

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



ITEM: 4.1
(ID # 20635)

MEETING DATE:

Tuesday, December 13, 2022


FROM : SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY:

SUBJECT: SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY: Successor Agency Annual Audit Report for the year ended June 30, 2022, All Districts, [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the Successor Agency to the Redevelopment Agency for the County of Riverside Annual Audit Report for the Year Ended June 30, 2022.

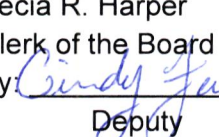
ACTION:Consent


Don Kent, Director of Finance 11/17/2022

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, and Hewitt
Nays: None
Absent: Perez
Date: December 13, 2022
xc: Successor Agency

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: N/A			Budget Adjustment:	No
			For Fiscal Year: 2021-2022	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Successor Agency to the Redevelopment Agency for the County of Riverside (Successor Agency) engages each year an independent auditor to conduct an audit of the financial statements of fiduciary net position, the related statement of changes in fiduciary net position and the related notes to the financial statements for the fiscal year then ended.

For fiscal year 2021-2022, the Successor Agency engaged Teaman, Ramirez and Smith, to conduct the audit of its financial statements and transactions for the period July 1, 2021 through June 30, 2022.

The audit was performed 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 the independent auditor plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Based upon the results of the audit, the independent auditor issued an opinion that the financial statements of the Successor Agency presents fairly (no exceptions noted), in all material respects, the financial position of the Successor Agency as of June 30, 2022, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Impact on Residents and Businesses

The audit provides a reasonable assurance that the financial statements of the Successor Agency are free from material misstatement.

ATTACHMENTS:

1. Successor Agency to the Redevelopment Agency for the County of Riverside Annual Audit Report Year Ended June 30, 2022.
2. 2022 Governance Conclusion Communication Letter

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

3. 2022 Internal Control Report


Michael Ambolo, Chief Finance Officer 11/16/2022

**SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE, CALIFORNIA**

ANNUAL AUDIT REPORT

Year Ended June 30, 2022

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Table of Contents
Year Ended June 30, 2022**

TABLE OF CONTENTS

	<u>PAGE</u>
I. INDEPENDENT AUDITORS' REPORT	i - iii
II. MANAGEMENT'S DISCUSSION AND ANALYSIS	iv - ix
III. FINANCIAL STATEMENTS	
Basic Financial Statements:	
Statement of Fiduciary Net Position	1
Statement of Changes in Fiduciary Net Position	2
Notes to Financial Statements	3 - 39
Supplementary Information:	
Combining Schedule of Fiduciary Net Position	40
Combining Schedule of Changes in Fiduciary Net Position	41

INDEPENDENT AUDITORS' REPORT

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

Report on the audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of fiduciary net position of the Successor Agency to the Redevelopment Agency for the County of Riverside, California (the "Agency") as of and for the year ended June 30, 2022, and the related statement of changes in fiduciary net position and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Agency are intended to present the financial position and changes in financial position of the County of Riverside, California that is attributable to the transactions of the Agency. They do not purport to, and do not present fairly the financial position of the County of Riverside, California, as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages iv-ix be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying combining schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of the Agency'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 solely 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 the effectiveness of the Agency's 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 Agency's internal control over financial reporting and compliance.

Teaman Ramirez & Smith, Inc.

Riverside, California

November 14, 2022

Successor Agency to the Redevelopment Agency for the County of Riverside
Management's Discussion and Analysis
For the year ended June 30, 2022

As management of the Successor Agency to the Redevelopment Agency for the County of Riverside ("Successor Agency"), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the Successor Agency's financial statements, which follows this section.

Narrative Overview

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1x26, (the "Redevelopment Dissolution Law") and all redevelopment agencies in California were dissolved effective February 1, 2012. On January 10, 2012, the Board of Supervisors adopted Resolution No. 2012-034, in which the County of Riverside accepted the designation as Successor Agency to the Redevelopment Agency for the County of Riverside and further delegated the actions and functions performed by the Successor Agency to the Riverside County Economic Development Agency. On the same date, the Board also adopted Resolution No. 2012-035 which designated the Housing Authority of the County of Riverside as the Successor Agency for the redevelopment housing functions.

Pursuant to the Redevelopment Dissolution Law, Successor Agencies are to undertake the remainder of the actions required for the winding down of redevelopment activity and the Oversight Boards oversee the wind down activities of the Successor Agencies. On May 31, 2013, the Board of Supervisors directed that effective July 1, 2013, the administration of the Successor Agency be shifted to the Riverside County Executive Office.

This discussion and analysis are intended to serve as an introduction to the Successor Agency's basic financial statements.

Financial Highlights

As of the fiscal year ending June 30, 2022, the financial highlights for the Successor Agency are as follows:

- The Successor Agency's total assets of \$89,896,958 and deferred outflows of resources of \$30,842,441 fall short of the Agency's total liabilities of \$645,182,580 and deferred inflows of resources of \$1,469,215 at the close of the fiscal year resulting in net position (deficit) of (\$525,912,396).
- At the close of the current fiscal year, the Successor Agency reported total additions of \$47,497,512 and total deductions of \$27,567,201 which results to a change in Net Position of \$19,930,311.

Overview of the Financial Statements

The Successor Agency has two different types of fiduciary funds, the Successor Agency Private Purpose Trust Fund (PPTF) is used to report resources held at the trustee and in reserves to cover bond expenses and obligations contracted to be paid out of the Agency's reserve balance and the Successor Agency Private-Purpose Trust Fund- Redevelopment Obligation Retirement Fund (PPTF-RORF), which is used to report and track the Redevelopment Property Tax Trust Fund (RPTTF) received from the County Auditor-Controller for the payment of the Agency's enforceable obligations based on the approved Recognized Obligation Payment Schedule (ROPS). These funds were established for the purpose of accounting for assets held in trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The Successor Agency also manages the Low and Moderate Housing Fund DDR balance (Fund 65963) for the Housing Authority Successor Agency.

The discussion and analysis provided here are intended to serve as an introduction to the Successor Agency's basic financial statements. The Successor Agency's basic financial statements consist of three components: 1) statement of Fiduciary Net Position, 2) statement of Changes in Fiduciary Net Position, and 3) the notes to the financial statements. This report also contains other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Basic Financial Statements. The *basic financial statements* are designed to provide readers with a broad overview of the Successor Agency's finances, in a manner similar to a private-sector business.

The *Statement of Fiduciary Net Position* presents information on all of the Successor Agency'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 Successor Agency is improving or deteriorating.

The *Statement of Changes in Fiduciary Net Position* presents information showing how the Successor Agency'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 related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position can be found on pages 1-2 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reported in the government-wide financial statement of the County of Riverside Annual Comprehensive Financial Report (ACFR) because the resources of those funds are *not* available to support the County of Riverside's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 1-2 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 3-39 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *supplementary information* such as: The Agency's Combining Schedule of Fiduciary Net Position, the Agency's Combining Schedule of Changes in Fiduciary Net Position. The combining statements referred to in connection with the Successor Agency's Private Purpose Trust Fund and Private Purpose Trust Fund–Redevelopment Obligation Retirement Fund are presented immediately following the Notes to Financial Statements. Combining and individual fund statements and schedules can be found on pages 40-41 of this report.

Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Successor Agency to the Redevelopment Agency for the County of Riverside, a net deficit of \$525,912,396 is reported in the Agency's Statement of Changes in Fiduciary Net Position at the close of fiscal year 2021-2022.

Financial statements, presented as follows, are shown in a condensed format to compare amounts from the period ending June 30, 2022 to amounts from the prior fiscal year ending June 30, 2021. Charts to illustrate selected aspects of financial information along with brief narrative analysis, accompany these combined financial statements.

Fiduciary Fund Net Position

The Successor Agency Statement of Fiduciary Net Position increased by \$19.9 million during the year mostly due to the paying down the principal balances of the Successor Agency bonds.

Successor Agency to the Redevelopment Agency For the County of Riverside Statement of Fiduciary Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current and Other Assets	\$ 89,896,958	\$ 91,771,982
Total Assets	<u>\$ 89,896,958</u>	<u>\$ 91,771,982</u>
Total Deferred Outflows of Resources	\$ 30,842,441	\$ 32,719,791
Long-term Liabilities Outstanding	\$ 638,884,617	\$ 662,445,105
Other Liabilities	\$ 6,297,963	\$ 6,320,278
Total Liabilities	<u>\$ 645,182,580</u>	<u>\$ 668,765,383</u>
Total Deferred Inflows of Resources	\$ 1,469,215	\$ 1,569,097
Net Position Held in Trust for Redevelopment	<u>\$ (525,912,396)</u>	<u>\$ (545,842,707)</u>

The Successor Agency's total assets of \$89,896,958 reflects its current and other assets (e.g., Redevelopment Property Tax Trust Fund [RPTTF] received from the Auditor-Controller's office, proceeds of long-term debt, accounts receivable and other assets). The long-term liabilities of the Agency are listed in detail on page 15 of the report. It includes the various bonds payable of the Agency, including accreted interest payable. The Agency made its regularly scheduled principal payments on its existing outstanding debt. All outstanding long-term debts (bonds payable) are backed by redevelopment property tax revenues.

Fiduciary Fund Changes in Net Position

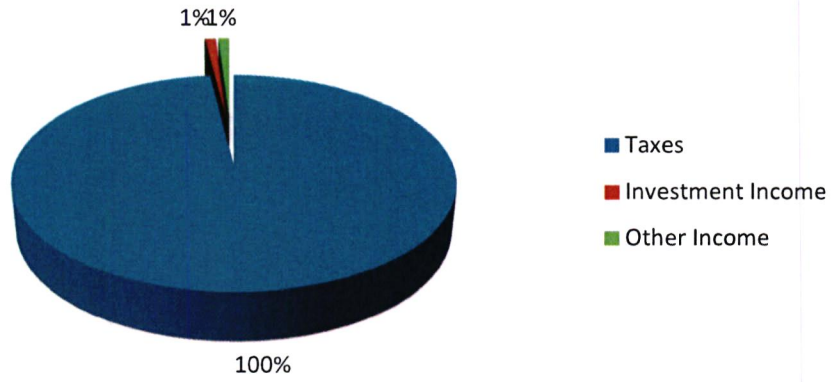
As shown by the Statement of Changes in Fiduciary Position, the Successor Agency's total deductions exceeded total additions by \$19,930,311. The increase in net position can be explained by these major reasons:

- The Redevelopment Property Tax Trust Fund (RPTTF) requested by the Agency for FY 21-22 was \$52,033,116. The California Department of Finance (DOF) authorized the full RPTTF amount requested net of the Successor Agency's Prior Period Adjustment of \$4,904,987. The net RPTTF for the fiscal year is \$43,095,776. Due to the timing of receipt of RPTTF, the July to June RPTTF is received in June of the prior year. The Successor Agency received \$47,128,129 during the fiscal year, of which \$14,429,864 belongs to the first half of fiscal year 2023.
- Investment income decreased due to falling interest rates but mostly from the negative fair market value change in the County pool cash and investments. This year, the Successor Agency did not incur other expenses related to the refunding. The proceeds from the transfer of property are transmitted to the County of Riverside Treasurer-Tax Collector for distribution to the Taxing Entities and the fair market value of the properties transferred are reported as a loss on the sale of land held for development.

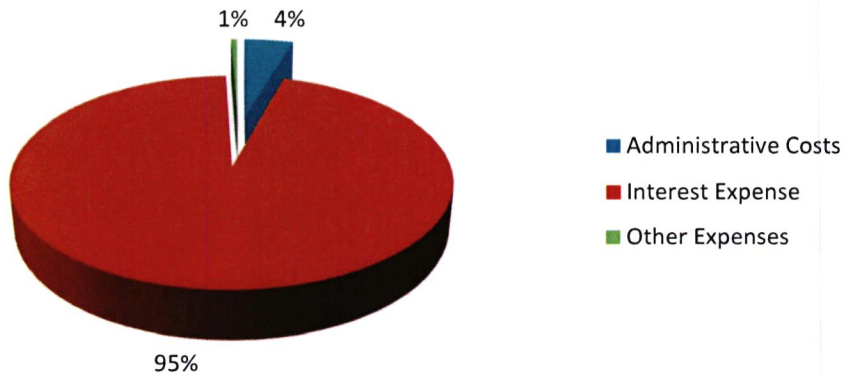
Successor Agency to the Redevelopment Agency For the County of Riverside Statement of Changes in Fiduciary Net Position

	June 30, 2022	June 30, 2021
Additions:		
Taxes	\$ 47,865,120	\$ 47,118,237
Investment Income	(280,111)	13,487
Other Income	(87,497)	(74,444)
Total Additions	47,497,512	47,057,280
Deductions:		
Administrative Costs	1,217,149	1,336,953
Professional Services	91,235	103,163
Interest Expense	26,193,190	27,403,679
Debt Issuance Costs	0	50,000
Property Costs	65,627	122,319
Other Expenses	0	0
Total Deductions	27,567,201	29,016,114
Change in Net Position Held in Trust	19,930,311	18,041,166
Net Position Held in Trust, Beginning	(545,842,707)	(563,883,873)
Net Position Held in Trust, Ending	\$ (525,912,396)	\$ (545,842,707)

Additions by Source Period Ended June 30, 2022



Deletions by Source Period Ended June 30, 2022



REVENUES AND RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Pursuant to AB 1x26, the Successor Agency is required to adopt a Recognized Obligation Payment Schedule (“ROPS”). A ROPS is a listing of all enforceable obligations of the Agency, due and payable in the six-month coverage period. The ROPS is prepared semi-annually and is the basis for the distribution of property tax revenues from the Redevelopment Property Tax Trust Fund or RPTTF.

On September 11, 2015, the Legislature approved Senate Bill 107 pertaining to redevelopment dissolution and the Governor signed the bill on September 22, 2015. Among the objectives of SB 107 is to transition all Successor Agencies from a biannual ROPS to an annual ROPS beginning July 1, 2016. SB 107 also allows the Successor Agencies to establish a “Last and Final” ROPS beginning January 1, 2016. The last and final ROPS will be available only to Successor Agencies that have a finding of completion, agree with the Department of Finance on what items qualify for payment and meets other specified conditions.

Requests for Information

This financial report is designed to provide a general overview of the Successor Agency’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Successor Agency to the Redevelopment Agency, 4080 Lemon Street, 4th Floor Riverside CA 92501.

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BASIC FINANCIAL STATEMENTS

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Statement of Fiduciary Net Position
June 30, 2022**

ASSETS	
Cash and Investments	\$ 21,030,225
Cash and Investments with Fiscal Agent	51,233,727
Interest Receivable	47,862
Prepaid Items	3,225,934
Loans Receivable	1,078,647
Land Held for Development	<u>13,280,563</u>
Total Assets	<u>89,896,958</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	<u>30,842,441</u>
Total Deferred Outflows of Resources	<u>30,842,441</u>
LIABILITIES	
Interest Payable	6,297,963
Accreted Interest Payable	17,225,556
Bonds Payable	<u>621,659,061</u>
Total Liabilities	<u>645,182,580</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Charge on Refunding	<u>1,469,215</u>
Total Deferred Inflows of Resources	<u>1,469,215</u>
NET POSITION	
Unrestricted (Deficit)	<u><u>\$ (525,912,396)</u></u>

The accompanying notes are an integral part of this statement.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2022**

ADDITIONS	
Taxes	\$ 47,865,120
Investment Earnings	(280,111)
Gain (Loss) on Sale of Land Held for Development	(95,180)
Other Income	7,683
	<hr/>
Total Additions	47,497,512
	<hr/>
DEDUCTIONS	
Administrative Costs	1,217,149
Professional Services	91,235
Interest Expense	26,193,190
Property Costs	65,627
	<hr/>
Total Deductions	27,567,201
	<hr/>
Net Increase (Decrease) in Fiduciary Net Position	19,930,311
Net Position, Beginning of Year (Deficit)	<hr/> (545,842,707)
Net Position, End of Year (Deficit)	<hr/> <hr/> \$ (525,912,396)

The accompanying notes are an integral part of this statement.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1	Summary of Significant Accounting Policies	4 - 9
2	Detailed Notes on All Funds	9 - 39
3	Other Information	39

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Redevelopment Agency for the County of Riverside, California was formed under Section 33,000 et. seq. of the Health and Safety Code. On December 29, 2011, the California Supreme Court upheld Assembly Bill XI 26 but struck down Assembly Bill XI 27 that would have allowed agencies to continue if they participated in the Voluntary Alternative Redevelopment Program. As of February 1, 2012, California Redevelopment Agencies was dissolved under the ruling. The County of Riverside (the "County") elected to retain the assets, liabilities and activities of the former redevelopment agency in a fiduciary capacity as a Successor Agency (the "Agency"). The assets and liabilities of the former redevelopment agency were transferred to the Agency on February 1, 2012. The Agency's activities are reported in the County's financial statements in the fiduciary fund statements. The financial statements present only the Successor Agency's financial statements and do not purport to, and do not fairly present, the financial position of the County of Riverside, California.

The Agency's office and records are located at 4080 Lemon Street, 4th Floor, Riverside, California 92501, telephone number (951) 955-1110. Agency officers are as follows:

<u>Name</u>	<u>Title</u>
Jeff Hewitt	Chairman
Kevin Jeffries	Vice Chairman
Karen Spiegel	Director
V. Manuel Perez	Director
Chuck Washington	Director

The Successor Agency is governed by the County Board of Supervisors serving in a separate capacity as the governing board of the Successor Agency. The Successor Agency is tasked with winding down the activities of the former redevelopment agency, including paying off debt and disposing of property of the former redevelopment agency. The Board of Supervisors typically meets every Tuesday.

The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

A) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. The intent of this Statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for reporting periods beginning after June 15, 2021. Currently, this statement has no effect on the Agency's financial statements.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 89

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement was issued to (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. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for fiscal years beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for reporting periods beginning after December 15, 2020. Currently, this statement has no effect on the Agency's financial statements.

Governmental Accounting Standard Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement was issued to improve financial reporting for certain debt obligations. It allowed entities 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. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning December 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for reporting periods beginning after December 15, 2021. Currently, this statement has no effect on the Agency's financial statements.

Governmental Accounting Standard Board Statement No. 92

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement was issued 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. This includes GASB Statement No. 87, GASB Statement No. 73, GASB Statement No. 74, GASB Statement No. 84 and the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition as well as other specific provisions. The requirements related to GASB Statement No. 87 are effective upon the issuance date of Statement No. 92. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 6-10 and 12 for reporting periods beginning after June 15, 2021. Currently, this statement has no effect on the Agency's financial statements.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 93

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that results from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 13 and 14 for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. Currently, this statement has no effect on the Agency's financial statements.

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Agency has elected not to early implement GASB Statement No. 94 and has not determined its effect on the Agency's financial statements.

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Agency has elected not to early implement GASB Statement No. 96 and has not determined its effect on the Agency's financial statements.

Governmental Accounting Standard Board Statement No. 97

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined pension and OPEB plans as fiduciary component units; and (3) enhance the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. All other requirements are effective for fiscal years beginning after June 15, 2021. Currently, this statement has no effect on the Agency's financial statements.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standard Board Statement No. 98

In October of 2021, GASB issued Statement No. 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. Statement No. 98 is effective for fiscal years ending after December 15, 2021. Currently, this statement has no effect on the Agency's financial statements.

Governmental Accounting Standard Board Statement No. 99

In April of 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Statement No. 99 is effective upon issuance except for requirements related to leases, PPPs, and SBITAs which is effective for fiscal years beginning after June 15, 2022, and requirements related to financial guarantees and the classification and reporting of derivative instructions within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. Currently, this statement has no effect on the Agency's financial statements.

Governmental Accounting Standard Board Statement No. 100

In June of 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023. The Agency has elected not to early implement GASB Statement No. 100 and has not determined its effect on the Agency's financial statements.

Governmental Accounting Standard Board Statement No. 101

In June of 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for fiscal years beginning after December 15, 2023. The Agency has elected not to early implement GASB Statement No. 101 and has not determined its effect on the Agency's financial statements.

B) Basis of Presentation

The basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for governmental accounting and financial reporting purposes.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Basis of Presentation - Continued

The fund financial statements provide information about the Agency's funds. The Agency has a private-purpose trust fund to account for the former redevelopment activities of the Redevelopment Agency for the County of Riverside.

C) Basis of Accounting

The Agency's financial statements are reported using the economic resources measurement focus and the full 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.

D) Assets, Liabilities, and Net Position or Equity

Deposits and Investments

As a governmental entity other than an external investment pool in accordance with GASB 31, the Agency's investments are stated at fair value except for interest-earning investment contracts (see Note 2A).

In applying GASB 31, the Agency utilized the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
 - a) Items required to be reported at amortized cost,
 - b) Items in external pools that are not SEC-registered,
 - c) Items subject to involuntary participation in an external pool,
 - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) The gain/loss resulting from valuation will be reported within the revenue account "investment earnings" on the Statement of Changes in Fiduciary Net Position.

Property Taxes

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January 1	
Levy Date	July 1 to June 30	
Due Date	November 1	- 1st Installment
	February 1	- 2nd Installment
Delinquent Date	December 10	- 1st Installment
	April 10	- 2nd Installment

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the agencies based on complex formulas prescribed by the state statutes.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, and Net Position or Equity - Continued

Land Held for Development

Land is stated at cost or the most recent appraised value, which approximates market value at June 30, 2022.

E) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of fiduciary net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has only one type of this item, deferred charge on refunding which results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition to liabilities, the statement of fiduciary net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has only one type of this item, deferred charge on refunding which results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

F) Use of Estimates

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from those amounts.

2) DETAILED NOTES ON ALL FUNDS

A) Deposits and Investments

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Fiduciary Net Position:	
Cash and Investments	\$ 21,030,225
Cash and Investments with Fiscal Agent	<u>51,233,727</u>
Total Cash and Investments	<u>\$ 72,263,952</u>

Cash and investments consist of the following:

Riverside County Treasurer's Pooled Investment Fund	\$ 21,030,225
Other Investments	<u>51,233,727</u>
Total Cash and Investments	<u>\$ 72,263,952</u>

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

A) Deposits and Investments - Continued

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

The following table identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the California Government Code or the Agency's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio ⁽¹⁾	Maximum Investment In One Issuer
Municipal Bonds (MUNI)	4 years	15%	5% ⁽²⁾
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% ⁽³⁾
Certificate & Time Deposits (NCD & TCD)	1 year	25%	5% ⁽³⁾
		Combined	
Int'l Bank for Reconstruction & Development and Int'l Finance Corporation	4 years	20%	10%
Repurchase Agreements (REPO)	45 days	40% Max, 25% in Term Repo over 7 Days	20%
Reverse REPOs	60 days	10%	10%
Medium-Term Notes (MTNO) or Corporate Notes	3 years	20%	5% ⁽³⁾
CalTRUST Short Term Fund (CLTR)	Daily Liquidity	1%	1%
Money Market Mutual Funds (MMF)	Daily Liquidity	20%	N/A
Local Agency Investment Fund (LAIF)	Daily Liquidity	\$50 million	\$50 million
Cash/Deposit Account	N/A	N/A	N/A
Riverside County Treasurer's Pooled Investment Pool	N/A	100%	N/A

⁽¹⁾ Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

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

⁽³⁾ Maximum of 5% per issuer in combined commercial paper, certificate & time deposits, and medium-term notes.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

A) Deposits and Investments - Continued

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency 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 that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The Agency had the following investments:

		<u>Maturity Date</u>
Riverside County Treasurer's Pooled Investment Fund Held by Fiscal Agent: Money Market Funds	\$ 21,030,225	N/A
	51,233,727	N/A
Total	\$ 72,263,952	

Generally, 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.

Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of the year end for each investment type:

			<u>Rating as of Period Ended</u>		
			<u>Minimum Legal Rating</u>	<u>Not Required To Be Rated</u>	<u>AAA</u>
Riverside County Treasurer's Pooled Investment Fund Held by Fiscal Agent: Money Market Funds	\$ 21,030,225	N/A	\$	\$21,030,225	\$
	51,233,727	AAA		51,233,727	
Total	\$ 72,263,952		\$	0	\$ 0

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

A) Deposits and Investments - Continued

Disclosures Relating to Concentration of Credit Risk

The investment policy of the Agency contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) that represent 5% or more of total Agency's investments are as follows:

Issuer	Investment Type	Reported Amount
Dreyfus Treasury Prime Cash Investment Shares	Money Market Fund	\$ 6,622,454
Dreyfus Tax Exempt Cash Management Institutional Shares	Money Market Fund	\$ 5,799,335
Fidelity Investment Money Market Government Class	Money Market Fund	\$ 23,184,962
Goldman Sachs TR GOVT INST Fund	Money Market Fund	\$ 10,639,484
Federated U.S. Treasury Cash Reserve	Money Market Fund	\$ 4,987,492

Disclosures Relating to 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 and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, all deposits with financial institutions in excess of federal depository insurance limit were held in collateralized accounts where the collateral is not held specifically in the name of the Agency. As of June 30, 2022, the Agency did not have any investments held by a broker-dealer (counterparty) that was used by the Agency to buy the securities.

Investment in Riverside County Treasurer's Pooled Investment Fund

The Riverside County Treasurer maintains a cash and investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest is apportioned to the Agency based on the average daily balances on deposit with the Riverside County Treasurer.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

A) Deposits and Investments - Continued

Investment in Riverside County Treasurer's Pooled Investment Fund - Continued

The Agency is a voluntary participant in the pool regulated by the California Government Code, under the oversight of the Treasurer of the County of Riverside. The fair value of the Agency's investment in this pool is reported in the accompanying financial statements at amounts based upon the Agency's pro-rata share of the fair value provided by the County of Riverside for the entire pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the pool, which are recorded on an amortized cost basis.

B) Fair Value Measurements

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

B) Fair Value Measurements - Continued

Fair value of assets measured on a recurring basis at June 30, 2022, are as follows:

	<u>Fair Value</u>	<u>Uncategorized</u>
Investments:		
Riverside County Treasurer's Pooled Investment Fund	\$ 21,030,225	\$ 21,030,225
Held by Fiscal Agent:		
Money Market Funds	<u>51,233,727</u>	<u>51,233,727</u>
Total Investments	<u>\$ 72,263,952</u>	<u>\$ 72,263,952</u>
Land Held for Development	\$ 13,280,563	\$ 13,280,563

The above investments are uncategorized under the fair value hierarchy. The Riverside County Treasurer's Pooled Investment Fund and money market funds are exempt under GASB No. 72 fair value measurements. Land held for development was acquired for the purpose of redevelopment rather than for income and profit. Therefore, land held for development, is also exempt under GASB No. 72 fair value measurements.

C) Interest Receivable

This amount represents accrued interest receivable on monies held in the County Treasury as well as monies on deposit with the fiscal agent. As of June 30, 2022, the Agency has accrued interest receivable in the amount of \$47,862.

D) Loans and Notes Receivable

- During 1997-98, the Agency loaned to the Romoland School District \$150,000 to assist with the construction of buildings and facilities. The note bears no interest and will be paid with pass through money each year until paid off. At June 30, 2022, the note balance was \$25,000.
- In 2006-07, the Agency entered into an agreement with the Jurupa Unified School District to loan \$5,000,000 for the design, engineering and construction of a multi-purpose stadium at Rubidoux High School. The agreement calls for \$3,000,000 of zero percent interest shall be reimbursed to the Agency from the District's annual pass-through funds in the amount of \$200,000 per year on an annual basis until June 15, 2022. The remaining \$2,000,000 will be paid from incremental pass through funds received by the District from the Agency that exceed the amount received in fiscal year 2005-2006. Payments from pass-through funds received reached \$2,000,000 in 2009-2010 and have been recorded as an offset. At June 30, 2022, the balance of the note was completely paid off by the Jurupa Unified School District.
- In 2005, the Agency entered into the Vernola Basin Reimbursement Agreement with eight property owners, Riverside County Flood Control and Water Conservation District, ("Flood") and Jurupa Area Recreation and Park District, (JARPD). The purpose of this agreement was to assist in the design, construction, and installation of certain storm water facilities, an outlet line, a storm water drain line, certain street improvements, and park improvements.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

D) Loans and Notes Receivable - Continued

The reimbursement obligation for the eight property owners will be calculated based on their individual acreage. As of June 30, 2011, the balance of the property owners' loan was \$814,643. The Agency has incurred costs of \$2,537,407, through June 30, 2010 for the Flood district. Flood has paid this amount in full as of June 30, 2010. The Agency's cost of constructing and installing the Park Improvements is estimated to be \$5,250,000. The Agency has provided the Jurupa Area Recreation and Park District with a \$1,000,000 grant. The remaining \$4,250,000 will be reimbursed to the Agency by the Jurupa Area Recreation and Park District who will be using Quimby Fees and Mello-Roos Community Facilities District special assessments, ("Park District CFD"). The balance of JARPD's loan is \$1,053,647 as of June 30, 2022.

E) Changes in Long-Term Liabilities

Activities related to Long-Term Liabilities are presented as follows:

Description	Date of Issue	Years of Maturity	Interest Rate	Amount Authorized
2004 Tax Allocation Bonds - Series A-T	12-04	2005-2029	2.90-4.87%	\$ 37,000,000
2011 Taxable Tax Allocation Housing Bonds - Series A-T	3-11	2012-2022	2.73-6.25%	14,095,000
2011 Tax Allocation Bonds - Series B	3-11	2012-2043	2.72-6.00%	23,133,000
2011 Second Lien Tax Allocation Bonds - Series E	3-11	2012-2045	2.75-7.85%	12,579,720
2014 Tax Allocation Housing Refunding Bonds - Series A	9-14	2028-2037	4.00-5.00%	34,465,000
2014 Tax Allocation Refunding Bonds - Series A	9-14	2016-2038	2.00-5.00%	19,620,000
2014 Tax Allocation Refunding Bonds - Series D	9-14	2016-2038	2.00-5.00%	28,130,000
2014 Tax Allocation Refunding Bonds - Series E	9-14	2016-2038	2.00-5.00%	16,545,000
2015 Tax Allocation Refunding Bonds - Series A	9-15	2017-2038	2.00-5.00%	22,460,000
2015 Tax Allocation Refunding Bonds - Series B	6-15	2016-2038	2.00-5.00%	64,365,000
2015 Tax Allocation Refunding Bonds - Series C	6-15	2016-2038	2.00-5.00%	15,025,000
2015 Tax Allocation Refunding Bonds - Series D	9-15	2017-2038	2.00-5.00%	13,620,000
2015 Tax Allocation Refunding Bonds - Series E	9-15	2017-2038	2.00-5.00%	18,875,000
2015 Tax Allocation Housing Refunding Bonds - Series A	9-15	2017-2034	2.00-5.00%	13,545,000
2016 Tax Allocation Refunding Bonds - Series A	4-16	2018-2038	2.00-5.00%	16,365,000
2016 Tax Allocation Refunding Bonds - Series B	4-16	2018-2038	2.00-5.00%	50,670,000
2016 Tax Allocation Refunding Bonds - Series C	4-16	2018-2038	2.00-5.00%	8,950,000
2016 Tax Allocation Refunding Bonds - Series D	4-16	2018-2038	2.00-5.00%	50,800,000
2016 Tax Allocation Refunding Bonds - Series E	4-16	2018-2038	2.00-5.00%	21,730,000
2017 Tax Allocation Housing Refunding Bonds - Series A	5-17	2018-2040	3.00-5.00%	18,135,000
2017 Tax Allocation Refunding Bonds - Series C	5-17	2018-2041	3.00-5.00%	5,725,000
2017 Tax Allocation Refunding Bonds - Series D	5-17	2018-2038	3.00-5.00%	30,385,000
2017 Tax Allocation Refunding Bonds - Series E	5-17	2018-2041	3.00-5.00%	50,255,000
2017 Tax Allocation Refunding Bonds - Series B	6-17	2018-2036	3.00-5.00%	63,005,000
2017 Tax Allocation Housing Refunding Bonds - Series B	12-17	2019-2043	4.00-5.00%	26,546,807
2017 Taxable Tax Allocation Housing Refunding Bonds - Series A-T	12-17	2019-2038	1.75-3.875%	53,360,000
2020 Second Lien Tax Allocation Refunding Bonds - Series D	2-20	2020-2039	1.654-3.187%	5,585,000
2020 Second Lien Tax Allocation Refunding Bonds - Series E	2-20	2020-2042	1.654-3.287%	8,120,000

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

Description	Beginning Balance	New Indebtedness	Retired During Year	Ending Balance	Due Within One Year
<i>Tax Allocation Bonds:</i>					
2004 Tax Allocation Bonds - Series - A-T	\$ 15,955,000	\$	\$ 1,845,000	\$ 14,110,000	\$ 1,945,000
2011 Taxable Tax Allocation Housing Bonds - Series A-T	1,640,000		1,640,000	0	
2011 Tax Allocation Bonds - Series B	6,314,967			6,314,967	
2011 Second Lien Tax Allocation Bonds - Series E	1,359,720			1,359,720	
2014 Tax Allocation Housing Refunding Bonds - Series A	36,465,000			36,465,000	
2014 Tax Allocation Refunding Bonds - Series A	16,280,000		645,000	15,635,000	680,000
2014 Tax Allocation Refunding Bonds - Series D	23,725,000		850,000	22,875,000	890,000
2014 Tax Allocation Refunding Bonds - Series E	14,125,000		465,000	13,660,000	490,000
2015 Tax Allocation Refunding Bonds - Series A	19,020,000		775,000	18,245,000	815,000
2015 Tax Allocation Refunding Bonds - Series B	54,550,000		1,715,000	52,835,000	1,820,000
2015 Tax Allocation Refunding Bonds - Series C	12,290,000		490,000	11,800,000	515,000
2015 Tax Allocation Refunding Bonds - Series D	11,700,000		435,000	11,265,000	455,000
2015 Tax Allocation Refunding Bonds - Series E	15,645,000		745,000	14,900,000	770,000
2015 Tax Allocation Housing Refunding Bonds - Series A	10,760,000		635,000	10,125,000	660,000
2016 Tax Allocation Refunding Bonds - Series A	14,305,000		570,000	13,735,000	595,000
2016 Tax Allocation Refunding Bonds - Series B	44,155,000		1,805,000	42,350,000	1,875,000
2016 Tax Allocation Refunding Bonds - Series C	7,820,000		305,000	7,515,000	325,000
2016 Tax Allocation Refunding Bonds - Series D	44,015,000		1,880,000	42,135,000	1,970,000
2016 Tax Allocation Refunding Bonds - Series E	19,000,000		740,000	18,260,000	795,000
2017 Tax Allocation Housing Refunding Bonds - Series A	17,750,000		75,000	17,675,000	80,000

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

Description	Beginning Balance	New Indebtedness	Retired During Year	Ending Balance	Due Within One Year
<i>Tax Allocation Bonds: - Continued</i>					
2017 Tax Allocation Refunding Bonds - Series C	\$ 5,360,000	\$	\$ 90,000	\$ 5,270,000	\$ 90,000
2017 Tax Allocation Refunding Bonds - Series D	26,430,000		1,045,000	25,385,000	1,100,000
2017 Tax Allocation Refunding Bonds - Series E	45,865,000		1,115,000	44,750,000	1,175,000
2017 Tax Allocation Refunding Bonds - Series B	55,990,000		2,520,000	53,470,000	2,650,000
2017 Tax Allocation Housing Refunding Bonds - Series B	26,546,807			26,546,807	456,830
2017 Taxable Tax Allocation Housing Refunding Bonds - Series A-T	46,025,000		2,360,000	43,665,000	2,420,000
2020 Second Lien Tax Allocation Refunding Bonds - Series D	5,480,000		260,000	5,220,000	260,000
2020 Second Lien Tax Allocation Refunding Bonds - Series E	7,985,000		125,000	7,860,000	125,000
Discounts	(1,006,876)		(61,962)	(944,914)	
Premiums	41,765,387		2,587,906	39,177,481	
Total	<u>647,315,005</u>	<u>0</u>	<u>25,655,944</u>	<u>621,659,061</u>	<u>22,956,830</u>
Accreted Interest Payable	<u>15,130,100</u>	<u>2,095,456</u>		<u>17,225,556</u>	
Total Long-Term Liabilities	<u>\$ 662,445,105</u>	<u>\$ 2,095,456</u>	<u>\$ 25,655,944</u>	<u>\$ 638,884,617</u>	<u>\$ 22,956,830</u>

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

The future debt requirements are as follows:

Year Ended June 30,	2004A-T		2011B		2011E	
	Tax Allocation Bonds		Tax Allocation Bonds		Tax Allocation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,945,000	\$ 705,484	\$	\$	\$	\$
2024	2,050,000	598,218				
2025	2,160,000	485,180				
2026	2,275,000	366,100				
2027	2,395,000	240,710				
2028-2032	3,285,000	129,014		1,041,772		
2033-2037			1,549,889	10,460,913		
2038-2042			4,177,513	54,323,631	392,760	10,229,688
2043-2045			587,565	4,718,717	966,960	17,210,592
Total	\$ 14,110,000	\$ 2,524,706	\$ 6,314,967	\$ 70,545,033	\$ 1,359,720	\$ 27,440,280

Year Ended June 30,	2014A		2014A		2014D	
	Tax Allocation Housing Refunding Bonds		Tax Allocation Refunding Bonds		Tax Allocation Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$	\$ 1,669,850	\$ 680,000	\$ 656,894	\$ 890,000	\$ 956,563
2024		1,669,850	710,000	622,144	940,000	910,812
2025		1,669,850	740,000	585,893	985,000	862,687
2026		1,669,850	780,000	547,893	1,030,000	812,313
2027		1,669,850	820,000	507,894	1,080,000	759,562
2028-2032	13,215,000	6,841,625	4,615,000	2,036,697	6,085,000	3,134,444
2033-2037	23,250,000	2,595,350	6,050,000	891,025	9,470,000	1,537,300
2038			1,240,000	24,800	2,395,000	47,900
Total	\$ 36,465,000	\$ 17,786,225	\$ 15,635,000	\$ 5,873,240	\$ 22,875,000	\$ 9,021,581

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

Year Ended June 30,	2014E		2015A		2015B	
	Tax Allocation		Tax Allocation		Tax Allocation	
	Refunding Bonds		Refunding Bonds		Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 490,000	\$ 569,263	\$ 815,000	\$ 769,775	\$ 1,820,000	\$ 2,296,550
2024	515,000	544,137	860,000	727,900	1,905,000	2,203,425
2025	540,000	517,762	905,000	683,775	2,005,000	2,105,675
2026	570,000	490,013	950,000	637,400	2,100,000	2,003,050
2027	600,000	460,762	1,000,000	588,650	2,220,000	1,895,050
2028-2032	3,365,000	1,936,081	5,630,000	2,301,625	12,815,000	7,658,125
2033-2037	6,040,000	1,006,800	6,640,000	960,800	20,135,000	4,470,300
2038	<u>1,540,000</u>	<u>30,800</u>	<u>1,445,000</u>	<u>28,900</u>	<u>9,835,000</u>	<u>196,700</u>
Total	<u>\$ 13,660,000</u>	<u>\$ 5,555,618</u>	<u>\$ 18,245,000</u>	<u>\$ 6,698,825</u>	<u>\$ 52,835,000</u>	<u>\$ 22,828,875</u>

Year Ended June 30,	2015C		2015D		2015E	
	Tax Allocation		Tax Allocation		Tax Allocation	
	Refunding Bonds		Refunding Bonds		Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 515,000	\$ 511,500	\$ 455,000	\$ 472,875	\$ 770,000	\$ 633,250
2024	540,000	485,125	480,000	449,500	805,000	593,875
2025	565,000	457,500	500,000	425,000	850,000	552,500
2026	600,000	428,375	525,000	399,375	885,000	509,125
2027	620,000	397,875	555,000	372,375	930,000	463,750
2028-2032	3,535,000	1,537,187	3,145,000	1,504,150	5,235,000	1,722,250
2033-2037	4,425,000	656,300	4,505,000	707,700	4,625,000	567,700
2038	<u>1,000,000</u>	<u>20,000</u>	<u>1,100,000</u>	<u>22,000</u>	<u>800,000</u>	<u>16,000</u>
Total	<u>\$ 11,800,000</u>	<u>\$ 4,493,862</u>	<u>\$ 11,265,000</u>	<u>\$ 4,352,975</u>	<u>\$ 14,900,000</u>	<u>\$ 5,058,450</u>

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

Year Ended June 30,	2015A		2016A		2016B	
	Tax Allocation Housing Refunding Bonds		Tax Allocation Refunding Bonds		Tax Allocation Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 660,000	\$ 367,300	\$ 595,000	\$ 569,225	\$ 1,875,000	\$ 1,761,325
2024	700,000	333,300	630,000	538,600	1,970,000	1,665,200
2025	740,000	297,300	655,000	506,475	2,065,000	1,564,325
2026	765,000	259,675	685,000	472,975	2,175,000	1,458,325
2027	810,000	228,400	720,000	437,850	2,265,000	1,347,325
2028-2032	4,450,000	739,190	4,190,000	1,600,850	13,215,000	4,880,150
2033-2037	2,000,000	72,428	5,130,000	674,625	15,455,000	1,994,100
2038			1,130,000	22,600	3,330,000	66,600
Total	<u>\$ 10,125,000</u>	<u>\$ 2,297,593</u>	<u>\$ 13,735,000</u>	<u>\$ 4,823,200</u>	<u>\$ 42,350,000</u>	<u>\$ 14,737,350</u>

Year Ended June 30,	2016C		2016D		2016E	
	Tax Allocation Refunding Bonds		Tax Allocation Refunding Bonds		Tax Allocation Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 325,000	\$ 311,425	\$ 1,970,000	\$ 1,767,450	\$ 795,000	\$ 756,975
2024	340,000	294,800	2,065,000	1,666,575	830,000	716,350
2025	360,000	277,300	2,170,000	1,560,700	875,000	673,725
2026	370,000	259,050	2,280,000	1,449,450	920,000	628,850
2027	395,000	239,925	2,390,000	1,332,700	965,000	581,721
2028-2032	2,300,000	877,275	13,885,000	4,712,400	5,615,000	2,120,575
2033-2037	2,810,000	368,400	14,510,000	1,757,525	6,845,000	878,425
2038	615,000	12,300	2,865,000	57,300	1,415,000	28,300
Total	<u>\$ 7,515,000</u>	<u>\$ 2,640,475</u>	<u>\$ 42,135,000</u>	<u>\$ 14,304,100</u>	<u>\$ 18,260,000</u>	<u>\$ 6,384,925</u>

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

Year Ended June 30,	2017A Tax Allocation Housing Refunding Bonds		2017C Tax Allocation Refunding Bonds		2017D Tax Allocation Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 80,000	\$ 716,050	\$ 90,000	\$ 221,293	\$ 1,100,000
2024	85,000	711,925	95,000	216,669	1,155,000	1,081,525
2025	90,000	707,550	100,000	211,794	1,210,000	1,022,400
2026	95,000	702,925	105,000	206,669	1,270,000	960,400
2027	95,000	698,175	110,000	201,294	1,335,000	895,275
2028-2032	555,000	3,416,800	650,000	919,078	7,690,000	3,443,031
2033-2037	3,540,000	3,222,750	815,000	758,500	9,470,000	1,565,400
2038-2041	<u>13,135,000</u>	<u>867,900</u>	<u>3,305,000</u>	<u>318,900</u>	<u>2,155,000</u>	<u>43,100</u>
Total	<u>\$ 17,675,000</u>	<u>\$ 11,044,075</u>	<u>\$ 5,270,000</u>	<u>\$ 3,054,197</u>	<u>\$ 25,385,000</u>	<u>\$ 10,149,031</u>

Year Ended June 30,	2017E Tax Allocation Refunding Bonds		2017B Tax Allocation Refunding Bonds		2017B Tax Allocation Housing Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 1,175,000	\$ 1,921,475	\$ 2,650,000	\$ 2,281,100	\$ 456,830
2024	1,230,000	1,861,350	2,780,000	2,145,350	473,442	1,480,652
2025	1,295,000	1,798,225	2,915,000	2,002,975	490,054	1,457,581
2026	1,360,000	1,731,850	3,060,000	1,853,600	531,584	1,433,184
2027	1,425,000	1,662,225	3,215,000	1,696,725	552,349	1,405,217
2028-2032	8,245,000	7,205,063	18,665,000	5,880,675	3,185,351	6,571,193
2033-2037	10,195,000	5,188,075	20,185,000	1,723,000	3,725,241	5,620,104
2038-2042	19,825,000	1,812,300			12,421,956	4,786,038
2043					<u>4,710,000</u>	<u>94,200</u>
Total	<u>\$ 44,750,000</u>	<u>\$ 23,180,563</u>	<u>\$ 53,470,000</u>	<u>\$ 17,583,425</u>	<u>\$ 26,546,807</u>	<u>\$ 24,353,433</u>

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

Year Ended June 30,	2017A-T Taxable Tax Allocation Refunding Bonds		2020 Series D Lien Tax Allocation Refunding Bonds		2020 Series E Lien Tax Allocation Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
	2023	\$ 2,420,000	\$ 1,469,413	\$ 260,000	\$ 133,370	\$ 125,000
2024	2,480,000	1,405,062	265,000	128,587	130,000	220,106
2025	2,550,000	1,335,900	270,000	123,558	130,000	217,662
2026	2,615,000	1,261,613	275,000	118,192	135,000	215,052
2027	2,695,000	1,180,278	275,000	112,407	135,000	212,212
2028-2032	14,890,000	4,441,325	1,480,000	458,880	1,975,000	961,249
2033-2037	14,980,000	1,478,437	1,660,000	244,900	3,055,000	586,062
2038-2042	<u>1,035,000</u>	<u>20,053</u>	<u>735,000</u>	<u>23,663</u>	<u>2,175,000</u>	<u>139,416</u>
Total	<u>\$ 43,665,000</u>	<u>\$ 12,592,081</u>	<u>\$ 5,220,000</u>	<u>\$ 1,343,557</u>	<u>\$ 7,860,000</u>	<u>\$ 2,774,188</u>

2004 TAX ALLOCATION BONDS - Series A-T

During the fiscal year ended June 30, 2005, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$14,110,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2011 TAXABLE TAX ALLOCATION HOUSING BONDS - Series A-T

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing low and moderate income housing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) finance low and moderate income housing projects with respect to the Project Areas, (ii) fund a reserve sub-account with the proceeds of the bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2022 is \$0.

2011 TAX ALLOCATION BONDS - Series B

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the Jurupa Valley Redevelopment Project Area. The bonds issued were \$13,935,000 as current interest bonds, \$6,314,967 as capital appreciation bonds and \$2,883,033 as convertible capital appreciation bonds. The total accreted value on the capital appreciation bonds and convertible capital appreciation bonds upon maturity will be \$76,860,000 and \$5,565,000, respectively. In the 2020 fiscal year, the Agency advanced refunded \$12,810,000 of current interest bonds and \$2,883,033 of accreted bonds.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) fund projects of benefit to the Agency's Jurupa Valley Redevelopment Project Area, (ii) fund a reserve account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2011 TAX ALLOCATION BONDS - Series B - Continued

The outstanding balance at June 30, 2022 is \$6,314,967 with accreted interest payable of \$10,953,847. The un-accreted (remaining future accreted interest) balance at June 30, 2022 is \$59,591,185.

The reserve balance requirement at June 30, 2022 is as follows:

	Required	Actual
Reserve Accounts	\$ 2,313,300	\$ 2,313,300

2011 SECOND LIEN TAX ALLOCATION BONDS - Series E

During the fiscal year ended June 30, 2011, the Agency issued Tax Allocation Bonds for financing projects of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas. The bonds issued were \$11,220,000 as current interest bonds and \$1,359,720 as capital appreciation bonds. The total accreted value on the capital appreciation bonds upon maturity will be \$28,800,000. In the 2020 fiscal year, the Agency advanced refunded \$9,120,000 of current interest bonds.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture. The Bonds were used to (i) pay the costs of certain low and moderate income housing projects of the Agency with respect to the Agency's redevelopment project areas, (ii) purchase a reserve policy for credit to the Reserve Account for the Bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds as of any calculation date, the least of (i) ten percent (10%) of the outstanding principal amount of Bonds, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2022 is \$1,359,720 with accreted interest payable of \$2,613,516. The un-accreted (remaining future accreted interest) balance at June 30, 2022 is \$24,826,764.

The reserve balance requirement at June 30, 2022 is as follows:

	Required	Actual
Reserve Accounts	\$ 1,192,016	\$ 1,192,016

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2014 TAX ALLOCATION HOUSING REFUNDING BONDS - Series A

During the fiscal year ended June 30, 2015, the Agency issued Tax Allocation Housing Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the 2004 Housing Tax Allocation Bonds of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency relating to low and moderate income housing, (ii) to pay the cost of a reserve fund surety policy for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$36,465,000.

2014 TAX ALLOCATION REFUNDING BONDS - Series A

During the fiscal year ended June 30, 2015, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Redevelopment Project Area No. 1 2004 Tax Allocation Bonds, Series A of the County Redevelopment Agency (a portion of the 2005 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds.

The outstanding balance at June 30, 2022 is \$15,635,000.

	Required	Actual
Reserve Accounts	\$ 2,963,444	\$ 2,964,890

*The reserve requirement is pooled and combined with the 2015 Tax Allocation Refunding Bonds, Series A.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2014 TAX ALLOCATION REFUNDING BONDS - Series D

During the fiscal year ended June 30, 2015, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Desert Communities Project Area 2004 Tax Allocation Bonds, Series D of the County Redevelopment Agency (a portion of the 2005 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to pay the cost of the reserve fund surety policy for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$22,875,000.

2014 TAX ALLOCATION REFUNDING BONDS - Series E

During the fiscal year ended June 30, 2015, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Interstate 215 Corridor Project Area 2004 Tax Allocation Bonds, Series E of the County Redevelopment Agency (a portion of the 2005 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The bond insurance policy purchased covers the payments maturing October 1st in the years 2024 through 2032, inclusive, and October 1, 2037.

The outstanding balance at June 30, 2022 is \$13,660,000.

	Required	Actual
Reserve Accounts	\$ 1,467,712	\$ 1,468,070

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2015 TAX ALLOCATION REFUNDING BONDS - Series A

During the fiscal year ended June 30, 2016, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund a portion of the Redevelopment Project Area No. 1, Desert Communities and Interstate 215 Corridor Project Area 2005 Tax Allocation Bonds, Series A, D and E (a portion of the 2006 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas. As part of the issuance of the Authority's bonds, the Agency issued separate 2015 Tax Allocation Refunding Bonds, Series A.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds.

The outstanding balance at June 30, 2022 is \$18,245,000.

	Required	Actual
Reserve Accounts	\$ 2,963,444	\$ 2,964,890

*The reserve requirement is pooled and combined with the 2014 Tax Allocation Refunding Bonds, Series A.

2015 TAX ALLOCATION REFUNDING BONDS - Series B

During the fiscal year ended June 30, 2016, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Jurupa Valley Redevelopment Project Area 2004 Tax Allocation Bonds, Series B of the County Redevelopment Agency (a portion of the 2005 Loans Payable) and the Jurupa Valley Redevelopment Project Area 2005 Tax Allocation Bonds, Series B of the County Redevelopment Agency (a portion of the 2006 Loans Payable), and to provide funds for the various debt obligations of the Agency within the Jurupa Valley Redevelopment Project Area.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the Jurupa Valley Redevelopment Project Area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$52,835,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2015 TAX ALLOCATION REFUNDING BONDS - Series C

During the fiscal year ended June 30, 2016, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Mid-County Redevelopment Project Area 2004 Tax Allocation Bonds, Series C of the County Redevelopment Agency (a portion of the 2005 Loans Payable) and the Mid-County Redevelopment Project Area 2005 Tax Allocation Bonds, Series C of the County Redevelopment Agency (a portion of the 2006 Loans Payable), and to provide funds for the various debt obligations of the Agency within the Jurupa Valley Redevelopment Project Area.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the Jurupa Valley Redevelopment Project Area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds.

The outstanding balance at June 30, 2022 is \$11,800,000.

	Required	Actual
Reserve Accounts	\$ <u>1,043,375</u>	\$ <u>1,043,952</u>

2015 TAX ALLOCATION REFUNDING BONDS - Series D

During the fiscal year ended June 30, 2016, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund a portion of the Redevelopment Project Area No. 1, Desert Communities and Interstate 215 Corridor Project Area 2005 Tax Allocation Bonds, Series A, D and E (a portion of the 2006 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas. As part of the issuance of the Authority's bonds, the Agency issued separate 2015 Tax Allocation Refunding Bonds, Series D.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$11,265,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2015 TAX ALLOCATION REFUNDING BONDS - Series E

During the fiscal year ended June 30, 2016, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund a portion of the Redevelopment Project Area No. 1, Desert Communities and Interstate 215 Corridor Project Area 2005 Tax Allocation Bonds, Series A, D and E (a portion of the 2006 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas. As part of the issuance of the Authority's bonds, the Agency issued separate 2015 Tax Allocation Refunding Bonds, Series E.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds.

The outstanding balance at June 30, 2022 is \$14,900,000.

	Required	Actual
Reserve Accounts	\$ 1,036,800	\$ 1,037,551

2015 TAX ALLOCATION HOUSING REFUNDING BONDS - Series A

During the fiscal year ended June 30, 2016, the Agency issued Tax Allocation Housing Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the 2005 Housing Tax Allocation Bonds, Series A of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency relating to low and moderate income housing, (ii) to pay the cost of a reserve fund surety policy for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$10,125,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2016 TAX ALLOCATION REFUNDING BONDS - Series A

During the fiscal year ended June 30, 2016, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund a portion of the Redevelopment Project Area No. 1, Desert Communities and Interstate 215 Corridor Project Area 2006 Tax Allocation Bonds, Series A, D and E (a portion of the 2007 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas. As part of the issuance of the Authority's bonds, the Agency issued separate 2016 Tax Allocation Refunding Bonds, Series A.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$13,735,000.

2016 TAX ALLOCATION REFUNDING BONDS - Series B

During the fiscal year ended June 30, 2016, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Jurupa Valley Redevelopment Project Area 2006 Tax Allocation Bonds, Series B of the County Redevelopment Agency (a portion of the 2007 Loans Payable) and to provide funds for the various debt obligations of the Agency within the Jurupa Valley Redevelopment Project Area.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the Jurupa Valley Redevelopment Project Area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$42,350,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2016 TAX ALLOCATION REFUNDING BONDS - Series C

During the fiscal year ended June 30, 2016, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Mid-County Redevelopment Project Area 2006 Tax Allocation Bonds, Series C of the County Redevelopment Agency (a portion of the 2007 Loans Payable) and to provide funds for the various debt obligations of the Agency within the Jurupa Valley Redevelopment Project Area.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the Jurupa Valley Redevelopment Project Area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$7,515,000.

2016 TAX ALLOCATION REFUNDING BONDS - Series D

During the fiscal year ended June 30, 2016, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund a portion of the Redevelopment Project Area No. 1, Desert Communities and Interstate 215 Corridor Project Area 2006 Tax Allocation Bonds, Series A, D and E (a portion of the 2007 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas. As part of the issuance of the Authority's bonds, the Agency issued separate 2016 Tax Allocation Refunding Bonds, Series D.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$42,135,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2016 TAX ALLOCATION REFUNDING BONDS - Series E

During the fiscal year ended June 30, 2016, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund a portion of the Redevelopment Project Area No. 1, Desert Communities and Interstate 215 Corridor Project Area 2006 Tax Allocation Bonds, Series A, D and E (a portion of the 2006 Loans Payable) and to provide funds for the various debt obligations of the Agency within the various project areas. As part of the issuance of the Authority's bonds, the Agency issued separate 2016 Tax Allocation Refunding Bonds, Series E.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$18,260,000.

2017 TAX ALLOCATION HOUSING REFUNDING BONDS - Series A

During the fiscal year ended June 30, 2017, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the 2010 Housing Tax Allocation Bonds, Series A, of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds.

The outstanding balance at June 30, 2022 is \$17,675,000.

	Required	Actual
Reserve Accounts	\$ 5,314,400	\$ 5,320,179*

*The reserve requirement is pooled and combined with the 2017 Taxable Tax Allocation Housing Refunding Bonds, Series A-T.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2017 TAX ALLOCATION REFUNDING BONDS - Series C

During the fiscal year ended June 30, 2017, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Mid-County Redevelopment Project Area 2010 Tax Allocation Bonds, Series C, of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds.

The outstanding balance at June 30, 2022 is \$5,270,000.

	Required	Actual
Reserve Accounts	\$ 530,255	\$ 530,662

2017 TAX ALLOCATION REFUNDING BONDS - Series D

During the fiscal year ended June 30, 2017, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Desert Communities Redevelopment Project Area 2006 Tax Allocation Bonds, Series D, (a portion of the 2007 Loans Payable) and the 2010 Tax Allocation Bonds, Series D, of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds.

The outstanding balance at June 30, 2022 is \$25,385,000.

	Required	Actual
Reserve Accounts	\$ 2,265,400	\$ 2,150,850

*The remaining difference of the reserve requirement is covered by an insurance policy of approximately \$116,200.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2017 TAX ALLOCATION REFUNDING BONDS - Series E

During the fiscal year ended June 30, 2017, the Riverside County Public Financing Authority (the "Authority") issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the I-215 Redevelopment Project Area 2010 Tax Allocation Bonds, Series E, of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency within the various project areas.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds.

The outstanding balance at June 30, 2022 is \$44,750,000.

	Required	Actual
Reserve Accounts	\$ 4,467,124	\$ 4,470,554

2017 TAX ALLOCATION REFUNDING BONDS - Series B

During the fiscal year ended June 30, 2018, the Successor Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the Jurupa Valley Project Area 2007 Tax Allocation Bonds of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project area, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds, including the financial guaranty insurance premium for the bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$53,470,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2017 TAX ALLOCATION HOUSING REFUNDING BONDS - Series B

During the fiscal year ended June 30, 2018, the Agency issued Tax Allocation Housing Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the 2011 Tax Allocation Housing Bonds, Series A, of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency. The bonds issued were \$8,610,000 as current interest bonds and \$17,936,807 as convertible capital appreciation bonds. The total accreted value on the convertible capital appreciation bonds upon maturity will be \$21,595,000.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project areas, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay the costs of issuance of the bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds, the Parity Bonds or any Parity Debt, as of any calculation date, the least of (i) ten percent (10%) of the original principal amount of Bonds, Parity Bonds or other Parity Debt, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds, Parity Bonds or other Parity Debt. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2022 is \$26,546,807 with accreted interest payable of \$3,658,193.

The reserve balance requirement at June 30, 2022 is as follows:

	Required	Actual
Reserve Accounts	\$ 2,654,681	\$ 2,656,910

*The reserve requirement is pooled and combined with the 2011 Taxable Tax Allocation Housing Bonds, Series A-T. The amounts on hand are below the reserve requirement and the Agency is working with the fiscal agent to meet the reserve requirement.

2017 TAXABLE TAX ALLOCATION HOUSING REFUNDING BONDS - Series A-T

During the fiscal year ended June 30, 2018, the Agency issued Tax Allocation Housing Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the 2010 Tax Allocation Housing Bonds, Series A-T, of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2017 TAXABLE TAX ALLOCATION HOUSING REFUNDING BONDS - Series A-T - Continued

The Bonds were used to (i) refinance certain outstanding obligations of the Agency issued for the project areas, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay costs of issuance relating to the Bonds.

The Agency is required to maintain a Reserve Account for so long as any debt service remains with respect to the Bonds, the Parity Bonds or any Parity Debt, as of any calculation date, the least of (i) ten percent (10%) of the original principal amount of Bonds, Parity Bonds or other Parity Debt, (ii) Maximum Annual Debt Service, or (iii) 125% of average Annual Debt Service on the Bonds, Parity Bonds or other Parity Debt. In the event that the Agency receives insufficient Tax Revenues from the respective project area or otherwise defaults on payments, the Agency is obligated to pay such amounts from the Reserve Accounts.

The outstanding balance at June 30, 2022 is \$43,665,000.

The reserve balance requirement at June 30, 2022 is as follows:

	Required	Actual
Reserve Accounts	\$ 5,314,400	\$ 5,320,179

*The reserve requirement is pooled and combined with the 2017 Tax Allocation Housing Refunding Bonds, Series A.

2020 SECOND LIEN TAX ALLOCATION REFUNDING BONDS - Series D

During the fiscal year ended June 30, 2020, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund the 2011 Taxable Tax Allocation Bonds, Series B-T, of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refund certain outstanding bonds of the Agency issued for the project areas, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay costs of issuance relating to the Bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$5,220,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

2020 SECOND LIEN TAX ALLOCATION REFUNDING BONDS - Series E

During the fiscal year ended June 30, 2020, the Agency issued Tax Allocation Refunding Bonds as a result of current low interest rates to save money on debt service, to refund a portion of the 2011 Second Lien Tax Allocation Bonds, Series E, of the County Redevelopment Agency and to provide funds for the various debt obligations of the Agency.

The Bonds are special obligations of the Agency and are payable exclusively from tax revenues to be derived from the various project areas and from amounts on deposit in certain funds and accounts established pursuant to the Indenture.

The Bonds were used to (i) refund certain outstanding bonds of the Agency issued for the project areas, (ii) to satisfy the reserve requirement of the reserve account for the bonds; and (iii) pay costs of issuance relating to the Bonds. The reserve requirement is covered by a bond insurance policy.

The outstanding balance at June 30, 2022 is \$7,860,000.

Accreted Interest Payable

The following is a summary of the changes in accreted interest payable:

Description	Beginning Balance	Increases	Decreases	Ending Balance
2011 Tax Allocation Bonds - Series B	\$ 9,481,742	\$ 1,472,105	\$	\$ 10,953,847
2011 Second Lien Tax Allocation Bonds - Series E	2,253,624	359,892		2,613,516
2017 Tax Allocation Housing Bonds - Series B	<u>3,394,734</u>	<u>263,459</u>		<u>3,658,193</u>
Total	<u>\$ 15,130,100</u>	<u>\$ 2,095,456</u>	<u>\$ 0</u>	<u>\$ 17,225,556</u>

Tax Revenues Pledged

The Agency has pledged a portion of future property taxes and a portion of investment earnings to repay the Agency's long-term debt. The Agency's long-term debt is payable solely from the property taxes and a portion of investment earnings. Total principal and interest remaining on the bonds is \$583,426,494 and \$333,442,136, payable through fiscal year 2045. For the current year, principal and interest paid by property tax revenues and investment earnings were \$23,130,000 and \$24,863,219, respectively.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

2) DETAILED NOTES ON ALL FUNDS - Continued

E) Changes in Long-Term Liabilities - Continued

Defeased Long-Term Liabilities

2011 Tax Allocation Housing Bonds, Series A

On December 28, 2017, the Agency issued \$26,546,807 in 2017 Tax Allocation Housing Refunding Bonds, Series B with interest rates of 4% to 5%. The proceeds were used to advance refund \$14,093,028 of the Agency's 2011 Tax Allocation Housing Bonds, Series A, and accreted interest payable of \$5,672,741. The net proceeds of \$28,690,673 (including a premium of \$2,848,659, \$1,420,506 of prior funds and \$2,125,299 in issuance costs and reserves) were deposited in an irrevocable trust to provide funds for the future debt service payment on the refunded bonds. As a result, the Agency's 2010 Tax Allocation Housing Bonds, are considered to be defeased and the liability of this bond has been removed from the Statement of Fiduciary Net Position. The outstanding balance at June 30, 2022 is \$17,965,000.

2011 Tax Allocation Bonds, Series B

On March 12, 2020, the Agency used its own resources to advance refund \$12,810,000 of current interest bonds and \$2,883,033 of accreted bonds related to the 2011 Tax Allocation Bonds, Series B. The Agency's own resources of \$13,651,950 for the current interest bonds and \$7,333,028 for the accreted bonds were placed in irrevocable trusts to provide funds for the future debt service payments on the refunded bonds. As a result, a portion of the Agency's 2011 Tax Allocation Bonds, Series B, are considered to be defeased and the liabilities related to this partial bond refunding has been removed from the Statement of Fiduciary Net Position. The outstanding balance at June 30, 2022 is \$0 of current interest bonds and \$2,883,033 of accreted bonds.

2011 Second Lien Tax Allocation Bonds, Series E

On March 12, 2020, the Agency issued \$8,120,000 in 2020 Second Lien Tax Allocation Refunding Bonds, Series E with interest rates of 1.654% to 3.287%. The proceeds were used to advance refund \$6,925,000 of the Agency's 2011 Second Lien Tax Allocation Bonds, Series E. The net proceeds of \$7,736,879 (including \$5,350 of prior funds and \$388,471 in issuance costs and reserves) were deposited in an irrevocable trust to provide funds for the future debt service payment on the refunded bonds. The Agency also deposited \$2,343,388 in an irrevocable trust to advance refund \$2,195,000 of the Agency's 2011 Second Lien Tax Allocation Bonds, Series E, from the Agency's own resources. As a result, the Agency's 2011 Second Lien Tax Allocation Bonds, Series D, are considered to be defeased and the liability of this bond has been removed from the Statement of Fiduciary Net Position. The outstanding balance at June 30, 2022 is \$6,925,000.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Notes to Financial Statements
Year Ended June 30, 2022**

3) OTHER INFORMATION

A) Risk Management

To account for risks of loss and liability claims, the Agency participates in the County's Risk Management Fund (an internal service fund). Premiums are paid annually by the Agency into the Risk Management Fund via inter-fund transfer. It is the County's responsibility to administer the self-insured programs of insurance and pay all liability claims within the stated limits.

B) Commitments and Contingencies

Redevelopment dissolution legislation - Management believes that the enforceable obligations reported to the State of California are valid under the current laws regarding redevelopment dissolution. However, it is reasonably possible that a future legal determination may be made at a later date by an appropriate State judicial authority which would resolve dissolution matters differently than currently being reported.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end with certain restrictions required by the Governor of California, as well as local governments, which may affect revenue sources and also caused subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the Agency's operational and financial performance is uncertain at this time.

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SUPPLEMENTARY INFORMATION

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Combining Schedule of Fiduciary Net Position
June 30, 2022**

	Private-Purpose Trust Funds	Private-Purpose Trust Funds RORF	Private-Purpose Trust Funds LMIHF	Inter-Subfund Activity Adjustments ⁽¹⁾	Total
ASSETS					
Cash and Investments	\$ 4,752,970	\$ 15,857,335	\$ 419,920	\$	\$ 21,030,225
Cash and Investments with Fiscal Agent		51,233,727			51,233,727
Interest Receivable	8,250	38,866	746		47,862
Prepaid Items		3,225,934			3,225,934
Loans Receivable	1,078,647				1,078,647
Land Held for Development	13,280,563				13,280,563
Total Assets	<u>19,120,430</u>	<u>70,355,862</u>	<u>420,666</u>	<u>0</u>	<u>89,896,958</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding		30,842,441			30,842,441
Total Deferred Outflows of Resources	<u>0</u>	<u>30,842,441</u>	<u>0</u>	<u>0</u>	<u>30,842,441</u>
LIABILITIES					
Interest Payable	189,427	6,108,536			6,297,963
Accreted Interest Payable	13,567,363	3,658,193			17,225,556
Bonds Payable	21,784,687	599,874,374			621,659,061
Total Liabilities	<u>35,541,477</u>	<u>609,641,103</u>	<u>0</u>	<u>0</u>	<u>645,182,580</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Charge on Refunding		1,469,215			1,469,215
Total Deferred Inflows of Resources	<u>0</u>	<u>1,469,215</u>	<u>0</u>	<u>0</u>	<u>1,469,215</u>
NET POSITION					
Unrestricted (Deficit)	<u>\$ (16,421,047)</u>	<u>\$ (509,912,015)</u>	<u>\$ 420,666</u>	<u>\$ 0</u>	<u>\$ (525,912,396)</u>

⁽¹⁾This column is to eliminate inter-subfund activities.

**Successor Agency to the
Redevelopment Agency for the County of Riverside, California
Combining Schedule of Changes in Fiduciary Net Position
Year Ended June 30, 2022**

	Private-Purpose Trust Funds	Private-Purpose Trust Funds RORF	Private-Purpose Trust Funds LMIHF	Inter-Subfund Activity Adjustments ⁽¹⁾	Total
ADDITIONS					
Taxes	\$	\$ 47,865,120	\$	\$	\$ 47,865,120
Investment Earnings	(72,391)	(201,348)	(6,372)		(280,111)
Gain (Loss) on Sale of Land Held for Development	(95,180)				(95,180)
Other Income	5,023	2,660			7,683
Total Additions	<u>(162,548)</u>	<u>47,666,432</u>	<u>(6,372)</u>	<u>0</u>	<u>47,497,512</u>
DEDUCTIONS					
Administrative Costs	1,895	1,215,254			1,217,149
Professional Services		91,235			91,235
Interest Expense	2,021,425	24,171,765			26,193,190
Property Costs		39,630	25,997		65,627
Total Deductions	<u>2,023,320</u>	<u>25,517,884</u>	<u>25,997</u>	<u>0</u>	<u>27,567,201</u>
TRANSFERS					
Transfers In	3,731,996	751,533		(4,483,529)	0
Transfers Out	(751,533)	(3,731,996)		4,483,529	0
Total Transfers	<u>2,980,463</u>	<u>(2,980,463)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Increase (Decrease) in Fiduciary Net Position	794,595	19,168,085	(32,369)	0	19,930,311
Net Position, Beginning of Year (Deficit)	<u>(17,215,642)</u>	<u>(529,080,100)</u>	<u>453,035</u>	<u>0</u>	<u>(545,842,707)</u>
Net Position, End of Year (Deficit)	<u>\$ (16,421,047)</u>	<u>\$ (509,912,015)</u>	<u>\$ 420,666</u>	<u>\$ 0</u>	<u>\$ (525,912,396)</u>

⁽¹⁾This column is to eliminate inter-subfund activities.

November 14, 2022

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

We have audited the financial statements of the fiduciary net position of the Successor Agency to the Redevelopment Agency for the County of Riverside, California (the "Agency") for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, 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 August 23, 2022. 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 Agency are described in Note 1 to the financial statements. As described in Note 1.A to the financial statements, the Agency changed accounting policies related to leases, interest cost, interbank offered rates, component units, deferred compensation plans, annual comprehensive financial report and other accounting policies by adopting Statements of Governmental Accounting Standards (GASB Statements) No. 87, *Leases*, No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, No. 91, *Conduit Debt Obligations*, No. 92, *Omnibus*, No. 93, *Replacement of Interbank Offered Rates*, No. 97, *Certain Component Unit Criteria*, and *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and No. 98, *The Annual Comprehensive Financial Report*. However, the adoption of these GASB statements had no effect on the Agency's financial statements. We noted no transactions entered into by the Agency 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 financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of land held for development is based on the original cost or most current appraised value. We evaluated the key factors and assumptions used to develop the land held for resale values in determining that it is 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 the fair value of investments in Notes 1D, 2A and 2B to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of land held for development in Notes 1D and 2B to the financial statements represents certain amounts at cost or its most current appraised value which could differ from the current fair market value.

The financial statements 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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 auditors' 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 November 14, 2022.

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 Agency's financial statements or a determination of the type of auditors' 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 the Agency'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*, which is required supplementary information (RSI) that supplements 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 on the *combining schedules*, which accompany the financial statements but are not RSI. With respect to the 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.

As part of the audit, we assisted with the preparation of the financial statements and related notes, and reconciliations of debt related liabilities and amortizations. However, these services, does not constitute an audit under *Government Auditing Standards* and are considered nonaudit services. Management has review, approved, and accepted responsibility for the results of these services.

Restriction on Use

This information is intended solely for the information and use of Board of Supervisors and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Teaman Ramirez & Smith, Inc.

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

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

We have audited, 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, the financial statements of the fiduciary net position of the Successor Agency to the Redevelopment Agency for the County of Riverside, California (the "Agency") as of and for the year ended June 30, 2022, and the related statement of changes in fiduciary position and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated November 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Traman Ramirez & Smith, Inc.

Riverside, California
November 14, 2022