

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



ITEM: 2.6
(ID # 20352)

MEETING DATE:

Tuesday, November 29, 2022

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Fiscal Year 2021-2022 Auditor-Controller Reports of Funds Established, Funds Close and Funds with Negative Cash Balances as of June 30, 2022. All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors receive and file the Auditor-Controller Reports of:

1. Funds Established in Fiscal Year 2021-2022
2. Funds Closed in Fiscal Year 2021-2022
3. Funds with Negative Cash Balances as of June 30, 2022

ACTION:Consent

Tanya Harris
Tanya Harris, Assistant Auditor Controller 11/3/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Hewitt, and Perez
Nays: None
Absent: None
Date: November 29, 2022
xc: Auditor

Kecia R. Harper
Clerk of the Board

By: *Cindy Farady*
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: N/A			Budget Adjustment:	No
			For Fiscal Year:	21/22

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Pursuant to Board of Supervisors Policy Number B-14, Section 25252 of the Government Code and Board Resolution No. 2010-205, the Auditor-Controller Office reports to the Board of Supervisors all funds established and closed during the fiscal year and all funds resulting in a negative cash balance at the end of the fiscal year

Attachment "A" represents 22 new funds that were established during the fiscal year.

Attachment "B" represents 9 funds that were closed during the fiscal year, to comply with GASB 84 implementation.

Attachment "C" reports the funds that had negative cash balances as of June 30th, 2022, including custodian's explanations for their cash deficit.

ATTACHMENT A. Funds Established in Fiscal Year 2021/2022

ATTACHMENT B. Funds Closed in Fiscal Year 2021/2022

ATTACHMENT C. County Funds with Negative Cash Balance as of June 30, 2022


 Stephanie Perez, Principal Management Analyst 11/18/2022

Attachment B
Funds Closed During Fiscal Year 2021/2022

Fund	Fund Name	Effective Date
31000	85 Aces	7/1/2021
31050	97 B-C Hospital Project	7/1/2021
36160	2005B Historic Courthouse Refunding	7/1/2021
36170	2005A Capital Improvement Family Court Refunding Project	7/1/2021
65055	Payroll Supplemental Refund Clear	8/30/2021
65905	Blythe Narcotic Enforcement Team Asset Forfeiture-Unadjudicated	2/25/2022
65910	Blythe Narcotic Enforcement Team Asset Forfeiture-Adjudicated	2/25/2022
51085	Coachella Valley Cemetery Deferred Compensation	5/24/2022
51100	Coachella Valley Cemetery	5/24/2022

Attachment A
Funds Established During Fiscal Year 2021/2022

Fund	Fund Name	Effective Date
52018	Regional Conservation Authority Local Development Mitigation Fee Endowment	7/8/2021
11207	Sheriff - Federal/State Grants	8/17/2021
21736	American Rescue Plan Act Community Improvement Designation Board of Supervisor	9/24/2021
25820	Riverside County Children & Families Commission - American Rescue Plan Act Funding 2021	9/24/2021
37450	Infrastructure Financing Authority Lease Revenue Refunding Bond 2021A & 2021B	10/12/2021
21340	Permanent Local Housing Allocation Program Funds - Housing and Workforce Solutions Grants	12/13/2021
20740	Community Facilities Districts 20-2M Prairie Crossing Area A	3/25/2022
20750	Community Facilities Districts 20-2M Prairie Crossing Area B	3/25/2022
22860	Opioid Remediation	3/29/2022
66260	Temecula Wine Country Enhanced Infrastructure Financing District	5/3/2022
20563	Landscaping & Lighting Maintenance District No 89-1-Consolidated, Zone 213	5/5/2022
20564	Landscaping & Lighting Maintenance District No 89-1-Consolidated, Street Lighting Zone 143	5/5/2022
20565	Landscaping & Lighting Maintenance District No 89-1-Consolidated, Street Lighting Zone 149	5/5/2022
20566	Landscaping & Lighting Maintenance District No 89-1-Consolidated, Street Lighting Zone 148	5/11/2022
20760	Community Facilities Districts 21-1M Mountain Vista	6/14/2022
20770	Community Facilities Districts 21-2M Sunset Crossing	6/14/2022
20780	Community Facilities Districts 21-3M Eagle Vista/ Lake Ranch Improvement Area A	6/14/2022
20790	Community Facilities Districts 21-3M Eagle Vista/ Lake Ranch Improvement Area B	6/14/2022
20800	Community Facilities Districts 22-1M Los Olivos/ Countryview Improvement Area A	6/14/2022
20810	Community Facilities Districts 22-1M Los Olivos/ Countryview Improvement Area B	6/14/2022
20820	Community Facilites Districts 22-2M Mountain Edge	6/14/2022
21210	Edward Dean Museum & Gardens	6/28/2022

Attachment C

County Funds with Negative Cash Balance as of June 30, 2022



FUND NUMBER	FUND NAME	BALANCE AS OF JUNE 30, 2022	EXPLANATION
40090	Riverside University Health System-Federal Qualified Health Center- Health Care Clinics	(5,559,903)	The purpose of this fund is to capture the activities of regulated federally qualified health centers under the Riverside University Health System. With the opening of new clinics and the purchasing of equipment, the clinics have experienced a structural deficit. The management team has been very proactive in exploring and managing their revenue sources in order to resolve these deficiencies.
21450	Office On Aging	(4,523,818)	The Office on Aging is paid on a reimbursement basis in arrears from the federal and state governments, primarily through the California Department of Aging. Typically the 4th quarter requested funds are reimbursed between September through November of the following fiscal year. The Office on Aging continues to seek methods to eliminate the negative cash throughout the fiscal year.
65650	Treasurer Unapportioned Interest	(3,213,475)	Fund 65650 reflected a negative cash balance at the close of fiscal year 2022 due to our T + 1 bank reporting, interest was received on June 30, 2022, and posted on July 1, 2022. Our office recognizes the interest received in fiscal year 2022 budgetary projections and had to process the 4th Quarter Administrative fee for quarter ending 6/30/22, which resulted in this timing difference. As of July 2022, the negative cash has a positive balance.
55010	Corona School B Warrants	(3,194,395)	This fund is used as one of two clearing accounts for vendor payments for the Corona-Norco Unified School District. The fund balance fluctuates throughout the year due to the timing of payments, reimbursements to the fund, and transfers from other clearing accounts. The negative balance is also due to Corona's school booking process. The treasurer office will monitor the negative balance and work with the school district to make the necessary corrections.
65011	DeltaCare USA Dental Health Maintenance Organization	(2,701,226)	The fund is used to capture activity related to the dental health care plan under DeltaCare USA. The fund is reimbursed through payroll collections of insurance premiums. The negative balance is due to timing of adjustments. The fund will be brought to a positive balance in fiscal year 2023.
11158	Workers Compensation Insurance Fraud	(1,223,734)	The purpose of the fund is for the workers compensation insurance fraud program for District Attorney's Office to prosecute California Department of Insurance related cases. The negative cash balance is due to a timing difference as the related expenditures were properly accounted for within the appropriate fiscal year 2022. Based on Department of Insurance historical remittance trends, these reimbursements are usually received within the 1st quarter of the following fiscal year. As of August 2022, the fund has a positive balance.
45980	Internal Service Fund-Long Term Disability	(625,321)	The fund is used to capture activity related to long term disability. The fund is reimbursed through payroll collections. The negative balance is due to timing and adjustments. The fund will be brought to a positive balance in fiscal year 2023.
21840	California Proposition 56 Tobacco Tax of 2016	(470,334)	The fund operates in arrears. The negative balance is due to timing. Reimbursement for services have been invoiced and is expected in the beginning of fiscal year 2023.
21550	Workforce Development	(456,347)	The purpose of the fund is to provide both trade school and on-the-job training to increase independence and self-sufficiency of citizens in Riverside County. The negative cash balance is due to a timing difference related to contractor expenditures incurred during fiscal year 2022 which were reimbursed by the State in fiscal year 2023. As of July 2022, the fund has a positive balance.
21841	California Proposition 56 Local Oral Health	(385,062)	The purpose of this fund is to capture public health expenses qualifying under the California proposition 56 Local Oral Health Plan. The negative balance is part of the 4th quarter invoice that will be paid in fiscal year 2023.
65031	Payroll Recon Clearing	(325,779)	This fund is a clearing fund for payroll. The negative cash balance is due to transfers and adjustments between other payroll funds. The fund is comprised of multiple adjustments from different funds and departments for multiple years. There are no transactions going in and out of this fund. Negative balance is due to timing of adjustments.
22800	In-Home Supportive Services Public Authority	(255,660)	The purpose of this fund is to capture the In-Home Supportive Services Public Authority administrative expenses. The negative balance is due to timing, costs are incurred and reimbursement is received in arrears. The fund will be positive once the funds are received from the State.
11118	Department of Insurance-Auto Insurance Fraud	(217,315)	The purpose of the fund is for the automobile insurance fraud program for District Attorney's Office to prosecute California Department of Insurance related cases. The negative cash balance is due to a timing difference as the related expenditures were properly accounted for within the appropriate fiscal year 2022. Based on Department Of Insurance historical remittance trends, these reimbursement are usually received within the 1st quarter of the following fiscal year. As of October 2023, the fund has a positive balance.

11011	Auditor-Forged Warrants	(195,497)	The purpose of this fund is to capture activities related to the replacement of forged warrants. Forged warrants are warrants presented and cashed by someone other than the payee. The County becomes aware of forged warrants when the original payee submits a claim to the Auditor Controller's Office. The Auditor Controller's Office then submits the claim to the bank to recover funds, however there is a timing difference between the reissuance and the refunds from the bank.
51000	Salton Sea Authority-Payroll	(185,254)	The negative balance is due to timing, check #1345 was issued by the Salton Sea Authority on June 20, 2022. The check was received and deposited by the Auditor-Controller on July 6, 2022. As of July 2022, the fund has a positive balance.
11156	Auto Insurance Fraud - Urban	(110,196)	The purpose of the fund is to capture and prosecute automobile insurance fraud activity for District Attorney's Office. The negative cash balance is due to a timing difference as the related expenditures were captured in fiscal year 2022. Based on Department of Insurance historical remittance trends, these reimbursements are usually received within the 1st quarter of the following fiscal year. As of August 2022, the fund has a positive balance.
65185	State Unemployment Insurance	(104,405)	The fund is an State Disability Insurance tax account. The negative balance is due pending reimbursement to State Disability Insurance reimbursements from Equal Employment. Currently collection efforts are consistent with Equal Employment's office.
65085	Deferred Compensation Contribution-Nationwide	(43,862)	The fund is used to capture activity related to the Nationwide deferred compensation plan. The fund is reimbursed through payroll collections. The negative balance is due to timing and adjustments. The fund will be brought to a positive balance in fiscal year 2023.
11197	Tax Collection Non-Sufficient Funds	(21,991)	This fund is a designated non-sufficient fund chargeback. Due to the nature of this fund, the cash balance will always reflect as a negative amount. Outstanding liabilities are either recovered from taxpayers or bank collections.
51550	Law Library Building Fund	(15,718)	The purpose of this fund is to manage for the Victor Miceli Law Library building. During fiscal year 2022 the building underwent renovations which lead to a negative cash balance. Management has taken steps to address the negative balance and will closely monitor the fund in fiscal year 2023.
20302	Landscape & Landscape Maintenance District-Zone 3	(12,800)	The purpose of this fund is to track the monies received through property tax payments for the maintenance of landscapes zones. Revenues are received from the distribution of Secured Property Taxes in January and May. The negative cash balance is due to timing differences between tax receipts and expenditures. During fiscal year 2022, expenses were posted before corresponding revenues and correction will reflect in the 2nd quarter fiscal year 2023.
69004	Cat 5-Electronic Fund Transfer	(10,217)	The fund is a clearing fund for daily warrants. The negative cash is due to timing of accounts payable transactions. As of July 2022, the fund has a positive balance.
20301	Landscape & Landscape Maintenance District-Zone 1	(6,088)	The purpose of this fund is to track the monies received through property tax payments for the maintenance of landscapes zones. Revenues are received from the distribution of Secured Property Taxes in January and May. The negative cash balance is due to timing differences between tax receipts and expenditures. During fiscal year 2022, expenses were posted before corresponding revenues and correction will reflect in the 2nd quarter fiscal year 2023.
65265	Abstract of Judgement	(5,209)	The purpose of this fund is to capture the activities related to employees' garnishment payments and deposits. The negative cash balance is due to an overpayment to California Department of Child Support Services. The refund is expected by December 2022.
65190	Law Library Building Fund	(1,397)	The purpose of this fund is to capture the activities related to the payroll State Withholdings payments. The negative cash balance is due to prior year adjustments which are pending submittal to the Employment Development Department.
Grand Total of Negative Cash Balances		<u><u>(23,865,005)</u></u>	

Note: Negative cash balances for the above funds are obtained from the "Pool Detail Report Negative Cash Only" for Fiscal Year 2022 Accounting Period 12 Monthly.

Attachment C

County Funds with Negative Cash Balance as of June 30, 2022



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65650	Treasurer Unapportioned Interest	(3,213,475)	Fund 65650 reflected a negative cash balance at the close of fiscal year 2022 due to the Treasurer's software upgrade to Clearwater, interest was received on June 30, 2022, and posted on July 1, 2022. Our office recognizes the interest received in fiscal year 2022 budgetary projections and had to process the 4th Quarter Administrative fee for quarter ending 6/30/22, which resulted in this timing difference. As of July 2022, the negative cash has a positive balance.
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	Grand Total of Negative Cash Balances	(23,865,005)	

Note: Negative cash balances for the above funds are obtained from the "Pool Detail Report Negative Cash Only" for Fiscal Year 2022 Accounting Period 12 Monthly.