

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 2.8
(ID # 17936)

MEETING DATE:
Tuesday, January 11, 2022

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR CONTROLLER: Fiscal Year 2020-2021 Annual Comprehensive Financial Report (ACFR), Popular Annual Financial Report (PAFR), and Report on Statement on Auditing Standards (SAS) 114. The Auditors' Communication with those Charged with Governance, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

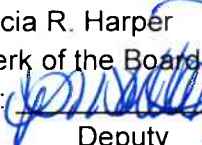
1. Receive and file the attached Annual Comprehensive Financial Report, Popular Annual Financial Report, and Report on SAS 114 for the fiscal year ended June 30, 2021.

ACTION:Consent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: January 11, 2022
xc: Auditor

Kecia R. Harper
Clerk of the Board
By: 
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|----------------------------|-----------------------------|--------------------------|-------------------------------|---------------------|
| COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: NA | | | Budget Adjustment: No | |
| | | | For Fiscal Year: 20/21 | |

C.E.O. RECOMMENDATION: Approve.

BACKGROUND:

Summary

The County's ACFR is hereby submitted in accordance with Section 25253 of the Government Code of the State of California.

The Popular Annual Financial Report (PAFR) provides a 18-page recap of the County's financial information in an easy-to-read format. The financial information contained in this publication is derived from the County's 252-page ACFR for Fiscal Year 2020-21.

The Report on SAS 114 establishes a requirement for the external auditors to communicate with those charged with governance certain significant matters related to the audit. SAS 114 uses the term *those charged with governance* to refer to those with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, including overseeing the entity's financial reporting process. The attached Report on SAS 114 discloses those matters to the County's Board of Supervisors.

Impact on Residents and Businesses

There is no impact on Citizens and Businesses. The items provided are for informational purposes only.

ATTACHMENT A. Annual Comprehensive Financial Report

ATTACHMENT B. Popular Annual Financial Report

ATTACHMENT C. SAS 114 Report

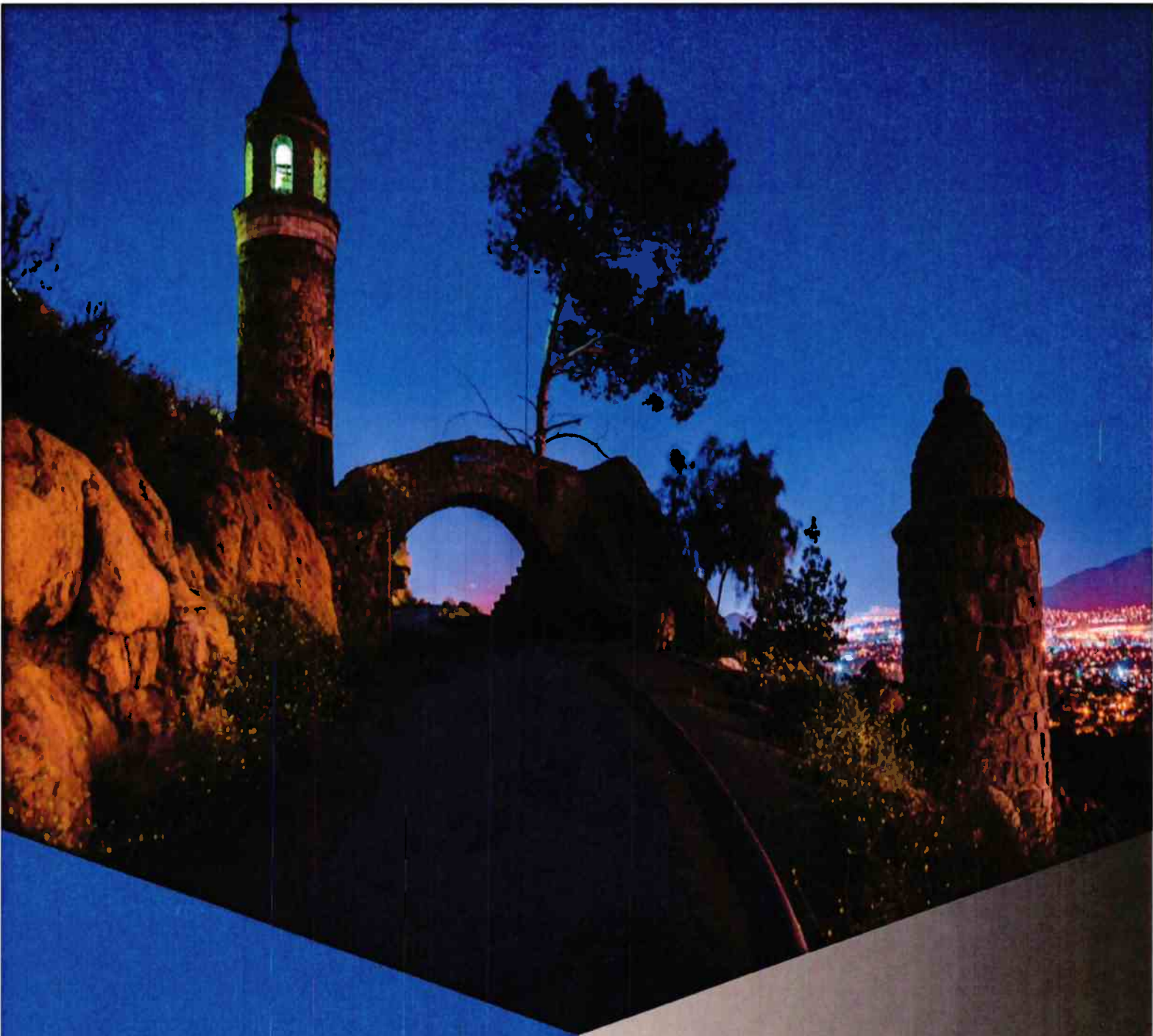
SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA

Tanya Harris
Tanya Harris Assistant Auditor Controller

12/20/2021

Steven K. Atkeson
Steven Atkeson

12/29/2021



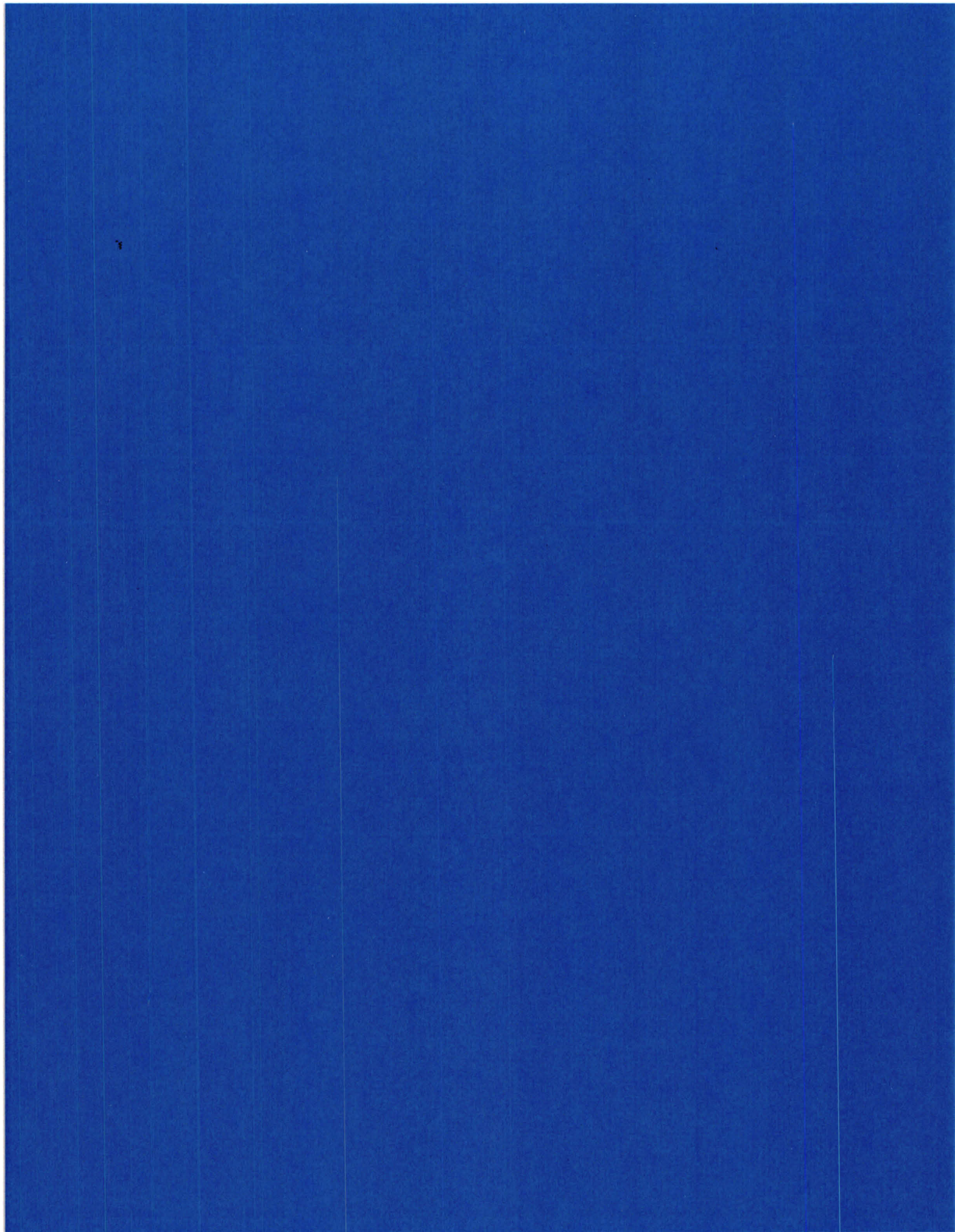
2021
Annual Comprehensive
Financial Report

Fiscal Year Ended June 30, 2021



Riverside County, California

Paul Angulo, CPA, MA
County Auditor-Controller



**COUNTY OF RIVERSIDE, CALIFORNIA
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021**



**PREPARED BY THE OFFICE OF:
PAUL ANGULO, CPA, MA
COUNTY AUDITOR-CONTROLLER**

**COUNTY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2021**

TABLE OF CONTENTS

| INTRODUCTORY SECTION: | Page |
|---|-------------|
| Letter of Transmittal..... | vii |
| Principal County Officials..... | xiv |
| Organization Chart | xv |
| GFOA Certificate of Achievement for Excellence in Financial Reporting for 2020 | xvi |
| FINANCIAL SECTION: | |
| Independent Auditor’s Report..... | 1 |
| Management’s Discussion and Analysis (Required Supplementary Information)..... | 3 |
| Basic Financial Statements: | |
| <u>Government-wide Financial Statements:</u> | |
| Statement of Net Position..... | 25 |
| Statement of Activities..... | 26 |
| <u>Fund Financial Statements:</u> | |
| <u>Governmental Funds:</u> | |
| Balance Sheet..... | 30 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 33 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 34 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 37 |
| <u>Budgetary Comparison Statements:</u> | |
| General Fund..... | 38 |
| Transportation Special Revenue Fund | 40 |
| Flood Control Special Revenue Fund | 41 |
| CARES Act Coronavirus Relief Special Revenue Fund..... | 42 |
| <u>Proprietary Funds:</u> | |
| Statement of Net Position..... | 43 |
| Statement of Revenues, Expenses, and Changes in Net Position | 44 |
| Statement of Cash Flows..... | 45 |
| <u>Fiduciary Funds:</u> | |
| Statement of Fiduciary Net Position | 47 |
| Statement of Changes in Fiduciary Net Position | 48 |

COUNTY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2021

TABLE OF CONTENTS

| FINANCIAL SECTION (CONTINUED): | Page |
|--|-------------|
| Notes to the Basic Financial Statements: | |
| (1) Summary of Significant Accounting Policies | 49 |
| (2) Stewardship, Compliance and Accountability..... | 62 |
| (3) Restatements of Beginning Fund Balances/Net Position | 63 |
| (4) Cash and Investments..... | 64 |
| (5) Restricted Cash and Investments..... | 68 |
| (6) Receivables..... | 69 |
| (7) Interfund Transactions..... | 70 |
| (8) Capital Assets | 74 |
| (9) Service Concession Arrangements..... | 77 |
| (10) Landfill Closure and Post-Closure Care Costs..... | 80 |
| (11) Operating Leases | 81 |
| (12) Advances from Grantors and Third Parties..... | 82 |
| (13) Short-Term Debt..... | 83 |
| (14) Long-Term Obligations..... | 84 |
| (15) Deferred Outflows and Inflows of Resources | 93 |
| (16) Fund Balances | 96 |
| (17) Risk Management..... | 101 |
| (18) Medi-Cal and Medicare Programs..... | 102 |
| (19) Jointly Governed Organizations | 103 |
| (20) Retirement Plan | 105 |
| (21) Defined Benefit Pension Plan..... | 112 |
| (22) Postemployment Benefits Other than Pensions..... | 117 |
| (23) Commitments and Contingencies..... | 126 |
| (24) Subsequent Events..... | 128 |
| Required Supplementary Information (other than MD&A): | |
| Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period - Agent Multiple-Employer Plans..... | 132 |
| Schedule of Plan Contributions - Agent Multiple-Employer Plans | 138 |
| Schedule of the Plan’s Proportionate Share of the Net Pension Liability and Related Ratios- Cost-Sharing Multiple-Employer Plans..... | 140 |
| Schedule of Plan Contributions - Cost-Sharing Multiple-Employer Plans..... | 141 |
| Schedule of Changes in Net Pension Liability and Related Ratios During the Measurement Period - Riverside County – Part-time and Temporary Help Retirement..... | 142 |
| Schedule of Plan Contributions - Riverside County – Part-time and Temporary Help Retirement..... | 144 |

COUNTY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2021

TABLE OF CONTENTS

| FINANCIAL SECTION (CONTINUED): | Page |
|---|-------------|
| Required Supplementary Information (other than MD&A): | |
| Schedule of Changes in Net OPEB Liability and Related Ratios - | |
| Agent Multiple-Employer Plans Administered Through Trusts | 145 |
| Schedule of Plan Contributions - | |
| Agent Multiple-Employer Plans Administered Through Trusts..... | 148 |
| Schedule of Changes in Total OPEB Liability and Related Ratios - | |
| Agent Multiple-Employer Plan Not Administered Through Trusts | 150 |
| Schedule of Plan Contributions - | |
| Agent Multiple-Employer Plan Not Administered Through Trusts..... | 150 |
| Combining and Individual Fund Statements and Budgetary Schedules: | |
| Budgetary Comparison Schedule – Teeter Debt Service Fund | 153 |
| <u>Nonmajor Governmental Funds:</u> | |
| Combining Balance Sheet | 155 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 156 |
| <i>Special Revenue Funds:</i> | |
| Combining Balance Sheet..... | 157 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 158 |
| Budgetary Comparison Schedule – Community Services Fund..... | 160 |
| Budgetary Comparison Schedule – County Service Areas Fund | 162 |
| Budgetary Comparison Schedule – Regional Park and Open-Space Fund | 163 |
| Budgetary Comparison Schedule – Air Quality Improvement Fund..... | 164 |
| Budgetary Comparison Schedule – In-Home Support Services Fund..... | 165 |
| Budgetary Comparison Schedule – Perris Valley Cemetery District Fund..... | 166 |
| Budgetary Comparison Schedule – Other Special Revenue Fund | 167 |
| Budgetary Comparison Schedule – Other Special Revenue Fund | 168 |
| <i>Debt Service Funds:</i> | |
| Combining Balance Sheet..... | 169 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 170 |
| Budgetary Comparison Schedule – CORAL Fund..... | 172 |
| Budgetary Comparison Schedule – Infrastructure Financing Authority Fund | 174 |
| Budgetary Comparison Schedule – Pension Obligation Bond Fund..... | 175 |
| Budgetary Comparison Schedule – Pension Obligation Bond Fund..... | 176 |
| Budgetary Comparison Schedule – Public Financing Authority Fund..... | 177 |
| Budgetary Comparison Schedule – Flood Control Fund..... | 178 |
| <i>Capital Projects Funds:</i> | |
| Combining Balance Sheet..... | 179 |
| Combining Balance Sheet..... | 180 |

COUNTY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2021

TABLE OF CONTENTS

| FINANCIAL SECTION (CONTINUED): | Page |
|---|-------------|
| <i>Capital Projects Funds:</i> | |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 182 |
| Budgetary Comparison Schedule – Flood Control Fund | 184 |
| Budgetary Comparison Schedule – Regional Park and Open-Space Fund | 185 |
| Budgetary Comparison Schedule – CREST Fund | 186 |
| Budgetary Comparison Schedule – Public Facilities Improvements Fund | 187 |
| <i>Permanent Fund:</i> | 189 |
| Balance Sheet | 190 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance | 191 |
| <u>Nonmajor Enterprise Funds:</u> | 193 |
| Combining Statement of Net Position | 194 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position | 195 |
| Combining Statement of Cash Flows | 196 |
| <u>Internal Service Funds:</u> | 197 |
| Combining Statement of Net Position | 198 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position | 200 |
| Combining Statement of Cash Flows | 202 |
| <u>Fiduciary Funds:</u> | 205 |
| <i>Custodial Funds:</i> | |
| Statement of Fiduciary Net Position | 206 |
| Statement of Changes in Fiduciary Net Position | 207 |
| STATISTICAL SECTION (Unaudited): | |
| Statistical Section Table Index | 209 |
| Table 1 Net Position by Component | 210 |
| Table 2 Changes in Net Position | 212 |
| Table 3 Governmental Activities Tax Revenues by Source | 216 |
| Table 4 Fund Balances of Governmental Funds | 218 |
| Table 5 Changes in Fund Balances of Governmental Funds | 220 |
| Table 6 General Government Tax Revenues by Source | 222 |
| Table 7 Assessed Value and Estimated Actual Value of Taxable Property | 224 |
| Table 8 Property Tax Rates – Direct and Overlapping Governments | 226 |
| Table 9 Principal Property Tax Payers | 227 |
| Table 10 Property Tax Levies and Collections | 228 |

COUNTY OF RIVERSIDE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
June 30, 2021

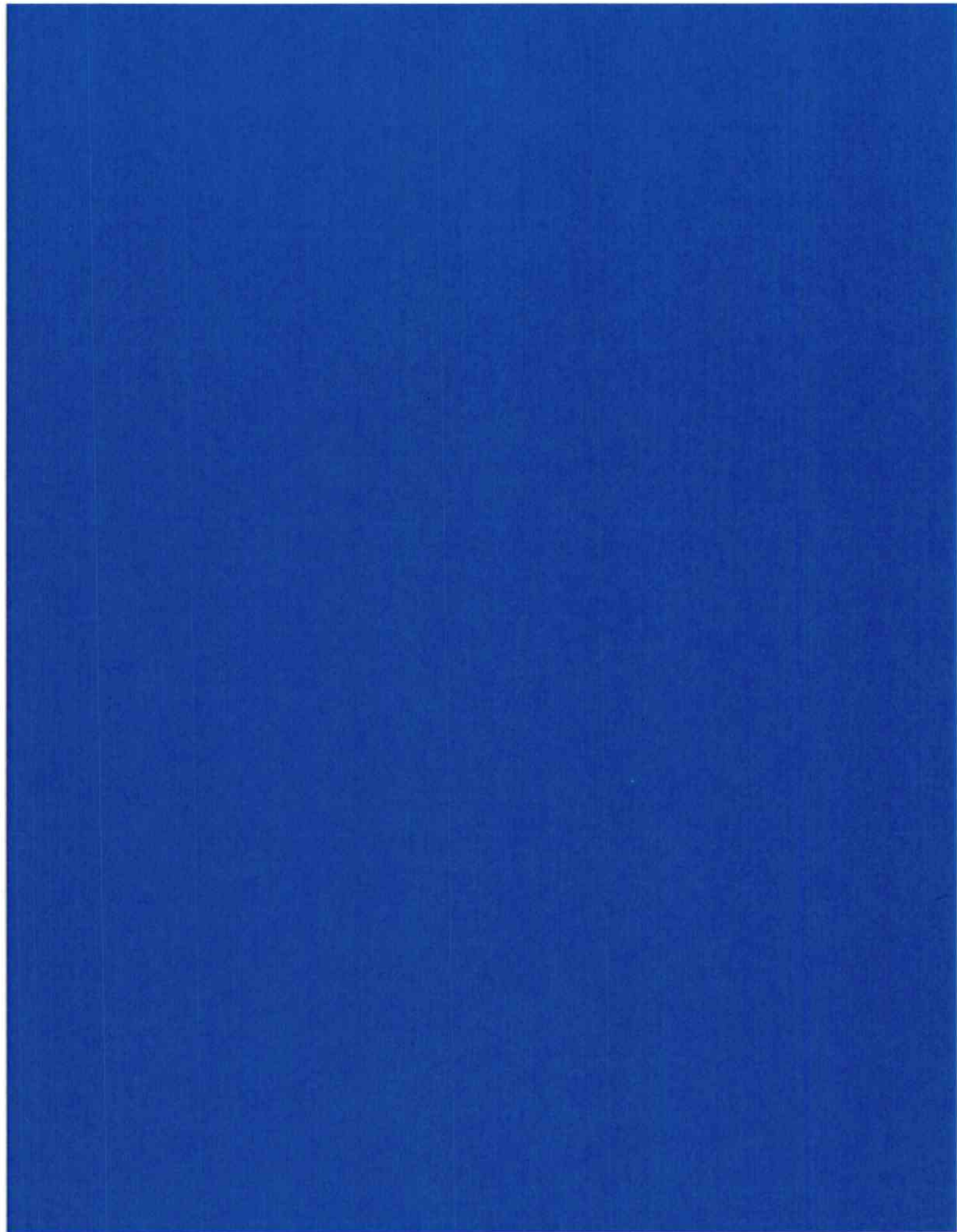
TABLE OF CONTENTS

| STATISTICAL SECTION (CONTINUED): | Page |
|--|-------------|
| Table 11 Ratios of Outstanding Debt by Type | 230 |
| Table 12 Ratios of General Bonded Debt Outstanding | 232 |
| Table 13 Direct and Overlapping Governmental Activities Debt | 234 |
| Table 14 Legal Debt Margin Information | 236 |
| Table 15 Pledged-Revenue Coverage..... | 238 |
| Table 16 Demographic and Economic Statistics | 240 |
| Table 17 Principal Employers | 241 |
| Table 18 Full-time Equivalent County Government Employees by Function/Program..... | 242 |
| Table 19 Operating Indicators by Function | 244 |
| Table 20 Capital Asset Statistics by Function | 250 |



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INTRODUCTORY
SECTION





COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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ACC | AUDITOR
CONTROLLER
COUNTY OF RIVERSIDE

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

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

December 3, 2021

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

Members of the Board and Citizens of Riverside County:

The Annual Comprehensive Financial Report of the County (ACFR) of Riverside (the County) for the fiscal year ended June 30, 2021, is hereby submitted in accordance with the provisions of Section 25253 of the Government Code of the State of California (the State). The report contains financial statements that have been prepared in conformity with the United States generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data, the completeness, and fairness of the presentation, including all disclosures, rests with the management of the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

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

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

The County has eleven independent fiscal entities that are considered blended component units and one discretely presented component unit. These entities vary widely in function and provide essential services. For a more detailed overview of the County's component units, see the MD&A and the notes to the basic financial statements.

Brown Armstrong Accountancy Corporation has issued an unmodified ("clean") opinion on the County of Riverside's financial statements for the year ended June 30, 2021. The independent auditor's report is located at the front of the financial section of this report.

PROFILE OF THE GOVERNMENT

The County is the fourth largest county by area in the State. It encompasses 7,303 square miles and extends nearly 184 miles across Southern California, from the Arizona border west to within 10 miles of the Pacific Ocean. It is situated east of Los Angeles and Orange Counties, south of San Bernardino County, and north of San Diego and Imperial Counties.

There are 28 incorporated cities located within the County. The latest city to be incorporated was Jurupa Valley on July 1, 2011. The largest cities in the County are Riverside (the County seat) with a population of 324,302, Moreno Valley 209,426, Corona 169,454, Murrieta 115,172, and Temecula 112,771. Estimated population figures are developed by the California State Department of Finance, and each year it is revised on January 1, with a revised estimate for the prior year. The total County population as of January 1, 2021, was reported as 2,454,453, an increase of 0.6 percent as compared to the revised estimate for January 1, 2020. Approximately 15.9 percent of the residents live in unincorporated areas.

All legislative and policy making powers are vested in the County Board of Supervisors (the Board), which consists of an elected supervisor from each of the five districts. The Board Supervisors serve four-year terms, and annually elect a Chairman and Vice-Chairman. The Board is responsible for, among other duties, passing ordinances; adopting budgets; and appointing committees, the County Executive Officer (CEO), and non-elected department directors. The County has five elected department heads responsible for the offices of the Treasurer-Tax Collector, Auditor-Controller, District Attorney, Sheriff, and Assessor-County Clerk-Recorder.

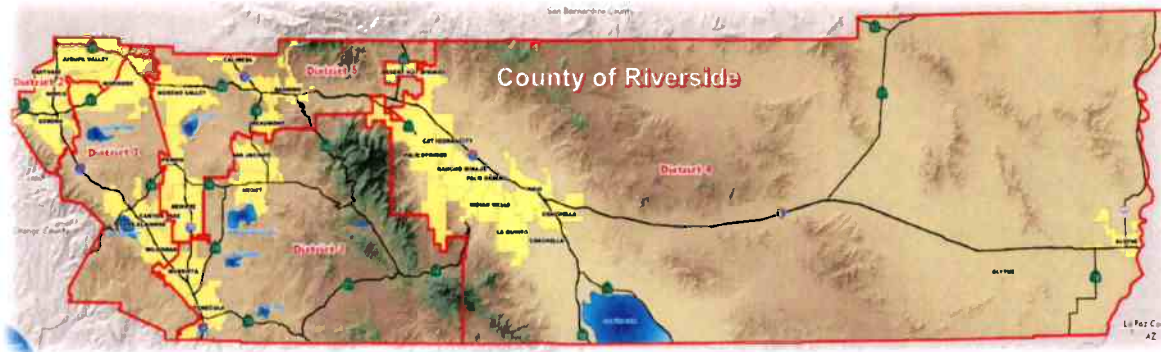
The First District includes areas within the cities of Riverside, Canyon Lake, Lake Elsinore, and Wildomar and the unincorporated communities of DeLuz, Gavilan Hills, Good Hope, Lake Hills, Lake Mathews, LaCresta, Mead Valley, Meadowbrook, Spring Hills, Temescal Valley, Tenaja, Warm Springs, and Woodcrest.

The Second District includes the cities of Corona, Norco, approximately one-third of the City of Riverside, Eastvale, and Jurupa Valley. The unincorporated communities consist of Home Gardens, El Cerrito, Coronita, and Highgrove.

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

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

The Fifth District includes the cities of Banning, Beaumont, Calimesa, Menifee, Moreno Valley, Perris, and the northern portion of Palm Springs. The unincorporated areas include Banning Bench, Cabazon, Cherry Valley, Desert Hills, Desert Hot Springs, El Nido area, Juniper Flats, Lake Perris, Lakeview, Lakeview Mountains, Mission Springs, Nuevo, North Palm Springs, Painted Hills, Quail Lake, Reche Canyon, San Jacinto Wildlife Reserve, San Timoteo Canyon, Snow Creek, the Sovereign Nation of the Morongo Band of Mission Indians, Twin Pines, West Garnet, Whitewater and Windy Point.



Source: Riverside County GIS

The County has over 22,900 employees and provides a variety of services and programs to its residences as the table below depicts.

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

| | |
|---|---|
| Certificates, Licenses and Permits Birth, marriage, and death certificates; animal licensing; and building permits. | Human Services Assistance for families, custody issues, and veterans' services. |
| Children's Services Child Support Services, Mentor programs, Children Medical Services, CalWORKS, Child Health and Disability Prevention. | Libraries and Museums Edward Dean Museum and Riverside County Law Library. |
| Criminal Justice Departments dealing with criminal justice. District Attorney, Probation, Public Defender, and Sheriff. Legal resources and Online Crime Report Form. | Parks and Recreation Park & Open Space District, Golf Courses in Riverside County, and Riverside Bicycle Club. |
| Education Office of Education. | Pets and Animal Services Animal control, animal shelters, animal license inspection, animal rescue, report animal-control violations, and dog license fee. |
| Emergency Services Office of Emergency Services, Early Warning Notification System, Shelter Grant program, and Homeless programs. | Property Information Assessment appeals, building permit report, obtain property information via GIS, pay property taxes online, track your property taxes online, record map inquiry, information for new homeowners, and Riverside County land information. |

| | |
|---|---|
| Environment | Public Works and Services |
| Solid waste, liquid waste, medical waste, sewage disposal, water systems, wells, backflow devices, food services, public pools and mobile home parks, vector control, hazardous materials services, fire protection services, waste reduction, and recycling. | Public infrastructure and municipal services including economic development, roads, flood control, waste resources, and code enforcement. |
| Flood Control | Public and Official Records |
| Flood Control and water conservation. | Official recorded documents, fictitious business names search, grantor/grantee search, vital records, and court records search. |
| Health | Roads and Highways |
| Family health centers, disease control, nutrition services, family planning, health education, injury prevention, emergency medical services, mental health services, industrial hygiene, laboratory, Epidemiology, and medical marijuana identification cards. | Road maintenance, land development, engineering services, and survey. |
| Housing | Taxes |
| First time home buyer programs, low-income housing, rental assistance program, homeless shelter, and neighborhood stabilization program. | Property tax portal, tax bills, Assessor-County Clerk Recorder, Treasurer-Tax Collector, and Auditor-Controller. |
| Senior and Retirement | Voting |
| Aging & disability resource connection program, community outreach, community elderly abuse education, legal assistance, and senior employment. | Polling locations, vote by mail. |

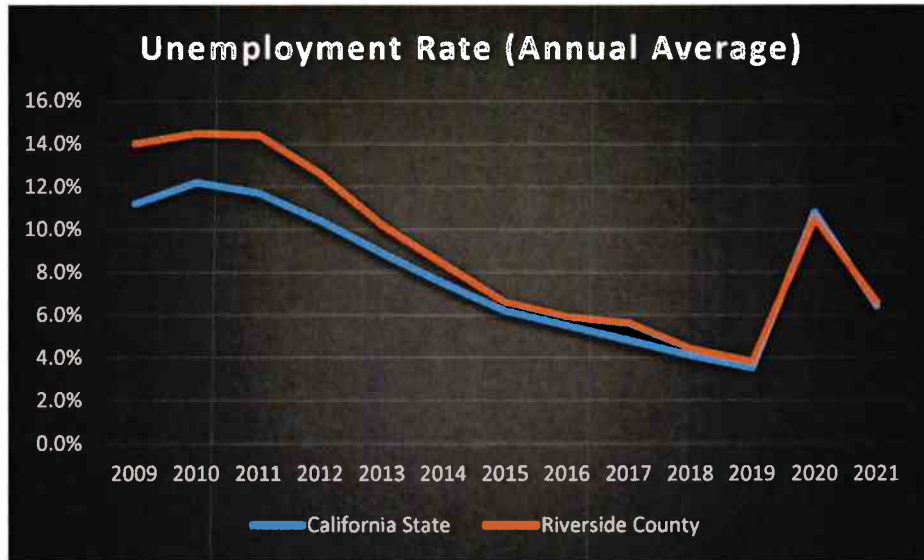
FACTORS AFFECTING ECONOMIC CONDITION

State Economy

The Governor's Budget Revision was issued in May 2021. The May Revision projects fiscal year 2021-22 general fund revenues and transfers of approximately \$175.92 billion, total expenditures of approximately \$267.79 billion and a year-end fund balance of approximately \$6.56 billion, of which \$3.18 billion would be reserved for liquidation of encumbrances and approximately \$3.39 billion would be deposited in a reserve fund for economic uncertainties.

The May Revision includes a projected balance of \$15.94 billion in the Budget Stabilization Account/Rainy Day Fund by the end of fiscal year 2021-22. The Coronavirus (COVID-19) pandemic has prompted extraordinary challenges to the State. However, through the State's science-based approach to the pandemic coupled with its strong fiscal position the State has managed to position itself for a strong economic recovery. As of May 2021, the State has reported one of the lowest COVID-19 positivity rates in the nation, which has led the State to project \$75.7 billion budget surplus. The budget surplus combined with over \$25 billion in federal relief will support a \$100 billion statewide California Comeback Plan aimed at speeding the State's recovery from the pandemic. As of June 2021, California's unemployment rate held steady at 7.7 percent in June, which was a substantial decrease from the 14.1% in June 2020.

Moreover, the California payroll jobs increased from 15.6 million as of June 2020 to 16.4 million as of June 2021. In the Revenue Forecast Report for the County of Riverside issued by the University of California (UC) Riverside School of Business, Center for Economic Development, it states that as of April 5, 2021, the State had administered over 20 million doses of the COVID-19 vaccine. About 45% of the State's residents have received at least one shot, while 27% have received two. As vaccination shots continue to be administered, the State's labor market will continue to recover as people return to normal activities and restrictions on businesses continue to be lifted.



Source: Employment Development Department, Labor Market Information Division, Preliminary September 2021

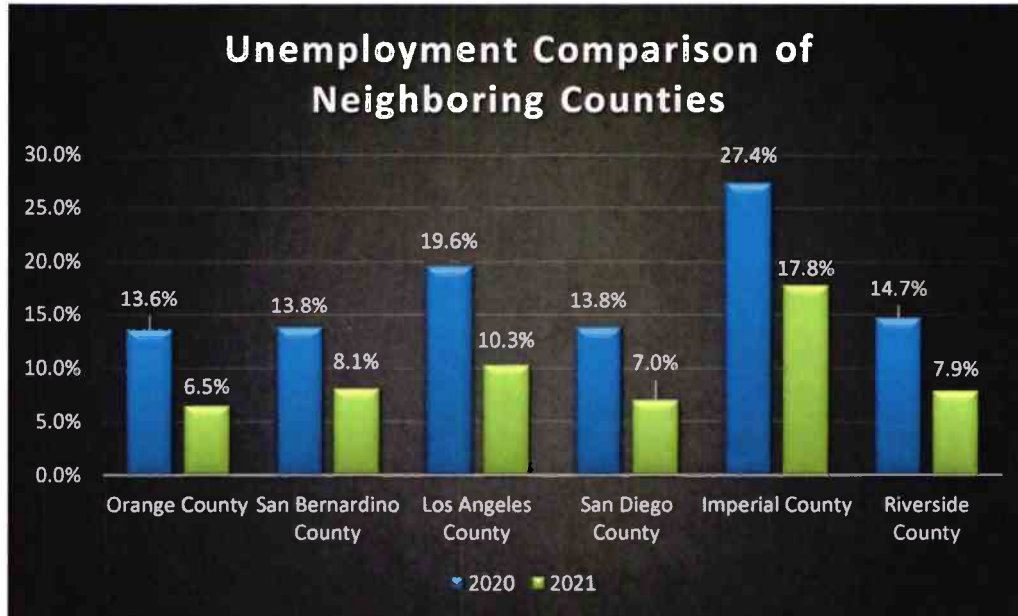
With gains throughout most sectors of the regional and State economy, Riverside County's unemployment rate dropped below 7% in September 2021. At the same time, California experienced an unemployment improvement also reaching a rate below 7%. This comes as the State has now regained 1,723,800, or 63.5 percent, of the 2,714,800 jobs that were lost in March and April 2020 due to the COVID-19 pandemic.

Local Economy

Riverside County's economy is currently undergoing a strong recovery. Riverside County recovered sharply in the third and fourth quarters of 2020 from pandemic-driven lows during the second quarter. Tax revenue in the first quarter of 2021 was above 2020 levels, aided by growth in e-commerce, and building and construction. With social-distancing constraints beginning to ease at State and County levels in the first quarter of 2021, consumption is starting to rebound, aided in part by additional federal stimulus. However, service industries in particular, such as restaurants and hotels, continue to struggle to raise business activity in lieu of the strong recovery the County is yielding. At this point, the Center for Economic Forecasting does not see financial volatility offsetting the growth momentum in the real economy.

The pandemic's impact on the housing market has been relatively mild. Real estate-driven forecasts, such as assessed value and property tax, show rapid recoveries due to the recent rebound in residential market activity. Riverside County's high levels of growth in the housing market are attributed to three factors. First, typical homebuyers (higher income earners) have been less affected by the labor market fallout. Second, mortgage rates are at historically low levels, spurring purchasing activity. And third, inventory is near historic lows in many parts of the State. During the first half of 2020, the housing market saw a drop, however, sales surged in the second half of 2020 and the first quarter of 2021. Riverside County experienced home sales growth of 25.5% from the first quarter of 2020 to the first quarter of 2021. Economic stimulus and low interest rates on mortgages have increased demand for housing throughout California. However, supply has not increased to meet these demands. In April 2021, there was only 1.6 months of housing supply in Riverside County. Although, the low-level of inventory could push the home prices up, the demand for homes in Riverside County remains strong.

The Center for Economic Forecasting expects statewide taxable sales to reach pre-COVID levels in calendar year 2021, following the trend seen with other consumer-demand indicators such as national retail sales and goods spending. While health mandates related to COVID-19 have been eased in recent months in Riverside County, the Center for Economic Forecasting will continue to monitor conditions and recalibrate its outlook accordingly. That said, it will take time for the economy to fully recover, but there is now a positive outlook with continued job growth and the on going vaccination roll-out in the State. This coupled with Riverside County entering the pandemic from a position of strength, points toward continued recovery for the regional economy.



Source: Employment Development Department, Labor Market Division, June 2021

Riverside County's unemployment rate dropped below 8% in fiscal year 2020-2021. Similarly, the unemployment rate between the surrounding counties has also displayed a decline. Southern California counties are experiencing a rapid expansion in the labor market due to the re-opening of business and the on going COVID-19 vaccination rollout in the State. Consequently, the neighboring counties' unemployment decreased on average of 17% in fiscal year 2019-2020 to 10% in fiscal year 2020-2021.

Relevant Financial Policies

To achieve the goal of providing outstanding and cost-effective public services, the County of Riverside applies sound management practices and policies that enhance the quality of life of its citizens. Such financial management practices have been identified by the Government Finance Officers Association and recognized as best practices that promote financial soundness, efficiency in government and solvency in public finance. The following committees have been established to aid in the implementation of oversight and transparency of such relevant financial policies:

Debt Advisory Committee provides advice to the Board on debt issuance and management.

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

Deferred Compensation Advisory Committee provides assurance of the financial stability of the deferred compensation plan through prudent monitoring of investments and costs.

Investment Oversight Committee reviews the County's investment policies.

Financial Reporting Awards

The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the County for its ACFR for the fiscal year ended June 30, 2020. This was the thirty-third consecutive year the County has achieved this prestigious award. In order to be awarded a *Certificate of Achievement*, a government entity must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements.

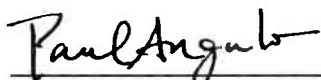
The County has also been awarded for *Outstanding Achievement* in the preparation of the Popular Annual Financial Report (PAFR), which is also referred to as Financial Highlights for the fiscal year ended June 30, 2020. This was the fifteenth consecutive year the County has achieved this award. In order to receive an award for *Outstanding Achievement in Popular Annual Financial Reporting*, a government entity must publish a PAFR, with contents conforming to program standards of creativity, presentation, understandability, and reader appeal. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR and PAFR continue to meet the Certificate of Achievement Programs' requirements and we are submitting both reports to the GFOA to determine the eligibility for new certificates.

Acknowledgments

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

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

Respectfully,



PAUL ANGULO, CPA, MA
RIVERSIDE COUNTY AUDITOR-CONTROLLER

COUNTY OF RIVERSIDE

List of Principal Officials As of June 30, 2021

ELECTED OFFICIALS

Board of Supervisors



KEVIN
JEFFRIES
First District



KAREN
SPIEGEL
Second District



CHUCK
WASHINGTON
Third District



V. MANUEL
PEREZ
Fourth District



JEFF
HEWITT
Fifth District

COUNTYWIDE ELECTED OFFICIALS



MICHAEL HESTRIN
District Attorney



CHAD BIANCO
Sheriff
Coroner
Public Administrator



PAUL ANGULO
Auditor
Controller



PETER ALDANA
Assessor
Clerk
Recorder



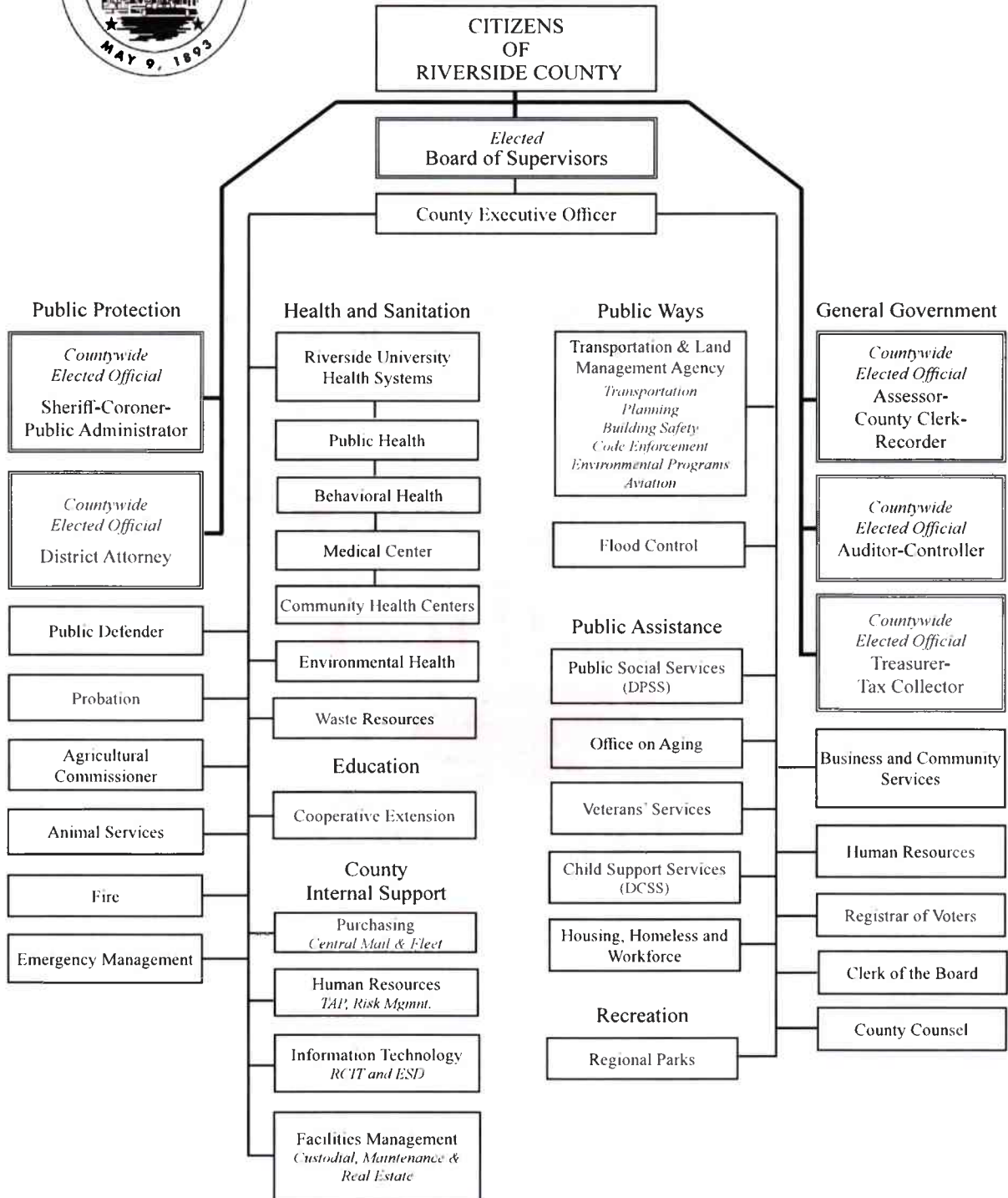
MATTHEW JENNINGS
Treasurer
Tax Collector

APPOINTED OFFICIALS

Jeffrey A. Van Wagenen, Jr.
County Executive Officer

GREGORY P. PRIAMOS
County Counsel

**COUNTY OF RIVERSIDE
ORGANIZATION CHART**





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Riverside
California**

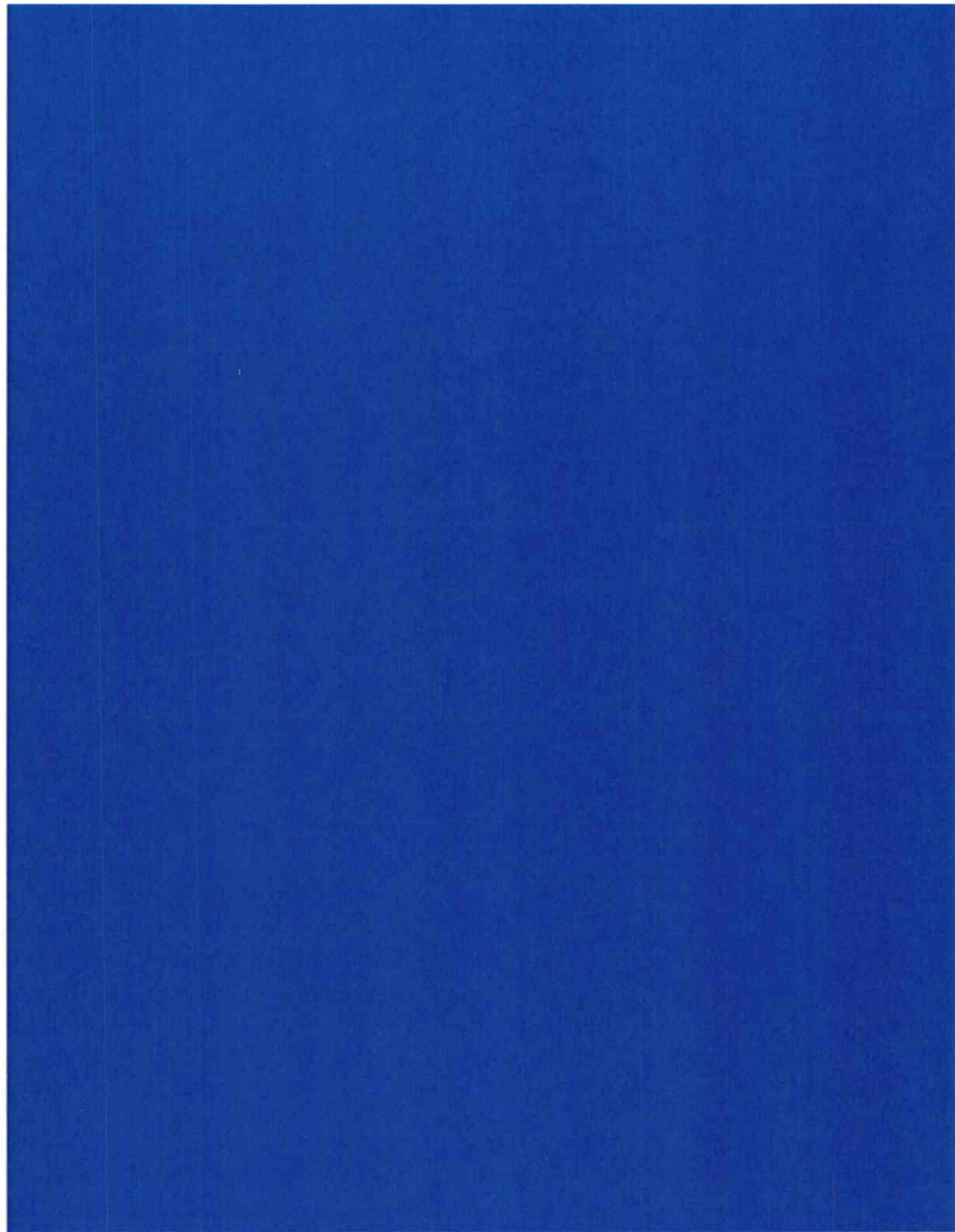
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL
SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
County of Riverside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Riverside, California, (the County) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

| <u>Opinion Unit</u> | <u>Assets</u> | <u>Revenues</u> |
|--------------------------------------|---------------|-----------------|
| Governmental Activities | 18% | 3% |
| Business-Type Activities | 18% | 11% |
| Aggregate Remaining Fund Information | 1% | 0% |
| Discretely Presented Component Unit | 100% | 100% |

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

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund, the Transportation Special Revenue Fund, and the Flood Control Special Revenue Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-24; the County's Retirement Plans schedules relating to net pension liabilities, changes in net pension liabilities, and pension contributions on pages 132-144; and the County's net and total other post-employment benefit (OPEB) liabilities, changes in net and total OPEB liabilities, and schedules of plan contributions on pages 145-151 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

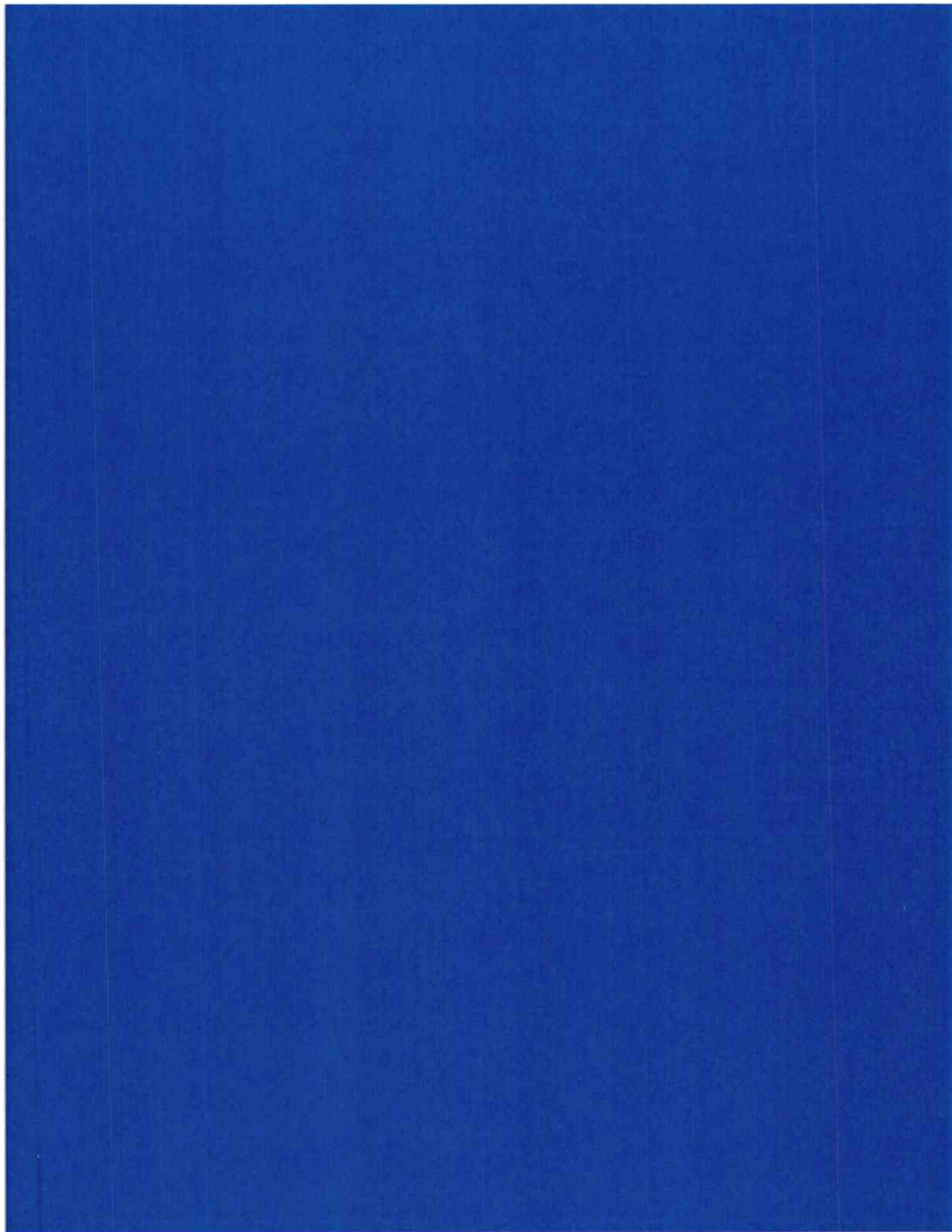
In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 3, 2021

MANAGEMENT'S DISCUSSION
AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Management's Discussion & Analysis (Unaudited)

This section of the County of Riverside's (the County) Annual Comprehensive Financial Report presents a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal beginning on page vii and the County's basic financial statements which begin on page 25.

FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2020-21, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.14 billion (*net position*). The net position included \$4.30 billion of net investment in capital assets, \$608.4 million of restricted resources for the County's ongoing obligations related to programs with external restrictions, and \$2.77 billion deficit of unrestricted resources.
- As of June 30, 2021, the County's governmental funds reported combined fund balances of \$1.38 billion, an increase of \$184.5 million in comparison with the prior year. Approximately 26.9% of this amount (\$370.8 million) is available for spending at the County's discretion (*unassigned fund balance*).
- At the end of the fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$421.8 million, or approximately 12.4% of total general fund expenditures.
- The change in capital assets net of accumulated depreciation resulted from increases in land, easements, and construction in progress.
- On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts. As part of the \$362.00 billion in fiscal recovery aid for state and local governments, \$65.10 billion is provided in direct aid to counties. The deadline for expenditure of the ARPA funds is December 31, 2024. Riverside County's share of the ARPA funding is \$479.9 million, and the County is in receipt of the first installment of \$240.0 million, with the second installment expected in May 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This management's discussion and analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements which are comprised of the following three components: (1) Government-wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements.

In addition to the basic financial statements, *Required Supplementary Information* is included to provide additional detail to support the basic financial statements.

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

The *statement of net position* presents financial information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or declining. The statement of net position in summary can be found on page 7, and in more detail on page 25.

The *statement of activities*, presented on page 9 in summary and on pages 26-27 in detail, provides information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. For example, property tax revenues are recorded when accrued but not yet collected, and when expenditures for compensated absences are accrued, but not yet paid.

Management's Discussion & Analysis (Unaudited)

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services. Governmental activities include six major funds, twenty-one nonmajor funds, and a representative allocation of the County's internal service funds. The six major governmental funds are the general fund, transportation special revenue fund, flood control special revenue fund, Teeter debt service fund, CARES Act Coronavirus Relief special revenue fund, and ARP Act Coronavirus Relief special revenue fund. The business-type activities of the County include three major enterprise funds and three nonmajor funds. The major enterprise funds are the Riverside University Health Systems-Medical Center (RUHS-MC), Waste Resources, and the Housing Authority.

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

The financial information for the Children and Families Commission (the Commission), a legally separate component unit whose governing body is appointed by and serves at the will of the County, is presented separately from the financial information of the primary government.

The blended component units are:

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

Fund Financial Statements, illustrated on pages 30-48, provide information regarding the three major categories of County funds – governmental, proprietary, and fiduciary. The focus of governmental and proprietary fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

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

Management's Discussion & Analysis (Unaudited)

government-wide financial statements in order to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains several individual governmental funds organized according to their type (general, special revenue, debt service, capital projects, and permanent funds). The governmental fund financial statements present the financial information of each major fund (the general fund, transportation special revenue fund, flood control special revenue fund, Teeter debt service fund, CARES Act Coronavirus Relief special revenue fund, and ARP Act Coronavirus Relief special revenue fund) in separate columns.

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

Budgetary comparison statements are also included in the fund financial statements. The statements present the County's annual estimated revenue and appropriation budgets for all governmental fund budgets except for District Court Financing Corporation, Inland Empire Tobacco Securitization Authority, and Perris Valley Cemetery Endowment Fund. The budgetary comparison statements have been provided to demonstrate compliance with their respective budgets.

Proprietary Funds are used to account for services for which the County charges customers, either outside customers or internal departments of the County. Proprietary funds statements, found on pages 43-46, provide the same type of information as shown in the government-wide financial statements with more detail. The County maintains the following two types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for RUHS-MC, Waste Resources, Housing Authority, County Service Areas, Flood Control, Aviation and Riverside University Health Systems – Community Health Centers (RUHS-CHC). RUHS-MC, Waste Resources, and Housing Authority financial statements are reported in separate columns of the proprietary fund statements due to the materiality criteria defined by GASB Statement No. 34, as amended. Financial information for the remaining enterprise funds (nonmajor funds) is combined into a single, aggregated presentation. Individual fund statements for County Service Areas, Flood Control, Aviation and RUHS-CHC are presented in the supplementary information section.
- *Internal service funds* are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its fleet services, information services, central mail services, supply services, human resources, risk management, temporary assistance pool, economic development agency (facilities management), and flood control equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund financial information for each internal service fund is provided in the supplementary information section.

Fiduciary Funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's programs nor be reflected in the government-wide financial statements. Fiduciary funds maintained by the County include a pension trust fund, investment trust funds, private-purpose trust funds, and custodial funds. The fiduciary fund financial statements, on pages 47-48, are presented on the economic resources measurement focus and the accrual basis of accounting.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for fair presentation of the financial information in the government-wide and fund financial statements. The notes can be found on pages 49-130 of this report.

Required Supplementary Information provides changes in net pension liability and related ratios, employer contributions to the pension plans, changes in net other postemployment benefits (OPEB) liability and related ratios,

Management's Discussion & Analysis (Unaudited)

employer contributions to the OPEB plans, and changes in total OPEB liability and related ratios. Required supplementary information can be found on pages 132-151 of this report.

Combining and individual fund statements and budgetary schedules provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds, and are presented immediately following the required supplementary information. Combining and individual fund statements and budgetary schedules can be found on pages 153-207 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. The table below focuses on the net position and changes in net position in the County's governmental and business-type activities. It presents an analysis of the County's net position as of June 30, 2021, in comparison to the prior fiscal year 2019-20. At the end of current fiscal year, the County reported positive net position in two of the three categories: net investment in capital assets and restricted net position. Total assets and deferred outflows of resources, as indicated below, exceeded liabilities and deferred inflows of resources by \$2.14 billion, representing an increase of \$780.7 million (\$782.8 million changes in net position and a net restatement of \$2.1 million, see Note 3), or 57.5%. A more detailed statement can be found on page 25 in the government-wide financial statements.

STATEMENT OF NET POSITION June 30, 2021 and 2020 (In thousands)

| | Governmental | | Business-type | | Total | | Total | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|---------------|
| | Activities | | Activities | | Total | | Dollar | Percentage |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | Change | Change |
| Assets: | | | | | | | | |
| Current and other assets | \$ 3,268,460 | \$ 2,975,153 | \$ 483,156 | \$ 573,787 | \$ 3,751,616 | \$ 3,548,940 | \$ 202,676 | 5.7% |
| Capital assets | 5,063,604 | 5,000,676 | 565,850 | 541,267 | 5,629,454 | 5,541,943 | 87,511 | 1.6% |
| Total assets | 8,332,064 | 7,975,829 | 1,049,006 | 1,115,054 | 9,381,070 | 9,090,883 | 290,187 | 3.2% |
| Deferred outflows of resources: | 788,144 | 764,006 | 142,238 | 109,422 | 930,382 | 873,428 | 56,954 | 6.5% |
| Total deferred outflows of resources | 788,144 | 764,006 | 142,238 | 109,422 | 930,382 | 873,428 | 56,954 | 6.5% |
| Liabilities: | | | | | | | | |
| Current liabilities | 1,271,992 | 1,210,919 | 310,417 | 359,427 | 1,582,409 | 1,570,346 | 12,063 | 0.8% |
| Long-term liabilities | 5,447,297 | 5,824,415 | 1,021,026 | 1,066,385 | 6,468,323 | 6,890,800 | (422,477) | -6.1% |
| Total liabilities | 6,719,289 | 7,035,334 | 1,331,443 | 1,425,812 | 8,050,732 | 8,461,146 | (410,414) | -4.9% |
| Deferred inflows of resources: | 106,485 | 124,935 | 16,600 | 21,330 | 123,085 | 146,265 | (23,180) | -15.8% |
| Total deferred inflows of resources | 106,485 | 124,935 | 16,600 | 21,330 | 123,085 | 146,265 | (23,180) | -15.8% |
| Net position: | | | | | | | | |
| Net investment in capital assets | 4,037,279 | 3,042,172 | 263,411 | 228,265 | 4,300,690 | 3,270,437 | 1,030,253 | 31.5% |
| Restricted | 554,386 | 735,739 | 54,017 | 56,744 | 608,403 | 792,483 | (184,080) | -23.2% |
| Unrestricted | (2,297,231) | (2,198,345) | (474,227) | (507,675) | (2,771,458) | (2,706,020) | (65,438) | 2.4% |
| Total net position | \$ 2,294,434 | \$ 1,579,566 | \$ (156,799) | \$ (222,666) | \$ 2,137,635 | \$ 1,356,900 | \$ 780,735 | 57.5% |

Management's Discussion & Analysis (Unaudited)

Analysis of Net Position

Below are the three components of net position and their respective balances as of June 30, 2021:

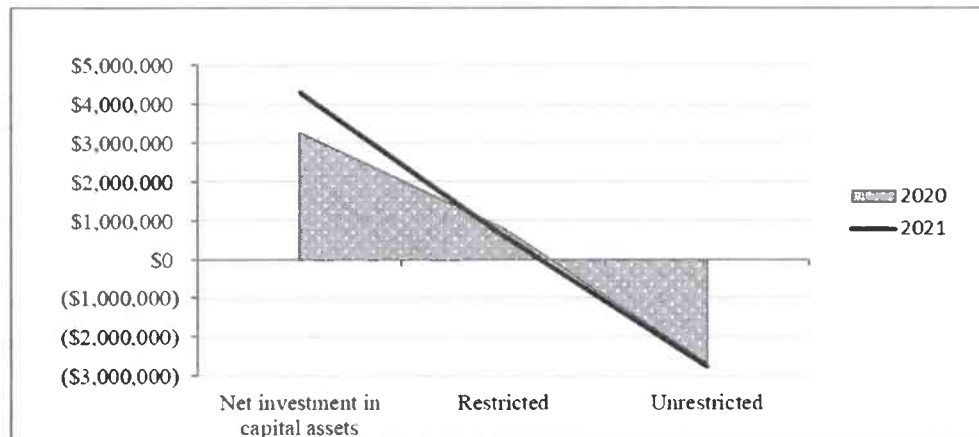
The largest portion of the County's net position reflects its net investment in capital assets of \$4.30 billion, an increase of \$1.03 billion, or 31.5%, from prior fiscal year. This component consists of capital assets such as land and easements, structures and improvements, infrastructure, and equipment, net of accumulated depreciation. The amount is further reduced by any debt attributable to the acquisition, construction, or improvement of the assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

The restricted net position is \$608.4 million, a decrease of \$184.1 million, or 23.2%, from prior fiscal year, and represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The unrestricted net position is negative \$2.77 billion, a decrease of \$65.4 million, or 2.4%, from the prior year. The negative unrestricted net position resulted from GASB Statement No. 68 related to pensions and its requirement to record a net pension liability on the government-wide financial statements as pension costs increased in the current year. The factors contributing to increased pension costs include salary increases, retirements, and retiree cost-of-living adjustments were greater than expected; terminations and retiree deaths were fewer than expected.

The overall increase in net position of governmental and business-type activities was attributed to several contributing factors. The annual contribution to retirement plans for fiscal year 2020-21 was \$396.5 million, a decrease of \$703.7 million, or 200.0%, from fiscal year 2019-20. The significant decrease was due to the issuance of the Taxable Pension Obligation Bonds, Series 2020 in fiscal year 2019-20. The Series 2020 bonds were issued to refund a portion of the County's obligation to the California Public Employees Retirement System (CalPERS) under the CalPERS Contract, evidencing a portion of the County's obligation to pay the County's unfunded accrued actuarial liability to CalPERS. There was a decrease in public protection expenditures of \$807.7 million and a decrease of \$103.6 million in health and sanitation expenditures. The operating expenses in business-type activities decreased by \$38.1 million, or 3.7%. There was a decrease of \$46.9 million, or 6.4%, by RUHS-MC. This was mostly related to a decrease in pension contribution costs. Operating expenses increased by \$10.1 million, or 10.5%, for RUHS-CHC. This was mainly due to increases in professional services.

**Statement of Net Position
June 30, 2021 and 2020
(In thousands)**



Management's Discussion & Analysis (Unaudited)

The following table provides information from the Statement of Activities of the County for the fiscal year ended June 30, 2021 as compared to the prior year:

CHANGES IN NET POSITION For the fiscal years ended June 30, 2021 and 2020 (In thousands)

| | Governmental Activities | | Business-type Activities | | Total | | Total | |
|--|----------------------------|---------------------|-----------------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | Dollar Change | Percentage Change |
| Revenues: | | | | | | | | |
| Program revenues: | | | | | | | | |
| Charges for services | \$ 773,439 | \$ 768,139 | \$ 1,008,735 | \$ 895,026 | \$ 1,782,174 | \$ 1,663,165 | \$ 119,009 | 7.2% |
| Operating grants and contributions | 2,741,915 | 2,291,206 | - | - | 2,741,915 | 2,291,206 | 450,709 | 19.7% |
| Capital grants and contributions | 29,455 | 32,453 | 559 | 355 | 30,014 | 32,808 | (2,794) | -8.5% |
| General revenues: | | | | | | | | |
| Property taxes | 456,794 | 424,417 | - | - | 456,794 | 424,417 | 32,377 | 7.6% |
| Sales and use taxes | 39,204 | 30,745 | - | - | 39,204 | 30,745 | 8,459 | 27.5% |
| Unrestricted intergovernmental revenue | 316,426 | 320,206 | - | - | 316,426 | 320,206 | (3,780) | -1.2% |
| Investment earnings | 5,263 | 44,139 | 1,063 | 4,841 | 6,326 | 48,980 | (42,654) | -87.1% |
| Other | 336,867 | 279,802 | - | - | 336,867 | 279,802 | 57,065 | 20.4% |
| Total revenues | 4,699,363 | 4,191,107 | 1,010,357 | 900,222 | 5,709,720 | 5,091,329 | 618,391 | 12.1% |
| Expenses: | | | | | | | | |
| General government | 314,381 | 336,802 | - | - | 314,381 | 336,802 | (22,421) | -6.7% |
| Public protection | 1,401,403 | 2,209,120 | - | - | 1,401,403 | 2,209,120 | (807,717) | -36.6% |
| Public ways and facilities | 205,503 | 239,741 | - | - | 205,503 | 239,741 | (34,238) | -14.3% |
| Health and sanitation | 655,911 | 759,480 | - | - | 655,911 | 759,480 | (103,569) | -13.6% |
| Public assistance | 1,197,256 | 1,236,525 | - | - | 1,197,256 | 1,236,525 | (39,269) | -3.2% |
| Education | 33,123 | 32,607 | - | - | 33,123 | 32,607 | 516 | 1.6% |
| Recreation and cultural services | 20,891 | 22,939 | - | - | 20,891 | 22,939 | (2,048) | -8.9% |
| Interest on long-term debt | 96,782 | 69,034 | - | - | 96,782 | 69,034 | 27,748 | 40.2% |
| Riverside University Health Systems - Medical Center | - | - | 691,361 | 738,306 | 691,361 | 738,306 | (46,945) | -6.4% |
| Waste Resources | - | - | 98,347 | 104,445 | 98,347 | 104,445 | (6,098) | -5.8% |
| Housing Authority | - | - | 100,036 | 99,066 | 100,036 | 99,066 | 970 | 1.0% |
| County Service Areas | - | - | 336 | 254 | 336 | 254 | 82 | 32.3% |
| Flood Control | - | - | 2,365 | 2,245 | 2,365 | 2,245 | 120 | 5.3% |
| Riverside University Health Systems - Community Health Centers | - | - | 105,421 | 95,371 | 105,421 | 95,371 | 10,050 | 10.5% |
| Aviation | - | - | 3,759 | - | 3,759 | - | 3,759 | 100.0% |
| Total expenses | 3,925,250 | 4,906,248 | 1,001,625 | 1,039,687 | 4,926,875 | 5,945,935 | (1,019,060) | -17.1% |
| Excess (deficiency) before transfers | 774,113 | (715,141) | 8,732 | (139,465) | 782,845 | (854,606) | 1,637,451 | -191.6% |
| Transfer in (out) | (54,670) | (55,533) | 54,670 | 55,533 | - | - | - | 0.0% |
| Change in net position, before extraordinary items | 719,443 | (770,674) | 63,402 | (83,932) | 782,845 | (854,606) | 1,637,451 | -191.6% |
| Extraordinary items | - | - | - | (285) | - | (285) | 285 | 100.0% |
| Change in net position | 719,443 | (770,674) | 63,402 | (84,217) | 782,845 | (854,891) | 1,637,736 | -191.6% |
| Net position, beginning of year, as restated | 1,574,991 | 2,350,240 | (220,201) | (138,449) | 1,354,790 | 2,211,791 | (857,001) | -38.7% |
| Net position, end of year | \$ 2,294,434 | \$ 1,579,566 | \$ (156,799) | \$ (222,666) | \$ 2,137,635 | \$ 1,356,900 | \$ 780,735 | 57.5% |

Management's Discussion & Analysis (Unaudited)

Analysis of Changes in Net Position

The following are specific major factors that resulted in the net position changes in governmental activities between fiscal years 2020-21 and 2019-20 as shown in the table on page 9.

Revenues for governmental activities

Total revenues for governmental activities were \$4.70 billion, an increase of \$508.3 million, or 12.1%, from the previous year. This increase consisted of increases in program revenues of \$453.0 million and general revenues of \$55.2 million. The largest share of program revenues were operating grants and contributions which accounted for 77.4%. Operating grants and contributions are monies received from parties outside the County and are generally restricted to one or more specific programs such as State and Federal revenue for public assistance and health and sanitation. Charges for services are revenues that arise from charges to external customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. General revenues are used to support program activities Countywide. Example of general revenues include property tax, sales and use tax, as well as other County levied tax, investment income, rents and concessions, contributions and donation, and sales of surplus property.

The increase in program revenues was primarily comprised of the following:

- Charges for services increased by \$5.3 million, or 0.7%. There was an increase of \$5.9 million related to document recording fees, which was offset by a decrease of \$715.8 thousand related to sheriff extra duty services.
- Operating grants and contributions increased by \$450.7 million, or 19.7%. There was a significant increase of \$224.3 million in federal revenue, which relates to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. There was a \$41.3 million increase in federal disaster aid received by the Emergency Management Department. There was also a \$25.0 million increase in the Emergency Rental Relief Assistance Program. There was a \$16.1 million increase in state revenues due to changes in program expenditures in CalWORKs, Welfare to Work, CalFresh, Medi-Cal, In-Home Support Services, Foster Care, and Adoption Services. The Sheriff Department received an increase in \$15.0 million due to COVID-19 pandemic reimbursement related to Penal Code 4750.

The increase in general revenues was largely attributable to:

- Property taxes revenues increased by \$32.4 million, or 7.6%. The increase is due to the growth of assessed property valuations, increases in changes of ownership of real estate, and rising values in all sectors of the commercial real estate and residential markets.
- Sales and use taxes revenues increased by \$8.5 million, or 27.5%, due to an increase in consumer online spending.
- Investment earnings decreased by \$38.9 million, or 88.1%. The decrease was due to actions taken by the Federal Reserve which have caused interest earnings to decline.
- Other revenues increased by \$57.1 million, or 20.4%. The increase was mainly due to the impact of the appellate court decision in City of Chula Vista v. Sandoval, et. al. on the calculation of residual payments from the Redevelopment Property Tax Trust Fund. According to the court's decision, the methodology should include pass-through payments prior to determining the Assembly Bill (AB) 8 pro rata share and thereby equalize the tax distributions to those taxing entities with favorable pass-through agreements and those without.

Expenses for governmental activities

Total expenses for governmental activities were \$3.93 billion for the current fiscal year, a decrease of \$981.0 million, or 20.0%, as compared to prior fiscal year. The following are the key components accounting for the variances:

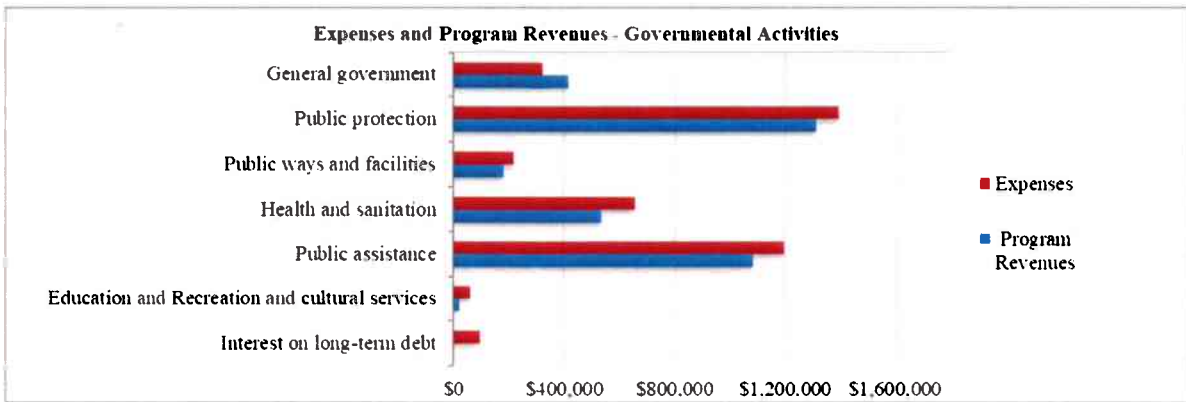
- The expenses in general government decreased by \$22.4 million, or 6.7%. The decrease was mainly due to the fiscal year 2019-20 payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. This was offset by an increase of \$26.8 million in expenditures for the Community Services fund related to federal funding received in response to

Management's Discussion & Analysis (Unaudited)

the COVID-19 pandemic. This funding was used to help the local business community by providing grant assistance to address the impacts of COVID-19.

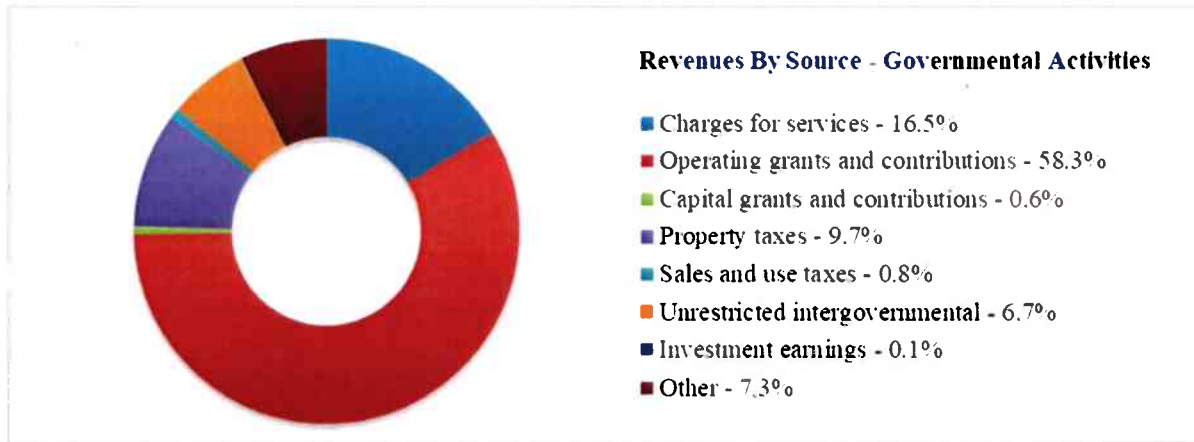
- The expenses in public protection decreased by \$807.7 million, or 36.6%. There was a decrease due to the fiscal year 2019-20 payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. There was also a \$2.4 million decrease in the Inmate Welfare Fund due to the reclassification of the fund type from fiduciary to special revenue fund. The fund reclassification was due to the implementation of GASB Statement No. 84, *Fiduciary Activities*.
- The expenses in health and sanitation decreased by \$103.6 million, or 13.6%. This was due to the fiscal year 2019-20 payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. This was offset by an increase of \$28.5 million in the general fund related to salaries and benefits.
- The expenses in public assistance decreased by \$39.3 million, or 3.2%. This was due to the fiscal year 2019-20 payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. This was offset by an increase of \$114.4 million in the Community Services fund related to federal funding received in response to the COVID-19 pandemic. The funding was mainly for the Riverside County Emergency Rental Assistance Program and the Emergency Rental Assistance Eviction Protection Program.
- The \$27.7 million increase in interest on long-term debt is due mainly to the Taxable Pension Obligation Bonds, Series 2020 that were issued in fiscal year 2019-20.

The following chart displays expenses and the associated program revenues by function for the governmental activities for the fiscal year ended June 30, 2021 (In thousands):



Management's Discussion & Analysis (Unaudited)

The chart below presents the percentage of total revenues by source for governmental activities:



Business-type Activities

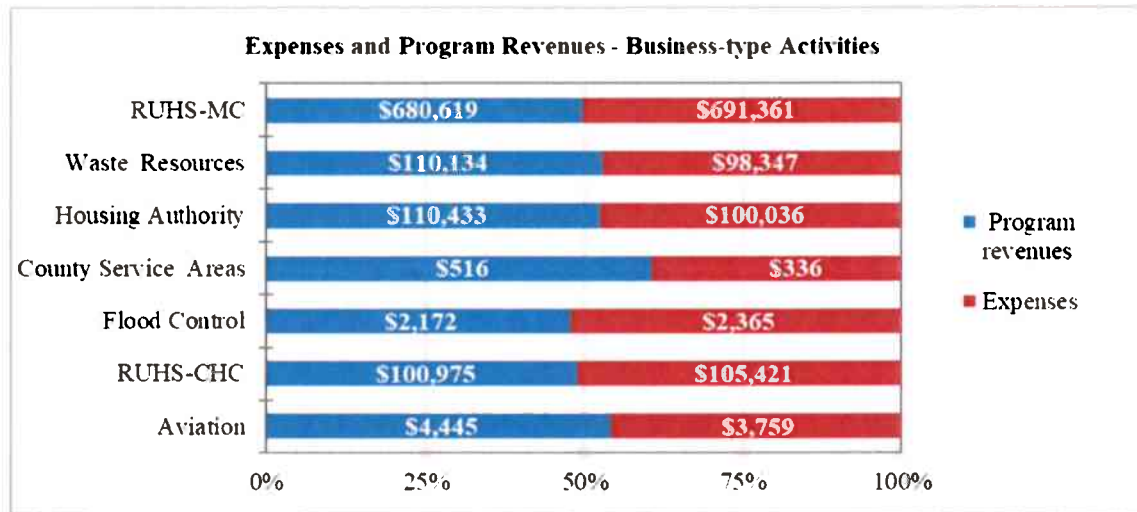
The County has three major business-type activity funds: RUHS-MC, Waste Resources, and Housing Authority. In addition, Flood Control, County Service Areas, Aviation and RUHS-CHC are included in the business-type activities of the County. Business-type activities recover all or a significant portion of their costs through user fees and charges and provide services primarily to non-County entities.

Revenues: For the current year, \$1.01 billion, or 99.9%, of business-type activities program revenue was received from charges for services, a percentage consistent with the prior fiscal year. The majority of this revenue, \$680.1 million, was received by RUHS-MC as compared to \$631.9 million for the prior fiscal year. The increase was mainly attributed to higher patient revenue from in-patients and out-patients visits and therefore increases in insurance contracts revenues and other collection sources, as well as increased state compensation for care of patients with Medical insurance.

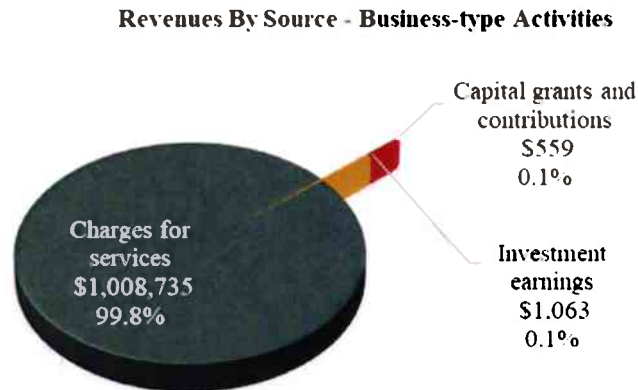
Expenses: Total expenses for business-type activities were \$1.00 billion for the fiscal year compared to \$1.04 billion for the prior fiscal year. This represents a decrease of \$38.1 million, or 3.7%. The majority of the decrease in expenses was incurred by RUHS-MC of \$46.9 million which was offset by an increase in expenses by RUHS-CHC of \$10.1 million. The decrease by RUHS-MC was mainly attributed to salaries and benefits decreases and decreases in Maintenance of building and equipment. The increase related to RUHS-CHC was mainly due to an increase in supplies and services.

Management's Discussion & Analysis (Unaudited)

The following chart displays expenses and the associated program revenues by function for the business-type activities for the fiscal year ended June 30, 2021 (In thousands):



The chart below presents the percentage of total revenues (In thousands) by source for business-type activities:



FINANCIAL ANALYSIS OF FUND STATEMENTS

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

Governmental Funds

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

Management's Discussion & Analysis (Unaudited)

As of June 30, 2021, the County's governmental funds reported combined fund balances of \$1.38 billion, an increase of \$184.5 million in comparison with the prior year. The components of total fund balance are as follows (See Note 16 - Fund Balances for additional information):

- Nonspendable fund balance – \$5.4 million, amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance – \$809.8 million, amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance – \$91.5 million, amounts that are committed for a specific purpose. These funds require action from the Board of Supervisors to remove or change the specified use.
- Assigned fund balance – \$98.4 million, amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. Assigned amounts cannot cause a deficit in unassigned fund balance.
- Unassigned fund balance – \$370.8 million, funds that are not reported in any other category and are available for any purpose within the general fund.

Total governmental fund revenue increased by \$495.3 million, or 12.2%, from the prior fiscal year with \$4.54 billion being recognized for the fiscal year ended June 30, 2021. Expenditures decreased by \$346.5 million, or 7.4%, from the prior fiscal year with \$4.31 billion being expended for governmental functions during fiscal year 2020-21. Overall, governmental fund balance increased by \$184.5 million, or 15.5%. In comparison, fiscal year 2019-20 had an increase in governmental fund balance of \$81.5 million, or 7.3%, over fiscal year 2018-19.

The general fund is the primary operating fund of the County. At the end of fiscal year 2020-21, the general fund's total fund balance was \$566.9 million, as compared to \$401.7 million in fiscal year 2019-20. As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The nonspendable portion of fund balance was \$2.8 million, and the spendable portion was \$564.1 million. The current year unassigned fund balance is 10.9% of the total general fund expenditures of \$3.40 billion, as compared to 7.8% of the prior year expenditures total of \$3.30 billion. The total fund balance of the general fund for the current year is 16.7% of the total general fund expenditures as compared to 12.2% for the prior year.

The fund balance of the County's general fund increased by \$165.2 million during the current fiscal year. The overall increase in net position was due to federal funding received in response to the coronavirus pandemic. Other factors contributing to the increase in fund balance were the result of operations as discussed in the general fund financial analysis on pages 15 and 16.

Transportation fund balance increased by \$16.1 million, or 14.5%, due mainly to an increase in funding related to Senate Bill (SB) 1.

Flood control fund balance increased by \$1.1 million, or 0.4%. The increase in fund balance is primarily a result of an increase in property taxes and redevelopment revenues received during the current fiscal year.

CARES Act Coronavirus Relief fund increased by \$7.0 thousand, or 0.4%. The increase is primarily due to interest earnings.

ARP Act Coronavirus Relief fund increased by \$130.0 thousand, or 100%. The increase in fund balance is due to the establishment of the special revenue fund in fiscal year 2020-21 to account for federal assistance received in response to the coronavirus pandemic.

Other Governmental Funds

The \$1.9 million, or 0.5%, increase in nonmajor governmental funds fund balance was primarily due to federal funding received in the special revenue funds in response to the coronavirus pandemic. In fiscal year 2020-21, the Pension Obligation Fund became a nonmajor fund and the ARP Act Coronavirus Relief Fund became a major fund.

Management's Discussion & Analysis (Unaudited)

Proprietary Funds

The County's proprietary funds financial statements provide the same type of information as the government-wide financial statements, but in more detail. The RUHS-MC, Waste Resources, and Housing Authority are shown in separate columns of the fund statements due to materiality criteria as defined by GASB Statement No. 34, as amended. In addition, the internal service funds are combined into a single, aggregated presentation in the proprietary fund statements with the individual fund data provided in the combining statements, which can be found in the supplemental information section.

At the end of the fiscal year, total proprietary fund net position was \$12.4 million, compared to a negative \$52.2 million from prior fiscal year; this represents an increase of \$64.6 million, or 123.7%. The funds accounting for the majority of the variance were RUHS-MC, Internal Service funds, and Other. The total increase in net position for RUHS-MC and Other were \$51.8 million and \$17.8 million, respectively. Factors concerning the finances of these two funds have been previously discussed in the business-type activities on page 12. These increases were offset by a decrease of \$33.1 million in the Internal Service funds, which includes a restatement of \$2.0 million. This was mainly due to the Risk Management fund with a decrease in net position of \$36.3 million.

GENERAL FUND FINANCIAL ANALYSIS

Revenues and other financing sources for the general fund, including comparative amounts from the preceding year, are shown in the following tabulation:

General Fund - Revenues by Source
For the fiscal years ended June 30, 2021 and 2020
(In thousands)

| Revenues by Source | 2021 | | 2020 | | Increase / (Decrease) | |
|----------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|-------------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percentage of Change |
| Taxes | \$ 397,329 | 10.5% | \$ 336,983 | 9.7% | \$ 60,346 | 17.9% |
| Intergovernmental revenues | 2,400,474 | 63.5% | 2,257,054 | 65.2% | 143,420 | 6.4% |
| Charges for services | 523,997 | 13.9% | 510,103 | 14.7% | 13,894 | 2.7% |
| Other revenue | 163,017 | 4.3% | 176,612 | 5.1% | (13,595) | -7.7% |
| Other financing sources | 295,750 | 7.8% | 183,121 | 5.3% | 112,629 | 61.5% |
| Total | \$ 3,780,567 | 100.0% | \$ 3,463,873 | 100.0% | \$ 316,694 | 9.1% |

General fund revenues had an overall increase of \$316.7 million, or 9.1%, from the prior year. The increase was due primarily to the changes in the following:

- The increase in *Taxes* of \$60.3 million during the current fiscal year was due to a continual growth in assessed values year by year and redevelopment property tax trust fund distribution. Additionally, the increase was due to the impact of the appellate court decision in *City of Chula Vista v. Sandoval, et. al.* on the Calculation of Residual Payments from the Redevelopment Property Tax Trust Fund. According to the court's decision, the methodology should not have deducted the pass-through amounts prior to determining the AB8 share.
- The increase of \$143.4 million in *Intergovernmental revenues* was primarily attributed to increases due to the CARES Act Relief Funding to local governments which provided support for realigned programs during the pandemic.
- *Charges for services* increased by \$13.9 million. During fiscal year 2019-20, the Sheriff Department experienced a slight decrease in revenue due to facility closures during the pandemic, which led to the Sheriff's contracts to be halted until businesses reopened. In fiscal year 2020-21, schools reopened, and those contracts resumed.

Management's Discussion & Analysis (Unaudited)

- The decrease in *other revenue* of approximately \$13.6 million relates to the decrease in interest income in the current year compared to the interest earned in the prior fiscal year.
- The increase in *other financing sources* of approximately \$112.6 million was primarily related to the coronavirus relief funding; the CARES Act provided additional funding to cover the expenditures incurred due to the public health emergency with respect to the COVID-19 pandemic.

Expenditures and other financing uses for the general fund, including comparative amounts from the preceding year, are shown in the following tabulation:

General Fund - Expenditures by Function
For the fiscal years ended June 30, 2021 and 2020
(In thousands)

| Expenditures by Function | 2021 | | 2020 | | Increase / (Decrease) | |
|--------------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|-------------------------|
| | Amount | Percent of Total | Amount | Percent of Total | Amount | Percentage of Change |
| General government | \$ 120,250 | 3.3% | \$ 120,724 | 3.5% | \$ (474) | -0.4% |
| Public protection | 1,573,840 | 43.5% | 1,477,295 | 42.5% | 96,545 | 6.5% |
| Health and sanitation | 656,502 | 18.2% | 627,950 | 18.1% | 28,552 | 4.5% |
| Public assistance | 1,011,834 | 28.0% | 1,010,175 | 29.1% | 1,659 | 0.2% |
| Other expenditures | 36,977 | 1.0% | 56,548 | 1.6% | (19,571) | -34.6% |
| Other financing uses | 215,946 | 6.0% | 179,954 | 5.2% | 35,992 | 20.0% |
| Total | \$ 3,615,349 | 100.0% | \$ 3,472,646 | 100.0% | \$ 142,703 | 4.1% |

General fund expenditures had an overall increase of \$142.7 million, or 4.1%, from the prior year. Significant changes are as follows:

- The increase in *Public protection* of \$96.5 million was due to the cost incurred to combat the COVID-19 pandemic which included an increase of \$62.0 million in services and supplies. In addition, there was a \$25.0 million increase in salaries and employee benefits because of union negotiations that granted additional step increases to those employees that were at the top of their salary scale. During the fiscal year there was also a \$7.6 million increase in equipment purchases.
- The increase in *Health and sanitation* of \$28.6 million was attributed to a \$23.0 million increase in salaries and employee benefit costs mainly seen in community health and mental health services. Also, a \$6.0 million increase in services and supplies expenditures were incurred to provide medical services.
- The decrease in *Other expenditures* of \$19.6 million was mainly due to a decrease of \$18.2 million in capital outlay, which resulted from the County halting purchases of capital assets due to the uncertainty with the COVID-19 pandemic.
- The increase in *Other financing uses* of \$36.0 million was due to a \$23.0 million increase for financing debt service payments according to the debt service schedules for the various outstanding bonds of the County. There was also an increase in contributions to Mental Health of \$8.0 million and an increase of \$4.8 million for the County's contribution to the OPEB Trust.

Management's Discussion & Analysis (Unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Variance between General Fund Original Adopted and Final Budgets

Estimated Revenue Variances

The original adopted General Fund estimated revenue budget decreased by \$85.2 million, or 2.2%, from \$3.82 billion to the final revenue budget of \$3.73 billion. The major estimated revenue variances are described as follows:

Charges for services: Decreased by \$78.1 million, or 12.0%, from \$651.3 million to \$573.2 million. The primary decrease was due to intergovernmental activities of \$89.8 million, which was offset by a budget increase related to the District Attorney Department for approximately \$13.2 million related to grant awards from several granting agencies.

Other revenue: Decreased by \$49.1 million, or 39.7%, from \$123.7 million to \$74.6 million. The primary decrease was due to intergovernmental activities of \$199.7 million, which was offset by a budget increase of \$69.4 million received by the Emergency Management Department. There was an increase of \$54.5 million related to the Public Health Department as CARES ACT and Federal Emergency Management Agency (FEMA) funding was received to support COVID-19 response efforts to provide operating services in the County. Finally, the Sheriff Department received an increase of \$14.4 million funding from the CARES ACT to house inmates due to temporary stoppage of prison intake.

Expenditure Appropriation Variances

The original adopted General Fund appropriation budget increased by \$6.3 million, or 0.2%, from \$3.88 billion to the final appropriation budget of \$3.89 billion. The major expenditure appropriation variances are described as follows:

General government: The original recommended appropriation budget for General government decreased by \$61.1 million, or 24.8%, from \$246.7 million to the final appropriation budget of \$185.6 million. The major appropriation variances are described below.

- *Services and supplies* increased by \$7.8 million, or 8.4%, from \$92.6 million to \$100.4 million. An increase of \$3.0 million was noted in the Human Resources Department related to information technology services and increases in rent/lease charges. There was an increase of \$2.2 million for the Registrar of Voters Department related to the implantation of voter assistance centers.
- *Other charges* decreased by \$63.9 million, or 61.1%, from \$104.6 million to \$40.7 million. The primary decrease is due to intergovernmental activities.
- *Appropriation for contingencies* decreased by \$5.1 million or 25.7%, from \$20.0 million to \$14.9 million. Contingency budgets are established to cover urgent, unforeseeable budget overrun and mission-critical issues. The primary decrease was due to the Executive Office advancing funds from contingencies to the Fair and Date Festival event to cover COVID-19 pandemic related revenue deficiencies and to continue appropriate maintenance levels to the fairgrounds.

Public protection: The original recommended appropriation budget for Public protection increased by \$116.0 million or 7.2%, from \$1.61 billion to the final appropriation budget of \$1.72 billion. The major appropriation variances are described below.

- *Services and supplies* increased by \$75.9 million, or 14.1%, from \$538.4 million to \$614.4 million. The primary increase of \$70.5 million by the Emergency Management Department is due to purchases related to cost of supplies associated to the COVID-19 pandemic. An increase of \$13.8 million relates to the Sheriff Department to purchase technology devices and protective gear to improve law enforcement interaction with

Management's Discussion & Analysis (Unaudited)

the public. Finally, the District Attorney Department decreased \$12.3 million due to the department properly categorizing salary and benefit reimbursement and supportive services to interfund salary and benefit reimbursement and interfund supportive services.

- *Other charges* decreased by \$6.7 million, or 12.1%, from \$55.4 million to \$48.7 million. The main decrease was due to \$27.0 million from intergovernmental activities relating to operating transfers in and out of the same fund group. This was offset by an increase of \$12.3 million from the District Attorney Department due to properly categorizing interfund salary and benefit reimbursements and interfund supportive services. Finally, a \$5.3 million increase for the Probation Department related to year end encumbrances for general fund departments.
- *Capital assets* increased by \$36.0 million, or 372.4%, from \$9.7 million to \$45.6 million. The primary increase of \$25.8 million came from the Sheriff Department for costs related to equipment and purchases of vehicles. An increase of \$3.4 million from the Emergency Management Department was for the purchase of emergency medical equipment related to the COVID-19 pandemic. Also, there was an increase of \$6.1 million from the Fire Department to provide fire fighters with direct tools and improved living conditions.

Health and sanitation: The original recommended appropriation budget for Health and sanitation increased by \$36.6 million, or 4.8%, from \$764.2 million to the final appropriation budget of \$800.7 million. The major appropriation variances are described below:

- *Salaries and employee benefits* increased by \$43.4 million, or 13.1%, from \$330.5 million to \$373.9 million. The primary increase of \$37.8 million is due to the Public Health Department increase of staffing and overtime expense due to the COVID-19 pandemic. In addition, there was an increase of \$5.6 million in the Behavior Health Detention and Correctional Health Department to increase staffing to provide healthcare service levels in the inmate setting, including public safety response due to the COVID-19 pandemic.
- *Service and supplies* increased by \$24.2 million, or 14.2%, from \$170.2 million to \$194.4 million. The primary increase of \$24.2 million from the Public Health Department and California Children's Service (CCS) is due to increase in cost for professional services and medical supplies related to the COVID-19 pandemic.
- *Other charges* decreased by \$32.9 million, or 9.8%, from \$335.4 million to \$302.5 million. The primary decrease of \$26.2 million from the Behavior Health Department is due to additional COVID-19 expenditures.

Variance between General Fund Actual Revenues and Expenditures and Final Budget

During the year, the General Fund had a positive budget variance of approximately \$237.6 million resulting from unexpended appropriations of \$486.6 million, or 12.5%, and revenues were below budget by \$249.0 million, or 6.7%. The following contributed to the variance:

Revenue Variances

General Fund actual revenues of \$3.48 billion were 6.7%, or \$249.0 million, less than the final revenue budget of \$3.73 billion. The major revenue variances are described as follows:

Taxes: Actual revenues of \$397.3 million were \$40.4 million, or 11.3%, more than the final budget of \$357.0 million. The primary increase of \$33.2 million is due to an increase in documentary transfer tax revenue, growth of assessed property valuation, surges in real estate sales, and the increase of value in all sectors of the commercial real estate and residential markets. Additionally, an increase of \$6.2 million is due to sales proceeds within the County.

Fine, forfeitures, and penalties: Actual revenues of \$61.8 million were \$15.5 million, or 20.0%, less than the final budget of \$77.3 million. The primary decrease of \$15.5 million is due to lower trial court revenue collections and the decrease of Teeter overflow revenue collections due to the COVID-19 pandemic.

Rents and concessions: Actual revenues of \$18.1 million were \$23.8 million, or 56.8%, less than final budget of \$42.0 million mainly due to intergovernmental activities of \$23.5 million.

Management's Discussion & Analysis (Unaudited)

Federal: Actual revenues of \$705.2 million were \$102.0 million, or 12.6%, less than the final budget of \$807.2 million. A decrease of \$83.2 million came from the Behavior Health Department and Public Health Department due to fluctuations of less expenditures related to reimbursable grant revenues. A decrease of \$48.2 million came from the Department of Public Social Services for client services spending contracts decrease due to the COVID-19 pandemic, termination of various payroll contracts, homeless programs transferring to the new Housing, Homelessness Prevention and Workforce Solutions Department, and a reduction in adoption fees. Finally, an increase of \$41.1 million in the Emergency Management Department is due to aid received to assist with the COVID-19 pandemic.

Charges for services: Actual revenues of \$524.0 million were \$49.2 million, or 8.6%, less than the final budget of \$573.2 million. Due to facility closures during the COVID-19 pandemic, it led to many of the Sheriff Department contracts to be halted until businesses reopened.

Other revenue: Actual revenues of \$60.5 million were \$14.1 million, or 18.9%, less than the final budget of \$74.6 million. The primary decrease was due to program closures such as the Fair and National Date Festival due to the COVID-19 pandemic. In addition, housing and the homelessness prevention programs experienced reductions in revenue because of program restructure.

Expenditure Variances

General Fund actual expenditures of \$3.40 billion were \$486.6 million, or 12.5%, less than the final appropriation budget of \$3.89 billion. The major appropriation variances are described as follows:

General government: Actual expenditures of \$120.3 million were \$65.3 million, or 35.2%, less than the final budget of \$185.6 million.

- *Services and supplies* decreased by \$15.5 million, or 15.4%. The primary reduction in costs is due to the Assessor Department decrease of \$6.7 million from departmental cost saving reductions in administrative costs, professional services, printing, and information technology support services. Facilities Management had a decrease of \$2.7 million due to reduction in project cost and streetlights expenditures. The Executive Office had a decrease of \$2.3 million in legal and professional services. The Registrar of Voters had a decrease of \$1.9 million in temporary help service, transportation, computer supplies, mailing, janitorial services, and election costs.
- *Other charges* decreased by \$34.9 million, or 85.6%, mainly due to decreases in contributions to other funds as directed by the Executive Office and intergovernmental activities.
- *Intrafund transfers* decreased by \$8.7 million, or 9.8%, mainly due to a decrease of \$6.1 million from the Human Resources Department due to a decrease in General Support Service rate revenue collections.
- *Appropriation for contingencies* were \$14.9 million, or 100.0%, less than budgeted. This budget is established to assist County departments with unforeseen budget shortfalls, but the transactions are recorded under the actual departmental fund.

Public protection: Actual expenditures of \$1.57 billion were \$147.3 million, or 8.6%, less than the final budget of \$1.72 billion.

- *Services and supplies* decreased by \$66.6 million, or 10.8%. The primary decrease of \$32.7 million from the Fire Department is due to a large savings in the CalFire Cooperative Agreement. The Sheriff Department had a decrease of \$11.7 million due to cost savings related to maintenance building and improvement, office equipment, photocopying, firearms, body worn cameras and emergency services. Also, a decrease of \$8.4 million from the District Attorney Department and the Assessor Department for salaries and benefits reimbursements and miscellaneous expense.
- *Other charges* decreased by \$11.8 million, or 24.3%, mainly due to decreases in contributions to other funds as directed by the Executive Office and intergovernmental activities.
- *Capital assets* decreased by \$29.9 million, or 65.5%, mainly due to postponed capital projects by the Assessor, Fire and Sheriff Departments.

Management's Discussion & Analysis (Unaudited)

- *Intrafund transfers* decreased by \$11.1 million, or 42.0%, mainly due to the Executive Office Department opting to halt contributions to departments due to the uncertainty of expenditure increases related to the COVID-19 pandemic.

Health and sanitation: Actual expenditures of \$656.5 million were \$144.2 million, or 18.0%, less than the final budget of \$800.7 million.

- *Salaries and employee benefits* decreased \$54.8 million, or 14.7%, less than the final budget mainly due to hiring freezes. The Behavioral Health Department had a decrease of \$29.8 million and a decrease of \$2.6 million in correctional health for salary savings. The Public Health Department had \$19.7 million in savings and the Environmental Health Department had \$2.6 million in salary savings.
- *Services and supplies* decreased \$36.2 million, or 18.6%, the primary decrease of \$21.9 million from the Public Health Department is due to lower costs incurred than anticipated. A decrease of \$13.2 million for the Behavior Health Department is due to cost savings in administrative, professional services, internal service funds costs and carpool expenses.
- *Other charges* decreased \$59.7 million, or 19.7%, less than the final budget primarily due to the Behavior Health Department decrease by \$56.4 million due to contract expansion programs were not fully implemented during the fiscal year.
- *Intrafund transfers* decreased \$7.6 million, or 10.6%, less than the final budget mainly due to a decrease of \$5.2 million in the Behavior Health Department related to the allocation of administration costs.

Public assistance: Actual expenditures of \$1.01 billion were \$129.0 million, or 11.3%, less than the final budget of \$1.14 billion.

- *Salaries and employee benefits* actual expenditures of \$369.8 million were \$55.0 million, or 13.0%, less than the final budget of \$424.8 million. This is primarily due to a decrease of \$54.9 million from the Department of Public Social Services salaries due to the countywide hiring freeze.
- *Other charges* were \$67.3 million, or 11.3%, less than the final budget of \$594.6 million primarily due to the Department of Public Social Services in reductions related to caseload decreases within several programs and client services spending contracts due to the COVID-19 pandemic.

Management's Discussion & Analysis (Unaudited)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the County's capital assets for both its governmental and business-type activities amounted to \$5.63 billion (net of accumulated depreciation). The capital assets include land & easements, construction in progress, concession arrangements, infrastructure, land improvements, structures and improvements, and equipment. The County's infrastructure is comprised of channels, storm drains, levees, basins, roads, traffic signals, bridges, runways, parks, park trails, and landfill liners. The County's capital assets increased by approximately 1.6% or \$87.5 million, from \$5.54 billion in fiscal year 2019-20 to \$5.63 billion in fiscal year 2020-21.

Major capital asset events during the current fiscal year included the following:

- Land easements increased approximately \$8.4 million. The major increase was due to land and easements donated by developers to the Flood Control District that accompanies the completion of infrastructure connections and/or additions of storm drains, channels and washes.
- Construction in progress increased approximately \$162.8 million. During the current fiscal year, construction in progress experienced additions in the amount of \$220.5 million related to existing and new projects. The major increases were noted as follows: the Transportation and Land Management Agency incurred an additional \$107.4 million for projects related to roads, bridges, sidewalks, and signal lights. The Facilities Management Department incurred \$57.1 million in costs for new and existing projects, which includes the construction of various building improvements related to COVID-19 for a total of \$25.9 million; additional projects were the John J. Benoit Detention Center for \$11.9 million; the Arlington Recovery Community Reintegration Renovation for \$10.4 million; Roy's Desert Resource Center for \$4.4 million; and the Lakeland Village land improvement for \$1.3 million. The Flood Control District incurred \$13.5 million for debris basins, channels and storm drains and drainage; the Riverside University Health Systems – Medical Center incurred an additional \$6.9 million in costs for the Emergency Department Negative Air Pressure project; the Crest project incurred an additional \$5.8 million towards the new integrated property management system; the County Library incurred \$5.2 million in new costs for library furniture, fixtures and equipment and additional cost for the Canyon Lake Library improvement project. During the current year approximately \$56.5 million of completed projects were transferred out of construction in progress to other capital asset classifications. There was also a \$1.2 million restated.
- Infrastructure decreased approximately \$39.4 million. The overall decrease was attributed in depreciation for the current fiscal year.
- Structures and improvements decreased approximately \$53.4 million mainly because of the depreciation for the current fiscal year.
- Equipment increased approximately \$9.8 million, or 3.2%. The primary increase was due to the Public Safety Enterprise Communication (PSEC) Microwave Network Replacement project transferred out of construction in progress to equipment classification and the Purchasing Department's acquisition of equipment vehicles.

Management's Discussion & Analysis (Unaudited)

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

CAPITAL ASSETS (Net of Accumulated Depreciation) As of June 30, 2021 and 2020 (In thousands)

| | Governmental Activities | | Business-type Activities | | Total | | Total | |
|-----------------------------|-------------------------|---------------------|--------------------------|-------------------|---------------------|---------------------|------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | Dollar Change | Percentage Change |
| | Land and easements | \$ 605,019 | \$ 597,367 | \$ 22,270 | \$ 21,534 | \$ 627,289 | \$ 618,901 | \$ 8,388 |
| Construction in progress | 1,024,663 | 895,745 | 92,167 | 58,251 | 1,116,830 | 953,996 | 162,834 | 17.1% |
| Concession | - | - | 8,830 | 8,830 | 8,830 | 8,830 | - | 0.0% |
| Infrastructure | 1,964,045 | 2,000,465 | 48,312 | 51,290 | 2,012,357 | 2,051,755 | (39,398) | -1.9% |
| Land improvements | 77 | 78 | 4,492 | 5,194 | 4,569 | 5,272 | (703) | -13.3% |
| Structures and improvements | 1,217,086 | 1,265,530 | 325,659 | 330,652 | 1,542,745 | 1,596,182 | (53,437) | -3.3% |
| Equipment | 252,714 | 237,835 | 64,120 | 69,173 | 316,834 | 307,008 | 9,826 | 3.2% |
| Total outstanding | \$ 5,063,604 | \$ 4,997,020 | \$ 565,850 | \$ 544,924 | \$ 5,629,454 | \$ 5,541,944 | \$ 87,510 | 1.6% |

Additional information on the County's capital assets can be found in Note 8 on pages 74-76 of this report. The capital asset totals for fiscal year 2019-20 are reported as restated. See Note 3 on page 63 for additional information.

Debt Administration

Per Board of Supervisors policy, the County's Debt Advisory Committee reviews all debt issuances of the County and its financing component unit organizations and advises the Board of Supervisors accordingly. Net bonded debt per capita equaled \$723.0 thousand as of June 30, 2021. The calculated legal debt limit for the County is \$3.94 billion.

The following are credit ratings maintained by the County:

| | <u>Moody's Investors Services, Inc.</u> | <u>Standard & Poor's Corp.</u> | <u>Fitch</u> |
|--|---|------------------------------------|--------------|
| Tax and Revenue Anticipation Notes (TRANS) | Not Rated | SP-1+ | F1+ |
| Teeter Notes | MIG1 | Not Rated | F1+ |
| Long-Term General Obligations | Aa3 | AA | AA- |
| Certificates of Participation | A1 | AA- | A+ |
| Pension Obligation Bonds | A2 | AA | A+ |
| Lease Revenue Bonds | A1 | AA- | A+ |

Management's Discussion & Analysis (Unaudited)

The table below provides summarized information (including comparative amounts from the preceding year) for the County's outstanding long-term liabilities as of June 30, 2021.

COUNTY'S OUTSTANDING DEBT OBLIGATIONS As of June 30, 2021 and 2020 (In thousands)

| | Governmental | | Business-type | | Total | | Total | |
|-------------------------------|---------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|--------------|
| | Activities | | Activities | | | | Dollar | Percentage |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | Change | Change |
| Bonds from direct placement | \$ - | \$ 330 | \$ - | \$ - | \$ - | \$ 330 | \$ (330) | -100.0% |
| Bonds payable | 1,764,922 | 1,854,575 | 53,810 | 58,873 | 1,818,732 | 1,913,448 | (94,716) | -5.0% |
| Certificates of participation | 22,834 | 41,669 | - | - | 22,834 | 41,669 | (18,835) | -45.2% |
| Capital leases | 120,144 | 129,287 | 227,516 | 242,102 | 347,660 | 371,389 | (23,729) | -6.4% |
| Total outstanding | \$ 1,907,900 | \$ 2,025,861 | \$ 281,326 | \$ 300,975 | \$ 2,189,226 | \$ 2,326,836 | \$ (137,610) | -5.9% |

The County of Riverside's total debt decreased by 5.9%, or \$137.6 million, during the current fiscal year. The decrease was primarily due to a substantial decrease in the finance of capital leases for equipment and the regularly scheduled principal reductions on the existing outstanding debt. Additional information on the County's long-term debt can be found in Note 14 on pages 84-92 of this report.

ECONOMIC FACTORS AND THE FISCAL YEAR 2021-22 BUDGET OUTLOOK

The University of California Riverside (UCR) Center for Economic Forecasting and Development sees that economy in recovery mode and expects statewide taxable sales to reach pre-COVID levels in calendar year 2021. This is following the trend seen with other consumer-demand indicators such as national retail sales and goods spending. While health mandates related to COVID-19 have been eased in recent months in Riverside County, the Center for Economic Forecasting will continue to monitor conditions and recalibrate its outlook accordingly. That said, it will take time for the economy to fully recover, but there is now a positive outlook with continued job growth and the ongoing vaccination roll-out in the state. This coupled with the County entering the pandemic from a position of strength, points toward continued recovery for the regional economy.

The following table reflects anticipated discretionary revenue totals and sources for fiscal year 2021-22.

| Source | Final Budget Estimate (In millions) |
|------------------------------------|--|
| Taxes | \$ 436,200 |
| Other taxes | 100,800 |
| Licenses, permits, franchise taxes | 7,000 |
| Fines, forfeitures, penalties | 15,000 |
| Use of money and property | 2,500 |
| State | 307,400 |
| Federal | 3,500 |
| Miscellaneous | 48,500 |
| Total | \$ 920,900 |

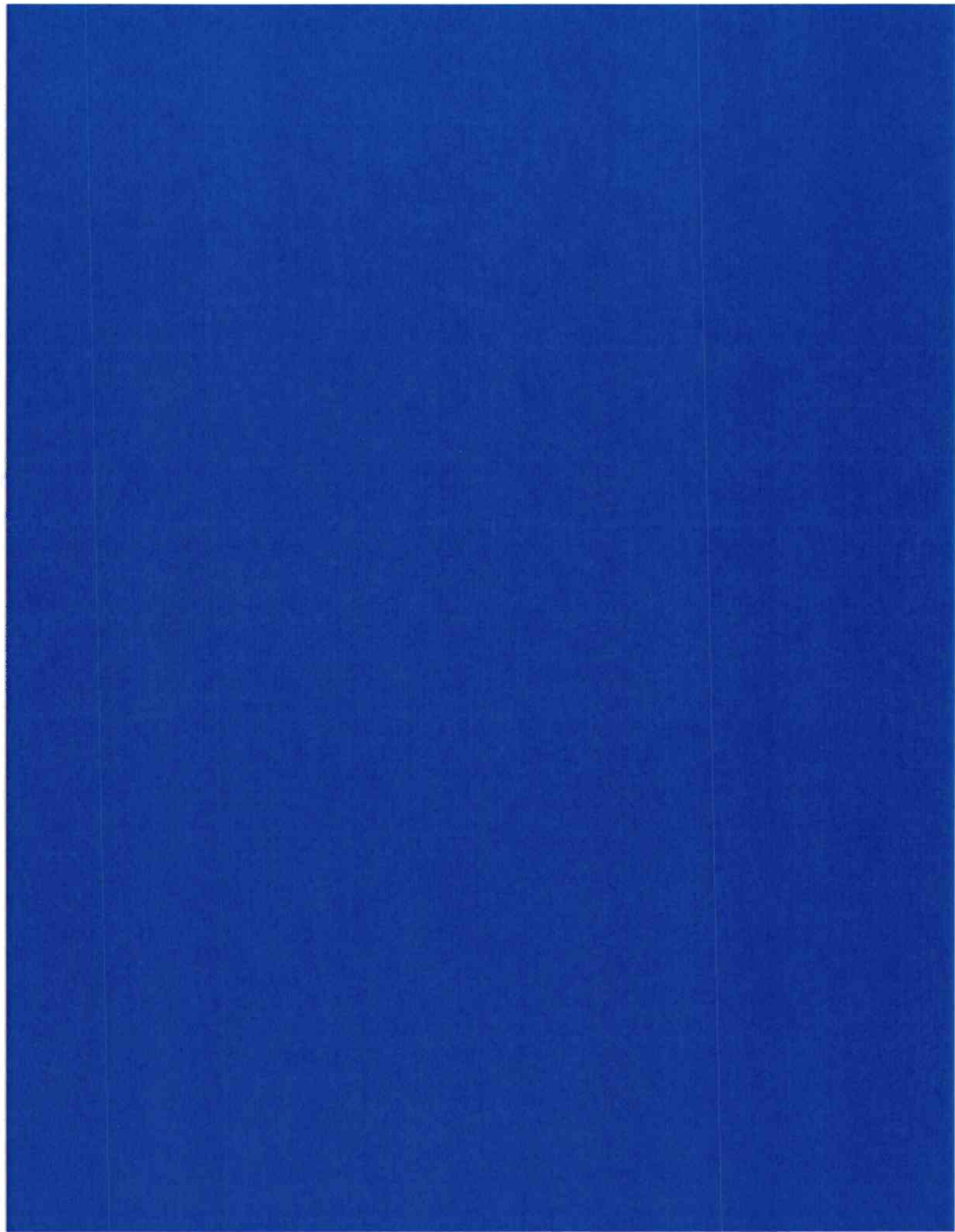
Management's Discussion & Analysis (Unaudited)

The County's employer retirement benefit contribution rate for fiscal year 2020-21 for the miscellaneous plan is 24.5% and the safety plan contribution rate is 43.0%. The employer rate for both plans is subject to changes in future years, as it continues to reflect changes in investment returns and the County's growth rate, among other factors. Fiscal year 2021-22 rates are projected at 22.9% (Miscellaneous) and 35.8% (Safety). Additional information regarding the County's retirement plans is included in Notes 20 and 21 of the financial statements and schedules of changes in net pension liability and related ratios and contributions, which are included in the required supplementary information section.

Requests for Information

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

GOVERNMENT-WIDE
FINANCIAL STATEMENTS



COUNTY OF RIVERSIDE

Statement of Net Position

June 30, 2021

(Dollars in Thousands)

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|--------------|----------------------------------|
| | Governmental Activities | Business-type Activities | Total | Children and Families Commission |
| ASSETS: | | | | |
| Cash and investments (Note 4) | \$ 1,622,097 | \$ 169,437 | \$ 1,791,534 | \$ 33,582 |
| Receivables, net (Notes 1 and 6) | 502,578 | 265,351 | 767,929 | 1,769 |
| Internal balances (Note 7) | 242,448 | (242,448) | - | - |
| Inventories | 5,787 | 16,493 | 22,280 | - |
| Prepaid items and deposits | 5,325 | 9,465 | 14,790 | - |
| Restricted cash and investments (Notes 4 and 5) | 862,807 | 129,829 | 992,636 | - |
| Other noncurrent receivables (Note 6) | 27,418 | - | 27,418 | - |
| Loans receivable (Note 6) | - | 101,176 | 101,176 | - |
| Land held for resale | - | 33,853 | 33,853 | - |
| Capital assets (Note 8): | | | | |
| Nondepreciable assets | 1,629,682 | 123,267 | 1,752,949 | 373 |
| Depreciable assets, net | 3,433,922 | 442,583 | 3,876,505 | 1,524 |
| Total assets | 8,332,064 | 1,049,006 | 9,381,070 | 37,248 |
| DEFERRED OUTFLOWS OF RESOURCES (Note 15) | 788,144 | 142,238 | 930,382 | 3,180 |
| LIABILITIES: | | | | |
| Current liabilities: | | | | |
| Cash overdrawn | 953 | 2,920 | 3,873 | - |
| Accounts payable | 182,077 | 43,344 | 225,421 | 1,594 |
| Salaries and benefits payable | 95,907 | 20,296 | 116,203 | 216 |
| Due to other governments | 144,183 | 229,806 | 373,989 | - |
| Interest payable | 25,161 | 11 | 25,172 | - |
| Deposits payable | 1,109 | 26 | 1,135 | - |
| Advances from grantors and third parties (Note 12) | 703,693 | - | 703,693 | - |
| Notes payable (Note 13) | 99,798 | - | 99,798 | - |
| Other liabilities | 2,667 | 14,014 | 16,681 | - |
| Interest rate swap (Notes 14 and 15) | 16,444 | - | 16,444 | - |
| Noncurrent liabilities: | | | | |
| Due within one year: | | | | |
| Long-term liabilities (Note 14) | 335,589 | 50,930 | 386,519 | 384 |
| Landfill closure/post-closure care costs (Note 10) | - | 1,045 | 1,045 | - |
| Pollution remediation (Note 23) | 714 | 879 | 1,593 | - |
| Due more than one year: | | | | |
| Long-term liabilities (Note 14) | 2,399,160 | 362,709 | 2,761,869 | 170 |
| Landfill closure/post-closure care costs (Note 10) | - | 103,441 | 103,441 | - |
| Pollution remediation (Note 23) | 2 | 43,054 | 43,056 | - |
| Net pension liability (Notes 20 and 21) | 2,557,211 | 425,871 | 2,983,082 | 6,463 |
| OPEB liabilities (Note 22) | 154,621 | 33,097 | 187,718 | - |
| Total liabilities | 6,719,289 | 1,331,443 | 8,050,732 | 8,827 |
| DEFERRED INFLOWS OF RESOURCES (Note 15) | 106,485 | 16,600 | 123,085 | 690 |
| NET POSITION: | | | | |
| Net investment in capital assets | 4,037,279 | 263,411 | 4,300,690 | 1,897 |
| Restricted for: | | | | |
| Children's programs | - | - | - | 29,014 |
| Endowment care - nonexpendable | 1,226 | - | 1,226 | - |
| Community development | 208,603 | - | 208,603 | - |
| Debt service | 77,054 | 34,520 | 111,574 | - |
| Health and sanitation | 33,834 | 10,973 | 44,807 | - |
| Public protection | 59,469 | - | 59,469 | - |
| Public ways and facilities | 145,482 | - | 145,482 | - |
| Other programs | 28,718 | 8,524 | 37,242 | - |
| Unrestricted | (2,297,231) | (474,227) | (2,771,458) | - |
| Total net position | \$ 2,294,434 | \$ (156,799) | \$ 2,137,635 | \$ 30,911 |

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

COUNTY OF RIVERSIDE
Statement of Activities
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| FUNCTION/PROGRAM ACTIVITIES: | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 314,381 | \$ 196,746 | \$ 217,502 | \$ - |
| Public protection | 1,401,403 | 462,530 | 848,075 | - |
| Public ways and facilities | 205,503 | 63,242 | 90,393 | 29,430 |
| Health and sanitation | 655,911 | 39,536 | 494,399 | - |
| Public assistance | 1,197,256 | 1,656 | 1,080,012 | - |
| Education | 33,123 | 58 | 10,555 | - |
| Recreation and cultural services | 20,891 | 9,671 | 979 | 25 |
| Interest on long-term debt | 96,782 | - | - | - |
| Total governmental activities | <u>3,925,250</u> | <u>773,439</u> | <u>2,741,915</u> | <u>29,455</u> |
| Business-type activities: | | | | |
| Riverside University Health Systems - | | | | |
| Medical Center | 691,361 | 680,060 | - | 559 |
| Waste Resources Department | 98,347 | 110,134 | - | - |
| Housing Authority | 100,036 | 110,433 | - | - |
| County Service Areas | 336 | 516 | - | - |
| Flood Control | 2,365 | 2,172 | - | - |
| Riverside University Health Systems - | | | | |
| Community Health Centers | 105,421 | 100,975 | - | - |
| Aviation | 3,759 | 4,445 | - | - |
| Total business-type activities | <u>1,001,625</u> | <u>1,008,735</u> | <u>-</u> | <u>559</u> |
| Total primary government | <u>\$ 4,926,875</u> | <u>\$ 1,782,174</u> | <u>\$ 2,741,915</u> | <u>\$ 30,014</u> |
| Component unit: | | | | |
| Children and Families Commission | \$ 26,826 | \$ - | \$ 28,477 | \$ - |
| Total component unit | <u>\$ 26,826</u> | <u>\$ -</u> | <u>\$ 28,477</u> | <u>\$ -</u> |

General revenues:

Taxes:

Property taxes

Sales and use taxes

Other taxes

Unrestricted intergovernmental revenue

Investment earnings

Other

Transfers

Total general revenues and transfers

Changes in net position before extraordinary item

Extraordinary item

Extraordinary item

Changes in net position

NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)

NET POSITION, END OF YEAR

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

Net (Expenses) Revenues and Changes in Net Position

| Primary Government | | | Component Unit |
|-------------------------|--------------------------|---------------------|----------------------------------|
| Governmental Activities | Business-type Activities | Total | Children and Families Commission |
| \$ 99,867 | \$ - | \$ 99,867 | |
| (90,798) | - | (90,798) | |
| (22,438) | - | (22,438) | |
| (121,976) | - | (121,976) | |
| (115,588) | - | (115,588) | |
| (22,510) | - | (22,510) | |
| (10,216) | - | (10,216) | |
| (96,782) | - | (96,782) | |
| <u>(380,441)</u> | <u>-</u> | <u>(380,441)</u> | |
| - | (10,742) | (10,742) | |
| - | 11,787 | 11,787 | |
| - | 10,397 | 10,397 | |
| - | 180 | 180 | |
| - | (193) | (193) | |
| - | (4,446) | (4,446) | |
| - | 686 | 686 | |
| - | 7,669 | 7,669 | |
| <u>(380,441)</u> | <u>7,669</u> | <u>(372,772)</u> | |
| | | | \$ 1,651 |
| | | | <u>\$ 1,651</u> |
| 456,794 | - | 456,794 | - |
| 39,204 | - | 39,204 | - |
| 62,122 | - | 62,122 | - |
| 316,426 | - | 316,426 | - |
| 5,263 | 1,063 | 6,326 | 21 |
| 274,745 | - | 274,745 | - |
| (54,670) | 54,670 | - | - |
| <u>1,099,884</u> | <u>55,733</u> | <u>1,155,617</u> | <u>21</u> |
| 719,443 | 63,402 | 782,845 | 1,672 |
| - | - | - | - |
| <u>719,443</u> | <u>63,402</u> | <u>782,845</u> | <u>1,672</u> |
| <u>1,574,991</u> | <u>(220,201)</u> | <u>1,354,790</u> | <u>29,239</u> |
| <u>\$ 2,294,434</u> | <u>\$ (156,799)</u> | <u>\$ 2,137,635</u> | <u>\$ 30,911</u> |

FUNCTION/PROGRAM ACTIVITIES:

Primary government:

Governmental activities:

General government
 Public protection
 Public ways and facilities
 Health and sanitation
 Public assistance
 Education
 Recreation and cultural services
 Interest on long-term debt

Total governmental activities

Business-type activities:

Riverside University Health Systems -
 Medical Center
 Waste Resources Department
 Housing Authority
 County Service Areas
 Flood Control
 Riverside University Health Systems -
 Community Health Centers
 Aviation

Total business-type activities

Total primary government

Component unit:

Children and Families Commission
 Total component unit

General revenues:

Taxes:
 Property taxes
 Sales and use taxes
 Other taxes
 Unrestricted intergovernmental revenue
 Investment earnings
 Other
 Transfers

Total general revenues and transfers

Changes in net position before extraordinary item

Extraordinary item

Extraordinary item
 Changes in net position

NET POSITION, BEGINNING OF YEAR, AS RE-STATEMENT (Note 3)

NET POSITION, END OF YEAR

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



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FUND FINANCIAL STATEMENTS

...the first of these is the fact that the ...

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COUNTY OF RIVERSIDE

Balance Sheet
Governmental Funds
June 30, 2021
(Dollars in Thousands)

| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES: | General | Transportation | Flood Control | Teeter Debt Service |
|--|---------------------|-------------------|-------------------|---------------------|
| Assets: | | | | |
| Cash and investments (Note 4) | \$ 362,675 | \$ 175,275 | \$ 288,727 | \$ - |
| Accounts receivable (Notes 1 and 6) | 8,840 | 1,229 | 95 | - |
| Interest receivable (Note 6) | 1,426 | 83 | 175 | 22 |
| Taxes receivable (Note 6) | 8,813 | 13 | 1,026 | 56,921 |
| Due from other governments (Note 6) | 406,867 | 16,969 | 186 | - |
| Due from other funds (Note 7) | 8,387 | - | - | 35 |
| Inventories | 2,390 | 1,375 | - | - |
| Prepaid items and deposits | 46 | 2,264 | 77 | - |
| Restricted cash and investments (Notes 4 and 5) | 502,449 | - | 2,579 | 51,020 |
| Advances to other funds (Note 7) | 4,869 | - | - | - |
| Total assets | 1,306,762 | 197,208 | 292,865 | 107,998 |
| Deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | \$ 1,306,762 | \$ 197,208 | \$ 292,865 | \$ 107,998 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 66,145 | \$ 44,891 | \$ 4,221 | \$ - |
| Salaries and benefits payable | 69,780 | 2,118 | 1,043 | - |
| Due to other governments | 131,994 | - | 11,476 | - |
| Due to other funds (Note 7) | 2,476 | 95 | - | 8,200 |
| Deposits payable | 15 | 501 | - | - |
| Advances from grantors and third parties (Note 12) | 403,592 | 22,386 | 498 | - |
| Teeter notes payable (Note 13) | - | - | - | 99,798 |
| Total liabilities | 674,002 | 69,991 | 17,238 | 107,998 |
| Deferred inflows of resources (Note 15) | 65,860 | - | 1,026 | - |
| Fund balances (Note 16): | | | | |
| Nonspendable | 2,756 | 1,376 | 1 | - |
| Restricted | 142,367 | 100,797 | 274,600 | - |
| Committed | 15,070 | 5,528 | - | - |
| Assigned | 35,900 | 19,516 | - | - |
| Unassigned | 370,807 | - | - | - |
| Total fund balances | 566,900 | 127,217 | 274,601 | - |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 1,306,762 | \$ 197,208 | \$ 292,865 | \$ 107,998 |

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

| CARES Act Coronavirus Relief | ARP Act Coronavirus Relief | Other Governmental Funds | Total Governmental Funds | ASSETS AND DEFERRED OUTFLOWS OF RESOURCES: |
|------------------------------|----------------------------|--------------------------|--------------------------|---|
| \$ - | \$ - | \$ 399,696 | \$ 1,226,373 | Assets: |
| - | - | 4,989 | 15,153 | Cash and investments (Note 4) |
| 64 | 74 | 185 | 2,029 | Accounts receivable (Notes 1 and 6) |
| - | - | 1,260 | 68,033 | Interest receivable (Note 6) |
| - | - | 15,711 | 439,733 | Taxes receivable (Note 6) |
| - | - | 2,507 | 10,929 | Due from other governments (Note 6) |
| - | - | - | 3,765 | Due from other funds (Note 7) |
| - | - | 2,277 | 4,664 | Inventories |
| 24,361 | 239,993 | 42,405 | 862,807 | Prepaid items and deposits |
| - | - | - | 4,869 | Restricted cash and investments (Notes 4 and 5) |
| 24,425 | 240,067 | 469,030 | 2,638,355 | Advances to other funds (Note 7) |
| - | - | - | - | Total assets |
| \$ 24,425 | \$ 240,067 | \$ 469,030 | \$ 2,638,355 | Deferred outflows of resources |
| | | | | Total assets and deferred outflows of resources |
| | | | | LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: |
| | | | | Liabilities: |
| \$ - | \$ - | \$ 29,401 | \$ 144,658 | Accounts payable |
| - | - | 18,329 | 91,270 | Salaries and benefits payable |
| - | - | 657 | 144,127 | Due to other governments |
| - | - | 66 | 10,837 | Due to other funds (Note 7) |
| - | - | 593 | 1,109 | Deposits payable |
| 22,644 | 239,937 | 14,636 | 703,693 | Advances from grantors and third parties (Note 12) |
| - | - | - | 99,798 | Teeter notes payable (Note 13) |
| 22,644 | 239,937 | 63,682 | 1,195,492 | Total liabilities |
| - | - | - | 66,886 | Deferred inflows of resources (Note 15) |
| - | - | 1,282 | 5,415 | Fund balances (Note 16): |
| 1,781 | 130 | 290,140 | 809,815 | Nonspendable |
| - | - | 70,919 | 91,517 | Restricted |
| - | - | 43,007 | 98,423 | Committed |
| - | - | - | 370,807 | Assigned |
| 1,781 | 130 | 405,348 | 1,375,977 | Unassigned |
| | | | | Total fund balances |
| \$ 24,425 | \$ 240,067 | \$ 469,030 | \$ 2,638,355 | Total liabilities, deferred inflows of resources, and fund balances |

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



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COUNTY OF RIVERSIDE

Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2021
(Dollars in Thousands)

| | | |
|---|-------------|--------------|
| Fund balances - total governmental funds (page 31) | | \$ 1,375,977 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. | | 4,987,310 |
| Deferred Outflows of Resources Related to OPEB and Pensions are not current financial resources and, therefore, are not reported in the governmental funds: | | |
| Deferred Outflows of Resources Related to OPEB | \$ 146,067 | |
| Deferred Outflows of Resources Related to Pensions | 592,904 | 738,971 |
| | <hr/> | |
| Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements. | | 36,912 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Bonds payable | (1,764,922) | |
| Capital lease obligations | (85,809) | |
| Certificates of participation | (22,834) | |
| Accrued interest payable | (25,161) | |
| Accreted interest payable | (246,647) | |
| Accrued remediation cost | (667) | |
| Compensated absences | (246,379) | |
| Net OPEB liability | (146,726) | |
| Net pension liability | (2,400,906) | (4,940,051) |
| | <hr/> | |
| Deferred Inflows of Resources Related to OPEB and Pensions are not current financial resources and, therefore, are not reported in the governmental funds: | | |
| Deferred Inflows of Resources Related to OPEB | (5,356) | |
| Deferred Inflows of Resources Related to Pensions | (68,480) | (73,836) |
| | <hr/> | |
| Internal service funds are used by management to charge the costs of equipment, fleet management, printing, information technology, supply services, risk management, and temporary assistance to individual funds. Since internal service funds predominantly service governmental activities, the assets and liabilities of these funds are included as governmental activities in the statement of net position. | | 169,151 |
| | | <hr/> |
| Net position of governmental activities (page 25) | | \$ 2,294,434 |
| | | <hr/> |

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

COUNTY OF RIVERSIDE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | General | Transportation | Flood Control | Teeter Debt Service |
|--|-------------------|-------------------|-------------------|---------------------------|
| REVENUES: | | | | |
| Taxes | \$ 397,329 | \$ 9,329 | \$ 66,686 | \$ - |
| Licenses, permits, and franchise fees | 19,683 | 3,809 | - | - |
| Fines, forfeitures, and penalties | 61,802 | 34 | - | - |
| Use of money and property: | | | | |
| Investment earnings | 2,939 | 89 | 86 | - |
| Rents and concessions | 18,112 | - | 112 | - |
| Aid from other governmental agencies: | | | | |
| Federal | 705,181 | 30,977 | 358 | - |
| State | 1,557,651 | 82,572 | 581 | - |
| Other | 137,642 | 5,535 | - | - |
| Charges for services | 523,997 | 48,093 | 5,935 | - |
| Other revenue | 60,481 | 9,102 | 22,492 | 9 |
| Total revenues | <u>3,484,817</u> | <u>189,540</u> | <u>96,250</u> | <u>9</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 120,250 | - | - | 26 |
| Public protection | 1,573,840 | 5,750 | - | - |
| Public ways and facilities | - | 172,475 | 92,368 | - |
| Health and sanitation | 656,502 | - | - | - |
| Public assistance | 1,011,834 | - | - | - |
| Education | 490 | - | - | - |
| Recreation and cultural services | 1,980 | - | - | - |
| Debt service: | | | | |
| Principal | 11,726 | 1,947 | - | - |
| Interest | 16,171 | 68 | - | 1,153 |
| Cost of issuance | 395 | - | - | 332 |
| Capital outlay | 6,215 | - | - | - |
| Total expenditures | <u>3,399,403</u> | <u>180,240</u> | <u>92,368</u> | <u>1,511</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>85,414</u> | <u>9,300</u> | <u>3,882</u> | <u>(1,502)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 289,535 | 22,556 | - | 3,053 |
| Transfers out | (215,946) | (15,736) | (2,831) | (1,551) |
| Capital leases | 6,215 | - | - | - |
| Total other financing sources (uses) | <u>79,804</u> | <u>6,820</u> | <u>(2,831)</u> | <u>1,502</u> |
| NET CHANGE IN FUND BALANCES | 165,218 | 16,120 | 1,051 | - |
| Fund balances, beginning of year | 401,682 | 111,097 | 273,550 | - |
| FUND BALANCES, END OF YEAR | <u>\$ 566,900</u> | <u>\$ 127,217</u> | <u>\$ 274,601</u> | <u>\$ -</u> |

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

| CARES Act Coronavirus Relief | ARP Act Coronavirus Relief | Other Governmental Funds | Total Governmental Funds | |
|------------------------------|----------------------------|--------------------------|--------------------------|---|
| \$ - | \$ - | \$ 87,024 | \$ 560,368 | REVENUES: |
| - | - | 1,290 | 24,782 | Taxes |
| - | - | 590 | 62,426 | Licenses, permits, and franchise fees |
| 5 | 130 | 1,882 | 5,131 | Fines, forfeitures, and penalties |
| - | - | 6,912 | 25,136 | Use of money and property: |
| | | | | Investment earnings |
| | | | | Rents and concessions |
| 373,132 | - | 101,721 | 1,211,369 | Aid from other governmental agencies: |
| - | - | 21,254 | 1,662,058 | Federal |
| - | - | 67,320 | 210,497 | State |
| - | - | 83,102 | 661,127 | Other |
| - | - | 24,780 | 116,864 | Charges for services |
| 373,137 | 130 | 395,875 | 4,539,758 | Other revenue |
| | | | | Total revenues |
| | | | | EXPENDITURES: |
| | | | | Current: |
| - | - | 147,671 | 267,947 | General government |
| 46,547 | - | 11,202 | 1,637,339 | Public protection |
| - | - | 16,899 | 281,742 | Public ways and facilities |
| - | - | 2,746 | 659,248 | Health and sanitation |
| - | - | 180,388 | 1,192,222 | Public assistance |
| - | - | 33,555 | 34,045 | Education |
| - | - | 14,127 | 16,107 | Recreation and cultural services |
| | | | | Debt service: |
| - | - | 106,465 | 120,138 | Principal |
| - | - | 62,366 | 79,758 | Interest |
| - | - | - | 727 | Cost of issuance |
| - | - | 12,472 | 18,687 | Capital outlay |
| 46,547 | - | 587,891 | 4,307,960 | Total expenditures |
| | | | | Excess (deficiency) of revenues over (under) expenditures |
| 326,590 | 130 | (192,016) | 231,798 | OTHER FINANCING SOURCES (USES): |
| | | | | Transfers in |
| - | - | 336,781 | 651,925 | Transfers out |
| (326,583) | - | (142,839) | (705,486) | Capital leases |
| - | - | - | 6,215 | Total other financing sources (uses) |
| (326,583) | - | 193,942 | (47,346) | NET CHANGE IN FUND BALANCES |
| 7 | 130 | 1,926 | 184,452 | Fund balances, beginning of year |
| 1,774 | - | 403,422 | 1,191,525 | FUND BALANCES, END OF YEAR |
| \$ 1,781 | \$ 130 | \$ 405,348 | \$ 1,375,977 | |

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



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COUNTY OF RIVERSIDE
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

Net change in fund balances - total governmental funds (page 35) \$ 184,452

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

Governmental funds report capital outlay and other capital projects as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

| | | |
|---|------------------|--------|
| Expenditures for capital assets | \$ 281,690 | |
| Less loss on disposal of capital assets | (18,744) | |
| Less current year depreciation | <u>(191,627)</u> | 71,319 |

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

| | | |
|----------------------------|----------------|---------|
| Principal repayment | 120,033 | |
| Issuance of long-term debt | <u>(6,215)</u> | 113,818 |

Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Also, any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements. 1,313

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | | |
|--|----------------|---------|
| Change in accrued interest | (15,485) | |
| Change in accreted interest | (26,961) | |
| Change in long-term compensated absences | (25,696) | |
| Change in pollution remediation obligation | 1,541 | |
| OPEB expense | (5,131) | |
| Pension expense | <u>419,598</u> | 347,866 |

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.

| | | |
|---|----|-----------------------|
| | | <u>675</u> |
| Change in net position of governmental activities (page 27) | \$ | <u><u>719,443</u></u> |

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

COUNTY OF RIVERSIDE
 Budgetary Comparison Statement
 General Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance With Final Budget Over (Under) |
|---------------------------------------|-------------------------|------------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes | \$ 356,954 | \$ 356,954 | \$ 397,329 | \$ 40,375 |
| Licenses, permits, and franchise fees | 20,516 | 21,058 | 19,683 | (1,375) |
| Fines, forfeitures, and penalties | 76,122 | 77,279 | 61,802 | (15,477) |
| Use of money and property: | | | | |
| Investment earnings | 4,306 | 4,306 | 2,939 | (1,367) |
| Rents and concessions | 39,366 | 41,950 | 18,112 | (23,838) |
| Aid from other governmental agencies: | | | | |
| Federal | 780,539 | 807,209 | 705,181 | (102,028) |
| State | 1,636,957 | 1,648,003 | 1,557,651 | (90,352) |
| Other | 129,211 | 129,211 | 137,642 | 8,431 |
| Charges for services | 651,336 | 573,239 | 523,997 | (49,242) |
| Other revenue | 123,683 | 74,561 | 60,481 | (14,080) |
| Total revenues | <u>3,818,990</u> | <u>3,733,770</u> | <u>3,484,817</u> | <u>(248,953)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government: | | | | |
| Salaries and employee benefits | 117,473 | 117,434 | 108,872 | (8,562) |
| Services and supplies | 92,550 | 100,358 | 84,886 | (15,472) |
| Other charges | 104,602 | 40,710 | 5,843 | (34,867) |
| Capital assets | 207 | 371 | 152 | (219) |
| Intrafund transfers | (88,160) | (88,160) | (79,503) | 8,657 |
| Appropriation for contingencies | 20,000 | 14,868 | - | (14,868) |
| Total general government | <u>246,672</u> | <u>185,581</u> | <u>120,250</u> | <u>(65,331)</u> |
| Public protection: | | | | |
| Salaries and employee benefits | 1,027,439 | 1,038,833 | 988,764 | (50,069) |
| Services and supplies | 538,422 | 614,361 | 547,765 | (66,596) |
| Other charges | 55,400 | 48,723 | 36,907 | (11,816) |
| Capital assets | 9,663 | 45,648 | 15,749 | (29,899) |
| Intrafund transfers | (25,812) | (26,436) | (15,345) | 11,091 |
| Total public protection | <u>1,605,112</u> | <u>1,721,129</u> | <u>1,573,840</u> | <u>(147,289)</u> |
| Health and sanitation: | | | | |
| Salaries and employee benefits | 330,534 | 373,896 | 319,053 | (54,843) |
| Services and supplies | 170,194 | 194,418 | 158,191 | (36,227) |
| Other charges | 335,395 | 302,504 | 242,789 | (59,715) |
| Capital assets | 944 | 1,632 | 541 | (1,091) |
| Intrafund transfers | (72,890) | (71,701) | (64,072) | 7,629 |
| Total health and sanitation | <u>764,177</u> | <u>800,749</u> | <u>656,502</u> | <u>(144,247)</u> |

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

COUNTY OF RIVERSIDE
Budgetary Comparison Statement
General Fund (Continued)
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | <u>Budgeted Amounts</u> | | Actual | Variance With |
|--|-------------------------|-------------------|-------------------|------------------------------|
| | <u>Original</u> | <u>Final</u> | Amounts | Final Budget Over (Under) |
| Public assistance: | | | | |
| Salaries and employee benefits | \$ 424,846 | \$ 424,846 | \$ 369,798 | \$ (55,048) |
| Services and supplies | 120,635 | 121,635 | 115,002 | (6,633) |
| Other charges | 611,523 | 594,554 | 527,208 | (67,346) |
| Capital assets | 60 | 60 | - | (60) |
| Intrafund transfers | (230) | (230) | (174) | 56 |
| Total public assistance | <u>1,156,834</u> | <u>1,140,865</u> | <u>1,011,834</u> | <u>(129,031)</u> |
| Education: | | | | |
| Salaries and employee benefits | 293 | 286 | 175 | (111) |
| Services and supplies | 341 | 341 | 315 | (26) |
| Total education | <u>634</u> | <u>627</u> | <u>490</u> | <u>(137)</u> |
| Recreation and cultural services: | | | | |
| Salaries and employee benefits | 222 | 227 | 218 | (9) |
| Services and supplies | 1,786 | 1,868 | 1,783 | (85) |
| Other charges | 194 | 206 | - | (206) |
| Capital assets | 1 | 1 | - | (1) |
| Intrafund transfers | (84) | (84) | (21) | 63 |
| Total recreation and cultural services | <u>2,119</u> | <u>2,218</u> | <u>1,980</u> | <u>(238)</u> |
| Debt service: | | | | |
| Principal | 89,645 | 13,837 | 11,726 | (2,111) |
| Interest | 14,540 | 20,604 | 16,171 | (4,433) |
| Cost of issuance | - | 395 | 395 | - |
| Total debt service | <u>104,185</u> | <u>34,836</u> | <u>28,292</u> | <u>(6,544)</u> |
| Capital outlay | - | - | 6,215 | 6,215 |
| Total expenditures | <u>3,879,733</u> | <u>3,886,005</u> | <u>3,399,403</u> | <u>(486,602)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(60,743)</u> | <u>(152,235)</u> | <u>85,414</u> | <u>237,649</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 289,535 | 289,535 | - |
| Transfers out | - | (215,946) | (215,946) | - |
| Capital leases | - | - | 6,215 | 6,215 |
| Total other financing sources (uses) | <u>-</u> | <u>73,589</u> | <u>79,804</u> | <u>6,215</u> |
| NET CHANGE IN FUND BALANCE | <u>(60,743)</u> | <u>(78,646)</u> | <u>165,218</u> | <u>243,864</u> |
| Fund balance, beginning of year | 401,682 | 401,682 | 401,682 | - |
| FUND BALANCE, END OF YEAR | <u>\$ 340,939</u> | <u>\$ 323,036</u> | <u>\$ 566,900</u> | <u>\$ 243,864</u> |

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

COUNTY OF RIVERSIDE
 Budgetary Comparison Statement
 Transportation Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|-------------------|-------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 10,454 | \$ 10,454 | \$ 9,329 | \$ (1,125) |
| Licenses, permits, and franchise fees | 3,458 | 3,458 | 3,809 | 351 |
| Fines, forfeitures, and penalties | 16 | 16 | 34 | 18 |
| Use of money and property: | | | | |
| Investment earnings | 2,007 | 2,007 | 89 | (1,918) |
| Aid from other governmental agencies: | | | | |
| Federal | 77,062 | 77,062 | 30,977 | (46,085) |
| State | 87,178 | 87,178 | 82,572 | (4,606) |
| Other | 15,823 | 15,823 | 5,535 | (10,288) |
| Charges for services | 80,943 | 58,770 | 48,093 | (10,677) |
| Other revenue | 11,902 | 11,519 | 9,102 | (2,417) |
| Total revenues | <u>288,843</u> | <u>266,287</u> | <u>189,540</u> | <u>(76,747)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public protection | 9,175 | 6,110 | 5,750 | (360) |
| Public ways and facilities | 270,411 | 258,900 | 172,475 | (86,425) |
| Debt service: | | | | |
| Principal | 2,160 | 2,160 | 1,947 | (213) |
| Interest | 106 | 106 | 68 | (38) |
| Total expenditures | <u>281,852</u> | <u>267,276</u> | <u>180,240</u> | <u>(87,036)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>6,991</u> | <u>(989)</u> | <u>9,300</u> | <u>10,289</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 22,556 | 22,556 | - |
| Transfers out | - | (15,736) | (15,736) | - |
| Total other financing sources (uses) | <u>-</u> | <u>6,820</u> | <u>6,820</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>6,991</u> | <u>5,831</u> | <u>16,120</u> | <u>10,289</u> |
| Fund balance, beginning of year | 111,097 | 111,097 | 111,097 | - |
| FUND BALANCE, END OF YEAR | <u>\$ 118,088</u> | <u>\$ 116,928</u> | <u>\$ 127,217</u> | <u>\$ 10,289</u> |

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

COUNTY OF RIVERSIDE
Budgetary Comparison Statement
Flood Control Special Revenue Fund
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 62,555 | \$ 62,555 | \$ 66,686 | \$ 4,131 |
| Use of money and property: | | | | |
| Investment earnings | 2,949 | 2,949 | 86 | (2,863) |
| Rents and concessions | 169 | 169 | 112 | (57) |
| Aid from other governmental agencies: | | | | |
| Federal | 7,789 | 7,789 | 358 | (7,431) |
| State | 591 | 591 | 581 | (10) |
| Charges for services | 4,666 | 4,666 | 5,935 | 1,269 |
| Other revenue | 25,412 | 29,933 | 22,492 | (7,441) |
| Total revenues | 104,131 | 108,652 | 96,250 | (12,402) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public ways and facilities | 173,661 | 168,382 | 92,368 | (76,014) |
| Total expenditures | 173,661 | 168,382 | 92,368 | (76,014) |
| Excess (deficiency) of revenues over (under) expenditures | (69,530) | (59,730) | 3,882 | 63,612 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | (2,831) | (2,831) | - |
| Total other financing sources (uses) | - | (2,831) | (2,831) | - |
| NET CHANGE IN FUND BALANCE | (69,530) | (62,561) | 1,051 | 63,612 |
| Fund balance, beginning of year | 273,550 | 273,550 | 273,550 | - |
| FUND BALANCE, END OF YEAR | \$ 204,020 | \$ 210,989 | \$ 274,601 | \$ 63,612 |

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

COUNTY OF RIVERSIDE
 Budgetary Comparison Statement
 CARES Act Coronavirus Relief Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ - | \$ - | \$ 5 | \$ 5 |
| Aid from other governmental agencies: | | | | |
| Federal | - | 378,495 | 373,132 | (5,363) |
| Total revenues | - | 378,495 | 373,137 | (5,358) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public protection | - | 51,912 | 46,547 | (5,365) |
| Total expenditures | - | 51,912 | 46,547 | (5,365) |
| Excess (deficiency) of revenues over (under) expenditures | - | 326,583 | 326,590 | 7 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | (326,583) | (326,583) | - |
| Total other financing sources (uses) | - | (326,583) | (326,583) | - |
| NET CHANGE IN FUND BALANCE | - | - | 7 | 7 |
| Fund balance, beginning of year | - | 1,774 | 1,774 | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ 1,774 | \$ 1,781 | \$ 7 |

COUNTY OF RIVERSIDE

Statement of Net Position

Proprietary Funds

June 30, 2021

(Dollars in Thousands)

| ASSETS | Business-type Activities - Enterprise Funds | | | | | Governmental |
|---|---|------------|------------|-------------|--------------|------------------------------|
| | Riverside University | Waste | Housing | Other | Total | Activities |
| | Health Systems - Medical Center | Resources | Authority | | | Internal Service Funds |
| Current assets: | | | | | | |
| Cash and investments (Note 4) | \$ 23,964 | \$ 132,011 | \$ 9,068 | \$ 4,394 | \$ 169,437 | \$ 395,724 |
| Accounts receivable - net (Notes 1 and 6) | 42,170 | 9,088 | 1,324 | 3,676 | 56,258 | 3,392 |
| Interest receivable (Note 6) | - | 131 | 1 | 6 | 138 | 211 |
| Taxes receivable (Note 6) | - | 1 | - | - | 1 | - |
| Due from other governments (Note 6) | 195,771 | 225 | - | 12,958 | 208,954 | 1,445 |
| Advances to other funds (Note 7) | - | 18,469 | - | - | 18,469 | - |
| Inventories | 15,381 | 384 | - | 728 | 16,493 | 2,022 |
| Land held for sale | - | - | 33,853 | - | 33,853 | - |
| Prepaid items and deposits | 6,624 | - | 2,453 | 388 | 9,465 | 661 |
| Restricted cash and investments (Notes 4 and 5) | 34,713 | 76,163 | 12,455 | 6,498 | 129,829 | - |
| Total current assets | 318,623 | 236,472 | 59,154 | 28,648 | 642,897 | 403,455 |
| Noncurrent assets: | | | | | | |
| Loans receivable (Note 6) | - | 1,000 | 100,176 | - | 101,176 | - |
| Capital assets (Note 8): | | | | | | |
| Nondepreciable assets | 78,949 | 32,129 | 10,936 | 1,253 | 123,267 | 1,563 |
| Depreciable assets | 335,113 | 67,421 | 14,246 | 25,803 | 442,583 | 74,731 |
| Total noncurrent assets | 414,062 | 100,550 | 125,358 | 27,056 | 667,026 | 76,294 |
| Total assets | 732,685 | 337,022 | 184,512 | 55,704 | 1,309,923 | 479,749 |
| DEFERRED OUTFLOWS OF RESOURCES (Note 15) | 112,234 | 11,200 | 2,313 | 16,491 | 142,238 | 32,729 |
| LIABILITIES: | | | | | | |
| Current liabilities: | | | | | | |
| Cash overdrawn | - | - | - | 2,920 | 2,920 | 953 |
| Accounts payable | 27,030 | 7,311 | 230 | 8,773 | 43,344 | 37,419 |
| Salaries and benefits payable | 16,733 | 865 | 393 | 2,305 | 20,296 | 4,637 |
| Due to other governments | 206,236 | 808 | - | 22,762 | 229,806 | 56 |
| Due to other funds (Note 7) | - | - | - | - | - | 92 |
| Interest payable | - | - | - | 11 | 11 | - |
| Deposits payable | 1 | - | - | 25 | 26 | - |
| Other liabilities | 8,025 | 270 | 5,714 | 5 | 14,014 | 2,667 |
| Accrued interest payable (Note 14) | 1,261 | - | - | - | 1,261 | - |
| Accrued closure and post-closure care costs (Note 10) | - | 1,045 | - | - | 1,045 | - |
| Accrued remediation costs (Note 23) | - | 879 | - | - | 879 | 47 |
| Compensated absences (Notes 1 and 14) | 27,159 | 1,439 | 161 | 2,883 | 31,642 | 8,552 |
| Capital lease obligations (Note 14) | 11,864 | - | - | 1,787 | 13,651 | 8,713 |
| Bonds payable (Note 14) | 4,376 | - | - | - | 4,376 | - |
| Estimated claims liabilities (Notes 14 and 17) | - | - | - | - | - | 78,936 |
| Total current liabilities | 302,685 | 12,617 | 6,498 | 41,471 | 363,271 | 142,072 |
| Noncurrent liabilities: | | | | | | |
| Compensated absences (Note 2) | 13,377 | 2,158 | 1,452 | 1,499 | 18,486 | 5,646 |
| Advances from other funds (Note 7) | 18,469 | - | 1,527 | - | 19,996 | 3,342 |
| Accrued interest payable (Note 14) | 61,596 | - | - | - | 61,596 | - |
| Accrued closure and post-closure care costs (Note 10) | - | 103,441 | - | - | 103,441 | - |
| Accrued remediation costs (Note 23) | - | 43,054 | - | - | 43,054 | 2 |
| Capital lease obligations (Notes 1 and 2) | 193,002 | - | - | 20,863 | 213,865 | 25,622 |
| Bonds payable (Note 14) | 49,434 | - | - | - | 49,434 | - |
| Estimated claims liabilities (Notes 14 and 17) | - | - | - | - | - | 240,689 |
| Net OPEB liability (Notes 14 and 22) | 25,613 | 1,558 | - | 3,719 | 30,890 | 7,895 |
| Total OPEB liability (Notes 14 and 22) | - | 2,207 | - | - | 2,207 | - |
| Net pension liability (Notes 14 and 20) | 359,867 | 38,312 | 14,039 | 13,653 | 425,871 | 156,305 |
| Other long-term liabilities (Note 14) | - | - | 19,328 | - | 19,328 | - |
| Total noncurrent liabilities | 721,358 | 190,730 | 36,346 | 39,734 | 988,168 | 439,501 |
| Total liabilities | 1,024,043 | 203,347 | 42,844 | 81,205 | 1,351,439 | 581,573 |
| DEFERRED INFLOWS OF RESOURCES (Note 15) | 9,182 | 5,852 | 219 | 1,347 | 16,600 | 2,675 |
| NET POSITION: | | | | | | |
| Net investment in capital assets | 154,601 | 99,550 | 4,854 | 4,406 | 263,411 | 41,959 |
| Restricted for debt service | 34,520 | - | - | - | 34,520 | - |
| Restricted for health and sanitation | - | 10,973 | - | - | 10,973 | - |
| Restricted other | 193 | - | 8,331 | - | 8,524 | - |
| Unrestricted | (377,620) | 28,500 | 130,577 | (14,763) | (233,306) | (113,729) |
| Total net position | \$ (188,306) | \$ 139,023 | \$ 143,762 | \$ (10,357) | 84,122 | \$ (71,770) |
| Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | (240,921) | |
| Net position of business-type activities | | | | | \$ (156,799) | |

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

COUNTY OF RIVERSIDE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|--|--|--------------------|----------------------|--------------------|------------------|------------------------------|
| | Riverside University Health Systems - Medical Center | Waste Resources | Housing Authority | Other | Total | Internal Service Funds |
| OPERATING REVENUES: | | | | | | |
| Net patient revenue (Notes 1 and 18) | \$ 597,669 | \$ - | \$ - | \$ 19,262 | \$ 616,931 | \$ - |
| Charges for services | 1,973 | 105,667 | 3,878 | 21,598 | 133,116 | 330,336 |
| Other revenue | 80,418 | 4,467 | 106,555 | 67,248 | 258,688 | 35,815 |
| Total operating revenues | <u>680,060</u> | <u>110,134</u> | <u>110,433</u> | <u>108,108</u> | <u>1,008,735</u> | <u>366,151</u> |
| OPERATING EXPENSES: | | | | | | |
| Cost of materials used | - | 242 | - | - | 242 | 1,567 |
| Personnel services | 351,721 | 21,093 | 12,218 | 41,988 | 427,020 | 99,490 |
| Communications | 1,407 | 361 | 19 | 240 | 2,027 | 12,275 |
| Insurance | 11,647 | 1,309 | - | 1,171 | 14,127 | 43,499 |
| Maintenance of building and equipment | 12,876 | 2,978 | 2,555 | 2,211 | 20,620 | 38,143 |
| Insurance claims | - | 75 | - | - | 75 | 199,986 |
| Supplies | 92,991 | 2,296 | - | 3,392 | 98,679 | 18,595 |
| Purchased services | 115,217 | 5,884 | 2,350 | 40,410 | 163,861 | 32,263 |
| Depreciation and amortization | 29,984 | 8,272 | 1,124 | 5,408 | 44,788 | 19,484 |
| Rents and leases of equipment | 9,447 | 2,162 | 138 | 11,226 | 22,973 | 86,074 |
| Public assistance | - | 7 | 80,331 | - | 80,338 | - |
| Utilities | 5,937 | 415 | 849 | 813 | 8,014 | 2,812 |
| Closure and post-closure care costs | - | 2,017 | - | - | 2,017 | - |
| Remediation costs | - | 521 | - | - | 521 | - |
| Other | 23,698 | 48,396 | 53 | 1,242 | 73,389 | 8,789 |
| Total operating expenses | <u>654,925</u> | <u>96,028</u> | <u>99,637</u> | <u>108,101</u> | <u>958,691</u> | <u>562,977</u> |
| Operating income (loss) | <u>25,135</u> | <u>14,106</u> | <u>10,796</u> | <u>7</u> | <u>50,044</u> | <u>(196,826)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | | |
| Investment income (loss) | (114) | 224 | 918 | 35 | 1,063 | 129 |
| Interest expense | (10,133) | - | (97) | (1,207) | (11,437) | (1,539) |
| Gain (loss) on disposal of capital assets | (72) | 297 | 13 | 27 | 265 | 2,716 |
| Other nonoperating revenues / (expenses) | - | - | - | - | - | (26) |
| Total nonoperating revenues (expenses) | <u>(10,319)</u> | <u>521</u> | <u>834</u> | <u>(1,145)</u> | <u>(10,109)</u> | <u>1,280</u> |
| Income (loss) before capital contributions and transfers | 14,816 | 14,627 | 11,630 | (1,138) | 39,935 | (195,546) |
| Capital contributions | 559 | - | - | - | 559 | 165,568 |
| Transfers in (Note 7) | 50,543 | 117 | 292 | 21,308 | 72,260 | 2,973 |
| Transfers out (Note 7) | (14,074) | (806) | (374) | (2,336) | (17,590) | (4,082) |
| Change in net position before extraordinary item | <u>51,844</u> | <u>13,938</u> | <u>11,548</u> | <u>17,834</u> | <u>95,164</u> | <u>(31,087)</u> |
| Extraordinary item | - | - | - | - | - | - |
| CHANGE IN NET POSITION | <u>51,844</u> | <u>13,938</u> | <u>11,548</u> | <u>17,834</u> | <u>95,164</u> | <u>(31,087)</u> |
| Net position, beginning of year, as previously reported | (240,150) | 125,085 | 132,214 | (30,656) | | (38,704) |
| Adjustments to beginning net position (Note 3) | - | - | - | 2,465 | | (1,979) |
| Net position, beginning of year, as restated | <u>(240,150)</u> | <u>125,085</u> | <u>132,214</u> | <u>(28,191)</u> | | <u>(40,683)</u> |
| NET POSITION, END OF YEAR | <u>\$ (188,306)</u> | <u>\$ 139,023</u> | <u>\$ 143,762</u> | <u>\$ (10,357)</u> | | <u>\$ (71,770)</u> |

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds (31,762)

Change in net position of business-type activities \$ 63,402

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

COUNTY OF RIVERSIDE
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | Governmental Activities |
|--|--|--------------------|----------------------|-----------------|-------------------|------------------------------|
| | Riverside University Health Systems - Medical Center | Waste Resources | Housing Authority | Other | Total | Internal Service Funds |
| Cash flows from operating activities | | | | | | |
| Cash receipts (payments due) from customers | \$ 700,101 | \$ 112,270 | \$ 110,843 | \$ 94,341 | \$ 1,017,555 | \$ (440) |
| Cash receipts (payments due) from other funds | 25,307 | (1) | - | 40,127 | 65,433 | 371,359 |
| Cash paid to suppliers for goods and services | (320,489) | (65,156) | (77,171) | (50,914) | (513,730) | (375,297) |
| Cash paid to employees for services | (409,409) | (25,436) | (13,447) | (58,485) | (506,777) | (112,616) |
| Program loans | - | - | (3,871) | - | (3,871) | - |
| Net cash provided by (used in) operating activities | (4,490) | 21,677 | 16,354 | 25,069 | 58,610 | (116,994) |
| Cash flows from noncapital financing activities | | | | | | |
| Advances to other funds | - | 2,000 | (587) | - | 1,413 | - |
| Contributions (to) from others | - | - | - | - | - | (26) |
| Transfers received | 50,543 | 117 | 292 | 21,308 | 72,260 | 2,973 |
| Transfers paid | (14,074) | (806) | (374) | (2,336) | (17,590) | (4,082) |
| Net cash provided by (used in) noncapital financing activities | 36,469 | 1,311 | (669) | 18,972 | 56,083 | (1,135) |
| Cash flows from capital and related financing activities | | | | | | |
| Proceeds from sale of capital assets | - | 297 | 13 | 27 | 337 | 2,716 |
| Acquisition and construction of capital assets | (37,418) | (9,983) | (10,987) | (8,288) | (66,676) | (6,521) |
| Principal (payments on) capital leases | (12,885) | - | - | (1,701) | (14,586) | (12,371) |
| Capital contributions | 559 | - | - | - | 559 | 165,568 |
| Principal paid on bonds payable | (14,144) | - | - | - | (14,144) | - |
| Interest paid on long-term debt | (10,283) | - | (97) | (1,251) | (11,631) | (1,539) |
| Net cash provided by (used in) capital and related financing activities | (74,171) | (9,686) | (11,071) | (11,213) | (106,141) | 147,853 |
| Cash flows from investing activities | | | | | | |
| Investment income (loss) | (114) | 463 | 920 | 43 | 1,312 | 520 |
| Net cash provided by (used in) investing activities | (114) | 463 | 920 | 43 | 1,312 | 520 |
| Net increase (decrease) in cash and cash equivalents | (42,306) | 13,765 | 5,534 | 32,871 | 9,864 | 30,244 |
| Cash and cash equivalents, beginning of year | 100,983 | 194,409 | 15,989 | (24,899) | 286,482 | 364,527 |
| Cash and cash equivalents, end of year | <u>\$ 58,677</u> | <u>\$ 208,174</u> | <u>\$ 21,523</u> | <u>\$ 7,972</u> | <u>\$ 296,346</u> | <u>\$ 394,771</u> |
| Reconciliation of cash and cash equivalents to the Statement of Net Position | | | | | | |
| Cash and investments per Statement of Net Position | \$ 23,964 | \$ 132,011 | \$ 9,068 | \$ 1,474 | \$ 166,517 | \$ 394,771 |
| Restricted cash and investments per Statement of Net Position | 34,713 | 76,163 | 12,455 | 6,498 | 129,829 | - |
| Total cash and cash equivalents per Statement of Net Position | <u>\$ 58,677</u> | <u>\$ 208,174</u> | <u>\$ 21,523</u> | <u>\$ 7,972</u> | <u>\$ 296,346</u> | <u>\$ 394,771</u> |

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

COUNTY OF RIVERSIDE
Statement of Cash Flows
Proprietary Funds (Continued)
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Business-type Activities - Enterprise Funds | | | | | Governmental |
|---|--|--------------------|----------------------|------------------|------------------|------------------------------|
| | Riverside University Health Systems - Medical Center | Waste Resources | Housing Authority | Other | Total | Internal Service Funds |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | | | | | | |
| Operating income (loss) | \$ 25,135 | \$ 14,106 | \$ 10,796 | \$ 7 | \$ 50,044 | \$ (196,826) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | | |
| Depreciation and amortization | 29,984 | 8,272 | 1,124 | 5,408 | 44,788 | 19,484 |
| Decrease (Increase) accounts receivable | (2,644) | 2,161 | 410 | (2,824) | (2,897) | 3,954 |
| Decrease (Increase) taxes receivable | - | (1) | - | 12 | 11 | - |
| Decrease (Increase) due from other funds | 25,307 | - | - | 40,115 | 65,422 | 1,254 |
| Decrease (Increase) due from other governments | 22,685 | (25) | - | (10,943) | 11,717 | (440) |
| Decrease (Increase) inventories | (5,708) | (36) | - | (489) | (6,233) | 437 |
| Decrease (Increase) prepaid items and deposits | 1,074 | - | (2,429) | (34) | (1,389) | 95 |
| Increase (Decrease) accounts payable | (7,379) | (1,073) | 121 | (3,412) | (11,743) | 4,474 |
| Increase (Decrease) due to other funds | (28,465) | - | (14) | (288) | (28,767) | (649) |
| Increase (Decrease) due to other governments | (9,868) | 554 | - | 14,288 | 4,974 | 49 |
| Increase (Decrease) deposits payable | (11) | (38) | - | (108) | (157) | - |
| Increase (Decrease) accrued closure costs | - | 2,018 | - | - | 2,018 | - |
| Increase (Decrease) accrued remediation costs | - | 521 | - | - | 521 | (61) |
| Increase (Decrease) other liabilities | 3,088 | (5) | 11,446 | (166) | 14,363 | 122 |
| Increase (Decrease) estimated claims liability | - | - | - | - | - | 64,239 |
| Increase (Decrease) net pension liability | (46,354) | (2,482) | (1,238) | (6,395) | (56,469) | (13,493) |
| Increase (Decrease) net OPEB liability | 17,765 | 1,788 | - | 2,679 | 22,232 | 5,211 |
| Increase (Decrease) deferred OPEB | (16,899) | (826) | - | (2,645) | (20,370) | - |
| Increase (Decrease) deferred pensions | (5,393) | (2,116) | 273 | (8,919) | (16,155) | 216 |
| Increase (Decrease) service concession arrangement | - | (434) | - | - | (434) | - |
| Increase (Decrease) salaries and benefits payable | (11,724) | (837) | (335) | (1,699) | (14,595) | (4,386) |
| Increase (Decrease) compensated absences | 4,917 | 130 | 71 | 482 | 5,600 | (674) |
| Decrease (Increase) loans receivable | - | - | (3,871) | - | (3,871) | - |
| Net cash provided by (used in) operating activities | <u>\$ (4,490)</u> | <u>\$ 21,677</u> | <u>\$ 16,354</u> | <u>\$ 25,069</u> | <u>\$ 58,610</u> | <u>\$ (116,994)</u> |
| Noncash investing, capital, and financing activities: | | | | | | |
| Capital lease obligations | <u>\$ -</u> | | | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,228</u> |

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

COUNTY OF RIVERSIDE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021
(Dollars in Thousands)

| | Pension Trust | Investment Trust | Private Purpose Trust | Custodial Funds | |
|---------------------------------------|-------------------|---------------------|-----------------------------|---------------------------------|--------------------------|
| | | | | External Investment Pools | Other Custodial Funds |
| ASSETS: | | | | | |
| Cash and investments | \$ 6,519 | \$ 62 | \$ 73,666 | \$ 310,081 | \$ 277,852 |
| Receivables: | | | | | |
| Accounts receivable | 734 | - | - | - | 38 |
| Interest receivable | 3 | 1 | 9 | 3,807 | 101 |
| Taxes receivable | - | - | - | - | 33,442 |
| Investment at fair value: | | | | | |
| Short-term investments | 476 | 120 | - | 596,090 | - |
| Federal agency | - | 439 | - | 2,176,848 | - |
| Mutual funds | 111,240 | - | - | - | - |
| Commercial paper | - | 116 | - | 576,171 | - |
| Negotiable CDs | - | 100 | - | 498,885 | - |
| Medium term notes | - | 76 | - | 376,630 | - |
| Municipal bonds | - | 10 | - | 51,923 | - |
| Bonds - U.S. Treasury | - | 395 | - | 1,963,350 | - |
| Prepaid items and deposits | - | - | 3,437 | - | - |
| Due from other governments | - | - | 1,284 | - | - |
| Land held for sale | - | - | 13,376 | - | - |
| Total assets | 118,972 | 1,319 | 91,772 | 6,553,785 | 311,433 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred charge on refunding | - | - | 32,720 | - | - |
| LIABILITIES: | | | | | |
| Accounts payable | - | 1,330 | 5 | - | 133,238 |
| Due to other governments | 6,103 | - | - | - | 84,590 |
| Interest payable | - | - | 6,315 | - | - |
| Accreted interest payable | - | - | 15,130 | - | - |
| Bonds payable | - | - | 647,315 | - | - |
| Total liabilities | 6,103 | 1,330 | 668,765 | - | 217,828 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows of resources | - | - | 1,569 | - | - |
| NET POSITION: | | | | | |
| Restricted for: | | | | | |
| Pensions | 112,869 | - | - | - | - |
| Pool Participants | - | (11) | - | 6,553,785 | - |
| Individuals, Orgs & Oth Govt's | - | - | (545,842) | - | 93,605 |
| Total net position (deficit) | \$ 112,869 | \$ (11) | \$ (545,842) | \$ 6,553,785 | \$ 93,605 |

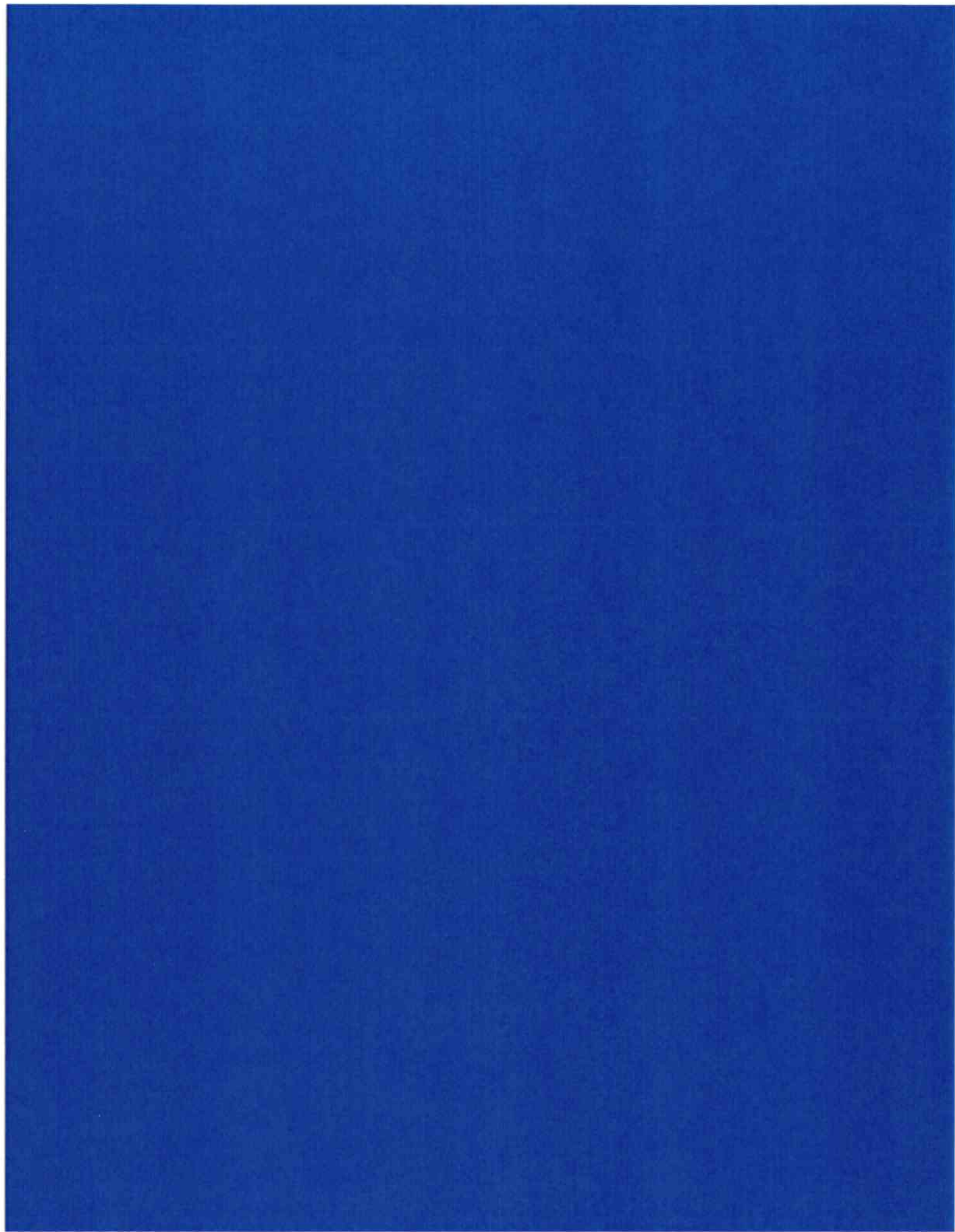
The notes to the basic financial statements are an integral part of this statement.

COUNTY OF RIVERSIDE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Pension Trust | Investment Trust | Private Purpose Trust | Custodial Funds | |
|---|------------------|---------------------|-----------------------------|---------------------------------|--------------------------|
| | | | | External Investment Pools | Other Custodial Funds |
| ADDITIONS | | | | | |
| Contributions: | | | | | |
| Members | \$ 2,136 | \$ - | \$ - | \$ - | \$ - |
| Employer | 17,257 | - | - | - | - |
| Contributions to pooled investments | - | 313,597 | - | 1,913,079 | - |
| Total contributions | 19,393 | 313,597 | - | 1,913,079 | - |
| Property taxes-Successor Agency Redevelopment | - | - | 47,118 | - | - |
| Property Tax Trust Fund Distribution | - | - | - | - | - |
| Investment earnings: | | | | | |
| Net increase (decrease) in fair value of investments | 19,617 | (11) | 3 | 4,650 | 310 |
| Interest, dividends, and other | 1,451 | - | 10 | - | - |
| Total investment earnings | 21,068 | (11) | 13 | 4,650 | 310 |
| Less investment costs: | | | | | |
| Investment activity costs | - | - | - | - | - |
| Net investment earnings | 21,068 | (11) | 13 | 4,650 | 310 |
| Property tax collection other governments | - | - | - | - | 5,505,719 |
| Other custodial fund collections | - | - | - | - | 2,864,900 |
| Gain or (loss) on sale of property | - | - | (74) | - | - |
| Miscellaneous | - | - | - | - | - |
| Total additions | 40,461 | 313,586 | 47,057 | 1,917,729 | 8,370,929 |
| DEDUCTIONS | | | | | |
| Benefits paid to participants or beneficiaries | 2,239 | - | - | - | - |
| Administrative expense | 632 | - | 1,561 | - | 331 |
| Distributions to shareholders | - | 315,048 | - | 547,226 | - |
| Beneficiary payments to individuals, organizations and other gov'ts | - | - | - | - | 2,855,807 |
| Property taxes distributed to other governments | - | - | - | - | 5,425,110 |
| Interest expense | - | - | 27,404 | - | - |
| Debt issuance costs | - | - | 50 | - | - |
| Total deductions | 2,871 | 315,048 | 29,015 | 547,226 | 8,281,248 |
| Net increase (decrease) in fiduciary net position | 37,590 | (1,462) | 18,042 | 1,370,503 | 89,681 |
| Net position, beginning of the year | 75,279 | 1,451 | (563,884) | 5,183,282 | 3,924 |
| Net position, end of the year | \$ 112,869 | \$ (11) | \$ (545,842) | \$ 6,553,785 | \$ 93,605 |

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

NOTES TO THE
FINANCIAL STATEMENTS



COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Riverside (the County) is a legal subdivision of the State of California charged with general governmental powers. The County's powers are exercised through a five member Board of Supervisors (the Board), which, as the governing body of the County, is responsible for the legislative and executive control of the County. Services provided by the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and recreation and cultural services.

Component Units

While each of these component units is legally separate from the County, the County is financially accountable for these entities. Financial accountability is primarily demonstrated by the County's Board acting as, or appointing, the governing board for each of the component units and its ability to impose its will. Because of their relationship with the County and the nature of their operations, component units are, in substance, part of the County's operations and, accordingly, the activities of these component units are combined, or blended, with the activities of the County for purposes of reporting in the accompanying basic financial statements. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the County.

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

Blended Component Units

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

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

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

County of Riverside Asset Leasing Corporation (CORAL). The Board is the governing body of CORAL. CORAL provides services entirely to the County through the purchase of land and construction of facilities, which are then leased back to the County. The County is responsible for all financial debt, and management has operational responsibility. CORAL is reported as a governmental fund type.

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

Riverside County Public Financing Authority (Public Financing Authority). The Board is the governing body of the Public Financing Authority. The Public Financing Authority was formed for the purpose of assisting in financing public improvements of the County, the Riverside County Redevelopment Successor Agency and other local agencies. The County is responsible for all financial debt and management has operational responsibility. The Public Financing Authority is reported as a governmental fund type.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Units (Continued)

Riverside County Infrastructure Financing Authority (IFA). The Board is the governing body of the IFA and the County is responsible for all its financial debt. The IFA is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated September 15, 2015, by and between the County and the Riverside County Flood Control and Water Conservation District. The IFA is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County. The IFA is reported as a governmental fund type.

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

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

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

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

Discretely Presented Component Units

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

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

Presentation of Financial Information Related to County Fiduciary Responsibilities

The basic financial statements also include an Investment Trust fund to account for cash and investments held by the County Treasurer for numerous self-governed school and special districts. The financial reporting for these governmental entities, which are independent of the County, is limited to the total amount of cash and investments and other assets. School and special district boards that are separately elected and that are independent of the County Board administer activities of the school districts and special districts. The County Auditor-Controller makes disbursements upon the request of the responsible self-governed special district officers. The Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, or appropriate surplus funds available in these entities. Therefore, these entities are fiscally independent of the County. Twenty-

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Presentation of Financial Information Related to County Fiduciary Responsibilities (Continued)

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

Basis of Presentation

Government-wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Expenses by function have been adjusted for any internal service profit/loss existing at fiscal year-end. In addition, 35.7%, or \$25.2 million, of the County's \$70.6 million indirect costs, allocated through the Countywide Cost Allocation Program (COWCAP), have been included in the expenses of those functions, which can obtain reimbursement through State and Federal Programs or other charges. Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

CARES Act Coronavirus Relief fund accounts for revenues and expenditures related to the federal funding from the Coronavirus Relief Fund provided in the Coronavirus Aid, Relief, and Economic Security (CARES) Act in response to Coronavirus (COVID-19) pandemic.

Teeter debt service fund accounts for revenue from the collection of delinquent taxes, which is then used to pay principal of the debt issued to finance the Teeter plan.

American Rescue Plan (ARP) Act Coronavirus Relief fund accounts for revenues and expenditures related to the federal funding from the Coronavirus State and Local Fiscal Recovery Funds to accelerate the United States' recovery from the economic and health impacts of the COVID-19 pandemic.

The County reports the following major enterprise funds:

Riverside University Health Systems - Medical Center (RUHS-MC) accounts for the maintenance of physical plant facilities and providing quality care to all patients in accordance with accreditation standards; the bylaws, rules and regulations of the medical staff; and the RUHS-MC. Revenue for this fund is primarily from charges for services, and secondarily from the County's general fund.

Waste Resources department (Waste Resources) accounts for solid waste revenues, expenses, and the allocation of net income for solid waste projects initiated for the public's benefit. The fund facilitates management and accounting of solid waste projects. Waste Resources prepares and maintains the County's solid waste management plan, provides environmental monitoring in accordance with state and federal mandates, and administers landfill closure and acquisition.

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

The County reports the following additional fund types:

Internal service funds account for the County's records management and archives, fleet services, central mail services, supply services, purchasing, Riverside County Information Technology (RCIT) enterprise solutions division project (accounting, purchasing, and human resources information system), risk management, temporary assistance pool, custodial services, maintenance services, real estate, and flood control equipment on a cost-reimbursement basis. Internal service funds are presented in summary form as part of the proprietary fund financial statements. In the government-wide financial statements, the changes in net position at the end of the fiscal year, as presented in the statement of activities, were allocated to the functions of both the governmental and business-type activities, to reflect the entire activity for the year. Since the predominant users of the internal services are the County's governmental activities, the asset and liability balances of the internal service funds are consolidated into the governmental activities column at the government-wide level.

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

Investment trust fund accounts for the external portion of the County Treasurer's investment pool held in trust, as defined by GASB Statement No. 84, *Fiduciary Activities*. External investment pool participants include entities legally separate from the County, such as school and special districts governed by local boards, regional boards, and authorities. This fund accounts for assets, primarily cash and investments, held or invested by the County Treasurer and the related County liability to disburse these monies on demand to the related external entities. The County's investment trust fund uses the economic resources measurement focus and accrual basis of accounting.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Private-purpose trust fund accounts for resources held and administered by the County in a fiduciary capacity for individuals, private organizations, or other governments based on trust arrangements. The fund accounts for the resources held and administered by the County in a fiduciary capacity for the Redevelopment Successor Agency. The County's private-purpose trust fund uses the economic resources measurement focus and accrual basis of accounting.

Custodial funds account for assets held by the County in a custodial capacity. The funds reported as custodial funds are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds, or private-purpose trust funds. The external portion of investment pools that are not held in trust, as defined by GASB Statement No. 84, *Fiduciary Activities*, are reported in a separate external investment pool column, under the custodial fund classification. These funds account for the receipt, temporary investment, and remittance to individuals, private organizations, or other governments and include property taxes and special assessments collected on behalf of cities, special districts, and other taxing agencies. The County's custodial funds use the economic resources measurement focus and accrual basis of accounting.

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

Governmental fund type financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues and other governmental fund type financial resources (e.g., bond issuance proceeds) are recognized when they become both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property and sales taxes are considered available for the year levied and are accrued when received within sixty days after fiscal year-end. Revenue received from expenditure driven (cost-reimbursement) grants, as defined by GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, is considered available and accrued if expected to be received within twelve months after fiscal year-end. All other revenue streams are considered available and accrued if they are expected to be received within ninety days after the fiscal year-end. Since revenue from these sources is not available to meet current period liabilities, these sources are financed through proceeds received from Tax and Revenue Anticipation Notes (TRANs) which are outstanding for a twelve month period. General capital assets acquisitions are reported as expenditures in governmental fund financial statements. Proceeds of general long-term debt and capital leases are reported as other financing sources.

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

Cash and Investments

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Securities, including U.S. Treasury and Agency securities, are carried at fair value/cost based on current market prices on a monthly basis. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within ninety days of June 30, 2021, which are carried at cost. Bond anticipation notes are carried at fair value/cost. Commercial paper is carried at amortized cost/cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value. Mutual funds are carried at fair value based on the funds' share price. Local Agency Obligations are carried at cost based on the value of each participating dollar.

The fair value of a participant's position in the pool is not the same as the value of the pooled shares. The method used to determine the value of participants' equity withdrawn is based on the book value, amortized cost, and accrued interest of the participants' percentage participation at the date of such withdrawal.

State law requires that the County Treasurer hold all operating monies of the County, school districts, and certain special districts. Collectively, these mandatory deposits constituted approximately 79.4% of the funds on deposit in the County treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 20.6% of the total funds on deposit in the County treasury represented discretionary deposits.

Receivables

The RUHS-MC accounts receivable are reported at their gross value and, where appropriate, are reduced by contractual allowances and the estimated uncollectible amounts. The estimated allowance for uncollectibles and allowance for contractals are \$144.0 million and \$266.1 million, respectively. The RUHS-MC has contracted with a Medi-Cal managed care plan to provide services to patients enrolled with Medicare and Medi-Cal programs. The RUHS-MC receives a fixed monthly premium payment for each patient enrolled. Revenue under this agreement is recognized in the period in which the RUHS-MC is required to provide services.

Property Taxes

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and the Revenue and Taxation Code. Property is assessed by the County Assessor and State Board of Equalization at 100.0% of full cash or market value (with some exceptions) pursuant to Article XIII A of the California State Constitution and statutory provisions. The total for fiscal year 2020-21 gross assessed valuation (for tax purposes) of the County was \$327.34 billion.

The property tax levy to support general operations of the various local government jurisdictions is limited to 1.0% of the full cash value of taxable property and distributed in accordance with statutory formulas. Amounts needed to finance the annual requirements of voter-approved debt (approved by the electorate prior to June 20, 1978) are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

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

Property taxes are levied on both real and personal property and are recorded as receivables at the date of levy. Secured property taxes are levied on or before the first business day of September of each year. These taxes become a lien on real property on January 1 proceeding the fiscal year for which taxes are levied. Tax payments can be made in two equal installments; the first is due November 1 and is delinquent with penalties after December 10; the second is due February 1 and is delinquent with penalties after April 10. Secured property taxes that are delinquent and unpaid as of June 30 are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due and any excess is remitted, if claimed, to the taxpayer.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Unsecured personal property taxes are not a lien against real property. These taxes are due on January 1, and become delinquent, if unpaid, on August 31. During fiscal year 1993-94, the County authorized an alternative property tax distribution method referred to as the "Teeter plan." This method allows for a 100.0% distribution of the current secured property tax levy to entities electing the alternative method, as compared to the previous method where only the current levy less and delinquent taxes was distributed. This results in the general fund receiving distributions of approximately 50.0-55.0% in December, 40.0-45.0% in April and the remaining balance in the fall of each year.

The Teeter plan also provides that all the payments of redemption penalties and interest on delinquent secured property taxes of participating agencies flow to a Tax Loss Reserve Fund (TLRF). Any amounts on deposit in the TLRF greater than 1.0% of the tax levy for participating entities may flow to the County general fund. For fiscal year 2020-21, \$23.9 million was transferred from the TLRF to the general fund.

Prepaid Items and Inventories

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The prepaid items recorded in the governmental funds do not reflect current appropriable resources and thus, an equivalent portion of fund balance is nonspendable. The consumption method is used to account for prepaid items. Under the consumption method, prepaid items are recorded as expenditures during the period benefited by the prepayment.

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

Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Capital assets received by the County through a Service Concession Arrangement and donated capital assets, including works of art and historical treasures, are recorded at the estimated acquisition value at the date of donation. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, traffic signals, park trails and improvements, flood control channels, storm drains, dams, and basins. The capitalization threshold for equipment is \$5.0 thousand; buildings, land and land improvements is \$5.0 thousand; and infrastructure and intangibles is \$150.0 thousand. Betterments result in more productive, efficient, or long-lived assets. Significant betterments are considered capital assets when they result in an improvement of \$5.0 thousand or more.

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

| | | | |
|-------------------------------|----------|--------------|-------------|
| Infrastructure | | Buildings | 25-50 years |
| Flood channels | 99 years | Improvements | 10-20 years |
| Flood storm drains | 65 years | Equipment | 2-20 years |
| Flood dams and basins | 99 years | | |
| Roads | 20 years | | |
| Traffic signals | 10 years | | |
| Parks trails and improvements | 20 years | | |
| Bridges | 50 years | | |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Leases

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

Restricted Assets

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

Employee Compensated Absences

County policy permits employees in some bargaining units to accumulate earned, but unused vacation, holiday, and sick pay benefits. Vacation and holiday pay are accrued when incurred. For other bargaining units, annual leave is earned and accrued, but not vacation or sick leave. Proprietary funds report accrued vacation and holiday pay as a liability of the individual fund while governmental funds record amounts that are due and payable at year-end as a liability of the fund and amounts due in the future as a liability in the government-wide financial statements. At June 30, 2021, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net position was \$311.3 million.

The County allows unlimited accumulation of sick leave. Upon service retirement, disability retirement, or death of an employee or officer, and subject to the provisions of any applicable agreement between the employing agency and CalPERS, unused accumulated sick leave for most employees with at least 5 but less than 15 years of service shall be credited at the rate of 50.0% of current salary value thereof provided, however, that the total payment shall not exceed a sum equal to 960 hours of full pay.

Unused accumulated sick leave for employees with more than 15 or more years of service shall be credited at the rate of the current salary value provided, however, that the total payment shall not exceed a sum equal to 960 hours of full pay. In addition, the employee may also elect to place the payable amount of sick leave into a VEBA (Voluntary Employee Beneficiary Association) account, which may be used for future health care costs.

Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63 and GASB Statement No. 65, the County recognizes deferred outflows of resources and inflows of resources. The deferred outflow of resources is defined as a consumption of net position or fund balance by the government that is applicable to the future reporting period. A deferred inflow of resources is defined as an acquisition of net position or fund balance by the government that is applicable to a future reporting period. Refer to Note 15 for a detailed listing of the deferred inflows and outflows of resources the County has recognized.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Long-term Debt

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

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

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position has been determined on the same basis as it is reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Landfill Closure and Post-Closure Care Costs

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

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

Interfund Transactions

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Net Position

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

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

Restricted Net Position – This category presents net position with external restrictions imposed on its use by creditors, grantors, contributors, laws and regulations of other governments, or restrictions imposed by law through constitutional provisions or legislation.

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

Fund Balance

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

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

Fund Balance Policy

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

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

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

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Spending Prioritization for Fund Categories

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

Minimum Fund Balance Policy for Governmental Funds

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

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

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

Special revenue fund balances shall be kept at the higher of the minimum level dictated by the funding source or an amount that does not fall below zero. In the event that the fund balance drops below the established minimum levels, the department with primary responsibility for expending the special revenue will develop a plan to replenish the balance to established minimum levels within 2 years and submit the plan to the Board for approval.

The County shall maintain a minimum unassigned fund balance in its general fund of at least 25.0% of the fiscal year's estimated discretionary revenue. A significant portion of the minimum unassigned fund balance may be used for one-time or short-term expenditures caused by an economic crisis and should be designated within an "Economic Uncertainty" account. Use of these stabilization funds should be as the last resort in balancing the County budget. The general fund unassigned fund balance of \$369.4 million is 43.2% of discretionary revenue.

Use of Estimates

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

Current Governmental Accounting Standards Board Statements

Governmental Accounting Standards Board Statement No. 90

In August 2018, GASB Statement No. 90, *Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 is effective for reporting periods beginning after December 15, 2019.

Governmental Accounting Standards Board Statement No. 98

In October 2021, GASB 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. GASB Statement No. 98 is effective for Fiscal years ending after December 15, 2021. The County has elected to early implement this statement.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements

Governmental Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as deferred inflows of resources or deferred outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 is effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 89

In June 2018, GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 is effective for reporting periods beginning after December 15, 2020. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 91

In May 2019, GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 is effective for reporting periods beginning after December 15, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 92

In January 2020, GASB Statement 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 92 is effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 93

In March 2020, GASB Statement 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 93 is effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements (Continued)

in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which 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; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB Statement No. 94 is effective for reporting periods beginning after June 15, 2022. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB Statement 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 97

In May 2020, GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans— an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 for paragraphs 6-9 is effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

On or before October 2 of each fiscal year, after conducting public hearings concerning the proposed budget, the County Board adopts a budget in accordance with the provisions of Sections 29000-29144 and 30200 of the Government Code of the State of California (the Government Code), commonly known as the County Budget Act, and Board Resolution No. 90-338. Annual budgets are adopted on the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Budgeted governmental funds consist of the general fund, major funds, some nonmajor funds including all special revenue funds, certain debt service funds such as CORAL, Flood Control, Public Financing Authority, Infrastructure Financing Authority, Teeter, and Pension Obligation, and certain capital projects funds such as Flood Control, Public Facilities Improvement, Regional Parks and Open Space District, and CREST. Annual budgets are not adopted for the CORAL, Public Financing Authority, and Infrastructure Financing Authority capital projects funds and the Perris Valley Cemetery Permanent Fund.

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

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

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

Individual Fund Deficits

For the year ended June 30, 2021, Enterprise funds (EF) and Internal Service Funds (ISF) individual Fund Deficits are as follows (In thousands):

| <u>Proprietary Funds:</u> | | |
|---|----|---------|
| EF - Riverside University Health Systems - Medical Center | \$ | 188,306 |
| EF - Flood Control | \$ | 1,685 |
| EF - Riverside University Health Systems - Community Health Centers | \$ | 14,596 |
| ISF - Information Services | \$ | 32,097 |
| ISF - Central Mail | \$ | 185 |
| ISF - Supply Services | \$ | 414 |
| ISF - Risk Management | \$ | 37,538 |
| ISF - Temporary Assistance Pool | \$ | 3,958 |
| ISF - Facilities Management | \$ | 25,244 |

The primary reason for the fund deficits in all funds listed is due to the net pension liability and net OPEB liability related to GASB Statement No. 68 and GASB Statement No. 75, respectively.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Excess of Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations in capital outlay by \$6.2 million in the general fund. This excess of expenditures resulted from the acquisition of \$6.2 million of capital leases. Accordingly, this is being funded by other financing sources-capital leases.

NOTE 3 – RESTATEMENTS OF BEGINNING FUND BALANCES / NET POSITION

The County's beginning net position or fund balance has been restated to reflect the cumulative effect of prior year adjustments. A summary of the restatements as of June 30, 2021 is as follows (In thousands):

Government-wide:

| Description | Primary Government | |
|---|----------------------------|-----------------------------|
| | Governmental Activities | Business-type Activities |
| Government-wide net position as of June 30, 2020, as previously reported | \$ 1,579,566 | \$ (222,666) |
| Government-wide financial statements: | | |
| Prior period adjustments: | | |
| Capital assets adjustment (1) | (3,656) | - |
| Refund excess funds (2) | (1,979) | - |
| Net pension liability adjustments (3) | 1,060 | - |
| Fund financial statements: | | |
| Prior period adjustments: | | |
| Capital assets adjustment (1) | - | 3,656 |
| Net pension liability adjustment (3) | - | (1,060) |
| Compensated absences adjustment (4) | - | (131) |
| Net position as of June 30, 2020, as restated | <u>\$ 1,574,991</u> | <u>\$ (220,201)</u> |

Fund Financials:

| Description | Proprietary Funds | |
|---|---------------------------|---------------------------------|
| | Nonmajor Fund | Internal Service Funds |
| | Other Enterprise Funds | Temporary Assistance Pool |
| Fund balances or net position as of June 30, 2020, as previously reported | \$ (30,656) | \$ 233 |
| Prior Period Adjustments: | | |
| Capital assets adjustment (1) | 3,656 | - |
| Refund excess funds (2) | - | (1,979) |
| Net pension liability adjustment (3) | (1,060) | - |
| Compensated absences adjustment (4) | (131) | - |
| Fund balances or net position as of June 30, 2020, as restated | <u>\$ (28,191)</u> | <u>\$ (1,746)</u> |

- (1) A prior period adjustment of \$3.7 million was made to restate the beginning balance of capital assets for the Aviation Department due to fund type reclassification.
- (2) A prior period adjustment of \$2.0 million was made to refund excess funds collected in the prior year to County departments.
- (3) A prior period adjustment of \$1.1 million was made to restate the beginning balance of net pension liability for the Aviation Department due to fund type reclassification.
- (4) A prior period adjustment of \$131.0 thousand was made to restate the beginning balance of compensated absences for the Aviation Department due to fund type reclassification.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 4 – CASH AND INVESTMENTS

As of June 30, 2021, cash and investments are classified in the accompanying financial statements as follows (In thousands):

| | Governmental Activities | Business-type Activities | Discretely Presented Component Unit | Fiduciary Funds | Total |
|---------------------------------|----------------------------|-----------------------------|--|---------------------|---------------------|
| Cash and investments | \$ 1,622,097 | \$ 169,437 | \$ 33,582 | \$ 7,021,049 | \$ 8,846,165 |
| Restricted cash and investments | 862,807 | 129,829 | - | - | 992,636 |
| Total cash and investments | <u>\$ 2,484,904</u> | <u>\$ 299,266</u> | <u>\$ 33,582</u> | <u>\$ 7,021,049</u> | <u>\$ 9,838,801</u> |

As of June 30, 2021, cash and investments consist of the following (In thousands):

| | |
|----------------------------|---------------------|
| Deposits | \$ 92,976 |
| Investments | <u>9,745,825</u> |
| Total cash and investments | <u>\$ 9,838,801</u> |

Investment in State Investment Pool

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair value valuation of the pooled investment program portfolio and a monthly fair value valuation of all securities held against carrying cost. The quarterly report on the resources Pooled Money Investment Account is posted to the State Treasurer's Office website at www.treasurer.ca.gov. The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's prorated share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2021, reported under investments, CORAL had \$2.6 million and RUHS-Medical Center had \$11.6 million for a total amount of \$14.2 million in LAIF.

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

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

Concentration of Credit Risk

The investment policy of the County contains certain limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. In accordance with GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, the County should provide information about the concentration of credit risk associated with its investments in any one issuer that represent 5% or more of total County investments. These investments are identified on the investment table below.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 4 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law or a letter of credit issued by the Federal Home Loan Bank of San Francisco (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. GASB Statement No. 40 requires that a disclosure is made with respect to custodial credit risks relating to deposits. The County has cash deposits with fiscal agents in excess of federal depository insurance limits held in collateralized accounts with securities held by Union Bank in the amount of \$291 million. Investment securities are registered and held in the name of the County.

Credit Risk

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

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

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

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|---------------------|---------------------------------------|--|
| Municipal bonds (MUNI) | 4 Years | 15% | 5% ** |
| U.S. treasuries | 5 Years | 100% | N/A |
| Local agency obligations (LAO) | 3 Years | 2.5% | 2.5% |
| Federal agencies | 5 Years | 100% | N/A |
| Commercial paper (CP) | 270 Days | 40% | 5% * |
| Certificate & time deposits (NCD & TCD) | 1 Years | 25% | 5% * |
| Int'l bank for reconstruction and development and int'l finance corporation | 4 Years | 20% | N/A |
| Repurchase agreements (REPO) | 45 Days | 40% | 20% |
| Reverse REPOS | 60 Days | 10% | 10% |
| Medium term notes (MTNO) or Corporate Notes | 3 Years | 20% | 5% * |
| CaTRUST short term fund | Daily Liquidity | 1% | 1% |
| Money market mutual funds (MMF) | Daily Liquidity | 20% | N/A |
| Local agency investment fund (LAIF) | Daily Liquidity | Max \$50M | N/A |
| Cash/deposit account | N/A | N/A | N/A |

* Maximum of 5% per issuer in combined commercial paper, certificate & time deposits, and medium term notes.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 4 – CASH AND INVESTMENTS (Continued)

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

As of June 30, 2021, the County and Component Units had the following investments (In thousands):

| | June 30, 2021 | Interest Rate Range | Maturity | Weighted Average Maturity (Years) | Minimum Legal Rating (I) |
|---|---------------------|------------------------|---------------|--|--------------------------------|
| County treasurer investments | | | | | |
| Investments by fair value level | | | | | |
| U.S. treasuries | \$ 2,849,284 | 0.03 - 1.63% | 07/21 - 06/26 | 0.83 | N/A |
| Federal home loan mortgage corporation | 738,668 | 0.19 - 0.80% | 09/21 - 12/25 | 2.36 | N/A |
| Federal national mortgage association | 710,010 | 0.21 - 2.87% | 04/22 - 11/25 | 2.91 | N/A |
| Federal home loan bank | 1,260,119 | 0.01 - 2.50% | 07/21 - 06/26 | 2.18 | N/A |
| Federal farm credit bank | 911,565 | 0.05 - 3.05% | 10/21 - 05/26 | 1.74 | N/A |
| Farmer mac | 60,527 | 0.16 - 2.85% | 10/21 - 06/23 | 0.60 | N/A |
| Municipal notes | 75,352 | 0.15 - 4.00% | 08/21 - 08/23 | 0.81 | AA-/Aa3/AA- |
| Commercial paper | 836,160 | 0.02 - 0.17% | 07/21 - 01/22 | 0.11 | A1/P1/F1 |
| International Finance Corporation | 24,810 | 0.25% | 08/24 | 3.15 | AA/Aa/AA |
| Total County treasurer investments by fair value level | <u>7,466,495</u> | | | | |
| Investments measured at amortized cost | | | | | |
| Negotiable certificates of deposit | 724,000 | 0.06 - 0.17% | 07/21 - 01/22 | 0.26 | A1/P1/F1 |
| Managed rate accounts | 450,000 | 0.05% | 07/21 | 0.00 | N/A |
| CalTRUST short term fund | 94,017 | 0.22% | 07/21 | 0.00 | N/A |
| Money market mutual funds (II) | 771,050 | 0.01 - 0.07% | 07/21 | 0.00 | AAA |
| Total investments measured at amortized cost | <u>2,039,067</u> | | | | |
| Total County treasurer investments | <u>9,505,562</u> | | | | |
| Blended component unit investments | | | | | |
| Investments measured at amortized cost | | | | | |
| Money market funds | 99,752 | 0.00 - 0.41% | | N/A | AAA/Aaa |
| Certificates of deposit | 1,000 | 0.15% | 10/20 - 10/21 | | |
| Local agency investment fund | 14,155 | 0.41% | 7/1/21 | N/A | N/A |
| Mutual funds | 121,278 | 0.01 - 5.00% | | | |
| Investment agreements | 4,078 | 4.83% | 2/12/35 | | |
| Total blended component unit investments measured at amortized cost | <u>240,263</u> | | | | |
| Total blended component unit investments | <u>240,263</u> | | | | |
| Total investments | <u>\$ 9,745,825</u> | | | | |

(I) Investment ratings are from Standard and Poor's (S&P), Moody's Investor Service (Moody's) and Fitch.

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

N/A — Not Applicable

N/R — Not Required

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 4 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The County has the following recurring fair value measurements as of June 30, 2021 (In thousands):

| Fair Value Measurements Using | | | | | | |
|-------------------------------|-----------|--|---|--|---------------|--|
| Rating (I) | % of | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | June 30, 2021 | |
| June 30, 2021 | Portfolio | (Level 1) | (Level 2) | (Level 3) | June 30, 2021 | |
| | | | | | | County treasurer investments |
| | | | | | | Investments by fair value level |
| AA+/Aaa | 29.97% | \$ 2,849,284 | | | \$ 2,849,284 | U.S. treasuries |
| AA+/Aaa | 7.77% | | \$ 738,668 | | 738,668 | Federal home loan mortgage corporation |
| AA+/Aaa | 7.47% | | 710,010 | | 710,010 | Federal national mortgage association |
| AA+/Aaa | 13.26% | | 1,260,119 | | 1,260,119 | Federal home loan bank |
| AA+/Aaa | 9.59% | | 911,565 | | 911,565 | Federal farm credit bank |
| N/R | 0.64% | | 60,527 | | 60,527 | Farmer mac |
| AAA/Aaa | 0.79% | | 75,352 | | 75,352 | Municipal notes |
| AAA/Aaa | 8.80% | | 836,160 | | 836,160 | Commercial paper |
| AAA/Aaa | 0.26% | | 24,810 | | 24,810 | International Finance Corporation |
| | 78.55% | 2,849,284 | 4,617,211 | - | 7,466,495 | Total County treasurer investments by fair value level |
| | | | | | | Investments measured at amortized cost |
| AA-/Aa2 | 7.62% | | | | 724,000 | Negotiable certificates of deposit |
| N/R | 4.73% | | | | 450,000 | Managed rate accounts |
| AA+/Aaa | 0.99% | | | | 94,017 | CalTRUST short term fund |
| AAA/Aaa | 8.11% | | | | 771,050 | Money market mutual funds (II) |
| | 21.45% | | | | 2,039,067 | Total investments measured at amortized cost |
| | 100.00% | 2,849,284 | 4,617,211 | - | 9,505,562 | Total County treasurer investments |
| | | | | | | Blended component unit investments |
| | | | | | | Investments measured at amortized cost |
| AAA/Aaa | 41.52% | | | | 99,752 | Money market funds |
| | 0.42% | | | | 1,000 | Certificates of deposit |
| N/R | 5.89% | | | | 14,155 | Local agency investment fund |
| NR/Aaa | 50.48% | | | | 121,278 | Money market mutual funds (II) |
| | 1.70% | | | | 4,078 | Investment agreements |
| | 100.00% | | | | 240,263 | Total blended component unit investments |
| | | | | | | measured at amortized cost |
| | 100.00% | - | - | - | 240,263 | Total blended component unit investments |
| | | \$ 2,849,284 | \$ 4,617,211 | \$ - | \$ 9,745,825 | Total investments |

(I) Investment ratings are from Standard and Poor's (S&P) and Moody's Investor Service (Moody's).

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

N/A — Not Applicable

N/R — Not Required

The County and its component units categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 — Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County's own data.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 5 – RESTRICTED CASH AND INVESTMENTS

The amount of assets restricted by legal and contractual requirements at June 30, 2021, is as follows (In thousands):

| | | |
|---|---------------|--------------------------|
| <u>Governmental Activities</u> | | |
| General Fund | | \$ 502,449 |
| Flood Control | | 2,579 |
| Teeter Debt Service | | 51,020 |
| CARES Act Coronavirus Relief | | 24,361 |
| ARP Act Coronavirus Relief | | 239,993 |
| Other Governmental Funds | | |
| CORAL | | |
| Local Agency Investment Fund | 2,560 | |
| Restricted Cash and Other Investments | <u>11,817</u> | 14,377 |
| District Court Financing Corporation | | 139 |
| Infrastructure Financing Authority | | 1,380 |
| Inland Empire Tobacco Securitization | | 12,320 |
| Pension Obligation | | 12,371 |
| Public Financing Authority | | <u>1,818</u> |
| Total Other Governmental Funds | | <u>42,405</u> |
| Total Governmental Activities | | <u>862,807</u> |
| <u>Business-type Activities</u> | | |
| Riverside University Health Systems - Medical Center | | |
| Local Agency Investment Fund | | 11,595 |
| Restricted Cash and Other Investments | | <u>23,118</u> |
| Total Riverside University Health Systems - Medical Center | | 34,713 |
| Waste Resources | | 76,163 |
| Housing Authority | | 12,455 |
| Flood Control | | <u>6,498</u> |
| Total Business-type Activities | | <u>129,829</u> |
| Total Restricted Cash and Investments | | <u>\$ 992,636</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 6 – RECEIVABLES

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

| Governmental activities: | Accounts | Interest | Taxes | Due From Other Govts | Total |
|------------------------------|-----------|----------|-----------|-------------------------|----------------------------|
| | | | | | Governmental Activities |
| General fund | \$ 8,840 | \$ 1,426 | \$ 8,813 | \$ 406,867 | \$ 425,946 |
| Transportation | 1,229 | 83 | 13 | 16,969 | 18,294 |
| Flood Control | 95 | 175 | 1,026 | 186 | 1,482 |
| Teeter debt service | - | 22 | 56,921 | - | 56,943 |
| CARES Act Coronavirus Relief | - | 64 | - | - | 64 |
| ARP Act Coronavirus Relief | - | 74 | - | - | 74 |
| Other governmental funds | 4,989 | 185 | 1,260 | 15,711 | 22,145 |
| Internal service funds | 3,392 | 211 | - | 1,445 | 5,048 |
| Total receivables | \$ 18,545 | \$ 2,240 | \$ 68,033 | \$ 441,178 | \$ 529,996 |

| Business-type activities: | Accounts | Interest | Taxes | Loans | Due From Other Govts | Allowance for Uncollectibles | Total |
|---|------------|----------|-------|------------|-------------------------|------------------------------------|-----------------------------|
| | | | | | | | Business-type Activities |
| Riverside University Health Systems - Medical Center | \$ 452,271 | \$ - | \$ - | \$ - | \$ 195,771 | \$ (410,101) | \$ 237,941 |
| Waste Resources | 9,088 | 131 | 1 | 1,000 | 225 | - | 10,445 |
| Housing Authority | 1,600 | 1 | - | 100,176 | - | (276) | 101,501 |
| Other | 3,676 | 6 | - | - | 12,958 | - | 16,640 |
| Total receivables | \$ 466,635 | \$ 138 | \$ 1 | \$ 101,176 | \$ 208,954 | \$ (410,377) | \$ 366,527 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 7 – INTERFUND TRANSACTIONS

(a) Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2021 is as follows (In thousands):

| <i>Due to/from other funds :</i> | <u>Receivable Fund</u> | |
|---------------------------------------|------------------------|---------------------|
| Payable Fund | General Fund | Teeter Debt Service |
| General Fund | | |
| Delinquent property tax | \$ - | \$ 35 |
| Operating contribution | - | - |
| Total General Fund | | |
| Transportation | | |
| Interfund activity | 95 | - |
| Total Transportation | | |
| Teeter Debt Service | | |
| Delinquent property tax | 1,551 | - |
| Interfund activity | 6,649 | - |
| Total Teeter Debt Service | | |
| Other Governmental Funds | | |
| Operating contribution | - | - |
| Total Other Governmental Funds | | |
| Internal Service Funds | | |
| Interfund activity | 92 | - |
| Total Internal Service Funds | | |
| Total Receivable | <u>\$ 8,387</u> | <u>\$ 35</u> |

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

Advances to/from other funds:

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

The General Fund advanced the Housing Authority \$1.5 million to pay off the principal and interest on predevelopment loans.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

(a) Interfund Receivables/Payables (Continued)

| Other Governmental Funds | Total Payable | |
|-----------------------------|---------------|---------------------------------------|
| | | General Fund |
| \$ - | \$ 35 | Delinquent property tax |
| 2,441 | 2,441 | Operating contribution |
| | 2,476 | Total General Fund |
| | | Transportation |
| - | 95 | Interfund activity |
| | 95 | Total Transportation |
| | | Teeter Debt Service |
| - | 1,551 | Delinquent property tax |
| - | 6,649 | Interfund activity |
| | 8,200 | Total Teeter Debt Service |
| | | Other Governmental Funds |
| 66 | 66 | Operating contribution |
| | 66 | Total Other Governmental Funds |
| | | Internal Service Funds |
| - | 92 | Interfund activity |
| | 92 | Total Internal Service Funds |
| \$ 2,507 | \$ 10,929 | Total Receivable |

Advances to/from other funds (Continued):

Waste Resources advanced \$18.5 million to RUHS-MC for Huron Consulting Services.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers

(b) Between Funds within the Governmental Activities:¹

| Transfer Out | Transfers In | | | | |
|---|-------------------|------------------|---------------------|--------------------------|--|
| | General Fund | Transportation | Teeter Debt Service | Other Governmental Funds | Riverside University Health Systems - Medical Center |
| General Fund | | | | | |
| *To finance capital projects | \$ - | \$ - | \$ - | \$ 10,509 | \$ - |
| *For debt service payments | - | - | 3,053 | 66,212 | 11,537 |
| *Operating contribution | - | 70 | - | 32,874 | - |
| *For professional services | - | - | - | 30,788 | - |
| *To fund pension obligation | - | - | - | 60,903 | - |
| Total General Fund | | | | | |
| Transportation | | | | | |
| *For professional services | - | - | - | 13,625 | - |
| *To fund pension obligation | - | - | - | 2,111 | - |
| Total Transportation | | | | | |
| CARES Act Coronavirus Relief | | | | | |
| *Operating contribution | 170,461 | 314 | - | 93,583 | 39,006 |
| Total CARES Act Coronavirus Relief | | | | | |
| Flood Control | | | | | |
| *For debt service payments | - | - | - | 2,830 | - |
| *To fund pension obligation | - | - | - | 1 | - |
| Total Flood Control | | | | | |
| Teeter Debt Service | | | | | |
| *For debt service payments | 1,551 | - | - | - | - |
| Total Teeter Debt Service | | | | | |
| Other Governmental Funds | | | | | |
| *To finance capital projects | 31,194 | - | - | - | - |
| *For fire protection services | 67,043 | - | - | - | - |
| *For professional services | 19,286 | 22,172 | - | - | - |
| *Operating contribution | - | - | - | 66 | - |
| *To fund pension obligation | - | - | - | 1,607 | - |
| Total Other Governmental Funds | | | | | |
| Riverside University Health Systems-Medical Center | | | | | |
| *To fund pension obligation | - | - | - | 14,074 | - |
| Total Riverside University Health Systems-Medical Center | | | | | |
| Waste Resources | | | | | |
| *To fund pension obligation | - | - | - | 806 | - |
| Total Waste Resources | | | | | |
| Housing Authority | | | | | |
| *To fund pension obligation | - | - | - | 374 | - |
| Total Housing Authority | | | | | |
| Other Enterprise Funds | | | | | |
| *Operating contribution | - | - | - | 285 | - |
| *To fund pension obligation | - | - | - | 2,051 | - |
| Total Other Enterprise Funds | | | | | |
| Internal Service Funds | | | | | |
| *To fund pension obligation | - | - | - | 4,082 | - |
| Total Internal Service Funds | | | | | |
| Total transfers in | \$ 289,535 | \$ 22,556 | \$ 3,053 | \$ 336,781 | \$ 50,543 |

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

(b) Between Governmental and Business-type Activities:

| Transfers In | | | | | |
|--|----------------------|------------------------------|------------------------------|---------------------------|---|
| Waste Resources | Housing Authority | Other Enterprise Funds | Internal Service Funds | Total Transfers Out | *Principal purpose for transfer |
| General Fund | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ 10,509 | *To finance capital projects |
| - | - | - | - | 80,802 | *For debt service payments |
| - | - | - | - | 32,944 | *Operating contribution |
| - | - | - | - | 30,788 | *For professional services |
| - | - | - | - | 60,903 | *To fund pension obligation |
| | | | | <u>215,946</u> | Total General Fund |
| Transportation | | | | | |
| - | - | - | - | 13,625 | *For professional services |
| - | - | - | - | 2,111 | *To fund pension obligation |
| | | | | <u>15,736</u> | Total Transportation |
| CARES Act Coronavirus Relief | | | | | |
| 117 | 292 | 19,852 | 2,958 | 326,583 | *Operating contribution |
| | | | | <u>326,583</u> | Total CARES Act Coronavirus Relief |
| Flood Control | | | | | |
| - | - | - | - | 2,830 | *For debt service payments |
| - | - | - | - | 1 | *To fund pension obligation |
| | | | | <u>2,831</u> | Total Flood Control |
| Teeter Debt Service | | | | | |
| - | - | - | - | 1,551 | *For debt service payments |
| | | | | <u>1,551</u> | Total Teeter Debt Service |
| Other Governmental Funds | | | | | |
| - | - | - | 15 | 31,209 | *To finance capital projects |
| - | - | - | - | 67,043 | *For fire protection services |
| - | - | - | - | 41,458 | *For professional services |
| - | - | 1,456 | - | 1,522 | *Operating contribution |
| - | - | - | - | 1,607 | *To fund pension obligation |
| | | | | <u>142,839</u> | Total Other Governmental Funds |
| Riverside University Health Systems-Medical Center | | | | | |
| - | - | - | - | 14,074 | *To fund pension obligation |
| | | | | <u>14,074</u> | Total Riverside University Health Systems-Medical Center |
| Waste Resources | | | | | |
| - | - | - | - | 806 | *To fund pension obligation |
| | | | | <u>806</u> | Total Waste Resources |
| Housing Authority | | | | | |
| - | - | - | - | 374 | *To fund pension obligation |
| | | | | <u>374</u> | Total Housing Authority |
| Other Enterprise Funds | | | | | |
| - | - | - | - | 285 | *Operating contribution |
| - | - | - | - | 2,051 | *To fund pension obligation |
| | | | | <u>2,336</u> | Total Other Enterprise Funds |
| Internal Service Funds | | | | | |
| - | - | - | - | 4,082 | *To fund pension obligation |
| | | | | <u>4,082</u> | Total Internal Service Funds |
| <u>\$ 117</u> | <u>\$ 292</u> | <u>\$ 21,308</u> | <u>\$ 2,973</u> | <u>\$ 727,158</u> | Total transfers in |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows (In thousands):

| | Restated Balance July 1, 2020 | Additions | Deletions/ Adjustments | Transfers | Balance June 30, 2021 |
|---|-------------------------------------|-----------|---------------------------|-----------|--------------------------|
| Governmental activities: | | | | | |
| <i>Capital assets, not being depreciated:</i> | | | | | |
| Land & easements | \$ 597,367 | \$ 7,974 | \$ (322) | \$ - | \$ 605,019 |
| Construction in progress | 895,745 | 180,531 | (2,866) | (48,747) | 1,024,663 |
| Total capital assets, not being depreciated | 1,493,112 | 188,505 | (3,188) | (48,747) | 1,629,682 |
| <i>Capital assets, being depreciated:</i> | | | | | |
| Infrastructure | 3,811,982 | 58,736 | (102) | 26,653 | 3,897,269 |
| Land improvements | 110 | - | - | - | 110 |
| Structures and improvements | 1,892,830 | 1,133 | (16,179) | 5,063 | 1,882,847 |
| Equipment | 633,361 | 48,085 | (42,940) | 16,661 | 655,167 |
| Total capital assets, being depreciated | 6,338,283 | 107,954 | (59,221) | 48,377 | 6,435,393 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (1,811,517) | (121,789) | 82 | - | (1,933,224) |
| Land improvements | (32) | (1) | - | - | (33) |
| Structures and improvements | (627,300) | (42,754) | 4,293 | - | (665,761) |
| Equipment | (395,526) | (46,567) | 39,270 | 370 | (402,453) |
| Total accumulated depreciation | (2,834,375) | (211,111) | 43,645 | 370 | (3,001,471) |
| Total capital assets, being depreciated, net | 3,503,908 | (103,157) | (15,576) | 48,747 | 3,433,922 |
| Governmental activities capital assets, net | \$ 4,997,020 | \$ 85,348 | \$ (18,764) | \$ - | \$ 5,063,604 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 8 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2021 was as follows (In thousands):

| | Restated Balance July 1, 2020 | Additions | Deletions/ Adjustments | Transfers | Balance June 30, 2021 |
|---|-------------------------------------|------------------|---------------------------|----------------|--------------------------|
| Business-type activities: | | | | | |
| <i>Capital assets, not being depreciated:</i> | | | | | |
| Land & easements | \$ 21,534 | \$ 221 | \$ - | \$ 515 | \$ 22,270 |
| Construction in progress | 58,251 | 39,928 | (45) | (5,967) | 92,167 |
| Concession arrangements | 8,830 | - | - | - | 8,830 |
| Total capital assets, not being depreciated | 88,615 | 40,149 | (45) | (5,452) | 123,267 |
| <i>Capital assets, being depreciated:</i> | | | | | |
| Infrastructure | 116,624 | 1,161 | - | 558 | 118,343 |
| Land improvements | 21,426 | - | - | - | 21,426 |
| Structures and improvements | 480,853 | 6,567 | (12) | 4,006 | 491,414 |
| Equipment | 235,529 | 17,917 | (4,051) | 1,272 | 250,667 |
| Total capital assets, being depreciated | 854,432 | 25,645 | (4,063) | 5,836 | 881,850 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (65,334) | (4,380) | - | (317) | (70,031) |
| Land improvements | (16,232) | (702) | - | - | (16,934) |
| Structures and improvements | (150,201) | (15,402) | 12 | (164) | (165,755) |
| Equipment | (166,356) | (24,304) | 4,016 | 97 | (186,547) |
| Total accumulated depreciation | (398,123) | (44,788) | 4,028 | (384) | (439,267) |
| Total capital assets, being depreciated, net | 456,309 | (19,143) | (35) | 5,452 | 442,583 |
| Business-type activities capital assets, net | \$ 544,924 | \$ 21,006 | \$ (80) | \$ - | \$ 565,850 |

Depreciation

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

| | |
|---|-------------------|
| General government | \$ 45,772 |
| Public protection | 15,672 |
| Health and sanitation | 1,111 |
| Public assistance | 77 |
| Public ways and facilities | 122,306 |
| Recreation and cultural services | 3,148 |
| Education | 3,541 |
| 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 | 19,484 |
| Total depreciation expense – governmental functions | \$ 211,111 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 8 – CAPITAL ASSETS (Continued)

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

| | | |
|--|-----------|---------------|
| RUHS-Medical Center | \$ | 29,984 |
| Waste Resources | | 8,272 |
| Aviation | | 415 |
| Housing Authority | | 1,124 |
| RUHS-CHC | | 4,957 |
| Flood Control | | 27 |
| County Service Areas | | 9 |
| | | <u>9</u> |
| Total depreciation expense – business-type functions | <u>\$</u> | <u>44,788</u> |

Capital Leases

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

| | Governmental Activities | Business-type Activities |
|--------------------------------|----------------------------|-----------------------------|
| Land | \$ 488 | \$ - |
| Structures and improvements | 62,124 | 190,733 |
| Equipment | 150,633 | 43,985 |
| Less: Accumulated amortization | (81,119) | (33,876) |
| | <u>\$ 132,126</u> | <u>\$ 200,842</u> |
| Total leased property, net | | |

Discretely Presented Component Unit

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2021 was as follows (In thousands):

| | Balance July 1, 2020 | Additions | Deletions/ Adjustments | Transfers | Balance June 30, 2021 |
|--|-------------------------|----------------|---------------------------|-------------|--------------------------|
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 373 | \$ - | \$ - | \$ - | \$ 373 |
| 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 | 107 | 6 | (52) | 29 | 90 |
| Total capital assets, being depreciated | <u>2,005</u> | <u>6</u> | <u>(52)</u> | <u>29</u> | <u>1,988</u> |
| Less accumulated depreciation for: | | | | | |
| Building and improvements | (329) | (54) | - | - | (383) |
| Machinery and equipment | (101) | (3) | 52 | (29) | (81) |
| Total accumulated depreciation | <u>(430)</u> | <u>(57)</u> | <u>52</u> | <u>(29)</u> | <u>(464)</u> |
| Total capital assets, being depreciated, net | <u>1,575</u> | <u>(51)</u> | <u>-</u> | <u>-</u> | <u>1,524</u> |
| Total capital assets, net | <u>\$ 1,948</u> | <u>\$ (51)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,897</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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.

Cove 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 \$833 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 November 1, 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, 2021

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

Gopher Hole Camp Store

On February 7, 2018, 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. | \$ - |
| Cove RV Resort | 1/1/1970 | 74 years | 6/30/2044 | Greater of \$833 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 | 2/7/2018 | 5 years | 2/7/2023 | 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, 2021

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

Capital assets balance for the SCAs for the fiscal year ended June 30, 2021, and over the terms of the agreements are as follows (In thousands):

| | Land, Structures, & Structure Improvements |
|------------------------------|---|
| McIntyre Park Campground | \$ 52 |
| Cove RV Resort | 131 |
| Lake Skinner Recreation Area | - |
| Gopher Hole Camp Store | - |
| Edom Hill Transfer Station | 8,830 |
| Cove and Dropzone Waterparks | 43,493 |
| | \$ 52,506 |

The deferred inflows of resources activity for the SCA for the year ended June 30, 2021 are as follows (In thousands):

| SCA Capital Assets | Balance July 1, 2020 | Additions/ Restatements | Amortization¹ | Balance June 30, 2021 |
|---|---------------------------------|------------------------------------|---------------------------------|----------------------------------|
| McIntyre Park Campground ² | \$ - | \$ - | \$ - | \$ - |
| Cove RV Resort ² | - | - | - | - |
| Lake Skinner Recreation Area ² | - | - | - | - |
| Gopher Hole Camp Store ² | - | - | - | - |
| Edom Hill Transfer Station | 5,356 | - | (434) | 4,922 |
| Cove and Dropzone Waterparks ² | - | - | - | - |
| Total deferred inflows of resources | \$ 5,356 | \$ - | \$ (434) | \$ 4,922 |

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, 2021

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 \$9.0 million as the remaining estimated capacity of 14.8 million tons is filled. Waste Resources expects all currently permitted landfill capacities to be filled by 2107. The total estimated closure liability of \$24.1 million and post-closure care costs of \$46.1 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 the 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, 2021, the post-closure liability is estimated at \$34.3 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, 2021 | Outstanding Recognized Liability | Estimated Years Remaining |
|-------------------------------|------------------|---|--|------------------------------|
| Badlands (Moreno Valley) | \$ 10,941 | 81.4% | \$ 8,900 | 1 |
| Blythe (Blythe) | 5,281 | 36.5% | 1,928 | 26 |
| Edom Hill (Cathedral City) | 5,878 | 100.0% | 5,878 | 0 |
| Lamb Canyon (Beaumont) | 8,572 | 62.4% | 5,345 | 8 |
| Desert Center (Desert Center) | 456 | 59.1% | 270 | 66 |
| Mecca II (Mecca) | 1,032 | 98.8% | 1,020 | 77 |
| Oasis (Oasis) | 896 | 85.0% | 762 | 42 |
| Total Closure Estimate | <u>\$ 33,056</u> | | <u>\$ 24,103</u> | |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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

Post-Closure Escrow Fund Landfill Sites

| Facility Name (City) | Estimated Liability |
|-------------------------------|---------------------|
| Badlands (Moreno Valley) | \$ 8,699 |
| Blythe (Blythe) | 2,700 |
| Coachella (Coachella) | 2,634 |
| Double Butte (Winchester) | 6,685 |
| Edom Hill (Cathedral City) | 3,962 |
| Highgrove (Riverside) | 4,486 |
| Lamb Canyon (Beaumont) | 6,218 |
| Mead Valley (Perris) | 3,599 |
| Anza (Anza) | 2,722 |
| Desert Center (Desert Center) | 1,313 |
| Mecca II (Mecca) | 1,622 |
| Oasis (Oasis) | 1,449 |
| Total Post-Closure Estimate | \$ 46,089 |

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 the six active landfills and the 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, 2021 (In thousands):

| <u>Year Ending June 30</u> | |
|----------------------------|------------|
| 2022 | \$ 44,821 |
| 2023 | 38,897 |
| 2024 | 31,427 |
| 2025 | 23,553 |
| 2026 | 17,325 |
| 2027 - 2031 | 30,958 |
| 2032 - 2036 | 6,396 |
| 2037 - 2041 | 609 |
| 2042 - 2046 | 254 |
| 2047 - 2051 | 96 |
| Total Minimum Payments | \$ 194,336 |

Total rental expenditure/expense for the year ended June 30, 2021, was \$160.2 million, of which \$23.0 million was recorded in the enterprise funds.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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, 2021, of advances from grantors and third parties is as follows (In thousands):

| | Balance June 30, 2021 |
|---|--------------------------|
| General Fund: | |
| Advances on state and federal grants for mental health services | \$ 181,845 |
| Advances on state funding for social services | 112,355 |
| Advances on state grants and third party advances for public health services | 51,760 |
| Advances on state grants for probation services | 28,355 |
| Advances on state and federal grants for sheriff services | 12,005 |
| Advances on state grants and third party advances for emergency management services | 6,141 |
| Advances on state grants and other federal grants for environmental health services | 4,309 |
| Advances on state grants for district attorney services | 3,538 |
| Advances on state and federal grants for fire protection services | 1,135 |
| Advances on state grants and other third party advances for animal services | 728 |
| Advances on state state grants for planning and engineering services | 654 |
| Advances on state grants for public defender services | 554 |
| Advances on state grants for veteran services | 213 |
| Total general fund | 403,592 |
| Transportation Special Revenue Fund: | |
| Developer fees | 19,178 |
| Advances from developers for road and construction projects | 2,323 |
| Survey fees | 885 |
| Total transportation special revenue fund | 22,386 |
| Flood Control Special Revenue Fund: | |
| Advances for flood control projects | 498 |
| Total flood control special revenue fund | 498 |
| CARES Act Coronavirus Relief Fund: | |
| Advances from the federal government for COVID-19 related expenditures | 22,644 |
| Total CARES act coronavirus relief fund | 22,644 |
| ARP Act Coronavirus Relief Fund: | |
| Advances from the federal government for COVID-19 related expenditures | 239,937 |
| Total ARP act coronavirus relief fund | 239,937 |
| Other Governmental Funds: | |
| Advances on state grant for homeless housing relief programs | 8,644 |
| Advances on state grants and third party advances for emergency management services | 1,663 |
| Advances for facility renewal projects | 1,043 |
| Advances on state grant for community service block grant | 1,004 |
| Camping and recreation fees | 799 |
| Advances on state funding for social services | 704 |
| Advances on state grants and third party advances for public health services | 531 |
| Developer impact fees | 248 |
| Total other governmental funds | 14,636 |
| Grand total of advances from grantors and third parties | \$ 703,693 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 13 – SHORT-TERM DEBT

Tax and Revenue Anticipation Notes (TRANS)

On July 1, 2020, the County issued \$340.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANS), which was paid by June 30, 2021. The notes were issued with a yield rate of 0.28% and a stated interest rate of 4.0%. 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 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 One Year Fixed Rate Notes (Teeter Notes). During fiscal year 2020-21, the County retired \$84.3 million and issued \$99.8 million 2020 Series A Teeter obligation notes (tax-exempt) which includes a premium of \$228.0 thousand, leaving an outstanding balance of \$99.8 million at June 30, 2021.

Short-term debt activity for the year ended June 30, 2021, was as follows (In thousands):

| | Balance | | | | Balance | |
|--------------|---------------|------------|--------------|----|---------------|----|
| | June 30, 2020 | Additions | Reductions | | June 30, 2021 | |
| TRANS | \$ - | \$ 340,000 | \$ (340,000) | \$ | - | \$ |
| Teeter notes | 84,342 | 99,798 | (84,342) | | 99,798 | |
| Total | \$ 84,342 | \$ 439,798 | \$ (424,342) | \$ | 99,798 | \$ |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 \$3.94 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 capital asset.

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, 2021 (in thousands):

| <u>Year Ending June 30</u> | <u>Governmental Activities</u> | <u>Business-type Activities</u> |
|---|------------------------------------|-------------------------------------|
| 2022 | \$ 23,067 | \$ 14,775 |
| 2023 | 18,484 | 13,991 |
| 2024 | 12,949 | 13,640 |
| 2025 | 11,807 | 11,948 |
| 2026 | 10,134 | 10,216 |
| 2027-2031 | 37,050 | 43,648 |
| 2032-2036 | 28,259 | 36,989 |
| 2037-2041 | - | 42,801 |
| 2042-2046 | - | 46,528 |
| Total minimum payments | <u>141,750</u> | <u>234,536</u> |
| Less amount representing interest | <u>(21,606)</u> | <u>(7,020)</u> |
| Present value of net minimum lease payments | <u>\$ 120,144</u> | <u>\$ 227,516</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2021 (In thousands):

| | Balance | New | Payments | Balance | Amounts |
|---|----------------------|-------------------|---------------------|----------------------|-------------------|
| | June 30, 2020 | Additions | / Reclass | June 30, 2021 | Due Within |
| | | | | | One Year |
| <u>Governmental activities:</u> | | | | | |
| Debt long-term liabilities: | | | | | |
| Bonds payable | \$ 1,854,575 | \$ - | \$ (89,653) | \$ 1,764,922 | \$ 83,440 |
| Capital lease obligations | 129,287 | 14,443 | (23,586) | 120,144 | 19,910 |
| Certificates of participation | 41,669 | - | (18,835) | 22,834 | 9,110 |
| Bonds from Direct Placement | 330 | - | (330) | - | - |
| Total debt long-term liabilities | <u>2,025,861</u> | <u>14,443</u> | <u>(132,404)</u> | <u>1,907,900</u> | <u>112,460</u> |
| Other long-term liabilities: | | | | | |
| Accreted interest payable | 219,686 | 26,961 | - | 246,647 | - |
| Compensated absences (a) | 235,555 | 26,882 | (1,860) | 260,577 | 144,193 |
| Estimated claims liabilities (b) | 255,386 | 123,082 | (58,843) | 319,625 | 78,936 |
| Total other long-term liabilities | <u>710,627</u> | <u>176,925</u> | <u>(60,703)</u> | <u>826,849</u> | <u>223,129</u> |
| Total governmental activities – long-term liabilities | <u>\$ 2,736,488</u> | <u>\$ 191,368</u> | <u>\$ (193,107)</u> | <u>\$ 2,734,749</u> | <u>\$ 335,589</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.

The following is a summary of business-type and discretely presented component unit activities long-term liabilities transactions for the year ended June 30, 2021 (In thousands):

| | Balance | New | Payments | Balance | Amounts Due |
|--|----------------------|------------------|--------------------|----------------------|--------------------|
| | June 30, 2020 | Additions | / Reclass | June 30, 2021 | Within |
| | | | | | One Year |
| <u>Business-type activities:</u> | | | | | |
| Debt long-term liabilities: | | | | | |
| Bonds payable, net of un-amortized discount and losses | \$ 58,873 | \$ - | \$ (5,063) | \$ 53,810 | \$ 4,376 |
| Capital lease | 242,102 | - | (14,586) | 227,516 | 13,651 |
| Total debt long-term liabilities | <u>300,975</u> | <u>-</u> | <u>(19,649)</u> | <u>281,326</u> | <u>18,027</u> |
| Other long-term liabilities: | | | | | |
| Accreted interest payable | 71,938 | 5,759 | (14,840) | 62,857 | 1,261 |
| Compensated absences | 44,397 | 5,739 | (8) | 50,128 | 31,642 |
| Other long-term liabilities (a) | 11,050 | 8,303 | (25) | 19,328 | - |
| Total other long-term liabilities | <u>127,385</u> | <u>19,801</u> | <u>(14,873)</u> | <u>132,313</u> | <u>32,903</u> |
| Total business-type activities – long-term liabilities | <u>\$ 428,360</u> | <u>\$ 19,801</u> | <u>\$ (34,522)</u> | <u>\$ 413,639</u> | <u>\$ 50,930</u> |

(a) For Business-type Activities under Other long-term liabilities consists of the following:
Housing Authority has six notes payable, totaling \$19.3 million.

| | Balance | New | Payments | Balance | Amounts Due |
|---|----------------------|------------------|------------------|----------------------|--------------------|
| | June 30, 2020 | Additions | / Reclass | June 30, 2021 | Within |
| | | | | | One Year |
| <u>Discretely Presented Component Unit</u> | | | | | |
| Other long-term liabilities: | | | | | |
| Compensated absences | \$ 342 | \$ 379 | \$ (167) | \$ 554 | \$ 384 |
| Total discretely presented component unit – long-term liabilities | <u>\$ 342</u> | <u>\$ 379</u> | <u>\$ (167)</u> | <u>\$ 554</u> | <u>\$ 384</u> |

The County has an unused line of credit in the amount of \$8.0 million.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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, 2021 (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, 2021</u> |
|---|-------------------------------|---|---------------------------|---|
| <u>Governmental activities:</u> | | | | |
| Certificates of Participation | | | | |
| <u>CORAL</u> | | | | |
| 2009 Series A - Public Safety Communication and Woodcrest Library Refunding Projects | \$ 45,685 | Variable | 2039 | \$ 6,725 |
| 2009 Larson Justice Center Refunding: Serial Certificates | <u>24,680</u> | 2.00% - 5.00% | 2022 | <u>4,880</u> |
| Total CORAL | <u>70,365</u> | | | <u>11,605</u> |
| <u>Flood Control</u> | | | | |
| Zone 4 - 2015 Negotiable Promissory Note | <u>21,000</u> | 2.00% - 5.00% | 2025 | <u>11,229</u> |
| Total Flood Control | <u>21,000</u> | | | <u>11,229</u> |
| Total certificates of participations | <u>\$ 91,365</u> | | | <u>\$ 22,834</u> |
| Bonds payable | | | | |
| <u>CORAL</u> | | | | |
| 2012 CAC Annex Refunding Project | \$ 33,360 | 2.00% - 5.00% | 2031 | \$ 22,713 |
| 2008 A Southwest Justice Center: Term Certificates | 78,895 | 5.16% | 2032 | 58,630 |
| 2013 Probation & RCIT: Serial and Term Bonds, Series A | 66,015 | 5.00% - 5.25% | 2043 | 47,341 |
| 2014 Lease Refunding Court Facilities Project, Series A | 10,890 | 2.00% - 5.00% | 2033 | 7,273 |
| 2019 Taxable Lease Revenue Refunding, Series A | <u>12,875</u> | 1.87% - 3.40% | 2044 | <u>12,475</u> |
| Total CORAL | <u>202,035</u> | | | <u>148,432</u> |
| <u>Taxable Pension Obligation Bonds</u> | | | | |
| Pension Obligation Bonds (Series 2005-A) | 400,000 | 4.91% - 5.04% | 2035 | 191,120 |
| Pension Obligation Bonds (Series 2020) | <u>719,995</u> | 2.17% - 3.17% | 2038 | <u>690,455</u> |
| Total Taxable Pension Obligation Bonds | <u>1,119,995</u> | | | <u>881,575</u> |
| <u>Inland Empire Tobacco Securitization Authority</u> | | | | |
| 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 | 23,458 | 7.00% | 2057 | 23,457 |
| Series 2007 E | 18,948 | 7.63% | 2057 | 18,949 |
| Series 2007 F | 27,076 | 8.00% | 2057 | 27,076 |
| Series 2019 | <u>100,000</u> | 3.68% | 2028 | <u>82,480</u> |
| Total Inland Empire Tobacco Securitization Authority | <u>252,677</u> | | | <u>235,157</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Bonds payable (continued)

Riverside County Public Financing Authority

| | | | | |
|---|----------------|---------------|------|----------------|
| Series 2012 | 17,640 | 3.00% - 5.00% | 2022 | 10,545 |
| Series 2015 | <u>325,000</u> | 2.00% - 5.00% | 2046 | <u>323,131</u> |
| Total Riverside County Public Financing Authority | <u>342,640</u> | | | <u>333,676</u> |

Riverside County Infrastructure Financing Authority

| | | | | |
|--|----------------|---------------|------|----------------|
| Series 2015 A | 72,825 | 2.00% - 5.00% | 2054 | 63,678 |
| Series 2016 A | 36,740 | 2.00% - 4.00% | 2032 | 35,232 |
| Series 2017 A | 46,970 | 3.00% - 4.00% | 2045 | 45,875 |
| Series 2017 B | 11,595 | 3.00% - 5.00% | 2038 | 10,850 |
| Series 2017 C | <u>10,610</u> | 3.13% - 5.00% | 2047 | <u>10,447</u> |
| Total Riverside Infrastructure Financing Authority | <u>178,740</u> | | | <u>166,082</u> |

Total bonds payable \$ 2,096,087 \$ 1,764,922

Total governmental activities \$ 2,187,452 \$ 1,787,756

Business-Type Activities

Bonds payable

Riverside University Health Systems - Medical Center (RUHS-MC)

| | | | | |
|--|----------------|---------------|------|---------------|
| 1997 A Serial Capital Appreciation Bonds (net of future capital appreciation of \$130.5 million) | \$ 41,170 | 5.70% - 6.01% | 2026 | \$ 19,478 |
| 2012 Serial Bonds (Series A) | <u>87,510</u> | 2.00% - 5.00% | 2029 | <u>34,332</u> |
| Total RUHS-MC | <u>128,680</u> | | | <u>53,810</u> |

Total bonds payable \$ 128,680 \$ 53,810

Total business-type activities \$ 128,680 \$ 53,810

As of June 30, 2021, annual debt service requirements of governmental activities to maturity are as follows (In thousands):

| Governmental Fiscal Year Ending June 31 | Bonds Payable | | Certificates of Participation | |
|--|---------------------|-------------------|-------------------------------|-----------------|
| | Principal | Interest | Principal | Interest |
| 2022 | \$ 83,440 | \$ 63,486 | \$ 9,110 | \$ 513 |
| 2023 | 94,555 | 60,228 | 2,660 | 378 |
| 2024 | 101,920 | 56,579 | 2,795 | 241 |
| 2025 | 92,975 | 52,524 | 2,935 | 170 |
| 2026 | 78,200 | 48,954 | 190 | 724 |
| 2027 - 2031 | 468,610 | 197,670 | 1,120 | 465 |
| 2032 - 2036 | 393,522 | 108,448 | 1,490 | 128 |
| 2037 - 2041 | 199,925 | 48,101 | 1,545 | - |
| 2042 - 2046 | 146,013 | 16,305 | - | - |
| 2047 - 2051 | 585 | 20 | - | - |
| 2052 - 2056 | - | - | - | - |
| 2057 - 2061 | <u>69,481</u> | <u>4,671</u> | - | - |
| Total requirements | <u>1,729,226</u> | <u>656,986</u> | <u>21,845</u> | <u>2,619</u> |
| Bond discount/premium, net | 35,696 | - | 989 | - |
| Total | <u>\$ 1,764,922</u> | <u>\$ 656,986</u> | <u>\$ 22,834</u> | <u>\$ 2,619</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2021, annual debt service requirements of business-type activities unit to maturity are as follows (In thousands):

| Business-type Fiscal Year Ending June 31 | Bonds Payable | | Other Long-term Liabilities | |
|--|----------------------|-------------------|------------------------------------|-------------|
| | Principal | Interest | Principal | Interest |
| 2022 | \$ 4,376 | \$ 16,086 | \$ 2,052 | \$ - |
| 2023 | 4,125 | 16,374 | - | - |
| 2024 | 3,878 | 16,626 | - | - |
| 2025 | 3,655 | 16,873 | - | - |
| 2026 | 3,445 | 17,096 | - | - |
| 2027 - 2031 | 31,134 | 19,758 | 6,795 | - |
| 2032 - 2036 | - | - | 527 | - |
| 2037 - 2041 | - | - | - | - |
| 2042 - 2046 | - | - | - | - |
| 2047 - 2051 | - | - | - | - |
| 2052 - 2056 | - | - | - | - |
| 2057 - 2061 | - | - | - | - |
| 2062 - 2066 | - | - | - | - |
| 2067 - 2071 | - | - | 3,704 | - |
| 2072 - 2076 | - | - | - | - |
| 2077 - 2081 | - | - | 6,250 | - |
| Total requirements | 50,613 | 102,813 | 19,328 | - |
| Bond discount/premium, net | 3,197 | - | - | - |
| Total | \$ 53,810 | \$ 102,813 | \$ 19,328 | \$ - |

Accreted Interest Payable

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2021 (In thousands):

| | Balance June 30, 2020 | Additions | Reductions | Balance June 30, 2021 |
|---|--------------------------|-----------|-------------|--------------------------|
| <u>Governmental Activities:</u> | | | | |
| <i>Bonds:</i> | | | | |
| Inland Empire Tobacco Securitization Authority | \$ 219,686 | \$ 26,961 | \$ - | \$ 246,647 |
| Total governmental-type activities | \$ 219,686 | \$ 26,961 | \$ - | \$ 246,647 |
| <u>Business-type Activities:</u> | | | | |
| <i>Lease Revenue Bonds:</i> | | | | |
| Riverside University Health Systems - Medical Center (1997A Hosp) | \$ 71,938 | \$ 5,759 | \$ (14,840) | \$ 62,857 |
| Total business-type activities | \$ 71,938 | \$ 5,759 | \$ (14,840) | \$ 62,857 |

The accreted interest payable balances at June 30, 2021, represent accreted interest on the 2007 Inland Empire Tobacco Securitization Authority Bonds and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were \$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 upon maturity will be \$171.6 million for the 1997 A Hospital Serial Capital Appreciation Bonds and \$3.47 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 \$27.0 million and \$5.8 million represent current year's accretion for governmental activities and business-type activities, respectively. The accumulated accretion for business-type activities was \$62.9 million at June 30, 2021. The accumulated accretion for the Inland Empire Tobacco Securitization Authority in governmental activities was \$246.6 million. The un-accreted balances at June 30, 2021 are \$15.2 million for the 1997-A Hospital RUHS-MC project and \$3.22 billion for the Inland Empire Tobacco Securitization Authority Bonds.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

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 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.

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 \$87.5 million in lease revenue bonds (2012 Series A 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. 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 \$11.0 million in lease revenue bonds (2014 A 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 \$36.7 million in lease revenue bonds (2016 Series A) 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 carry amount of \$41.3 million. The reacquisition price exceeded the net carry amount of the old debt by \$3.8 million. This amount is being netted against the new debt

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (continued)

and amortized over the new debt life. The transaction resulted in an economic loss of \$451 thousand and an increase of \$273 thousand in future debt service payments.

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 refunding the outstanding Riverside Community Properties Development, Inc. Lease Revenue Bonds, 2013 (Riverside County Law Building Project) and pay the costs incurred in connections with the issuance of the bonds. The reacquisition price exceeded the net carry amount of the old debt by \$3.8 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 \$8.3 million and a decrease of \$4.4 million in future debt service payments.

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 reacquisition 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 life. The transaction resulted in an economic gain of \$11.9 million and a decrease of \$7.4 million in future debt service payments.

In May 2019, the Inland Empire Tobacco Securitization Authority (the Authority) issued \$100.0 million of tobacco settlement asset-backed refunding bonds, Series 2019 Turbo Current Interest Bonds. The proceeds of Series 2019 Turbo Current Interest Bonds along with other available funds under the Authority, were deposited into an escrow account to refund and defease the outstanding 2007 Series A Turbo Current Interest Bonds and 2007 Series B Turbo Convertible Capital Appreciation Bonds, to fund the Debt Service Reserve Account and Debt Service Account for the Series 2019 Turbo Current Interest Bonds, and pay the cost of issuance incurred in connection with the issuance of the Series 2019 Turbo Current Interest Bonds. The bonds have an interest rate of 3.68%. The reacquisition price exceeded the net carry amount of the old debt by \$3.8 million. This amount is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic loss of \$54.3 million and an increase of \$52.8 million in future debt service payments.

In September 2019, CORAL issued \$12.9 million in taxable lease revenue refunding bonds, Taxable Lease Revenue Refunding Bonds, 2019 Series A. The 2019 Series A Bonds are being issued for the purpose of refunding a portion of the outstanding 2013 Series A Bonds (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) and pay the cost incurred in connection with the issuance of the bonds. The transaction resulted in an economic gain of \$513.0 thousand and a reduction of \$2.8 million in future debt service payments.

Single Family and Multi-Family Mortgage Revenue Bonds

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

A total of \$17.3 million of Mortgage Revenue Bonds have been issued and \$11.8 million is outstanding as of June 30, 2021. 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 Housing Bond Conduit Financing 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Special Assessment Bonds

Various special districts in the County reporting entity have issued special assessment bonds, totaling \$110.1 million at June 30, 2021, 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 \$1.8 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.

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 \$232.5 thousand for the year ended June 30, 2021.

Fair Value: As of June 30, 2021 and 2020, the swap had a negative fair value of \$16.4 million and \$21.3 million, respectively; a decrease in fair value of \$4.9 million occurred during the fiscal year 2020-21. 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, 2021.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Interest Swap Rate (continued)

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, 2021, 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, 2021 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 swaps' fair value.

Changes in Long-term Liabilities

Swap Payment and Associated Debt: Using rates as of June 30, 2021, 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. As rates vary, variable-rate bond interest payments and net swap payments will vary (In thousands):

| Fiscal Year Ending June 30, 2021 | Variable Rate Bonds | | Net Swap Payments | Total Interest |
|-------------------------------------|---------------------|----------|----------------------|-------------------|
| | Principal | Interest | | |
| 2022 | \$ 3,620 | \$ 814 | \$ 2,100 | \$ 2,914 |
| 2023 | 3,825 | 760 | 1,961 | 2,721 |
| 2024 | 4,035 | 703 | 1,814 | 2,517 |
| 2025 | 4,135 | 644 | 1,662 | 2,306 |
| 2026 | 4,445 | 582 | 1,502 | 2,084 |
| 2027-2031 | 26,060 | 1,848 | 4,767 | 6,615 |
| 2032-2033 | 6,100 | 167 | 426 | 593 |
| | \$ 52,220 | \$ 5,518 | \$ 14,232 | \$ 19,750 |

Disclosure of Pledged Revenues

Inland Empire Tobacco Securitization Authority, a blended component unit of the County, issued \$252.7 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 County Tobacco Assets are tobacco settlement revenues required to be paid to the State of California under the Master Settlement Agreement. The Agreement was entered into by participating cigarette manufacturers, 46 states, including California, and six other U.S. jurisdictions, in November 1998 in settlement of certain cigarette smoking-related litigation. The portion of revenues that will be used to pay the debt service are 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. Beginning on January 1, 2021 and ending on December 31, 2026 the portion of revenues that will be used to pay the debt service are 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. Finally, the County Tobacco Assets to the extent consisting of or relating to amounts due to the County from and after January 1, 2027, and the County Tobacco Assets to the extent consisting of or relating to the applicable percentage of a lump sum payment of 10.8% to the County and 85.9% to the Inland Empire Tobacco Securitization Authority for

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Disclosure of Pledged Revenues (continued)

calendar year 2019. During the fiscal year ended June 30, 2021, \$24.3 million was received by the Inland Empire Tobacco Securitization Authority; \$11.5 million, or 47.5 %, was distributed to the County per the above agreement, leaving \$12.8 million, or 52.5 %, of the specific tobacco settlement revenues available to be pledged (see page 173). 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.

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 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, 2021 were as follows (In thousands):

| | Balance June 30, 2021 |
|---|--------------------------|
| Government-wide deferred outflows of resources: | |
| Governmental activities: | |
| Interest rate swap | \$ 16,444 |
| OPEB | 153,575 |
| Pension | 618,125 |
| Total governmental activities | 788,144 |
| Business-type activities: | |
| OPEB | 31,282 |
| Pension | 110,956 |
| Total business-type activities | 142,238 |
| Total government-wide deferred outflows of resources | \$ 930,382 |
| Discretely presented component unit | |
| deferred outflows of resources: | |
| Pension | \$ 3,180 |
| Total discretely presented component unit deferred outflows of resources | \$ 3,180 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 government-wide and governmental fund 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, 2021 were as follows (In thousands):

| | Balance June 30, 2021 |
|---|--------------------------|
| Government-wide deferred inflows of resources: | |
| Governmental activities: | |
| Teeter tax loss reserve | \$ 29,974 |
| OPEB | 5,640 |
| Pension | 70,871 |
| Total governmental activities | 106,485 |
| Business-type activities: | |
| Service concession arrangement | 4,922 |
| OPEB | 1,248 |
| Pension | 10,430 |
| Total business-type activities | 16,600 |
| Total government-wide deferred inflows of resources | \$ 123,085 |
| Governmental funds deferred inflows of resources: | |
| General Fund: | |
| SB 90 | \$ 25,692 |
| Teeter tax loss reserve | 29,974 |
| Property tax | 4,094 |
| Miscellaneous unavailable revenue | 6,100 |
| Total general fund | 65,860 |
| Flood Control Special Revenue Fund: | |
| Property tax | 975 |
| Special assessments | 51 |
| Total flood control special revenue fund | 1,026 |
| Total governmental funds deferred inflows of resources | \$ 66,886 |
| Discretely presented component unit deferred inflows of resources: | |
| Pension | \$ 690 |
| Total discretely presented component unit deferred inflows of resources | \$ 690 |



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COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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, 2021 is as follows (In thousands):

| | Major Funds | | | | | Total Major Governmental Funds |
|---------------------------------|---------------------|-----------------------|----------------------|-------------------------------------|-----------------------------------|---------------------------------------|
| | General Fund | Transportation | Flood Control | CARES Act Coronavirus Relief | ARP Act Coronavirus Relief | |
| Fund balances: | | | | | | |
| Nonspendable | | | | | | |
| Inventory | \$ 2,390 | \$ 1,375 | \$ - | \$ - | \$ - | \$ 3,765 |
| Prepaid items | 46 | - | - | - | - | 46 |
| Imprest cash | 320 | 1 | 1 | - | - | 322 |
| Permanent fund | - | - | - | - | - | - |
| Total nonspendable | 2,756 | 1,376 | 1 | - | - | 4,133 |
| Restricted | | | | | | |
| Air quality planning | 102 | - | - | - | - | 102 |
| Airport | - | - | - | - | - | - |
| ARP Act | - | - | - | - | 130 | 130 |
| Auto theft interdiction | 2,123 | - | - | - | - | 2,123 |
| CAP local initiative program | - | - | - | - | - | - |
| CARES Act | - | - | - | 1,781 | - | 1,781 |
| Construction & capital projects | 136 | - | - | - | - | 136 |
| Court services | 9,885 | - | - | - | - | 9,885 |
| Debt services | 3,332 | - | - | - | - | 3,332 |
| District attorney | 16,404 | - | - | - | - | 16,404 |
| Domestic violence | 2,809 | - | - | - | - | 2,809 |
| Emergency medical services | 6,974 | - | - | - | - | 6,974 |
| Emergency preparedness | - | - | - | - | - | - |
| Environmental health | 381 | - | - | - | - | 381 |
| Fire protection | - | - | - | - | - | - |
| Geographical info system | - | - | - | - | - | - |
| Hazmat | 2,618 | - | - | - | - | 2,618 |
| Humane services | 134 | - | - | - | - | 134 |
| Landscape maintenance | - | 4,382 | - | - | - | 4,382 |
| Libraries | - | - | - | - | - | - |
| Mental health | 14,584 | - | - | - | - | 14,584 |
| Modernization | 13,931 | - | - | - | - | 13,931 |
| Other purposes | 15,336 | - | - | - | - | 15,336 |
| Parks and recreation | - | - | - | - | - | - |
| Public assistance | 31,365 | - | - | - | - | 31,365 |
| Public health | 2,174 | - | - | - | - | 2,174 |
| Public protection | 9,148 | - | - | - | - | 9,148 |
| Public ways & facilities | - | - | 274,600 | - | - | 274,600 |
| Roads | - | 96,415 | - | - | - | 96,415 |
| Sheriff patrol | 2,255 | - | - | - | - | 2,255 |
| Teeter tax losses | 8,676 | - | - | - | - | 8,676 |
| Total restricted | 142,367 | 100,797 | 274,600 | 1,781 | 130 | 519,675 |

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,765 |
| 7 | - | - | - | 7 | 53 |
| 49 | - | - | - | 49 | 371 |
| - | - | - | 1,226 | 1,226 | 1,226 |
| 56 | - | - | 1,226 | 1,282 | 5,415 |
| 1,243 | - | - | - | 1,243 | 1,345 |
| 865 | - | - | - | 865 | 865 |
| - | - | - | - | - | 130 |
| - | - | - | - | - | 2,123 |
| 3,422 | - | - | - | 3,422 | 3,422 |
| - | - | - | - | - | 1,781 |
| - | - | 110,267 | - | 110,267 | 110,403 |
| - | - | - | - | - | 9,885 |
| - | 36,364 | - | - | 36,364 | 39,696 |
| - | - | - | - | - | 16,404 |
| - | - | - | - | - | 2,809 |
| - | - | - | - | - | 6,974 |
| 2,578 | - | - | - | 2,578 | 2,578 |
| - | - | - | - | - | 381 |
| 14,604 | - | 1,973 | - | 16,577 | 16,577 |
| 2,215 | - | - | - | 2,215 | 2,215 |
| - | - | - | - | - | 2,618 |
| - | - | - | - | - | 134 |
| 34,172 | - | - | - | 34,172 | 38,554 |
| 25,487 | - | - | - | 25,487 | 25,487 |
| - | - | - | - | - | 14,584 |
| - | - | - | - | - | 13,931 |
| - | - | - | - | - | 15,336 |
| 5,224 | - | 15,487 | - | 20,711 | 20,711 |
| 4,032 | - | - | - | 4,032 | 35,397 |
| 4,971 | - | - | - | 4,971 | 7,145 |
| 1,169 | - | - | - | 1,169 | 10,317 |
| - | - | 13,584 | - | 13,584 | 288,184 |
| 463 | - | - | - | 463 | 96,878 |
| 12,020 | - | - | - | 12,020 | 14,275 |
| - | - | - | - | - | 8,676 |
| 112,465 | 36,364 | 141,311 | - | 290,140 | 809,815 |

Fund balances:
Nonspendable
Inventory
Prepaid items
Imprest cash
Permanent fund
Total nonspendable

Restricted
Air quality planning
Airport
ARP Act
Auto theft interdiction
CAP local initiative program
CARES Act
Construction & capital projects
Court services
Debt services
District attorney
Domestic violence
Emergency medical services
Emergency preparedness
Environmental health
Fire protection
Geographical info system
Hazmat
Humane services
Landscape maintenance
Libraries
Mental health
Modernization
Other purposes
Parks and recreation
Public assistance
Public health
Public protection
Public ways & facilities
Roads
Sheriff patrol
Teeter tax losses
Total restricted

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 16 – FUND BALANCES (Continued)

| | Major Funds | | | | | Total Major Governmental Funds |
|---|---------------------|-----------------------|----------------------|---|---|---|
| | General Fund | Transportation | Flood Control | CARES Act Coronavirus Relief | ARP Act Coronavirus Relief | |
| Fund balances: | | | | | | |
| Committed | | | | | | |
| Code enforcement | \$ - | \$ 5,177 | \$ - | \$ - | \$ - | \$ 5,177 |
| Construction & capital projects | - | 351 | - | - | - | 351 |
| EDA special projects | - | - | - | - | - | - |
| Environmental programs | 1,147 | - | - | - | - | 1,147 |
| Legal services | 150 | - | - | - | - | 150 |
| Other purposes | 731 | - | - | - | - | 731 |
| Parks | - | - | - | - | - | - |
| Public Assistance | - | - | - | - | - | - |
| Sheriff correction | 12,713 | - | - | - | - | 12,713 |
| Solar program | - | - | - | - | - | - |
| Youth protection | 329 | - | - | - | - | 329 |
| Total committed | 15,070 | 5,528 | - | - | - | 20,598 |
| Assigned | | | | | | |
| Airports | - | - | - | - | - | - |
| Construction & capital projects | - | - | - | - | - | - |
| Debt service | - | - | - | - | - | - |
| Equipment | - | 9,678 | - | - | - | 9,678 |
| Other purposes | 388 | - | - | - | - | 388 |
| Probation | 6,969 | - | - | - | - | 6,969 |
| Professional services | 441 | - | - | - | - | 441 |
| Public health | 32 | - | - | - | - | 32 |
| Public protection | 12,076 | - | - | - | - | 12,076 |
| Roads | - | 9,838 | - | - | - | 9,838 |
| Sheriff correction | 15,994 | - | - | - | - | 15,994 |
| Small business assistance grant program | - | - | - | - | - | - |
| Total assigned | 35,900 | 19,516 | - | - | - | 55,416 |
| Unassigned | 370,807 | - | - | - | - | 370,807 |
| Total fund balances | \$ 566,900 | \$ 127,217 | \$ 274,601 | \$ 1,781 | \$ 130 | \$ 970,629 |

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,177 | Fund balances: |
| - | - | 9,770 | - | 9,770 | 10,121 | Committed |
| 374 | - | - | - | 374 | 374 | Code enforcement |
| - | - | - | - | - | 1,147 | Construction & capital projects |
| - | - | - | - | - | 150 | EDA special projects |
| 462 | - | - | - | 462 | 1,193 | Environmental programs |
| 8,236 | - | - | - | 8,236 | 8,236 | Legal services |
| 51,005 | - | - | - | 51,005 | 51,005 | Other purposes |
| - | - | - | - | - | 12,713 | Parks |
| 1,072 | - | - | - | 1,072 | 1,072 | Public Assistance |
| - | - | - | - | - | 329 | Sheriff correction |
| 61,149 | - | 9,770 | - | 70,919 | 91,517 | Solar program |
| | | | | | | Youth protection |
| | | | | | | Total committed |
| | | | | | | Assigned |
| 450 | - | - | - | 450 | 450 | Airports |
| - | - | 32,909 | - | 32,909 | 32,909 | Construction & capital projects |
| - | 6,879 | - | - | 6,879 | 6,879 | Debt service |
| - | - | - | - | - | 9,678 | Equipment |
| 2,559 | - | - | - | 2,559 | 2,947 | Other purposes |
| - | - | - | - | - | 6,969 | Probation |
| - | - | - | - | - | 441 | Professional services |
| - | - | - | - | - | 32 | Public health |
| - | - | - | - | - | 12,076 | Public protection |
| - | - | - | - | - | 9,838 | Roads |
| - | - | - | - | - | 15,994 | Sheriff correction |
| 210 | - | - | - | 210 | 210 | Small business assistance grant program |
| 3,219 | 6,879 | 32,909 | - | 43,007 | 98,423 | Total assigned |
| | | | | | | Unassigned |
| | | | | | 370,807 | |
| \$ 176,889 | \$ 43,243 | \$ 183,990 | \$ 1,226 | \$ 405,348 | \$ 1,375,977 | Total fund balances |



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COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 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 transitioned from full self-insured Short Term Disability to the State of California State Disability Insurance (SDI) program in fiscal year 2020-21.

The County supplements its self-insurance for general liability, medical malpractice, and workers' compensation with catastrophic excess insurance coverage. General liability claims are self-insured to \$5 million for each occurrence with a \$2 million corridor and the balance (to \$25 million for each occurrence of with an excess of the underlying policy of \$25 million for a total of \$50 million) is insured through PRISM (Public Risk Innovation, Solutions, and Management; formerly CSAC Excess Insurance Authority), a joint powers authority and insurance risk sharing pool consisting of 55 counties in the State, as well as other non-county public entities. Medical malpractice is self-insured for the first \$1.1 million for each claim with a \$1.5 million limit on a claims-made basis in excess of the County's self-insured retention, followed by a \$20 million limit on an occurrence basis through PRISM, for a total limit of \$21.5 million in excess of the County's self-insured retention. Workers' compensation claims are self-insured to \$2 million for each occurrence and the balance of statutory limits (unlimited) is insured through PRISM. Long-term disability income claims are fully insured by an independent carrier.

The County's property insurance program provides insurance coverage for all risk subject to a \$50,000 per occurrence deductible; flood coverage is subject to a \$100,000 per occurrence deductible within a 100-year flood zone and a \$50,000 deductible outside of a 100-year flood zone. To diversify risk, property exposure amongst all members within the program are categorized into "Towers" based on geography and building type. The County participates in four Towers, each of which provides \$100 million in all-risk including Earthquake and Flood limits. A \$300 million excess all risk only sits above the Towers, providing a total of \$600 million in all-risk limits for Towers I-VIII. With respect to earthquake coverage, each of the four Towers in which the County participates has a limit of \$100 million, with a \$365 million excess rooftop layer shared by Towers I-VI that is triggered by the depletion of the initial limit for one or more of the Towers in a policy year. The County has \$765 million in shared earthquake coverage that covers scheduled locations and buildings equal to or greater than \$1 million in value and lesser valued locations where such coverage is required by contract. Earthquake coverage is subject to a deductible equal to 5% of total value per unit per occurrence, subject to a \$100,000 minimum. Boiler and Machinery provides up to \$100 million in limits, subject to a \$5,000 deductible per event. Property insurance limits in each Tower are shared with other counties within that Tower on a per event basis. If a catastrophic event occurs and losses exceed the limits, the County would be responsible for such amounts.

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, 2021 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. For fiscal year 2020-21, the Board approved the funding at 70.0% confidence level for the general liability ISF and 65.0% confidence level 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. Cash available in the risk management and workers' compensation ISF at June 30, 2021, plus revenues to be collected during fiscal year 2021-22, are \$319.6 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 2020-21 | \$ 106,329 | \$ 15,601 | \$ 133,456 | \$ 255,386 |
| Increase in provision for insured events of prior years | 3,088 | 1,506 | 2,200 | 6,794 |
| Incurred claims for current year | 74,968 | 7,285 | 34,035 | 116,288 |
| Claim payments | (29,181) | (2,001) | (27,661) | (58,843) |
| Unpaid claims, end of FY 2020-21 | <u>\$ 155,204</u> | <u>\$ 22,391</u> | <u>\$ 142,030</u> | <u>\$ 319,625</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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, 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, 2018 and Medi-Cal cost reports through June 30, 2017. 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 to the medical center for Medicare through June 30, 2017. 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, 2021, RUHS-MC recognized \$39.7 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 \$7.2 million in PRIME for fiscal year ending June 30, 2021.

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, 2021

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 fiscal year 2013-14) 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 \$6.2 million in revenue for the fiscal year ending June 30, 2021 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, 2021 follows:

The Public Risk Innovation, Solutions, and Management (PRISM); formerly CSAC Excess Insurance Authority was formed in October 1979 and has a current membership of 55 California counties. The PRISM 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.

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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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, 2021

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 an annual comprehensive financial report 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 multiple-employer defined benefit pension plans due to their pooling composite. Copies of the CalPERS annual comprehensive financial report 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 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 by plan.

| Plan | Employer Paid Member Contribution (EPMC) | Earliest Retirement Age | PEPRA Compensation Limits | Final Compensation | Effective Date | |
|-------------------------------|---|----------------------------|---------------------------------|-----------------------|----------------|-----------|
| | | | | | | |
| Tier I | | | | | | |
| County Miscellaneous | 3.0% at 60 | No* | 50 | N/A | 12 months | N/A |
| County Safety | 3.0% at 50 | No | 50 | N/A | 12 months | N/A |
| Flood Control Miscellaneous | 3.0% at 60 | No | 50 | N/A | 12 months | N/A |
| Park District Miscellaneous | 3.0% at 60 | No | 50 | N/A | 12 months | N/A |
| Waste Resources Miscellaneous | 3.0% at 60 | No | 50 | N/A | 12 months | N/A |
| Tier II | | | | | | |
| 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 |
| Tier III (PEPRA) | | | | | | |
| County Miscellaneous | 2.0% at 62 | No | 52 | \$ 128,059 | 36 months | 1/1/2013 |
| County Safety | 2.7% at 57 | No | 50 | \$ 153,671 | 36 months | 1/1/2013 |
| Flood Control Miscellaneous | 2.0% at 62 | No | 52 | \$ 128,059 | 36 months | 1/1/2013 |
| Park District Miscellaneous | 2.0% at 62 | No | 52 | \$ 128,059 | 36 months | 1/1/2013 |
| Waste Resources Miscellaneous | 2.0% at 62 | No | 52 | \$ 128,059 | 36 months | 1/1/2013 |

*Riverside County Deputy District Attorneys Association Employee Contributions to the Retirement System: Classic Member Employees (as defined by the PEPRA) subject to the 3% at 60 Formula Per Government Code Sec. 20692, the County has elected to pay the entire required member contribution (currently 8% of compensation earnable

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 20 – RETIREMENT PLAN (Continued)

General Information about the Pension Plans (Continued)

of pensionable income) as Employer Paid Member Contributions (“EPMC”). Pursuant to Government Code Section 20636(c)(4), the County has agreed to report the value of the EPMC to CalPERS as compensation earnable.

Employees covered by benefit terms. At June 30, 2021, 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 | 12,022 | 2,868 | 276 | 101 | 120 |
| Inactive employees entitled to but yet receiving benefits | 14,002 | 1,367 | 147 | 216 | 40 |
| Active employees | 17,024 | 3,265 | 211 | 107 | 12 |
| | <u>43,048</u> | <u>7,500</u> | <u>634</u> | <u>424</u> | <u>172</u> |

Contributions. Active plan members in CalPERS may be required to contribute up to 8.0% (Miscellaneous employees) and up to 12.5% (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 2021, 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 | 11.7% | 21.1% | 11.2% | 16.3% | 16.3% |
| County Tier II | 11.7% | 21.1% | 11.2% | 9.4% | N/A |
| County Tier III | 11.7% | 21.1% | 11.2% | 7.9% | 7.9% |
| 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 | 7.3% | 12.5%* | 6.3% | 7.3% | 7.3% |

*During the term of the 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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 20 – RETIREMENT PLAN (Continued)

Actuarial assumptions. For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2019 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 | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 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 ⁽¹⁾ | Derived using CalPERS' Membership Data for all Funds | | | | |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.5% until Purchasing Power Protection Allowance floor on purchasing power applies. 2.50% thereafter | | | | |

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of assumptions. None in 2019 or 2020. In 2018, the demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions from December 2017. There were no changes in the discount rate.

Discount rate. The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded 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 adjusted to account for assumed administrative expenses.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 20 – RETIREMENT PLAN (Continued)

The expected real rates of return by asset class are as follows:

| Asset Class(1) | Current Target | Real Return Years | Real Return Years |
|------------------|----------------|-------------------|-------------------|
| | Allocation | 1 - 10 (2) | 11+ (3) |
| Global Equity | 50.0% | 4.80% | 5.98% |
| Fixed Income | 28.0% | 1.00 | 2.62 |
| Inflation Assets | 0.0% | 0.77 | 1.81 |
| Private Equity | 8.0% | 6.30 | 7.23 |
| Real Assets | 13.0% | 3.75 | 4.93 |
| Liquidity | 1.0% | 0.00 | (0.92) |

(1) Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% 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).

| Measurement Period June 30, 2020 | County | | Flood Control | Total |
|---|---------------|---------------|---------------|---------------|
| | Miscellaneous | County Safety | Miscellaneous | |
| Total pension liability | | | | |
| Service cost | \$ 212,955 | \$ 91,805 | \$ 3,020 | \$ 307,780 |
| Interest | 597,364 | 267,982 | 14,738 | 880,084 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | (27,739) | (25,905) | 339 | (53,305) |
| Changes of assumptions | - | - | - | - |
| Benefit payments, including refunds of employee contributions | (350,397) | (155,865) | (11,094) | (517,356) |
| Net change in total pension liability | 432,183 | 178,017 | 7,003 | 617,203 |
| Total pension liability - beginning (a) | 8,201,596 | 3,805,931 | 209,825 | 12,217,352 |
| Total pension liability - ending (c) | \$ 8,633,779 | \$ 3,983,948 | \$ 216,828 | \$ 12,834,555 |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 625,349 | \$ 468,163 | \$ 12,731 | \$ 1,106,243 |
| Contributions - employee | 88,580 | 32,468 | 1,307 | 122,355 |
| Net investment income | 307,235 | 139,287 | 6,807 | 453,329 |
| Benefit payments, including refunds of employee contributions | (350,397) | (155,865) | (11,094) | (517,356) |
| Administrative expense | (8,590) | (3,865) | (192) | (12,647) |
| Other miscellaneous expense | 32 | (32) | - | - |
| Net change in plan fiduciary net position | 662,209 | 480,156 | 9,559 | 1,151,924 |
| Plan fiduciary net position - beginning (b) | 5,852,725 | 2,741,873 | 136,303 | 8,730,901 |
| Plan fiduciary net position - ending (d) | \$ 6,514,934 | \$ 3,222,029 | \$ 145,862 | \$ 9,882,825 |
| Net pension liability - beginning (a) - (b) | \$ 2,348,871 | \$ 1,064,058 | \$ 73,522 | \$ 3,486,451 |
| Net pension liability - ending (c) - (d) | \$ 2,118,845 | \$ 761,919 | \$ 70,966 | \$ 2,951,730 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 06/30/2019 | \$ 48,241 | \$ 36,707 | \$ 11,534 | \$ 53,935 | \$ 38,998 | \$ 14,937 | \$ 26,471 |
| Balance at 06/30/2020 | \$ 50,130 | \$ 37,759 | \$ 12,371 | \$ 54,968 | \$ 39,004 | \$ 15,964 | \$ 28,335 |
| Net changes during 2019-20 | \$ 1,889 | \$ 1,052 | \$ 837 | \$ 1,033 | \$ 6 | \$ 1,027 | \$ 1,864 |

Net Pension Liability

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 | Business-type | Discretely Presented | Total Net |
|-------------------------------|---------------------|-------------------|-------------------------|-------------------|
| | Activities | Activities | Component Unit | Pension Liability |
| County Miscellaneous | \$ 1,704,786 | \$ 407,596 | \$ 6,463 | 2,118,845 |
| County Safety | 761,919 | - | - | 761,919 |
| Flood Control Miscellaneous | 68,655 | 2,311 | - | 70,966 |
| Park District Miscellaneous | 12,371 | - | - | 12,371 |
| Waste Resources Miscellaneous | - | 15,964 | - | 15,964 |
| Total: | \$ 2,547,731 | \$ 425,871 | \$ 6,463 | 2,980,065 |

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):

| County's net pension liability | Governmental Activities | Business-type Activities | Primary Government Total | Discretely Presented |
|----------------------------------|----------------------------|-----------------------------|-----------------------------|-------------------------|
| % Discount Rate Decrease (6.15%) | \$ 4,013,336 | \$ 882,257 | \$ 4,895,593 | \$ 10,327 |
| Current Discount Rate (7.15%) | \$ 2,547,731 | \$ 425,871 | \$ 2,973,602 | \$ 6,463 |
| % Discount Rate Increase (8.15%) | \$ 1,136,144 | \$ 281,640 | \$ 1,417,784 | \$ 3,291 |

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 Annual Comprehensive 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, 2021

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 2019-20 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, 2020, the Park District and Waste Resources reported a liability of \$12.4 million and \$16.0 million, respectively, for their proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2020, the Park District's and Waste Resources' proportions were 0.29329 percent and 0.37846 percent, respectively, which was an increase of 0.00525 percent and 0.00546 percent, respectively, from their proportion measured as of June 30, 2019.

For the year-ended June 30, 2021, the County recognized a credit of \$47.5 million in pension expense. 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, 2021

NOTE 20 – RETIREMENT PLAN (Continued)

At June 30, 2021, 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 | | | Total |
|--|-------------------------|---------------|--------------------------------|--------------------------------|----------------------------------|--|------------|
| | County Miscellaneous | County Safety | Flood Control Miscellaneous | Park District Miscellaneous | Waste Resources Miscellaneous | | |
| Deferred Outflows of Resources By Plan: | | | | | | | |
| Difference between projected and actual earnings on pension plan investments - investment earnings less than projected | \$ 62,397 | \$ 32,410 | \$ 1,168 | \$ 367 | \$ 474 | | \$ 96,816 |
| Difference between expected and actual experience | 50,467 | 14,085 | 1,455 | 638 | 823 | | 67,468 |
| Change of assumptions | 31,434 | 71,675 | - | - | - | | 103,109 |
| Adjustment due to differences in proportions | - | - | - | 324 | 228 | | 552 |
| Sub-total | 144,298 | 118,170 | 2,623 | 1,329 | 1,525 | | 267,945 |
| Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71) | 285,626 | 146,179 | 19,468 | 1,414 | 1,257 | | 453,944 |
| Total | \$ 429,924 | \$ 264,349 | \$ 22,091 | \$ 2,743 | \$ 2,782 | | \$ 721,889 |

\$453.9 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, 2022.

| | Agent Multiple-Employer | | | Cost-Sharing Multiple-Employer | | | Total |
|---|-------------------------|---------------|--------------------------------|--------------------------------|----------------------------------|--|-------------|
| | County Miscellaneous | County Safety | Flood Control Miscellaneous | Park District Miscellaneous | Waste Resources Miscellaneous | | |
| Deferred Inflows of Resources By Plan: | | | | | | | |
| Difference between projected and actual earnings on pension plan investments - investment earnings greater than projected | \$ - | \$ - | \$ - | \$ - | \$ - | | \$ - |
| Difference between expected and actual experience | (21,288) | (30,491) | (186) | - | - | | (51,965) |
| Change of assumptions | (19,478) | (8,609) | (212) | (88) | (114) | | (28,501) |
| Adjustment due to differences in proportions | - | - | - | - | (58) | | (58) |
| Difference in employer contributions and proportionate share of contributions | - | - | - | (317) | - | | (317) |
| Total | \$ (40,766) | \$ (39,100) | \$ (398) | \$ (405) | \$ (172) | | \$ (80,841) |

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

| | Governmental | Business-type | Primary | Discretely | Total |
|--------------------------------|--------------|---------------|---------------------|-----------------------------|-------------|
| | Activities | Activities | Government Total | Presented Component Unit | |
| Deferred Outflows of Resources | \$ 607,753 | \$ 110,956 | \$ 718,709 | \$ 3,180 | \$ 721,889 |
| Deferred Inflows of Resources | \$ (69,721) | \$ (10,430) | \$ (80,151) | \$ (690) | \$ (80,841) |
| Pension Expense | \$ (47,744) | \$ 167 | \$ (47,577) | \$ 116 | \$ (47,461) |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 | |
| 2022 | \$ 23,657 | \$ 26,546 | \$ (144) | \$ 134 | \$ 222 | \$ 50,415 |
| 2023 | 22,260 | 38,838 | 972 | 342 | 518 | 62,930 |
| 2024 | 31,530 | 6,208 | 791 | 271 | 386 | 39,186 |
| 2025 | 26,085 | 8,474 | 606 | 177 | 227 | 35,569 |
| 2026 | - | (996) | - | - | - | (996) |
| Thereafter | - | - | - | - | - | - |
| | <u>\$ 103,532</u> | <u>\$ 79,070</u> | <u>\$ 2,225</u> | <u>\$ 924</u> | <u>\$ 1,353</u> | <u>\$ 187,104</u> |

Payable to the Pension Plan

At June 30, 2021, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2021.

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 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 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. For the measurement date June 30, 2021, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 357 |
| Inactive employees entitled to but yet receiving benefits | 7,771 |
| Active employees | <u>1,394</u> |
| | <u>9,522</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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, 2020 valuation, the County's current required contribution rate is 5.58%. Overall, the Plan's Net Pension Liability increased from the prior valuation due to the net result of the following: 1) demographic experience was different than expected, primarily due to fewer terminations than expected, which resulted in a liability loss; 2) assets were lower than expected due to unfavorable investment return on plan assets (3.72% actual compared to 6.0% assumed); and 3) mortality assumptions were updated to reflect the recent public mortality table Pub-2010 amount weighted for General employees, with generational future improvement scale MP-2020, resulting in a decrease in liabilities. The Plan's current funded ratio is 77.7%. 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, 2020, 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, 2020 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 | 2.50% |
| Salary Increases | 2.75% |
| Payroll Growth | 2.75% |
| Investment Rate of Return: | 6.00% |

The mortality rates for active employees are based on Pub-2010 amount-weighted tables for general employees of all income levels, projected using improvement scale MP-2020 from 2010.

The actuarial assumption used in the June 30, 2020 valuation was based on the results of an actuarial experience study for the period July 1, 2019 - June 30, 2020.

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 | 0.89% | 2.2% | 0.3% |
| Domestic Equity | 56.12% | 5.9% | 15.5% |
| Developed International Equity | 12.23% | 7.4% | 17.1% |
| Aggregate Fixed Income | 30.75% | 1.5% | 3.0% |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (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 Increase (Decrease) | | |
|---|--|------------------------------------|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability/(Asset) (c) = (a) - (b) |
| Measurement Period June 30, 2019 | \$ 53,122 | \$ 43,575 | \$ 9,547 |
| Changes of the year: | | | |
| Service cost | 1,255 | - | 1,255 |
| Interest cost | 3,200 | - | 3,200 |
| Differences between expected and actual experience | (365) | - | (365) |
| Change of assumptions | (259) | - | (259) |
| Contributions - employer | - | 812 | (812) |
| Contributions - employee | - | 1,722 | (1,722) |
| Net investment income (loss) | - | 1,622 | (1,622) |
| Benefit payments, including refunds of employee contribution: | (2,107) | (2,107) | - |
| Administrative expense | - | (258) | 258 |
| Net changes | 1,724 | 1,791 | (67) |
| Measurement Period June 30, 2020 | \$ 54,846 | \$ 45,366 | \$ 9,480 |

Change of assumptions. The mortality improvement scale was updated from MP-2019 to MP-2020.

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 | \$ 18,795 | \$ 9,480 | \$ 2,188 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension plan fiduciary net position

| Statement of Fiduciary Net Position June 30, 2021 | | Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended June 30, 2021 | |
|--|----------------------|---|-----------|
| ASSETS | Pension Trust | ADDITIONS: | |
| Cash and investments | \$ 61,217 | Contributions to pension trust: | |
| Accounts receivable | 152 | Employer | \$ 2,258 |
| Total assets | 61,369 | Employee | 2,135 |
| LIABILITIES | | Investment income | 14,356 |
| Accounts payable | - | Total additions | 18,749 |
| Total liabilities | - | DEDUCTIONS: | |
| NET POSITION | | Benefits paid to participants | 2,239 |
| Restricted for pension benefits | \$ 61,369 | Administrative and other expenses | 498 |
| | | Total deductions | 2,737 |
| | | Net position, beginning of the year | 45,357 |
| | | Net position, end of the year | \$ 61,369 |

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

The EARSLS for the Plan for the 2019-20 measurement period is 9.31 years, which was obtained by dividing the total service years of 88,650 (the sum of remaining service lifetimes of the active employees) by 9,522 (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, 2021

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, 2021, the County recognized pension expense of \$1.9 million. At June 30, 2021, 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 | \$ 4,806 | \$ (326) |
| Changes of assumptions | 3,202 | (824) |
| Net difference between projected and actual earnings on pension plan investments | 108 | - |
| Sub-total | 8,116 | (1,150) |
| Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71) | 2,256 | - |
| Total | \$ 10,372 | \$ (1,150) |

\$2.3 million 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, 2022.

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 |
|------------------------|--|
| 2022 | \$ 1,140 |
| 2023 | 1,473 |
| 2024 | 1,535 |
| 2025 | 1,076 |
| 2026 | 790 |
| Thereafter | 952 |
| | \$ 6,966 |

Payable to the Pension Plan

At June 30, 2021, there was no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2021.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 postemployment 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. In fiscal year 2019-20, management and SEIU employees are offered medical benefits through CalPERS. LIUNA was offered medical benefits through CalPERS in fiscal year 2020-2021.

Employees covered by benefit terms. For the measurement date June 30, 2020, 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 | 2,522 | 50 | 12 | 27 |
| Inactive employees entitled to but not yet receiving benefit payments | - | - | - | - |
| Active employees | 19,476 | 225 | 89 | 11 |
| | <u>21,998</u> | <u>275</u> | <u>101</u> | <u>38</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, 2021

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

| Bargaining Unit | Monthly Contribution | | | |
|---------------------------------|-----------------------------|--------------------------------|--------------------------------|----------------------------|
| | County | | | Waste |
| | Miscellaneous and Safety | Flood Control Miscellaneous | Park District Miscellaneous | Resources Miscellaneous |
| Confidential | \$ 256.00 | \$ 256.00 | N/A | N/A |
| Law Enforcement Management Unit | \$ 143.00 | 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 | \$ 25.00 |
| Management (General) | \$ 256.00 | \$ 256.00 | \$ 256.00 | \$ 256.00 |
| Management (128) | N/A | \$ 143.00 | N/A | \$ 143.00 |
| District Attorneys | \$ 256.00 | N/A | N/A | N/A |
| RSA Law Enforcement | \$ 25.00 | N/A | N/A | N/A |
| RSA Public Safety | \$ 143.00 | N/A | N/A | N/A |
| SEIU | \$ 143.00 | \$ 143.00 | \$ 143.00 | \$ 143.00 |
| 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, 2020, and the total OPEB (asset)/liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of July 1, 2020.

Actuarial assumptions. The total OPEB liability in the July 1, 2020 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 | 2.50% | 2.50% | 2.50% |
| Salary Increases | 2.75% | 2.75% | 2.75% |
| Investment Rate of Return* | 6.15% | 6.45% | 7.30% |

*Net of Plan Investment Expenses, including inflation

County Miscellaneous and Safety Plan: The healthcare cost trend rate for the Pre Medicare Plan was 6.7 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2021 and later years. The healthcare cost trend rate for the Post Medicare Plan was 7.7 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2021 and later years.

Flood Control: The healthcare cost trend rate for the Pre Medicare Plan was 7.0 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2021 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.2 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2021 and later years.

Park District Miscellaneous: The healthcare cost trend rate for the Pre Medicare Plan was 7.0 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2021 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.2 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2021 and later years.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Net OPEB (Asset)/Liability (Continued)

Mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvements scale MP-2020.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of the 2017 CalPERS Experience Study.

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 | County | | | Long-Term Expected Real Rate of Return |
|---|--|---|---|--|
| | Miscellaneous and Safety Target Allocation Strategy 2 | Flood Control Miscellaneous Target Allocation Strategy 1 | Park District Miscellaneous Target Allocation Strategy 1 | |
| Global Equity | 40.0% | 22.0% | 59.0% | 5.98% |
| Fixed Income | 43.0% | 49.0% | 25.0% | 2.62% |
| Treasury Inflation-Protected Securities | 5.0% | 16.0% | 5.0% | 1.46% |
| Real Estate Investment Trust | 8.0% | 8.0% | 8.0% | 5.00% |
| Commodities | 4.0% | 5.0% | 3.0% | 2.87% |
| Total | 100.0% | 100.0% | 100.0% | |

Discount rate. The discount rate used to measure the total OPEB liability was 6.15 percent (County Miscellaneous and Safety), 6.45 percent (Flood Control Miscellaneous), and 7.30 (Park District Miscellaneous). 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, 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.

Total OPEB Liability

The Waste Resources' total OPEB liability of \$2.2 million was measured as of June 30, 2020, and was determined by the most recent actuarial valuation as of July 1, 2020.

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Total OPEB Liability (Continued)

| | Waste Resources <u>Miscellaneous</u> |
|--|---|
| Inflation | 2.50% |
| Salary Increases | 2.75% |
| Discount rate | 2.21% |
| Healthcare cost trend rates | All benefits are assumed to decrease by 0.3% per year for the Pre Medicare Plan and 0.5% per year for the Post Medicare Plan to an ultimate rate of 4.5 percent for 2021 and later years. |
| 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 July 1, 2020.

Mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvements using scale MP-2020.

The actuarial assumptions used in the most recent actuarial valuation as of July 1, 2020 were based on the assumptions developed in the 2017 CalPERS Experience Study.

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

| | County Miscellaneous and Safety | Flood Control Miscellaneous | Park District Miscellaneous | Total |
|--|---------------------------------------|--------------------------------|--------------------------------|-------------------|
| Measurement Period June 30, 2020 | | | | |
| Total OPEB liability | | | | |
| Service cost | \$ 2,965 | \$ 20 | \$ 8 | \$ 2,993 |
| Interest on the total OPEB liability | 7,280 | 78 | 16 | 7,374 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | (7,464) | 124 | 27 | (7,313) |
| Changes of assumptions | 133,857 | 1,911 | 1,226 | 136,994 |
| Benefit payments | (4,468) | (68) | (20) | (4,556) |
| Net change in total OPEB liability | 132,170 | 2,065 | 1,257 | 135,492 |
| Total OPEB liability - beginning (a) | 103,097 | 1,252 | 218 | 104,567 |
| Total OPEB liability - ending (c) | <u>\$ 235,267</u> | <u>\$ 3,317</u> | <u>\$ 1,475</u> | <u>\$ 240,059</u> |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 10,066 | \$ 618 | \$ 2 | \$ 10,686 |
| Contributions - employee | - | - | - | - |
| Net investment income | 2,525 | 63 | 13 | 2,601 |
| Benefit payments | (4,468) | (68) | (20) | (4,556) |
| Administrative expense | (23) | - | - | (23) |
| Net change in plan fiduciary net position | 8,100 | 613 | (5) | 8,708 |
| Plan fiduciary net position - beginning (b) | 44,905 | 574 | 361 | 45,840 |
| Plan fiduciary net position - ending (d) | <u>\$ 53,005</u> | <u>\$ 1,187</u> | <u>\$ 356</u> | <u>\$ 54,548</u> |
| Net OPEB (asset)/liability - beginning (a) - (b) | \$ 58,192 | \$ 678 | \$ (143) | \$ 58,727 |
| Net OPEB (asset)/liability - ending (c) - (d) | <u>\$ 182,262</u> | <u>\$ 2,130</u> | <u>\$ 1,119</u> | <u>\$ 185,511</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

The assumptions were changed from the prior valuation as follow:

For County Miscellaneous and Safety Plan: 1) Discount rate was updated from 7.01% to 6.15% due to change in CERBT expected return on assets, 2) The claims table was updated to reflect most recent CalPERS monthly premiums available for 2020 and Aging factors were also updated to reflect the most recent CalPERS demographic experience, 3) In the new Funding policy made effective on July 1, 2020, the County elected to exclude the implicit subsidy liability in the funding contribution development, 4) Future health plan participation for those bargaining units that have access to CalPERS health plans and elect coverage was changed to reflect that 90% of participants are assumed to elect a CalPERS Health Plan and 10% are assumed to elect a County Health Plan, and 5) Mortality improvement was updated from scale MP-2019 to scale MP-2020.

Flood Control and Park District Miscellaneous Plan: 1) Discount rate was updated from 6.22% to 6.45% due to change in CERBT expected return on assets, 2) The claims table was updated to reflect most recent CalPERS monthly premiums available for 2020 and Aging factors were also updated to reflect the most recent CalPERS demographic experience, 3) Access to CalPERS health plans became available for SEIU bargaining groups, 4) Future health plan participation for bargaining units that have access to CalPERS health plans and elect coverage was changed to reflect that 90% of participants are assumed to elect a CalPERS Health Plan and 10% are assumed to elect a County Health Plan, and 5) Mortality improvement was updated from scale MP-2019 to scale MP-2020.

There were no changes in the assumptions resulting from the introduction of CalPERS plans to certain retirees for the County Miscellaneous and Safety, Flood Control Miscellaneous, and Park District Miscellaneous Plans from the prior year.

Given the 2020 events related to COVID-19, participant information, as available, including terminations, retirements, and deaths over the year were reviewed to compare plan experience against the assumptions used in the valuation to determine whether a modification to future assumptions may be warranted. Evaluation of the information provided did not suggest a significant impact to the plan or justify a change to assumptions other than those already used.

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, 2020 | |
| Changes for the year: | |
| Service cost | \$ 11 |
| Interest | 52 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (232) |
| Changes in assumptions or other inputs | 967 |
| Benefit payments | <u>(71)</u> |
| Net changes | 727 |
| Total OPEB liability - beginning | 1,480 |
| Total OPEB liability - ending | <u>\$ 2,207</u> |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 (Continued)

As of July 1, 2020, the discount rate was changed from 3.51 percent to 2.21 percent. All other information is based on the census data, actuarial assumption, and plan provisions used in the most recent actuarial valuation as of July 1, 2020.

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) | \$ - | \$ - | \$ - |
| Net OPEB Liability | \$ 154,621 | \$ 30,890 | \$ 185,511 |
| Total OPEB Liability | \$ - | \$ 2,207 | \$ 2,207 |

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:

| | Net OPEB (Asset)/Liability | | |
|---------------------------------|----------------------------|---------------|-------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | (5.15%) | (6.15%) | (7.15%) |
| County Miscellaneous and Safety | \$ 221,991 | \$ 182,262 | \$ 150,565 |

| | Net OPEB (Asset)/Liability | | |
|-----------------------------|----------------------------|---------------|-------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | (5.45%) | (6.45%) | (7.45%) |
| Flood Control Miscellaneous | \$ 2,645 | \$ 2,130 | \$ 1,715 |

| | Net OPEB (Asset)/Liability | | |
|-----------------------------|----------------------------|---------------|-------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | (6.30%) | (7.30%) | (8.30%) |
| Park District Miscellaneous | \$ 1,339 | \$ 1,119 | \$ 942 |

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 |
| | (1.21%) | (2.21%) | (3.21%) |
| Waste Resources Miscellaneous | \$ 2,566 | \$ 2,207 | \$ 1,920 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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 (5.7% decreasing to 3.5%) | Trend Rates (6.7% decreasing to 4.5%) | 1% Increase (7.7% decreasing to 5.5%) |
| County Miscellaneous and Safety (Pre Medicare Plan) | \$ 146,693 | \$ 182,262 | \$ 228,027 |

| | Net OPEB (Asset)/Liability | | |
|--|---|---|---|
| | Healthcare Cost | | |
| | 1% Decrease (6.7% decreasing to 3.5%) | Trend Rates (7.7% decreasing to 4.5%) | 1% Increase (8.7% decreasing to 5.5%) |
| County Miscellaneous and Safety (Post Medicare Plan) | \$ 146,693 | \$ 182,262 | \$ 228,027 |

| | Net OPEB (Asset)/Liability | | |
|---|---|---|---|
| | Healthcare Cost | | |
| | 1% Decrease (6.0% decreasing to 3.5%) | Trend Rates (7.0% decreasing to 4.5%) | 1% Increase (8.0% decreasing to 5.5%) |
| Flood Control Miscellaneous (Pre Medicare Plan) | \$ 1,671 | \$ 2,130 | \$ 2,712 |

| | Net OPEB (Asset)/Liability | | |
|--|---|---|---|
| | Healthcare Cost | | |
| | 1% Decrease (7.2% decreasing to 3.5%) | Trend Rates (8.2% decreasing to 4.5%) | 1% Increase (9.2% decreasing to 5.5%) |
| Flood Control Miscellaneous (Post Medicare Plan) | \$ 1,671 | \$ 2,130 | \$ 2,712 |

| | Net OPEB (Asset)/Liability | | |
|---|---|---|---|
| | Healthcare Cost | | |
| | 1% Decrease (6.0% decreasing to 3.5%) | Trend Rates (7.0% decreasing to 4.5%) | 1% Increase (8.0% decreasing to 5.5%) |
| Park District Miscellaneous (Pre Medicare Plan) | \$ 915 | \$ 1,119 | \$ 1,379 |

| | Net OPEB (Asset)/Liability | | |
|--|---|---|---|
| | Healthcare Cost | | |
| | 1% Decrease (7.2% decreasing to 3.5%) | Trend Rates (8.2% decreasing to 4.5%) | 1% Increase (9.2% decreasing to 5.5%) |
| Park District Miscellaneous (Post Medicare Plan) | \$ 915 | \$ 1,119 | \$ 1,379 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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 (6.0% decreasing to 3.5%) | Trend Rates (7.0% decreasing to 4.5%) | 1% Increase (8.0% decreasing to 5.5%) |
| Waste Resources Miscellaneous (Pre Medicare Plan) | \$ 1,916 | \$ 2,207 | \$ 2,568 |

| | Total OPEB Liability | | |
|--|---|---|---|
| | Healthcare Cost | | |
| | 1% Decrease (7.2% decreasing to 3.5%) | Trend Rates (8.2% decreasing to 4.5%) | 1% Increase (9.2% decreasing to 5.5%) |
| Waste Resources Miscellaneous (Post Medicare Plan) | \$ 1,916 | \$ 2,207 | \$ 2,568 |

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, 2021, \$25.0 million was recognized as OPEB expense. At June 30, 2021, 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 | \$ 8,171 | \$ 158 | \$ 38 | \$ - | \$ 8,367 |
| Difference between expected and actual earnings on OPEB plan investments | 451 | - | 10 | - | 461 |
| Changes of assumptions | 154,816 | 2,259 | 1,204 | 331 | 158,610 |
| Sub-total | 163,438 | 2,417 | 1,252 | 331 | 167,438 |
| Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71) | 15,330 | 2,088 | - | 1 | 17,419 |
| Total | \$ 178,768 | \$ 4,505 | \$ 1,252 | \$ 332 | \$ 184,857 |

\$17.4 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, 2022.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

| | 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 | \$ (6,756) | \$ - | \$ (34) | \$ (79) | \$ (6,869) |
| Difference between expected and actual earnings on OPEB plan investments | - | (17) | - | - | (17) |
| Changes of assumptions | - | (1) | (1) | - | (2) |
| Total | <u>\$ (6,756)</u> | <u>\$ (18)</u> | <u>\$ (35)</u> | <u>\$ (79)</u> | <u>\$ (6,888)</u> |

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

| | Governmental | | Business-type | | Total |
|--------------------------------|--------------|------------|---------------|--|-------|
| | Activities | | Activities | | |
| Deferred Outflows of Resources | \$ 153,575 | \$ 31,282 | \$ 184,857 | | |
| Deferred Inflows of Resources | \$ (5,640) | \$ (1,248) | \$ (6,888) | | |
| Pension expense/expenditures | \$ 20,484 | \$ 4,516 | \$ 25,000 | | |

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 | County | | | | Total |
|------------|-------------------|-----------------------------|--------------------------------|--------------------------------|-------------------|
| | June 30 | Miscellaneous and Safety | Flood Control Miscellaneous | Park District Miscellaneous | |
| 2022 | \$ 17,556 | \$ 289 | \$ 129 | \$ 252 | \$ 18,226 |
| 2023 | 17,789 | 287 | 131 | - | 18,207 |
| 2024 | 17,755 | 285 | 132 | - | 18,172 |
| 2025 | 17,766 | 287 | 131 | - | 18,184 |
| 2026 | 17,604 | 289 | 128 | - | 18,021 |
| Thereafter | 68,212 | 962 | 566 | - | 69,740 |
| Total | <u>\$ 156,682</u> | <u>\$ 2,399</u> | <u>\$ 1,217</u> | <u>\$ 252</u> | <u>\$ 160,550</u> |

Payable to the OPEB Plan

At June 30, 2021, there was no outstanding amount of contributions payable to the OPEB plan required for the year ended June 30, 2021.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

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, 2020, indicated no items found of noncompliance with Federal grants and regulations. The fiscal year 2020-21 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2022.

Commitments

At June 30, 2021, 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. \$106.8 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 \$2.4 million. Both Badlands landfill projects are expected to be completed in the next five years.

Remediation Contingencies

Governmental Activities

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, 2021, the accrued remediation liability is \$716.2 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.

Business-type Activities

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 \$37.4 million are held for these purposes at June 30, 2021 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 \$39.9 million as of June 30, 2021.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 23 – COMMITMENTS AND CONTINGENCIES (Continued)

Remediation Contingencies (Continued)

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 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, 2021, the post-closure liability is estimated at \$4.0 million.

Encumbrances

The County uses “encumbrances” to control expenditure commitments for the year. Encumbrances represent commitments related to executor contracts not yet performed and purchase 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, 2021, the encumbrance balances for the governmental funds are reported as follows (In thousands):

| | <u>Restricted</u> | <u>Committed</u> | <u>Assigned</u> | <u>Total</u> |
|---|-------------------|------------------|------------------|------------------|
| Major Governmental Funds | | | | |
| General Fund: | | | | |
| Energy projects | \$ - | \$ - | \$ 21 | \$ 21 |
| Fire protection | - | - | 10,060 | 10,060 |
| General government | - | - | 351 | 351 |
| Health care programs | - | - | 32 | 32 |
| Human resources | - | - | 209 | 209 |
| Probation programs | - | - | 6,969 | 6,969 |
| Public protection | - | - | 1,028 | 1,028 |
| Purchasing projects | - | - | 7 | 7 |
| Sheriff correction | - | - | 5,833 | 5,833 |
| Sheriff court services | - | - | 77 | 77 |
| Sheriff patrol | - | - | 8,591 | 8,591 |
| Sheriff support | - | - | 2,722 | 2,722 |
| Transportation: | | | | |
| Construction projects | 618 | - | - | 618 |
| Equipment | - | - | 1,099 | 1,099 |
| Roads | 50 | - | - | 50 |
| Nonmajor Governmental Funds | | | | |
| Special Revenue Funds: | | | | |
| Education | 679 | - | - | 679 |
| Public ways and facilities | 47 | - | - | 47 |
| Recreation & cultural services | 41 | 26 | - | 67 |
| Sheriff correction | 199 | - | - | 199 |
| Small Business Assistance Grant Program | - | - | 210 | 210 |
| Capital Projects Funds: | | | | |
| Capital improvement projects | - | - | 2,969 | 2,969 |
| Parks projects | 126 | - | - | 126 |
| Total Encumbrances | \$ 1,760 | \$ 26 | \$ 40,178 | \$ 41,964 |

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 24 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANS)

On July 1, 2021, the County issued \$340.0 million in Tax and Revenue Anticipation Notes which mature June 30, 2022. The stated interest rate for the notes is 2.0%, with a yield of 0.07%. In accordance with California law, the TRANS 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 2022 and legally available for payment thereof. Proceeds for the notes will be used for fiscal year 2022 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

In September 2021, 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 Asset Leasing Corporation certificates of participation (Series 2009, and lease revenue bonds (LRBs), Series 2013A) at 'A+'
- Riverside County Public Financing Authority (LRBs) (Series 2012 and 2015) at 'A+'
- Riverside County 2021 tax and revenue anticipation notes (TRANS) at 'F1+'

The rating outlook on the long-term bonds is stable.

Teeter Obligation Notes, Series A

On October 20, 2021, the County issued \$87.4 million in 2021 Teeter Obligation Notes, Series A (Tax-Exempt) to refund a portion of the outstanding 2020 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 stated interest rate for the Notes is 0.5%, with a yield of 0.15%. The Notes mature October 20, 2022.

CalPERS Contribution Rates

The CalPERS miscellaneous and safety plan contribution rates for fiscal year 2021-22 are 22.9% and 35.8%, respectively. Fiscal year 2022-23 contribution rates for miscellaneous and safety are estimated at 23.1% and 36.4%, respectively. They will be accounted for in fiscal year 2021-22 and future budget years.

COVID-19 Pandemic

The COVID-19 pandemic is complex and rapidly evolving. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, and financial position.

Bond Refunding

In September 2021, the Board of Supervisors authorized the Execution and Delivery of a Ground Lease, a Lease Agreement, an Indenture and a Bond Purchase Agreement in connection with the Issuance of Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2021A and Riverside County Infrastructure Financing Authority Series 2021 B (Federally Taxable).

The Series 2021 Riverside County Infrastructure Authority bonds refunded seven lease revenue bonds into one single refunding issue (with two series), which given the current low interest rates, produced significant interest cost savings. The interest rates on the prior securities ranged from 4.0% to 5.01 % with an average interest rate of 4.87%. The all-in true interest cost for the refunding issue is 3.04%.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2021

NOTE 24 – SUBSEQUENT EVENTS (Continued)

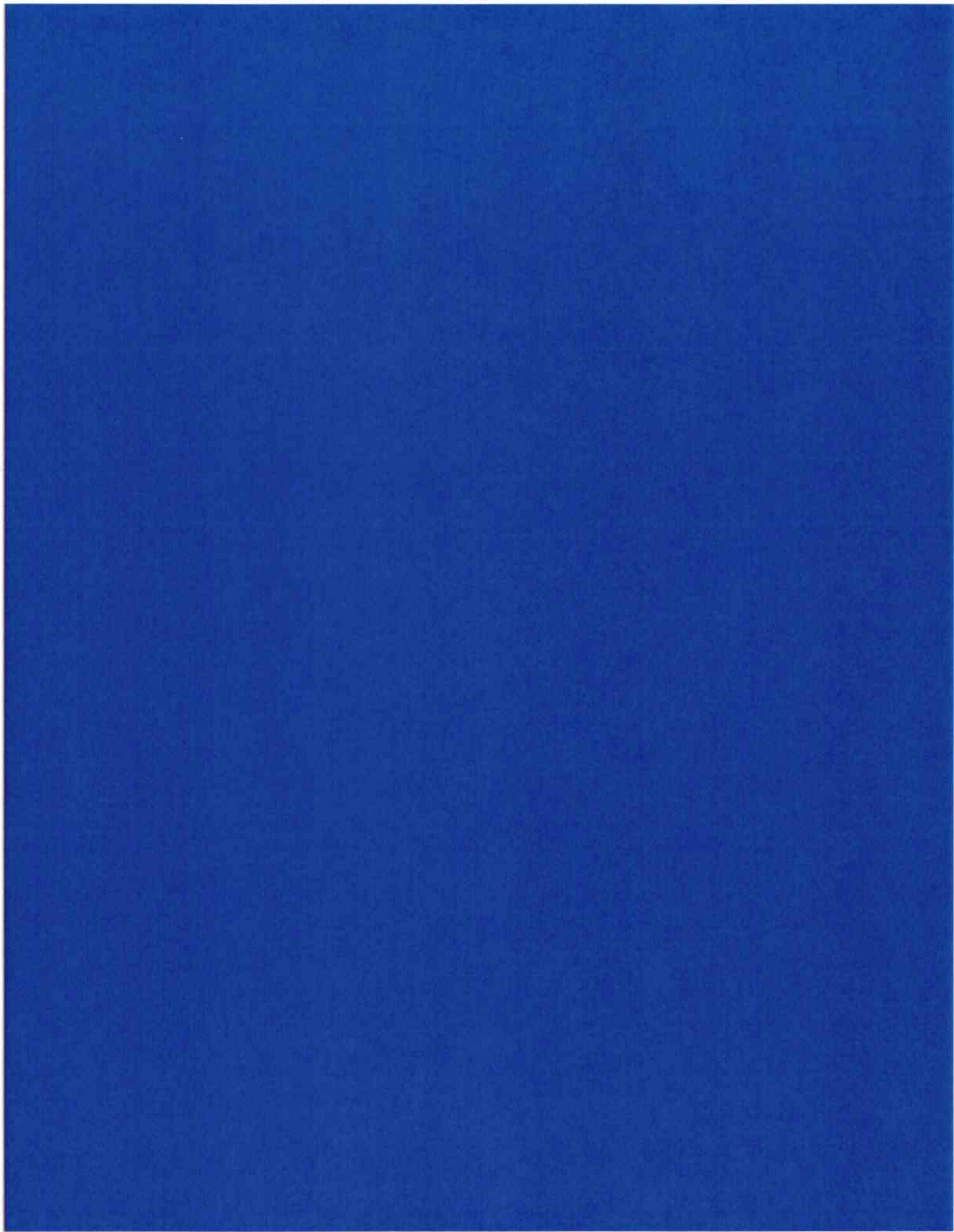
Bond Refunding (Continued)

Total cashflow savings are \$67.6 million over the life of the bonds with net present value savings (NPV) of \$32.1 million, or 6.7% of the bonds refunded. Additionally, the refunding of the County of Riverside Asset Leasing Corporation Series 2008A variable rate bonds converted from the previous synthetic fixed rate structure to a lower fixed interest rate and eliminated interest rate and swap counterparty risk. Other ancillary costs with the potential to increase over time, such as letters of credit and remarketing, were also eliminated. The Series 2021 Riverside County Infrastructure Authority bonds were issued on October 19, 2021 and mature on November 1, 2045.



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REQUIRED SUPPLEMENTARY
INFORMATION





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COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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 | 2019-20 ⁽¹⁾ | 2018-19 ⁽¹⁾ | 2017-18 ⁽¹⁾ |
|---|------------------------|------------------------|------------------------|
| Total pension liability | | | |
| Service cost | \$ 212,955 | \$ 211,449 | \$ 215,186 |
| Interest on total pension liability | 597,364 | 567,030 | 532,726 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (27,739) | 41,592 | 51,597 |
| Changes of assumptions | - | - | (58,382) |
| Benefit payments, including refunds of employee contributions | (350,397) | (321,474) | (291,902) |
| Net change in total pension liability | <u>432,183</u> | <u>498,597</u> | <u>449,225</u> |
| Total pension liability - beginning | <u>8,201,596</u> | <u>7,702,999</u> | <u>7,253,774</u> |
| Total pension liability - ending (a) | <u>\$ 8,633,779</u> | <u>\$ 8,201,596</u> | <u>\$ 7,702,999</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 625,349 | \$ 216,533 | \$ 185,512 |
| Contributions - employee | 88,580 | 87,918 | 87,471 |
| Net investment income | 307,235 | 377,088 | 449,040 |
| Benefit payments, including refunds of employee contributions | (350,397) | (321,474) | (291,902) |
| Administrative expense | (8,590) | (4,088) | (8,297) |
| Other miscellaneous expense | 32 | 220 | (15,755) |
| Net change in plan fiduciary net position | <u>662,209</u> | <u>356,197</u> | <u>406,069</u> |
| Plan fiduciary net position - beginning | <u>5,852,725</u> | <u>5,496,528</u> | <u>5,090,459</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 6,514,934</u> | <u>\$ 5,852,725</u> | <u>\$ 5,496,528</u> |
| Plan's net pension liability - ending (a) - (b) | <u>\$ 2,118,845</u> | <u>\$ 2,348,871</u> | <u>\$ 2,206,471</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 75.5% | 71.4% | 71.4% |
| Covered payroll ⁽²⁾ | \$ 1,168,452 | \$ 1,144,873 | \$ 1,068,222 |
| Plan's net pension liability as a percentage of covered payroll | 181.3% | 205.2% | 206.6% |

⁽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, 2021

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

County Miscellaneous, Agent Multiple- Employer Plan

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

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

**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 | 2019-20 ⁽¹⁾ | 2018-19 ⁽¹⁾ | 2017-18 ⁽¹⁾ |
|---|------------------------|------------------------|------------------------|
| Total pension liability | | | |
| Service cost | \$ 91,805 | \$ 93,738 | \$ 99,309 |
| Interest on total pension liability | 267,982 | 255,679 | 241,592 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (25,905) | (3,563) | (14,902) |
| Changes of assumptions | - | - | (15,727) |
| Benefit payments, including refunds of employee contributions | (155,865) | (145,095) | (129,977) |
| Net change in total pension liability | <u>178,017</u> | <u>200,759</u> | <u>180,295</u> |
| Total pension liability - beginning | <u>3,805,931</u> | <u>3,605,172</u> | <u>3,424,877</u> |
| Total pension liability - ending (a) | <u>\$ 3,983,948</u> | <u>\$ 3,805,931</u> | <u>\$ 3,605,172</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 468,163 | \$ 104,161 | \$ 92,283 |
| Contributions - employee | 32,468 | 30,029 | 30,586 |
| Net investment income | 139,287 | 169,980 | 202,786 |
| Benefit payments, including refunds of employee contributions | (155,865) | (145,095) | (129,977) |
| Administrative expense | (3,865) | (1,845) | (3,760) |
| Other miscellaneous expense | (32) | (200) | (7,102) |
| Net change in plan fiduciary net position | <u>480,156</u> | <u>157,030</u> | <u>184,816</u> |
| Plan fiduciary net position - beginning | <u>2,741,873</u> | <u>2,584,843</u> | <u>2,400,027</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 3,222,029</u> | <u>\$ 2,741,873</u> | <u>\$ 2,584,843</u> |
| Plan's net pension liability - ending (a) - (b) | <u>\$ 761,919</u> | <u>\$ 1,064,058</u> | <u>\$ 1,020,329</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 80.9% | 72.0% | 71.7% |
| Covered payroll ⁽²⁾ | \$ 311,708 | \$ 300,890 | \$ 322,749 |
| Plan's net pension liability as a percentage of covered payroll | 244.4% | 353.6% | 316.1% |

⁽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*.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

**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

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

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

**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 | 2019-20 ⁽¹⁾ | 2018-19 ⁽¹⁾ | 2017-18 ⁽¹⁾ |
|---|------------------------|------------------------|------------------------|
| Total pension liability | | | |
| Service cost | \$ 3,020 | \$ 3,114 | \$ 3,239 |
| Interest on total pension liability | 14,738 | 14,237 | 13,568 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | 339 | 2,633 | (883) |
| Changes of assumptions | - | - | (1,005) |
| Benefit payments, including refunds of employee contributions | (11,094) | (10,190) | (9,835) |
| Net change in total pension liability | 7,003 | 9,794 | 5,084 |
| Total pension liability - beginning | 209,825 | 200,031 | 194,947 |
| Total pension liability - ending (a) | \$ 216,828 | \$ 209,825 | \$ 200,031 |
| Plan fiduciary net position | | | |
| Contributions - employer | \$ 12,731 | \$ 5,020 | \$ 4,253 |
| Contributions - employee | 1,307 | 1,240 | 1,269 |
| Net investment income | 6,807 | 8,617 | 10,586 |
| Benefit payments, including refunds of employee contributions | (11,094) | (10,190) | (9,835) |
| Administrative expense | (192) | (94) | (196) |
| Other miscellaneous expense | - | - | (373) |
| Net change in plan fiduciary net position | 9,559 | 4,593 | 5,704 |
| Plan fiduciary net position - beginning | 136,303 | 131,710 | 126,006 |
| Plan fiduciary net position - ending (b) | \$ 145,862 | \$ 136,303 | \$ 131,710 |
| Plan's net pension liability - ending (a) - (b) | \$ 70,966 | \$ 73,522 | \$ 68,321 |
| Plan fiduciary net position as a percentage of the total pension liability | 67.3% | 65.0% | 65.8% |
| Covered payroll ⁽²⁾ | \$ 16,890 | \$ 17,305 | \$ 17,581 |
| Plan's net pension liability as a percentage of covered payroll | 420.2% | 424.9% | 388.6% |

⁽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*.

Notes to Schedule:

Benefit changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of assumptions: None in 2019 or 2020. In 2018, demographic assumptions and the inflation rate were changed in accordance with the CalPERS Experience Study and Review of Assumptions in December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

**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

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

changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous, Agent Multiple-Employer Plan

| *Fiscal Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | **Covered payroll | Contributions as a percentage of covered payroll |
|--------------|-------------------------------------|--|----------------------------------|-------------------|--|
| 2014-15 | \$ 126,838 | \$ (132,619) | \$ (5,781) | \$ 909,644 | 14.6% |
| 2015-16 | \$ 143,300 | \$ (159,154) | \$ (15,854) | \$ 1,010,690 | 15.7% |
| 2016-17 | \$ 160,437 | \$ (178,196) | \$ (17,759) | \$ 1,056,636 | 16.9% |
| 2017-18 | \$ 184,572 | \$ (182,070) | \$ 2,502 | \$ 1,068,222 | 17.0% |
| 2018-19 | \$ 224,862 | \$ (207,080) | \$ 17,782 | \$ 1,144,873 | 18.1% |
| 2019-20 | \$ 243,748 | \$ (243,748) | \$ - | \$ 1,168,452 | 20.9% |
| 2020-21 | \$ 285,626 | \$ (285,626) | \$ - | \$ 1,199,223 | 23.8% |

* 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 Multipl- Employer Plan

| *Fiscal Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | **Covered payroll | Contributions as a percentage of covered payroll |
|--------------|-------------------------------------|--|----------------------------------|-------------------|--|
| 2014-15 | \$ 62,624 | \$ (71,228) | \$ (8,604) | \$ 320,550 | 22.2% |
| 2015-16 | \$ 69,936 | \$ (83,166) | \$ (13,230) | \$ 341,419 | 24.4% |
| 2016-17 | \$ 85,699 | \$ (91,330) | \$ (5,631) | \$ 340,897 | 26.8% |
| 2017-18 | \$ 98,314 | \$ (91,224) | \$ 7,090 | \$ 322,749 | 28.3% |
| 2018-19 | \$ 117,149 | \$ (98,581) | \$ 18,568 | \$ 300,890 | 32.8% |
| 2019-20 | \$ 126,333 | \$ (126,333) | \$ - | \$ 311,708 | 40.5% |
| 2020-21 | \$ 146,179 | \$ (146,179) | \$ - | \$ 320,489 | 45.6% |

* 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 OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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

Flood Control Miscellaneous, Agent Multiple-Employer Plan

| *Fiscal Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | **Covered payroll | Contributions as a percentage of covered payroll |
|--------------|-------------------------------------|--|----------------------------------|-------------------|--|
| 2014-15 | \$ 2,918 | \$ (2,918) | \$ - | \$ 15,838 | 18.4% |
| 2015-16 | \$ 3,442 | \$ (3,442) | \$ - | \$ 16,643 | 20.7% |
| 2016-17 | \$ 3,896 | \$ (3,896) | \$ - | \$ 17,428 | 22.4% |
| 2017-18 | \$ 4,252 | \$ (4,252) | \$ - | \$ 17,581 | 24.2% |
| 2018-19 | \$ 5,019 | \$ (5,019) | \$ - | \$ 17,305 | 29.0% |
| 2019-20 | \$ 6,015 | \$ (12,731) | \$ (6,716) | \$ 16,890 | 35.6% |
| 2020-21 | \$ 4,798 | \$ (14,671) | \$ (9,873) | \$ 17,354 | 27.6% |

* 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

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2020-21 were derived from the June 30, 2019 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 | 2.50% | 2.50% | 2.50% |
| Salary increases | Varies by Entry Age and Service | Varies by Entry Age and Service | Varies by Entry Age and Service |
| Payroll growth | 2.75% | 2.75% | 2.75% |
| 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 2017 CalPERS Experience Study for the period from 1997 to 2015.

The Mortality Rate is determined by based on the probabilities of mortality which are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. The mortality table includes 15 years of mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries.

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

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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 ⁽¹⁾ | Employer's proportion of the net pension liability (asset) | Employer's proportionate share of the net pension liability (asset) | Employer's covered payroll ⁽²⁾ | Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | Pension plan's fiduciary net position as a percentage of the total pension liability |
|-----------------------------------|--|---|---|--|--|
| 2013-14 | 0.09946% | \$ 6.189 | \$ 4,992 | 124.0% | 81.8% |
| 2014-15 | 0.25620% | \$ 7,029 | \$ 5,799 | 121.2% | 80.2% |
| 2015-16 | 0.26345% | \$ 9,151 | \$ 6,791 | 134.8% | 75.9% |
| 2016-17 | 0.27243% | \$ 10,739 | \$ 6,201 | 173.2% | 75.3% |
| 2017-18 | 0.27877% | \$ 10,506 | \$ 5,415 | 194.0% | 77.1% |
| 2018-19 | 0.28803% | \$ 11,534 | \$ 5,439 | 212.1% | 76.1% |
| 2019-20 | 0.29329% | \$ 12,371 | \$ 5,464 | 226.4% | 75.3% |

⁽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*.

Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan

| Measurement Period ⁽¹⁾ | Employer's proportion of the net pension liability (asset) | Employer's proportionate share of the net pension liability (asset) | Employer's covered payroll ⁽²⁾ | Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | Pension plan's fiduciary net position as a percentage of the total pension liability |
|-----------------------------------|--|---|---|--|--|
| 2013-14 | 0.13583% | \$ 8,452 | \$ 3,082 | 274.2% | 79.8% |
| 2014-15 | 0.35266% | \$ 9,675 | \$ 2,298 | 421.0% | 77.4% |
| 2015-16 | 0.35378% | \$ 12,290 | \$ 2,339 | 525.4% | 72.9% |
| 2016-17 | 0.35839% | \$ 14,128 | \$ 1,981 | 713.2% | 72.1% |
| 2017-18 | 0.36801% | \$ 13,869 | \$ 1,816 | 763.7% | 73.2% |
| 2018-19 | 0.37300% | \$ 14,937 | \$ 1,615 | 924.9% | 72.3% |
| 2019-20 | 0.37846% | \$ 15,964 | \$ 1,356 | 1177.3% | 71.0% |

⁽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, 2021

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Park District Miscellaneous, Cost-Sharing Multiple-Employer Plan

| *Fiscal Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | **Covered payroll | Contributions as a percentage of covered payroll |
|--------------|---|--|--|----------------------|--|
| 2014-15 | \$ 950 | \$ (950) | \$ - | \$ 5,799 | 16.4% |
| 2015-16 | \$ 1,062 | \$ (1,062) | \$ - | \$ 6,791 | 15.6% |
| 2016-17 | \$ 1,094 | \$ (1,094) | \$ - | \$ 6,201 | 17.6% |
| 2017-18 | \$ 1,094 | \$ (1,094) | \$ - | \$ 5,415 | 20.2% |
| 2018-19 | \$ 1,229 | \$ (1,229) | \$ - | \$ 5,439 | 22.6% |
| 2019-20 | \$ 1,515 | \$ (1,515) | \$ - | \$ 5,464 | 27.7% |
| 2020-21 | \$ 1,414 | \$ (1,414) | \$ - | \$ 4,927 | 28.7% |

* 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 | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | **Covered payroll | Contributions as a percentage of covered payroll |
|--------------|---|--|--|----------------------|--|
| 2014-15 | \$ 623 | \$ (189) | \$ 434 | \$ 2,298 | 8.2% |
| 2015-16 | \$ 863 | \$ (411) | \$ 452 | \$ 2,339 | 17.6% |
| 2016-17 | \$ 905 | \$ (832) | \$ 73 | \$ 1,981 | 42.0% |
| 2017-18 | \$ 1,020 | \$ (900) | \$ 120 | \$ 1,816 | 49.6% |
| 2018-19 | \$ 1,166 | \$ (1,022) | \$ 144 | \$ 1,615 | 63.3% |
| 2019-20 | \$ 1,141 | \$ (1,141) | \$ - | \$ 1,356 | 84.1% |
| 2020-21 | \$ 1,257 | \$ (1,257) | \$ - | \$ 1,250 | 100.6% |

* 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

Benefit changes: None.

Changes of assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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 | 2019-20 ⁽¹⁾ | 2018-19 ⁽¹⁾ | 2017-18 ⁽¹⁾ |
|---|------------------------|------------------------|------------------------|
| Total pension liability | | | |
| Service cost | \$ 1,255 | \$ 1,082 | \$ 1,300 |
| Interest cost | 3,200 | 2,747 | 2,548 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | (365) | 2,732 | 1,621 |
| Changes of assumptions | (259) | 2,985 | 40 |
| Benefit payments, including refunds of employee contributions | (2,107) | (2,222) | (1,726) |
| Net change in total pension liability | <u>1,724</u> | <u>7,324</u> | <u>3,783</u> |
| Total pension liability - beginning | <u>53,122</u> | <u>45,798</u> | <u>42,015</u> |
| Total pension liability - ending (a) | <u>\$ 54,846</u> | <u>\$ 53,122</u> | <u>\$ 45,798</u> |
| Plan fiduciary net position | | | |
| Contributions - employer | 812 | \$ 832 | \$ 816 |
| Contributions - employee | 1,722 | 1,701 | 1,633 |
| Net investment income (expense) | 1,622 | 1,939 | 3,648 |
| Benefit payments, including refunds of employee contributions | (2,107) | (2,222) | (1,726) |
| Administrative expense | (258) | (251) | (347) |
| Other | - | - | - |
| Net change in plan fiduciary net position | <u>1,791</u> | <u>1,999</u> | <u>4,024</u> |
| Plan fiduciary net position - beginning | <u>43,575</u> | <u>41,576</u> | <u>37,552</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 45,366</u> | <u>\$ 43,575</u> | <u>\$ 41,576</u> |
| Net pension liability (asset) - ending (a) - (b) | <u>\$ 9,480</u> | <u>\$ 9,547</u> | <u>\$ 4,222</u> |
| Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a) | 82.7% | 82.0% | 90.8% |
| Covered payroll ⁽²⁾ | \$ 39,633 | \$ 43,593 | \$ 43,357 |
| Net pension liability (asset) as a percentage of covered payroll | 23.9% | 21.9% | 9.7% |

⁽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*.

Notes to Schedule:

Change of assumptions. The mortality improvement scale was updated from MP-2019 to MP-2020 since the prior valuation.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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

(Dollar amounts in thousands)

Riverside County – Part-time and Temporary Help Retirement

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

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Riverside County – Part-time and Temporary Help Retirement

| *Fiscal Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | **Covered payroll | Contributions as a percentage of covered payroll |
|--------------|---|--|--|----------------------|--|
| 2014-15 | \$ 252 | \$ (529) | \$ (277) | \$ 32,963 | 1.6% |
| 2015-16 | \$ 122 | \$ (639) | \$ (517) | \$ 39,761 | 1.6% |
| 2016-17 | \$ 727 | \$ (1,365) | \$ (638) | \$ 44,525 | 3.1% |
| 2017-18 | \$ 657 | \$ (773) | \$ (116) | \$ 43,357 | 1.8% |
| 2018-19 | \$ 475 | \$ (833) | \$ (358) | \$ 43,593 | 1.9% |
| 2019-20 | \$ 801 | \$ (801) | \$ - | \$ 39,633 | 2.0% |
| 2020-21 | \$ 3,589 | \$ (3,589) | \$ - | \$ 54,111 | 6.6% |

* 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, 2020
Methods and assumptions used to determine contribution rates:
Actuarial cost method: Entry Age Normal
Amortization method: Level Percentage of Payroll
Remaining amortization period: 20-year Amortization of Unfunded Liability, plus Normal Cost, less expected Employee Contributions
Asset valuation method: Market Value
Inflation: 2.50%
Salary increases: 2.75%
Investment rate of return: 6.0% (net of administrative expense)
Retirement age: 65
Mortality: The mortality rate is based on Pub-2020 amount weighted tables for general employees of all income levels, projected using improvement scale MP-2020 from 2010.

| Age | 30 | 40 | 50 | 60 | 70 | 80 | 90 |
|--------|-------|-------|-------|-------|-------|-------|--------|
| Male | 0.04% | 0.07% | 0.30% | 0.61% | 0.70% | 1.73% | 14.67% |
| Female | 0.02% | 0.04% | 0.02% | 0.38% | 0.49% | 1.33% | 11.49% |

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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

County Miscellaneous and Safety, Agent Multiple-Employer Plan Administered Through Trusts

| Measurement Period | 2019-20 ⁽¹⁾ | 2018-19 ⁽¹⁾ | 2017-18 ⁽¹⁾ | 2016-17 ⁽¹⁾ |
|--|------------------------|------------------------|------------------------|------------------------|
| Total OPEB liability | | | | |
| Service cost | \$ 2,965 | \$ 1,434 | \$ 882 | \$ 700 |
| Interest cost | 7,280 | 4,581 | 3,445 | 3,010 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experiences | (7,464) | 2,528 | 4,061 | 5,814 |
| Changes of assumptions | 133,857 | 29,676 | 11,334 | 3,186 |
| Benefit payments | (4,468) | (3,500) | (3,262) | (2,841) |
| Net change in total OPEB liability | <u>132,170</u> | <u>34,719</u> | <u>16,460</u> | <u>9,869</u> |
| Total OPEB liability - beginning | <u>103,097</u> | <u>68,378</u> | <u>51,918</u> | <u>42,049</u> |
| Total OPEB liability - ending (a) | <u>\$ 235,267</u> | <u>\$ 103,097</u> | <u>\$ 68,378</u> | <u>\$ 51,918</u> |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 10,066 | \$ 5,500 | \$ 4,262 | \$ 1,909 |
| Contributions - employee | - | - | - | - |
| Net investment income | 2,525 | 2,821 | 2,342 | 3,612 |
| Benefit payments | (4,468) | (3,500) | (3,262) | (2,841) |
| Administrative expense | (23) | (20) | (17) | (17) |
| Net change in plan fiduciary net position | <u>8,100</u> | <u>4,801</u> | <u>3,325</u> | <u>2,663</u> |
| Plan fiduciary net position - beginning | <u>44,905</u> | <u>40,104</u> | <u>36,779</u> | <u>34,116</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 53,005</u> | <u>\$ 44,905</u> | <u>\$ 40,104</u> | <u>\$ 36,779</u> |
| County's net OPEB liability - ending (a) - (b) | <u>\$ 182,262</u> | <u>\$ 58,192</u> | <u>\$ 28,274</u> | <u>\$ 15,139</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 22.5% | 43.6% | 58.7% | 70.8% |
| Covered payroll ⁽²⁾ | \$ 1,480,160 | \$ 1,445,763 | \$ 1,390,971 | \$ 1,382,037 |
| County's net OPEB liability as a percentage of covered payroll | 12% | 4.0% | 2.0% | 1.1% |

⁽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.

⁽²⁾ Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

Notes to Schedule:

Changes of assumptions: The mortality improvement was updated from scale MP-2019 to scale MP-2020. The claims table was updated to reflect most recent CalPERS monthly premiums available for 2020. Aging factors are also updated to reflect the most recent CalPERS demographic experience. Future health plan participation for those bargaining units that have access to CalPERS health plans and elect coverage was changed to reflect that 90% of participants are assumed to elect a CalPERS Health Plan and 10% are assumed to elect a County Health Plan. The County elected to exclude the implicit subsidy liability in the future contribution development effective on July 1, 2020.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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

Flood Control Miscellaneous, Agent Multiple-Employer Plan Administered Through Trusts

| Measurement Period | 2019-20 ⁽¹⁾ | 2018-19 ⁽¹⁾ | 2017-18 ⁽¹⁾ | 2016-17 ⁽¹⁾ |
|--|------------------------|------------------------|------------------------|------------------------|
| Total OPEB liability | | | | |
| Service cost | \$ 20 | \$ 3 | \$ 4 | \$ 4 |
| Interest cost | 78 | 32 | 30 | 30 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experiences | 124 | 37 | 13 | 19 |
| Changes of assumptions | 1,911 | 683 | 8 | (2) |
| Benefit payments | (68) | (39) | (36) | (32) |
| Net change in total OPEB liability | 2,065 | 716 | 19 | 19 |
| Total OPEB liability - beginning | 1,252 | 536 | 517 | 498 |
| Total OPEB liability - ending (a) | \$ 3,317 | \$ 1,252 | \$ 536 | \$ 517 |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 618 | \$ - | \$ 36 | \$ - |
| Contributions - employee | - | - | - | - |
| Net investment income | 63 | 41 | 26 | 23 |
| Benefit payments | (68) | (39) | (36) | (32) |
| Administrative expense | - | - | - | - |
| Net change in plan fiduciary net position | 613 | 2 | 26 | (9) |
| Plan fiduciary net position - beginning | 574 | 572 | 546 | 555 |
| Plan fiduciary net position - ending (b) | \$ 1,187 | \$ 574 | \$ 572 | \$ 546 |
| District's net OPEB (asset)/liability - ending (a) - (b) | \$ 2,130 | \$ 678 | \$ (36) | \$ (29) |
| Plan fiduciary net position as a percentage of the total OPEB (asset)/liability | 35.8% | 45.8% | 106.7% | 105.6% |
| Covered payroll ⁽²⁾ | \$ 18,076 | \$ 16,956 | \$ 17,354 | \$ 17,545 |
| District's net OPEB (asset)/liability as a percentage of covered payroll | 11.8% | 4.0% | -0.2% | -0.2% |

⁽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.

⁽²⁾ Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

Notes to Schedule:

Changes of assumptions: The mortality improvement was updated from scale MP-2019 to scale MP-2020. The claims table was updated to reflect most recent CalPERS monthly premiums available for 2020. Aging factors are also updated to reflect the most recent CalPERS demographic experience. Access to CalPERS health plans became available for SEIU bargaining groups. Future health plan participation for those bargaining units that have access to CalPERS health plans and elect coverage was changed to reflect that 90% of participants are assumed to elect a CalPERS Health Plan and 10% are assumed to elect a County Health Plan.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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

Park District Miscellaneous, Agent Multiple-Employer Plan Administered Through Trusts

| Measurement Period | 2019-20 ⁽¹⁾ | 2018-19 ⁽¹⁾ | 2017-18 ⁽¹⁾ | 2016-17 ⁽¹⁾ |
|--|------------------------|------------------------|------------------------|------------------------|
| Total OPEB liability | | | | |
| Service cost | \$ 8 | \$ 1 | \$ 1 | \$ 3 |
| Interest cost | 16 | 10 | 10 | 8 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experiences | 27 | (43) | - | 23 |
| Changes of assumptions | 1,226 | 118 | - | (2) |
| Benefit payments | (20) | (8) | (11) | (8) |
| Net change in total OPEB liability | <u>1,257</u> | <u>78</u> | <u>-</u> | <u>24</u> |
| Total OPEB liability - beginning | <u>218</u> | <u>140</u> | <u>140</u> | <u>116</u> |
| Total OPEB liability - ending (a) | <u>\$ 1,475</u> | <u>\$ 218</u> | <u>\$ 140</u> | <u>\$ 140</u> |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 2 | - | - | - |
| Contributions - employee | - | - | - | - |
| Net investment income | 13 | 21 | 26 | 33 |
| Benefit payments | (20) | (8) | (11) | (8) |
| Administrative expense | - | - | - | - |
| Net change in plan fiduciary net position | <u>(5)</u> | <u>13</u> | <u>15</u> | <u>25</u> |
| Plan fiduciary net position - beginning | <u>361</u> | <u>348</u> | <u>333</u> | <u>308</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 356</u> | <u>\$ 361</u> | <u>\$ 348</u> | <u>\$ 333</u> |
| District's net OPEB (asset)/liability - ending (a) - (b) | <u>\$ 1,119</u> | <u>\$ (143)</u> | <u>\$ (208)</u> | <u>\$ (193)</u> |
| Plan fiduciary net position as a percentage of the total OPEB (asset)/liability | 24.1% | 165.6% | 248.6% | 237.9% |
| Covered payroll ⁽²⁾ | \$ 5,464 | \$ 5,853 | \$ 5,683 | \$ 6,201 |
| District's net OPEB (asset)/liability as a percentage of covered payroll | 20.5% | -2.4% | -3.7% | -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.

⁽²⁾ Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

Notes to Schedule:

Changes of assumptions: The mortality improvement was updated from scale MP-2019 to scale MP-2020. The claims table was updated to reflect most recent CalPERS monthly premiums available for 2020. Aging factors are also updated to reflect the most recent CalPERS demographic experience. Access to CalPERS health plans became available for SEIU bargaining groups. Future health plan participation for those bargaining units that have access to CalPERS health plans and elect coverage was changed to reflect that 90% of participants are assumed to elect a CalPERS Health Plan and 10% are assumed to elect a County Health Plan.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous and Safety, Agent Multiple-Employer Plan Administered Through Trusts

| *Fiscal Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|--------------|-------------------------------------|--|----------------------------------|-----------------|--|
| 2017-18 | \$ 1,288 | \$ (3,457) | \$ (2,169) | \$ 1,390,971 | 0.2% |
| 2018-19 | \$ 2,141 | \$ (3,469) | \$ (1,328) | \$ 1,445,763 | 0.2% |
| 2019-20 | \$ 9,247 | \$ (9,247) | \$ - | \$ 1,480,160 | 0.6% |
| 2020-21 | \$ 15,336 | \$ (15,336) | \$ - | \$ 1,519,712 | 1.0% |

* 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.

Flood Control Miscellaneous, Agent Multiple-Employer Plan Administered Through Trusts

| *Fiscal Year | (i) Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|--------------|---|--|----------------------------------|-----------------|--|
| 2017-18 | \$ - | \$ (36) | \$ (36) | \$ 17,354 | 0.2% |
| 2018-19 | \$ - | \$ - | \$ - | \$ 16,956 | 0.0% |
| 2019-20 | \$ - | \$ (618) | \$ (618) | \$ 18,076 | 3.4% |
| 2020-21 | \$ 88 | \$ (2,000) | \$ (1,912) | \$ 18,573 | 10.8% |

(i) No actuarially determined contribution due to assets being greater than the Present Value of Benefits.

* 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.

Park District Miscellaneous, Agent Multiple-Employer Plan Administered Through Trusts

| *Fiscal Year | (i) Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|--------------|---|--|----------------------------------|-----------------|--|
| 2017-18 | \$ - | \$ - | \$ - | \$ 5,683 | 0.0% |
| 2018-19 | \$ - | \$ - | \$ - | \$ 5,853 | 0.0% |
| 2019-20 | \$ - | \$ - | \$ - | \$ 5,464 | 0.0% |
| 2020-21 | \$ - | \$ - | \$ - | \$ 4,927 | 0.0% |

(i) No actuarially determined contribution due to assets being greater than the Present Value of Benefits.

* 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.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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

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. The actuarial valuation for Park District Miscellaneous plan is every two years and the actuarially determined contribution rates are calculated as of June 30.

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 | 2.50% | 2.50% | 2.50% |
| Salary increases | 2.75% | 2.75% | 2.75% |
| Investment rate of return* | 6.15% | 6.45% | 7.30% |
| Retirement Age | Retirement rates developed in the 2017 CalPERS Experience Study | | |
| Mortality | Pub-2010 Headcount-Weighted Public Retirement Plans Mortality Tables using Scale MP-2020 | | |

*Net of OPEB plan investment expense, including inflation

The retirement rates were developed in the 2017 CalPERS Experience Study and the mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvement scale MP-2020.

The healthcare cost trend rate for the Pre Medicare Plan was 6.99 percent, decreasing 0.34 percent per year to an ultimate rate of 4.5 percent for 2021 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.22 percent, decreasing 0.51 percent per year to an ultimate rate of 4.5 percent for 2021 and later years.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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

Waste Resources Miscellaneous, Agent Multiple-Employer Plan Not Administered Through Trusts

| Measurement Period | 2019-20 ⁽¹⁾ | 2018-19 ⁽¹⁾ | 2017-18 ⁽¹⁾ | 2016-17 ⁽¹⁾ |
|--|------------------------|------------------------|------------------------|------------------------|
| Total OPEB liability | | | | |
| Service cost | \$ 11 | \$ 2 | \$ 2 | \$ 4 |
| Interest cost | 52 | 21 | 22 | 25 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experiences | (232) | 64 | (19) | (183) |
| Changes of assumptions | 967 | 835 | - | (81) |
| Benefit payments | (71) | (40) | (37) | (40) |
| Net change in total OPEB liability | 727 | 882 | (32) | (275) |
| Total OPEB liability - beginning | 1,480 | 598 | 630 | 905 |
| Total OPEB liability - ending | \$ 2,207 | \$ 1,480 | \$ 598 | \$ 630 |
| Covered payroll ⁽²⁾ | \$ 1,356 | \$ 1,615 | \$ 1,816 | \$ 1,931 |
| Total OPEB liability as a percentage of covered payroll | 162.8% | 91.6% | 32.9% | 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.

⁽²⁾ Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

As of July 1, 2020, the discount rate was changed from 3.51 percent to 2.21 percent. All other information is based on the census data, actuarial assumptions, and plan provisions used in the most recent actuarial valuation as of July 1, 2020.

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Waste Resources Miscellaneous, Agent Multiple-Employer Plan Not Administered Through Trusts

| *Fiscal Year | (1) Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percentage of covered payroll |
|--------------|---|--|--|-----------------|--|
| 2017-18 | \$ - | \$ - | \$ - | \$ 1,816 | 0.0% |
| 2018-19 | \$ - | \$ - | \$ - | \$ 1,615 | 0.0% |
| 2019-20 | \$ - | \$ - | \$ - | \$ 1,356 | 0.0% |
| 2020-21 | \$ - | \$ - | \$ - | \$ 1,250 | 0.0% |

⁽¹⁾ 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.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2021

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

Notes to Schedule: The actuarial valuation is every two years. The total OPEB liability was measured as of June 30, 2020 and determined by the most recent actuarial valuation as of July 1, 2020, based on the following methods and assumptions:

| | |
|---------------------------|--------------------------------------|
| | Waste Resources |
| | <u>Miscellaneous</u> |
| Actuarial cost method | Entry Age |
| Amortization method | Level Percent of Payroll |
| Amortization period | 20 Years as of the Valuation Date |
| Asset valuation method | 5 Year Asset Smoothing |
| Inflation | 2.50% |
| Salary increases | 2.75% |
| Investment rate of return | 2.21% |

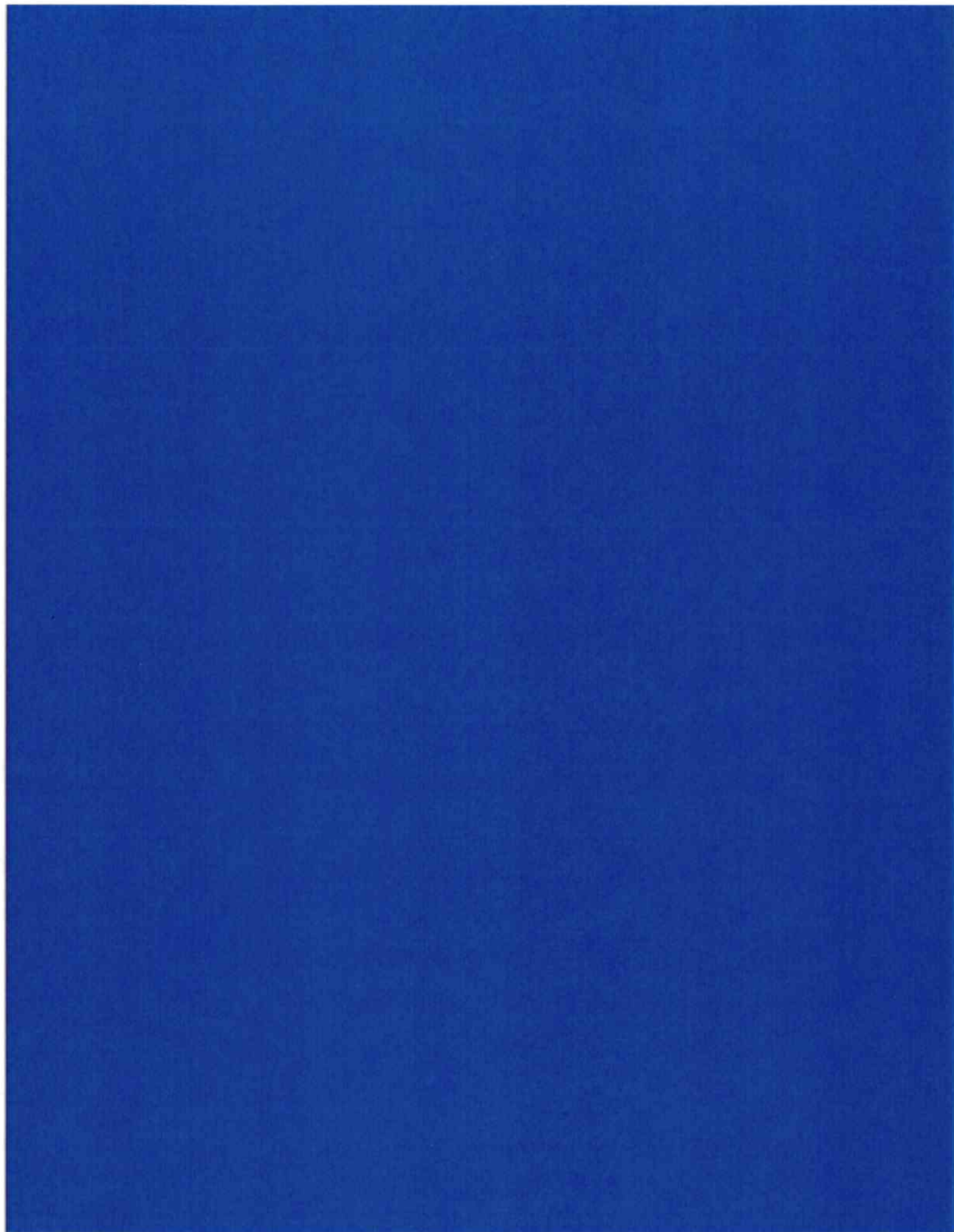
The retirement rates were developed in the 2017 CalPERS Experience Study and the mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvement scale MP-2020.

The healthcare cost trend rate for the Pre Medicare Plan was 6.99 percent, decreasing 0.34 percent per year to an ultimate rate of 4.5 percent for 2021 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.22 percent, decreasing 0.51 percent per year to an ultimate rate of 4.5 percent for 2021 and later years.



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COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
BUDGETARY SCHEDULES



COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Teeter Debt Service Fund
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|-------------------------|--------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 275 | \$ 275 | \$ - | \$ (275) |
| Other revenue | 3,078 | 1,182 | 9 | (1,173) |
| Total revenues | <u>3,353</u> | <u>1,457</u> | <u>9</u> | <u>(1,448)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 26 | 26 | 26 | - |
| Debt service: | | | | |
| Interest | 2,977 | 2,583 | 1,153 | (1,430) |
| Cost of issuance | 350 | 350 | 332 | (18) |
| Total expenditures | <u>3,353</u> | <u>2,959</u> | <u>1,511</u> | <u>(1,448)</u> |
| Excess (deficiency) of revenues over (under) expenditures | - | (1,502) | (1,502) | - |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 3,053 | 3,053 | - |
| Transfers out | - | (1,551) | (1,551) | - |
| Total other financing sources (uses) | <u>-</u> | <u>1,502</u> | <u>1,502</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> |



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NONMAJOR
GOVERNMENTAL FUNDS

COUNTY OF RIVERSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021
(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 | \$ 212,168 | \$ 2 | \$ 186,301 | \$ 1,225 | \$ 399,696 |
| Accounts receivable | 1,525 | 3,464 | - | - | 4,989 |
| Interest receivable | 90 | 8 | 86 | 1 | 185 |
| Taxes receivable | 1,260 | - | - | - | 1,260 |
| Due from other governments | 14,318 | - | 1,393 | - | 15,711 |
| Due from other funds | 71 | - | 2,436 | - | 2,507 |
| Prepaid items and deposits | 1 | - | 2,276 | - | 2,277 |
| Restricted cash and investments | - | 40,507 | 1,898 | - | 42,405 |
| Total assets | 229,433 | 43,981 | 194,390 | 1,226 | 469,030 |
| Deferred outflows of resources | - | - | - | - | - |
| Total assets and deferred outflows of resources | \$ 229,433 | \$ 43,981 | \$ 194,390 | \$ 1,226 | \$ 469,030 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 19,971 | \$ 139 | \$ 9,291 | \$ - | \$ 29,401 |
| Salaries and benefits payable | 18,263 | - | 66 | - | 18,329 |
| Due to other governments | 58 | 599 | - | - | 657 |
| Due to other funds | 66 | - | - | - | 66 |
| Deposits payable | 593 | - | - | - | 593 |
| Advances from grantors and third parties | 13,593 | - | 1,043 | - | 14,636 |
| Total liabilities | 52,544 | 738 | 10,400 | - | 63,682 |
| Deferred inflows of resources | - | - | - | - | - |
| Fund balances: | | | | | |
| Nonspendable | 56 | - | - | 1,226 | 1,282 |
| Restricted | 112,465 | 36,364 | 141,311 | - | 290,140 |
| Committed | 61,149 | - | 9,770 | - | 70,919 |
| Assigned | 3,219 | 6,879 | 32,909 | - | 43,007 |
| Total fund balances | 176,889 | 43,243 | 183,990 | 1,226 | 405,348 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 229,433 | \$ 43,981 | \$ 194,390 | \$ 1,226 | \$ 469,030 |

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Permanent Fund | Total |
|--|-----------------------------|--------------------------|------------------------------|-------------------|-------------------|
| REVENUES: | | | | | |
| Taxes | \$ 87,024 | \$ - | \$ - | \$ - | \$ 87,024 |
| Licenses, permits, and franchise fees | 1,290 | - | - | - | 1,290 |
| Fines, forfeitures, and penalties | 590 | - | - | - | 590 |
| Use of money and property: | | | | | |
| Investment earnings | 355 | 1,484 | 42 | 1 | 1,882 |
| Rents and concessions | 2,598 | 3,932 | 382 | - | 6,912 |
| Aid from other governmental agencies: | | | | | |
| Federal | 101,721 | - | - | - | 101,721 |
| State | 21,155 | - | 99 | - | 21,254 |
| Other | 28,286 | - | 39,034 | - | 67,320 |
| Charges for services | 40,743 | 2,935 | 39,216 | 208 | 83,102 |
| Other revenue | 8,335 | 12,771 | 3,674 | - | 24,780 |
| Total revenues | <u>292,097</u> | <u>21,122</u> | <u>82,447</u> | <u>209</u> | <u>395,875</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General government | 55,380 | 3,376 | 88,915 | - | 147,671 |
| Public protection | 11,202 | - | - | - | 11,202 |
| Public ways and facilities | 16,485 | - | 414 | - | 16,899 |
| Health and sanitation | 2,746 | - | - | - | 2,746 |
| Public assistance | 180,388 | - | - | - | 180,388 |
| Education | 33,555 | - | - | - | 33,555 |
| Recreation and cultural services | 13,167 | - | 960 | - | 14,127 |
| Debt service: | | | | | |
| Principal | - | 106,465 | - | - | 106,465 |
| Interest | - | 62,366 | - | - | 62,366 |
| Capital outlay | - | - | 12,472 | - | 12,472 |
| Total expenditures | <u>312,923</u> | <u>172,207</u> | <u>102,761</u> | <u>-</u> | <u>587,891</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(20,826)</u> | <u>(151,085)</u> | <u>(20,314)</u> | <u>209</u> | <u>(192,016)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | 110,513 | 155,120 | 71,148 | - | 336,781 |
| Transfers out | (95,726) | - | (47,113) | - | (142,839) |
| Total other financing sources (uses) | <u>14,787</u> | <u>155,120</u> | <u>24,035</u> | <u>-</u> | <u>193,942</u> |
| NET CHANGE IN FUND BALANCES | <u>(6,039)</u> | <u>4,035</u> | <u>3,721</u> | <u>209</u> | <u>1,926</u> |
| Fund balances, beginning of year | 182,928 | 39,208 | 180,269 | 1,017 | 403,422 |
| FUND BALANCES, END OF YEAR | <u>\$ 176,889</u> | <u>\$ 43,243</u> | <u>\$ 183,990</u> | <u>\$ 1,226</u> | <u>\$ 405,348</u> |

SPECIAL REVENUE FUNDS

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses and income. The text suggests that a consistent and thorough record-keeping system is essential for identifying trends and making informed decisions.

Next, the document addresses the issue of budgeting. It explains that a well-defined budget allows for better control over spending and helps in allocating resources effectively. The author provides several tips for creating a realistic budget, such as tracking current expenses and setting clear financial goals. It also notes that a budget should be flexible enough to accommodate changes in circumstances.

The third section focuses on the role of technology in modern accounting. It highlights how software solutions can streamline the accounting process, reduce errors, and provide real-time access to financial information. The text mentions various types of accounting software and discusses their benefits, such as automation of repetitive tasks and improved data security.

Finally, the document concludes by emphasizing the importance of staying up-to-date with the latest accounting practices and regulations. It suggests that continuous learning and professional development are key to success in this field. The author encourages readers to seek out relevant courses, workshops, and industry news to stay informed.

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, USEDA (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, 2021
(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 | \$ 107,804 | \$ 34,763 | \$ 14,710 | \$ 1,136 |
| Accounts receivable | 1,271 | - | 42 | - |
| Interest receivable | 44 | 20 | 8 | 1 |
| Taxes receivable | 1,002 | 154 | 89 | - |
| Due from other governments | 12,463 | - | 158 | 132 |
| Due from other funds | 5 | 66 | - | - |
| Prepaid items and deposits | 1 | - | - | - |
| Total assets | <u>122,590</u> | <u>35,003</u> | <u>15,007</u> | <u>1,269</u> |
| Deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 122,590</u> | <u>\$ 35,003</u> | <u>\$ 15,007</u> | <u>\$ 1,269</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 7,991 | \$ 644 | \$ 383 | \$ 13 |
| Salaries and benefits payable | 1,148 | 117 | 350 | - |
| Due to other governments | 37 | - | 5 | 13 |
| Due to other funds | - | - | - | - |
| Deposits payable | - | 63 | - | - |
| Advances from grantors and third parties | 12,794 | - | 799 | - |
| Total liabilities | <u>21,970</u> | <u>824</u> | <u>1,537</u> | <u>26</u> |
| Deferred inflows of resources | - | - | - | - |
| Fund balances (Note 16): | | | | |
| Nonspendable | 33 | 1 | 10 | - |
| Restricted | 47,244 | 34,172 | 5,224 | 1,243 |
| Committed | 51,379 | - | 8,236 | - |
| Assigned | 1,964 | 6 | - | - |
| Total fund balances | <u>100,620</u> | <u>34,179</u> | <u>13,470</u> | <u>1,243</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 122,590</u> | <u>\$ 35,003</u> | <u>\$ 15,007</u> | <u>\$ 1,269</u> |

| In-Home Support Services | Perris Valley Cemetery District | Other Special Revenue | Total |
|--------------------------------|--|-----------------------------|-------------------|
| \$ 362 | \$ 1,678 | \$ 51,715 | \$ 212,168 |
| - | - | 212 | 1,525 |
| - | 1 | 16 | 90 |
| - | 4 | 11 | 1,260 |
| 1,106 | - | 459 | 14,318 |
| - | - | - | 71 |
| - | - | - | 1 |
| <u>1,468</u> | <u>1,683</u> | <u>52,413</u> | <u>229,433</u> |
| - | - | - | - |
| <u>\$ 1,468</u> | <u>\$ 1,683</u> | <u>\$ 52,413</u> | <u>\$ 229,433</u> |

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:

Assets:

| | |
|----------------------------|----------------|
| Cash and investments | 212,168 |
| Accounts receivable | 1,525 |
| Interest receivable | 90 |
| Taxes receivable | 1,260 |
| Due from other governments | 14,318 |
| Due from other funds | 71 |
| Prepaid items and deposits | 1 |
| Total assets | 229,433 |

Deferred outflows of resources

Total assets and deferred outflows of resources

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:

Liabilities:

| | |
|--|---------------|
| Accounts payable | 19,971 |
| Salaries and benefits payable | 18,263 |
| Due to other governments | 58 |
| Due to other funds | 66 |
| Deposits payable | 593 |
| Advances from grantors and third parties | 13,593 |
| Total liabilities | 52,544 |

Deferred inflows of resources

Fund balances (Note 16):

| | |
|--|----------------|
| Nonspendable | 56 |
| Restricted | 112,465 |
| Committed | 61,149 |
| Assigned | 3,219 |
| Total fund balances | 176,889 |
| Total liabilities, deferred inflows of resources, and fund balances | 229,433 |

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Community Services | County Service Areas | Regional Park and Open-Space | Air Quality Improvement |
|--|-----------------------|----------------------------|------------------------------------|-------------------------------|
| REVENUES: | | | | |
| Taxes | \$ 77,634 | \$ 1,214 | \$ 7,023 | \$ - |
| Licenses, permits, and franchise fees | - | - | - | - |
| Fines, forfeitures, and penalties | 29 | - | - | 85 |
| Use of money and property: | | | | |
| Investment earnings | 334 | 7 | 3 | 1 |
| Rents and concessions | 995 | - | 1,526 | - |
| Aid from other governmental agencies: | | | | |
| Federal | 98,707 | - | 4 | - |
| State | 17,620 | 9 | 150 | 499 |
| Other | 25,520 | 241 | 655 | - |
| Charges for services | 1,237 | 17,604 | 6,881 | - |
| Other revenue | 3,144 | 31 | 168 | - |
| Total revenues | <u>225,220</u> | <u>19,106</u> | <u>16,410</u> | <u>585</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 49,693 | - | - | 88 |
| Public protection | 2,355 | 41 | 671 | - |
| Public ways and facilities | 13 | 10,080 | - | - |
| Health and sanitation | 1,639 | 1,107 | - | - |
| Public assistance | 174,764 | - | - | - |
| Education | 33,555 | - | - | - |
| Recreation and cultural services | - | 722 | 12,445 | - |
| Total expenditures | <u>262,019</u> | <u>11,950</u> | <u>13,116</u> | <u>88</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(36,799)</u> | <u>7,156</u> | <u>3,294</u> | <u>497</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 103,582 | 2,053 | 600 | - |
| Transfers out | (80,340) | (4,365) | (468) | (171) |
| Total other financing sources (uses) | <u>23,242</u> | <u>(2,312)</u> | <u>132</u> | <u>(171)</u> |
| NET CHANGE IN FUND BALANCES | (13,557) | 4,844 | 3,426 | 326 |
| Fund balances, beginning of year | 114,177 | 29,335 | 10,044 | 917 |
| FUND BALANCES, END OF YEAR | <u>\$ 100,620</u> | <u>\$ 34,179</u> | <u>\$ 13,470</u> | <u>\$ 1,243</u> |

| In-Home Support Services | Perris Valley Cemetery District | Other Special Revenue | Total | |
|--------------------------|---------------------------------|-----------------------|-------------------|---------------------------------------|
| \$ - | \$ 336 | \$ 817 | \$ 87,024 | REVENUES: |
| - | - | 1,290 | 1,290 | Taxes |
| - | - | 476 | 590 | Licenses, permits, and franchise fees |
| - | 1 | 9 | 355 | Fines, forfeitures, and penalties |
| - | - | 77 | 2,598 | Use of money and property: |
| | | | | Investment earnings |
| | | | | Rents and concessions |
| 2,642 | - | 368 | 101,721 | Aid from other governmental agencies: |
| 2,730 | 3 | 144 | 21,155 | Federal |
| - | 33 | 1,837 | 28,286 | State |
| - | 698 | 14,323 | 40,743 | Other |
| - | 4 | 4,988 | 8,335 | Charges for services |
| <u>5,372</u> | <u>1,075</u> | <u>24,329</u> | <u>292,097</u> | Other revenue |
| | | | | Total revenues |
| | | | | EXPENDITURES: |
| | | | | Current: |
| - | - | 5,599 | 55,380 | General government |
| - | 283 | 7,852 | 11,202 | Public protection |
| - | - | 6,392 | 16,485 | Public ways and facilities |
| - | - | - | 2,746 | Health and sanitation |
| 5,624 | - | - | 180,388 | Public assistance |
| - | - | - | 33,555 | Education |
| - | - | - | 13,167 | Recreation and cultural services |
| <u>5,624</u> | <u>283</u> | <u>19,843</u> | <u>312,923</u> | Total expenditures |
| | | | | Excess (deficiency) of revenues |
| <u>(252)</u> | <u>792</u> | <u>4,486</u> | <u>(20,826)</u> | over (under) expenditures |
| | | | | OTHER FINANCING SOURCES (USES): |
| 1,010 | - | 3,268 | 110,513 | Transfers in |
| <u>(500)</u> | <u>(419)</u> | <u>(9,463)</u> | <u>(95,726)</u> | Transfers out |
| <u>510</u> | <u>(419)</u> | <u>(6,195)</u> | <u>14,787</u> | Total other financing sources (uses) |
| 258 | 373 | (1,709) | (6,039) | NET CHANGE IN FUND BALANCES |
| 1,016 | 758 | 26,681 | 182,928 | Fund balances, beginning of year |
| <u>\$ 1,274</u> | <u>\$ 1,131</u> | <u>\$ 24,972</u> | <u>\$ 176,889</u> | FUND BALANCES, END OF YEAR |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Community Services Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 69,109 | \$ 69,147 | \$ 77,634 | \$ 8,487 |
| Fines, forfeitures, and penalties | 241 | 241 | 29 | (212) |
| Use of money and property: | | | | |
| Investment earnings | 147 | 147 | 334 | 187 |
| Rents and concessions | 969 | 978 | 995 | 17 |
| Aid from other governmental agencies: | | | | |
| Federal | 80,094 | 116,777 | 98,707 | (18,070) |
| State | 9,826 | 20,014 | 17,620 | (2,394) |
| Other | 23,844 | 23,844 | 25,520 | 1,676 |
| Charges for services | 7,729 | 3,777 | 1,237 | (2,540) |
| Other revenue | 12,342 | 33,080 | 3,144 | (29,936) |
| Total revenues | <u>204,301</u> | <u>268,005</u> | <u>225,220</u> | <u>(42,785)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 10,865 | 54,542 | 49,693 | (4,849) |
| Public protection | 76,798 | 9,394 | 2,355 | (7,039) |
| Public ways and facilities | 314 | 314 | 13 | (301) |
| Health and sanitation | 2,884 | 2,651 | 1,639 | (1,012) |
| Public assistance | 93,718 | 245,111 | 174,764 | (70,347) |
| Education | 35,780 | 36,400 | 33,555 | (2,845) |
| Total expenditures | <u>220,359</u> | <u>348,412</u> | <u>262,019</u> | <u>(86,393)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(16,058)</u> | <u>(80,407)</u> | <u>(36,799)</u> | <u>43,608</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 103,582 | 103,582 | - |
| Transfers out | - | (80,340) | (80,340) | - |
| Total other financing sources (uses) | <u>-</u> | <u>23,242</u> | <u>23,242</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (16,058) | (57,165) | (13,557) | 43,608 |
| Fund balance, beginning of year | 114,177 | 114,177 | 114,177 | - |
| FUND BALANCE, END OF YEAR | <u>\$ 98,119</u> | <u>\$ 57,012</u> | <u>\$ 100,620</u> | <u>\$ 43,608</u> |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 County Service Areas Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 956 | \$ 956 | \$ 1,214 | \$ 258 |
| Use of money and property: | | | | |
| Investment earnings | 672 | 672 | 7 | (665) |
| Rents and concessions | 1 | 1 | - | (1) |
| Aid from other governmental agencies: | | | | |
| State | 9 | 9 | 9 | - |
| Other | 202 | 202 | 241 | 39 |
| Charges for services | 19,530 | 17,477 | 17,604 | 127 |
| Other revenue | 15 | 18 | 31 | 13 |
| Total revenues | 21,385 | 19,335 | 19,106 | (229) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public protection | 759 | 678 | 41 | (637) |
| Public ways and facilities | 19,385 | 15,969 | 10,080 | (5,889) |
| Health and sanitation | 1,162 | 1,162 | 1,107 | (55) |
| Recreation and cultural services | 1,916 | 1,710 | 722 | (988) |
| Total expenditures | 23,222 | 19,519 | 11,950 | (7,569) |
| Excess (deficiency) of revenues over (under) expenditures | (1,837) | (184) | 7,156 | 7,340 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 2,053 | 2,053 | - |
| Transfers out | - | (4,365) | (4,365) | - |
| Total other financing sources (uses) | - | (2,312) | (2,312) | - |
| NET CHANGE IN FUND BALANCE | (1,837) | (2,496) | 4,844 | 7,340 |
| Fund balance, beginning of year | 29,335 | 29,335 | 29,335 | - |
| FUND BALANCE, END OF YEAR | \$ 27,498 | \$ 26,839 | \$ 34,179 | \$ 7,340 |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Regional Park and Open-Space Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 5,946 | \$ 5,946 | \$ 7,023 | \$ 1,077 |
| Use of money and property: | | | | |
| Investment earnings | 183 | 183 | 3 | (180) |
| Rents and concessions | 1,893 | 1,893 | 1,526 | (367) |
| Aid from other governmental agencies: | | | | |
| Federal | - | - | 4 | 4 |
| State | 191 | 191 | 150 | (41) |
| Other | 800 | 800 | 655 | (145) |
| Charges for services | 7,785 | 8,026 | 6,881 | (1,145) |
| Other revenue | 622 | 171 | 168 | (3) |
| Total revenues | 17,420 | 17,210 | 16,410 | (800) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public protection | 816 | 799 | 671 | (128) |
| Recreation and cultural services | 16,137 | 16,037 | 12,445 | (3,592) |
| Total expenditures | 16,953 | 16,836 | 13,116 | (3,720) |
| Excess (deficiency) of revenues over (under) expenditures | 467 | 374 | 3,294 | 2,920 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 600 | 600 | - |
| Transfers out | - | (468) | (468) | - |
| Total other financing sources (uses) | - | 132 | 132 | - |
| NET CHANGE IN FUND BALANCE | 467 | 506 | 3,426 | 2,920 |
| Fund balance, beginning of year | 10,044 | 10,044 | 10,044 | - |
| FUND BALANCE, END OF YEAR | \$ 10,511 | \$ 10,550 | \$ 13,470 | \$ 2,920 |

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Air Quality Improvement Special Revenue Fund
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|---------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Fines, forfeitures, and penalties | \$ 115 | \$ 115 | \$ 85 | \$ (30) |
| Use of money and property: | | | | |
| Investment earnings | 11 | 11 | 1 | (10) |
| Aid from other governmental agencies: | | | | |
| State | 492 | 492 | 499 | 7 |
| Total revenues | 618 | 618 | 585 | (33) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 618 | 447 | 88 | (359) |
| Total expenditures | 618 | 447 | 88 | (359) |
| Excess (deficiency) of revenues over (under) expenditures | - | 171 | 497 | 326 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | - | (171) | (171) | - |
| Total other financing sources (uses) | - | (171) | (171) | - |
| NET CHANGE IN FUND BALANCE | - | - | 326 | 326 |
| Fund balance, beginning of year | 917 | 917 | 917 | - |
| FUND BALANCE, END OF YEAR | \$ 917 | \$ 917 | \$ 1,243 | \$ 326 |

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
In-Home Support Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|-------------------------|----------------------|------------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Aid from other governmental agencies: | | | | |
| Federal | \$ 2,848 | \$ 2,848 | \$ 2,642 | \$ (206) |
| State | 2,643 | 2,643 | 2,730 | 87 |
| Charges for services | 1,087 | 77 | - | (77) |
| Total revenues | <u>6,578</u> | <u>5,568</u> | <u>5,372</u> | <u>(196)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public assistance | 7,454 | 6,834 | 5,624 | (1,210) |
| Total expenditures | <u>7,454</u> | <u>6,834</u> | <u>5,624</u> | <u>(1,210)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(876)</u> | <u>(1,266)</u> | <u>(252)</u> | <u>1,014</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 1,010 | 1,010 | - |
| Transfers out | - | (500) | (500) | - |
| Total other financing sources (uses) | <u>-</u> | <u>510</u> | <u>510</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (876) | (756) | 258 | 1,014 |
| Fund balance, beginning of year | 1,016 | 1,016 | 1,016 | - |
| FUND BALANCE, END OF YEAR | <u>\$ 140</u> | <u>\$ 260</u> | <u>\$ 1,274</u> | <u>\$ 1,014</u> |

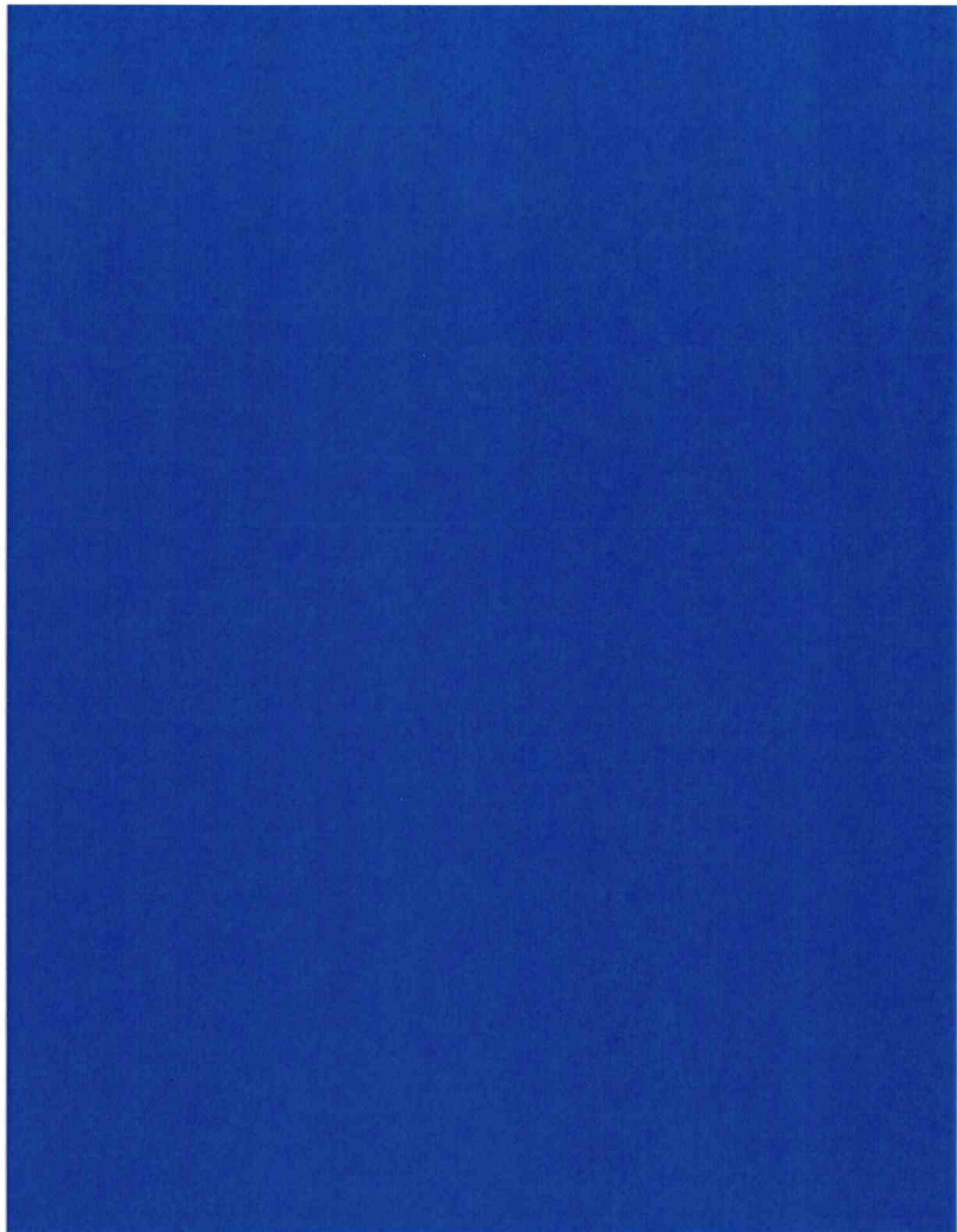
COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Perris Valley Cemetery District Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|--------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 284 | \$ 284 | \$ 336 | \$ 52 |
| Use of money and property: | | | | |
| Investment earnings | 29 | 29 | 1 | (28) |
| Aid from other governmental agencies: | | | | |
| State | 3 | 3 | 3 | - |
| Other | 26 | 26 | 33 | 7 |
| Charges for services | 293 | 293 | 698 | 405 |
| Other revenue | - | - | 4 | 4 |
| Total revenues | 635 | 635 | 1,075 | 440 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public protection | 737 | 325 | 283 | (42) |
| Total expenditures | 737 | 325 | 283 | (42) |
| Excess (deficiency) of revenues over (under) expenditures | (102) | 310 | 792 | 482 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | (419) | (419) | - |
| Total other financing sources (uses) | - | (419) | (419) | - |
| NET CHANGE IN FUND BALANCE | (102) | (109) | 373 | 482 |
| Fund balance, beginning of year | 758 | 758 | 758 | - |
| FUND BALANCE, END OF YEAR | \$ 656 | \$ 649 | \$ 1,131 | \$ 482 |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Other Special Revenue Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|-----------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes | \$ 735 | \$ 735 | \$ 817 | \$ 82 |
| Licenses, permits, and franchise fees | 805 | 805 | 1,290 | 485 |
| Fines, forfeitures, and penalties | 540 | 540 | 476 | (64) |
| Use of money and property: | | | | |
| Investment earnings | 567 | 565 | 9 | (556) |
| Rents and concessions | 3,600 | 157 | 77 | (80) |
| Aid from other governmental agencies: | | | | |
| Federal | 2,890 | 2,890 | 368 | (2,522) |
| State | 171 | 219 | 144 | (75) |
| Other | 1,823 | 1,845 | 1,837 | (8) |
| Charges for services | 15,018 | 14,771 | 14,323 | (448) |
| Other revenue | 5,562 | 4,845 | 4,988 | 143 |
| Total revenues | 31,711 | 27,372 | 24,329 | (3,043) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 9,581 | 6,158 | 5,599 | (559) |
| Public protection | 14,054 | 11,646 | 7,852 | (3,794) |
| Public ways and facilities | 11,593 | 10,169 | 6,392 | (3,777) |
| Total expenditures | 35,228 | 27,973 | 19,843 | (8,130) |
| Excess (deficiency) of revenues over (under) expenditures | (3,517) | (601) | 4,486 | 5,087 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 3,268 | 3,268 | - |
| Transfers out | - | (9,463) | (9,463) | - |
| Total other financing sources (uses) | - | (6,195) | (6,195) | - |
| NET CHANGE IN FUND BALANCE | (3,517) | (6,796) | (1,709) | 5,087 |
| Fund balance, beginning of year | 26,681 | 26,681 | 26,681 | - |
| FUND BALANCE, END OF YEAR | \$ 23,164 | \$ 19,885 | \$ 24,972 | \$ 5,087 |

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)

These funds are used to account for Series 2005 and 2020 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 control 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, 2021
(Dollars in Thousands)

| | CORAL | District Court Financing Corporation | Infrastructure Financing Authority | Pension Obligation |
|---|------------------|---|--|-----------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Assets: | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ - |
| Accounts receivable | - | - | - | 3,464 |
| Interest receivable | 2 | - | - | 6 |
| Restricted cash and investments | 14,130 | 139 | 156 | 12,371 |
| Total assets | <u>14,132</u> | <u>139</u> | <u>156</u> | <u>15,841</u> |
| Deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 14,132</u> | <u>\$ 139</u> | <u>156</u> | <u>\$ 15,841</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 139 | \$ - | \$ - |
| Due to other governments | - | - | - | 599 |
| Total liabilities | <u>-</u> | <u>139</u> | <u>-</u> | <u>599</u> |
| Deferred inflows of resources | - | - | - | - |
| Fund balances (Note 16): | | | | |
| Restricted | 14,132 | - | 156 | 8,363 |
| Committed | - | - | - | - |
| Assigned | - | - | - | 6,879 |
| Total fund balances | <u>14,132</u> | <u>-</u> | <u>156</u> | <u>15,242</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 14,132</u> | <u>\$ 139</u> | <u>\$ 156</u> | <u>\$ 15,841</u> |

| Inland Empire Tobacco Securitization Authority | Public Financing Authority | Flood Control | Total | |
|---|----------------------------------|------------------|------------------|---|
| | | | | ASSETS AND DEFERRED OUTFLOWS OF RESOURCES: |
| | | | | Assets: |
| \$ - | \$ - | \$ 2 | \$ 2 | Cash and investments |
| - | - | - | 3,464 | Accounts receivable |
| - | - | - | 8 | Interest receivable |
| 12,320 | 1,391 | - | 40,507 | Restricted cash and investments |
| <u>12,320</u> | <u>1,391</u> | <u>2</u> | <u>43,981</u> | Total assets |
| - | - | - | - | Deferred outflows of resources |
| <u>\$ 12,320</u> | <u>\$ 1,391</u> | <u>\$ 2</u> | <u>\$ 43,981</u> | Total assets and deferred outflows of resources |
| | | | | LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: |
| | | | | Liabilities: |
| \$ - | \$ - | \$ - | \$ 139 | Accounts payable |
| - | - | - | 599 | Due to other governments |
| - | - | - | 738 | Total liabilities |
| - | - | - | - | Deferred inflows of resources |
| 12,320 | 1,391 | 2 | 36,364 | Fund balances (Note 16): |
| - | - | - | - | Restricted |
| - | - | - | 6,879 | Committed |
| <u>12,320</u> | <u>1,391</u> | <u>2</u> | <u>43,243</u> | Assigned |
| | | | | Total fund balances |
| <u>\$ 12,320</u> | <u>\$ 1,391</u> | <u>\$ 2</u> | <u>\$ 43,981</u> | 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, 2021

(Dollars in Thousands)

| | CORAL | District Court Financing Corporation | Infrastructure Financing Authority | Pension Obligation |
|--|------------------|---|--|-----------------------|
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 303 | \$ - | \$ - | \$ 1,179 |
| Rents and concessions | 3,932 | - | - | - |
| Charges for services | - | - | - | 2,935 |
| Other revenue | - | - | - | - |
| Total revenues | <u>4,235</u> | <u>-</u> | <u>-</u> | <u>4,114</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 1,606 | - | - | 1,646 |
| Debt service: | | | | |
| Principal | 23,280 | - | 7,135 | 57,250 |
| Interest | 7,783 | - | 6,463 | 28,972 |
| Total expenditures | <u>32,669</u> | <u>-</u> | <u>13,598</u> | <u>87,868</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(28,434)</u> | <u>-</u> | <u>(13,598)</u> | <u>(83,754)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 30,447 | - | 13,596 | 86,009 |
| Total other financing sources (uses) | <u>30,447</u> | <u>-</u> | <u>13,596</u> | <u>86,009</u> |
| NET CHANGE IN FUND BALANCES | 2,013 | - | (2) | 2,255 |
| Fund balances, beginning of year | 12,119 | - | 158 | 12,987 |
| FUND BALANCES, END OF YEAR | <u>\$ 14,132</u> | <u>\$ -</u> | <u>\$ 156</u> | <u>\$ 15,242</u> |

| Inland Empire Tobacco Securitization Authority | Public Financing Authority | Flood Control | Total | |
|---|----------------------------------|------------------|-----------|--|
| \$ 2 | \$ - | \$ - | \$ 1,484 | REVENUES: |
| - | - | - | 3,932 | Use of money and property: |
| - | - | - | 2,935 | Investment earnings |
| 12,771 | - | - | 12,771 | Rents and concessions |
| 12,773 | - | - | 21,122 | Charges for services |
| | | | | Other revenue |
| | | | | Total revenues |
| | | | | EXPENDITURES: |
| 124 | - | - | 3,376 | Current: |
| | | | | General government |
| 9,490 | 7,040 | 2,270 | 106,465 | Debt service: |
| 3,381 | 15,207 | 560 | 62,366 | Principal |
| 12,995 | 22,247 | 2,830 | 172,207 | Interest |
| | | | | Total expenditures |
| (222) | (22,247) | (2,830) | (151,085) | Excess (deficiency) of revenues over (under) expenditures |
| | | | | OTHER FINANCING SOURCES (USES): |
| - | 22,238 | 2,830 | 155,120 | Transfers in |
| - | 22,238 | 2,830 | 155,120 | Total other financing sources (uses) |
| (222) | (9) | - | 4,035 | NET CHANGE IN FUND BALANCES |
| 12,542 | 1,400 | 2 | 39,208 | Fund balances, beginning of year |
| \$ 12,320 | \$ 1,391 | \$ 2 | \$ 43,243 | FUND BALANCES, END OF YEAR |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 CORAL Debt Service Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ - | \$ - | \$ 303 | \$ 303 |
| Rents and concessions | - | 5,458 | 3,932 | (1,526) |
| Total revenues | <u>-</u> | <u>5,458</u> | <u>4,235</u> | <u>(1,223)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | 3,665 | 1,606 | (2,059) |
| Debt service: | | | | |
| Principal | - | 23,610 | 23,280 | (330) |
| Interest | - | 8,630 | 7,783 | (847) |
| Total expenditures | <u>-</u> | <u>35,905</u> | <u>32,669</u> | <u>(3,236)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(30,447)</u> | <u>(28,434)</u> | <u>2,013</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 30,447 | 30,447 | - |
| Total other financing sources (uses) | <u>-</u> | <u>30,447</u> | <u>30,447</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>-</u> | <u>-</u> | <u>2,013</u> | <u>2,013</u> |
| Fund balance, beginning of year | <u>-</u> | <u>12,119</u> | <u>12,119</u> | <u>-</u> |
| FUND BALANCE, END OF YEAR | <u>\$ -</u> | <u>\$ 12,119</u> | <u>\$ 14,132</u> | <u>\$ 2,013</u> |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Infrastructure Financing Authority Debt Service Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|----------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Other revenue | \$ - | \$ 2 | \$ - | \$ (2) |
| Total revenues | - | 2 | - | (2) |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | - | 7,135 | 7,135 | - |
| Interest | - | 6,463 | 6,463 | - |
| Total expenditures | - | 13,598 | 13,598 | - |
| Excess (deficiency) of revenues over (under) expenditures | - | (13,596) | (13,598) | (2) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 13,596 | 13,596 | - |
| Total other financing sources (uses) | - | 13,596 | 13,596 | - |
| NET CHANGE IN FUND BALANCE | - | - | (2) | (2) |
| Fund balance, beginning of year | - | 158 | 158 | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ 158 | \$ 156 | \$ (2) |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Pension Obligation Debt Service Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 2 | \$ 2 | \$ 1,179 | \$ 1,177 |
| Charges for services | 89,509 | 4,133 | 2,935 | (1,198) |
| Other revenue | - | - | - | - |
| Total revenues | 89,511 | 4,135 | 4,114 | (21) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 3,289 | 3,922 | 1,646 | (2,276) |
| Debt service: | | | | |
| Principal | 57,250 | 57,250 | 57,250 | - |
| Interest | 28,972 | 28,972 | 28,972 | - |
| Total expenditures | 89,511 | 90,144 | 87,868 | (2,276) |
| Excess (deficiency) of revenues over (under) expenditures | - | (86,009) | (83,754) | 2,255 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 86,009 | 86,009 | - |
| Total other financing sources (uses) | - | 86,009 | 86,009 | - |
| NET CHANGE IN FUND BALANCE | - | - | 2,255 | 2,255 |
| Fund balance, beginning of year | 12,987 | 12,987 | 12,987 | - |
| FUND BALANCE, END OF YEAR | \$ 12,987 | \$ 12,987 | \$ 15,242 | \$ 2,255 |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Public Financing Authority Debt Service Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|----------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Other revenue | \$ - | \$ 9 | \$ - | \$ (9) |
| Total revenues | - | 9 | - | (9) |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | - | 7,040 | 7,040 | - |
| Interest | - | 15,207 | 15,207 | - |
| Total expenditures | - | 22,247 | 22,247 | - |
| Excess (deficiency) of revenues over (under) expenditures | - | (22,238) | (22,247) | (9) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 22,238 | 22,238 | - |
| Total other financing sources (uses) | - | 22,238 | 22,238 | - |
| NET CHANGE IN FUND BALANCE | - | - | (9) | (9) |
| Fund balance, beginning of year | - | 1,400 | 1,400 | - |
| FUND BALANCE, END OF YEAR | \$ - | \$ 1,400 | \$ 1,391 | \$ (9) |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Flood Control Debt Service Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|-------------------------|--------------------|--------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 1 | \$ 1 | \$ - | \$ (1) |
| Total revenues | <u>1</u> | <u>1</u> | <u>-</u> | <u>(1)</u> |
| EXPENDITURES: | | | | |
| Debt service: | | | | |
| Principal | 2,270 | 2,270 | 2,270 | - |
| Interest | 560 | 560 | 560 | - |
| Total expenditures | <u>2,830</u> | <u>2,830</u> | <u>2,830</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,829)</u> | <u>(2,829)</u> | <u>(2,830)</u> | <u>(1)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 2,830 | 2,830 | 2,830 | - |
| Total other financing sources (uses) | <u>2,830</u> | <u>2,830</u> | <u>2,830</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 1 | 1 | - | (1) |
| Fund balance, beginning of year | 2 | 2 | 2 | - |
| FUND BALANCE, END OF YEAR | <u><u>\$ 3</u></u> | <u><u>\$ 3</u></u> | <u><u>\$ 2</u></u> | <u><u>\$ (1)</u></u> |

CAPITAL PROJECT FUNDS

The first part of the document discusses the importance of maintaining accurate records in a laboratory setting. It emphasizes the need for clear labeling and organization of samples and equipment. The second part details the procedures for conducting experiments, including safety protocols and data collection methods. The final section provides a summary of the findings and conclusions drawn from the study.

The following table shows the results of the experiments conducted over a period of six weeks. The data indicates a significant increase in the rate of reaction when the temperature was raised from 25°C to 35°C. This is consistent with the Arrhenius equation, which predicts that the rate constant of a reaction increases exponentially with temperature.

| Temperature (°C) | Rate Constant (s ⁻¹) |
|------------------|----------------------------------|
| 25 | 0.0012 |
| 30 | 0.0025 |
| 35 | 0.0050 |
| 40 | 0.0100 |

These results suggest that the reaction is highly sensitive to temperature changes. Further studies should be conducted to determine the activation energy of the reaction and to explore the effect of other factors such as concentration and catalysts.

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.

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.

PUBLIC FACILITIES IMPROVEMENT CAPITAL PROJECTS

The Public Facilities Improvement Capital Projects Fund was established to account for capital acquisitions and/or improvements.

PUBLIC FINANCING AUTHORITY

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

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 formed for the purpose of assisting in acquiring equipment and facilities for public capital improvements of the County.

COUNTY OF RIVERSIDE
Combining Balance Sheet
Capital Projects Funds
June 30, 2021
(Dollars in Thousands)

| | CORAL | Flood Control | Regional Park and Open-Space | CREST |
|---|---------------|------------------|------------------------------------|-----------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES: | | | | |
| Assets: | | | | |
| Cash and investments | \$ - | \$ 19 | \$ 3,222 | \$ 8,247 |
| Interest receivable | - | - | 3 | 6 |
| Due from other governments | - | - | 1,393 | - |
| Due from other funds | - | - | - | - |
| Prepaid items and deposits | - | - | 2,276 | - |
| Restricted cash and investments | 247 | - | - | - |
| Total assets | <u>247</u> | <u>19</u> | <u>6,894</u> | <u>8,253</u> |
| Deferred outflows of resources | - | - | - | - |
| Total assets and deferred outflows of resources | <u>\$ 247</u> | <u>\$ 19</u> | <u>\$ 6,894</u> | <u>\$ 8,253</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 95 | \$ 1,677 |
| Salaries and benefits payable | - | - | - | 66 |
| Due to other governments | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advances from grantors and third parties | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>95</u> | <u>1,743</u> |
| Deferred inflows of resources | - | - | - | - |
| Fund balances (Note 16): | | | | |
| Restricted | 247 | 19 | 6,799 | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | 6,510 |
| Total fund balances | <u>247</u> | <u>19</u> | <u>6,799</u> | <u>6,510</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 247</u> | <u>\$ 19</u> | <u>\$ 6,894</u> | <u>\$ 8,253</u> |

| Public Facilities Improvement Capital Projects | Public Financing Authority | Infrastructure Financing Authority | Total | |
|---|----------------------------------|--|-------------------|--|
| | | | | ASSETS AND DEFERRED OUTFLOWS OF RESOURCES: |
| | | | | Assets: |
| \$ 174,813 | \$ - | \$ - | \$ 186,301 | Cash and investments |
| 77 | - | - | 86 | Interest receivable |
| - | - | - | 1,393 | Due from other governments |
| 2,436 | - | - | 2,436 | Due from other funds |
| - | - | - | 2,276 | Prepaid items and deposits |
| - | 427 | 1,224 | 1,898 | Restricted cash and investments |
| <u>177,326</u> | <u>427</u> | <u>1,224</u> | <u>194,390</u> | Total assets |
| - | - | - | - | Deferred outflows of resources |
| <u>\$ 177,326</u> | <u>\$ 427</u> | <u>\$ 1,224</u> | <u>\$ 194,390</u> | Total assets and deferred outflows of resources |
| | | | | LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES: |
| | | | | Liabilities: |
| \$ 7,519 | \$ - | \$ - | \$ 9,291 | Accounts payable |
| - | - | - | 66 | Salaries and benefits payable |
| - | - | - | - | Due to other governments |
| - | - | - | - | Due to other funds |
| 1,043 | - | - | 1,043 | Advances from grantors and third parties |
| <u>8,562</u> | <u>-</u> | <u>-</u> | <u>10,400</u> | Total liabilities |
| - | - | - | - | Deferred inflows of resources |
| | | | | Fund balances (Note 16): |
| 132,595 | 427 | 1,224 | 141,311 | Restricted |
| 9,770 | - | - | 9,770 | Committed |
| 26,399 | - | - | 32,909 | Assigned |
| <u>168,764</u> | <u>427</u> | <u>1,224</u> | <u>183,990</u> | Total fund balances |
| <u>\$ 177,326</u> | <u>\$ 427</u> | <u>\$ 1,224</u> | <u>\$ 194,390</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, 2021

(Dollars in Thousands)

| | CORAL | Flood Control | Regional Park and Open-Space | CREST |
|--|---------------|------------------|------------------------------------|-----------------|
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 1 | \$ - | \$ 1 | \$ - |
| Rents and concessions | - | - | - | - |
| Aid from other governmental agencies: | | | | |
| State | - | - | 99 | - |
| Other | - | - | - | - |
| Charges for services | - | - | - | 5,789 |
| Other revenue | - | - | 1,483 | - |
| Total revenues | <u>1</u> | <u>-</u> | <u>1,583</u> | <u>5,789</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public ways and facilities | - | - | - | - |
| Recreation and cultural services | - | - | 960 | - |
| Capital outlay | - | - | - | 6,633 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>960</u> | <u>6,633</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1</u> | <u>-</u> | <u>623</u> | <u>(844)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | - | 1,862 | 6,000 |
| Transfers out | - | - | (56) | (556) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>1,806</u> | <u>5,444</u> |
| NET CHANGE IN FUND BALANCES | <u>1</u> | <u>-</u> | <u>2,429</u> | <u>4,600</u> |
| Fund balances, beginning of year | 246 | 19 | 4,370 | 1,910 |
| FUND BALANCES, END OF YEAR | <u>\$ 247</u> | <u>\$ 19</u> | <u>\$ 6,799</u> | <u>\$ 6,510</u> |

| Public Facilities Improvement Capital Projects | Public Financing Authority | Infrastructure Financing Authority | Total | |
|---|----------------------------------|--|-------------------|---------------------------------------|
| \$ 6 | \$ 2 | \$ 32 | \$ 42 | REVENUES: |
| 382 | - | - | 382 | Use of money and property: |
| - | - | - | 99 | Investment earnings |
| 39,034 | - | - | 39,034 | Rents and concessions |
| 33,427 | - | - | 39,216 | Aid from other governmental agencies: |
| 2,191 | - | - | 3,674 | State |
| <u>75,040</u> | <u>2</u> | <u>32</u> | <u>82,447</u> | Other |
| | | | | Charges for services |
| | | | | Other revenue |
| | | | | Total revenues |
| | | | | EXPENDITURES: |
| | | | | Current: |
| 88,915 | - | - | 88,915 | General government |
| 414 | - | - | 414 | Public ways and facilities |
| - | - | - | 960 | Recreation and cultural services |
| - | - | 5,839 | 12,472 | Capital outlay |
| <u>89,329</u> | <u>-</u> | <u>5,839</u> | <u>102,761</u> | Total expenditures |
| | | | | Excess (deficiency) of revenues |
| (14,289) | 2 | (5,807) | (20,314) | over (under) expenditures |
| | | | | OTHER FINANCING SOURCES (USES): |
| 63,286 | - | - | 71,148 | Transfers in |
| (46,501) | - | - | (47,113) | Transfers out |
| <u>16,785</u> | <u>-</u> | <u>-</u> | <u>24,035</u> | Total other financing sources (uses) |
| | | | | NET CHANGE IN FUND BALANCES |
| 2,496 | 2 | (5,807) | 3,721 | Fund balances, beginning of year |
| 166,268 | 425 | 7,031 | 180,269 | FUND BALANCES, END OF YEAR |
| <u>\$ 168,764</u> | <u>\$ 427</u> | <u>\$ 1,224</u> | <u>\$ 183,990</u> | |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Flood Control Capital Projects Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|-------------------------|--------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 1 | \$ 1 | \$ - | \$ (1) |
| Other revenue | 871 | 871 | - | (871) |
| Total revenues | <u>872</u> | <u>872</u> | <u>-</u> | <u>(872)</u> |
| EXPENDITURES: | | | | |
| Capital outlay | 871 | 871 | - | (871) |
| Total expenditures | <u>871</u> | <u>871</u> | <u>-</u> | <u>(871)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1</u> | <u>1</u> | <u>-</u> | <u>(1)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 1 | 1 | - | (1) |
| Fund balance, beginning of year | 19 | 19 | 19 | - |
| FUND BALANCE, END OF YEAR | <u>\$ 20</u> | <u>\$ 20</u> | <u>\$ 19</u> | <u>\$ (1)</u> |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Regional Park and Open-Space Capital Projects Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|-----------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 55 | \$ 55 | \$ 1 | \$ (54) |
| Aid from other governmental agencies: | | | | |
| State | 1,828 | 1,828 | 99 | (1,729) |
| Other revenue | 410 | 371 | 1,483 | 1,112 |
| Total revenues | 2,293 | 2,254 | 1,583 | (671) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Recreation and cultural services | 2,698 | 4,744 | 960 | (3,784) |
| Total expenditures | 2,698 | 4,744 | 960 | (3,784) |
| Excess (deficiency) of revenues over (under) expenditures | (405) | (2,490) | 623 | 3,113 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 1,862 | 1,862 | - |
| Transfers out | - | (56) | (56) | - |
| Total other financing sources (uses) | - | 1,806 | 1,806 | - |
| NET CHANGE IN FUND BALANCE | (405) | (684) | 2,429 | 3,113 |
| Fund balance, beginning of year | 4,370 | 4,370 | 4,370 | - |
| FUND BALANCE, END OF YEAR | \$ 3,965 | \$ 3,686 | \$ 6,799 | \$ 3,113 |

COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 CREST Capital Projects Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | <u>Budgeted Amounts</u> | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|-------------------------|-----------------|-------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 70 | \$ 70 | \$ - | \$ (70) |
| Charges for services | 5,596 | 5,746 | 5,789 | 43 |
| Other revenue | 6,000 | - | - | - |
| Total revenues | <u>11,666</u> | <u>5,816</u> | <u>5,789</u> | <u>(27)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Capital outlay | 11,965 | 11,915 | 6,633 | (5,282) |
| Total expenditures | <u>11,965</u> | <u>11,915</u> | <u>6,633</u> | <u>(5,282)</u> |
| Excess (deficiency) of revenues over (under) expenditures | (299) | (6,099) | (844) | 5,255 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 6,000 | 6,000 | - |
| Transfers out | - | (556) | (556) | - |
| Total other financing sources (uses) | <u>-</u> | <u>5,444</u> | <u>5,444</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (299) | (655) | 4,600 | 5,255 |
| Fund balance, beginning of year | 1,910 | 1,910 | 1,910 | - |
| FUND BALANCE, END OF YEAR | <u>\$ 1,611</u> | <u>\$ 1,255</u> | <u>\$ 6,510</u> | <u>\$ 5,255</u> |

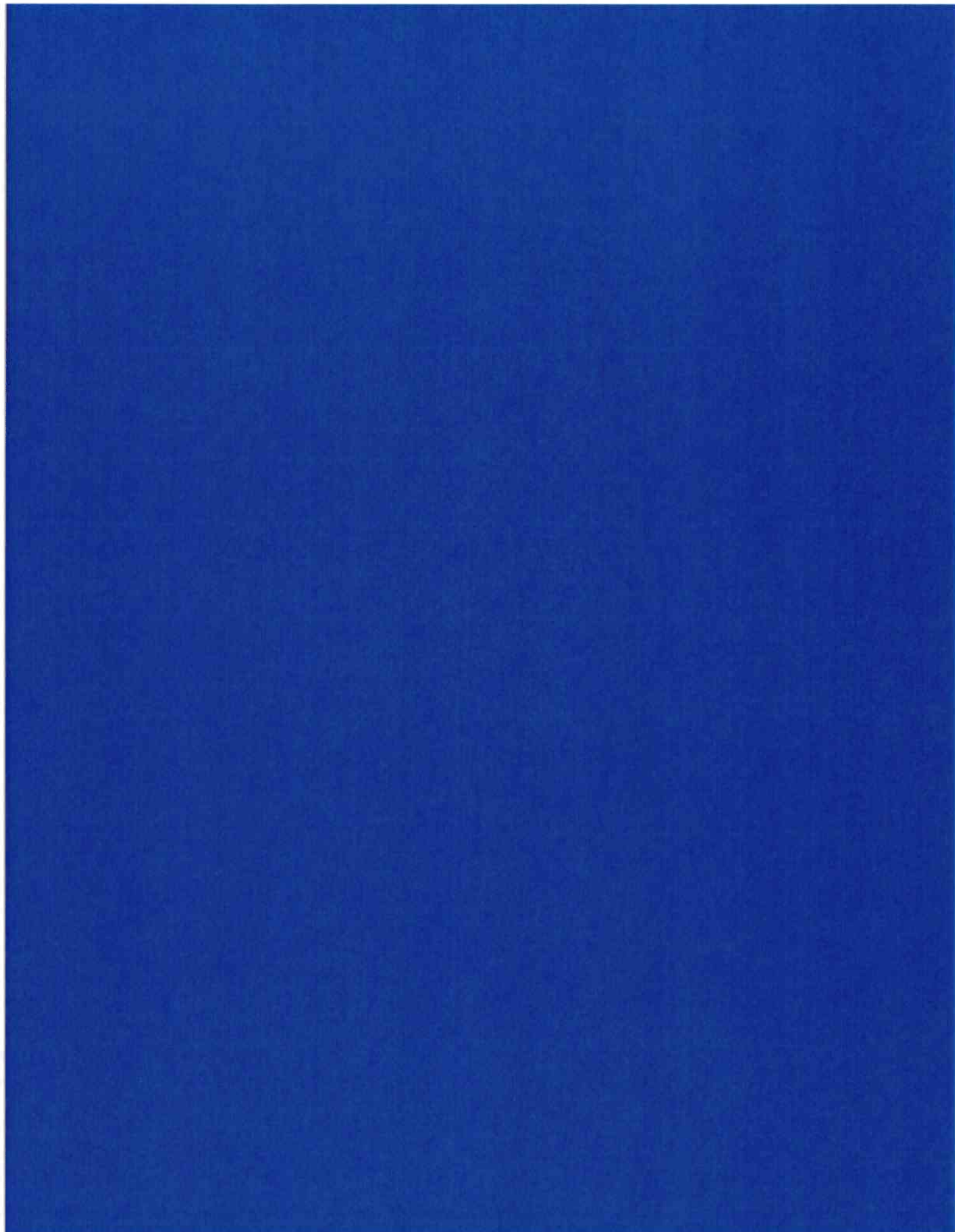
COUNTY OF RIVERSIDE
 Budgetary Comparison Schedule
 Public Facilities Improvement Capital Projects Fund
 For the Fiscal Year Ended June 30, 2021
 (Dollars in Thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Over (Under) |
|--|------------------|------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Use of money and property: | | | | |
| Investment earnings | \$ 1,360 | \$ 1,360 | \$ 6 | \$ (1,354) |
| Rents and concessions | 360 | 360 | 382 | 22 |
| Aid from other governmental agencies: | | | | |
| Other | 35,316 | 35,316 | 39,034 | 3,718 |
| Charges for services | 58,076 | 35,178 | 33,427 | (1,751) |
| Other revenue | 8,544 | 10,764 | 2,191 | (8,573) |
| Total revenues | 103,656 | 82,978 | 75,040 | (7,938) |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 143,166 | 141,974 | 88,915 | (53,059) |
| Public ways and facilities | 8,578 | 6,875 | 414 | (6,461) |
| Total expenditures | 151,744 | 148,849 | 89,329 | (59,520) |
| Excess (deficiency) of revenues over (under) expenditures | (48,088) | (65,871) | (14,289) | 51,582 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | - | 63,286 | 63,286 | - |
| Transfers out | - | (46,501) | (46,501) | - |
| Total other financing sources (uses) | - | 16,785 | 16,785 | - |
| NET CHANGE IN FUND BALANCE | (48,088) | (49,086) | 2,496 | 51,582 |
| Fund balance, beginning of year | 166,268 | 166,268 | 166,268 | - |
| FUND BALANCE, END OF YEAR | \$ 118,180 | \$ 117,182 | \$ 168,764 | \$ 51,582 |



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PERMANENT FUNDS



COUNTY OF RIVERSIDE

PERMANENT FUND

PERRIS VALLEY CEMETERY ENDOWMENT FUND

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

COUNTY OF RIVERSIDE

Balance Sheet

Permanent Fund

June 30, 2021

(Dollars in Thousands)

| | Perris Valley Cemetery Endowment Fund |
|---|--|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES: | |
| Assets: | |
| Cash and investments | \$ 1,225 |
| Interest receivable | 1 |
| Total assets | <u>1,226</u> |
| Deferred outflows of resources | - |
| Total assets and deferred outflows of resources | <u>\$ 1,226</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE: | |
| Liabilities: | |
| Total liabilities | \$ - |
| Deferred inflows of resources | - |
| Fund balance (Note 16): | |
| Nonspendable | <u>1,226</u> |
| Total fund balance | <u>1,226</u> |
| Total liabilities, deferred inflows of resources, and fund balance | <u>\$ 1,226</u> |

COUNTY OF RIVERSIDE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Permanent Fund
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Perris Valley Cemetery Endowment Fund |
|--|--|
| REVENUES: | |
| Use of money and property: | |
| Investment earnings | \$ 1 |
| Charges for services | 208 |
| Total revenues | 209 |
| EXPENDITURES: | |
| Total expenditures | - |
| Excess (deficiency) of revenues over (under) expenditures | 209 |
| NET CHANGE IN FUND BALANCE | 209 |
| Fund balance, beginning of year | 1,017 |
| FUND BALANCE, END OF YEAR | \$ 1,226 |



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NONMAJOR
ENTERPRISE FUNDS

COUNTY OF RIVERSIDE

NONMAJOR ENTERPRISE FUNDS

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

COUNTY SERVICE AREAS

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

FLOOD CONTROL

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

RIVERSIDE UNIVERSITY HEALTH SYSTEMS - COMMUNITY HEALTH CENTERS

This fund was established to account for transactions resulting from several clinics spread across the County providing primary care and preventive services.

AVIATION

This fund was established to account for transactions resulting from the maintenance, operations, and development of County owned airports.

COUNTY OF RIVERSIDE
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2021
(Dollars in Thousands)

| | County Service Areas | Flood Control | Riverside University Health Systems - Community Health Centers | Aviation | Total |
|----------------------------------|----------------------------|-------------------|---|--------------|--------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 821 | \$ 499 | \$ - | \$ 3,074 | \$ 4,394 |
| Accounts receivable - net | - | 212 | 3,438 | 26 | 3,676 |
| Interest receivable | - | 4 | - | 2 | 6 |
| Due from other governments | - | 18 | 12,807 | 133 | 12,958 |
| Due from other funds | - | - | - | - | - |
| Inventories | - | - | 728 | - | 728 |
| Restricted cash and investments | - | 6,498 | - | - | 6,498 |
| Prepaid items and deposits | - | - | 347 | 41 | 388 |
| Total current assets | <u>821</u> | <u>7,231</u> | <u>17,320</u> | <u>3,276</u> | <u>28,648</u> |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Nondepreciable assets | - | - | - | 1,253 | 1,253 |
| Depreciable assets | 35 | 111 | 23,644 | 2,013 | 25,803 |
| Total noncurrent assets | <u>35</u> | <u>111</u> | <u>23,644</u> | <u>3,266</u> | <u>27,056</u> |
| Total assets | <u>856</u> | <u>7,342</u> | <u>40,964</u> | <u>6,542</u> | <u>55,704</u> |
| DEFERRED OUTFLOWS OF RESOURCES | - | 314 | 15,872 | 305 | 16,491 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Cash overdrawn | - | - | 2,920 | - | 2,920 |
| Accounts payable | 47 | 6,911 | 1,588 | 227 | 8,773 |
| Salaries and benefits payable | - | 29 | 2,233 | 43 | 2,305 |
| Due to other governments | - | - | 22,761 | 1 | 22,762 |
| Interest payable | - | - | 11 | - | 11 |
| Deposits payable | 25 | - | - | - | 25 |
| Other liabilities | - | - | - | 5 | 5 |
| Compensated absences | - | 11 | 2,800 | 72 | 2,883 |
| Capital lease obligations | - | - | 1,787 | - | 1,787 |
| Total current liabilities | <u>72</u> | <u>6,951</u> | <u>34,100</u> | <u>348</u> | <u>41,471</u> |
| Noncurrent liabilities: | | | | | |
| Compensated absences | - | 48 | 1,379 | 72 | 1,499 |
| Capital lease obligations | - | - | 20,863 | - | 20,863 |
| Net OPEB liability | - | - | 3,644 | 75 | 3,719 |
| Net pension liability | - | 2,311 | 10,155 | 1,187 | 13,653 |
| Total noncurrent liabilities | <u>-</u> | <u>2,359</u> | <u>36,041</u> | <u>1,334</u> | <u>39,734</u> |
| Total liabilities | <u>72</u> | <u>9,310</u> | <u>70,141</u> | <u>1,682</u> | <u>81,205</u> |
| DEFERRED INFLOWS OF RESOURCES | - | 31 | 1,291 | 25 | 1,347 |
| NET POSITION | | | | | |
| Net investment in capital assets | 35 | 111 | 994 | 3,266 | 4,406 |
| Unrestricted | 749 | (1,796) | (15,590) | 1,874 | (14,763) |
| Total net position | <u>\$ 784</u> | <u>\$ (1,685)</u> | <u>\$ (14,596)</u> | <u>5,140</u> | <u>\$ (10,357)</u> |

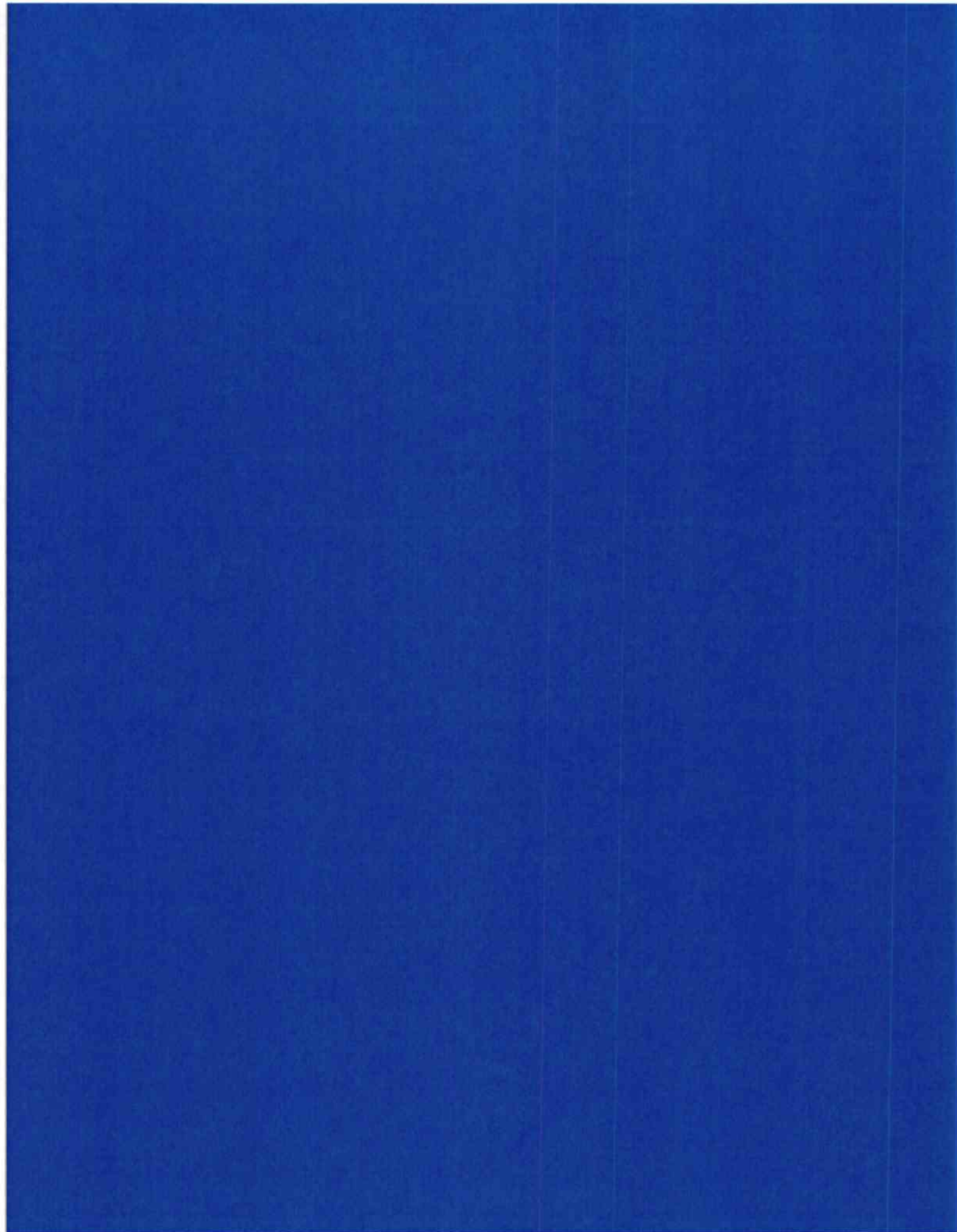
COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | County Service Areas | Flood Control | Riverside University Health Systems - Community Health Centers | Aviation | Total |
|--|----------------------------|-------------------|---|-----------------|--------------------|
| OPERATING REVENUES: | | | | | |
| Net patient revenue (Notes 1 and 18) | \$ - | \$ - | \$ 19,262 | \$ - | \$ 19,262 |
| Charges for services | 491 | 2,141 | 18,797 | 169 | 21,598 |
| Other revenue | 25 | 31 | 62,916 | 4,276 | 67,248 |
| Total operating revenues | <u>516</u> | <u>2,172</u> | <u>100,975</u> | <u>4,445</u> | <u>108,108</u> |
| OPERATING EXPENSES: | | | | | |
| Personnel services | - | 893 | 40,117 | 978 | 41,988 |
| Communications | 7 | - | 224 | 9 | 240 |
| Insurance | 4 | - | 721 | 446 | 1,171 |
| Maintenance of building and equipment | 120 | 3 | 1,922 | 166 | 2,211 |
| Supplies | 5 | - | 3,375 | 12 | 3,392 |
| Purchased services | 77 | 1,432 | 38,486 | 415 | 40,410 |
| Depreciation and amortization | 9 | 27 | 4,957 | 415 | 5,408 |
| Rents and leases of equipment | - | - | 10,744 | 482 | 11,226 |
| Utilities | 96 | - | 583 | 134 | 813 |
| Other | 13 | 10 | 1,078 | 141 | 1,242 |
| Total operating expenses | <u>331</u> | <u>2,365</u> | <u>102,207</u> | <u>3,198</u> | <u>108,101</u> |
| Operating income (loss) | <u>185</u> | <u>(193)</u> | <u>(1,232)</u> | <u>1,247</u> | <u>7</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | |
| Investment income | - | 3 | 29 | 3 | 35 |
| Interest expense | - | - | (1,207) | - | (1,207) |
| Gain on disposal of capital assets | - | - | 27 | - | 27 |
| Total nonoperating revenues (expenses) | <u>-</u> | <u>3</u> | <u>(1,151)</u> | <u>3</u> | <u>(1,145)</u> |
| Income (loss) before transfers | 185 | (190) | (2,383) | 1,250 | (1,138) |
| Transfers in | - | - | 19,844 | 1,464 | 21,308 |
| Transfers out | - | - | (2,297) | (39) | (2,336) |
| CHANGE IN NET POSITION | <u>185</u> | <u>(190)</u> | <u>15,164</u> | <u>2,675</u> | <u>17,834</u> |
| Net position, beginning of year | 599 | (1,495) | (29,760) | - | (30,656) |
| Adjustments to beginning net position (Note 3) | - | - | - | 2,465 | 2,465 |
| Net position, beginning of year, as restated | 599 | (1,495) | (29,760) | 2,465 | (28,191) |
| NET POSITION, END OF YEAR | <u>\$ 784</u> | <u>\$ (1,685)</u> | <u>\$ (14,596)</u> | <u>\$ 5,140</u> | <u>\$ (10,357)</u> |

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | County Service Areas | Flood Control | Riverside University Health Systems - Community Health Centers | Aviation | Total |
|---|----------------------------|------------------|---|-----------------|------------------|
| Cash flows from operating activities | | | | | |
| Cash receipts from customers | \$ 516 | \$ 2,253 | \$ 87,286 | \$ 4,286 | \$ 94,341 |
| Cash receipts from other funds | 12 | - | 40,115 | - | 40,127 |
| Cash paid to suppliers for goods and services | (400) | (1,516) | (47,385) | (1,613) | (50,914) |
| Cash paid to employees for services | - | (804) | (56,681) | (1,000) | (58,485) |
| Net cash provided by operating activities | <u>128</u> | <u>(67)</u> | <u>23,335</u> | <u>1,673</u> | <u>25,069</u> |
| Cash flows from noncapital financing activities | | | | | |
| Transfers received | - | - | 19,844 | 1,464 | 21,308 |
| Transfers paid | - | - | (2,297) | (39) | (2,336) |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>-</u> | <u>17,547</u> | <u>1,425</u> | <u>18,972</u> |
| Cash flows from capital and related financing activities | | | | | |
| Proceeds from sale of capital assets | - | - | 27 | - | 27 |
| Acquisition and construction of capital assets | (1) | - | (4,606) | (3,681) | (8,288) |
| Principal (payments on) capital leases | - | - | (1,701) | - | (1,701) |
| Interest paid on long-term debt | - | - | (1,251) | - | (1,251) |
| Net cash (used in) capital and related financing activities | <u>(1)</u> | <u>-</u> | <u>(7,531)</u> | <u>(3,681)</u> | <u>(11,213)</u> |
| Cash flows from investing activities | | | | | |
| Investment income | 1 | 12 | 29 | 1 | 43 |
| Net cash provided by investing activities | <u>1</u> | <u>12</u> | <u>29</u> | <u>1</u> | <u>43</u> |
| Net increase (decrease) in cash and cash equivalents | 128 | (55) | 33,380 | (582) | 32,871 |
| Cash and cash equivalents, beginning of year | 693 | 7,052 | (36,300) | 3,656 | (24,899) |
| Cash and cash equivalents, end of year | <u>\$ 821</u> | <u>\$ 6,997</u> | <u>\$ (2,920)</u> | <u>\$ 3,074</u> | <u>\$ 7,972</u> |
| Reconciliation of cash and cash equivalents to the Statement of Net Position | | | | | |
| Cash and investments per Statement of Net Position | \$ 821 | \$ 499 | \$ (2,920) | \$ 3,074 | \$ 1,474 |
| Restricted cash and investments per Statement of Net Position | - | 6,498 | - | - | 6,498 |
| Total cash and cash equivalents per Statement of Net Position | <u>\$ 821</u> | <u>\$ 6,997</u> | <u>\$ (2,920)</u> | <u>\$ 3,074</u> | <u>\$ 7,972</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Operating income (loss) | \$ 185 | \$ (193) | \$ (1,232) | \$ 1,247 | \$ 7 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Depreciation and amortization | 9 | 27 | 4,957 | 415 | 5,408 |
| Decrease (Increase) accounts receivable | - | 92 | (2,890) | (26) | (2,824) |
| Decrease (Increase) taxes receivable | 12 | - | - | - | 12 |
| Decrease (Increase) due from other funds | - | - | 40,115 | - | 40,115 |
| Decrease (Increase) due from other governments | - | (11) | (10,799) | (133) | (10,943) |
| Decrease (Increase) inventories | - | - | (489) | - | (489) |
| Decrease (Increase) prepaid items and deposits | - | - | 7 | (41) | (34) |
| Increase (Decrease) accounts payable | 28 | 388 | (4,055) | 227 | (3,412) |
| Increase (Decrease) due to other funds | - | (288) | - | - | (288) |
| Increase (Decrease) due to other governments | - | - | 14,287 | 1 | 14,288 |
| Increase (Decrease) deposits payable | (106) | - | (2) | - | (108) |
| Increase (Decrease) other liabilities | - | (171) | - | 5 | (166) |
| Increase (Decrease) net pension liability | - | (38) | (6,484) | 127 | (6,395) |
| Increase (Decrease) net OPEB liability | - | - | 2,604 | 75 | 2,679 |
| Increase (Decrease) deferred OPEB | - | - | (2,575) | (70) | (2,645) |
| Increase (Decrease) deferred pensions | - | 163 | (8,872) | (210) | (8,919) |
| Increase (Decrease) salaries and benefits payable | - | (32) | (1,710) | 43 | (1,699) |
| Increase (Decrease) compensated absences | - | (4) | 473 | 13 | 482 |
| Net cash provided by (used in) operating activities | <u>\$ 128</u> | <u>\$ (67)</u> | <u>\$ 23,335</u> | <u>\$ 1,673</u> | <u>\$ 25,069</u> |
| Noncash investing, capital, and financing activities | | | <u>\$ -</u> | | <u>\$ -</u> |

INTERNAL SERVICE FUNDS



COUNTY OF RIVERSIDE

INTERNAL SERVICE FUNDS

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

FLEET SERVICES

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

INFORMATION SERVICES

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

CENTRAL MAIL SERVICES

These funds account for the financing of central mail services provided to County departments on a cost-reimbursement basis.

SUPPLY SERVICES

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

HUMAN RESOURCES

This fund finances the operation and maintenance of the Human Capital Management System, which provides all human resources requirements including talent management, recruitment, onboarding, time and labor, payroll and employee benefits administration to County departments on a cost-reimbursement basis.

RISK MANAGEMENT

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

TEMPORARY ASSIGNMENT POOL (TAP)

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

FACILITIES MANAGEMENT

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

FLOOD CONTROL EQUIPMENT

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

COUNTY OF RIVERSIDE
Combining Statement of Net Position
Internal Service Funds
June 30, 2021
(Dollars in Thousands)

| | Fleet Services | Information Services | Central Mail Services | Supply Services | Human Resources |
|----------------------------------|-------------------|-------------------------|--------------------------|--------------------|--------------------|
| ASSETS: | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 6,400 | \$ 32,224 | \$ 386 | \$ 297 | \$ - |
| Accounts receivable - net | 32 | 125 | - | 27 | - |
| Interest receivable | 2 | 17 | - | - | - |
| Due from other governments | 103 | 818 | 102 | - | - |
| Inventories | 584 | 906 | 61 | - | - |
| Prepaid items and deposits | - | 436 | - | - | - |
| Total current assets | <u>7,121</u> | <u>34,526</u> | <u>549</u> | <u>324</u> | <u>-</u> |
| Noncurrent assets: | | | | | |
| Capital assets: | | | | | |
| Nondepreciable assets | 744 | 819 | - | - | - |
| Depreciable assets | 30,860 | 38,364 | 187 | 131 | - |
| Total noncurrent assets | <u>31,604</u> | <u>39,183</u> | <u>187</u> | <u>131</u> | <u>-</u> |
| Total assets | <u>38,725</u> | <u>73,709</u> | <u>736</u> | <u>455</u> | <u>-</u> |
| DEFERRED OUTFLOWS OF RESOURCES | <u>1,343</u> | <u>17,090</u> | <u>211</u> | <u>185</u> | <u>-</u> |
| LIABILITIES: | | | | | |
| Current liabilities: | | | | | |
| Cash overdrawn | - | - | - | - | - |
| Accounts payable | 751 | 2,909 | 110 | - | - |
| Salaries and benefits payable | 156 | 2,503 | 20 | 8 | - |
| Due to other governments | 1 | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Other liabilities | - | - | - | - | - |
| Accrued remediation costs | 47 | - | - | - | - |
| Compensated absences | 418 | 4,698 | 37 | 7 | - |
| Capital lease obligations | 6,124 | 2,589 | - | - | - |
| Estimated claims liabilities | - | - | - | - | - |
| Total current liabilities | <u>7,497</u> | <u>12,699</u> | <u>167</u> | <u>15</u> | <u>-</u> |
| Noncurrent liabilities: | | | | | |
| Compensated absences | 128 | 3,230 | 29 | 7 | - |
| Advances from other funds | - | - | - | - | - |
| Capital lease obligations | 8,667 | 16,955 | - | - | - |
| Accrued remediation costs | 2 | - | - | - | - |
| Estimated claims liabilities | - | - | - | - | - |
| Net OPEB liability | 342 | 4,014 | 53 | 22 | - |
| Net pension liability | 5,860 | 84,714 | 866 | 999 | - |
| Total noncurrent liabilities | <u>14,999</u> | <u>108,913</u> | <u>948</u> | <u>1,028</u> | <u>-</u> |
| Total liabilities | <u>22,496</u> | <u>121,612</u> | <u>1,115</u> | <u>1,043</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | <u>101</u> | <u>1,284</u> | <u>17</u> | <u>11</u> | <u>-</u> |
| NET POSITION: | | | | | |
| Net investment in capital assets | 16,813 | 19,639 | 187 | 131 | - |
| Unrestricted | 658 | (51,736) | (372) | (545) | - |
| Total net position | <u>\$ 17,471</u> | <u>\$ (32,097)</u> | <u>\$ (185)</u> | <u>\$ (414)</u> | <u>\$ -</u> |

| Risk Management | Temporary Assistance Pool | Facilities Management | Flood Control Equipment | Total | |
|-----------------|---------------------------|-----------------------|-------------------------|-------------|----------------------------------|
| \$ 334,704 | \$ - | \$ 16,553 | \$ 5,160 | \$ 395,724 | ASSETS: |
| 3,102 | - | 105 | 1 | 3,392 | Current assets: |
| 183 | - | 6 | 3 | 211 | Cash and investments |
| - | - | 422 | - | 1,445 | Accounts receivable - net |
| - | - | 170 | 301 | 2,022 | Interest receivable |
| 225 | - | - | - | 661 | Due from other governments |
| 338,214 | - | 17,256 | 5,465 | 403,455 | Inventories |
| | | | | | Prepaid items and deposits |
| | | | | | Total current assets |
| | | | | | Noncurrent assets: |
| - | - | - | - | 1,563 | Capital assets: |
| - | 3 | 141 | 5,045 | 74,731 | Nondepreciable assets |
| - | 3 | 141 | 5,045 | 76,294 | Depreciable assets |
| 338,214 | 3 | 17,397 | 10,510 | 479,749 | Total noncurrent assets |
| 5,433 | 555 | 7,912 | - | 32,729 | Total assets |
| | | | | | DEFERRED OUTFLOWS OF RESOURCES |
| | | | | | LIABILITIES: |
| | | | | | Current liabilities: |
| - | 953 | - | - | 953 | Cash overdrawn |
| 30,125 | 166 | 3,303 | 55 | 37,419 | Accounts payable |
| 810 | 55 | 1,017 | 68 | 4,637 | Salaries and benefits payable |
| - | - | - | 55 | 56 | Due to other governments |
| 92 | - | - | - | 92 | Due to other funds |
| 356 | - | 2,311 | - | 2,667 | Other liabilities |
| - | - | - | - | 47 | Accrued remediation costs |
| 1,178 | 39 | 2,150 | 25 | 8,552 | Compensated absences |
| - | - | - | - | 8,713 | Capital lease obligations |
| 78,936 | - | - | - | 78,936 | Estimated claims liabilities |
| 111,497 | 1,213 | 8,781 | 203 | 142,072 | Total current liabilities |
| | | | | | Noncurrent liabilities: |
| 1,317 | 39 | 784 | 112 | 5,646 | Compensated absences |
| - | - | 3,342 | - | 3,342 | Advances from other funds |
| - | - | - | - | 25,622 | Capital lease obligations |
| - | - | - | - | 2 | Accrued remediation costs |
| 240,689 | - | - | - | 240,689 | Estimated claims liabilities |
| 1,224 | 117 | 2,123 | - | 7,895 | Net OPEB liability |
| 25,926 | 3,078 | 34,862 | - | 156,305 | Net pension liability |
| 269,156 | 3,234 | 41,111 | 112 | 439,501 | Total noncurrent liabilities |
| 380,653 | 4,447 | 49,892 | 315 | 581,573 | Total liabilities |
| 532 | 69 | 661 | - | 2,675 | DEFERRED INFLOWS OF RESOURCES |
| | | | | | NET POSITION: |
| - | 3 | 141 | 5,045 | 41,959 | Net investment in capital assets |
| (37,538) | (3,961) | (25,385) | 5,150 | (113,729) | Unrestricted |
| \$ (37,538) | \$ (3,958) | \$ (25,244) | \$ 10,195 | \$ (71,770) | Total net position |

COUNTY OF RIVERSIDE

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

Internal Service Funds

For the Fiscal Year Ended June 30, 2021

(Dollars in Thousands)

| | Fleet Services | Information Services | Central Mail Services | Supply Services | Human Resources |
|---|-------------------|-------------------------|--------------------------|--------------------|--------------------|
| OPERATING REVENUES: | | | | | |
| Charges for services | \$ 29,727 | \$ 109,861 | \$ 1,131 | \$ 123 | \$ - |
| Other revenue | 323 | 116 | 2,035 | 336 | - |
| Total operating revenues | <u>30,050</u> | <u>109,977</u> | <u>3,166</u> | <u>459</u> | <u>-</u> |
| OPERATING EXPENSES: | | | | | |
| Cost of materials used | 1,511 | - | - | - | - |
| Personnel services | 3,926 | 53,022 | 607 | 202 | - |
| Communications | 47 | 12,075 | 5 | 5 | - |
| Insurance | 140 | 657 | 12 | 22 | - |
| Maintenance of building and equipment | 3,800 | 19,382 | 47 | 9 | - |
| Insurance claims | - | - | - | - | - |
| Supplies | 6,864 | 1,511 | 1,595 | 255 | - |
| Purchased services | 1,674 | 3,182 | 741 | 312 | 1,753 |
| Depreciation and amortization | 11,549 | 6,599 | 35 | 12 | - |
| Rents and leases of equipment | 1,084 | 5,251 | - | - | - |
| Utilities | 62 | 1,196 | 26 | 21 | - |
| Other | 583 | 1,479 | 91 | 4 | - |
| Total operating expenses | <u>31,240</u> | <u>104,354</u> | <u>3,159</u> | <u>842</u> | <u>1,753</u> |
| Operating income (loss) | <u>(1,190)</u> | <u>5,623</u> | <u>7</u> | <u>(383)</u> | <u>(1,753)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | | |
| Investment income (loss) | (6) | (24) | - | - | - |
| Interest expense | (266) | (1,273) | - | - | - |
| Gain (loss) on disposal of capital assets | 2,564 | - | - | - | - |
| Other nonoperating revenues (expenses) | (26) | - | - | - | - |
| Total nonoperating revenues (expenses) | <u>2,266</u> | <u>(1,297)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Income (loss) before capital contributions and transfers | 1,076 | 4,326 | 7 | (383) | (1,753) |
| Capital contributions | - | - | - | - | - |
| Transfers in | 62 | 476 | 7 | 107 | 1,753 |
| Transfers out | (160) | (2,276) | (24) | (8) | - |
| CHANGE IN NET POSITION | 978 | 2,526 | (10) | (284) | - |
| Net position, beginning of year | 16,493 | (34,623) | (175) | (130) | - |
| Adjustments to beginning net position (Note 3) | - | - | - | - | - |
| Net position, beginning of year, as restated | <u>16,493</u> | <u>(34,623)</u> | <u>(175)</u> | <u>(130)</u> | <u>-</u> |
| NET POSITION, END OF YEAR | <u>\$ 17,471</u> | <u>\$ (32,097)</u> | <u>\$ (185)</u> | <u>\$ (414)</u> | <u>\$ -</u> |

| Risk Management | Temporary Assistance Pool | Facilities Management | Flood Control Equipment | Total | |
|-----------------|---------------------------|-----------------------|-------------------------|-------------|--|
| \$ 59,254 | \$ 1,062 | \$ 127,741 | \$ 1,437 | \$ 330,336 | OPERATING REVENUES: |
| 12,043 | - | 14,606 | 6,356 | 35,815 | Charges for services |
| 71,297 | 1,062 | 142,347 | 7,793 | 366,151 | Other revenue |
| | | | | | Total operating revenues |
| | | | | | OPERATING EXPENSES: |
| - | - | - | 56 | 1,567 | Cost of materials used |
| 13,994 | 1,271 | 24,894 | 1,574 | 99,490 | Personnel services |
| 41 | 1 | 101 | - | 12,275 | Communications |
| 41,931 | 39 | 698 | - | 43,499 | Insurance |
| 28 | 1 | 14,266 | 610 | 38,143 | Maintenance of building and equipment |
| 199,986 | - | - | - | 199,986 | Insurance claims |
| 3,911 | 21 | 3,129 | 1,309 | 18,595 | Supplies |
| 9,748 | 1,503 | 11,064 | 2,286 | 32,263 | Purchased services |
| - | 2 | 70 | 1,217 | 19,484 | Depreciation and amortization |
| 1,217 | 386 | 78,123 | 13 | 86,074 | Rents and leases of equipment |
| 34 | - | 1,473 | - | 2,812 | Utilities |
| 1,860 | 14 | 4,499 | 259 | 8,789 | Other |
| 272,750 | 3,238 | 138,317 | 7,324 | 562,977 | Total operating expenses |
| (201,453) | (2,176) | 4,030 | 469 | (196,826) | Operating income (loss) |
| | | | | | NONOPERATING REVENUES (EXPENSES): |
| 179 | - | (19) | (1) | 129 | Investment income (loss) |
| - | - | - | - | (1,539) | Interest expense |
| - | - | 13 | 139 | 2,716 | Gain (loss) on disposal of capital assets |
| - | - | - | - | (26) | Other nonoperating revenues (expenses) |
| 179 | - | (6) | 138 | 1,280 | Total nonoperating revenues (expenses) |
| | | | | | Income (loss) before capital contributions and transfers |
| (201,274) | (2,176) | 4,024 | 607 | (195,546) | Capital contributions |
| 165,568 | - | - | - | 165,568 | Transfers in |
| - | - | 568 | - | 2,973 | Transfers out |
| (609) | (36) | (969) | - | (4,082) | CHANGE IN NET POSITION |
| (36,315) | (2,212) | 3,623 | 607 | (31,087) | Net position, beginning of year |
| (1,223) | 233 | (28,867) | 9,588 | (38,704) | Adjustments to beginning net position (Note 3) |
| - | (1,979) | - | - | (1,979) | Net position, beginning of year, as restated |
| (1,223) | (1,746) | (28,867) | 9,588 | (40,683) | NET POSITION, END OF YEAR |
| \$ (37,538) | \$ (3,958) | \$ (25,244) | \$ 10,195 | \$ (71,770) | |

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2021
(Dollars in Thousands)

| | Fleet Services | Information Services | Central Mail Services | Supply Services | Human Resources |
|---|-------------------|-------------------------|-----------------------------|--------------------|--------------------|
| Cash flows from operating activities | | | | | |
| Cash receipts (payments due) from customers | \$ (35) | \$ (647) | \$ (46) | \$ 12 | \$ - |
| Cash receipts (payments due) from other funds | 30,037 | 110,054 | 3,166 | 459 | - |
| Cash paid to suppliers for goods and services | (16,373) | (44,179) | (2,366) | (436) | (1,753) |
| Cash paid to employees for services | (4,394) | (59,489) | (711) | (278) | - |
| Net cash provided by (used in) operating activities | <u>9,235</u> | <u>5,739</u> | <u>43</u> | <u>(243)</u> | <u>(1,753)</u> |
| Cash flows from noncapital financing activities | | | | | |
| Transfers received | 62 | 476 | 7 | 107 | 1,753 |
| Transfers paid | (160) | (2,276) | (24) | (8) | - |
| Net cash provided by (used in) noncapital financing activities | <u>(124)</u> | <u>(1,800)</u> | <u>(17)</u> | <u>99</u> | <u>1,753</u> |
| Cash flows from capital and related financing activities | | | | | |
| Proceeds from sale of capital assets | 2,564 | - | - | - | - |
| Acquisition and construction of capital assets | (2,531) | (598) | - | - | - |
| Principal proceeds of (payments on) capital leases | (7,774) | (4,597) | - | - | - |
| Capital contributions | - | - | - | - | - |
| Interest paid on long-term debt | (266) | (1,273) | - | - | - |
| Net cash provided by (used in) capital and related financing activities | <u>(8,007)</u> | <u>(6,468)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities | | | | | |
| Investment income (loss) | (6) | 3 | - | 2 | - |
| Net cash provided by (used in) investing activities | <u>(6)</u> | <u>3</u> | <u>-</u> | <u>2</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | 1,098 | (2,526) | 26 | (142) | - |
| Cash and cash equivalents, beginning of year | 5,302 | 34,750 | 360 | 439 | - |
| Cash and cash equivalents, end of year | <u>\$ 6,400</u> | <u>\$ 32,224</u> | <u>\$ 386</u> | <u>\$ 297</u> | <u>\$ -</u> |
| Reconciliation of cash and cash equivalents to the Statement of Net Position | | | | | |
| Cash and investments per Statement of Net Position | \$ 6,400 | \$ 32,224 | \$ 386 | \$ 297 | \$ - |
| Total cash and cash equivalents per Statement of Net Position | <u>\$ 6,400</u> | <u>\$ 32,224</u> | <u>\$ 386</u> | <u>\$ 297</u> | <u>\$ -</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Operating income (loss) | \$ (1,190) | \$ 5,623 | \$ 7 | \$ (383) | \$ (1,753) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | |
| Depreciation and amortization | 11,549 | 6,599 | 35 | 12 | - |
| Decrease (Increase) accounts receivable | (13) | 77 | - | - | - |
| Decrease (Increase) due from other funds | - | - | - | - | - |
| Decrease (Increase) due from other governments | (35) | (647) | (46) | 12 | - |
| Decrease (Increase) inventories | 80 | 125 | 55 | 238 | - |
| Decrease (Increase) prepaid items and deposits | - | 7 | - | - | - |
| Increase (Decrease) accounts payable | (627) | 422 | 96 | (40) | - |
| Increase (Decrease) due to other funds | - | - | - | - | - |
| Increase (Decrease) due to other governments | - | - | - | (6) | - |
| Increase (Decrease) accrued remediation costs | (61) | - | - | - | - |
| Increase (Decrease) other liabilities | - | - | - | - | - |
| Increase (Decrease) estimated claims liability | - | - | - | - | - |
| Increase (Decrease) net pension liability | (531) | (7,540) | (79) | (27) | - |
| Increase (Decrease) net OPEB liability | 215 | 2,824 | 32 | 11 | - |
| Increase (Decrease) deferred pensions | 35 | (506) | 5 | 24 | - |
| Increase (Decrease) salaries and benefits payable | (189) | (1,759) | (34) | (21) | - |
| Increase (Decrease) compensated absences | 2 | 514 | (28) | (63) | - |
| Net cash provided by (used in) operating activities | <u>\$ 9,235</u> | <u>\$ 5,739</u> | <u>\$ 43</u> | <u>\$ (243)</u> | <u>\$ (1,753)</u> |
| Noncash investing, capital, and financing activities: | | | | | |
| Capital lease obligations | <u>\$ 8,228</u> | <u>\$ -</u> | | | |

| Risk Management | Temporary Assistance Pool | EDA Facilities Management | Flood Control Equipment | Total |
|-----------------|---------------------------|---------------------------|-------------------------|------------|
| \$ - | \$ - | \$ 276 | \$ - | \$ (440) |
| 75,813 | 1,062 | 142,975 | 7,793 | 371,359 |
| (189,947) | (2,010) | (113,593) | (4,640) | (375,297) |
| (16,710) | (1,389) | (28,006) | (1,639) | (112,616) |
| (130,844) | (2,337) | 1,652 | 1,514 | (116,994) |
| - | - | 568 | - | 2,973 |
| (609) | (36) | (969) | - | (4,082) |
| (609) | (36) | (401) | - | (1,135) |
| - | - | 13 | 139 | 2,716 |
| - | - | (178) | (3,214) | (6,521) |
| - | - | - | - | (12,371) |
| 165,568 | - | - | - | 165,568 |
| - | - | - | - | (1,539) |
| 165,568 | - | (165) | (3,075) | 147,853 |
| 524 | - | (13) | 10 | 520 |
| 524 | - | (13) | 10 | 520 |
| 34,639 | (2,373) | 1,073 | (1,551) | 30,244 |
| 300,065 | 1,420 | 15,480 | 6,711 | 364,527 |
| \$ 334,704 | \$ (953) | \$ 16,553 | \$ 5,160 | \$ 394,771 |

Cash flows from operating activities
Cash receipts (payments due) from customers
Cash receipts (payments due) from other funds
Cash paid to suppliers for goods and services
Cash paid to employees for services
Net cash provided by (used in) operating activities
Cash flows from noncapital financing activities
Transfers received
Transfers paid
Net cash provided by (used in) noncapital financing activities
Cash flows from capital and related financing activities
Proceeds from sale of capital assets
Acquisition and construction of capital assets
Principal proceeds of (payments on) capital leases
Capital contributions
Interest paid on long-term debt
Net cash provided by (used in) capital and related financing activities
Cash flows from investing activities
Investment income (loss)
Net cash provided by (used in) investing activities
Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents, beginning of year
Cash and cash equivalents, end of year

| Risk Management | Temporary Assistance Pool | EDA Facilities Management | Flood Control Equipment | Total |
|-----------------|---------------------------|---------------------------|-------------------------|------------|
| \$ 334,704 | \$ (953) | \$ 16,553 | \$ 5,160 | \$ 394,771 |
| \$ 334,704 | \$ (953) | \$ 16,553 | \$ 5,160 | \$ 394,771 |

Reconciliation of cash and cash equivalents to the Statement of Net Position
Cash and investments per Statement of Net Position
Total cash and cash equivalents per Statement of Net Position

| | | | | |
|--------------|------------|----------|----------|--------------|
| \$ (201,453) | \$ (2,176) | \$ 4,030 | \$ 469 | \$ (196,826) |
| - | 2 | 70 | 1,217 | 19,484 |
| 3,936 | - | (46) | - | 3,954 |
| 580 | - | 674 | - | 1,254 |
| - | - | 276 | - | (440) |
| - | - | (42) | (19) | 437 |
| 88 | - | - | - | 95 |
| 4,444 | (45) | 367 | (143) | 4,474 |
| 70 | - | (719) | - | (649) |
| - | - | - | 55 | 49 |
| - | - | - | - | (61) |
| (32) | - | 154 | - | 122 |
| 64,239 | - | - | - | 64,239 |
| (1,995) | (118) | (3,203) | - | (13,493) |
| 772 | 48 | 1,309 | - | 5,211 |
| 400 | 209 | 49 | - | 216 |
| (1,053) | (137) | (1,117) | (76) | (4,386) |
| (840) | (120) | (150) | 11 | (674) |
| \$ (130,844) | \$ (2,337) | \$ 1,652 | \$ 1,514 | \$ (116,994) |

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities
Operating income (loss)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities
Depreciation and amortization
Decrease (Increase) accounts receivable
Decrease (Increase) due from other funds
Decrease (Increase) due from other governments
Decrease (Increase) inventories
Decrease (Increase) prepaid items and deposits
Increase (Decrease) accounts payable
Increase (Decrease) due to other funds
Increase (Decrease) due to other governments
Increase (Decrease) accrued remediation costs
Increase (Decrease) other liabilities
Increase (Decrease) estimated claims liability
Increase (Decrease) net pension liability
Increase (Decrease) net OPEB liability
Increase (Decrease) deferred pensions
Increase (Decrease) salaries and benefits payable
Increase (Decrease) compensated absences
Net cash provided by (used in) operating activities

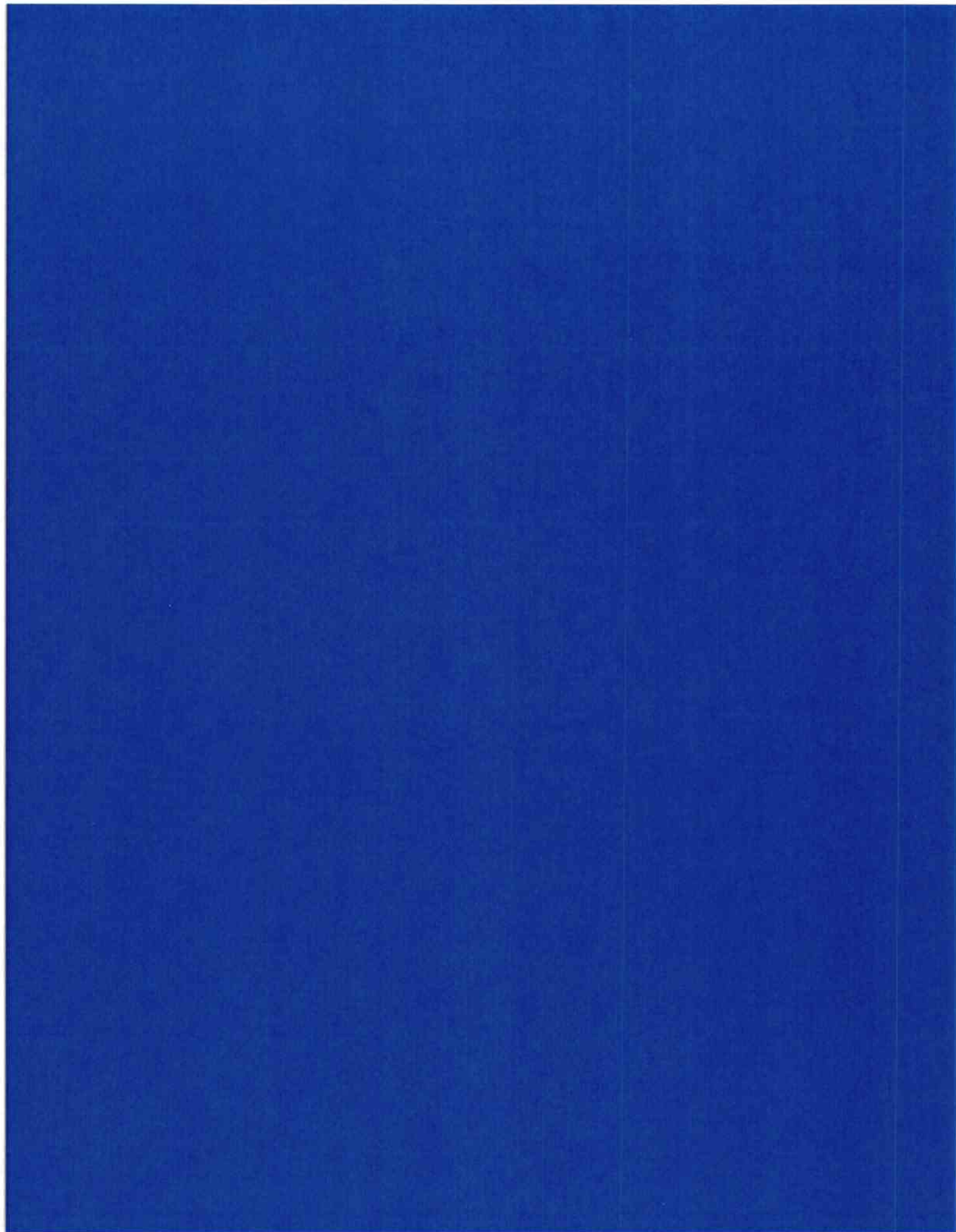
\$ 8,228

Noncash investing, capital, and financing activities
Capital lease obligations



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FIDUCIARY FUNDS



COUNTY OF RIVERSIDE

FIDUCIARY FUNDS

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

PROPERTY TAX COLLECTION

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

OTHER CUSTODIAL

These funds were established to account for a wide array of fiduciary responsibilities. Some of these responsibilities include tax payments clearing, asset forfeiture, State Controller clearing, child support collections, undistributed bond proceeds, family support clearing, and clearing fund for various categories of warrants issued by Riverside County.

COUNTY OF RIVERSIDE
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021
(Dollars in Thousands)

| | <u>Property Tax Collection</u> | <u>Other Custodial</u> |
|---|------------------------------------|------------------------|
| ASSETS: | | |
| Cash and investments | \$ 97,171 | \$ 180,681 |
| Receivables: | | |
| Accounts receivable | - | 38 |
| Interest receivable | 68 | 33 |
| Taxes receivable | 27,479 | 5,963 |
| Total assets | <u>124,718</u> | <u>186,715</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred charge on refunding | <u>-</u> | <u>-</u> |
| LIABILITIES: | | |
| Accounts payable | 31 | 133,207 |
| Due to other governments | 43,555 | 41,035 |
| Total liabilities | <u>43,586</u> | <u>174,242</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources | <u>-</u> | <u>-</u> |
| NET POSITION: | | |
| Restricted for: | | |
| Individuals, Orgs & Oth Govt's | 81,132 | 12,473 |
| Total net position | <u>\$ 81,132</u> | <u>\$ 12,473</u> |

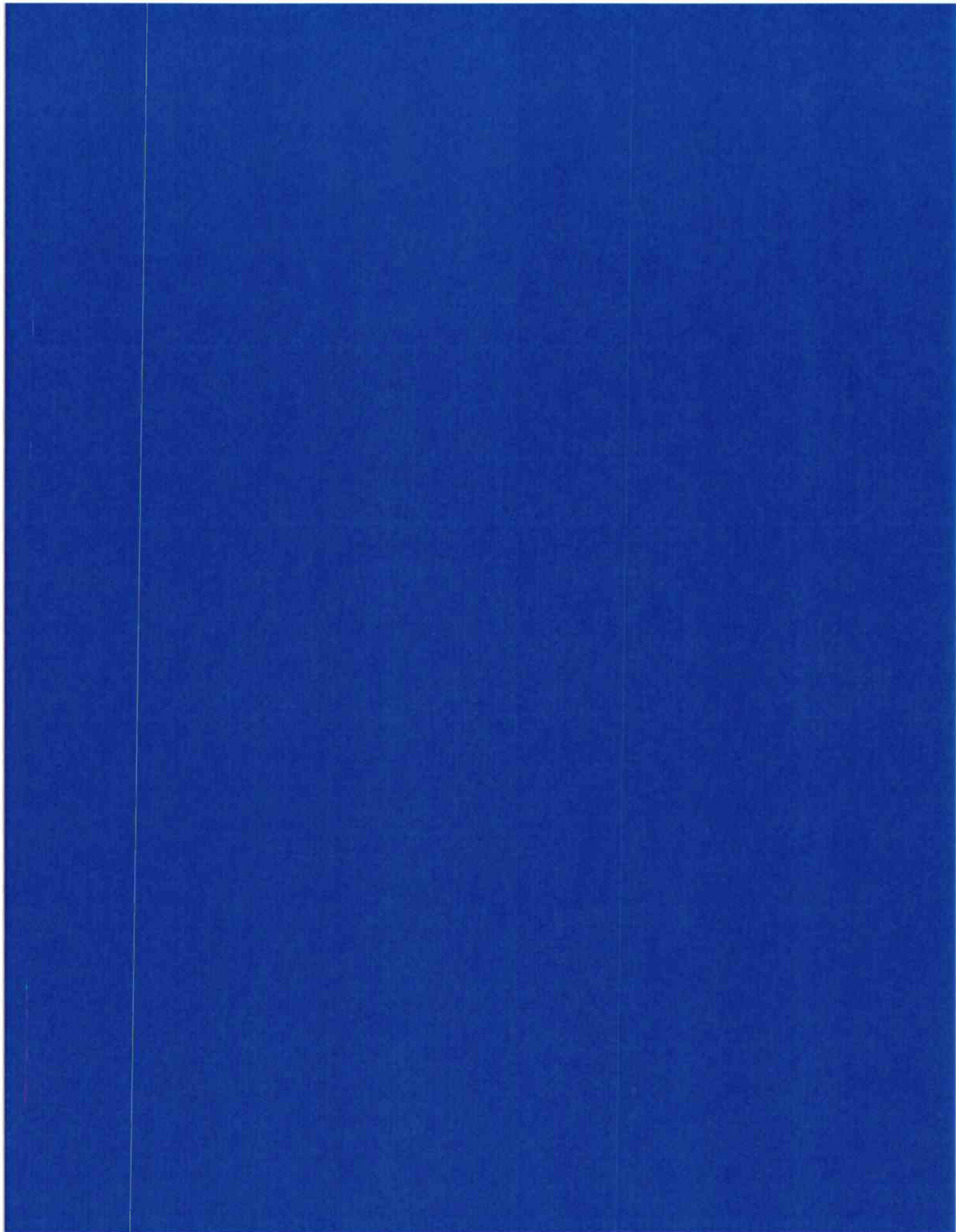
COUNTY OF RIVERSIDE
Statement of Changes in Fiduciary Net Position
Custodial Funds
June 30, 2021
(Dollars in Thousands)

| | <u>Property Tax Collection</u> | <u>Other Custodial</u> |
|--|------------------------------------|------------------------|
| ADDITIONS | | |
| Investment earnings: | | |
| Net increase (decrease) in fair value of investments | \$ 144 | \$ 166 |
| Total investment earnings | <u>144</u> | <u>166</u> |
| Less investment costs: | | |
| Investment activity costs | - | - |
| Net investment earnings | <u>144</u> | <u>166</u> |
| Property tax collection other governments | 5,505,719 | - |
| Other custodial fund collections | - | 2,864,900 |
| Miscellaneous | - | - |
| Transfers in | - | - |
| Total additions | <u>5,505,863</u> | <u>2,865,066</u> |
| DEDUCTIONS | | |
| Administrative expense | - | 331 |
| Distributions to shareholders | - | - |
| Beneficiary payments to individuals, organizations and other gov'ts | - | 2,855,807 |
| Property taxes distributed to other governments | 5,425,110 | - |
| Total deductions | <u>5,425,110</u> | <u>2,856,138</u> |
| Net increase in fiduciary net position | 80,753 | 8,928 |
| Net position, beginning of the year | 379 | 3,545 |
| Net position, end of the year | <u>\$ 81,132</u> | <u>\$ 12,473</u> |



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STATISTICAL SECTION



Statistical Section

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

Contents

Table(s)

Financial Trends Information

T1 – T5

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

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

Revenue Capacity Information

T6 – T10

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

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

Debt Capacity Information

T11 – T15

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

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

Economic and Demographic Information

T16 – T17

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

- Demographic and Economic Statistics
- Principal Employers

Operating Information

T18 – T20

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

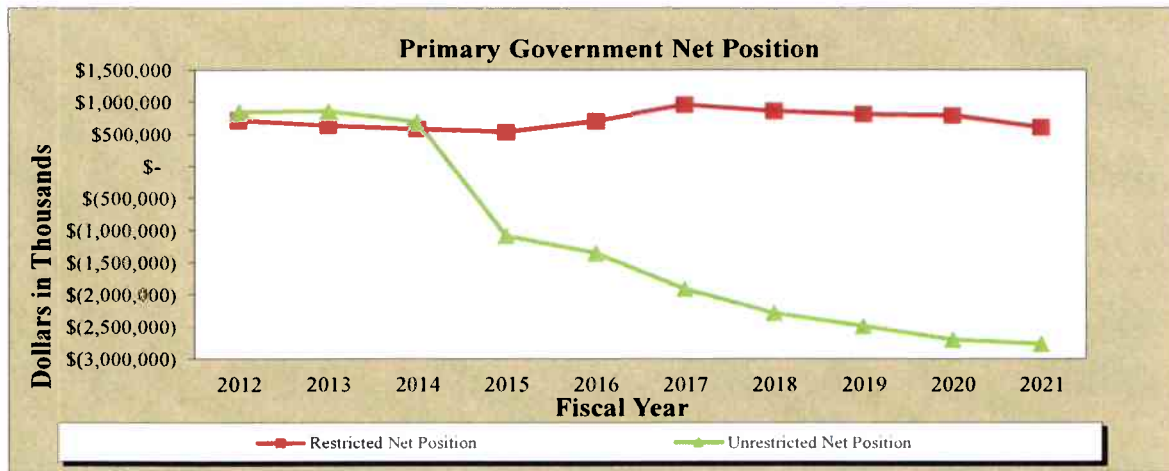
- Full-time Equivalent County Government Employees by Function/Program
- Operating Indicators by Function
- Capital Asset Statistics by Function

Source: Unless otherwise noted, the information in these tables is derived from Riverside County's Annual Comprehensive Financial Reports for the relevant years.

Table 1

COUNTY OF RIVERSIDE
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|--|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Governmental activities | | | | | |
| Net investment in capital assets | \$ 4,037,279 | \$ 3,042,172 | \$ 3,673,404 | \$ 3,505,380 | \$ 3,355,072 |
| Restricted | 554,386 | 735,739 | 769,225 | 799,830 | 911,249 |
| Unrestricted | <u>(2,297,231)</u> | <u>(2,198,345)</u> | <u>(2,092,164)</u> | <u>(1,947,282)</u> | <u>(1,689,770)</u> |
| Governmental activities, total net position | <u>\$ 2,294,434</u> | <u>\$ 1,579,566</u> | <u>\$ 2,350,465</u> | <u>\$ 2,357,928</u> | <u>\$ 2,576,551</u> |
| Business-type activities | | | | | |
| Net investment in capital assets | \$ 263,411 | \$ 228,265 | \$ 224,427 | \$ 218,159 | \$ 202,150 |
| Restricted | 54,017 | 56,744 | 40,585 | 58,136 | 47,468 |
| Unrestricted | <u>(474,227)</u> | <u>(507,675)</u> | <u>(403,461)</u> | <u>(344,312)</u> | <u>(225,964)</u> |
| Business-type activities, total net position | <u>\$ (156,799)</u> | <u>\$ (222,666)</u> | <u>\$ (138,449)</u> | <u>\$ (68,017)</u> | <u>\$ 23,654</u> |
| Primary government | | | | | |
| Net investment in capital assets | \$ 4,300,690 | \$ 3,270,437 | \$ 3,897,831 | \$ 3,723,539 | \$ 3,557,222 |
| Restricted | 608,403 | 792,483 | 809,810 | 857,966 | 958,717 |
| Unrestricted | <u>(2,771,458)</u> | <u>(2,706,020)</u> | <u>(2,495,625)</u> | <u>(2,291,594)</u> | <u>(1,915,734)</u> |
| Primary government, total net position | <u>\$ 2,137,635</u> | <u>\$ 1,356,900</u> | <u>\$ 2,212,016</u> | <u>\$ 2,289,911</u> | <u>\$ 2,600,205</u> |



Source: Auditor-Controller, County of Riverside

Table 1

| | | | | | Fiscal Year Ending June 30 | |
|---------------------|---------------------|---------------------|---------------------|---------------------|--|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | | |
| | | | | | Governmental activities | |
| \$ 3,240,888 | \$ 3,009,048 | \$ 3,165,319 | \$ 2,998,987 | \$ 2,740,429 | Net investment in capital assets | |
| 667,696 | 489,359 | 499,463 | 550,326 | 683,835 | Restricted | |
| (1,242,905) | (971,969) | 718,105 | 771,883 | 851,269 | Unrestricted | |
| <u>\$ 2,665,679</u> | <u>\$ 2,526,438</u> | <u>\$ 4,382,887</u> | <u>\$ 4,321,196</u> | <u>\$ 4,275,533</u> | Governmental activities, total net position | |
| | | | | | Business-type activities | |
| \$ 112,906 | \$ 95,160 | \$ 147,806 | \$ 118,594 | \$ 130,510 | Net investment in capital assets | |
| 49,241 | 56,569 | 96,904 | 94,346 | 41,103 | Restricted | |
| (113,124) | (122,341) | (27,903) | 88,852 | (5,456) | Unrestricted | |
| <u>\$ 49,023</u> | <u>\$ 29,388</u> | <u>\$ 216,807</u> | <u>\$ 301,792</u> | <u>\$ 166,157</u> | Business-type activities, total net position | |
| | | | | | Primary government | |
| \$ 3,353,794 | \$ 3,104,208 | \$ 3,313,125 | \$ 3,117,581 | \$ 2,870,939 | Net investment in capital assets | |
| 716,937 | 545,928 | 596,367 | 644,672 | 724,938 | Restricted | |
| (1,356,029) | (1,094,310) | 690,202 | 860,735 | 845,813 | Unrestricted | |
| <u>\$ 2,714,702</u> | <u>\$ 2,555,826</u> | <u>\$ 4,599,694</u> | <u>\$ 4,622,988</u> | <u>\$ 4,441,690</u> | Primary government, total net position | |

Table 2

COUNTY OF RIVERSIDE
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|---|-----------------------------------|-----------------------|-----------------------|-----------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Program revenues | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | \$ 196,746 | \$ 167,806 | \$ 170,904 | \$ 192,894 | \$ 230,767 |
| Public protection | 462,530 | 461,197 | 448,722 | 434,301 | 417,682 |
| Other activities | 114,163 | 139,136 | 139,861 | 89,778 | 118,140 |
| Operating grants and contributions | 2,741,915 | 2,291,206 | 2,010,351 | 1,951,911 | 1,912,480 |
| Capital grants and contributions | 29,455 | 32,453 | 47,530 | 77,352 | 49,088 |
| Governmental activities program revenues | <u>3,544,809</u> | <u>3,091,798</u> | <u>2,817,368</u> | <u>2,746,236</u> | <u>2,728,157</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Riverside University Health | | | | | |
| Systems - Medical Center | 680,060 | 631,853 | 585,761 | 560,187 | 544,060 |
| Other activities | 328,675 | 263,173 | 252,163 | 227,588 | 172,851 |
| Capital grants and contributions | 559 | 355 | - | 87 | 552 |
| Business-type activities program revenues | <u>1,009,294</u> | <u>895,381</u> | <u>837,924</u> | <u>787,862</u> | <u>717,463</u> |
| Primary government program revenues | <u>4,554,103</u> | <u>3,987,179</u> | <u>3,655,292</u> | <u>3,534,098</u> | <u>3,445,620</u> |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government | 314,381 | 336,802 | 261,113 | 275,973 | 277,276 |
| Public protection | 1,401,403 | 2,209,120 | 1,600,054 | 1,606,348 | 1,465,762 |
| Public ways and facilities | 205,503 | 239,741 | 244,547 | 215,360 | 199,023 |
| Health and sanitation | 655,911 | 759,480 | 611,195 | 611,960 | 559,906 |
| Public assistance | 1,197,256 | 1,236,525 | 1,067,788 | 1,067,151 | 1,024,047 |
| Education | 33,123 | 32,607 | 25,220 | 23,560 | 24,603 |
| Recreation and cultural services | 20,891 | 22,939 | 19,232 | 17,345 | 17,980 |
| Interest on long-term debt | 96,782 | 69,034 | 69,630 | 63,685 | 69,874 |
| Governmental activities expenses | <u>3,925,250</u> | <u>4,906,248</u> | <u>3,898,779</u> | <u>3,881,382</u> | <u>3,638,471</u> |
| Business-type activities: | | | | | |
| Riverside University Health | | | | | |
| Systems - Medical Center | 691,361 | 738,306 | 663,496 | 636,169 | 582,419 |
| Waste Resources Department | 98,347 | 104,445 | 102,278 | 88,964 | 87,115 |
| Housing Authority | 100,036 | 99,066 | 95,929 | 98,591 | 91,783 |
| Flood Control | 2,365 | 2,245 | 2,404 | 5,183 | 3,903 |
| Riverside University Health | | | | | |
| Systems - Community Health Centers | 105,421 | 95,371 | 79,792 | 56,247 | - |
| County Service Areas | 336 | 254 | 233 | 243 | 370 |
| Aviation | 3,759 | - | - | - | - |
| Business-type activities expenses | <u>1,001,625</u> | <u>1,039,687</u> | <u>944,132</u> | <u>885,397</u> | <u>765,590</u> |
| Primary government expenses | <u>4,926,875</u> | <u>5,945,935</u> | <u>4,842,911</u> | <u>4,766,779</u> | <u>4,404,061</u> |
| Net (expense)/revenue | | | | | |
| Governmental activities | (380,441) | (1,814,450) | (1,081,411) | (1,135,146) | (910,314) |
| Business-type activities | 7,669 | (144,306) | (106,208) | (97,535) | (48,127) |
| Primary government, net (expense) / revenue | <u>\$ (372,772)</u> | <u>\$ (1,958,756)</u> | <u>\$ (1,187,619)</u> | <u>\$ (1,232,681)</u> | <u>\$ (958,441)</u> |

Source:

Auditor-Controller, County of Riverside

Table 2

| | | | | | Fiscal Year Ending June 30 | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---|--|--|--|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | | | | | |
| | | | | | Program revenues | | | | |
| | | | | | Governmental activities: | | | | |
| | | | | | Charges for services: | | | | |
| \$ 201,495 | \$ 164,830 | \$ 162,926 | \$ 138,851 | \$ 147,510 | General government | | | | |
| 398,070 | 371,237 | 352,178 | 339,379 | 316,778 | Public protection | | | | |
| 135,204 | 109,773 | 100,791 | 110,231 | 116,509 | Other activities | | | | |
| 1,907,919 | 1,800,158 | 1,593,627 | 1,503,390 | 1,447,694 | Operating grants and contributions | | | | |
| 54,134 | 31,579 | 29,890 | 27,695 | 27,909 | Capital grants and contributions | | | | |
| <u>2,696,822</u> | <u>2,477,577</u> | <u>2,239,412</u> | <u>2,119,546</u> | <u>2,056,400</u> | Governmental activities program revenues | | | | |
| | | | | | Business-type activities: | | | | |
| | | | | | Charges for services: | | | | |
| 511,666 | 504,811 | 400,630 | 450,340 | 371,827 | Riverside University Health | | | | |
| 164,860 | 161,008 | 155,336 | 150,407 | 133,838 | Systems - Medical Center | | | | |
| 2,234 | 536 | 450 | 698 | 335 | Other activities | | | | |
| 678,760 | 666,355 | 556,416 | 601,445 | 506,000 | Capital grants and contributions | | | | |
| <u>3,375,582</u> | <u>3,143,932</u> | <u>2,795,828</u> | <u>2,720,991</u> | <u>2,562,400</u> | Business-type activities program revenues | | | | |
| | | | | | Primary government program revenues | | | | |
| | | | | | Expenses | | | | |
| | | | | | Governmental activities: | | | | |
| 283,081 | 179,575 | 228,146 | 194,641 | 270,474 | General government | | | | |
| 1,328,608 | 1,217,731 | 1,191,438 | 1,065,373 | 1,047,202 | Public protection | | | | |
| 149,768 | 177,870 | 108,380 | 89,469 | 84,797 | Public ways and facilities | | | | |
| 468,382 | 499,669 | 460,963 | 422,982 | 374,950 | Health and sanitation | | | | |
| 980,550 | 970,415 | 851,246 | 807,611 | 827,092 | Public assistance | | | | |
| 23,283 | 23,409 | 24,420 | 18,998 | 10,376 | Education | | | | |
| 20,758 | 18,335 | 20,077 | 12,274 | 15,806 | Recreation and cultural services | | | | |
| 46,306 | 45,904 | 47,236 | 29,453 | 39,098 | Interest on long-term debt | | | | |
| <u>3,300,736</u> | <u>3,132,908</u> | <u>2,931,906</u> | <u>2,640,801</u> | <u>2,669,795</u> | Governmental activities expenses | | | | |
| | | | | | Business-type activities: | | | | |
| 506,338 | 468,562 | 482,240 | 473,916 | 417,074 | Riverside University Health | | | | |
| 75,358 | 56,299 | 62,721 | 53,069 | 57,272 | Systems - Medical Center | | | | |
| 88,166 | 90,903 | 94,716 | 90,678 | 91,469 | Waste Resources Department | | | | |
| 3,591 | 3,056 | 2,561 | 2,472 | 2,306 | Housing Authority | | | | |
| - | - | - | - | - | Flood Control | | | | |
| - | - | - | - | - | Riverside University Health | | | | |
| 413 | 390 | 429 | 459 | 456 | Systems - Community Health Centers | | | | |
| - | - | - | - | - | County Service Areas | | | | |
| - | - | - | - | - | Aviation | | | | |
| <u>673,866</u> | <u>619,210</u> | <u>642,667</u> | <u>620,594</u> | <u>568,577</u> | Business-type activities expenses | | | | |
| <u>3,974,602</u> | <u>3,752,118</u> | <u>3,574,573</u> | <u>3,261,395</u> | <u>3,238,372</u> | Primary government expenses | | | | |
| | | | | | Net (expense)/revenue | | | | |
| (603,914) | (655,331) | (692,494) | (521,255) | (613,395) | Governmental activities | | | | |
| 4,894 | 47,145 | (86,251) | (19,149) | (62,577) | Business-type activities | | | | |
| <u>\$ (599,020)</u> | <u>\$ (608,186)</u> | <u>\$ (778,745)</u> | <u>\$ (540,404)</u> | <u>\$ (675,972)</u> | Primary government, net (expense) / revenue | | | | |

Continued

Table 2

COUNTY OF RIVERSIDE
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)

June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Continued | | | | | |
| Primary government, net (expense) / revenue | \$ (372,772) | \$ (1,958,756) | \$ (1,187,619) | \$ (1,232,681) | \$ (958,441) |
| General revenues and other changes in net position | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property taxes | 456,794 | 424,417 | 407,895 | 387,305 | 367,937 |
| Sales and use tax | 39,204 | 30,745 | 33,673 | 27,557 | 27,881 |
| Other taxes | 62,122 | 30,996 | 29,941 | 18,634 | 20,844 |
| Intergovernmental revenue - not restricted to programs: | | | | | |
| Unrestricted intergovernmental revenue | 316,426 | 320,206 | 281,336 | 262,745 | 258,999 |
| Investment earnings | 5,263 | 44,139 | 69,755 | 26,613 | 12,918 |
| Other | 274,745 | 248,806 | 255,570 | 238,724 | 164,297 |
| Transfers | (54,670) | (55,533) | (28,292) | (15,036) | (19,916) |
| Extraordinary item | - | - | - | - | - |
| Governmental activities | <u>1,099,884</u> | <u>1,043,776</u> | <u>1,049,878</u> | <u>946,542</u> | <u>832,960</u> |
| Business-type activities: | | | | | |
| Investment earnings | 1,063 | 4,841 | 8,330 | 3,228 | 2,182 |
| Other | - | - | - | - | - |
| Transfers | 54,670 | 55,533 | 28,292 | 15,036 | 19,916 |
| Extraordinary item | - | (285) | - | 78 | 1,152 |
| Business-type activities | <u>55,733</u> | <u>60,089</u> | <u>36,622</u> | <u>18,342</u> | <u>23,250</u> |
| Total primary government | <u>1,155,617</u> | <u>1,103,865</u> | <u>1,086,500</u> | <u>964,884</u> | <u>856,210</u> |
| Change in net position | | | | | |
| Governmental activities | 719,443 | (770,674) | (31,533) | (188,604) | (77,354) |
| Business-type activities | 63,402 | (84,217) | (69,586) | (79,193) | (24,877) |
| Primary government change in net position | <u>\$ 782,845</u> | <u>\$ (854,891)</u> | <u>\$ (101,119)</u> | <u>\$ (267,797)</u> | <u>\$ (102,231)</u> |

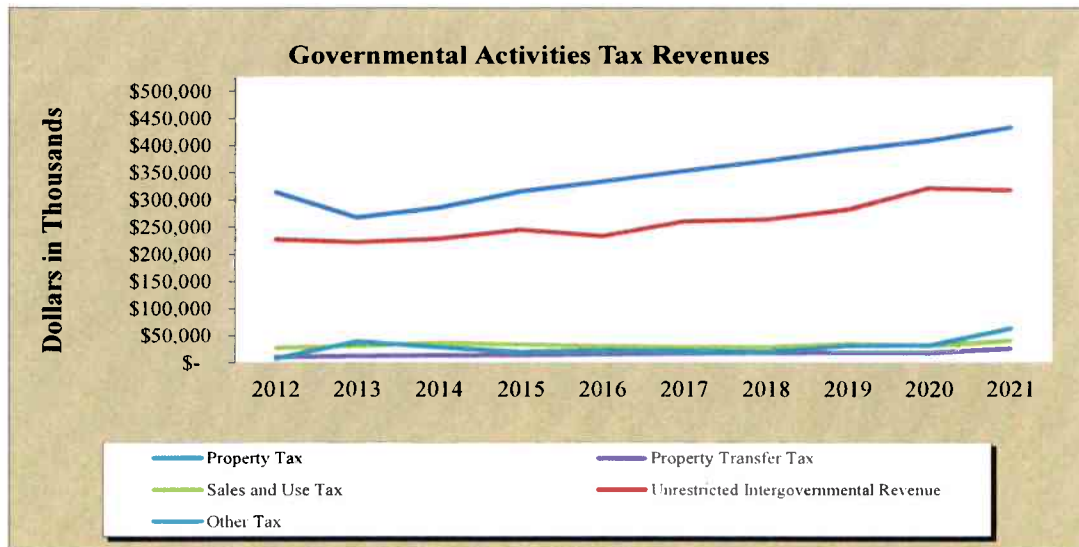
Table 2

| | | | | | Fiscal Year Ending June 30 | |
|---|--------------|--------------|--------------|--------------|-----------------------------------|---|
| 2016 | 2015 | 2014 | 2013 | 2012 | | |
| \$ (599,020) | \$ (608,186) | \$ (778,745) | \$ (540,404) | \$ (675,972) | | Continued: Primary government, net (expense) / revenue |
| General revenues and other changes in net position | | | | | | |
| Governmental activities: | | | | | | |
| Taxes: | | | | | | |
| 346,851 | 327,504 | 297,107 | 277,417 | 322,337 | | Property taxes |
| 29,573 | 32,851 | 35,443 | 29,751 | 26,744 | | Sales and use tax |
| 22,005 | 18,632 | 27,764 | 37,883 | 6,715 | | Other taxes |
| Intergovernmental revenue - not restricted to programs: | | | | | | |
| 232,453 | 244,003 | 227,303 | 220,811 | 226,384 | | Unrestricted intergovernmental revenue |
| 12,948 | 8,700 | 11,317 | 2,035 | 11,801 | | Investment earnings |
| 160,521 | 164,177 | 167,992 | 168,454 | 169,399 | | Other |
| (22,478) | (11,250) | (9,644) | (1,049) | (11,702) | | Transfers |
| - | - | - | (158,337) | 502,638 | | Extraordinary item |
| 781,873 | 784,617 | 757,282 | 576,965 | 1,254,316 | | Governmental activities |
| Business-type activities: | | | | | | |
| 2,720 | 895 | 1,319 | (33) | 907 | | Investment earnings |
| - | - | - | - | - | | Other |
| 22,478 | 11,250 | 9,645 | 1,049 | 11,702 | | Transfers |
| (2,803) | (905) | (9,698) | 154,589 | - | | Extraordinary item |
| 22,395 | 11,240 | 1,266 | 155,605 | 12,609 | | Business-type activities |
| 804,268 | 795,857 | 758,548 | 732,570 | 1,266,925 | | Total primary government |
| Change in net position | | | | | | |
| 177,959 | 129,286 | 64,788 | 55,710 | 640,921 | | Governmental activities |
| 27,289 | 58,385 | (84,985) | 136,456 | (49,968) | | Business-type activities |
| \$ 205,248 | \$ 187,671 | \$ (20,197) | \$ 192,166 | \$ 590,953 | | Primary government change in net position |

Table 3

COUNTY OF RIVERSIDE
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2021

| Fiscal Year Ending June 30 | Property Tax | Property Transfer Tax | Sales and Use Tax | Unrestricted Intergovernmental Revenue | Other Tax | Total |
|-----------------------------------|---------------------|------------------------------|--------------------------|---|------------------|--------------|
| 2021 | \$ 432,227 | \$ 24,567 | \$ 39,204 | \$ 316,426 | \$ 62,122 | \$ 874,546 |
| 2020 | 407,675 | 16,742 | 30,745 | 320,206 | 30,996 | 806,364 |
| 2019 | 390,794 | 17,101 | 33,673 | 281,336 | 29,941 | 752,845 |
| 2018 | 370,860 | 16,445 | 27,557 | 262,745 | 18,634 | 696,241 |
| 2017 | 352,132 | 15,805 | 27,881 | 258,999 | 20,844 | 675,661 |
| 2016 | 332,338 | 14,513 | 29,573 | 232,453 | 22,005 | 630,882 |
| 2015 | 314,599 | 12,905 | 32,851 | 244,003 | 18,632 | 622,990 |
| 2014 | 284,819 | 12,288 | 35,443 | 227,303 | 27,764 | 587,617 |
| 2013 | 266,294 | 11,123 | 29,751 | 220,811 | 37,883 | 565,862 |
| 2012 | 312,972 | 9,365 | 26,744 | 226,384 | 6,715 | 582,180 |



Source: Auditor-Controller, County of Riverside



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Table 4

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| General Fund | | | | | |
| Nonspendable | \$ 2,756 | \$ 2,466 | \$ 2,416 | \$ 3,470 | \$ 2,314 |
| Restricted | 142,367 | 112,711 | 102,288 | 95,881 | 95,130 |
| Committed | 15,070 | 14,844 | 18,320 | 23,290 | 21,907 |
| Assigned | 35,900 | 13,702 | 14,196 | 12,464 | 10,989 |
| Unassigned | 370,807 | 257,959 | 275,181 | 234,477 | 217,891 |
| Total general fund | 566,900 | 401,682 | 412,401 | 369,582 | 348,231 |
| Transportation | | | | | |
| Nonspendable | 1,376 | 1,245 | 1,278 | 1,223 | 1,113 |
| Restricted | 100,797 | 89,403 | 87,536 | 65,359 | 61,357 |
| Committed | 5,528 | 4,587 | 4,519 | 3,828 | 3,092 |
| Assigned | 19,516 | 15,862 | 15,458 | 15,119 | 15,256 |
| Total transportation | 127,217 | 111,097 | 108,791 | 85,529 | 80,818 |
| Flood Control | | | | | |
| Nonspendable | 1 | 1 | 1 | 1 | 68 |
| Restricted | 274,600 | 273,549 | 257,268 | 236,080 | 225,328 |
| Committed | - | - | - | - | - |
| Assigned | - | - | - | - | - |
| Total Flood Control | 274,601 | 273,550 | 257,269 | 236,081 | 225,396 |
| CARES Act Coronavirus Relief | | | | | |
| Restricted | 1,781 | 1,774 | - | - | - |
| Total CARES Act Coronavirus Relief | 1,781 | 1,774 | - | - | - |
| ARP Act Coronavirus Relief | | | | | |
| Restricted | 130 | - | - | - | - |
| Total ARP Act Coronavirus Relief | 130 | - | - | - | - |
| Nonmajor Governmental Funds | | | | | |
| Nonspendable | 1,282 | 6,073 | 1,320 | 1,337 | 1,263 |
| Restricted | 290,140 | 313,943 | 146,731 | 165,986 | 167,975 |
| Committed reported in: | | | | | |
| Special revenue funds | 61,149 | 6,863 | 6,492 | 6,360 | 4,906 |
| Capital projects funds | 9,770 | 9,358 | 165,634 | 204,048 | 253,737 |
| Assigned | 43,007 | 67,185 | 11,393 | 14,776 | 17,453 |
| Total nonmajor governmental funds | 405,348 | 403,422 | 331,570 | 392,507 | 445,334 |
| Total all governmental funds | \$ 1,375,977 | \$ 1,191,525 | \$ 1,110,031 | \$ 1,083,699 | \$ 1,099,779 |

Note: In fiscal year 2020, the Public Facilities Improvement and Public Financing Authority Capital Projects Funds became nonmajor funds and the CARES Act Coronavirus Relief Fund and the Pension Obligation Fund became major funds. The balances for the Public Facilities Improvement and Public Financing Authority Capital Projects Funds have been reclassified to Nonmajor Governmental Funds under Committed - Capital Projects funds. In fiscal year 2021, the ARP Act Coronavirus Relief Fund became a major fund and the Pension Obligation Fund became a Nonmajor fund. The balances for the Pension Obligation Fund have been reclassified to Nonmajor Governmental Funds under Restricted and Assigned funds.

Source: Auditor-Controller, County of Riverside

Table 4

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|-------------------------------------|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Fund | | | | | |
| Nonspendable | \$ 2,369 | \$ 2,001 | \$ 2,045 | \$ 3,247 | \$ 1,834 |
| Restricted | 99,639 | 122,967 | 117,595 | 101,440 | 101,651 |
| Committed | 40,310 | 39,422 | 32,820 | 42,183 | 52,439 |
| Assigned | 11,870 | 5,144 | 7,772 | 10,460 | 8,764 |
| Unassigned | 217,322 | 225,855 | 203,444 | 199,919 | 171,910 |
| Total general fund | <u>371,510</u> | <u>395,389</u> | <u>363,676</u> | <u>357,249</u> | <u>336,598</u> |
| Transportation | | | | | |
| Nonspendable | 3,654 | 3,776 | 1,101 | 1,044 | 1,014 |
| Restricted | 68,191 | 49,875 | 62,767 | 79,127 | 95,805 |
| Committed | 2,847 | 2,719 | 2,244 | 1,310 | 1,811 |
| Assigned | 12,578 | 14,782 | 14,063 | 12,821 | 4,935 |
| Total transportation | <u>87,270</u> | <u>71,152</u> | <u>80,175</u> | <u>94,302</u> | <u>103,565</u> |
| Flood Control | | | | | |
| Nonspendable | 366 | 731 | 1 | 1 | 1 |
| Restricted | 205,957 | 236,749 | - | - | - |
| Committed | - | - | 258,580 | 253,117 | 252,368 |
| Assigned | - | 3,174 | - | 1,807 | 3,890 |
| Total Flood Control | <u>206,323</u> | <u>240,654</u> | <u>258,581</u> | <u>254,925</u> | <u>256,259</u> |
| CARES Act Coronavirus Relief | | | | | |
| Restricted | - | - | - | - | - |
| Total CARES Act Coronavirus Relief | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| ARP Act Coronavirus Relief | | | | | |
| Restricted | - | - | - | - | - |
| Total ARP Act Coronavirus Relief | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Nonmajor Governmental Funds | | | | | |
| Nonspendable | 1,225 | 1,181 | 1,208 | 1,168 | 1,241 |
| Restricted | 168,868 | 168,472 | 182,139 | 174,552 | 354,214 |
| Committed reported in: | | | | | |
| Special revenue funds | 2,830 | 4,402 | 9,750 | 15,763 | 12,973 |
| Capital projects funds | 364,878 | 441,119 | 134,663 | 199,711 | 242,831 |
| Assigned | 29,186 | 34,552 | 32,370 | 17,088 | 25,763 |
| Total nonmajor governmental funds | <u>566,987</u> | <u>649,726</u> | <u>360,130</u> | <u>408,282</u> | <u>637,022</u> |
| Total all governmental funds | <u>\$ 1,232,090</u> | <u>\$ 1,356,921</u> | <u>\$ 1,062,562</u> | <u>\$ 1,114,758</u> | <u>\$ 1,333,444</u> |

Note: In fiscal year 2020, the Public Facilities Improvement and Public Financing Authority Capital Projects Funds became nonmajor funds and the CARES Act Coronavirus Relief Fund and the Pension Obligation Fund became major funds. The balances for the Public Facilities Improvement and Public Financing Authority Capital Projects Funds have been reclassified to Nonmajor Governmental Funds under Committed - Capital Projects funds. In fiscal year 2021, the ARP Act Coronavirus Relief Fund became a major fund and the Pension Obligation Fund became a Nonmajor fund. The balances for the Pension Obligation Fund have been reclassified to Nonmajor Governmental Funds under Restricted and Assigned funds.

Source: Auditor-Controller, County of Riverside

Table 5

COUNTY OF RIVERSIDE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|---|----------------------------|------------------|------------------|--------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Revenues | | | | | |
| Taxes | \$ 560,368 | \$ 485,325 | \$ 470,567 | \$ 433,684 | \$ 416,940 |
| Licenses, permits, and franchise fees | 24,782 | 23,166 | 24,116 | 23,219 | 22,251 |
| Fines, forfeitures, and penalties | 62,426 | 55,103 | 65,497 | 65,833 | 71,196 |
| Use of money and property: | | | | | |
| Investments earnings | 5,131 | 39,335 | 61,620 | 24,449 | 12,234 |
| Rents and concessions | 25,136 | 28,322 | 25,890 | 25,318 | 24,990 |
| Aid from other governmental agencies: | | | | | |
| Federal | 1,211,369 | 881,204 | 637,639 | 675,110 | 691,080 |
| State | 1,662,058 | 1,573,917 | 1,508,938 | 1,441,178 | 1,356,683 |
| Other | 210,497 | 192,685 | 186,613 | 176,556 | 171,474 |
| Charges for services | 661,127 | 660,621 | 643,080 | 602,835 | 635,236 |
| Other revenue | 116,864 | 104,743 | 103,272 | 104,119 | 102,294 |
| Total revenues | 4,539,758 | 4,044,421 | 3,727,232 | 3,572,301 | 3,504,378 |
| Expenditures | | | | | |
| General government | 267,947 | 263,104 | 217,106 | 241,946 | 231,308 |
| Public protection | 1,637,339 | 2,013,437 | 1,395,886 | 1,342,978 | 1,331,768 |
| Public ways and facilities | 281,742 | 287,734 | 274,237 | 217,851 | 226,388 |
| Health and sanitation | 659,248 | 693,801 | 561,127 | 545,785 | 538,734 |
| Public assistance | 1,192,222 | 1,152,440 | 996,260 | 977,633 | 988,773 |
| Education | 34,045 | 24,745 | 25,145 | 21,456 | 21,449 |
| Recreation and cultural services | 16,107 | 20,540 | 22,305 | 16,544 | 21,042 |
| Debt service: | | | | | |
| Principal | 120,138 | 83,757 | 68,828 | 70,419 | 48,711 |
| Interest | 79,758 | 68,970 | 69,177 | 63,295 | 63,899 |
| Cost of issuance | 727 | 4,813 | 2,298 | 1,431 | 1,074 |
| Capital outlay | 18,687 | 41,107 | 34,405 | 94,975 | 220,006 |
| Total expenditures | 4,307,960 | 4,654,448 | 3,666,774 | 3,594,313 | 3,693,152 |
| Revenues over (under) expenditures | 231,798 | (610,027) | 60,458 | (22,012) | (188,774) |
| Other financing sources (uses) | | | | | |
| Transfers in | 651,925 | 442,637 | 282,999 | 269,388 | 280,223 |
| Transfers out | (705,486) | (500,976) | (312,577) | (287,143) | (299,908) |
| Issuance of debt | - | 719,995 | - | 10,610 | - |
| Issuance of refunding bonds | - | 12,875 | 100,000 | 58,565 | 39,985 |
| Discount on long-term debt | - | - | - | - | - |
| Premium on long-term debt | - | - | - | 4,096 | 5,216 |
| Redemption of bonds | - | (12,559) | (110,835) | - | - |
| Redemption of refunded debt | - | - | - | - | - |
| Contribution to governmental agency | - | - | - | - | (33,353) |
| Payment to escrow agent | - | - | - | (64,285) | - |
| Proceeds from the sale of capital assets | - | - | - | - | 11 |
| Capital leases | 6,215 | 24,409 | 6,287 | 6,486 | 64,289 |
| Total other financing sources (uses) | (47,346) | 686,381 | (34,126) | (2,283) | 56,463 |
| Net change in fund balances | \$ 184,452 | \$ 76,354 | \$ 26,332 | \$ (24,295) | \$ (132,311) |
| Debt service as a % of non-capital expenditures | 4.96% | 3.47% | 4.07% | 4.08% | 3.36% |

Source: Auditor-Controller, County of Riverside

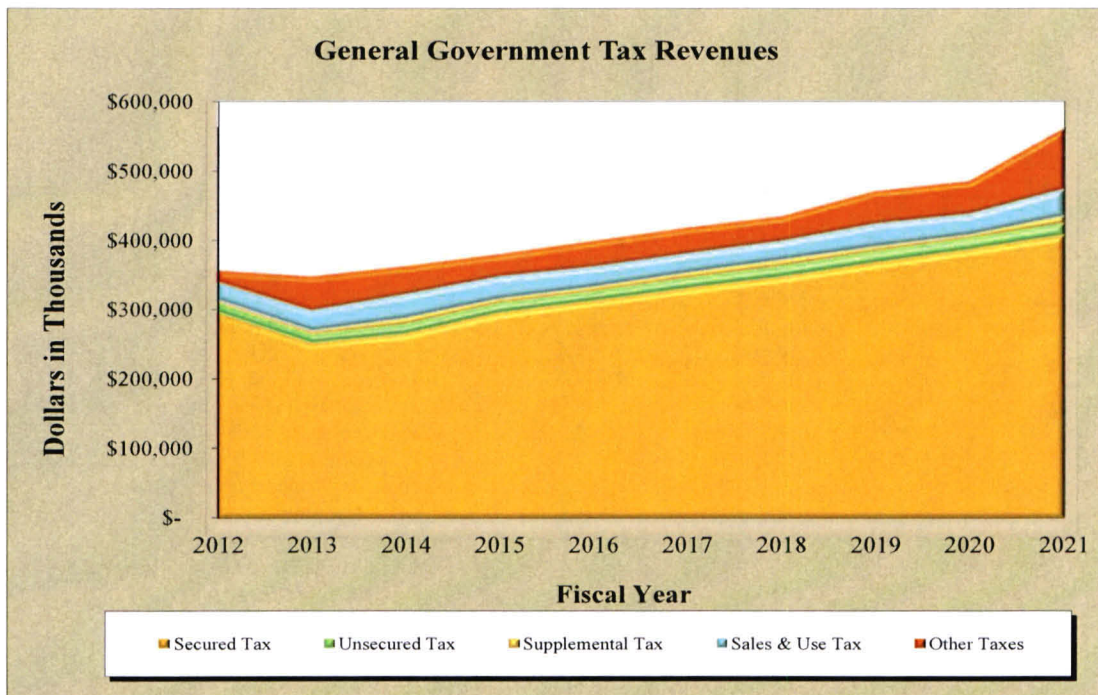
Table 5

| | | | | | Fiscal Year Ending June 30 | | | | | |
|-------------|-----------|-------------|-----------|-------------|-----------------------------------|-------------|-----------|-------------|-----------|---|
| 2016 | | 2015 | | 2014 | | 2013 | | 2012 | | |
| \$ | 398,139 | \$ | 379,358 | \$ | 361,900 | \$ | 347,166 | \$ | 355,796 | Revenues |
| | 22,782 | | 21,893 | | 20,377 | | 18,798 | | 19,513 | Taxes |
| | 74,349 | | 79,059 | | 82,290 | | 86,381 | | 90,163 | Licenses, permits, and franchise fees |
| | | | | | | | | | | Fines, forfeitures, and penalties |
| | 11,736 | | 7,989 | | 10,187 | | 2,370 | | 10,827 | Use of money and property: |
| | 51,695 | | 25,548 | | 29,925 | | 19,246 | | 19,588 | Investments earnings |
| | | | | | | | | | | Rents and concessions |
| | 686,964 | | 634,269 | | 544,478 | | 569,330 | | 577,654 | Aid from other governmental agencies: |
| | 1,345,344 | | 1,304,580 | | 1,172,107 | | 1,047,485 | | 986,658 | Federal |
| | 163,165 | | 153,687 | | 136,461 | | 132,120 | | 156,678 | State |
| | 585,977 | | 519,382 | | 483,346 | | 464,274 | | 449,888 | Other |
| | 49,934 | | 119,337 | | 88,055 | | 91,329 | | 95,119 | Charges for services |
| | | | | | | | | | | Other revenue |
| | 3,390,085 | | 3,245,102 | | 2,929,126 | | 2,778,499 | | 2,761,884 | Total revenues |
| | | | | | | | | | | Expenditures |
| | 219,333 | | 190,209 | | 214,212 | | 208,242 | | 291,227 | General government |
| | 1,271,121 | | 1,202,873 | | 1,186,900 | | 1,117,397 | | 1,072,442 | Public protection |
| | 299,431 | | 292,096 | | 177,965 | | 177,467 | | 168,015 | Public ways and facilities |
| | 470,022 | | 482,545 | | 421,494 | | 393,557 | | 375,668 | Health and sanitation |
| | 983,963 | | 928,098 | | 851,061 | | 798,850 | | 802,104 | Public assistance |
| | 20,003 | | 20,755 | | 19,470 | | 18,819 | | 18,942 | Education |
| | 24,232 | | 23,716 | | 15,911 | | 16,590 | | 15,220 | Recreation and cultural services |
| | | | | | | | | | | Debt service: |
| | 68,951 | | 83,928 | | 70,840 | | 55,363 | | 65,002 | Principal |
| | 44,091 | | 44,005 | | 45,953 | | 27,988 | | 49,041 | Interest |
| | 895 | | 950 | | 623 | | 378 | | 15 | Cost of issuance |
| | 92,800 | | 103,211 | | 58,046 | | 25,427 | | 22,583 | Capital outlay |
| | 3,494,842 | | 3,372,386 | | 3,062,475 | | 2,840,078 | | 2,880,259 | Total expenditures |
| | (104,757) | | (127,284) | | (133,349) | | (61,579) | | (118,375) | Revenues over (under) expenditures |
| | | | | | | | | | | Other financing sources (uses) |
| | 350,235 | | 550,783 | | 248,448 | | 231,574 | | 323,052 | Transfers in |
| | (373,384) | | (559,368) | | (253,012) | | (233,809) | | (332,724) | Transfers out |
| | - | | 346,000 | | 64,000 | | - | | - | Issuance of debt |
| | 72,825 | | - | | 20,510 | | 19,140 | | 33,360 | Issuance of refunding bonds |
| | - | | - | | - | | - | | - | Discount on long-term debt |
| | 7,612 | | 28,699 | | 1,338 | | 759 | | 2,840 | Premium on long-term debt |
| | - | | - | | - | | - | | - | Redemption of bonds |
| | (89,345) | | - | | - | | (18,155) | | (32,797) | Redemption of refunded debt |
| | - | | - | | - | | - | | - | Contribution to governmental agency |
| | - | | - | | - | | - | | - | Payment to escrow agent |
| | - | | - | | - | | - | | - | Proceeds from the sale of capital assets |
| | 11,829 | | 54,529 | | 2,965 | | 1,721 | | 2,671 | Capital leases |
| | (20,228) | | 420,643 | | 84,249 | | 1,230 | | (3,598) | Total other financing sources (uses) |
| \$ | (124,985) | \$ | 293,359 | \$ | (49,100) | \$ | (60,349) | \$ | (121,973) | Net change in fund balances |
| | 3.63% | | 4.27% | | 4.21% | | 3.35% | | 4.50% | Debt service as a % of non-capital expenditures |

Table 6

COUNTY OF RIVERSIDE
General Government Tax Revenues By Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Dollars in Thousands)
June 30, 2021

| Fiscal Year Ending June 30 | Secured Tax | Unsecured Tax | Supplemental Tax | Sales & Use Tax | Other Taxes | Total |
|-----------------------------------|--------------------|----------------------|-------------------------|----------------------------|--------------------|--------------|
| 2021 | \$ 406,849 | \$ 16,902 | \$ 10,724 | \$ 39,204 | \$ 86,688 | \$ 560,368 |
| 2020 | 385,696 | 16,586 | 4,560 | 30,745 | 47,738 | 485,325 |
| 2019 | 367,329 | 16,252 | 6,271 | 33,673 | 47,042 | 470,567 |
| 2018 | 346,927 | 15,208 | 8,913 | 27,557 | 35,079 | 433,684 |
| 2017 | 329,728 | 15,220 | 7,461 | 27,881 | 36,650 | 416,940 |
| 2016 | 312,004 | 13,798 | 6,247 | 29,573 | 36,517 | 398,139 |
| 2015 | 294,888 | 13,909 | 6,168 | 32,851 | 31,542 | 379,358 |
| 2014 | 264,643 | 13,597 | 8,165 | 35,443 | 40,052 | 361,900 |
| 2013 | 251,236 | 12,459 | 4,714 | 29,751 | 49,006 | 347,166 |
| 2012 | 295,974 | 13,499 | 3,498 | 26,626 | 16,199 | 355,796 |



Source: Auditor-Controller, County of Riverside

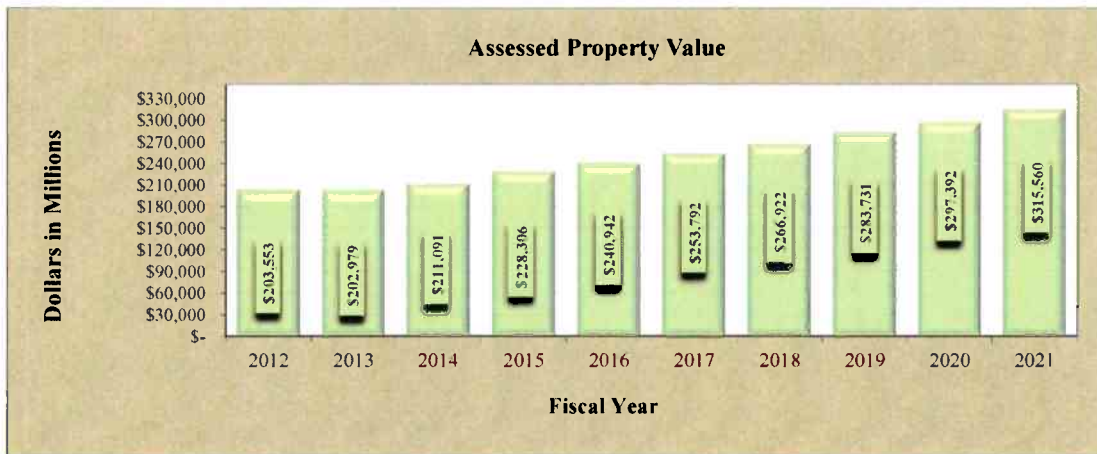


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Table 7

COUNTY OF RIVERSIDE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|--|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Real property | | | | | |
| Secured property | \$ 317,654,632 | \$ 299,750,052 | \$ 283,711,524 | \$ 267,148,195 | \$ 253,728,054 |
| Unsecured property | 9,682,719 | 9,193,355 | 9,113,732 | 8,320,830 | 8,200,349 |
| Total gross assessed value | 327,337,351 | 308,943,407 | 292,825,256 | 275,469,025 | 261,928,403 |
| Less: | | | | | |
| Tax-exempt real property | 11,777,036 | 11,551,305 | 9,093,789 | 8,546,894 | 8,136,300 |
| Total taxable assessed value | \$ 315,560,315 | \$ 297,392,102 | \$ 283,731,467 | \$ 266,922,131 | \$ 253,792,103 |
| Total direct tax rate | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Estimated actual taxable value | \$ 420,747,086 | \$ 396,522,803 | \$ 378,308,623 | \$ 355,896,174 | \$ 338,389,470 |
| Assessed value as a % of actual value | 77.80% | 77.91% | 77.40% | 77.40% | 77.40% |



Source: Auditor-Controller, County of Riverside

Table 7

| Fiscal Year Ending June 30 | | | | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| \$ 240,984,595 | \$ 228,131,826 | \$ 210,523,063 | \$ 201,971,552 | \$ 202,313,851 | Real property |
| 7,717,964 | 7,676,875 | 7,868,150 | 8,123,443 | 8,057,242 | Secured property |
| 248,702,559 | 235,808,701 | 218,391,213 | 210,094,995 | 210,371,093 | Unsecured property |
| 7,760,338 | 7,502,942 | 7,300,462 | 7,116,048 | 6,818,361 | Total gross assessed value |
| \$ 240,942,220 | \$ 228,305,760 | \$ 211,090,751 | \$ 202,978,947 | \$ 203,552,732 | Less: |
| | | | | | Tax-exempt real property |
| | | | | | Total taxable assessed value |
| 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | Total direct tax rate |
| \$ 321,256,295 | \$ 304,407,678 | \$ 281,454,335 | \$ 270,638,596 | \$ 271,403,643 | Estimated actual taxable value |
| 77.42% | 77.46% | 77.59% | 77.63% | 77.51% | Assessed value as a % of actual value |

Table 8

**COUNTY OF RIVERSIDE
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
June 30, 2021**

| Fiscal Year Ending June 30 | County Direct Rates | | Range of Overlapping Rates | | | |
|----------------------------|---------------------------|--------------|----------------------------|-----------------------------|------------------------------|----------------------------------|
| | Secured Property Tax Levy | Debt Service | Total City Rate | Total School Districts Rate | Total Special Districts Rate | Total Direct & Overlapping Rates |
| 2021 | 1.00000% | 0.11711% | 0% to 0.00531% | 0% to 0.15291% | 0% to 0.50000% | 1.11711% to 1.50000% |
| 2020 | 1.00000% | 0.11638% | 0% to 0.00543% | 0% to 0.14876% | 0% to 0.50000% | 1.11638% to 1.50000% |
| 2019 | 1.00000% | 0.11550% | 0% to 0.00592% | 0% to 0.15291% | 0% to 0.50000% | 1.11550% to 1.50000% |
| 2018 | 1.00000% | 0.11550% | 0% to 0.00608% | 0% to 0.17609% | 0% to 0.50000% | 1.11550% to 1.50000% |
| 2017 | 1.00000% | 0.11550% | 0% to 0.00617% | 0% to 0.16601% | 0% to 0.50000% | 1.11550% to 1.50000% |
| 2016 | 1.00000% | 0.11440% | 0% to 0.00576% | 0% to 0.15335% | 0% to 0.50000% | 1.11440% to 1.50000% |
| 2015 | 1.00000% | 0.14640% | 0% to 0.00626% | 0% to 0.17234% | 0% to 0.53052% | 1.14640% to 1.53052% |
| 2014 | 1.00000% | 0.13830% | 0% to 0.00673% | 0.01768% to 0.17571% | 0% to 0.55075% | 1.13830% to 1.55075% |
| 2013 | 1.00000% | 0.14340% | 0% to 0.00572% | 0.01702% to 0.17570% | 0% to 0.58076% | 1.14340% to 1.58076% |
| 2012 | 1.00000% | 0.12540% | 0% to 0.00571% | 0.01700% to 0.14030% | 0% to 0.53864% | 1.12540% to 1.53864% |

Note: Total direct tax rate encompasses general levy, special assessments, and fixed charges.

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

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

Source: Auditor-Controller, County of Riverside

Table 9

COUNTY OF RIVERSIDE
Principal Property Tax Payers
(Dollars in Thousands)
Current Year and Nine Years Ago
June 30, 2021

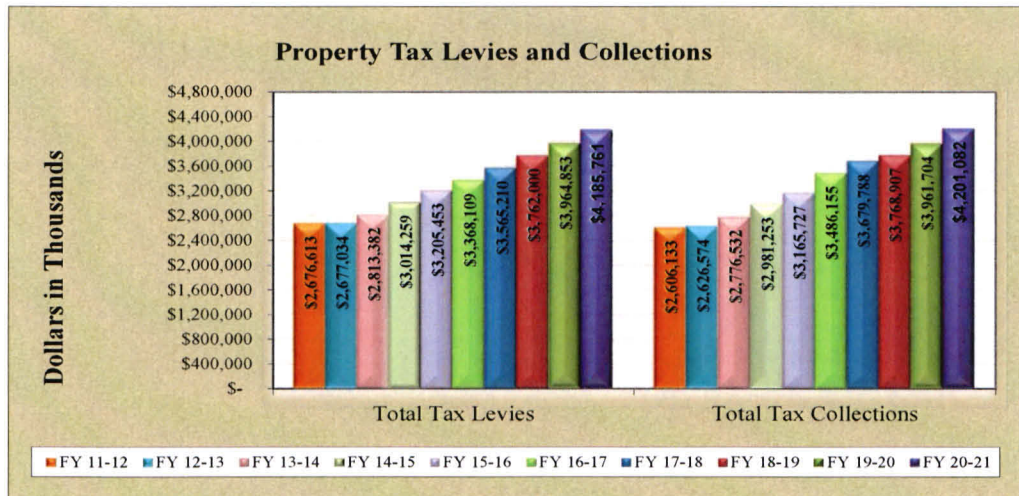
| <u>Tax payer</u> | Fiscal Year | | | |
|--|------------------------------|---|------------------------------|---|
| | 2021 | | 2012 | |
| | Taxable Assessed Value | Percentage of Total County Taxable Assessed Value | Taxable Assessed Value | Percentage of Total County Taxable Assessed Value |
| Southern California Edison Company | \$ 68,219 | 1.58% | \$ 23,447 | 0.83% |
| Walgreen Co. | - | 0.00% | 3,015 | 0.11% |
| Wells Fargo Bank | - | 0.00% | 3,105 | 0.11% |
| Southern California Gas Company | 22,152 | 0.51% | 6,554 | 0.23% |
| Frontier California, Inc. | 6,836 | 0.16% | - | 0.00% |
| Sentinel Energy Center, LLC | 5,920 | 0.14% | - | 0.00% |
| Verizon California, Inc. | - | 0.00% | 10,214 | 0.36% |
| Duke Realty LTD Partnership | 5,285 | 0.12% | - | 0.00% |
| Inland Empire Energy Center LLC | - | 0.00% | 8,423 | 0.30% |
| Federal Natl Mortgage Assn | - | 0.00% | 6,612 | 0.23% |
| Abbott Vascular Inc. | - | 0.00% | 3,096 | 0.11% |
| Costco Wholesale Group | 4,968 | 0.12% | - | 0.00% |
| Temecula Hotel Partners Old Town Holdings CO | 4,952 | 0.11% | - | 0.00% |
| Amazon Services Inc. | 4,948 | 0.11% | - | 0.00% |
| USEF CROSSROADS II | 4,387 | 0.10% | - | 0.00% |
| Chelsea GCA Realty Partnership | 3,965 | 0.09% | - | 0.00% |
| Tyler Mall Ltd Partnership | - | 0.00% | 2,881 | 0.10% |
| Standard Pacific Corp | - | 0.00% | 2,873 | 0.10% |
| Total | \$ 131,632 | 3.04% | \$ 70,220 | 2.48% |

Source: Treasurer-Tax Collector, County of Riverside

Table 10

COUNTY OF RIVERSIDE
Property Tax Levies and Collections
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2021

| Fiscal Year Ending June 30 | Total Secured Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Delinquent Collections in Fiscal Year From Prior Levys | Total Collections as of June 30* | |
|----------------------------------|--|---|-----------------------|--|----------------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2021 | \$ 4,185,761 | \$ 4,115,033 | 98.31% | \$ 86,049 | \$ 4,201,082 | 100.37% |
| 2020 | 3,964,853 | 3,881,514 | 97.90% | 80,190 | 3,961,704 | 99.92% |
| 2019 | 3,762,000 | 3,704,818 | 98.48% | 64,089 | 3,768,907 | 100.18% |
| 2018 | 3,565,210 | 3,522,630 | 98.81% | 157,158 | 3,679,788 | 103.21% |
| 2017 | 3,368,109 | 3,322,587 | 98.65% | 163,568 | 3,486,155 | 103.50% |
| 2016 | 3,205,453 | 3,159,497 | 98.57% | 6,230 | 3,165,727 | 98.76% |
| 2015 | 3,014,259 | 2,968,113 | 98.47% | 13,140 | 2,981,253 | 98.91% |
| 2014 | 2,813,382 | 2,763,665 | 98.23% | 12,867 | 2,776,532 | 98.69% |
| 2013 | 2,677,034 | 2,618,818 | 97.83% | 7,756 | 2,626,574 | 98.12% |
| 2012 | 2,676,613 | 2,605,691 | 97.35% | 442 | 2,606,133 | 97.37% |



*Total collections as of June 30 include delinquent collections in the fiscal year from prior levys (not including interest and penalties) which may result in total collections to be more than 100% of current secured levy. Delinquent collections by year of levy is unavailable.

Source: Auditor-Controller, County of Riverside

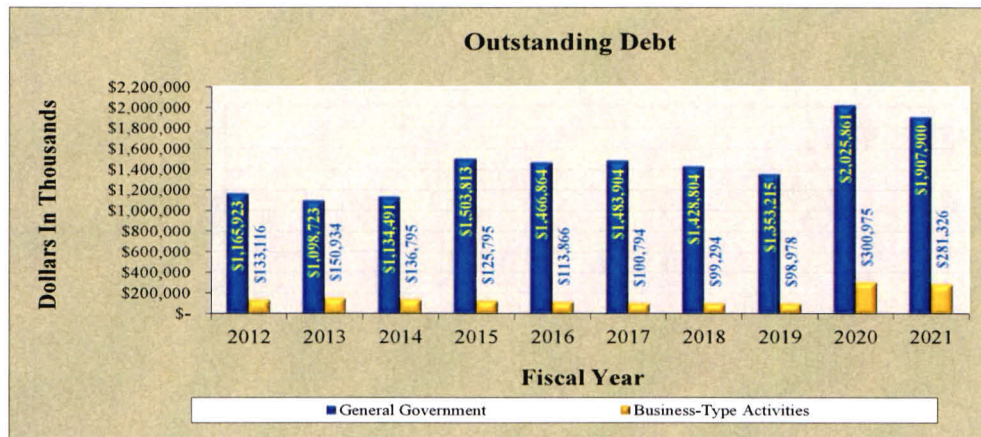


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Table 11

COUNTY OF RIVERSIDE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|--------------------------------------|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| General government | | | | | |
| Bonds | \$ 1,764,922 | \$ 1,854,575 | \$ 1,189,065 | \$ 1,232,234 | \$ 1,206,942 |
| Certificates of participation | 22,834 | 41,669 | 60,265 | 78,128 | 94,467 |
| Notes and loans | - | 330 | 980 | 1,600 | 2,205 |
| Capital leases | 120,144 | 129,287 | 102,905 | 116,842 | 180,290 |
| Business-type activities | | | | | |
| Bonds | 53,810 | 58,873 | 64,254 | 77,773 | 92,371 |
| Capital leases | 227,516 | 242,102 | 34,724 | 21,521 | 8,423 |
| Total primary government | \$ 2,189,226 | \$ 2,326,836 | \$ 1,452,193 | \$ 1,528,098 | \$ 1,584,698 |
| Percentage of personal income | 2.30% | 2.51% | 1.61% | 1.75% | 1.88% |
| Per capita | \$ 892 | \$ 953 | \$ 595 | \$ 633 | \$ 665 |



Note: Per Capita is an estimate for fiscal years 2019-20 and 2020-21.

Source: California State Department of Finance
 Auditor-Controller, County of Riverside
 Bureau of Economic Analysis

Table 11

| | | Fiscal Year Ending June 30 | | | | | |
|---------------------------------|---------------------|-----------------------------------|---------------------|---------------------|--------------------------------------|--|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | | | |
| General government | | | | | | | |
| \$ 1,195,027 | \$ 1,141,497 | \$ 810,186 | \$ 744,460 | \$ 750,492 | Bonds | | |
| 108,937 | 211,688 | 240,593 | 282,095 | 309,511 | Certificates of participation | | |
| 2,790 | 3,350 | 3,890 | 4,420 | 4,925 | Notes and loans | | |
| 160,110 | 147,278 | 79,822 | 67,748 | 100,995 | Capital leases | | |
| Business-type activities | | | | | | | |
| 106,428 | 119,917 | 132,941 | 143,710 | 121,061 | Bonds | | |
| 7,438 | 5,878 | 3,854 | 7,224 | 12,055 | Capital leases | | |
| \$ 1,580,730 | \$ 1,629,608 | \$ 1,271,286 | \$ 1,249,657 | \$ 1,299,039 | Total primary government | | |
| 1.95% | 2.23% | 1.65% | 1.66% | 1.78% | Percentage of personal income | | |
| \$ 673 | \$ 765 | \$ 558 | \$ 554 | \$ 583 | Per capita | | |

Table 12

COUNTY OF RIVERSIDE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Bonds | \$ 1,818,732 | 1,913,448 | 1,253,319 | \$ 1,310,007 | \$ 1,299,313 |
| Less: | | | | | |
| Amounts available in debt service fund | <u>43,243</u> | <u>26,221</u> | <u>35,808</u> | <u>48,823</u> | <u>63,634</u> |
| Total net obligation bonds outstanding | <u>\$ 1,775,489</u> | <u>\$ 1,887,227</u> | <u>\$ 1,217,511</u> | <u>\$ 1,261,184</u> | <u>\$ 1,235,679</u> |
| Percentage of estimated | | | | | |
| Actual taxable value of property | 0.42% | 0.48% | 0.32% | 0.35% | 0.37% |
| Per capita | \$ 723 | \$ 773 | \$ 499 | \$ 522 | \$ 518 |

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

Source: California State Department of Finance

Table 12

COUNTY OF RIVERSIDE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Bonds | \$ 1,818,732 | 1,913,448 | 1,253,319 | \$ 1,310,007 | \$ 1,299,313 |
| Less: | | | | | |
| Amounts available in debt service fund | 43,243 | 26,221 | 35,808 | 48,823 | 63,634 |
| Total net obligation bonds outstanding | \$ 1,775,489 | \$ 1,887,227 | \$ 1,217,511 | \$ 1,261,184 | \$ 1,235,679 |
| Percentage of estimated | | | | | |
| Actual taxable value of property | 0.42% | 0.48% | 0.32% | 0.35% | 0.37% |
| Per capita | \$ 723 | \$ 773 | \$ 499 | \$ 522 | \$ 518 |

Table 13

COUNTY OF RIVERSIDE
Direct and Overlapping Governmental Activities Debt
as of June 30, 2021
(Dollars in Thousands)

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Applicable Percentage</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|--|--|
| Debt repaid with property taxes: County | \$ 13,462,377 | 85.82791% | <u>\$ 11,554,477</u> |
| Subtotal, overlapping debt | | | 11,554,477 |
| County of Riverside direct debt | | | <u>1,907,900</u> |
| Total direct and overlapping debt | | | <u>\$ 13,462,377</u> |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc.



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Table 14

COUNTY OF RIVERSIDE
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2021

| | Fiscal Year Ending June 30 | | | | |
|---|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Debt limit | \$ 3,944,504 | \$ 3,717,401 | \$ 3,546,643 | \$ 3,336,527 | \$ 3,172,401 |
| Total net debt applicable to limit | <u>(1,775,489)</u> | <u>(1,887,227)</u> | <u>(1,217,511)</u> | <u>(1,261,184)</u> | <u>(1,235,679)</u> |
| Legal debt margin | <u>\$ 2,169,015</u> | <u>\$ 1,830,174</u> | <u>\$ 2,329,132</u> | <u>\$ 2,075,343</u> | <u>\$ 1,936,722</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 45.0% | 50.8% | 34.3% | 37.8% | 39.0% |

Legal Debt Margin Calculated for Fiscal Year 2021

| | |
|---|---------------------|
| Assessed value | \$ 317,547,555 |
| Less: Homeowners exemptions | <u>1,987,241</u> |
| Total assessed value | <u>315,560,314</u> |
| Debt limit (1.25% of total assessed value) | <u>3,944,504</u> |
| Debt applicable to limit: | |
| General obligation bonds (Governmental & Business-type) | 1,818,732 |
| Less: Amount set aside for repayment of general obligation debt | <u>43,243</u> |
| Total net debt applicable to limit | <u>1,775,489</u> |
| Legal debt margin | <u>\$ 2,169,015</u> |

Definitions: Debt limit - the maximum amount of outstanding gross or net debt legally permitted.
Debt margin - the difference between debt limit and existing debt.
Legal debt margin - the excess of the amount of debt legally authorized over the amount of debt outstanding.

Source: Auditor-Controller, County of Riverside

Table 14

| | | Fiscal Year Ending June 30 | | | | | |
|---------------------|---------------------|-----------------------------------|---------------------|---------------------|---|--|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | | | |
| \$ 3,011,778 | \$ 2,853,822 | \$ 2,638,634 | \$ 2,537,237 | \$ 2,544,409 | Debt limit | | |
| (1,233,775) | (1,189,467) | (862,722) | (808,219) | (793,317) | Total net debt applicable to limit | | |
| <u>\$ 1,778,003</u> | <u>\$ 1,664,355</u> | <u>\$ 1,775,912</u> | <u>\$ 1,729,018</u> | <u>\$ 1,751,092</u> | Legal debt margin | | |
| 41.0% | 41.7% | 32.7% | 31.8% | 31.2% | Total net debt applicable to the limit as a percentage of debt limit | | |

Table 15

COUNTY OF RIVERSIDE
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2021

| Fiscal Year Ending June 30 | Lease Revenue Bonds | | | | | | | Coverage |
|-------------------------------------|-----------------------------------|--------------------------------|-----------------------------|--------------|-----------|--|--------|----------|
| | Revenue from Lease Payments | Less: Operating Expenses | Net Available Revenue | Debt Service | | | | |
| | | | | Principal | Interest | | | |
| 2021 | \$ 17,542 | \$ 1,630 | \$ 15,912 | \$ 11,394 | \$ 14,226 | | 62.11% | |
| 2020 | 17,740 | 3,660 | 14,080 | 12,541 | 15,534 | | 50.15% | |
| 2019 | 18,866 | 2,248 | 16,618 | 22,195 | 16,444 | | 43.01% | |
| 2018 | 25,436 | 3,681 | 21,755 | 21,352 | 17,258 | | 56.35% | |
| 2017 | 25,491 | 1,901 | 23,590 | 20,525 | 17,974 | | 61.27% | |
| 2016 | 27,319 | 1,182 | 26,137 | 19,844 | 18,648 | | 67.90% | |
| 2015 | 24,867 | 3,464 | 21,403 | 19,221 | 19,268 | | 55.61% | |
| 2014 | 25,770 | 1,666 | 24,104 | 16,370 | 16,147 | | 74.13% | |
| 2013 | 25,182 | 1,517 | 23,665 | 14,159 | 12,707 | | 88.09% | |
| 2012 | 22,779 | 2,805 | 19,974 | 16,325 | 15,583 | | 62.60% | |

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

Source: Auditor-Controller, County of Riverside

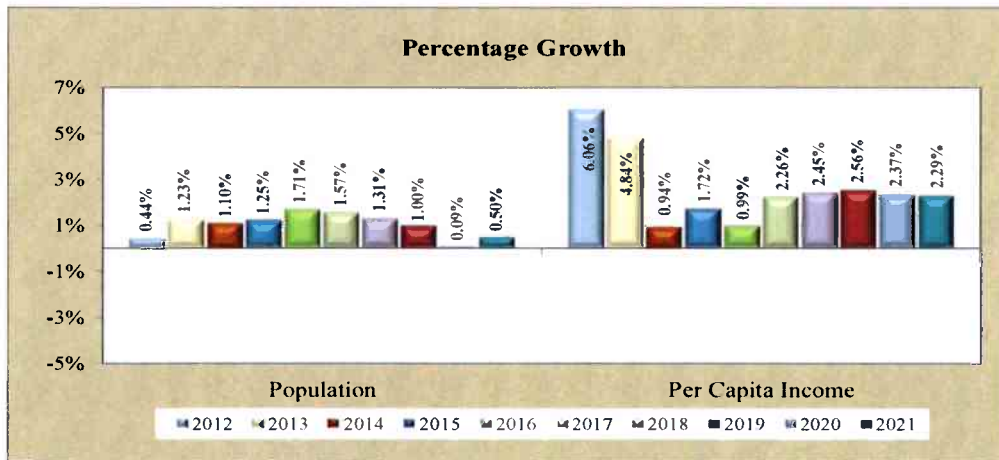
Table 15

| Inland Empire Tobacco Securitization Bonds | | | | | | | | Fiscal Year Ending June 30 |
|--|--------------------------------|-----------------------------|--------------|----------|----------|--|-------------|-------------------------------------|
| Revenue from Tobacco Settlement | Less: Operating Expenses | Net Available Revenue | Debt Service | | Coverage | | | |
| | | | Principal | Interest | | | | |
| \$ 12,773 | \$ 124 | \$ 12,649 | \$ 9,490 | \$ 3,381 | 98.28% | | 2021 | |
| 11,687 | 479 | 11,208 | 8,030 | 3,686 | 95.66% | | 2020 | |
| 12,866 | 36 | 12,829 | 1,894 | 6,403 | 154.63% | | 2019 | |
| 13,384 | 104 | 13,280 | 7,110 | 6,301 | 99.03% | | 2018 | |
| 9,492 | 107 | 9,385 | 3,000 | 6,445 | 99.36% | | 2017 | |
| 8,913 | 103 | 8,810 | 2,270 | 6,559 | 99.79% | | 2016 | |
| 9,092 | 113 | 8,979 | 2,325 | 6,665 | 99.88% | | 2015 | |
| 9,283 | 105 | 9,178 | 2,435 | 6,781 | 99.59% | | 2014 | |
| 15,687 | 123 | 15,564 | 8,650 | 7,193 | 98.24% | | 2013 | |
| 9,462 | 107 | 9,355 | 1,655 | 5,301 | 134.49% | | 2012 | |

Table 16

**COUNTY OF RIVERSIDE
Demographic and Economic Statistics
Last Ten Fiscal Years
June 30, 2021**

| Fiscal Year Ending June 30 | Population | Personal Income (thousands of dollars) | Per Capita Personal Income | School Enrollment | Unemployment Rate |
|----------------------------|------------|--|----------------------------|-------------------|-------------------|
| 2021 | 2,454,453 | \$ 101,553.770 ¹ | \$ 38,822 ¹ | 421,077 | 7.60% |
| 2020 | 2,442,304 | 98,654,000 ¹ | 37,951 ¹ | 431,521 | 14.70% |
| 2019 | 2,440,124 | 95,775,000 ¹ | 37,074 ¹ | 428,494 | 4.40% |
| 2018 | 2,415,955 | 92,810,000 ¹ | 36,149 ¹ | 428,992 | 4.80% |
| 2017 | 2,384,783 | 90,160,000 ¹ | 35,286 ¹ | 428,489 | 5.60% |
| 2016 | 2,347,828 | 86,888,000 ¹ | 34,506 ¹ | 427,537 | 5.90% |
| 2015 | 2,308,441 | 81,296,000 ¹ | 34,169 ¹ | 425,883 | 6.60% |
| 2014 | 2,279,967 | 78,239,388 | 33,590 | 426,227 | 8.40% |
| 2013 | 2,255,059 | 76,289,477 | 33,278 | 425,968 | 10.20% |
| 2012 | 2,227,577 | 71,555,000 | 31,742 | 425,707 | 12.60% |



Note 1: Projection based on 10 years' running average (2010 - 2019)

Source: Bureau of Economic Analysis
Riverside County Superintendent of Schools
State of California, Employment Development Department
California State Department of Finance

Table 17

COUNTY OF RIVERSIDE
Principal Employers
Current Year and Nine Years Ago
June 30, 2021

| Employer | Fiscal Year | | | |
|--|---------------|---------------------------------------|---------------|---------------------------------------|
| | 2021 | | 2012 | |
| | Employees | Percentage of Total County Employment | Employees | Percentage of Total County Employment |
| County of Riverside | 22,952 | 2.23% | 19,150 | 2.33% |
| Amazon | 10,500 | 1.02% | - | 0.00% |
| March Air Reserve Base | 9,600 | 0.93% | 9,000 | 1.09% |
| University of California, Riverside | 8,909 | 0.87% | 5,790 | 0.70% |
| Stater Brothers Markets | 8,304 | 0.81% | 6,900 | 0.84% |
| Moreno Valley Unified School District | 6,250 | 0.61% | 3,500 | 0.43% |
| Kaiser Permanente Riverside Medical Center | 5,780 | 0.56% | 4,000 | 0.49% |
| Corona-Norco Unified School District | 5,478 | 0.53% | 4,686 | 0.57% |
| Hemet Unified School District | 4,460 | 0.43% | - | 0.00% |
| Ross Dress for Less | 4,313 | 0.42% | - | 0.00% |
| Pechanga Resort & Casino | - | 0.00% | 4,000 | 0.49% |
| Wal-Mart | - | 0.00% | 5,360 | 0.65% |
| Riverside Unified School District | - | 0.00% | 3,796 | 0.46% |
| Total | 86,546 | 8.41% | 66,182 | 8.05% |

Source: Economic Development Agency

Table 18

COUNTY OF RIVERSIDE
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
June 30, 2021

| <u>Function/Program</u> | <u>Fiscal Year Ending June 30</u> | | | | |
|--|-----------------------------------|-------------|-------------|-------------|-------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| General government | | | | | |
| Legislative and administrative | 89 | 95 | 91 | 85 | 85 |
| Finance | 387 | 395 | 387 | 395 | 407 |
| Counsel | 82 | 75 | 77 | 73 | 73 |
| Personnel | a 2,887 | 1,881 | 574 | 184 | 185 |
| Elections | 37 | 36 | 31 | 30 | 30 |
| Communication | 36 | 31 | 40 | - | - |
| Property management | 369 | 430 | 427 | 414 | 424 |
| Promotion | 36 | 64 | 67 | 51 | 43 |
| Other general | 31 | 30 | 28 | 29 | 30 |
| Public protection | | | | | |
| Judicial | 1,367 | 1,403 | 1,309 | 1,175 | 1,161 |
| Police protection | 2,283 | 2,238 | 2,183 | 2,193 | 2,293 |
| Detention and correction | 2,252 | 2,296 | 2,215 | 2,205 | 2,321 |
| Fire protection | 240 | 251 | 239 | 239 | 226 |
| Protection/inspection | 83 | 81 | 82 | 79 | 77 |
| Other protection | 356 | 388 | 366 | 924 | 942 |
| Administration | - | - | - | 73 | 81 |
| Public ways and facilities | | | | | |
| Public ways | 407 | 401 | 361 | 353 | 345 |
| Parking facilities | 11 | 10 | 10 | 18 | 15 |
| Health and sanitation | | | | | |
| Health | 2,767 | 2,744 | 2,691 | 2,640 | 2,559 |
| Hospital care | 211 | 214 | 179 | 33 | 32 |
| Public health ambulatory care | - | - | - | - | - |
| California children's services | 152 | 148 | 137 | 143 | 145 |
| Public assistance | | | | | |
| Aid programs | 4,146 | 3,894 | 3,856 | 3,859 | 4,006 |
| Veterans' services | 16 | 20 | 17 | 16 | 16 |
| Other assistance | 378 | 435 | 296 | 174 | 185 |
| Education, recreation and culture | | | | | |
| Library services | 3 | 4 | 9 | 17 | 17 |
| Agricultural extension | 3 | 3 | 5 | 3 | 3 |
| Cultural services | 4 | 4 | 2 | 2 | 2 |
| County business-type functions | | | | | |
| Hospital care | 3,079 | 2,997 | 2,864 | 2,650 | 2,587 |
| Sanitation | 222 | 238 | 248 | 180 | 174 |
| Internal service | | | | | |
| | 505 | 566 | 543 | 655 | 2,037 |
| Special districts/Component units | | | | | |
| | 438 | 455 | 410 | 587 | 611 |
| Total | b 22,877 | 21,827 | 19,744 | 19,479 | 21,112 |

Note: a - Increased TAP employees in fiscal year 2020-21 due to loss of permanent staff and need for additional staffing for Public Health.

b - Temporary employees, 2,529, filled as of June 30, 2021 are included in the total number employees.

Source: County of Riverside, fiscal year 2021-22 Recommended Budget

Table 18

| Fiscal Year Ending June 30 | | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | Function/Program |
| | | | | | General government |
| 88 | 84 | 86 | 89 | 81 | Legislative and administrative |
| 422 | 408 | 415 | 399 | 405 | Finance |
| 72 | 70 | 66 | 65 | 65 | Counsel |
| 185 | 180 | 157 | 154 | 159 | Personnel |
| 31 | 23 | 24 | 25 | 34 | Elections |
| - | - | - | - | 11 | Communication |
| 398 | 404 | 394 | 397 | 507 | Property management |
| 51 | 54 | 43 | 45 | 117 | Promotion |
| 28 | 27 | 85 | 32 | 31 | Other general |
| | | | | | Public protection |
| 1,214 | 1,202 | 1,239 | 1,221 | 1,294 | Judicial |
| 2,470 | 2,466 | 2,410 | 2,351 | 2,304 | Police protection |
| 2,419 | 2,389 | 2,216 | 2,169 | 2,085 | Detention and correction |
| 227 | 227 | 212 | 212 | 200 | Fire protection |
| 82 | 76 | 83 | 86 | 86 | Protection/inspection |
| 639 | 554 | 830 | 544 | 600 | Other protection |
| 68 | 68 | 81 | 82 | 75 | Administration |
| | | | | | Public ways and facilities |
| 384 | 387 | 375 | 370 | 411 | Public ways |
| 19 | 17 | 17 | 20 | 18 | Parking facilities |
| | | | | | Health and sanitation |
| 2,640 | 2,236 | 2,075 | 1,959 | 2,118 | Health |
| 33 | 32 | 35 | 37 | 34 | Hospital care |
| - | 267 | - | 266 | - | Public health ambulatory care |
| 141 | 142 | 139 | 134 | 140 | California children's services |
| | | | | | Public assistance |
| 4,199 | 3,980 | 3,610 | 3,484 | 3,334 | Aid programs |
| 14 | 14 | 13 | 13 | 12 | Veterans' services |
| 207 | 270 | 271 | 291 | 289 | Other assistance |
| | | | | | Education, recreation and culture |
| 4 | 5 | 7 | 7 | 10 | Library services |
| 5 | 5 | 5 | 5 | 5 | Agricultural extension |
| 2 | 2 | 2 | 2 | 3 | Cultural services |
| | | | | | County business-type functions |
| 2,482 | 2,399 | 2,517 | 2,581 | 2,351 | Hospital care |
| 163 | 164 | 153 | 153 | 160 | Sanitation |
| 3,213 | 2,876 | 2,763 | 2,641 | 2,775 | Internal service |
| 993 | 739 | 719 | 693 | 660 | Special districts/Component units |
| 22,893 | 21,767 | 21,042 | 20,527 | 20,374 | Total |

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function
Last Ten Fiscal Years
June 30, 2021

| <u>Function/Program</u> | | <u>Fiscal Year Ending June 30</u> | | | | | |
|-------------------------------------|--|-----------------------------------|-------------|-------------|-------------|-------------|-----------|
| | | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | |
| Agricultural Commissioner | | | | | | | |
| | Export phytosanitary certificates | c | 12,992 | 18,456 | 19,143 | 14,450 | 13,478 |
| | Pesticide use inspections | d | 2,464 | 2,070 | 2,154 | 1,291 | 800 |
| | Weights and measures regulated | | 148,401 | 214,467 | 140,721 | 142,684 | 141,939 |
| | Agriculture quality inspections | | 2,018 | 1,188 | 472 | 678 | 605 |
| | Plant pest inspections | | 17,411 | 16,745 | 7,247 | 5,479 | 7,468 |
| | Nursery acreage inspected | | 7,726 | 9,438 | 9,650 | 6,082 | 6,727 |
| | Weights and measures inspected | | 32,178 | 31,466 | 43,318 | 61,513 | 60,197 |
| Assessor-Clerk-Recorder | | | | | | | |
| | Assessments | | 940,948 | 935,096 | 934,810 | 931,922 | 925,405 |
| | Official records recorded | | 672,635 | 591,809 | 478,622 | 543,816 | 587,906 |
| | Vital records copies issued | | 57,338 | 77,499 | 90,788 | 88,278 | 89,691 |
| | Official records copies issued | | 14,644 | 17,315 | 19,905 | 21,251 | 23,093 |
| Auditor-Controller | | | | | | | |
| | Invoices paid | | 388,476 | 378,727 | 370,388 | 367,557 | 280,498 |
| | Vendor warrants (checks) issued | | 209,939 | 201,304 | 200,693 | 220,965 | 234,781 |
| | Active vendors | | 39,761 | 34,314 | 30,820 | 24,487 | 35,198 |
| | Payroll warrants (checks) issued | | 574,046 | 573,150 | 541,369 | 549,902 | 568,689 |
| | Average payroll warrants (checks) per pay period | | 22,079 | 21,228 | 20,822 | 21,150 | 21,873 |
| | Audits per fiscal year | | 36 | 29 | 28 | 54 | 55 |
| | Tax bills levied | | 1,096,466 | 1,010,613 | 929,514 | 1,029,621 | 1,019,903 |
| | Tax refunds/roll changes processed | | 19,433 | 26,789 | 30,607 | 34,098 | 53,234 |
| Community Action Partnership | | | | | | | |
| | Utility assistance (households) | | 9,464 | 16,855 | 19,583 | 16,724 | 18,017 |
| | Weatherization (households) | | 359 | 376 | 445 | 1,100 | 1,260 |
| | Energy education attendees | a | 11,664 | 17,231 | 20,028 | 17,834 | 7,428 |
| | Disaster relief (residents) | | 29,996 | 27,892 | 27,734 | 22,305 | 13,400 |
| | Income tax returns prepared | | 4,017 | 5,002 | 4,450 | 4,412 | 5,239 |
| | After school programs (students) | | 1,114 | 2,414 | 3,452 | 3,400 | 2,703 |
| | Leadership program enrollment | b | - | - | - | - | - |
| | Mediation (cases) | | 367 | 1,839 | 2,231 | 2,101 | 2,009 |
| Environmental Health | | | | | | | |
| | Facilities inspections | | 45,876 | 11,541 | 30,528 | 34,571 | 28,205 |
| Public Health | | | | | | | |
| | Patient visits | | 255,597 | 186,236 | 159,386 | 161,578 | 124,031 |
| | Patient services | e | - | - | 363,417 | 322,763 | 242,554 |
| Animal Control Services | | | | | | | |
| | Animal impounds (live animals) | | 16,281 | 29,781 | 39,780 | 36,442 | 38,858 |
| | Spays and neuters completed | | 8,626 | 10,221 | 14,411 | 14,601 | 15,337 |
| | Animal licenses sold | | 54,989 | 22,507 | 23,841 | 21,843 | 58,995 |
| | Service calls fielded | | 22,220 | 28,616 | 35,248 | 37,193 | 40,039 |

Note: a - Number of pamphlets mailed
b - Program not yet started / not tracked
c - Phytosanitary = Plant pest cleanliness
d - Pesticide Use Inspections = Environmental monitoring
e - No longer tracked starting in fiscal year 2019-20

Source: Various County Departments

Table 19

| Fiscal Year Ending June 30 | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|--|
| 2016 | 2015 | 2014 | 2013 | 2012 | Function/Program |
| | | | | | Agricultural Commissioner |
| 13,546 | 14,825 | 16,067 | 18,346 | 19,875 | c Export phytosanitary certificates |
| 1,211 | 1,025 | 834 | 783 | 793 | d Pesticide use inspections |
| 141,092 | 139,701 | 138,321 | 138,547 | 137,727 | Weights and measures regulated |
| 350 | 497 | 524 | 456 | 553 | Agriculture quality inspections |
| 9,846 | 10,792 | 11,635 | 10,361 | 11,931 | Plant pest inspections |
| 7,708 | 7,020 | 7,064 | 6,156 | 6,920 | Nursery acreage inspected |
| 75,508 | 63,695 | 80,461 | 63,653 | 51,074 | Weights and measures inspected |
| | | | | | Assessor-Clerk-Recorder |
| 919,810 | 914,886 | 909,432 | 906,467 | 904,706 | Assessments |
| 555,870 | 540,589 | 530,777 | 648,812 | 592,531 | Official records recorded |
| 86,597 | 75,708 | 85,309 | 78,405 | 78,768 | Vital records copies issued |
| 23,014 | 18,307 | 22,329 | 32,792 | 26,153 | Official records copies issued |
| | | | | | Auditor-Controller |
| 359,917 | 368,001 | 425,003 | 426,660 | 389,798 | Invoices paid |
| 227,037 | 228,750 | 232,034 | 259,458 | 255,463 | Vendor warrants (checks) issued |
| 28,697 | 30,604 | 84,680 | 80,011 | 78,887 | Active vendors |
| 564,546 | 541,390 | 524,990 | 509,376 | 509,468 | Payroll warrants (checks) issued |
| 21,713 | 20,823 | 20,192 | 19,591 | 19,595 | Average payroll warrants (checks) per pay period |
| 35 | 26 | 34 | 25 | 26 | Audits per fiscal year |
| 1,008,147 | 1,003,952 | 998,203 | 984,268 | 972,577 | Tax bills levied |
| 19,561 | 47,556 | 22,435 | 63,500 | 79,606 | Tax refunds/roll changes processed |
| | | | | | Community Action Partnership |
| 15,743 | 15,115 | 16,087 | 13,911 | 21,912 | Utility assistance (households) |
| 997 | 967 | 479 | 179 | 842 | Weatherization (households) |
| 10,398 | 6,395 | 4,991 | 6,368 | 14,950 | a Energy education attendees |
| 13,734 | 13,387 | 24,274 | 11,316 | 13,968 | Disaster relief (residents) |
| 4,545 | 4,325 | 3,453 | 3,111 | 2,711 | Income tax returns prepared |
| 2,198 | 2,114 | 20,700 | 19,200 | 20,700 | After school programs (students) |
| - | - | - | - | 166 | b Leadership program enrollment |
| 2,579 | 2,527 | 2,723 | 1,905 | 2,181 | Mediation (cases) |
| | | | | | Environmental Health |
| 30,919 | 31,897 | 35,325 | 32,045 | 36,201 | Facilities inspections |
| | | | | | Public Health |
| 143,956 | 134,481 | 124,099 | 135,795 | 109,870 | Patient visits |
| 299,048 | 290,900 | 363,442 | 353,269 | 392,621 | c Patient services |
| | | | | | Animal Control Services |
| 41,773 | 37,644 | 37,037 | 35,201 | 36,518 | Animal impounds (live animals) |
| 14,508 | 13,216 | 13,690 | 11,908 | 9,771 | Spays and neuters completed |
| 76,157 | 65,020 | 122,105 | - | - | Animal licenses sold |
| 41,614 | 40,251 | - | - | - | Service calls fielded |

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2021

| Function/Program | Fiscal Year Ending June 30 | | | | |
|---|-----------------------------------|-------------|-------------|-------------|-------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| County Library | | | | | |
| Total circulation - books | 1,149,859 | 2,029,938 | 2,875,249 | 2,389,611 | 2,513,032 |
| Reference questions answered | 169,271 | 287,312 | 445,397 | 499,590 | 479,917 |
| Patron door count | 343,307 | 2,117,219 | 3,253,888 | 3,188,442 | 3,606,142 |
| Programs offered | 3,673 | 8,756 | 7,510 | 9,626 | 9,680 |
| Program attendance | 150,689 | 127,493 | 162,126 | 154,031 | 163,198 |
| Riverside University Health Systems - Medical Center | | | | | |
| Emergency room treatments | 70,949 | 77,196 | 79,604 | 76,654 | 77,963 |
| Emergency room services - MH | 10,139 | 10,199 | 11,162 | 11,749 | 12,854 |
| Clinic visits | 75,651 | 110,419 | 121,087 | 119,033 | 99,309 |
| Admissions | 20,426 | 19,822 | 20,151 | 19,143 | 17,826 |
| Patient days | 116,656 | 110,969 | 114,239 | 108,468 | 104,854 |
| Discharges | 20,433 | 19,854 | 20,151 | 19,156 | 18,397 |
| Fire | | | | | |
| Medical assistance | 124,967 | 127,724 | 120,821 | 127,810 | 119,868 |
| Fires extinguished | 19,392 | 20,413 | 17,649 | 17,849 | 15,975 |
| Other services | 23,144 | 25,028 | 22,536 | 23,744 | 24,053 |
| Communities served | 94 | 94 | 94 | 94 | 94 |
| Mental Health | | | | | |
| Mental health clients (crisis/long-term care) | 46,548 | 48,976 | 46,675 | 44,448 | 43,013 |
| Substance abuse clients | 13,045 | 13,743 | 15,354 | 11,292 | 8,950 |
| Detention clients | 19,965 | 20,600 | 17,020 | 13,325 | 13,690 |
| Probate conservatorship clients | 384 | 403 | 425 | 410 | 453 |
| Mental health conservatorship clients | 710 | 669 | 628 | 682 | 647 |
| Probation | | | | | |
| Adults on probation | a 11,570 | 12,686 | 13,016 | 12,942 | 12,185 |
| Juveniles in secure detention | b 76 | 98 | 108 | 112 | 137 |
| Juveniles in treatment facilities | b 50 | 54 | 42 | 44 | 60 |
| Juveniles in detention facilities | a 2,318 | 2,986 | 3,275 | 3,389 | 5,978 |
| Public Social Services | | | | | |
| CalWORKs clients | 17,014 | 20,782 | 22,262 | 24,741 | 26,306 |
| Food stamp clients | 124,377 | 127,432 | 113,714 | 121,542 | 127,778 |
| Medi-Cal clients | 398,909 | 358,532 | 351,453 | 346,407 | 351,817 |
| In-home support services | 40,231 | 38,570 | 31,957 | 30,008 | 27,564 |
| Foster care placements | 2,583 | 2,547 | 2,318 | 2,792 | 3,670 |
| Child welfare services | 9,578 | 10,362 | 9,858 | 9,779 | 9,761 |
| Homeless program (bed nights) | 5,163 | 4,715 | 5,201 | 4,190 | 7,384 |
| Homeless program (meals) | c - | 8,015 | 8,015 | 8,380 | 14,767 |

Note: a - Average monthly population
b - Average daily population
c - No longer tracked starting in fiscal year 2020-21

Source: Various County Departments

Table 19

| Fiscal Year Ending June 30 | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|---|
| 2016 | 2015 | 2014 | 2013 | 2012 | Function/Program |
| | | | | | County Library |
| 2,704,884 | 2,792,388 | 3,023,637 | 3,059,094 | 3,387,218 | Total circulation - books |
| 478,827 | 487,093 | 371,953 | 434,057 | 441,269 | Reference questions answered |
| 4,069,001 | 4,216,087 | 3,919,125 | 4,148,012 | 4,080,738 | Patron door count |
| 10,423 | 9,547 | 6,819 | 6,521 | 8,382 | Programs offered |
| 176,502 | 154,391 | 139,223 | 143,053 | 163,692 | Program attendance |
| | | | | | Riverside University Health Systems - Medical Center |
| 88,780 | 84,697 | 88,853 | 119,606 | 101,952 | Emergency room treatments |
| 12,896 | 12,989 | 13,531 | 14,275 | 16,750 | Emergency room services - MHI |
| 116,277 | 104,693 | 124,255 | 125,471 | 127,546 | Clinic visits |
| 19,863 | 19,404 | 22,738 | 24,260 | 23,949 | Admissions |
| 104,276 | 106,466 | 118,467 | 124,599 | 121,949 | Patient days |
| 19,147 | 19,387 | 22,773 | 24,279 | 23,694 | Discharges |
| | | | | | Fire |
| 112,799 | 103,407 | 99,058 | 97,054 | 96,843 | Medical assistance |
| 14,988 | 13,823 | 13,632 | 13,517 | 12,990 | Fires extinguished |
| 22,163 | 22,680 | 20,846 | 20,049 | 11,856 | Other services |
| 94 | 94 | 94 | 94 | 78 | Communities served |
| | | | | | Mental Health |
| 42,764 | 41,942 | 39,765 | 37,591 | 35,696 | Mental health clients (crisis/long-term care) |
| 11,205 | 15,457 | 15,457 | 15,755 | 17,849 | Substance abuse clients |
| 12,627 | 12,137 | 12,137 | 11,899 | 10,544 | Detention clients |
| 410 | 358 | 358 | 278 | 351 | Probate conservatorship clients |
| 410 | 613 | 613 | 563 | 879 | Mental health conservatorship clients |
| | | | | | Probation |
| 14,422 | 16,496 | 16,922 | 17,406 | 14,992 | Adults on probation |
| 153 | 134 | 156 | 194 | 193 | Juveniles in secure detention |
| 57 | 57 | 79 | 86 | 107 | Juveniles in treatment facilities |
| 6,375 | 5,810 | 7,154 | 8,505 | 9,148 | Juveniles in detention facilities |
| | | | | | Public Social Services |
| 29,090 | 32,030 | 33,159 | 33,341 | 33,682 | CalWORKs clients |
| 132,274 | 128,656 | 121,949 | 116,333 | 107,076 | Food stamp clients |
| 341,519 | 298,461 | 186,911 | 135,570 | 130,562 | Medi-Cal clients |
| 24,888 | 25,703 | 23,061 | 20,641 | 19,070 | In-home support services |
| 4,063 | 4,041 | 3,725 | 3,237 | 3,113 | Foster care placements |
| 10,471 | 10,757 | 9,958 | 9,178 | 9,664 | Child welfare services |
| 7,384 | 7,384 | 8,296 | 8,296 | 8,331 | Homeless program (bed nights) |
| 14,767 | 14,767 | 16,592 | 16,592 | 16,660 | Homeless program (meals) |

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2021

| <u>Function/Program</u> | <u>Fiscal Year Ending June 30</u> | | | | |
|--|-----------------------------------|-------------|-------------|-------------|-------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Registrar of Voters | | | | | |
| Voting precincts | 763 | 817 | 1,072 | 826 | 1,126 |
| Polling places | 145 | 534 | 584 | 546 | 587 |
| Voters | a 1,293,635 | 1,115,662 | 1,041,122 | 983,917 | 1,022,375 |
| Poll workers | 1,465 | 2,514 | 2,755 | 2,264 | 3,087 |
| Sheriff | | | | | |
| Number of bookings | 50,240 | 46,747 | 49,033 | 50,371 | 49,896 |
| Coroner case load | 14,362 | 14,863 | 15,493 | 15,397 | 14,476 |
| Calls for services | b 197,741 | 186,275 | 174,741 | 180,488 | 187,087 |
| Transportation and Land Management Agency | | | | | |
| - Building & Safety | | | | | |
| Building permits issued | c 14,335 | - | - | - | - |
| Building plans checked | c 7,791 | - | - | - | - |
| Building structures inspected | c 90,320 | - | - | - | - |
| Veterans' Services | | | | | |
| Phone inquiries answered | 44,816 | 32,180 | 29,619 | 35,846 | 36,971 |
| Client interviews | 20,471 | 22,503 | 46,988 | 24,563 | 21,183 |
| Claims filed | 5,677 | 7,313 | 7,354 | 7,191 | 6,789 |
| Emails | 20,242 | 14,875 | 11,581 | 14,280 | 14,280 |
| Veterans reached at outreach events | 265 | 1,895 | 24,304 | 2,589 | 3,014 |
| Waste Resources | | | | | |
| Landfill tonnage | 1,525,023 | 1,467,090 | 1,515,254 | 1,498,681 | 1,408,688 |
| Recycling tonnage | 3,129 | 7,004 | 3,527 | 3,042 | 2,463 |

Notes: a - Number of voters that were mailed voting materials for all elections in the fiscal year
b - Unincorporated areas
c - Information not available for fiscal years 2015-2016 through 2019-20

Source: Various County Departments

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2021

| Function/Program | Fiscal Year Ending June 30 | | | | |
|--|-----------------------------------|-------------|-------------|-------------|-------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Registrar of Voters | | | | | |
| Voting precincts | 763 | 817 | 1,072 | 826 | 1,126 |
| Polling places | 145 | 534 | 584 | 546 | 587 |
| Voters | a 1,293,635 | 1,115,662 | 1,041,122 | 983,917 | 1,022,375 |
| Poll workers | 1,465 | 2,514 | 2,755 | 2,264 | 3,087 |
| Sheriff | | | | | |
| Number of bookings | 50,240 | 46,747 | 49,033 | 50,371 | 49,896 |
| Coroner case load | 14,362 | 14,863 | 15,493 | 15,397 | 14,476 |
| Calls for services | b 197,741 | 186,275 | 174,741 | 180,488 | 187,087 |
| Transportation and Land Management Agency | | | | | |
| - Building & Safety | | | | | |
| Building permits issued | c 14,335 | - | - | - | - |
| Building plans checked | c 7,791 | - | - | - | - |
| Building structures inspected | c 90,320 | - | - | - | - |
| Veterans' Services | | | | | |
| Phone inquiries answered | 44,816 | 32,180 | 29,619 | 35,846 | 36,971 |
| Client interviews | 20,471 | 22,503 | 46,988 | 24,563 | 21,183 |
| Claims filed | 5,677 | 7,313 | 7,354 | 7,191 | 6,789 |
| Emails | 20,242 | 14,875 | 11,581 | 14,280 | 14,280 |
| Veterans reached at outreach events | 265 | 1,895 | 24,304 | 2,589 | 3,014 |
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| Landfill tonnage | 1,525,023 | 1,467,090 | 1,515,254 | 1,498,681 | 1,408,688 |
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Notes: a - Number of voters that were mailed voting materials for all elections in the fiscal year
b - Unincorporated areas
c - Information not available for fiscal years 2015-2016 through 2019-20

Source: Various County Departments

Table 20

COUNTY OF RIVERSIDE
Capital Asset Statistics by Function
Last Ten Fiscal Years
June 30, 2021

| Function/Program | Fiscal Year Ending June 30 | | | | |
|---|-----------------------------------|-------------|-------------|-------------|-------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| County Libraries | | | | | |
| Branch libraries | 35 | 35 | 35 | 36 | 35 |
| Book mobiles | 2 | 2 | 2 | 2 | 2 |
| Books in collection | 1,082,227 | 1,062,203 | 829,893 | 1,337,332 | 1,341,967 |
| Museum | 1 | 1 | 1 | - | 1 |
| Riverside University Health Systems - Medical Center | | | | | |
| Major clinics | 4 | 4 | 4 | 4 | 4 |
| Routine and specialty clinics | 44 | 44 | 44 | 44 | 44 |
| Beds licensed | 439 | 439 | 439 | 439 | 439 |
| Fire | | | | | |
| Stations | 37 | 37 | 37 | 37 | 37 |
| Trucks | 167 | 164 | 162 | 158 | 158 |
| Parks and Recreation | | | | | |
| Regional parks | 9 | 9 | 11 | 11 | 11 |
| Historic sites | 4 | 4 | 5 | 5 | 5 |
| Nature centers | 3 | 3 | 4 | 4 | 4 |
| Archaeological sites | 6 | 6 | 6 | 6 | 6 |
| Wildlife reserves | 9 | 9 | 9 | 9 | 9 |
| RV and mobile home parks | 2 | 2 | 2 | 2 | 2 |
| Managed areas | 9 | 9 | 5 | 5 | 5 |
| Recreational facilities | 1 | 2 | 1 | 1 | 1 |
| Community centers | - | - | - | - | - |
| Sheriff | | | | | |
| Patrol stations | 10 | 10 | 10 | 10 | 10 |
| Patrol vehicles | 993 | 905 | 977 | 966 | 966 |
| Waste Resources | | | | | |
| Landfills | 6 | 6 | 6 | 6 | 6 |
| Capacity in tons | 62,713,411 | 62,713,411 | 62,713,411 | 62,668,370 | 62,668,370 |

Source: Various County Departments

Table 20

| Fiscal Year Ending June 30 | | | | | Function/Program |
|-----------------------------------|-------------|-------------|-------------|-------------|---|
| 2016 | 2015 | 2014 | 2013 | 2012 | |
| | | | | | County Libraries |
| 35 | 35 | 35 | 35 | 33 | Branch libraries |
| 2 | 2 | 2 | 2 | 2 | Book mobiles |
| 1,168,364 | 1,382,932 | 1,393,689 | 1,657,925 | 1,570,834 | Books in collection |
| 1 | - | - | - | - | Museum |
| | | | | | Riverside University Health Systems - Medical Center |
| 4 | 4 | 4 | 4 | 4 | Major clinics |
| 44 | 44 | 44 | 37 | - | Routine and specialty clinics |
| 439 | 439 | 439 | 439 | 439 | Beds licensed |
| | | | | | Fire |
| 37 | 37 | 37 | 38 | 42 | Stations |
| 158 | 158 | 145 | 142 | 145 | Trucks |
| | | | | | Parks and Recreation |
| 11 | 14 | 11 | 11 | 11 | Regional parks |
| 5 | 5 | 5 | 5 | 5 | Historic sites |
| 4 | 4 | 4 | 4 | 4 | Nature centers |
| 6 | 5 | 6 | 6 | 6 | Archaeological sites |
| 9 | 7 | 9 | 9 | 9 | Wildlife reserves |
| 2 | 2 | 3 | 3 | 3 | RV and mobile home parks |
| 5 | 5 | 5 | 5 | 5 | Managed areas |
| 3 | 1 | 3 | 2 | 2 | Recreational facilities |
| 1 | 1 | - | - | - | Community centers |
| | | | | | Sheriff |
| 10 | 10 | 10 | 10 | 10 | Patrol stations |
| 930 | 932 | 928 | 916 | 915 | Patrol vehicles |
| | | | | | Waste Resources |
| 6 | 6 | 6 | 6 | 6 | Landfills |
| 62,191,202 | 54,232,021 | 54,230,474 | 54,230,474 | 54,189,339 | Capacity in tons |

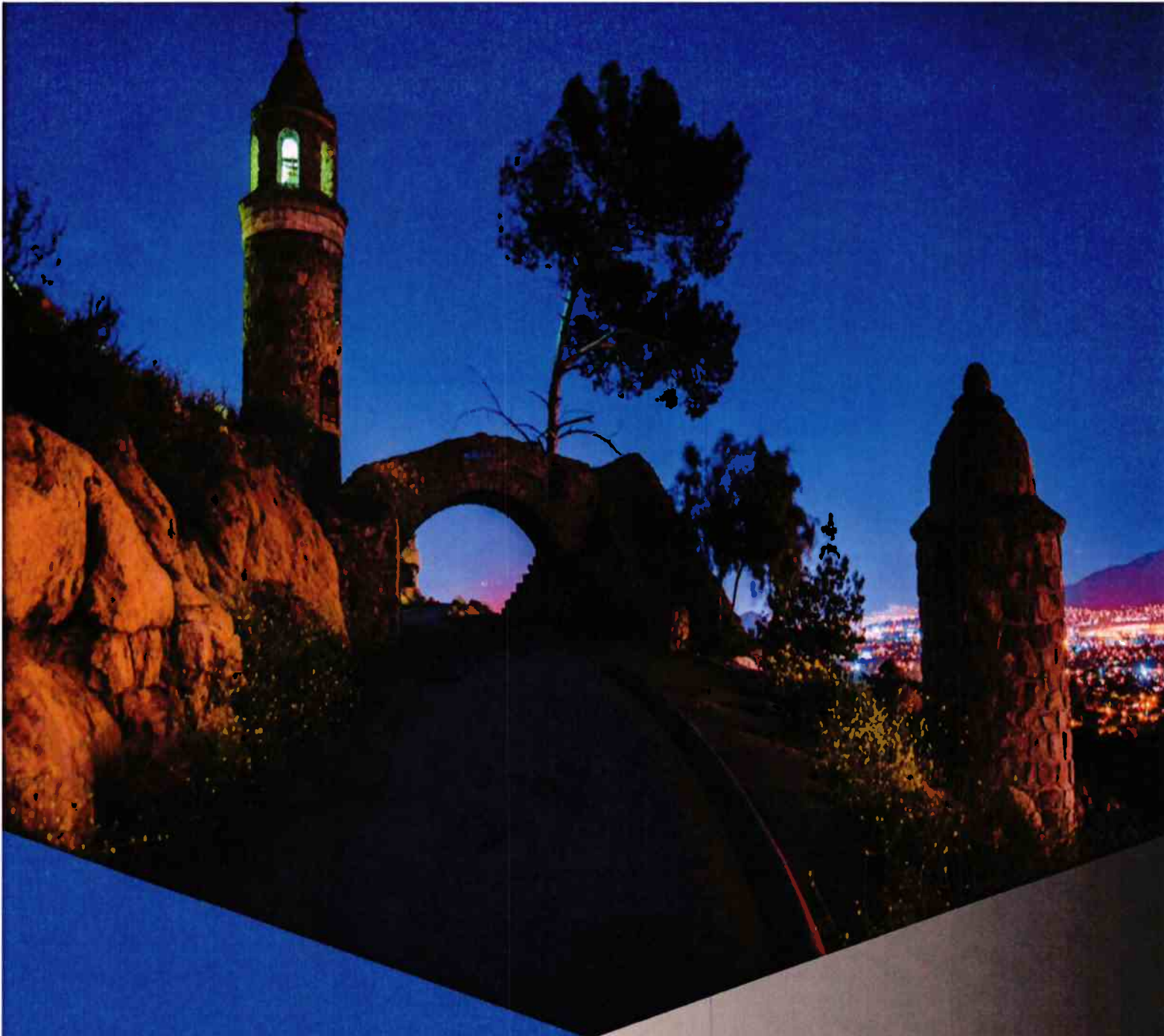


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Riverside County Annual Comprehensive Financial Report



Paul Angulo, CPA, MA
County Auditor-Controller



2021

Popular Annual Financial Report

Fiscal Year Ended June 30, 2021



Riverside County, California

Paul Angulo, CPA, MA
County Auditor-Controller

A message from your **AUDITOR-CONTROLLER**

Dear Fellow Citizens,

As Riverside County's Auditor-Controller, I am honored to serve as the County's top fiscal officer. Under my leadership, we have set a higher standard of performance, and I am pleased to report that we have achieved great results.

This publication of the Popular Annual Financial Report better known as *Financial Highlights* is designed to provide readers with an easy to understand summary of the County's activities and related information. The financial information in this report is unaudited, and it is presented in a non-GAAP (Generally Accepted Accounting Principles) basis. This report does not include information on discretely presented component units, fiduciary funds, nor does it contain the lengthy note disclosures. The information for this report is drawn exclusively from the County's primary financial report known as the *Annual Comprehensive Financial Report (ACFR)*. Both reports provide results for the fiscal year ended June 30, 2021.

The ACFR is independently audited by Brown Armstrong Accountancy Corporation and is prepared in conformity with GAAP. The ACFR also provides extensive information about County activities.

Both the *Annual Comprehensive Financial Report* and *Financial Highlights* are available at my office and online at www.auditorcontroller.org. We welcome your questions and comments regarding the data contained in these reports.

As part of our role in the stewardship and oversight of public funds, our office initiated a countywide fraud, waste, and abuse prevention program in 2009, known as Riverside County Fraud Hotline. The program provides employees and citizens with easy and anonymous ways to participate in helping the County protect its financial resources, as well as identify potential fraud, waste and abuse.

Incident reports can be made 24-hours a day, 365 days per year by phone (833) 590-0004 or via the Auditor-Controller website www.lighthouse-services.com/rivco.

Respectfully,

Paul Angulo, CPA, MA
Riverside County Auditor-Controller



Table of Contents

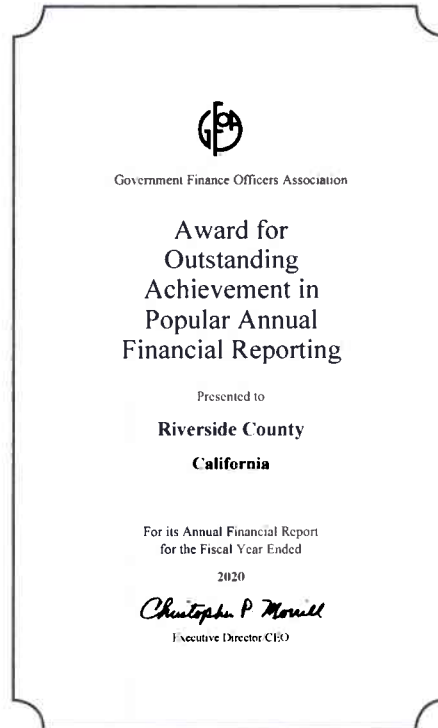
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|---|----|
| A message from your Auditor-Controller..... | 1 |
| 2020 Financial Highlights Award..... | 2 |
| County Profile..... | 3 |
| Organizational Structure..... | 4 |
| The County Governance..... | 5 |
| Financial Highlights..... | 6 |
| Statement of Net Position..... | 7 |
| Capital Assets & Long-term Obligations..... | 8 |
| Cash and Investments, Net Position..... | 9 |
| Statement of Activities..... | 10 |
| Revenues By Source..... | 11 |
| Expenses By Function..... | 12 |
| Property Taxes..... | 13 |
| Demographics..... | 14 |
| Service Operating Indicators..... | 16 |
| Online Resources..... | 18 |

FINANCIAL HIGHLIGHTS AWARD

The Government Finance Officers Association (GFOA) of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Riverside for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The County of Riverside received a Popular Award for last fiscal year ended June 30, 2020. This was the fifteenth consecutive year the County has achieved this award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we have submitted it to GFOA.



COUNTY PROFILE

County of Riverside Mission Statement

"Provide local government services as mandated by the State and Federal law, and discretionary services as requested by County taxpayers, within the bounds of available fiscal resources, in a manner which reflects favorably upon the profession of public service and the American form of democratic government."

County of Riverside Vision

"Our vision is to be a proactive county that provides community, business, government, and regional leadership. We will set an exemplary standard of performance among counties by providing our citizens with cost-effective, efficient, and reliable government services, and by developing creative solutions to critical community-wide problems confronting all segments of our constituency. We will anticipate and address the challenges of environmental quality, societal change, and economic competitiveness while striving to make Riverside County an even better place to live, work, raise our families, and do business."

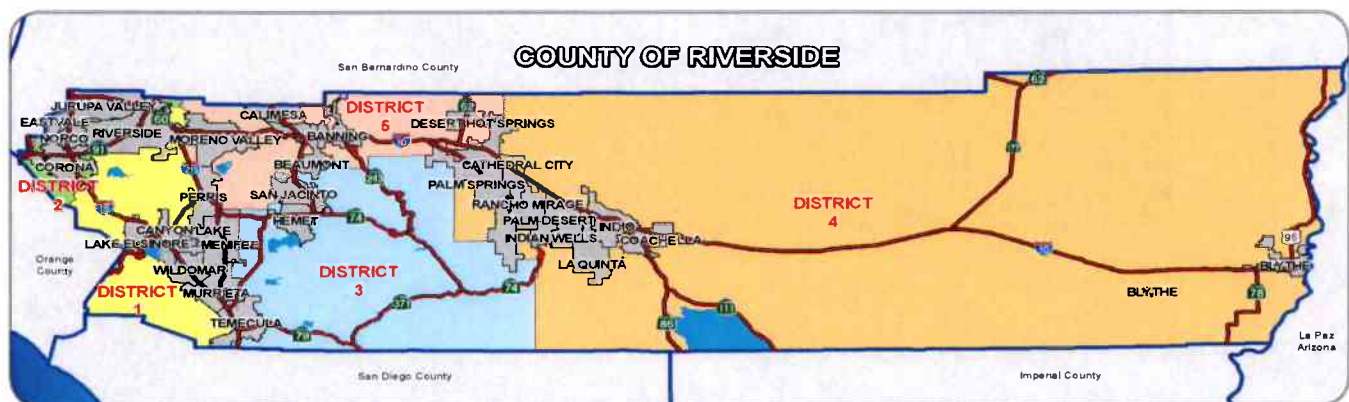
County of Riverside Overview

Riverside County is the State's fourth largest County by area. It encompasses 7,303 square miles and extends nearly 184 miles across Southern California, from the Arizona border west to within 10 miles of the Pacific Ocean. It is situated east of Los Angeles and Orange Counties, south of San Bernardino County, and north of San Diego and Imperial Counties.

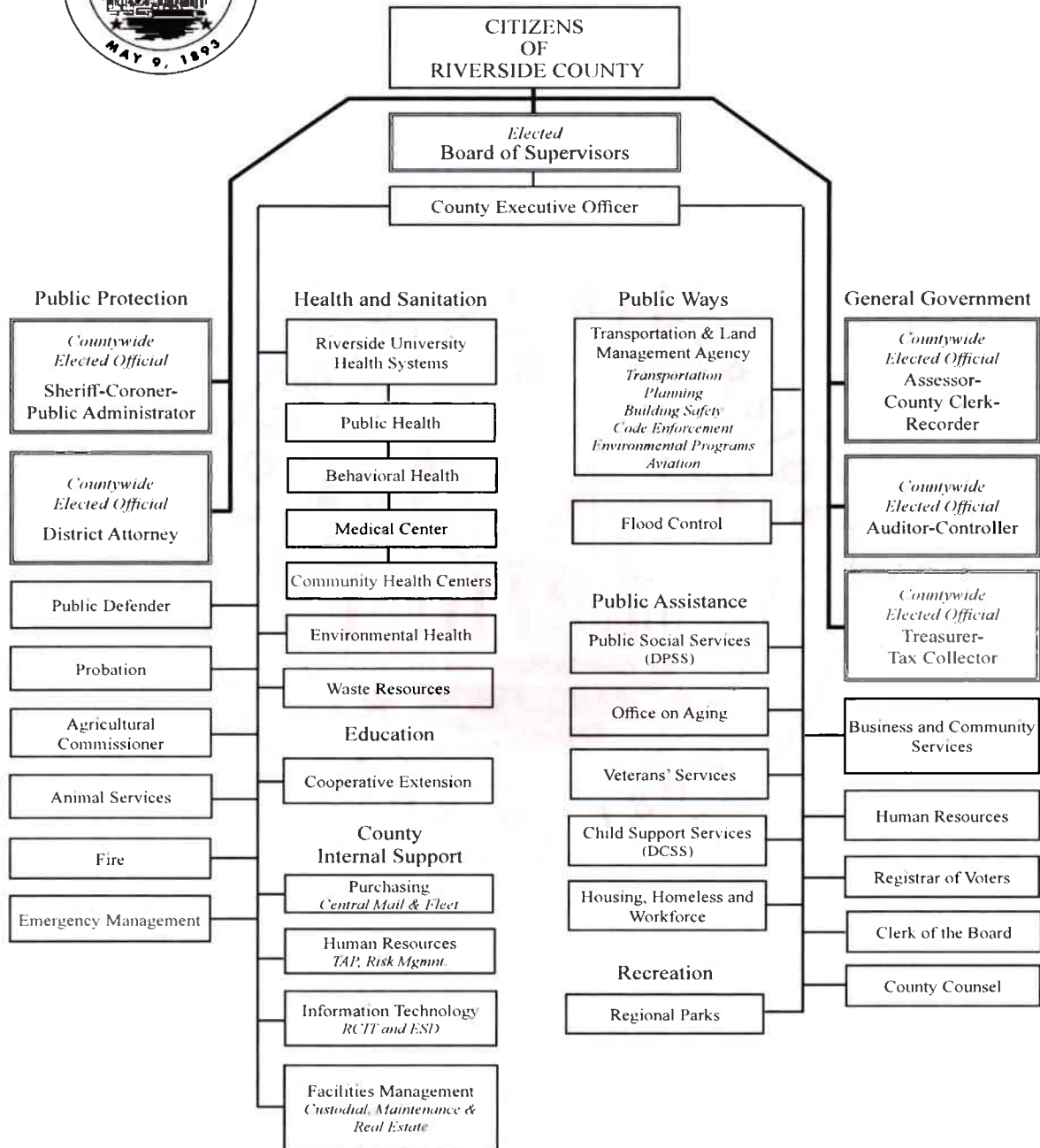
There are 28 incorporated cities located within the County. The latest city to be incorporated was Jurupa Valley on July 1, 2011. The largest cities in the County are the City of Riverside (the county seat) with a population of 324,302, Moreno Valley with a population of 209,426 and Corona with a population of 169,454.

Total County population was 2,454,453 on January 1, 2021, an increase of 0.6% compared to the revised estimate for 2020 from the California State Department of Finance. Estimated population figures are developed by the State as of January 1 of each year with a revised estimate for the prior year. Approximately 15.9% of the County's residents live in the unincorporated area. Riverside County has a large and rapidly expanding trade, transportation, utilities, distribution and manufacturing industries.

Agriculture has been the traditional foundation of the Riverside County economy; a transition is well underway toward an urban way of life with a multi-faceted economy. This change is being driven in part by economic and political forces at the regional, State and national levels. However, Riverside County residents, through their elected representatives, will make the key local decisions that will shape Riverside County, differentiating it in character and quality of life from adjoining counties.



ORGANIZATIONAL STRUCTURE



THE COUNTY GOVERNANCE

Countywide Elected Officials



Paul Angulo
Auditor-Controller



Chad Bianco
Sheriff
Coroner
Public Administrator



Matthew Jennings
Treasurer
Tax-Collector



Michael Hestrin
District Attorney



Peter Aldana
Assessor
County Clerk
Recorder

Board of Supervisors



Kevin Jeffries
District 1
Representing the
Cities of:
Canyon Lake
Lake Elsinore
Riverside (most portions)
Wildomar



Karen Spiegel
District 2
Representing the
Cities of:
Corona
Eastvale
Jurupa Valley
Norco
1/3 of City of Riverside



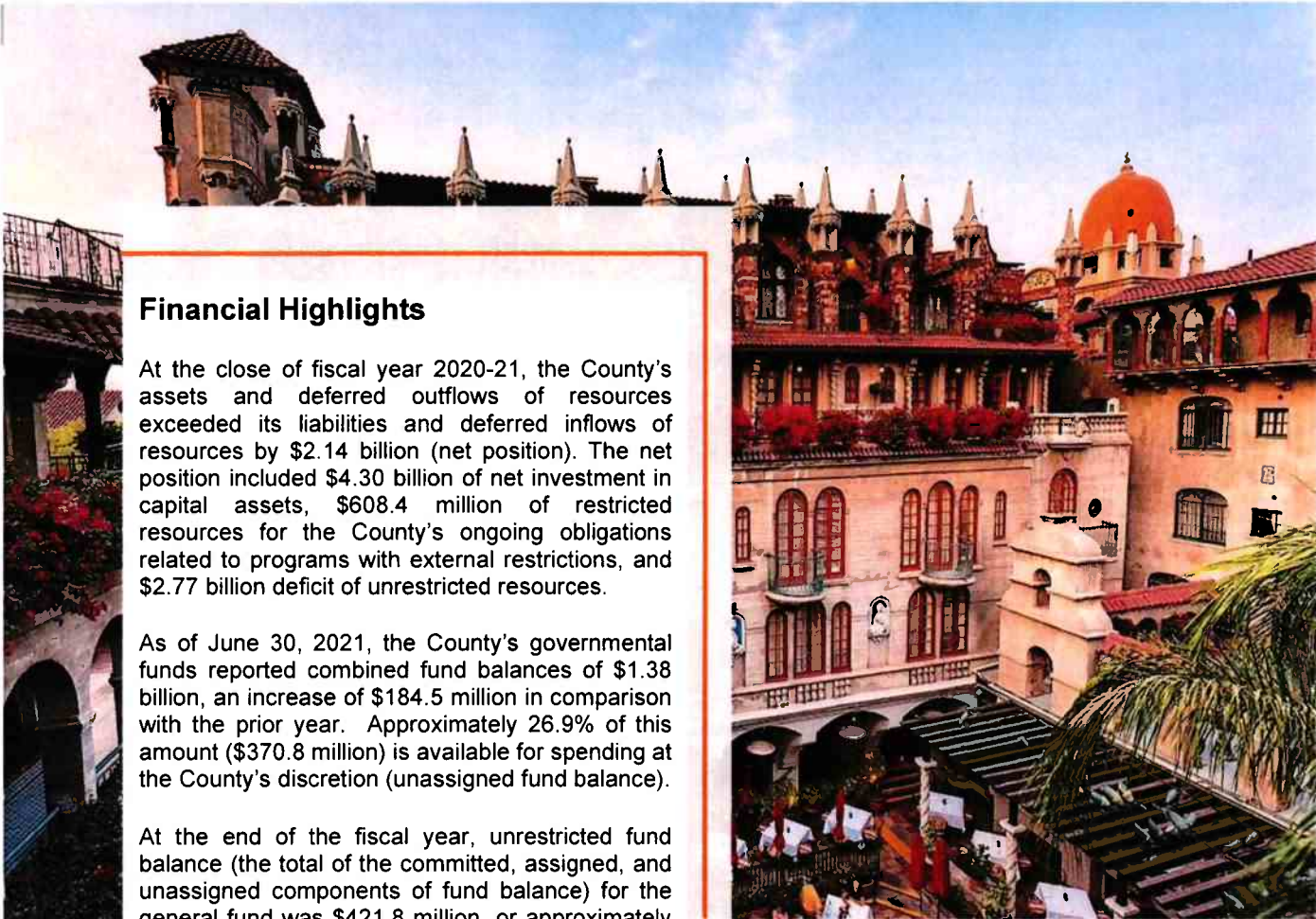
Chuck Washington
District 3
Representing the
Cities of:
Hemet
Murrieta
San Jacinto
Temecula



V. Manuel Perez
District 4
Representing the
Cities of:
Blythe
Cathedral City
Coachella
Desert Hot Springs
Indian Wells
Indio
La Quinta
Palm Desert
Palm Springs
Rancho Mirage



Kevin Jeffries
District 5
Representing the
Cities of:
Banning
Beaumont
Calimesa
Menifee
Moreno Valley
Perris



Financial Highlights

At the close of fiscal year 2020-21, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$2.14 billion (net position). The net position included \$4.30 billion of net investment in capital assets, \$608.4 million of restricted resources for the County's ongoing obligations related to programs with external restrictions, and \$2.77 billion deficit of unrestricted resources.

As of June 30, 2021, the County's governmental funds reported combined fund balances of \$1.38 billion, an increase of \$184.5 million in comparison with the prior year. Approximately 26.9% of this amount (\$370.8 million) is available for spending at the County's discretion (unassigned fund balance).

At the end of the fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$421.8 million, or approximately 12.4% of total general fund expenditures.

The change in capital assets net of accumulated depreciation resulted from major increases in structures and improvements.

On March 11, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including the public health and economic impacts. As part of the \$362.00 billion in fiscal recovery aid for state and local governments, \$65.10 billion is provided in direct aid to counties. The deadline for expenditure of the ARPA funds is December 31, 2024. Riverside County's share of the ARPA funding is \$479.9 million, and the County is in receipt of the first installment of \$240.0 million, with the second installment expected in May 2022.

Assets

Resources owned by the County that are expected to benefit future operations

Deferred outflow of resources

Consumption of net position applicable to future reporting periods

Liabilities

Debt or obligations of the County

Deferred inflows of resources

Acquisition of net position applicable to future reporting periods

Net position

The County's net worth equals assets + deferred outflows of resources – liabilities – deferred inflow of resources

Statement of Net Position

| | 2021 | 2020 | Amount Increase (Decrease) | Percent Increase (Decrease) |
|--|---------------------|---------------------|----------------------------|-----------------------------|
| Assets | | | | |
| Current and other assets | \$ 3,751,616 | \$ 3,548,940 | \$ 202,676 | 5.7% |
| Capital assets | 5,629,454 | 5,541,943 | 87,511 | 1.6% |
| Total assets | 9,381,070 | 9,090,883 | 290,187 | 3.2% |
| Deferred outflows of resources | | | | |
| Deferred outflows of resources related to pension | 729,081 | 793,605 | (64,524) | -8.1% |
| Deferred outflows of resources related to OPEB | 184,857 | 58,495 | 126,362 | 216.0% |
| Deferred outflows of resources - other | 16,444 | 21,328 | (4,884) | -22.9% |
| Total deferred outflows of resources | 930,382 | 873,428 | 56,954 | 6.5% |
| Liabilities | | | | |
| Current liabilities | 1,582,409 | 1,570,346 | 12,063 | 0.8% |
| Non-current liabilities | 6,468,323 | 6,890,800 | (422,477) | -6.1% |
| Total Liabilities | 8,050,732 | 8,461,146 | (410,414) | -4.9% |
| Deferred inflows of resources | | | | |
| Deferred inflows of resources related to pension | 81,301 | 112,379 | (31,078) | -27.7% |
| Deferred inflows of resources related to OPEB | 6,888 | 456 | 6,432 | 1410.5% |
| Deferred inflows for service concession arrangements | 4,922 | 5,356 | (434) | -8.1% |
| Deferred inflows of resources - other | 29,974 | 28,074 | 1,900 | 6.8% |
| Total deferred inflows of resources | 123,085 | 146,265 | (23,180) | -15.8% |
| Net position | | | | |
| Net investment in capital assets | 4,300,690 | 3,270,437 | 1,030,253 | 31.5% |
| Restricted | 608,403 | 792,483 | (184,080) | -23.2% |
| Unrestricted | (2,771,458) | (2,706,020) | (65,438) | -2.4% |
| Total net position | \$ 2,137,635 | \$ 1,356,900 | \$ 780,735 | 57.5% |

The Statement of Net Position presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Increases or decreases serve as a useful indicator on the County's financial position and whether it is improving or not.

The County's total net position increased by 57.5%, or \$780.7 million, during fiscal year 2020-21. Governmental activities increased by \$714.9 million in net position while business-type activities increased by \$65.8 million. The increase in overall net position was attributed to a decrease in pension expense that resulted from the proceeds of the pension obligation bond which were applied to the unfunded accrued actuarial liability.

Net investment in capital assets represents the amount that is unavailable for reducing debt or paying for services because it is the value of the capital assets themselves, not liquid assets like cash or equivalents that could be used to pay the bills. The balance represents 201.1%, or \$4.30 billion, of the County's total net position for fiscal year 2020-21.

Restricted net position represents the amount that is available for use only as allowed by creditors, grantors, contributors, or laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation. The balance in this category accounts for 28.5%, or \$608.4 million, of the County's total net position for fiscal year 2020-21.

The remaining portion of the County's net position is **unrestricted** and may be used to meet the County's ongoing obligation to citizens and creditors. The balance in this category is -129.6%, or \$(2.77) billion, of the County's total net position for fiscal year 2020-21.

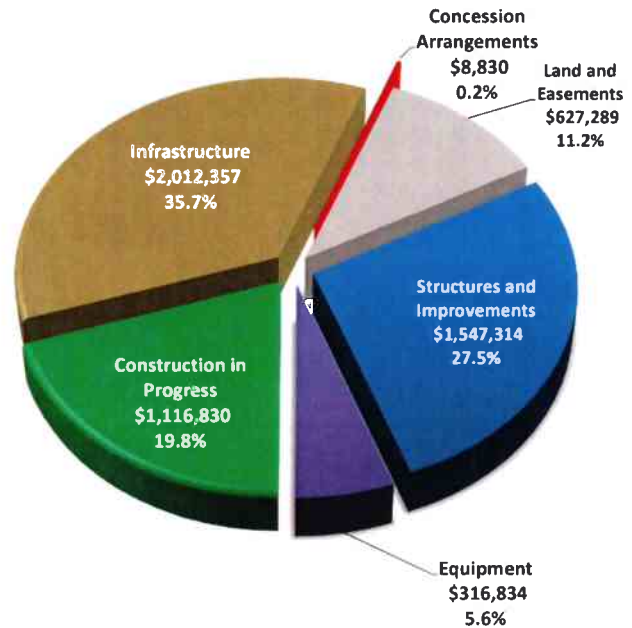
Capital Assets

As of June 30, 2021, the County's capital assets for both governmental and business-type activities amounted to \$5.63 billion (net of depreciation). The capital assets include land and easements, land improvements, construction in progress, infrastructure (channels, storm drains, basins, roads, traffic signals, bridges, runways, and parks), structures and improvements, and equipment.

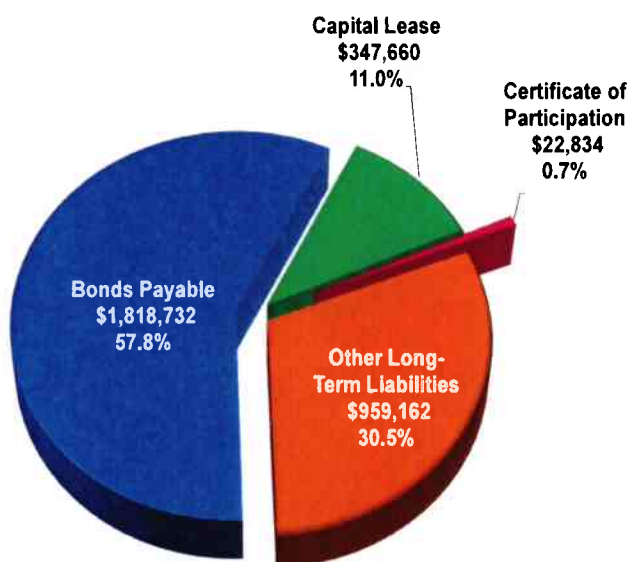
Major capital assets and projects under construction in fiscal year 2020-2021 included the following:

- Roads and signal infrastructures – \$107.4 million
- Facilities Management projects such as building improvements related to COVID-19, J. Benoit Detention Center, Arlington Recovery Reintegration Renovation, Roy's Desert Resource Center and County libraries - \$57.8 million
- Flood storm drains and channel projects - \$13.5 million
- Riverside University Health Systems - Medical Center projects and expansion – \$6.9 million

Capital Assets, net of depreciation
(In Thousands)



Long-Term Obligations
(In Thousands)



Long-Term Obligations

As of June 30, 2021, the County's outstanding debt obligation for its government-wide activities amounted to \$3.15 billion. Long-term obligations incurred by the County of Riverside includes bonds, certificates of participation, loans, capital leases, and other long-term liabilities.

The following are credit ratings maintained by the County

| | <u>Moody's Investors Service, Inc.</u> | <u>Standard & Poor's Corp.</u> |
|--------------------------|--|------------------------------------|
| Short-term notes | MIG1 | SP-1+ |
| Long-term general oblig. | Aa3 | AA |

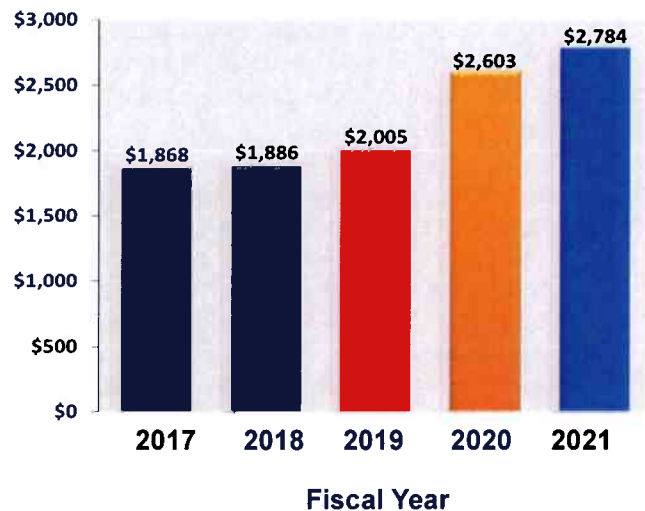
The County's strong credit ratings resulted in reduced borrowing costs for new capital asset construction.

Cash and Investments

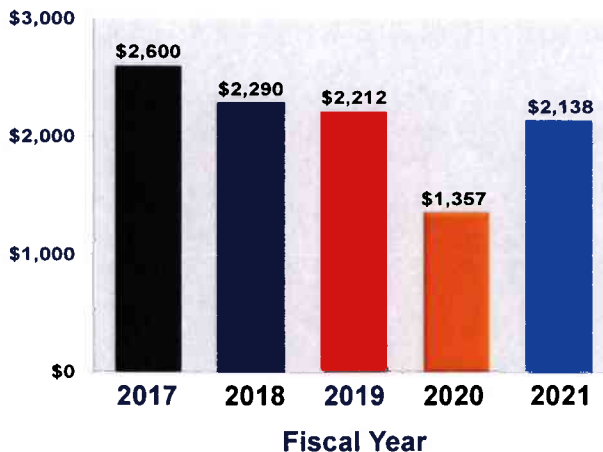
The Cash and Investments represented in the Government-wide Statement of Net Position includes cash and investments that are available for use, as well as restricted cash and investments for both governmental and business-type activities.

At the end of the current fiscal year, the County reported an increase of \$181.6 million in cash and investments. Unrestricted cash and investments showed a decrease of \$185.1 million and restricted cash and investments increased in the amount of \$366.7 million. The general fund's cash and investments balance increased by \$54.5 million and restricted cash and investment increased by \$84.6 million. Also, the transportation special revenue fund saw an increase of \$19.0 million and the flood control special revenue fund increased by \$13.1 million. For business type activities, the major decrease was from the Riverside University Health Systems - Medical Center which saw a decrease of \$40.8 million in cash and investments and \$1.5 million in restricted cash and investments in fiscal year 2021. The Waste Resources's cash and investments balance increased by \$12.1 million and restricted cash and investment increased by \$1.6 million

Cash and Investments
(In Millions)



Net Position
(In Millions)



Net Position

Net Position is total assets plus deferred outflows of resources less total liabilities and less deferred inflows of resources of the primary government. Net position serves as a useful indicator of a government's financial condition.

At the end of the current fiscal year, the County reported positive net position balances for both governmental and business-type activities, with total assets exceeding liabilities by \$2.14 billion, which is a \$780.7 million increase over fiscal year 2020. The most significant increase in net position was in net investment in capital assets which saw an increase of \$1.03 billion. Restricted net position decreased by \$184.1 million. Unrestricted net position also decreased in fiscal year 2021 by \$65.4 million.

Statement of Activities

The Statement of Activities represents combined activities of governmental and business-type. Governmental functions are supported by property taxes, sales taxes and other intergovernmental revenues, and the business-type is mainly supported by user fees and charges. Functions supported by user fees and charges are: Riverside University Health Systems-Medical Center (RUHS-MC), Riverside University Health Systems-Community Health Centers (RUHS-CHC), Waste Resources, Housing Authority, Aviation and County Service Areas.

Revenues

In fiscal year 2021, revenues increased in both governmental and business-type activities. The County's revenue increased by \$618.4 million. There was a significant increase in program revenues, specifically in operating grants and contributions in response to the ongoing public health and economic emergency needs which resulted from the coronavirus (COVID-19) pandemic.

The increase in charges for services under program revenues was mainly attributed to higher patient revenue from in-patients and out-patients visits, and state compensation for care of patients with Medi-Cal insurance. Additionally, there was an increase in taxes under general revenues due to rising values in both commercial and residential markets, and changes in residual payments calculation for redevelopment property tax trust fund distribution.

Expenses

Expenses totaled \$4.93 billion, a decrease of \$1.02 billion from the previous year's total expenses. Expenses decrease from the prior year mostly due to a decrease in Public protection, Health and sanitation, Public assistance, General government, and RUHS-MC. The main key component accounting for the variance was the decrease in pension expense as discussed in Statement of Net Position on page 7.

| | 2021 | 2020 | Amount Increase (Decrease) | Percent Increase (Decrease) |
|---|---------------------|---------------------|----------------------------|-----------------------------|
| Revenues: | | | | |
| Program revenues: | \$ 4,554,103 | \$ 3,987,179 | \$ 566,924 | 14.2% |
| General revenues: | 1,155,617 | 1,104,150 | 51,467 | 4.7% |
| Total revenues | 5,709,720 | 5,091,329 | 618,391 | 12.1% |
| Expenses: | | | | |
| General government | 314,381 | 336,802 | (22,421) | -6.7% |
| Public protection | 1,401,403 | 2,209,120 | (807,717) | -36.6% |
| Public ways and facilities | 205,503 | 239,741 | (34,238) | -14.3% |
| Health and sanitation | 655,911 | 759,480 | (103,569) | -13.6% |
| Public assistance | 1,197,256 | 1,236,525 | (39,269) | -3.2% |
| Education | 33,123 | 32,607 | 516 | 1.6% |
| Recreation and cultural services | 20,891 | 22,939 | (2,048) | -8.9% |
| Interest on long-term debt | 96,782 | 69,034 | 27,748 | 40.2% |
| RUHS - MC | 691,361 | 738,306 | (46,945) | -6.4% |
| Waste Resources | 98,347 | 104,445 | (6,098) | -5.8% |
| Housing Authority | 100,036 | 99,066 | 970 | 1.0% |
| County Service Areas | 336 | 254 | 82 | 32.3% |
| Flood Control | 2,365 | 2,245 | 120 | 5.3% |
| RUHS - CHC | 105,421 | 95,371 | 10,050 | 10.5% |
| Aviation | 3,759 | - | 3,759 | 100.0% |
| Total expenses | 4,926,875 | 5,945,935 | (1,019,060) | -17.1% |
| Increase (decrease) in net position | 782,845 | (854,606) | 1,637,451 | -191.6% |
| Extraordinary items: | - | (285) | 285 | 100.0% |
| Net position, beginning of year, as restated | 1,354,790 | 2,211,791 | (857,001) | -38.7% |
| Net position, end of year | \$ 2,137,635 | \$ 1,356,900 | \$ 780,735 | 57.5% |

Revenues By Source

The statement of activities reports revenue by sources using government-wide reporting standards. To assist the reader in understanding what makes up the various sources referenced, we have provided the following detailed listing:

Program Revenues

Charges for Services

Assessment and tax collection fees, auditing and accounting fees, communication services, election services, legal services, planning and engineering services, civil process services, estate fees, humane services, law enforcement services, recording fees, road and street services, health fees, mental health services, sanitation services, institutional care and services, animal licenses, business licenses, construction permits, road privileges and permits, zoning permits, franchises and other licenses and permits, vehicle code fines, other court fines, forfeitures and penalties in addition to penalties and costs on delinquent taxes, and parking fees.

Operating Grants and Contributions

State, federal, other government, and private contributions to fund specific programs.

Capital Grants and Contributions

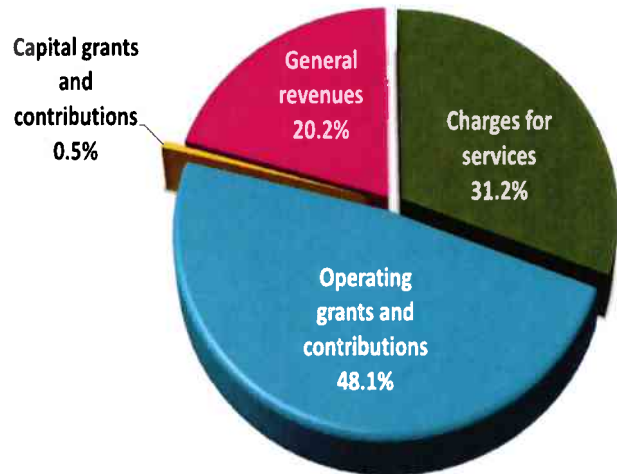
State, federal, other government, and private contributions to fund capital purchases for specific programs.

General Revenues

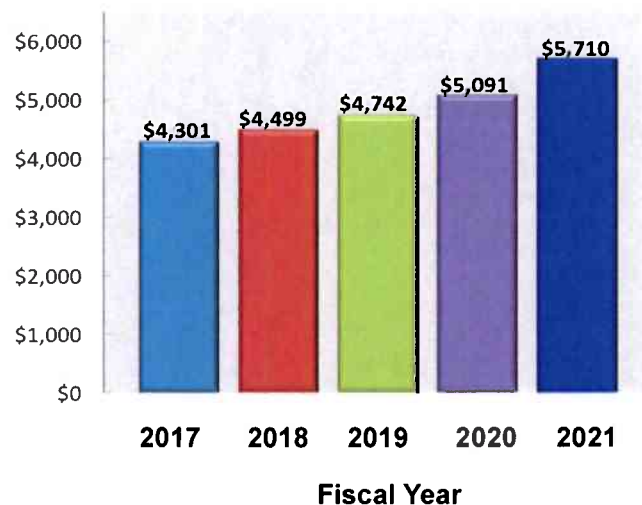
Taxes: Property taxes, sales and use taxes as well as other County levied taxes, investment income, rents and concessions, sale of surplus property, contributions and donations, non-governmental grants and unclaimed money.

- Secured Tax - property taxes on state and locally assessed property that are secured by a lien on the real property, in the opinion of the assessor (R&T Code 109)
- Unsecured Tax - taxes on property that are not secured by real property (ex. land and boats)
- Supplemental Tax - tax on property that has undergone a change in ownership or new construction

Revenues By Source



Revenues By Source 5-Year Trend
(Dollars in Thousands)



Expenses By Function

The following list provides details to define the County departments included in each of the functional categories listed in the statement of activities:

General Government

Assessor, Auditor-Controller, Treasurer-Tax Collector, Economic Development Agency, Human Resources, Registrar of Voters, Facilities Management, Board of Supervisors, Executive Office, County Counsel, Clerk of the Board and Purchasing

Public Protection

Sheriff, Coroner, District Attorney, Public Defender, Probation, Fire, Agricultural Commissioner, Animal Services, County Clerk-Recorder, and Emergency Management

Public Ways and Facilities

Transportation and Land Management Agency, Flood Control, County Airports, County Service Areas, Planning, Building and Safety, and Code Enforcement

Health and Sanitation

Public Health, Environmental Health, Behavioral Health, Riverside University Health Systems-Medical Center, Riverside University Health Systems-Community Health Centers, and Waste Resources

Public Assistance

Department of Public Social Services, Community Action Partnership, Office on Aging, Veteran's Services, Department of Child Support Services, Housing, Homeless and Workforce.

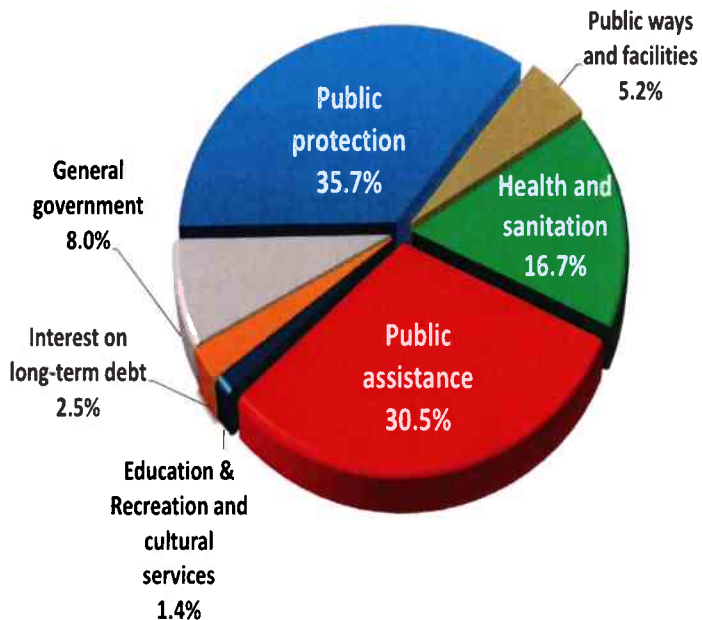
Education

Cooperative Extension and County Library

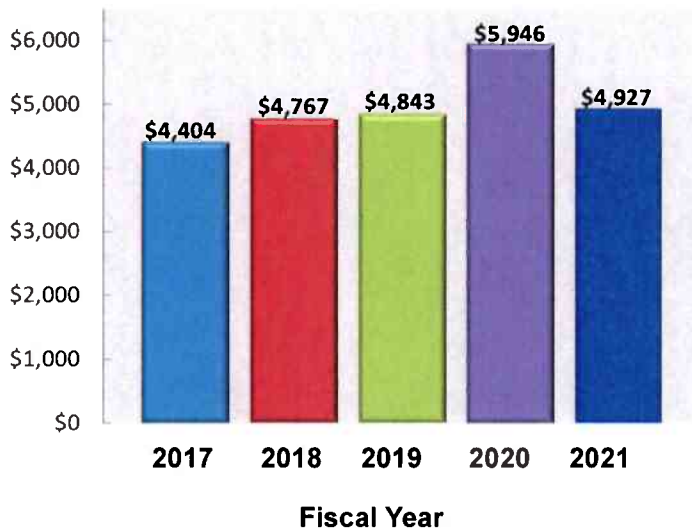
Recreation and Cultural Services

Regional Parks

Expenses By Function

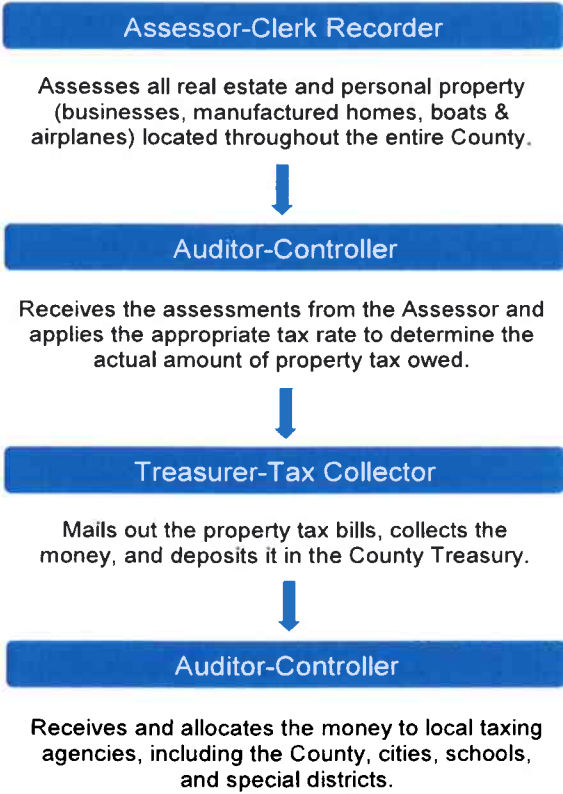


Expenses By Function 5-Year Trend
(Dollars in Thousands)



PROPERTY TAXES

How the Property Tax System Works



Riverside County Principal Property Tax Payers (Property tax in Thousands)

| | |
|--|----------|
| 1. Southern California Edison Co. | \$68,219 |
| 2. Southern California Gas Co. | 22,152 |
| 3. Frontier California Inc. | 6,836 |
| 4. Sentinel Energy Center, LLC. | 5,920 |
| 5. Duke Realty LTD Partnership..... | 5,285 |
| 6. Costco Wholesale Group..... | 4,968 |
| 7. Temecula Hotel Partners Old Town Hldgs Co. | 4,952 |
| 8. Amazon Services Inc. | 4,948 |
| 9. USEF CROSSROADS II | 4,387 |
| 10. Chelsea GCA Realty Partnership | 3,965 |

Property taxes are levied on both real and personal property and are recorded as receivables at the date of levy. Secured property taxes are levied on or before the first business day of September of each year. These taxes become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. Tax payments can be made in two equal installments; the first is due November 1 and is delinquent with penalties after December 10; the second is due February 1 and is delinquent with penalties after April 10. Secured property taxes that are delinquent and unpaid as of June 30 are declared to be tax defaulted and are subject to redemption penalties, costs, and interest. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due and any excess is remitted, if claimed, to the taxpayer.

Where did your property tax dollar go in fiscal year 2020-2021?



For more property tax information visit the County of Riverside’s Property Tax Portal at:

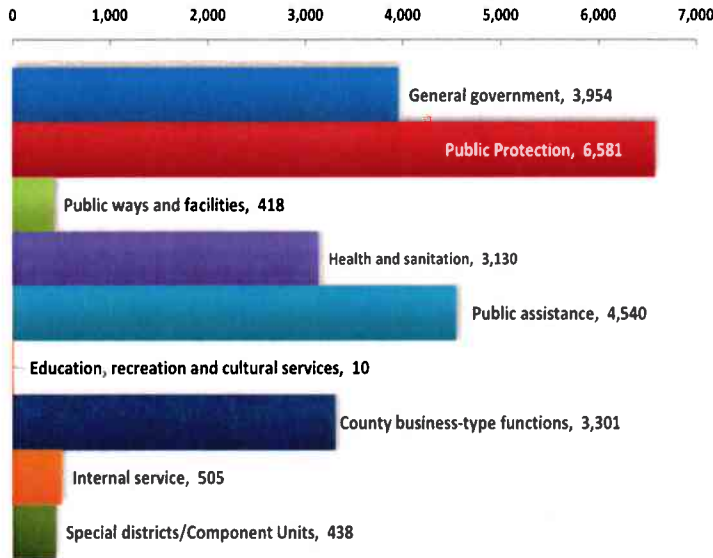
www.riversidetaxinfo.com

DEMOGRAPHICS

Riverside County Principal Employers (Number of employees)

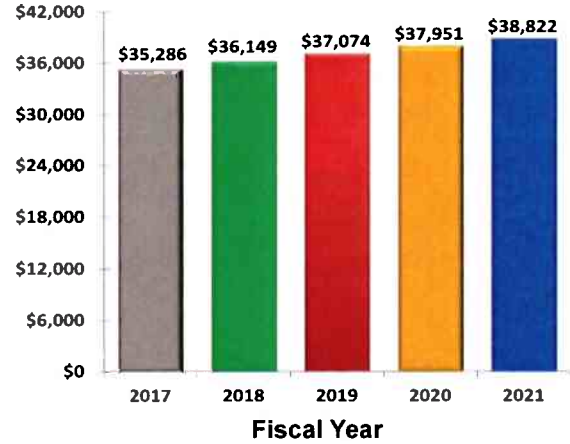
| | |
|--|--------|
| 1. County of Riverside | 22,952 |
| 2. Amazon..... | 10,500 |
| 3. March Air Reserve Base..... | 9,600 |
| 4. University of California, Riverside..... | 8,909 |
| 5. State Brothers Markets..... | 8,304 |
| 6. Morreno Valley Unified School District..... | 6,250 |
| 7. Kaiser Permanente Riverside Medical Ctr.... | 5,780 |
| 8. Corona-Norco Unified School District..... | 5,478 |
| 9. Hemet Unified School District..... | 4,460 |
| 10. Ross Dress For Less..... | 4,313 |

Full-time Equivalent County Government Employees by Function/Program*

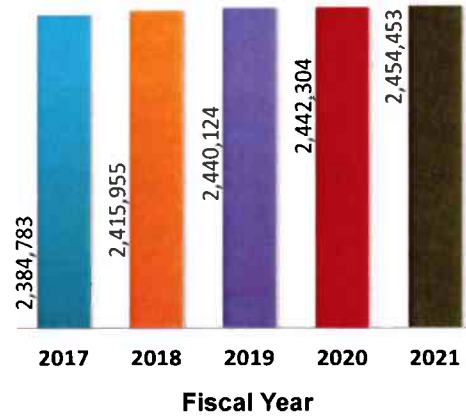


*Temporary employees, 2,529, filled as of 6/1/21, are included in the total number of employees.

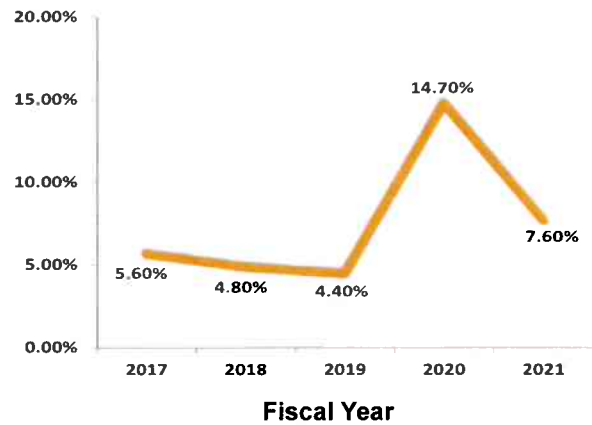
Per Capita Income



Population (In Thousands)

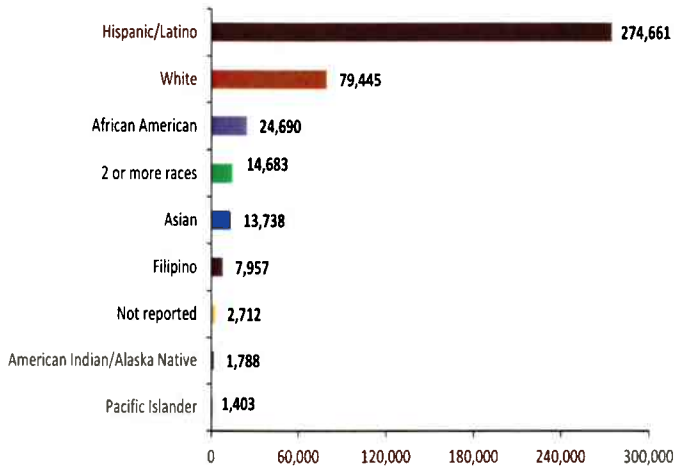


Unemployment Rate



DEMOGRAPHICS

Riverside County School Enrollment by Ethnicity 2020-2021



Highest Enrollment per Riverside County School District

| | |
|-------------------------|--------|
| Corona-Norco Unified | 52,557 |
| Riverside Unified | 41,617 |
| Moreno Valley Unified | 32,299 |
| Temecula Valley Unified | 29,604 |

Additional information about the Riverside County Office of Education may be found at their website: www.rcoe.us

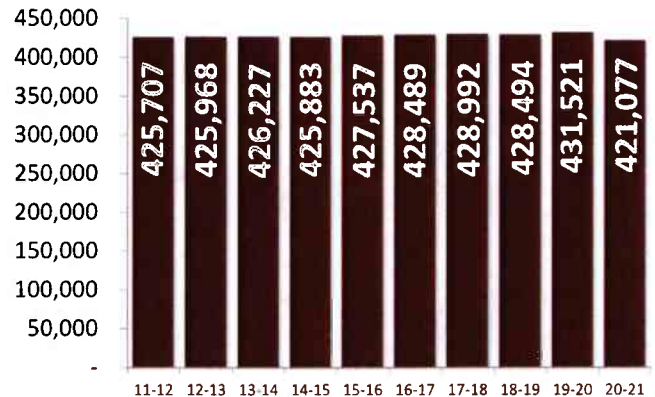
Public School Sites in Riverside County

| | |
|------------------------------|------------|
| Charter Schools | 32 |
| Elementary Sites | 269 |
| Middle/Junior High Sites | 66 |
| Continuation/Adult Education | 19 |
| High School | 77 |
| Total Schools | 463 |

Number of Riverside County Public School Districts

| | |
|-------------|----|
| Elementary | 4 |
| High School | 1 |
| Unified | 35 |

Kindergarten Through 12th Grade Enrollment Growth 2020-2021



SERVICE OPERATING INDICATORS

Environmental Health

Facilities inspections..... 45,876
 Inspections include fixed food facilities, pools, spas, hazardous material generators and miscellaneous food operations

Public Health

Patient visits 255,597

Animal Control Services

Animal impound (live animals)..... 16,281
 Spays and neuters completed 8,626

Public Social Services

CalWORKs clients 17,014
 Food stamp clients 124,377
 Medi-Cal clients 398,909
 In-home supportive services..... 40,231
 Foster care placements 2,583
 Child welfare services..... 9,578
 Services include child adoptions and investigations of child abuse, neglect or abandonment

Assessor-Clerk-Recorder

Assessments 940,948
 Official records recorded 672,635
 Vital records copies issued 57,338
 Official records copies issued 14,644

Waste Resources

Landfill tonnage 1,525,023
 Recycling tonnage 3,129

Sheriff

Number of bookings 50,420
 Coroner case load 14,362
 Calls for services—Unincorporated areas (contract cities not included)..... 197,741
 Patrol stations..... 10

Fire

Medical assistance 124,967
 Fires extinguished 19,392
 Other services 23,144
 Other services include fire menace standbys (bomb threats, electrical hazards, gas hazards, etc.), public service assists (assisting other agencies, persons, flooding, etc.) and false alarms
 Communities served 94
 Fire stations 37

Registrar of Voters

Voting precincts 763
 Polling places 145
 Voters 1,293,635
 Number of voters that were mailed voting materials for all elections in the fiscal year
 Poll workers 1,465

Auditor-Controller

Invoices paid 388,476
 Vendor warrants (checks) issued 209,939
 Active vendors 39,761
 Payroll warrants (checks) issued 574,046
 Audits per fiscal year 36



SERVICE OPERATING INDICATORS

Riverside University Health Systems - MC

| | |
|--|---------|
| Emergency room treatments | 70,949 |
| Emergency room services—Mental Health..... | 10,139 |
| Clinic visits | 75,651 |
| Admissions | 20,426 |
| Patient days..... | 116,656 |
| Discharges..... | 20,433 |

Veterans' Services

| | |
|--------------------------------|--------|
| Phone inquiries answered | 44,816 |
| Client interviews | 20,471 |
| Claims filed | 5,677 |

Community Action Partnership

| | |
|---------------------------------------|--------|
| Utility assistance (households)..... | 9,464 |
| Weatherization (households)..... | 359 |
| Energy education attendees..... | 11,664 |
| Disaster relief (residents)..... | 29,996 |
| Income tax returns prepared | 4,017 |
| After school program (students) | 1,114 |
| Mediation (cases) | 367 |

County Library

| | |
|------------------------------------|-----------|
| Total circulation - books..... | 1,149,859 |
| Reference questions answered | 169,271 |
| Patron door count | 343,307 |
| Programs offered | 3,673 |
| Programs attendance | 150,689 |
| Branch libraries..... | 35 |
| Book mobiles | 2 |

Probation

| | |
|---|--------|
| Adults on probation | 11,570 |
| Juveniles in secure detention | 76 |
| Juveniles in treatment facilities..... | 50 |
| Juveniles in detention facilities | 2,318 |

Mental Health

| | |
|---|--------|
| Mental health clients..... | 46,548 |
| Substance abuse clients..... | 13,045 |
| Detention clients | 19,965 |
| Probate conservatorship clients | 384 |
| Mental health conservatorship clients | 710 |

Agricultural Commissioner

| | |
|--|---------|
| Export phytosanitary certificates..... | 12,992 |
| Pesticide use inspections | 2,464 |
| Weights and measures regulated..... | 148,401 |
| Agriculture quality inspections | 2,018 |
| Plant pest inspections..... | 17,411 |
| Nursery acreage inspected..... | 7,726 |
| Weights and measures inspected | 32,178 |

Parks and Recreation

| | |
|---------------------------|---|
| Historic sites | 4 |
| Nature centers..... | 3 |
| Archaeological sites..... | 6 |
| Wildlife reserves | 9 |
| Regional parks..... | 9 |



ONLINE RESOURCES



Visit the County of Riverside's Official Website

www.rivco.org

Where you can find information about:

Online services provided:

- Board Agendas
- County Agencies and Departments
- County Employment
- County Ordinances
- Court Cases
- Property Assessments
- Public and Official Records
- Roads and Highways
- Voting and Elections
- Check your jury duty status
- Online crime report
- Pay your property taxes
- Pay your traffic tickets
- Report code violations
- Request a birth, death, or marriage certificate
- Search the county library catalog
- Vendor Registration

Visit the County of Riverside Auditor-Controller's Official Website

www.auditorcontroller.org

Auditor-Controller's Office Divisions

- Administration
- Audits & Specialized Accounting
- General Accounting
- Payroll
- Property Tax

Financial Statements

- Annual Comprehensive Financial Report (ACFR)
- Popular Annual Financial Report (PAFR)
- Internal Audit Reports
- Single Audit Reports
- General Fund Daily Cash Balance





Riverside County Popular Annual Financial Report
Paul Angulo, CPA, MA
Riverside County Auditor-Controller
www.auditorcontroller.org

To the Honorable Board of Supervisors
County of Riverside, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Riverside (the County) as of and for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 13, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. During the year ended June 30, 2021, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 90, *Majority Equity Interests—An Amendment of GASB Statements No. 14 and No. 61*, and GASB Statement No. 98, *The Annual Comprehensive Financial Report*. We noted no transactions entered into by County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

- Management's estimates of net other postemployment benefits (OPEB) liability, net pension liability, and related pension expense, deferred inflows of resources, and deferred outflows of resources are based on the most recent actuarial valuations. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimates of the County's liabilities for self-insurance and depreciation expense are based on actuarial valuations and historical data. We evaluated key factors and assumptions used to develop the estimates of the County's liabilities for self-insurance and depreciation expense in determining that they are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of Restatements of Beginning Fund Balances/Net Position in Note 3 to the financial statements.
- The disclosure of the Landfill Closure and Post-Closure Care Cost in Note 10 to the financial statements.

- The disclosure of Self-Insurance in Note 17 to the financial statements.
- The disclosure of Net Pension Liabilities in Notes 20 and 21 to the financial statements.
- The disclosure of Net and Total OPEB Liabilities in Note 22 to the financial statements.
- The disclosure of Commitments and Contingencies in Note 23 to the financial statements.
- The disclosure of Subsequent Events in Note 24 to the financial Statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 3, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of the County's Proportionate Share of Net Pension Liability, Schedule of the County's Pension Contributions, Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios, Schedule of the County's OPEB Contributions, and Budgetary Comparison Schedules for major governmental funds, as listed in the table of contents, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report the combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the

United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Supervisors, the Grand Jury, and management of the County and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 3, 2021