purposes
-	-	-	-	-	703	Parks
6,360	-	-	-	6,360	379	Sheriff correction
					36,853	Solar program
						Youth protection
						Total committed
						Assigned
1,626	-	-	-	1,626	1,626	Airports
-	-	-	-	-	283	Capital improvement projects
-	-	5,947	-	5,947	7,167	Construction & capital projects
-	4,055	-	-	4,055	4,055	Debt service
-	-	-	-	-	6,303	Equipment
3,148	-	-	-	3,148	3,234	Other purposes
-	-	-	-	-	3,494	Probation
-	-	-	-	-	734	Professional services
-	-	-	-	-	488	Public health
-	-	-	-	-	2,676	Public protection
-	-	-	-	-	8,816	Roads
-	-	-	-	-	4,708	Sheriff correction
4,774	4,055	5,947	-	14,776	43,584	Total assigned
-	-	-	-	-	234,477	Unassigned
\$ 112,847	\$ 48,823	\$ 26,036	\$ 753	\$ 188,459	\$ 1,083,699	Total fund balances

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 17 – RISK MANAGEMENT

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

The County supplements its self-insurance for general liability, medical malpractice, and workers' compensation with catastrophic excess insurance coverage. General liability utilizes a policy providing coverage on a per occurrence basis. Limits under the policy are \$10 million, subject to a self-insured retention (SIR) of \$2 million for each occurrence. A SIR is a form of a deductible. The County also purchases an additional \$15 million per occurrence in excess of the \$10 million for a total of \$25 million in limits. Medical malpractice utilizes an excess policy providing coverage on a per occurrence basis. Limits under the malpractice policy are \$20 million subject to a SIR of \$1.1 million. The maximum limit under the excess workers' compensation, Section A, is statutory (unlimited); Section B, employer liability is \$5 million per claim. Section A is subject to a \$2 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 \$50,000 per occurrence deductible; flood coverage is subject to a 2.0% deductible (subject to a \$100,000 minimum) per unit within a 100-year flood zone (as determined by Federal Emergency Management Agency) and \$25,000 per unit deductible outside a 100-year flood zone. (A 'unit' is defined as a separate building, contents in a separate building, property in the open (yard), or time element coverage in a separate building.) The County's property is categorized into four towers and the overall all risk coverage is \$600 million. Earthquake (covering scheduled locations equal to or greater than \$1 million in value and lesser valued locations where such coverage is required by contract) has a sub-limit in each tower of \$90 million with an additional \$290.5 million excess rooftop limit available to any one tower. The excess rooftop limit may be triggered during the policy year if a covered earthquake event somewhere in the state has depleted the initial underlying limits. Earthquake coverage is subject to a deductible equal to 5.0% of replacement cost value per unit subject to a \$100,000 minimum per unit. Boiler and machinery coverage is included and provides up to \$100 million per accident in limits, with a \$5,000 per occurrence deductible. The limits in each tower are shared with other counties on a per event basis. Should a catastrophic event occur and losses exceed the limits, the County would be responsible.

The activities related to such programs are accounted for in Internal Service Funds (ISF). Accordingly, estimated liabilities for claims, including loss adjustment expenses, filed or to be filed, for incidents that have occurred through June 30, 2018, are reported in these funds. Where certain ISF funds have an accumulated deficit or insufficient reserves, the County provides funding to reduce the deficit and increase the reserves. If the funding is above the Board of Supervisors approved 70.0% confidence level, an appropriate reduction in funding including a one-time holiday on department charges may be granted. For fiscal year 2017-18, the Board approved to continue reduced funding at slightly below the 60.0% confidence level for the general liability ISF and for the workers' compensation ISF. Funding for the medical malpractice ISF was at the 70.0% confidence level. Revenues for these internal service funds are primarily provided by other County departments and are intended to cover the self-insured claim payments, insurance premiums, and operating expenses. The revenue is not used to cover catastrophic events and/or other uninsured liabilities. Cash available in the risk management and workers' compensation ISF at June 30, 2018, plus revenues to be collected during fiscal year 2018-19, are \$246.3 million. The liabilities are discounted at 2.0% for general liability and medical malpractice and 2.5% for workers' compensation.

	Auto & General Liabilities	Medical Malpractice	Workers' Compensation	Total
Unpaid claims, beginning of FY 2016-17	\$ 85,709	\$ 14,896	\$ 103,293	\$ 203,898
Increase in provision for insured events of prior years	2,424	(511)	4,592	6,505
Incurred claims for current year	62,861	3,914	29,574	96,349
Claim payments	(35,038)	(2,022)	(23,430)	(60,490)
Unpaid claims, end of FY 2017-18	<u>\$ 115,956</u>	<u>\$ 16,277</u>	<u>\$ 114,029</u>	<u>\$ 246,262</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 18 – MEDI-CAL AND MEDICARE PROGRAMS

RUHS-MC provides services to patients covered by various reimbursement programs. The principal programs are Medicare, the State of California Medi-Cal, and the County Medically Indigent Services Program (MISP) and the Medi-Cal Managed Care Assembly Bill (AB) 85 Expansion Program. Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. In addition, net patient service revenue includes a provision for doubtful accounts and estimated retroactive adjustments under reimbursement agreements with federal and state government programs and other third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed at a per diem rate based upon estimated certified public expenditures (CPEs) and outpatient services are reimbursed under a schedule of maximum allowable reimbursement provided by the California Department of Health Care Services. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed based upon pre-established rates for diagnostic-related groups. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology subject to payment caps and indexing formulas. RUHS-MC is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by RUHS-MC and audit thereof by the Medicare fiscal intermediary. Normal estimation differences between final settlements and amounts accrued in previous years are reflected in net patient services revenue. The fiscal intermediary has audited RUHS-MC's Medicare cost reports through June 30, 2015 and Medi-Cal cost reports through June 30, 2016. RUHS-MC has received notices of program reimbursement (NPR), a written notice reflecting the intermediary's final determination of the total amount of reimbursement due the medical center for Medicare through June 30, 2015. For Medi-Cal Fee for Service, RUHS-MC is settled through the California public hospital P-14 cost reports. Notice of final settlement has been received through June 30, 2009.

California's 1115 Waiver Renewal Medi-Cal 2020 was approved on December 30, 2015 by the Centers for Medicare and Medicaid Services. In connection with Medi-Cal 2020, the Global Payment Program (GPP) establishes a statewide pool of funding for uninsured by combining Disproportionate Share Hospital Program (DSH) and uncompensated care funding. GPP incentivizes Designated Public Hospitals (DPH) to deliver more cost-effective and higher value care for indigent, uninsured individuals. GPP combines funding into global budgets for DPHs to draw down by earning points for services provided to uninsured patients. For fiscal year ending June 30, 2018, RUHS-MC recognized \$56.3 million of GPP revenue. The Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program is designed to build upon the foundational delivery system transformation work, expansion of coverage, and increased access to coordinated primary care achieved through the prior California Section 1115 Bridge to Reform demonstration. PRIME is a pay-for-performance program that uses evidence-based quality improvement methods to achieve performance targets and improve health outcomes for patients. RUHS-MC recognized \$30.3 million in PRIME for fiscal year ending June 30, 2018.

Redirection of 1991 State Health Realignment

Realignment was affected by California electing to implement a state-run Medicaid Expansion program through the Affordable Care Act (ACA). The State anticipates that counties' costs and responsibilities for the health care services for the indigent population has decreased for much of this population who became eligible for coverage through Medi-Cal or the Healthcare Exchange offering affordable coverage through Covered California. On June 27, 2013, Governor Brown signed into law AB 85 that provides a mechanism for the State to redirect State health realignment funding to fund social service programs.

The redirected amount was determined according to an agreed to formula option for California's twelve public hospital system counties, thirty-four County Medical Services Program (CMSP) counties, and the remaining twelve counties (Article 13 counties). The formula options were developed in consultation with the counties and California

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 18 – MEDI-CAL AND MEDICARE PROGRAMS (Continued)

Department of Health Care Services (DHCS) to ensure continued viability of the county safety net. For CMSP counties, AB 85 outlines that 60% of health-realignment that would have otherwise been received will be redirected, while the remaining two county groups had an option to either have 60% of health realignment redirected, or to use a formula-based approach that takes into account a county's cost and revenue experience, and redirect 80% (70% in FY 13-14) of the savings realized by the county.

RUHS-MC is fully reserved for any estimated liabilities due back to the State for any State health realignment overpayments. RUHS-MC recognized \$6.8 million in revenue for the fiscal year ending June 30, 2018 from state health realignment.

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS

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

A representation of the jointly governed organizations on which the County served at June 30, 2018 follows:

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

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

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

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

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

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

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

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

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

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

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 20 – RETIREMENT PLAN

General Information about the Pension Plans

Plan descriptions. The County, Flood Control, Park District, and Waste Resources contract with the CalPERS to provide retirement benefits to their employees. CalPERS is a common investment and administrative agent for participating public entities within the State of California. State statutes, governed by the Public Employees' Retirement Law (PERL), have established benefit provisions as well as other requirements. The County may select from a variety of optional benefit provisions offered by CalPERS. Upon selecting the benefit provisions and entering into a contractual agreement with CalPERS, the benefit provisions may be adopted through local ordinance. CalPERS issues a comprehensive annual financial report (CAFR) which details its plan assets, liabilities, and plan activity. The County receives an annual actuarial valuation report which summarizes plan assets, liabilities, and employer rates for its plans. Under GASB Statement No. 68, both the County (Miscellaneous and Safety) and Flood Control (Miscellaneous) are agent multiple-employer defined benefit pension plans, while the Park District (Miscellaneous) and Waste Resources (Miscellaneous) are cost-sharing multi-employer defined benefit pension plans due to their pooling composite. Copies of the CalPERS CAFR may be obtained from: California Public Employees' Retirement System, 400 Q Street, P.O. Box 942701, Sacramento, CA 94229-2701.

Benefits provided. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments (COLA), and death benefits to plan members and plan beneficiaries. The County of Riverside has three retirement Tiers through the California Public Employee's Retirement System (CalPERS). Tier I - Applicable to employees hired prior to August 23, 2012. Formula is 3.0% at age 50 for County Safety plan employees and age 60 for other Miscellaneous plan employees. Tier II - Applicable to employees hired on or after August 23, 2012 through December 31, 2012. Formula is 2.0% at age 50 for County Safety plan employees and age 60 for other Miscellaneous plan employees. Tier III - Applicable to new CalPERS members hired on or after January 1, 2013 as a result of Public Employees' Pension Reform Act of 2013 (PEPRA). New lower retirement benefit formulas, final compensation periods, and contribution requirements were implemented. Formula is 2.7% at age 57 for County Safety plan employees and 2.0% at age 62 for other Miscellaneous plan employees. New members who were hired by Waste Resources on or after August 23, 2012 are applicable to the County Miscellaneous plan. Listed below is a table with the new retirement options and provision changes.

Summary of Benefits by plan:

Plan	Employer Paid Member Contribution (EPMC)	Earliest Retirement Age	PEPRA Compensation Limits	Final Compensation	Effective Date	
<u>Tier I</u>						
County Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
County Safety	3.0% at 50	Yes	50	N/A	12 months	N/A
Flood Control Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Park District Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Waste Resources Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
<u>Tier II</u>						
County Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
County Safety	2.0% at 50	No	50	N/A	36 months	8/23/2012
Flood Control Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Park District Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Waste Resources Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A
<u>Tier III (PEPRA)</u>						
County Miscellaneous	2.0% at 62	No	52	\$ 121,388	36 months	1/1/2013
County Safety	2.7% at 57	No	50	\$ 145,666	36 months	1/1/2013
Flood Control Miscellaneous	2.0% at 62	No	52	\$ 121,388	36 months	1/1/2013
Park District Miscellaneous	2.0% at 62	No	52	\$ 121,388	36 months	1/1/2013
Waste Resources Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 20 – RETIREMENT PLAN (Continued)

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

	County		Flood Control	Park District	Waste Resources
	Miscellaneous	County Safety	Miscellaneous	Miscellaneous	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	10,132	2,391	232	75	105
Inactive employees entitled to but yet receiving benefits	12,580	1,167	129	165	47
Active employees	17,201	3,731	227	169	22
	<u>39,913</u>	<u>7,289</u>	<u>588</u>	<u>409</u>	<u>174</u>

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

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

For fiscal year 2017-18, the employer and employee contribution rates were:

	County		Flood Control	Park District	Waste Resources
	Miscellaneous	County Safety	Miscellaneous	Miscellaneous	Miscellaneous
County contribution rates:					
County Tier I	16.9%	28.2%	24.7%	13.5%	13.5%
County Tier II	16.9%	28.2%	24.7%	7.9%	N/A
County Tier III	16.9%	28.2%	24.7%	6.9%	N/A
Plan Members contribution rates					
County Tier I	8.0%	9.0%	8.0%	8.0%	8.0%
County Tier II	7.0%	9.0%	7.0%	7.0%	N/A
County Tier III	6.5%	10.8% *	5.5%	6.5%	N/A

*During the term of Memorandum of Understanding (MOU), the employee contributions pursuant to the cost-sharing provision cannot exceed less than that which the employees are obligated under the MOU to contribute.

Net Pension Liability

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 20 – RETIREMENT PLAN (Continued)

Actuarial assumptions. For the measurement period ending June 30, 2017 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2016 total pension liability. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

By Plan	County		Flood Control	Park District	Waste
	Miscellaneous	County Safety	Miscellaneous	Miscellaneous	Resources
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial Assumptions:					
Discount Rate	7.15%	7.15%	7.15%	7.15%	7.15%
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services
Investment Rate of Return	7.15%	7.15%	7.15%	7.15%	7.15%
Mortality Rate Table for all Plans ^(a)	Derived using CalPERS' Membership Data for all Funds				
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter				

^(a) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. More details on this table are available in the 2014 experience study report (based on CalPERS demographic data from 1997 to 2011).

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Change of assumptions. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

Discount rate. The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term,

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 20 – RETIREMENT PLAN (Continued)

the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1 - 10 (1)</u>	<u>Real Return Years 11+ (2)</u>
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	0.80	2.27
Inflation Sensitive	6.0%	0.60	1.39
Private Equity	12.0%	6.60	6.63
Real Estate	11.0%	2.80	5.21
Infrastructure and Forestland	3.0%	3.90	5.36
Liquidity	2.0%	(2.20)	(2.70)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period

Changes in the Net Pension Liability for Agent Multiple-Employer Defined Benefit Pension Plan

The following table shows the changes in net pension liability recognized over the measurement period (In thousands).

	County		Flood Control		Total
	Miscellaneous	County Safety	Miscellaneous		
Measurement Period June 30, 2017					
Total pension liability					
Service cost	\$ 211,842	\$ 101,987	\$ 3,196	\$ 317,025	
Interest	501,855	229,003	13,182	744,040	
Changes of benefit terms	-	-	-	-	
Differences between expected and actual experience	151,001	13,324	4,317	168,642	
Changes of assumptions	450,226	215,024	11,057	676,307	
Benefit payments, including refunds of employee contributions	(259,302)	(115,929)	(8,387)	(383,618)	
Net change in total pension liability	1,055,622	443,409	23,365	1,522,396	
Total pension liability - beginning (a)	6,198,152	2,981,468	171,582	9,351,202	
Total pension liability - ending (c)	\$ 7,253,774	\$ 3,424,877	\$ 194,947	\$ 10,873,598	
Plan fiduciary net position					
Contributions - employer	\$ 164,307	\$ 85,091	\$ 3,899	\$ 253,297	
Contributions - employee	87,201	33,623	1,343	122,167	
Net investment income	540,579	243,597	12,842	797,018	
Benefit payments, including refunds of employee contributions	(259,302)	(115,929)	(8,387)	(383,618)	
Administrative expense	(7,122)	(3,184)	(171)	(10,477)	
Net change in plan fiduciary net position	525,663	243,198	9,526	778,387	
Plan fiduciary net position - beginning (b)	4,564,796	2,156,829	116,480	6,838,105	
Plan fiduciary net position - ending (d)	\$ 5,090,459	\$ 2,400,027	\$ 126,006	\$ 7,616,492	
Net pension liability - beginning (a) - (b)	1,633,356	824,639	55,102	2,513,097	
Net pension liability - ending (c) - (d)	\$ 2,163,315	\$ 1,024,850	\$ 68,941	\$ 3,257,106	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 20 – RETIREMENT PLAN (Continued)

Changes in Proportionate Share of the Net Pension Liability for Cost Sharing Multiple-Employer Defined Benefit Pension Plans

The following table shows the proportionate share of the net pension liability over the measurement period.

	Park District Miscellaneous Increase (Decrease)			Waste Resources Miscellaneous Increase (Decrease)			Total Net Pension Liability
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	
	(a)	(b)	(c) = (a) - (b)	(a)	(b)	(c) = (a) - (b)	
Balance at 06/30/2016	\$ 37,974	\$ 28,823	\$ 9,151	\$ 45,402	\$ 33,112	\$ 12,290	\$ 21,441
Balance at 06/30/2017	\$ 43,486	\$ 32,747	\$ 10,739	\$ 50,676	\$ 36,548	\$ 14,128	\$ 24,867
Net changes during 2016-17	\$ 5,512	\$ 3,924	\$ 1,588	\$ 5,274	\$ 3,436	\$ 1,838	\$ 3,426

The following table shows the total net pension liability for both Agent and Cost Sharing Multiple-Employer plans by primary government and component unit.

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Total Net Pension Liability
County Miscellaneous	\$ 1,738,414	\$ 419,670	\$ 5,231	2,163,315
County Safety	1,024,850	-	-	1,024,850
Flood Control Miscellaneous	66,639	2,302	-	68,941
Park District Miscellaneous	10,739	-	-	10,739
Waste Resources Miscellaneous	-	14,128	-	14,128
Total:	\$ 2,840,642	\$ 436,100	\$ 5,231	3,281,973

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the County's net pension liability, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate (In thousands):

Net Pension Liability By Plan	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
County Miscellaneous	\$ 3,288,949	\$ 2,163,315	\$ 1,258,283
County Safety	1,564,505	1,024,850	588,548
Flood Control Miscellaneous	95,643	68,941	46,917
Park District Miscellaneous	16,741	10,739	5,769
Waste Resources Miscellaneous	22,024	14,128	7,589
Total:	\$ 4,987,862	\$ 3,281,973	\$ 1,907,106

Pension plan fiduciary net position. Detailed information about the pension's plan fiduciary net position is available in the separately issued CalPERS financial report. The pension's plan fiduciary net position may differ from the plan assets reported in the actuarial valuation report due to several reasons. First, CalPERS must keep deficiency reserves, fiduciary self-insurance, and Other Postemployment Benefit (OPEB) expense as assets. These amounts are excluded for rate setting purposes in the actuarial valuation report. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Subsequent Events. There were no subsequent events that would materially affect the results presented in this disclosure.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 20 – RETIREMENT PLAN (Continued)

Recognition of Gains and Losses

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and plan fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows of resources and deferred outflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is five year straight-line amortization. All other amounts are straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning measurement period.

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the plan for the 2016-17 measurement period was obtained by dividing the total service years of the sum of remaining service lifetimes of the active employees by the total number of participants (active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. The future service is based on the members' probability of decrementing due to an event other than receiving cash refund.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2017, the Park District and Waste Resources reported a liability of \$10.7 million and \$14.1 million, respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The proportion of the net pension liability was based on a projection of long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the Park District's and Waste Resources' proportions were 0.27243 percent and 0.35839 percent, respectively, which was an increase of 0.00898 percent and 0.00462 percent, respectively, from their proportion measured as of June 30, 2016.

For the year-ended June 30, 2018, the County recognized pension expense of \$663.4 million. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 20 – RETIREMENT PLAN (Continued)

At June 30, 2018, the deferred outflows of resources and deferred inflows of resources related to pensions are reported from the following sources (In thousands):

	Agent Multiple-Employer			Cost Sharing Multiple-Employer		
	County		Flood Control	Park District	Waste Resources	Total
	Miscellaneous	County Safety	Miscellaneous	Miscellaneous	Miscellaneous	
Deferred Outflows of Resources By Plan:						
Difference between projected and actual earnings on pension plan investments - investment earnings less than projected	\$ 304,010	\$ 136,988	\$ 7,462	\$ 1,879	\$ 2,163	\$ 452,502
Difference between expected and actual experience	198,216	55,146	4,904	15	17	258,298
Change of assumptions	345,521	179,186	7,986	1,815	2,142	536,650
Adjustment due to differences in proportions	-	-	-	574	687	1,261
Sub-total	847,747	371,320	20,352	4,283	5,009	1,248,711
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	182,070	91,224	4,252	1,094	900	279,540
Total	\$ 1,029,817	\$ 462,544	\$ 24,604	\$ 5,377	\$ 5,909	\$ 1,528,251

\$279.5 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

	Agent Multiple-Employer			Cost Sharing Multiple-Employer		
	County		Flood Control	Park District	Waste Resources	Total
	Miscellaneous	County Safety	Miscellaneous	Miscellaneous	Miscellaneous	
Deferred Inflows of Resources By Plan:						
Difference between projected and actual earnings on pension plan investments - investment earnings less than projected	\$ (239,072)	\$ (107,715)	\$ (5,743)	\$ (1,469)	\$ (1,712)	\$ (355,711)
Difference between expected and actual experience	-	-	-	(210)	(243)	(453)
Change of assumptions	(33,232)	(27,248)	(596)	(138)	(161)	(61,375)
Adjustment due to differences in proportions	-	-	-	-	(297)	(297)
Difference in employer contributions and proportionate share of contributions	-	-	-	(130)	-	(130)
Total	\$ (272,304)	\$ (134,963)	\$ (6,339)	\$ (1,947)	\$ (2,413)	\$ (417,966)

The follow table summarizes the total deferred outflows of resources and deferred inflows of resources by primary government and component unit.

	Governmental	Business-type	Discretely Presented	Total
	Activities	Activities	Component Unit	
Deferred Outflows of Resources	\$ 1,313,012	\$ 212,590	\$ 2,649	\$ 1,528,251
Deferred Inflows of Resources	\$ (363,006)	\$ (54,880)	\$ (80)	\$ (417,966)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 20 – RETIREMENT PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (In thousands):

Year Ended June 30	County		Flood Control	Park District	Waste Resources	Total
	Miscellaneous	County Safety	Miscellaneous	Miscellaneous	Miscellaneous	
2019	\$ 148,675	\$ 40,136	\$ 4,824	\$ 670	\$ 616	\$ 194,921
2020	243,878	75,985	6,837	1,195	1,337	329,232
2021	180,740	53,322	3,283	714	844	238,903
2022	2,150	27,311	(931)	(243)	(201)	28,086
2023	-	39,603	-	-	-	39,603
Thereafter	-	-	-	-	-	-
	<u>\$ 575,443</u>	<u>\$ 236,357</u>	<u>\$ 14,013</u>	<u>\$ 2,336</u>	<u>\$ 2,596</u>	<u>\$ 830,745</u>

Payable to the Pension Plan

At June 30, 2018, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2018.

NOTE 21 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. The County provides a Part-time and Temporary Employees' Retirement Plan (the Plan) to provide retirement benefits to eligible employees as a substitute for benefits under social security. The Plan is an IRS Section 401(a) defined benefit plan and agent multiple-employer defined benefit pension plan under GASB No. Statement No. 68. This Plan is self-funded and self-administered. Effective July 20, 2010, the County Board of Supervisors appointed U.S. Bank as the Plan's investment consultant, investment manager and trustee. Contributions made to the Plan are deposited with U.S. Bank, who maintains the responsibility of investing contributions in a diversified portfolio and reported at fair value. No financial report has been issued separately for public view under the defined benefit pension plan.

Benefits provided. Retirement benefits are determined as 2.0 percent of the employee's compensation and payable as a single life annuity. The eligible retirement age is 65. Participants are immediately 100% vested in the Plan upon enrollment. Benefits are payable for the life of the employee only. The normal retirement benefit is accrued to the date of termination. A lump sum distribution is paid if the actuarial equivalent benefit is less than \$5,000. Actuarial Equivalence for this purpose is based on the greater of the factor produced under the UP1984 unisex mortality table at 6% or the applicable mortality table and interest rate under 417(e).

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	250
Inactive employees entitled to but yet receiving benefits	6,860
Active employees	2,019
	<u>9,129</u>

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions. Participants in the Plan are required to contribute 3.75% of their compensation to the Plan. According to the July 1, 2017 valuation, the County's current required contribution rate is 1.87%. Overall, the Plan's unfunded actuarially accrued liability (UAAL) decreased from the prior valuation due to the net result of the following: 1) assets were higher than expected due to favorable investment return on plan assets (13.12% actual compared to 6.0% assumed), 2) demographic experience was different than expected which resulted in a liability loss, 3) updates to the assumed mortality improvement scale resulted in a reduction in liabilities, and 4) higher discount rate resulted in a GASB liability gain. The Plan's current funded ratio is 90%. The Plan actuary calculates the minimum recommended employer contribution rate through preparation of an actuarial valuation report and the County determines the contribution rates. Administrative costs of the Plan are paid by the Trustee from Plan assets.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Asset Valuation Method	Market Value of
	Assets
Actuarial Assumptions	
Inflation	2.8%
Salary Increases	3.0%
Payroll Growth	3.0%
Investment Rate of Return:	6.0%

The mortality rates for active employees are based on RP-2006 combined annuitant/non-annuitant table with the generational future improvement from 2006 using scale MP-2017. The mortality rates for inactive employees no longer accruing benefits are based on the most recent CalPERS mortality table developed in 1997-2011 CalPERS Experience Study, with generational future improvement from 2008 using scale MP-2017.

The actuarial assumption used in the July 1, 2017 valuation was based on the results of an actuarial experience study for the period July 1, 2016 - June 30, 2017.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Nominal</u>	
		<u>Return</u>	<u>Expected Volatility</u>
Cash	0.70%	1.7%	0.3%
Domestic Equity	48.46%	7.1%	15.7%
Developed International Equity	17.93%	8.4%	17.1%
Aggregate Fixed Income	32.91%	2.2%	3.3%

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate. The discount rate used to measure the total pension liability was 6.0 percent. The projected cash flow used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (In thousands):

	Governmental Activities		Net Pension Liability/(Asset) (c) = (a) - (b)
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	
Measurement Period June 30, 2016	\$ 38,789	\$ 32,133	\$ 6,656
Changes of the year:			
Service cost	1,914	-	1,914
Interest Cost	2,358	-	2,358
Differences between expected and actual experience	1,457	-	1,457
Change of assumptions	(746)	-	(746)
Benefit payments, including refunds of employee contributions	(1,757)	(1,757)	-
Contributions - employer	-	1,341	(1,341)
Contributions - employee	-	1,674	(1,674)
Net investment income (loss)	-	4,289	(4,289)
Administrative expense	-	(128)	128
Net changes	3,226	5,419	(2,193)
Measurement Period June 30, 2017	\$ 42,015	\$ 37,552	\$ 4,463

Changes in Assumptions and Methods since the Prior Valuation

- 1) Update to GASB Statement No. 68 discount rate from 5.92% as of 7/1/2016 to 6.00% as of 7/1/2017 to reflect revised projection of assets and municipal bond index as of 7/1/2017.
- 2) Update to assumed mortality improvement scale from MP-2016 to MP-2017.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 6.0 percent, as well as what the County's net pension liability would be if it were using a discount rate that is 1-percentage-point lower (5.0 percent) or 1-percentage-point higher (7.0 percent) than the current rate (In thousands):

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Net Pension Liability	\$ 11,197	\$ 4,463	\$ (1,187)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension plan fiduciary net position

	Statement of Fiduciary Net Position June 30, 2018		Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended June 30, 2018
<u>ASSETS</u>	<u>Pension Trust</u>		ADDITIONS:
Cash and investments	\$ 41,468		Contributions to pension trust:
Accounts receivable	162		Employer \$ 815
Total assets	41,630		Employee 1,630
 			Investment income 3,261
<u>LIABILITIES</u>			Total additions <u>5,706</u>
Accounts payable	-		DEDUCTIONS:
Total liabilities	-		Benefits paid to participants 1,687
 			Total deductions <u>1,687</u>
<u>NET POSITION</u>			Net position, beginning of the year 37,611
Restricted for pension benefits	\$ 41,630		Net position, end of the year <u>\$ 41,630</u>

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows of resources and deferred outflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is five year straight-line amortization. All other amounts are straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning measurement period.

The EARSL is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan for the 2016-17 measurement period is 7.97 years, which was obtained by dividing the total service years of 72,758 (the sum of remaining service lifetimes of the active employees) by 9,129 (total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving cash refund.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended June 30, 2018, the County recognized pension expense of \$1.4 million. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (In thousands):

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,507	\$ -
Changes of assumptions	1,905	(1,097)
Net difference between projected and actual earnings on pension plan investments	1,996	(2,420)
Sub-total	7,408	(3,517)
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	773	-
Total	<u>\$ 8,181</u>	<u>\$ (3,517)</u>

\$773.0 thousand reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a deduction of the net pension liability in the year ended June 30, 2018.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (In thousands):

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	\$ 573
2020	1,109
2021	724
2022	316
2023	649
Thereafter	520
	<u>\$ 3,891</u>

Payable to the Pension Plan

At June 30, 2018, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2018.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan description. The County and its Special Districts, Flood Control, Park District, and Waste Resources, provide a postemployment benefits plan to all full-time general and public safety employees. The postemployment benefit plan is an agent multiple-employer defined benefit OPEB plan. A qualified Internal Revenue Code Section 115 Trust has been established for the County and its Special Districts, with the exception of Waste Resources, with the California Employers' Retiree Benefit Trust (CERBT) for the purpose of receiving employer contributions that will prefund health and other post employment costs for retirees and their beneficiaries. The CERBT administers each plan's assets and issues a financial report available for public review, which includes financial statements and required supplementary information for the trust fund. The CERBT report may be obtained from CalPERS Affiliate Programs Services Division, CERBT (OPEB), P.O. Box 1494 Sacramento, CA 95812-1494. Waste Resources Postretirement Benefits Plan is a single employer defined benefit OPEB plan administered by the Waste Resources Department and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. The County provides retiree medical benefits for eligible retirees enrolled County sponsored plans. Benefit provisions are established and amended through negotiations between the County and the respective unions. Former employees eligible for CalPERS pension benefits but who are not eligible for retirement at termination of employment are not eligible for retiree health benefits. The benefits are provided in the form of monthly County contributions toward the retiree's medical premium and contribution of \$25 per month to the Riverside Sheriffs' Association (RSA) Benefits Trust for RSA law enforcement retirees. Previously, the County allowed certain retirees to receive coverage prior to age 65 by paying premiums that were developed by blending active and retiree costs, which resulted in an implicit subsidy to retirees. The implicit subsidy has been discontinued since January 1, 2011.

Employees covered by benefit terms. At June 30, 2018, the following employees were covered by the benefit terms:

	County			Waste
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Resources Miscellaneous
Inactive employees or beneficiaries currently receiving benefit payemnts	2,194	32	8	23
Inactive employees entitled to but not yet receiving benefit payments	-	-	-	-
Active employees	19,171	226	112	19
	<u>21,365</u>	<u>258</u>	<u>120</u>	<u>42</u>

Contributions. Contribution requirements of the plan members and the County are established and may be amended through negotiations between the County and the respective bargaining units. The County contributes a portion of an eligible retiree's medical plan premium under a County's sponsored health plan (either at retirement or during a subsequent annual enrollment) for the retiree's lifetime. The current monthly amount paid by the County ranges from \$25 - \$256, depending on the retiree's bargaining unit at retirement. Contributions are based on the employee's bargaining unit at the time of retirement, as shown on next page:

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Bargaining Unit	Monthly Contribution			
	County	Flood Control	Park District	Waste
	Miscellaneous and Safety	Miscellaneous	Miscellaneous	Resources Miscellaneous
Confidential	\$ 256.00	\$ 256.00	N/A	N/A
Law Enforcement Management Unit	\$ 133.12	N/A	N/A	N/A
Law Enforcement Executive Staff	\$ 256.00	N/A	N/A	N/A
LIUNA	\$ 25.00	\$ 25.00	N/A	N/A
Management (General)	\$ 256.00	\$ 256.00	\$ 256.00	\$ 256.00
District Attorneys	\$ 256.00	N/A	N/A	N/A
RSA Law Enforcement	\$ 25.00	N/A	N/A	N/A
RSA Public Safety	\$ 133.12	N/A	N/A	N/A
SEIU	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Unrepresented	\$ 256.00	N/A	N/A	N/A

Net OPEB (Asset)/Liability

The net OPEB (asset)/liability of the County, Flood Control and Park District was measured as of June 30, 2017, and the total OPEB (asset)/liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial assumptions. The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	County		
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous
Inflation	2.75%	2.75%	2.75%
Salary Increases	3.0%	3.0%	3.0%
Investment Rate of Return*	6.73%	6.12%	7.28%

*Net of OPEB plan investment expense, including inflation

County Miscellaneous and Safety Plan: The healthcare cost trend rate for the Pre Medicare Plan was 7.9 percent, decreasing 0.4 percent per year to an ultimate rate of 5.0 percent for 2018 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.8 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2018 and later years.

Flood Control Miscellaneous Plan: The medical trend rates are not applied to the Park District Miscellaneous plan. All benefits are assumed to remain at their current level.

Mortality rates are based on the most recent CalPERS mortality table developed in the 1997 to 2011 CalPERS Experience study, with generational future improvements from 2008 using scale MP-2017.

The actuarial assumptions used in the July 1 2017 valuation were based on the results of the 1997 to 2011 CalPERS Experience Study.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Total OPEB Liability

The Waste Resources' total OPEB liability of \$630.3 thousand was measured as of June 30, 2017, and was determined by an actuarial valuation as of July 1, 2017.

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	Waste Resources Miscellaneous
Inflation	2.75%
Salary Increases	3.0%
Discount rate	3.58%
Healthcare cost trend rates	All benefits are assumed to remain at current level.
Retiree's share of benefit-related costs	Retirees pay the premiums in excess of the County contributions.

Since the plan is unfunded, the discount rates used in the valuation equal to 20-year municipal bond yields that are in effect as of 7/1/2016 and 7/1/2017.

Mortality rates are based on the most recent CalPERS mortality table developed in the 1997 to 2011 CalPERS Experience Study, with generational future improvements using scale MP-2017.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study period for the period of July 1, 2016 to June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	40.0%	5.71%
Fixed Income	39.0%	2.40%
Treasury Inflation-Protected Securities	10.0%	2.55%
Real Estate Investment Trust	8.0%	7.88%
Commodities	3.0%	4.95%
Total	100.0%	

Discount rate. The discount rate used to measure the total OPEB liability was 3.58 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore,

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Measurement Period June 30, 2017	County			Total
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	
Total OPEB liability				
Service cost	\$ 700	\$ 4	\$ 3	\$ 707
Interest on the total OPEB liability	3,010	30	8	3,048
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	5,814	19	23	5,856
Changes of assumptions	3,186	(2)	(2)	3,182
Benefit payments	(2,841)	(32)	(8)	(2,881)
Net change in total OPEB liability	9,869	19	24	9,912
Total OPEB liability - beginning (a)	42,049	498	116	42,663
Total OPEB liability - ending (c)	\$ 51,918	\$ 517	\$ 140	\$ 52,575
Plan fiduciary net position				
Contributions - employer	\$ 1,909	\$ -	\$ -	\$ 1,909
Contributions - employee	-	-	-	-
Net investment income	3,612	23	33	3,668
Benefit payments	(2,841)	(32)	(8)	(2,881)
Administrative expense	(17)	-	-	(17)
Net change in plan fiduciary net position	2,663	(9)	25	2,679
Plan fiduciary net position - beginning (b)	34,116	555	308	34,979
Plan fiduciary net position - ending (d)	\$ 36,779	\$ 546	\$ 333	\$ 37,658
Net OPEB (asset)/liability - beginning (a) - (b)	7,933	(57)	(192)	7,684
Net OPEB (asset)/liability - ending (c) - (d)	\$ 15,139	\$ (29)	\$ (193)	\$ 14,917

The assumptions were changed from the prior valuation as follow:

County Miscellaneous and Safety Plan: 1) Discount rate changed from 7.28% to 6.73%, 2) Mortality improvement was updated from scale MP-2016 to scale MP-2017, and 3) The claims table was updated to reflect most recent CalPERS monthly premiums available for 2018. Aging factors are also updated to reflect the most recent CalPERS demographic experience, and 4) Medical trend rate was updated to reflect the current long term expected growth of medical benefits.

Flood Control Miscellaneous Plan: Mortality improvement was updated to use scale MP-2017.

Park District Miscellaneous Plan: Mortality improvement was updated to use scale MP-2017.

Waste Resources Miscellaneous Plan: Mortality improvement was updated to use scale MP-2017 and discount rate changed from 2.85% to 3.58%.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

	Business-type Activities Waste Resources <u>Miscellaneous</u>
Measurement Period June 30, 2017	
Changes for the year:	
Service cost	\$ 4
Interest	25
Changes of benefit terms	-
Differences between expected and actual experience	(183)
Changes in assumptions or other inputs	(81)
Benefit payments	<u>(40)</u>
Net changes	(275)
Total OPEB liability - beginning	<u>905</u>
Total OPEB liability - ending	<u>\$ 630</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017, and mortality improvement was updated to use scale MP-2017.

The following tables shows the Net OPEB Asset and Liability, and Total OPEB Liability by primary government (In thousands).

	Governmental Activities	Business-type Activities	Total
Net OPEB Asset	\$ 222	\$ -	\$ 222
Net OPEB Liability	\$ 12,927	\$ 2,212	\$ 15,139
Total OPEB Liability	\$ -	\$ 630	\$ 630

Sensitivity of the net OPEB (asset)/liability to changes in the discount rate. The following presents the net OPEB (asset)/liability, as well as what the net OPEB (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<u>Net OPEB (Asset)/Liability</u>		
	1% Decrease (5.73%)	Discount Rate (6.73%)	1% Increase (7.73%)
County Miscellaneous and Safety	\$ 22,061	\$ 15,139	\$ 9,502

	<u>Net OPEB (Asset)/Liability</u>		
	1% Decrease (5.12%)	Discount Rate (6.12%)	1% Increase (7.12%)
Flood Control Miscellaneous	\$ 27	\$ (29)	\$ (76)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

	Net OPEB (Asset)/Liability		
	1% Decrease	Discount Rate	1% Increase
	(6.28%)	(7.28%)	(8.28%)
Park District Miscellaneous	\$ (178)	\$ (193)	\$ (206)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Total OPEB Liability		
	1% Decrease	Discount Rate	1% Increase
	(2.58%)	(3.58%)	(4.58%)
Waste Resources Miscellaneous	\$ 707	\$ 630	\$ 566

Sensitivity of the net OPEB (asset)/liability to changes in the healthcare cost trend rates. The following presents the net OPEB (asset)/liability, as well as what the net OPEB (asset)/liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(6.9% decreasing to 4.0%)	(7.9% decreasing to 5.0%)	(8.9% decreasing to 6.0%)
County Miscellaneous and Safety (Pre Medicare Plan)	\$ 11,230	\$ 15,139	\$ 20,065

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(7.8% decreasing to 4.0%)	(8.8% decreasing to 5.0%)	(9.8% decreasing to 6.0%)
County Miscellaneous and Safety (Post Medicare Plan)	\$ 11,230	\$ 15,139	\$ 20,065

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(29)	(29)	(29)
Flood Control Miscellaneous*	\$ (29)	\$ (29)	\$ (29)

	Net OPEB (Asset)/Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(193)	(193)	(193)
Park District Miscellaneous*	\$ (193)	\$ (193)	\$ (193)

*The medical trend rates are not applied to Flood Control and Park District Miscellaneous plans. All benefits are assumed to remain at their current level.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Total OPEB Liability		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
Waste Resources Miscellaneous	\$ 630	\$ 630	\$ 630

The medical trend rates are not applied to the Waste Resources Miscellaneous plan. All benefits are assumed to remain at their current level.

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, \$1.9 million was recognized as OPEB expense. At June 30, 2018, the deferred outflows of resources and deferred inflows of resources related to OPEB were reported from the following sources.

	County				Total
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	
Deferred Outflows of Resources By Plan:					
Difference between expected and actual experience	\$ 5,196	\$ 17	\$ 21	\$ -	\$ 5,234
Difference between expected and actual earnings on OPEB plan investments	-	8	-	-	8
Changes of assumptions	2,849	-	-	-	2,849
Sub-total	8,045	25	21	-	8,091
Contributions made in fiscal year ending 6/30/2018 after measurement date	3,457	36	-	2	3,495
Total	\$ 11,502	\$ 61	\$ 21	\$ 2	\$ 11,586

\$3.5 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019.

	County				Total
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	
Deferred Inflows of Resources By Plan:					
Difference between expected and actual experience	\$ -	\$ -	\$ -	\$ (112)	\$ (112)
Difference between expected and actual earnings on OPEB plan investments	(932)	-	(8)	-	(940)
Changes of assumptions	-	(2)	(3)	(49)	(54)
Total	\$ (932)	\$ (2)	\$ (11)	\$ (161)	\$ (1,106)

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The table below summarizes the total deferred outflows of resources and deferred inflows of resources by primary government (In thousands).

	Governmental Activities	Business-type Activities	Total
Deferred Outflows of Resources	\$ 9,903	\$ 1,683	\$ 11,586
Deferred Inflows of Resources	\$ (808)	\$ (298)	\$ (1,106)

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

Year Ended June 30	County				Total
	Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	
2019	\$ 722	\$ 4	\$ -	\$ (102)	\$ 624
2020	722	4	-	(59)	667
2021	722	4	-	-	726
2022	722	4	-	-	726
2023	955	2	3	-	960
Thereafter	3,270	5	7	-	3,282
	<u>\$ 7,113</u>	<u>\$ 23</u>	<u>\$ 10</u>	<u>\$ (161)</u>	<u>\$ 6,985</u>

Payable to the OPEB Plan

At June 30, 2018, there is no outstanding amount of contributions payable to the OPEB plan required for the year ended June 30, 2018.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 23 – COMMITMENTS AND CONTINGENCIES

Lawsuits and Other Claims

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

Federal Grant Revenue

Compliance examinations for the fiscal year ended June 30, 2017, indicated no items found of noncompliance with Federal grants and regulations. The fiscal year 2017-18 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2019.

Commitments

At June 30, 2018 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. \$201.0 million will be payable upon future performance under the contracts.

Landfill Construction and Consulting Contracts

Waste Resources enters into various construction and consulting contracts to facilitate its landfill operations and continues the process of installing landfill liners as needed at Badlands and Lamb Canyon landfills, in accordance with state and federal laws and regulations. Waste Resources does not anticipate a new area landfill expansion at the Lamb Canyon landfill in the next five years, but does plan to complete two expansion projects at Badlands landfill which will increase refuse airspace and days of site life in the current burial area. The northwestern berm construction at the Badlands landfill will cost approximately \$1.9 million and the cost of the 7.2-acre liner expansion on the north part of the site is now estimated at \$2.2 million. Both Badlands landfill projects are expected to be completed in the next five years.

Remediation Contingencies

Governmental Funds

Release of gasoline and diesel fuel has been reported at seven underground storage tanks. Orders have been issued by the California Regional Water Quality Control Board (CRWQCB) to assess and cleanup these sites by specific dates. It has determined the remediation plan and monitoring action is required. In addition to groundwater contamination, asbestos has been found in six facilities. As of June 30, 2018, the accrued remediation liability is \$983.7 thousand. The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations and other factors that could result in revisions to these estimates.

Enterprise Funds

The Waste Resources Department has established restricted cash funds to set aside for future remediation costs as they are required to be performed. Investments of \$33.4 million are held for these purposes at June 30, 2018 and are classified as accrued remediation in the statements of net position.

The Waste Resources Department is aware of air/gas contamination at 17 landfills, 11 of which are closed, and required to have corrective action plans. Based on engineering studies, Waste Resources estimates the present value of the total costs of corrective action for foreseeable water quality contaminant releases, and/or non-water quality corrective action measures, at \$41.9 million as of June 30, 2018.

In addition to the liability amounts calculated per CalRecycle regulations that are designated to the Escrow Funds, the Waste Resources Department is also responsible for the corrective action costs related to 19 other landfill sites that

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 23 – COMMITMENTS AND CONTINGENCIES (Continued)

have been inactive or closed since before 1988. Liability for these sites fluctuates dependent on the needs of each site and changes to or the implementation of laws and regulations. As of June 30, 2018, the post-closure liability is estimated at \$3.8 million.

Encumbrances

The County uses “encumbrances” to control expenditure commitments for the year. Encumbrances represent commitments related to executor contracts not yet performed and purchases orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve applicable appropriations. Depending on the source(s) of funding, encumbrances are reported as part of restricted or assigned fund balance on the governmental funds balance sheet. As of June 30, 2018, the encumbrance balances for the governmental funds are reported as follows (In thousands):

	<u>Restricted</u>	<u>Assigned</u>	<u>Total</u>
Major Governmental Funds			
General Fund:			
Criminal justice system review	\$ -	\$ 207	\$ 207
Energy projects	-	12	12
Fire protection	-	2,627	2,627
Health care programs	-	488	488
Legal services	-	8	8
Other purpose	-	19	19
Probation programs	-	3,494	3,494
Sheriff correction	-	1,728	1,728
Sheriff court services	-	7	7
Sheriff patrol	-	2,493	2,493
Sheriff support	-	460	460
Veteran services	-	74	74
Donations	-	176	176
Treasurer tax collector projects	-	324	324
Sheriff coroner	-	20	20
Agricultural commissioner projects	-	49	49
Facilities maintenance	-	278	278
Transportation:			
Equipment	1,188	-	1,188
Roads	281	-	281
Nonmajor Governmental Funds			
Special Revenue Funds:			
Library services	47	-	47
Public ways and facilities	67	-	67
Purpose of fund	127	190	317
Parks projects	12	-	12
Capital Projects Funds:			
Capital improvement projects	-	1,067	1,067
Parks projects	40	-	40
Total Encumbrances	\$ 1,762	\$ 13,721	\$ 15,483

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 24 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANs)

On July 2, 2018, the County issued \$340.0 million in Tax and Revenue Anticipation Notes in the form of a 2019 Maturity bond due June 28, 2019. The stated interest rate for the bond is set at 4.0% per annum with a yield of 1.55%. 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 2019 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2019 general fund expenditures, including current expenditures, capital expenditures, and the discharge of other obligations or indebtedness of the County.

Riverside County Bonds and Certificates of Participation

On September 2018, Fitch, one of the three major credit ratings, has assigned the County's bonds and certificates of participation ratings as follows:

- Riverside County implied general obligation (GO) bond rating at 'AA-'.
- Riverside County pension obligation bonds (POB-Series 2005A) at 'A+'.
- Riverside County certificates of participation (COPs-, 2005A, 2007A, 2007B, 2009) at 'A+'.
- Riverside County Asset Leasing Corporation certificates of participation (CORAL- COPS/Series 2006A and lease revenue bonds (LRBs), Series 1997A, 1997B, 1997C, 2013A) at 'A+'.
- Riverside County Public Financing Authority (LRBs) (Series 2012 and 2015) at 'A+'.
- Riverside County Infrastructure Financing Authority Lease Revenue Bonds (2015 Series A, 2016 Series A and A-T, Series 2017 A, B, and C) at 'A+'.

Fitch's reasoning is summarized in the following paragraphs:

The County's economy is large, diverse, and well-situated for long-term growth. It has affordable housing stock, capacity for additional development, proximity to employment centers including San Bernardino, Orange County, and Los Angeles, and a location along a major distribution route. The County is exposed to considerable housing market and tax base volatility as it was one of the worst – affected regions in the country during the economic downturn. However, both the housing market and assessed values have improved significantly over the past several years and a large amount of state revenue in the budget moderates the effect of this cyclical on overall revenues.

State and federal health, social services, and criminal justice pass-through funds comprise a substantial amount of the County's budget, as is typical for California counties. The County's non-discretionary general fund revenues are primarily provided by state funds and federal funds, which account for an estimated 64% of the fiscal 2019 budget. Discretionary revenues (i.e., excluding state and federal funds) comprise about 24% of the County's fiscal 2019 total general fund revenues and are primarily generated by property taxes.

Growth in total general fund revenues have been generally above U.S. economic performance. Property tax revenue has increased each of the last five years, with assessed value increasing 5.5% in fiscal 2018. The County estimates fiscal 2019 general fund discretionary revenues will increase approximately 4.0% over the prior year.

The County has limited capacity to independently raise revenues under state law, particularly Proposition 13, which fixes the countywide property tax rate at 1.0% and limits assessment growth to no more than 2.0% per year absent a change in ownership, as well as Proposition 218, which requires voter approval for new or increased general taxes.

Discretionary spending is focused on public safety, which accounts for 78.0% of the discretionary fiscal 2019 budget, public assistance at 5.5%, and health and sanitation at 3.0%.

The County's fixed-costs burden is relatively low with carrying costs for debt, pensions, and retiree healthcare accounting for 10.0% of fiscal 2017 governmental spending. Labor relations with some employee groups continue to be pressured. The County's employees are represented by six labor organizations.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 24 – SUBSEQUENT EVENTS (Continued)

Riverside County Bonds and Certificates of Participation (Continued)

Contracts for three of those bargaining units expired in 2016. The County has reached an impasse and is currently in the fact finding phase with two of those bargaining units with no firm date for resolution. One of those units implemented a two-day strike in early September 2017. In addition, members of another bargaining unit recently rejected a tentative agreement with the County in October, after which the County imposed its last, best and final offer. According to the County, the primary negotiation issues relate to merit increases. In addition, the County is in negotiations with two other bargaining units whose contracts recently expired. The County has the ability to ultimately impose terms and contracts are not subject to binding arbitration. The County has demonstrated its capacity to implement layoffs and furloughs in times of revenue decline.

The County estimates the ongoing cost of a recently settled inmate class action lawsuit at about \$40.0 million per year. This amount compares to a fiscal 2019 general fund discretionary revenues of \$799.5 million and overall budget of \$5.6 billion. It has identified offsets, including adjusting and delaying staffing for the new John J. Benoit Detention Center and establishing a requirement for County departments to absorb any staffing cost increases. In addition, the County continues to implement recommendations from a Strategic Plan for Criminal Justice produced by KPMG Consulting for the County and a preliminary jail utilization report provided by California Forward, a bipartisan governance reform organization. The County expects implementation of both to result in considerable cost savings, as well as revenue recovery.

The County's very strong gap-closing capacity is derived from its ability to manage spending, relatively low expected revenue volatility and available reserves. The unrestricted general fund balance at year-end fiscal 2017 was \$251 million, or 8.1% of total general fund spending. Fitch expects that the County would maintain reserves at solid levels throughout a moderate economic downturn, primarily by adjusting spending.

To balance the fiscal 2019 budget, most departments were directed to make 4.0% cuts to their allocation of discretionary County revenue by using departmental reserves and eliminating unfilled positions. The general fund discretionary reserve was budgeted at \$179.0 million (or about 22.0% of discretionary revenues) for fiscal 2019. The County expects to begin adding to reserves in fiscal 2022 to meet its board policy reserve target of 25.0% of discretionary revenue. Spending restraint will be required in order to meet that target, given expected increased costs for salaries and benefits, uncertainty about future homecare worker costs, and operating costs related to the new correctional facility. In addition, the County will face the challenges of absorbing settlement costs associated with the inmate class action lawsuit mentioned earlier, additional health and mental health professional staffing, and managing exposure to its hospital operations (particularly in the evolving healthcare environment).

Teeter Obligation Notes, Series A

On October 24, 2018, the County issued \$74.2 million in 2018 Teeter Obligation Notes, Series A (Tax-Exempt) to refund a portion of the outstanding 2017 Teeter Obligation Notes, Series A, and fund an advance of unpaid property taxes for agencies participating in the County's Teeter plan, and to pay the cost of issuance related to the notes. The 2018 Notes bear an interest rate of 4.0% for 2018 Teeter Obligation Note, Series A and a maturity date of October 24, 2019, when the existing Letter of Credit will expire.

The Effects of the Economy on CalPERS

Based on past performance of the CalPERS fund, CalPERS has estimated the County's miscellaneous and safety contribution rates for fiscal year 2018-19 will be 18.9% and 21.6%, respectively. Fiscal year 2019-20 contribution rates for miscellaneous and safety are estimated at 21.6% and 37.4%, respectively. They will be accounted for in fiscal year 2018-19 and future budget years.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2018

NOTE 24 – SUBSEQUENT EVENTS (Continued)

Successor Agency to the Redevelopment Agency for the County of Riverside, California

On October 2, 2018, the Agency entered into a settlement agreement with Cardenas Markets, Inc. regarding their litigation on the 2012 ground lease agreement. As part of the settlement agreement, the Agency agreed to sell Cardenas Markets, Inc. certain real property in the City of Jurupa for \$600.0 thousand to terminate the 2012 ground lease agreement.

**REQUIRED SUPPLEMENTARY
INFORMATION**

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

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

County Miscellaneous, Agent Multiple Employer Plan

Measurement Period	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Total pension liability				
Service cost	\$ 211,842	\$ 175,662	\$ 162,257	\$ 158,164
Interest on total pension liability	501,855	457,630	418,860	377,221
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	151,001	141,472	15,756	-
Changes of assumptions	450,226	-	(109,320)	-
Benefit payments, including refunds of employee contributions	(259,302)	(234,668)	(217,701)	(195,420)
Net change in total pension liability	1,055,622	540,096	269,852	339,965
Total pension liability - beginning	6,198,152	5,658,056	5,388,204	5,048,239
Total pension liability - ending (a)	\$ 7,253,774	\$ 6,198,152	\$ 5,658,056	\$ 5,388,204
Plan fiduciary net position				
Contributions - employer	\$ 164,307	\$ 157,639	\$ 98,867	\$ 134,673
Contributions - employee	87,201	82,884	76,078	69,872
Net investment income	540,579	24,832	104,069	666,911
Benefit payments, including refunds of employee contributions	(259,302)	(234,668)	(217,701)	(195,420)
Administrative expense	(7,122)	(2,894)	(5,345)	-
Net change in plan fiduciary net position	525,663	27,793	55,968	676,036
Plan fiduciary net position - beginning	4,564,796	4,537,003	4,481,035	3,804,999
Plan fiduciary net position - ending (b)	\$ 5,090,459	\$ 4,564,796	\$ 4,537,003	\$ 4,481,035
Plan's net pension liability - ending (a) - (b)	\$ 2,163,315	\$ 1,633,356	\$ 1,121,053	\$ 907,169
Plan fiduciary net position as a percentage of the total pension liability	70.2%	73.6%	80.2%	83.2%
Covered payroll ⁽²⁾	\$ 1,056,636	\$ 1,010,690	\$ 909,644	\$ 842,865
Plan's net pension liability as a percentage of covered payroll	204.7%	161.6%	123.2%	107.6%

⁽¹⁾ Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

⁽²⁾ Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

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

County Safety, Agent Multiple Employer Plan

Measurement Period	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Total pension liability				
Service cost	\$ 101,987	\$ 86,039	\$ 80,457	\$ 77,706
Interest on total pension liability	229,003	212,548	195,332	181,393
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	13,324	47,893	22,825	-
Changes of assumptions	215,024	-	(53,617)	-
Benefit payments, including refunds of employee contributions	(115,929)	(105,002)	(97,869)	(91,921)
Net change in total pension liability	443,409	241,478	147,128	167,178
Total pension liability - beginning	2,981,468	2,739,990	2,592,862	2,425,684
Total pension liability - ending (a)	\$ 3,424,877	\$ 2,981,468	\$ 2,739,990	\$ 2,592,862
Plan fiduciary net position				
Contributions - employer	\$ 85,091	\$ 76,363	\$ 65,364	\$ 72,947
Contributions - employee	33,623	32,073	30,313	28,396
Net investment income	243,597	10,790	46,730	312,502
Benefit payments, including refunds of employee contributions	(115,929)	(105,002)	(97,869)	(91,921)
Administrative expense	(3,184)	(1,306)	(2,398)	-
Net change in plan fiduciary net position	243,198	12,918	42,140	321,924
Plan fiduciary net position - beginning	2,156,829	2,143,911	2,101,771	1,779,847
Plan fiduciary net position - ending (b)	\$ 2,400,027	\$ 2,156,829	\$ 2,143,911	\$ 2,101,771
Plan's net pension liability - ending (a) - (b)	\$ 1,024,850	\$ 824,639	\$ 596,079	\$ 491,091
Plan fiduciary net position as a percentage of the total pension liability	70.1%	72.3%	78.2%	81.1%
Covered payroll ⁽²⁾	\$ 340,897	\$ 341,419	\$ 320,550	\$ 279,508
Plan's net pension liability as a percentage of covered payroll	300.6%	241.5%	186.0%	175.7%

⁽¹⁾ Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

⁽²⁾ Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

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

Flood Control Miscellaneous, Agent Multiple Employer Plan

Measurement Period	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Total pension liability				
Service cost	\$ 3,196	\$ 2,736	\$ 2,606	\$ 2,659
Interest on total pension liability	13,182	12,356	11,562	10,889
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	4,317	3,136	1,641	-
Changes of assumptions	11,057	-	(2,831)	-
Benefit payments, including refunds of employee contributions	(8,387)	(7,290)	(6,729)	(6,007)
Net change in total pension liability	23,365	10,938	6,249	7,541
Total pension liability - beginning	171,582	160,644	154,395	146,854
Total pension liability - ending (a)	\$ 194,947	\$ 171,582	\$ 160,644	\$ 154,395
Plan fiduciary net position				
Contributions - employer	\$ 3,899	\$ 3,445	\$ 2,918	\$ 2,793
Contributions - employee	1,343	1,356	1,276	1,394
Net investment income	12,842	666	2,660	17,670
Benefit payments, including refunds of employee contributions	(8,387)	(7,290)	(6,729)	(6,007)
Administrative expense	(171)	(73)	(133)	-
Net change in plan fiduciary net position	9,526	(1,896)	(8)	15,850
Plan fiduciary net position - beginning	116,480	118,376	118,384	102,534
Plan fiduciary net position - ending (b)	\$ 126,006	\$ 116,480	\$ 118,376	\$ 118,384
Plan's net pension liability - ending (a) - (b)	\$ 68,941	\$ 55,102	\$ 42,268	\$ 36,011
Plan fiduciary net position as a percentage of the total pension liability	64.6%	67.9%	73.7%	76.7%
Covered payroll ⁽²⁾	\$ 17,428	\$ 16,643	\$ 15,838	\$ 15,385
Plan's net pension liability as a percentage of covered payroll	395.6%	331.1%	266.9%	234.1%

⁽¹⁾ Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

⁽²⁾ Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions: In the measurement period ended June 30, 2017, the discount rate was reduced from 7.65 percent to 7.15 percent.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous, Agent Multiple Employer Plan

Fiscal year	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 184,572	\$ 160,437	\$ 143,300	\$ 126,838
Contributions in relation to the actuarially determined contribution	(182,070)	(178,196)	(159,154)	(132,619)
Contribution deficiency (excess)	<u>\$ 2,503</u>	<u>\$ (17,759)</u>	<u>\$ (15,854)</u>	<u>\$ (5,781)</u>
Covered payroll **	\$ 78,438	\$ 1,056,636	\$ 1,010,690	\$ 909,644
Contributions as a percentage of covered payroll	232.1%	16.9%	15.7%	14.6%

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

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

County Safety, Agent Multiple Employer Plan

Fiscal year	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 98,314	\$ 85,699	\$ 69,936	\$ 62,624
Contributions in relation to the actuarially determined contribution	(91,224)	(91,330)	(83,166)	(71,228)
Contribution deficiency (excess)	<u>\$ 7,090</u>	<u>\$ (5,631)</u>	<u>\$ (13,230)</u>	<u>\$ (8,604)</u>
Covered payroll **	\$ 29,871	\$ 340,897	\$ 341,419	\$ 320,550
Contributions as a percentage of covered payroll	305.4%	26.8%	24.4%	22.2%

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

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

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

Flood Control Miscellaneous, Agent Multiple Employer Plan

Fiscal year	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 4,252	\$ 3,896	\$ 3,442	\$ 2,918
Contributions in relation to the actuarially determined contribution	(4,252)	(3,896)	(3,442)	(2,918)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 17,545	\$ 17,428	\$ 16,643	\$ 15,838
Contributions as a percentage of covered payroll	24.2%	22.4%	20.7%	18.4%

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

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2017-18 were derived from the June 30, 2016 funding valuation report.

	County Miscellaneous	County Safety	Flood Control Miscellaneous
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	25 Years as of the Valuation Date	25 Years as of the Valuation Date	25 Years as of the Valuation Date
Asset valuation method	Market Value of Assets	Market Value of Assets	Market Value of Assets
Inflation	2.75%	2.75%	2.75%
Salary increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll growth	3.0%	3.0%	3.0%
Investment rate of return*	7.15%	7.15%	7.15%

The Retirement Age is determined by the probabilities of retirement which are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

The Mortality is based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

* Net of pension plan investment and administrative expenses; includes inflation.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND
RELATED RATIOS**

As of the Measurement Date
(Dollar amounts in thousands)

Park District Miscellaneous, Cost Sharing Multiple Employer Plan

Measurement Period	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Employer's proportion of the net pension liability (asset)	0.27243%	0.26345%	0.25620%	0.09946%
Employer's proportionate share of the net pension liability (asset) \$	10,739	9,151	7,029	6,189
Employer's covered payroll ⁽²⁾ \$	6,201	6,791	5,799	4,992
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	173.2%	134.8%	121.2%	124.0%
Pension plan's fiduciary net position as a percentage of the total pension liability	75.3%	75.9%	80.2%	81.8%

⁽¹⁾ Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

⁽²⁾ Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan

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

⁽¹⁾ Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

⁽²⁾ Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Park District Miscellaneous, Cost Sharing Multiple Employer Plan

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

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

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan

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

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

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

Notes to Schedule

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions: In measurement period ended June 30, 2017, the discount rate reduced from 7.65 percent to 7.15 percent.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

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

Riverside County – Part-time and Temporary Help Retirement

Measurement Period	2016-17 ⁽¹⁾	2015-16 ⁽¹⁾	2014-15 ⁽¹⁾	2013-14 ⁽¹⁾
Total pension liability				
Service cost	\$ 1,914	\$ 1,718	\$ 1,512	\$ 1,557
Interest cost	2,358	2,186	1,983	1,800
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	1,457	1,524	795	1,146
Changes of assumptions	(746)	(594)	2,939	-
Benefit payments, including refunds of employee contributions	(1,757)	(1,507)	(1,511)	(1,762)
Net change in total pension liability	<u>3,226</u>	<u>3,327</u>	<u>5,718</u>	<u>2,741</u>
Total pension liability - beginning	38,789	35,462	29,744	27,003
Total pension liability - ending (a)	<u>\$ 42,015</u>	<u>\$ 38,789</u>	<u>\$ 35,462</u>	<u>\$ 29,744</u>
Plan fiduciary net position				
Contributions - employer	\$ 1,341	\$ 668	\$ 607	\$ 956
Contributions - employee	1,674	1,399	1,267	1,394
Net investment income (expense)	4,289	(117)	131	4,437
Benefit payments, including refunds of employee contributions	(1,757)	(1,507)	(1,511)	(1,762)
Administrative expense	(128)	(189)	(217)	(228)
Other	-	-	-	-
Net change in plan fiduciary net position	<u>5,419</u>	<u>254</u>	<u>277</u>	<u>4,797</u>
Plan fiduciary net position - beginning	32,133	31,879	31,602	26,805
Plan fiduciary net position - ending (b)	<u>\$ 37,552</u>	<u>\$ 32,133</u>	<u>\$ 31,879</u>	<u>\$ 31,602</u>
Net pension liability (asset) - ending (a) - (b)	<u>\$ 4,463</u>	<u>\$ 6,656</u>	<u>\$ 3,583</u>	<u>\$ (1,858)</u>
Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a)	89.4%	82.8%	89.9%	106.2%
Covered payroll ⁽²⁾	\$ 44,525	\$ 39,761	\$ 32,963	\$ 29,517
Net pension liability (asset) as a percentage of covered payroll	10.0%	16.7%	10.9%	6.3%

⁽¹⁾ Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

⁽²⁾ Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*.

Notes to Schedule:

Changes of assumptions:

- 1) Update to GASB Statement No. 68 discount rate from 5.92% as of 7/1/2016 to 6.0% as of 7/1/2017 to reflect revised projection of assets and municipal bond index as of 7/1/2017.
- 2) Update to assumed mortality improvement scale from MP-2016 to MP-2017.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Riverside County – Part-time and Temporary Help Retirement

Fiscal Year	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	\$ 657	\$ 727	\$ 122	\$ 252
Contributions in relation to the actuarially determined contribution	(773)	(1,365)	(639)	(529)
Contribution deficiency (excess)	<u>\$ (116)</u>	<u>\$ (638)</u>	<u>\$ (517)</u>	<u>\$ (277)</u>
Covered payroll **	\$ 43,357	\$ 44,525	\$ 39,761	\$ 32,963
Contributions as a percentage of covered payroll	-1.8%	3.1%	1.6%	1.6%

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

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Notes to Schedule

Valuation date: July 1, 2017
Methods and assumptions used to determine contribution rates:
Actuarial cost method: Entry Age Normal
Amortization method: Level-Dollar Projected Payroll
Remaining amortization period: 20 –year Amortization of Unfunded Liability, plus Normal Cost, less expected Employee Contributions
Asset valuation method: Market Value
Inflation: 3.0%
Salary increases: 3.0%
Investment rate of return: 6.0% (net of administrative expense)
Retirement age: 65
Mortality: *Actives*
RP-2006 combined annuitant/non-annuitant mortality table with generational future improvement from 2006 using scale MP-2017.
Full-time Actives (no longer accruing benefits)
Mortality rates are based on the most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2017.

Age	30	40	50	60	70	80	90
Male	0.05%	0.08%	0.16%	0.35%	1.77%	5.28%	16.19%
Female	0.03%	0.05%	0.11%	0.22%	1.26%	3.69%	12.33%

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

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

Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	County		
	Miscellaneous and Safety 2016-17 ⁽¹⁾	Flood Control Miscellaneous 2016-17 ⁽¹⁾	Park District Miscellaneous 2016-17 ⁽¹⁾
Total OPEB liability			
Service cost	\$ 700	\$ 4	\$ 3
Interest cost	3,010	30	8
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	5,814	19	23
Changes of assumptions	3,186	(2)	(2)
Benefit payments	(2,841)	(32)	(8)
Net change in total OPEB liability	9,869	19	24
Total OPEB liability - beginning	42,049	498	116
Total OPEB liability - ending (a)	\$ 51,918	\$ 517	\$ 140
Plan fiduciary net position			
Contributions - employer	\$ 1,909	\$ -	\$ -
Contributions - employee	-	-	-
Net investment income	3,612	23	33
Benefit payments	(2,841)	(32)	(8)
Administrative expense	(17)	-	-
Net change in plan fiduciary net position	2,663	(9)	25
Plan fiduciary net position - beginning	34,116	555	308
Plan fiduciary net position - ending (b)	\$ 36,779	\$ 546	\$ 333
County's net OPEB liability (asset) - ending (a) - (b)	\$ 15,139	\$ (29)	\$ (193)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	70.8%	105.6%	237.9%
Covered payroll	\$ 1,382,037	\$ 17,428	\$ 6,201
County's net OPEB liability (asset) as a percentage of covered payroll	1.1%	-0.2%	-3.1%

⁽¹⁾ Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Notes to Schedule:

Changes of assumptions: The mortality improvement was updated from scale MP-2016 to scale MP-2017. For County Misc. and Safety Plan, the discount rate reduced from 7.28 percent to 6.73 percent. The claims table was updated to reflect most recent CalPERS monthly premiums available for 2018. Aging factors are also updated to reflect the most recent CalPERS demographic experience. The medical trend rate was updated to reflect the current long-term expected growth of medical benefits.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Agent Multiple Employer Plan Administrated Through Trusts

Fiscal year	County		
	Miscellaneous and Safety 2017-18*	Flood Control Miscellaneous 2017-18*	Park District Miscellaneous 2017-18*
Actuarially determined contribution (1)	\$ 1,288	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	(3,457)	(36)	-
Contribution deficiency (excess)	\$ (2,170)	\$ (36)	\$ -
Covered payroll	\$ 1,390,971	\$ 17,545	\$ 5,683
Contributions as a percentage of covered payroll	0.2%	0.2%	0.0%

(1) No actuarially determined contribution in Flood Control and Park District Miscellaneous plans due to assets being greater than the Present Value of Benefit.

* Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	20 Years as of the Valuation Date	20 Years as of the Valuation Date.	20 Years as of the Valuation Date
Asset valuation method	5 Year Asset Smoothing	5 Year Asset Smoothing	5 Year Asset Smoothing
Inflation	2.75%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%
Investment rate of return	6.73%	6.12%	7.28%
Retirement Age	Retirement rates developed in the 1997-2011 CalPERS Experience Study		
Mortality	Most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2017		

Healthcare cost trend rates: For County Misc. and Safety Plan, the healthcare cost trend rate for the Pre Medicare Plan was 7.9 percent, decreasing 0.4 percent per year to an ultimate rate of 5.0 percent for 2018 and later years. The

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

healthcare cost trend rate for the Post Medicare Plan was 8.8 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2018 and later years. For Flood Control and Park District Misc. plans, the healthcare cost trend rates are not applicable. All benefits are assumed to remain at current level.

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

Agent Multiple Employer Plan Not Administered Through Trusts

Measurement Period	Waste Resources Miscellaneous 2016-17 ⁽¹⁾
Total OPEB liability	
Service cost	\$ 4
Interest cost	25
Changes of benefit terms	-
Differences between expected and actual experiences	(183)
Changes of assumptions	(81)
Benefit payments	(40)
Net change in total OPEB liability	(275)
Total OPEB liability - beginning	905
Total OPEB liability - ending	\$ 630
Covered payroll	\$ 1,931
Total OPEB liability as a percentage of covered payroll	32.6%

⁽¹⁾ Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017, and mortality improvement was updated to use scale MP-2017.

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Agent Multiple Employer Plan Not Administered Through Trusts

Fiscal year	Waste Resources Miscellaneous 2017-18*
Actuarially determined contribution ⁽¹⁾	\$ -
Contributions in relation to the actuarially determined contribution	-
Contribution deficiency (excess)	\$ -
Covered payroll	\$ 1,816
Contributions as a percentage of covered payroll	0.0%

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2018

(i) The Schedule of Plan Contributions is not required. The funding is not based on actuarially determined contributions and contributions are neither statutorily nor contractually established.

* Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Notes to Schedule: The total OPEB liability was measured as of June 30, 2017 and determined by an actuarial valuation dated June 30, 2016, based on the following methods and assumptions:

	Waste Resources Miscellaneous
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll
Amortization a period	20 Years as of the Valuation Date
Asset valuation method	5 Year Asset Smoothing
Inflation	2.75%
Healthcare cost trend rates	Not applicable. All benefits are assumed to remain at current level.
Salary increases	3.00%
Investment rate of return	3.58%
Retirement Age	Retirement rates developed in the 1997-2011 CalPERS Experience Study
	Most recent CalPERS mortality table developed in the 1997-2011
Mortality	CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2017

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

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Teeter Debt Service Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 94	\$ 94
Other revenue	2,766	761	-	(761)
Total revenues	<u>2,766</u>	<u>761</u>	<u>94</u>	<u>(667)</u>
EXPENDITURES:				
Debt service:				
Interest	2,446	2,424	1,766	(658)
Cost of issuance	320	260	251	(9)
Total expenditures	<u>2,766</u>	<u>2,684</u>	<u>2,017</u>	<u>(667)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(1,923)	(1,923)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,005	2,005	-
Transfers out	-	(82)	(82)	-
Total other financing sources (uses)	<u>-</u>	<u>1,923</u>	<u>1,923</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Public Facilities Improvements Capital Projects Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property:				
Investment earnings	\$ 400	\$ 400	\$ 1,391	\$ 991
Rents and concessions	360	360	358	(2)
Aid from other governmental agencies:				
State	-	-	45,987	45,987
Other	33,305	33,305	32,899	(406)
Charges for services	106,385	100,944	50,105	(50,839)
Other revenue	8,281	26,067	5,747	(20,320)
Total revenues	<u>148,731</u>	<u>161,076</u>	<u>136,487</u>	<u>(24,589)</u>
EXPENDITURES:				
Current:				
General government	132,227	132,293	71,718	(60,575)
Public ways and facilities	17,010	7,921	385	(7,536)
Debt service:				
Interest	-	65	65	-
Total expenditures	<u>149,237</u>	<u>140,279</u>	<u>72,168</u>	<u>(68,111)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(506)</u>	<u>20,797</u>	<u>64,319</u>	<u>43,522</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	9,211	9,211	-
Transfers out	-	(45,845)	(45,845)	-
Total other financing sources (uses)	<u>-</u>	<u>(36,634)</u>	<u>(36,634)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(506)	(15,837)	27,685	43,522
Fund balance, beginning of year	160,692	160,692	160,692	-
FUND BALANCE, END OF YEAR	\$ 160,186	\$ 144,855	\$ 188,377	\$ 43,522

NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF RIVERSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Assets:					
Cash and investments	\$ 113,326	\$ -	\$ 11,277	\$ 751	\$ 125,354
Accounts receivable	477	2,273	-	-	2,750
Interest receivable	193	88	50	2	333
Taxes receivable	1,276	-	-	-	1,276
Due from other governments	7,843	-	2,769	-	10,612
Due from other funds	1,093	-	-	-	1,093
Prepaid items and deposits	12	-	1,957	-	1,969
Restricted cash and investments	-	46,841	11,976	-	58,817
Total assets	124,220	49,202	28,029	753	202,204
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 124,220	\$ 49,202	\$ 28,029	\$ 753	\$ 202,204
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts payable	\$ 5,187	\$ 379	\$ 1,413	\$ -	\$ 6,979
Salaries and benefits payable	3,141	-	128	-	3,269
Due to other governments	35	-	-	-	35
Due to other funds	39	-	452	-	491
Interest payable	2	-	-	-	2
Deposits payable	485	-	-	-	485
Advances from grantors and third parties	2,480	-	-	-	2,480
Total liabilities	11,369	379	1,993	-	13,741
Deferred inflows of resources	4	-	-	-	4
Fund balances:					
Nonspendable	56	-	580	701	1,337
Restricted	101,657	44,768	19,509	52	165,986
Committed	6,360	-	-	-	6,360
Assigned	4,774	4,055	5,947	-	14,776
Total fund balances	112,847	48,823	26,036	753	188,459
Total liabilities, deferred inflows of resources, and fund balances	\$ 124,220	\$ 49,202	\$ 28,029	\$ 753	\$ 202,204

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES:					
Taxes	\$ 67,017	\$ -	\$ -	\$ -	\$ 67,017
Licenses, permits and franchise fees	731	-	-	-	731
Fines, forfeitures and penalties	1,100	-	180	-	1,280
Use of money and property:					
Investment earnings	535	1,448	206	7	2,196
Rents and concessions	7,486	3,759	-	-	11,245
Aid from other governmental agencies:					
Federal	63,126	-	-	-	63,126
State	6,851	-	694	-	7,545
Other	26,553	-	-	-	26,553
Charges for services	32,763	2,972	2,587	78	38,400
Other revenue	6,522	16,257	2,653	-	25,432
Total revenues	<u>212,684</u>	<u>24,436</u>	<u>6,320</u>	<u>85</u>	<u>243,525</u>
EXPENDITURES:					
Current:					
General government	21,903	16,832	504	-	39,239
Public protection	8,484	-	-	-	8,484
Public ways and facilities	17,834	-	-	-	17,834
Health and sanitation	1,809	-	-	-	1,809
Public assistance	61,442	-	-	-	61,442
Education	20,828	-	-	-	20,828
Recreation and cultural services	13,239	-	2,822	-	16,061
Debt service:					
Principal	-	62,057	-	-	62,057
Interest	-	52,253	-	-	52,253
Cost of issuance	-	850	-	-	850
Capital outlay	-	-	10,118	-	10,118
Total expenditures	<u>145,539</u>	<u>131,992</u>	<u>13,444</u>	<u>-</u>	<u>290,975</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,145</u>	<u>(107,556)</u>	<u>(7,124)</u>	<u>85</u>	<u>(47,450)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	23,134	95,098	14,354	-	132,586
Transfers out	(91,419)	(11,339)	(2,717)	-	(105,475)
Issuance of debt	-	10,610	-	-	10,610
Issuance of refunding bonds	-	58,565	-	-	58,565
Premium on long-term debt	-	4,096	-	-	4,096
Payment to escrow agent	-	(64,285)	-	-	(64,285)
Total other financing sources (uses)	<u>(68,285)</u>	<u>92,745</u>	<u>11,637</u>	<u>-</u>	<u>36,097</u>
NET CHANGE IN FUND BALANCES	(1,140)	(14,811)	4,513	85	(11,353)
Fund balances, beginning of year, as previously reported	105,772	63,634	21,523	668	191,597
Adjustments to beginning fund balances	8,215	-	-	-	8,215
Fund balances, beginning of year	<u>113,987</u>	<u>63,634</u>	<u>21,523</u>	<u>668</u>	<u>199,812</u>
FUND BALANCES, END OF YEAR	\$ 112,847	\$ 48,823	\$ 26,036	\$ 753	\$ 188,459

SPECIAL REVENUE FUNDS

COUNTY OF RIVERSIDE

SPECIAL REVENUE FUNDS

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

COMMUNITY SERVICES

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

COUNTY SERVICE AREAS

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

REGIONAL PARK AND OPEN-SPACE

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

AIR QUALITY IMPROVEMENT

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

IN-HOME SUPPORT SERVICES (IHSS)

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

PERRIS VALLEY CEMETERY DISTRICT

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

OTHER SPECIAL REVENUE

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

COUNTY OF RIVERSIDE

Combining Balance Sheet

Special Revenue Funds

June 30, 2018

(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Cash and investments	\$ 57,312	\$ 23,019	\$ 11,023	\$ 303
Accounts receivable	342	-	92	-
Interest receivable	32	79	38	1
Taxes receivable	968	206	87	-
Due from other governments	5,840	-	260	138
Due from other funds	1,055	30	-	-
Prepaid items and deposits	12	-	-	-
Total assets	<u>65,561</u>	<u>23,334</u>	<u>11,500</u>	<u>442</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 65,561</u>	<u>\$ 23,334</u>	<u>\$ 11,500</u>	<u>\$ 442</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 4,154	\$ 341	\$ 307	\$ -
Salaries and benefits payable	1,632	168	560	-
Due to other governments	23	1	8	-
Due to other funds	31	-	-	8
Interest payable	-	-	-	-
Deposits payable	1	92	-	-
Advances from grantors and third parties	1,665	193	584	-
Total liabilities	<u>7,506</u>	<u>795</u>	<u>1,459</u>	<u>8</u>
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Nonspendable	33	1	10	-
Restricted	55,250	22,532	5,274	434
Committed	900	-	4,757	-
Assigned	1,872	6	-	-
Total fund balances	<u>58,055</u>	<u>22,539</u>	<u>10,041</u>	<u>434</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 65,561</u>	<u>\$ 23,334</u>	<u>\$ 11,500</u>	<u>\$ 442</u>

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total
\$ 491	\$ 885	\$ 20,293	\$ 113,326
-	-	43	477
-	3	40	193
-	4	11	1,276
1,181	-	424	7,843
-	-	8	1,093
-	-	-	12
<u>1,672</u>	<u>892</u>	<u>20,819</u>	<u>124,220</u>
-	-	-	-
<u>\$ 1,672</u>	<u>\$ 892</u>	<u>\$ 20,819</u>	<u>\$ 124,220</u>
-	-	12	56
1,339	473	16,355	101,657
-	-	703	6,360
-	-	2,896	4,774
<u>1,339</u>	<u>473</u>	<u>19,966</u>	<u>112,847</u>
<u>\$ 1,672</u>	<u>\$ 892</u>	<u>\$ 20,819</u>	<u>\$ 124,220</u>

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:

Assets:

Cash and investments
Accounts receivable
Interest receivable
Taxes receivable
Due from other governments
Due from other funds
Prepaid items and deposits

Total assets

Deferred outflows of resources

Total assets and deferred outflows of resources

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:

Liabilities:

Accounts payable
Salaries and benefits payable
Due to other governments
Due to other funds
Interest payable
Deposits payable
Advances from grantors and third parties

Total liabilities

Deferred inflows of resources

Fund balances (Note 16):

Nonspendable
Restricted
Committed
Assigned

Total fund balances

Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 2018
(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement
REVENUES:				
Taxes	\$ 59,961	\$ 885	\$ 5,225	\$ -
Licenses, permits, and franchise fees	-	-	-	-
Fines, forfeitures, and penalties	293	-	-	127
Use of money and property:				
Investment earnings	97	208	106	1
Rents and concessions	643	-	765	-
Aid from other governmental agencies:				
Federal	58,672	-	3	-
State	3,422	9	160	478
Other	23,801	195	972	-
Charges for services	902	11,054	6,930	-
Other revenue	5,992	30	84	-
Total revenues	<u>153,783</u>	<u>12,381</u>	<u>14,245</u>	<u>606</u>
EXPENDITURES:				
Current:				
General government	14,345	-	-	305
Public protection	2,222	240	586	-
Public ways and facilities	5	8,262	-	-
Health and sanitation	1,040	769	-	-
Public assistance	54,986	-	-	-
Education	20,828	-	-	-
Recreation and cultural services	-	582	12,657	-
Total expenditures	<u>93,426</u>	<u>9,853</u>	<u>13,243</u>	<u>305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60,357</u>	<u>2,528</u>	<u>1,002</u>	<u>301</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	16,414	3,237	485	-
Transfers out	(76,025)	(5,888)	(2,102)	(174)
Total other financing sources (uses)	<u>(59,611)</u>	<u>(2,651)</u>	<u>(1,617)</u>	<u>(174)</u>
NET CHANGE IN FUND BALANCES	746	(123)	(615)	127
Fund balances, beginning of year, as previously reported	49,094	22,662	10,656	307
Adjustments to beginning fund balances	8,215	-	-	-
Fund balances, beginning of year, as restated	<u>57,309</u>	<u>22,662</u>	<u>10,656</u>	<u>307</u>
FUND BALANCES, END OF YEAR	\$ 58,055	\$ 22,539	\$ 10,041	\$ 434

In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total	
\$ -	\$ 245	\$ 701	\$ 67,017	REVENUES:
-	-	731	731	Taxes
-	-	680	1,100	Licenses, permits, and franchise fees
-	7	116	535	Fines, forfeitures, and penalties
-	-	6,078	7,486	Use of money and property:
2,678	-	1,773	63,126	Investment earnings
2,738	3	41	6,851	Rents and concessions
-	28	1,557	26,553	Aid from other governmental agencies:
28	291	13,558	32,763	Federal
-	50	366	6,522	State
5,444	624	25,601	212,684	Other
				Charges for services
				Other revenue
				Total revenues
				EXPENDITURES:
				Current:
-	-	7,253	21,903	General government
-	202	5,234	8,484	Public protection
-	-	9,567	17,834	Public ways and facilities
-	-	-	1,809	Health and sanitation
6,456	-	-	61,442	Public assistance
-	-	-	20,828	Education
-	-	-	13,239	Recreation and cultural services
6,456	202	22,054	145,539	Total expenditures
(1,012)	422	3,547	67,145	Excess (deficiency) of revenues over (under) expenditures
				OTHER FINANCING SOURCES (USES):
1,087	-	1,911	23,134	Transfers in
(498)	(288)	(6,444)	(91,419)	Transfers out
589	(288)	(4,533)	(68,285)	Total other financing sources (uses)
(423)	134	(986)	(1,140)	NET CHANGE IN FUND BALANCES
1,762	339	20,952	105,772	Fund balances, beginning of year, as previously reported
-	-	-	8,215	Adjustments to beginning fund balances
1,762	339	20,952	113,987	Fund balances, beginning of year, as restated
\$ 1,339	\$ 473	\$ 19,966	\$ 112,847	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Community Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 56,935	\$ 57,022	\$ 59,961	\$ 2,939
Fines, forfeitures, and penalties	400	400	293	(107)
Use of money and property:				
Investment earnings	5	6	97	91
Rents and concessions	1,071	758	643	(115)
Aid from other governmental agencies:				
Federal	70,255	73,228	58,672	(14,556)
State	21,648	4,882	3,422	(1,460)
Other	21,867	21,907	23,801	1,894
Charges for services	36,913	1,774	902	(872)
Other revenue	12,386	6,761	5,992	(769)
Total revenues	<u>221,480</u>	<u>166,738</u>	<u>153,783</u>	<u>(12,955)</u>
EXPENDITURES:				
Current:				
General government	16,087	17,551	14,345	(3,206)
Public protection	68,060	5,526	2,222	(3,304)
Public ways and facilities	-	356	5	(351)
Health and sanitation	48,353	4,033	1,040	(2,993)
Public assistance	75,532	71,069	54,986	(16,083)
Education	25,431	22,830	20,828	(2,002)
Recreation and cultural services	-	-	-	-
Total expenditures	<u>233,463</u>	<u>121,365</u>	<u>93,426</u>	<u>(27,939)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,983)</u>	<u>45,373</u>	<u>60,357</u>	<u>14,984</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	16,414	16,414	-
Transfers out	-	(76,025)	(76,025)	-
Total other financing sources (uses)	<u>-</u>	<u>(59,611)</u>	<u>(59,611)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(11,983)</u>	<u>(14,238)</u>	<u>746</u>	<u>14,984</u>
Fund balance, beginning of year, as previously reported	49,094	49,094	49,094	-
Adjustments to beginning fund balance	-	-	8,215	8,215
Fund balance, beginning of year, as restated	<u>49,094</u>	<u>49,094</u>	<u>57,309</u>	<u>8,215</u>
FUND BALANCE, END OF YEAR	<u>\$ 37,111</u>	<u>\$ 34,856</u>	<u>\$ 58,055</u>	<u>\$ 23,199</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 County Service Areas Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 816	\$ 816	\$ 885	\$ 69
Use of money and property:				
Investment earnings	54	54	208	154
Rents and concessions	1	1	-	(1)
Aid from other governmental agencies:				
State	8	8	9	1
Other	169	169	195	26
Charges for services	14,699	11,677	11,054	(623)
Other revenue	37	51	30	(21)
Total revenues	<u>15,784</u>	<u>12,776</u>	<u>12,381</u>	<u>(395)</u>
EXPENDITURES:				
Current:				
Public protection	791	880	240	(640)
Public ways and facilities	14,333	11,359	8,262	(3,097)
Health and sanitation	780	780	769	(11)
Recreation and cultural services	2,085	1,825	582	(1,243)
Total expenditures	<u>17,989</u>	<u>14,844</u>	<u>9,853</u>	<u>(4,991)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,205)</u>	<u>(2,068)</u>	<u>2,528</u>	<u>4,596</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,237	3,237	-
Transfers out	-	(5,888)	(5,888)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,651)</u>	<u>(2,651)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(2,205)</u>	<u>(4,719)</u>	<u>(123)</u>	<u>4,596</u>
Fund balance, beginning of year	22,662	22,662	22,662	-
FUND BALANCE, END OF YEAR	<u>\$ 20,457</u>	<u>\$ 17,943</u>	<u>\$ 22,539</u>	<u>\$ 4,596</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Regional Park and Open-Space Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 5,030	\$ 5,030	\$ 5,225	\$ 195
Use of money and property:				
Investment earnings	31	31	106	75
Rents and concessions	461	461	765	304
Aid from other governmental agencies:				
Federal	-	-	3	3
State	152	152	160	8
Other	745	745	972	227
Charges for services	7,464	7,450	6,930	(520)
Other revenue	665	194	84	(110)
Total revenues	<u>14,548</u>	<u>14,063</u>	<u>14,245</u>	<u>182</u>
EXPENDITURES:				
Current:				
Public protection	694	722	586	(136)
Recreation and cultural services	14,647	13,931	12,657	(1,274)
Total expenditures	<u>15,341</u>	<u>14,653</u>	<u>13,243</u>	<u>(1,410)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(793)</u>	<u>(590)</u>	<u>1,002</u>	<u>1,592</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	485	485	-
Transfers out	-	(2,102)	(2,102)	-
Total other financing sources (uses)	<u>-</u>	<u>(1,617)</u>	<u>(1,617)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(793)	(2,207)	(615)	1,592
Fund balance, beginning of year	10,656	10,656	10,656	-
FUND BALANCE, END OF YEAR	\$ 9,863	\$ 8,449	\$ 10,041	\$ 1,592

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Air Quality Improvement Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Fines, forfeitures and penalties	\$ 75	\$ 75	\$ 127	\$ 52
Use of money and property:				
Investment earnings	1	1	1	-
Aid from other governmental agencies:				
State	477	477	478	1
Total revenues	<u>553</u>	<u>553</u>	<u>606</u>	<u>53</u>
EXPENDITURES:				
Current:				
General government	597	423	305	(118)
Total expenditures	<u>597</u>	<u>423</u>	<u>305</u>	<u>(118)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44)</u>	<u>130</u>	<u>301</u>	<u>171</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(174)	(174)	-
Total other financing sources (uses)	<u>-</u>	<u>(174)</u>	<u>(174)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(44)	(44)	127	171
Fund balance, beginning of year	307	307	307	-
FUND BALANCE, END OF YEAR	\$ 263	\$ 263	\$ 434	\$ 171

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 In-Home Support Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Aid from other governmental agencies:				
Federal	\$ 3,415	\$ 3,415	\$ 2,678	\$ (737)
State	2,051	2,051	2,738	687
Charges for services	1,087	-	28	28
Total revenues	<u>6,553</u>	<u>5,466</u>	<u>5,444</u>	<u>(22)</u>
EXPENDITURES:				
Current:				
Public assistance	8,057	7,559	6,456	(1,103)
Total expenditures	<u>8,057</u>	<u>7,559</u>	<u>6,456</u>	<u>(1,103)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,504)</u>	<u>(2,093)</u>	<u>(1,012)</u>	<u>1,081</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,087	1,087	-
Transfers out	-	(498)	(498)	-
Total other financing sources (uses)	<u>-</u>	<u>589</u>	<u>589</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,504)</u>	<u>(1,504)</u>	<u>(423)</u>	<u>1,081</u>
Fund balance, beginning of year	1,762	1,762	1,762	-
FUND BALANCE, END OF YEAR	<u>\$ 258</u>	<u>\$ 258</u>	<u>\$ 1,339</u>	<u>\$ 1,081</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Perris Valley Cemetery District Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 263	\$ 263	\$ 245	\$ (18)
Use of money and property:				
Investment earnings	3	3	7	4
Aid from other governmental agencies:				
State	3	3	3	-
Other	25	25	28	3
Charges for services	280	280	291	11
Other revenue	-	50	50	-
Total revenues	<u>574</u>	<u>624</u>	<u>624</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public protection	573	378	202	(176)
Total expenditures	<u>573</u>	<u>378</u>	<u>202</u>	<u>(176)</u>
Excess (deficiency) of revenues over (under) expenditures	1	246	422	176
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(288)	(288)	-
Total other financing sources (uses)	<u>-</u>	<u>(288)</u>	<u>(288)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1	(42)	134	176
Fund balance, beginning of year	339	339	339	-
FUND BALANCE, END OF YEAR	<u>\$ 340</u>	<u>\$ 297</u>	<u>\$ 473</u>	<u>\$ 176</u>

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Other Special Revenue Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 645	\$ 645	\$ 701	\$ 56
Licenses, permits, and franchise fees	720	720	731	11
Fines, forfeitures, and penalties	2	471	680	209
Use of money and property:				
Investment earnings	60	60	116	56
Rents and concessions	6,545	6,714	6,078	(636)
Aid from other governmental agencies:				
Federal	2,640	4,192	1,773	(2,419)
State	274	309	41	(268)
Other	1,635	1,643	1,557	(86)
Charges for services	13,526	13,254	13,558	304
Other revenue	1,516	529	366	(163)
Total revenues	27,563	28,537	25,601	(2,936)
EXPENDITURES:				
Current:				
General government	9,426	7,872	7,253	(619)
Public protection	6,036	5,854	5,234	(620)
Public ways and facilities	12,977	13,370	9,567	(3,803)
Total expenditures	28,439	27,096	22,054	(5,042)
Excess (deficiency) of revenues over (under) expenditures	(876)	1,441	3,547	2,106
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,911	1,911	-
Transfers out	-	(6,444)	(6,444)	-
Total other financing sources (uses)	-	(4,533)	(4,533)	-
NET CHANGE IN FUND BALANCE	(876)	(3,092)	(986)	2,106
Fund balance, beginning of year	20,952	20,952	20,952	-
FUND BALANCE, END OF YEAR	\$ 20,076	\$ 17,860	\$ 19,966	\$ 2,106

DEBT SERVICE FUNDS

COUNTY OF RIVERSIDE

DEBT SERVICE FUNDS

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

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)

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

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

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

INFRASTRUCTURE FINANCING AUTHORITY

The Infrastructure Financing Authority is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement by and between the County of Riverside and the Riverside County Flood Control and Water Conservation District. The authority is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County.

TAXABLE PENSION OBLIGATION BONDS (PENSION OBLIGATION)

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

INLAND EMPIRE TOBACCO SECURITIZATION AUTHORITY

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

PUBLIC FINANCING AUTHORITY

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

FLOOD CONTROL

The Flood Control debt service fund was established to service the debt incurred by Zone 4 for the construction of Zone 4 flood controls facilities. The fund receives transfers from Zone 4 revenues to pay principal and interest on promissory notes.

COUNTY OF RIVERSIDE
Combining Balance Sheet
Debt Service Funds
June 30, 2018
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
Assets:				
Accounts receivable	\$ -	\$ -	\$ -	\$ 2,273
Interest receivable	.26	2	-	32
Restricted cash and investments	13,020	1,195	171	11,710
Total assets	<u>13,046</u>	<u>1,197</u>	<u>171</u>	<u>14,015</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 13,046</u>	<u>\$ 1,197</u>	<u>171</u>	<u>\$ 14,015</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 272	\$ 107	\$ -	\$ -
Total liabilities	<u>272</u>	<u>107</u>	-	-
Deferred inflows of resources	-	-	-	-
Fund balances (Note 16):				
Restricted	12,774	1,090	171	9,960
Assigned	-	-	-	4,055
Total fund balances	<u>12,774</u>	<u>1,090</u>	<u>171</u>	<u>14,015</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,046</u>	<u>\$ 1,197</u>	<u>\$ 171</u>	<u>\$ 14,015</u>

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total
\$ -	\$ -	\$ -	\$ 2,273
26	2	-	88
19,341	1,404	-	46,841
<u>19,367</u>	<u>1,406</u>	<u>-</u>	<u>49,202</u>
-	-	-	-
<u>\$ 19,367</u>	<u>\$ 1,406</u>	<u>\$ -</u>	<u>\$ 49,202</u>
\$ -	\$ -	\$ -	\$ 379
-	-	-	379
-	-	-	-
19,367	1,406	-	44,768
-	-	-	4,055
<u>19,367</u>	<u>1,406</u>	<u>-</u>	<u>48,823</u>
<u>\$ 19,367</u>	<u>\$ 1,406</u>	<u>\$ -</u>	<u>\$ 49,202</u>

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:

Assets:

Accounts receivable
Interest receivable
Restricted cash and investments
Total assets

Deferred outflows of resources

Total assets and deferred outflows of resources

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:

Liabilities:

Accounts payable
Total liabilities

Deferred inflows of resources

Fund balances (Note 16):

Restricted
Assigned
Total fund balances

Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Debt Service Funds
For the Fiscal Year Ended June 30, 2018
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation
REVENUES:				
Use of money and property:				
Investment earnings	\$ 189	\$ 22	\$ 4	\$ 989
Rents and concessions	121	2,398	-	-
Charges for services	-	-	-	2,972
Other revenue	8	-	3,075	-
Total revenues	<u>318</u>	<u>2,420</u>	<u>3,079</u>	<u>3,961</u>
EXPENDITURES:				
Current:				
General government	2,547	2,428	-	11,748
Debt service:				
Principal	20,780	497	5,370	20,170
Interest	9,073	327	5,495	14,105
Cost of issuance	-	-	850	-
Total expenditures	<u>32,400</u>	<u>3,252</u>	<u>11,715</u>	<u>46,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,082)</u>	<u>(832)</u>	<u>(8,636)</u>	<u>(42,062)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	25,710	-	10,981	34,569
Transfers out	(178)	-	(11,161)	-
Issuance of debt	-	-	10,610	-
Issuance of refunding bonds	-	-	58,565	-
Premium on long-term debt	-	-	4,096	-
Payment to escrow agent	-	-	(64,285)	-
Total other financing sources (uses)	<u>25,532</u>	<u>-</u>	<u>8,806</u>	<u>34,569</u>
NET CHANGE IN FUND BALANCES	<u>(6,550)</u>	<u>(832)</u>	<u>170</u>	<u>(7,493)</u>
Fund balances, beginning of year	19,324	1,922	1	21,508
FUND BALANCES, END OF YEAR	<u>\$ 12,774</u>	<u>\$ 1,090</u>	<u>\$ 171</u>	<u>\$ 14,015</u>

Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total	
\$ 225	\$ 19	\$ -	\$ 1,448	REVENUES:
-	1,240	-	3,759	Use of money and property:
-	-	-	2,972	Investment earnings
13,174	-	-	16,257	Rents and concessions
13,399	1,259	-	24,436	Charges for services
				Other revenue
				Total revenues
				EXPENDITURES:
				Current:
109	-	-	16,832	General government
				Debt service:
7,105	6,155	1,980	62,057	Principal
6,301	16,085	867	52,253	Interest
-	-	-	850	Cost of issuance
13,515	22,240	2,847	131,992	Total expenditures
				Excess (deficiency) of revenues
(116)	(20,981)	(2,847)	(107,556)	over (under) expenditures
				OTHER FINANCING SOURCES (USES):
-	20,991	2,847	95,098	Transfers in
-	-	-	(11,339)	Transfers out
-	-	-	10,610	Issuance of debt
-	-	-	58,565	Issuance of refunding bonds
-	-	-	4,096	Premium on long-term debt
-	-	-	(64,285)	Payment to escrow agent
-	20,991	2,847	92,745	Total other financing sources (uses)
(116)	10	-	(14,811)	NET CHANGE IN FUND BALANCES
19,483	1,396	-	63,634	Fund balances, beginning of year
\$ 19,367	\$ 1,406	\$ -	\$ 48,823	FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Pension Obligation Debt Service Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Use of money and property:				
Investment earnings	\$ -	\$ -	\$ 989	\$ 989
Aid from other governmental agencies:				
Charges for services	37,776	3,207	2,972	(235)
Total revenues	<u>37,776</u>	<u>3,207</u>	<u>3,961</u>	<u>754</u>
EXPENDITURES:				
Current:				
General government	3,501	12,001	11,748	(253)
Debt service:				
Principal	20,170	20,170	20,170	-
Interest	14,105	14,105	14,105	-
Total expenditures	<u>37,776</u>	<u>46,276</u>	<u>46,023</u>	<u>(253)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(43,069)</u>	<u>(42,062)</u>	<u>1,007</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	34,569	34,569	-
Total other financing sources (uses)	<u>-</u>	<u>34,569</u>	<u>34,569</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(8,500)</u>	<u>(7,493)</u>	<u>1,007</u>
Fund balance, beginning of year	21,508	21,508	21,508	-
FUND BALANCE, END OF YEAR	<u>\$ 21,508</u>	<u>\$ 13,008</u>	<u>\$ 14,015</u>	<u>\$ 1,007</u>

CAPITAL PROJECTS FUNDS

COUNTY OF RIVERSIDE

CAPITAL PROJECTS FUNDS

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

PUBLIC SAFETY ENTERPRISE COMMUNICATION (PSEC)

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

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)

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

FLOOD CONTROL

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

REGIONAL PARK AND OPEN-SPACE

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

COUNTY OF RIVERSIDE ENTERPRISE SOLUTIONS FOR PROPERTY TAXATION (CREST)

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

INFRASTRUCTURE FINANCING AUTHORITY

The Infrastructure Financing Authority is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement by and between the County of Riverside and the Riverside County Flood Control and Water Conservation District. The authority is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County.

COUNTY OF RIVERSIDE
Combining Balance Sheet
Capital Projects Funds
June 30, 2018
(Dollars in Thousands)

	<u>PSEC</u>	<u>CORAL</u>	<u>Flood Control</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Cash and investments	\$ 253	\$ -	\$ 18
Interest receivable	-	1	-
Due from other governments	-	-	-
Prepaid items and deposits	580	-	-
Restricted cash and investments	-	134	-
Total assets	<u>833</u>	<u>135</u>	<u>18</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 833</u>	<u>\$ 135</u>	<u>\$ 18</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
Liabilities:			
Accounts payable	\$ -	\$ 21	\$ -
Salaries and benefits payable	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>21</u>	<u>-</u>
Deferred inflows of resources	-	-	-
Fund balances (Note 16):			
Nonspendable	580	-	-
Restricted	-	114	18
Assigned	253	-	-
Total fund balances	<u>833</u>	<u>114</u>	<u>18</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 833</u>	<u>\$ 135</u>	<u>\$ 18</u>

Regional Park and Open-Space	CREST	Infrastructure Financing Authority	Total	
				ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:
				Assets:
\$ 4,693	\$ 6,313	\$ -	\$ 11,277	Cash and investments
12	25	12	50	Interest receivable
2,769	-	-	2,769	Due from other governments
1,377	-	-	1,957	Prepaid items and deposits
-	-	11,842	11,976	Restricted cash and investments
<u>8,851</u>	<u>6,338</u>	<u>11,854</u>	<u>28,029</u>	Total assets
-	-	-	-	Deferred outflows of resources
<u>\$ 8,851</u>	<u>\$ 6,338</u>	<u>\$ 11,854</u>	<u>\$ 28,029</u>	Total assets and deferred outflows of resources
				LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:
				Liabilities:
\$ 1,172	\$ 64	\$ 156	\$ 1,413	Accounts payable
-	128	-	128	Salaries and benefits payable
-	452	-	452	Due to other funds
<u>1,172</u>	<u>644</u>	<u>156</u>	<u>1,993</u>	Total liabilities
-	-	-	-	Deferred inflows of resources
-	-	-	580	Fund balances (Note 16):
7,679	-	11,698	19,509	Nonspendable
-	5,694	-	5,947	Restricted
<u>7,679</u>	<u>5,694</u>	<u>11,698</u>	<u>26,036</u>	Assigned
				Total fund balances
<u>\$ 8,851</u>	<u>\$ 6,338</u>	<u>\$ 11,854</u>	<u>\$ 28,029</u>	Total liabilities, deferred inflows of resources, and fund balances

COUNTY OF RIVERSIDE

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

Capital Projects Funds

For the Fiscal Year Ended June 30, 2018

(Dollars in Thousands)

	PSEC	CORAL	Flood Control
REVENUES:			
Fines, forfeitures, penalties	\$ -	\$ -	\$ -
Use of money and property:			
Investment earnings	-	20	-
Aid from other governmental agencies:			
State	-	-	-
Charges for services	-	-	-
Other revenue	-	-	-
Total revenues	<u>-</u>	<u>20</u>	<u>-</u>
EXPENDITURES:			
Current:			
General government	-	504	-
Recreation and cultural services	-	-	-
Capital outlay	-	1,111	-
Total expenditures	<u>-</u>	<u>1,615</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,595)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	170	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>170</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>-</u>	<u>(1,425)</u>	<u>-</u>
Fund balances, beginning of year	833	1,539	18
FUND BALANCES, END OF YEAR	<u>\$ 833</u>	<u>\$ 114</u>	<u>\$ 18</u>

Regional Park and Open-Space	CREST	Infrastructure Financing Authority	Total
\$ 180	\$ -	\$ -	\$ 180
35	70	81	206
694	-	-	694
-	2,587	-	2,587
2,653	-	-	2,653
<u>3,562</u>	<u>2,657</u>	<u>81</u>	<u>6,320</u>
-	-	-	504
2,822	-	-	2,822
-	3,121	5,886	10,118
<u>2,822</u>	<u>3,121</u>	<u>5,886</u>	<u>13,444</u>
740	(464)	(5,805)	(7,124)
3,023	-	11,161	14,354
(1,557)	(1,041)	(119)	(2,717)
<u>1,466</u>	<u>(1,041)</u>	<u>11,042</u>	<u>11,637</u>
2,206	(1,505)	5,237	4,513
5,473	7,199	6,461	21,523
<u>\$ 7,679</u>	<u>\$ 5,694</u>	<u>\$ 11,698</u>	<u>\$ 26,036</u>

REVENUES:

Fines, forfeitures, penalties
Use of money and property:
Investment earnings
Aid from other governmental agencies:
State
Charges for services
Other revenue
Total revenues

EXPENDITURES:

Current:
General government
Recreation and cultural services
Capital outlay
Total expenditures
Excess (deficiency) of revenues
over (under) expenditures

OTHER FINANCING SOURCES (USES):

Transfers in
Transfers out
Total other financing sources (uses)

NET CHANGE IN FUND BALANCES

Fund balances, beginning of year
FUND BALANCES, END OF YEAR

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Flood Control Capital Projects Fund
 For the Fiscal Year Ended June 30, 2018
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Other revenue	\$ 1,250	\$ 1,250	\$ -	\$ (1,250)
Total revenues	1,250	1,250	-	(1,250)
EXPENDITURES:				
Capital outlay	1,250	1,250	-	(1,250)
Total expenditures	1,250	1,250	-	(1,250)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE				
Fund balance, beginning of year	18	18	18	-
FUND BALANCE, END OF YEAR	\$ 18	\$ 18	\$ 18	\$ -