

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



ITEM: 3.7
(ID # 25017)

MEETING DATE:
Tuesday, May 21, 2024

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Fiscal Year 2024-25 Tax and Revenue Anticipation Notes, Approve and Adopt Resolution No. 2024-123, Authorizing and Approving the Borrowing of Funds for Fiscal Year 2024-25; the Issuance and Sale of One or More 2024 Tax and Revenue Anticipation Notes; and the Execution and Delivery of Related Documents. All Districts. [\$498,003- Note Proceeds 100%] (VOTE ON SEPARATELY)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and Adopt Resolution No. 2024-123, a Resolution of the Board of Supervisors of the County of Riverside Authorizing and Approving the Borrowing of Funds For Fiscal Year 2024-25; the Issuance and Sale of One or More 2024 Tax And Revenue Anticipation Notes; and the Execution and Delivery of Related Documents.

ACTION: Policy, Separate Vote Required


Don Kent, Director of Finance 5/16/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: May 21, 2024
xc: OED

Kimberly A. Rector
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	\$498,003	\$498,003	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: 100% Note Proceeds			For Fiscal Year: 2024-25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County annually issues Tax and Revenue Anticipation Notes (TRANS) to provide funds necessary to cover the projected cash-flow deficits of the County General Fund during the course of the fiscal year. The deficit occurs because the timing of tax receipts does not match the County's on-going expenditure requirements.

In addition, as a cost savings measure, the County evaluates annually the option of prepaying the unfunded liability portion of its CalPERS pension obligations in exchange for a discount. The prepayment has occurred for the last 20 years and is recommended again for FY 2024-25. Staff will continue to evaluate the cash-flow benefit of the prepayment up to the pricing of the TRANS. If, at the time of the pricing, there are insufficient savings, the prepayment portion will be removed from the TRANS.

The FY 2024-25 resolution authorizes the issuance of an aggregate amount not-to-exceed \$500 million, though the actual amount will very likely be less. The large authorization provides flexibility in the event the County and/or State budgets change substantially. The resolution also allows for the issuance of an additional parity note during FY 2024-25, essentially providing for the possibility of having two series with staggered maturities inside of twelve months.

The County's issuance cost for the TRANS will be approximately \$498,003, assuming a \$425 million note size, with underwriter's compensation of approximately \$143,003. Based on current market conditions, the all-in true interest cost for the twelve-month tax-exempt note is estimated at approximately 3.35%. Due to volatility in the financial markets, rates may be higher at the time of sale.

The resolution appoints the law firm of Orrick, Herrington & Sutcliffe LLP as bond counsel to the County, Kutak Rock LLP as disclosure counsel for the notes, Fieldman, Rolapp & Associates, Inc. as municipal advisor, and J.P. Morgan Securities LLC, as senior managing underwriter, together with Wells Fargo Bank N.A., Inc. as co-manager.

The Debt Advisory Committee, at its May 16, 2024 meeting, reviewed and recommended approval to the Board of Supervisors the issuance of the County of Riverside FY 2024-25 Tax and Revenue Anticipation Notes.

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

Impact on Residents and Businesses

The FY 2024-25 TRANs borrowing will assist the County in managing its financial affairs of the General Fund throughout the course of the year while tax revenues are received periodically, providing for the continuity of services to its residents and businesses.

ATTACHMENTS:

- A. Resolution No. 2024-123
- B. 2024-25 TRANs Paying Agent Agreement
- C. 2024-25 TRANs Note Purchase Agreement
- D. Preliminary Official Statement
- E. Appendix A

Michael Ambolo

Michael Ambolo, Chief Finance Officer 5/16/2024

Aaron Gettis

Aaron Gettis, Chief of Deputy County Counsel 5/16/2024

1 Board of Supervisors

County of Riverside

2
3 RESOLUTION NO. 2024-123

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5 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE
6 AUTHORIZING AND APPROVING THE BORROWING OF FUNDS FOR FISCAL YEAR 2024-
7 2025; THE ISSUANCE AND SALE OF ONE OR MORE 2024 TAX AND REVENUE ANTICIPATION
8 NOTES; AND THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS
9

10 **WHEREAS**, the County of Riverside (the "County") is authorized by Section 53850 to
11 53858, both inclusive, of the Government Code of the State of California (the "Act") (being Article 7.6,
12 Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of
13 temporary notes;

14 **WHEREAS**, the Board of Supervisors of the County (the "Board") has determined that a
15 sum (the "Principal Amount") not to exceed a maximum principal amount of \$500,000,000, is needed for
16 the requirements of the County, to satisfy obligations of the County, and that it is necessary that said
17 Principal Amount be borrowed for such purpose at this time by the issuance of a note or notes therefore in
18 anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received or
19 accrued by the County for the general fund of the County, and provided for or attributable to its fiscal year
20 ending June 30, 2025 ("Repayment Fiscal Year");

21 **WHEREAS**, the County hereby determines to borrow, for the purposes set forth above, the
22 Principal Amount by the issuance of the Note, as hereinafter defined;

23 **WHEREAS**, it appears, and this Board hereby finds and determines, that the Principal
24 Amount, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the
25 estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from the
26 state and federal governments), cash receipts and other moneys of the County provided for or attributable
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FORM APPROVED COUNTY COUNSEL
BY MCT 16 MAY 24
MICHAEL C. THOMAS DATE

1 to the Repayment Fiscal Year, and available for the payment of the principal of the Note and the interest
2 thereon;

3 **WHEREAS**, no money has heretofore been borrowed by or on behalf of the County through
4 the issuance of tax and revenue anticipation notes or temporary notes in anticipation of the receipt of, or
5 payable from or secured by, taxes, income, revenue, cash receipts or other moneys for the Repayment Fiscal
6 Year (other than amounts heretofore pledged by the County for the payment of its Teeter Plan obligations
7 pursuant to Resolution No. 97-203, as such resolution may be amended or supplemented from time to time);

8 **WHEREAS**, pursuant to Section 53856 of the Act, certain moneys which will be received
9 or accrued by the County and provided for or attributable to the Repayment Fiscal Year can be pledged for
10 the payment of the principal of the Note and the interest thereon (as hereinafter provided);

11 **WHEREAS**, U.S. Bank Trust Company, National Association has agreed to act as paying
12 agent (the "Paying Agent") with respect to the Note as provided in this Resolution and as to be provided in
13 a Paying Agent Agreement, by and between the County and the Paying Agent (the "Paying Agent
14 Agreement"), a form of which has been submitted to the Board;

15 **WHEREAS**, the Underwriter appointed in Section 21 hereof, intends to submit an offer to
16 purchase the Note and has submitted a form of Contract of Purchase (the "Contract of Purchase") to the
17 Board;

18 **WHEREAS**, a form of the Preliminary Official Statement describing the Note will be
19 distributed to potential purchasers of the Note by the Underwriter;

20 **WHEREAS**, this Board has been presented with the form of each document hereinafter
21 referred to relating to the Note, and the Board has examined and approved each document and desires to
22 authorize and direct the execution of such documents and the issuance of the Note;

23 **WHEREAS**, the County has determined that it may be desirable to provide for the issuance
24 of an additional parity note (the "Parity Note") during the Repayment Fiscal Year, the principal and interest
25 on which are secured by Pledged Revenues, hereinafter defined, on a parity with the Note; and

26 **WHEREAS**, the County has previously adopted a local debt policy (the "Debt Management
27 Policy") that complies with California Government Code Section 8855 (i), and the sale and issuance of the
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1 Note as contemplated by this Resolution is in compliance with the Debt Management Policy;

2 **NOW, THEREFORE, BE IT FOUND, RESOLVED, DETERMINED AND**
3 **ORDERED** by the Board of Supervisors of the County of Riverside in regular session assembled on
4 May 21, 2024, in the meeting room of the Board of Supervisors, located on the first floor of the County
5 Administrative Center, 4080 Lemon Street, Riverside, California 92501, as follows:

6 Section 1. Recitals. All the above recitals are true and correct.

7 Section 2. Authorization of Issuance. This Board hereby determines to borrow solely for
8 the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received or accrued
9 by the County for the general fund of the County and provided for or attributable to the Repayment Fiscal
10 Year, by the issuance of a note or notes, pursuant to the provisions of the Act, designated the County's
11 "2024 Tax and Revenue Anticipation Note," with an appropriate series designation if more than one note
12 is issued, each such series to be issued on a tax-exempt or federally taxable basis likewise with an
13 appropriate designation if more than one note is issued (collectively, the "Note" and the "Tax-Exempt Note"
14 and the "Federally Taxable Note" if any, respectively), each to be issued in the form of a fully registered
15 note or notes, in denominations of \$5,000 or integral multiples thereof, in a combined amount not to exceed
16 the Principal Amount, to be dated the date of delivery to the initial purchaser thereof, to mature on a date
17 or dates, if more than one note is issued, with or without option of prior redemption at the election of the
18 County, not more than 15 months thereafter on a date indicated on the face thereof and determined in the
19 respective Contract of Purchase (each such date, a "Maturity Date"), and to bear interest, payable on the
20 respective Maturity Date (and if the Maturity Date is more than 12 months from the date of issuance,
21 payable on the interim interest payment date set forth in the respective Contract of Purchase) and computed
22 upon the basis of a 360-day year consisting of twelve 30-day months, or a 365- or 366-day year, as the case
23 may be, and actual days elapsed, at a rate or rates, if more than one Note is issued, not to exceed 12% per
24 annum as determined in the respective Contract of Purchase and indicated on the face of the respective Note
25 (the "Note Rate"). If the Note of a series is not fully paid at maturity, the unpaid portion thereof shall be
26 deemed outstanding and shall continue to bear interest thereafter until paid. In each case set forth in the
27 preceding two sentences, the obligation of the County with respect to such unpaid Note shall not be a debt

1 or liability of the County prohibited by Article XVI, Section 18 of the California Constitution, and the
2 County shall not be liable thereon except to the extent of any available revenues provided for or attributable
3 to the Repayment Fiscal Year, as provided in Section 7 hereof. Both the principal of and interest on the
4 Note shall be payable in lawful money of the United States of America.

5 Section 3. Form of Note. The Note shall be issued in fully registered form without coupons
6 and shall be substantially in the form and substance set forth in Exhibit A, as attached hereto and by
7 reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures as
8 determined at closing of the Note of a series.

9 Section 4. Sale of Note; Paying Agent Agreement; Contract of Purchase; Continuing
10 Disclosure. The form of the Contract of Purchase presented to this meeting is hereby approved. The County
11 Executive Officer, or in the absence of such officer, his or her assistant, the County Treasurer-Tax Collector,
12 or in the absence of such officer, his or her assistant, the Auditor-Controller, or in the absence of such
13 officer, his or her assistant, and the Director of Finance (each a "County Officer") are each hereby
14 individually authorized and directed to execute and deliver such Contract of Purchase in substantially said
15 form with respect to the Note of a series, with such changes thereto as such County Officer shall approve,
16 such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however,
17 that the interest rate on the Note shall not exceed 12% per annum, and that the Underwriter's discount on
18 the Note of a series shall not exceed 0.05% of the Principal Amount actually issued. Delivery of an executed
19 copy of the Contract of Purchase by fax or telecopy shall be deemed effective upon execution and delivery
20 for all purposes.

21 The form of instrument, entitled "Paying Agent Agreement," to be dated as of July 1, 2024,
22 in substantially the form presented to this meeting, is hereby approved. Any County Officer is authorized
23 and directed to execute and deliver on behalf of the County an instrument in substantially said form, with
24 such changes therein as such officer executing such instrument may require or approve, such approval to
25 be conclusively evidenced by the execution and delivery thereof.

26 The form of instrument, entitled "Continuing Disclosure Certificate," to be dated as of its
27 date of execution, in substantially the form presented to this meeting, is hereby approved. Any County
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1 Officer is authorized and directed to execute and deliver on behalf of the County an instrument in
2 substantially said form, with such changes therein as such officer executing such instrument may require or
3 approve, such approval to be conclusively evidenced by the execution and delivery thereof.

4 Section 5. Official Statement. The proposed form of preliminary official statement (the
5 “Preliminary Official Statement”) relating to the Note, in substantially the form presented to this meeting,
6 is hereby approved with such changes, additions, completion and corrections as any County Officer may
7 approve, and the Underwriter is hereby authorized and directed to cause to be distributed to prospective
8 purchasers a Preliminary Official Statement in connection with the offering and sale of the Note of a series.
9 Such Preliminary Official Statement, together with any supplements thereto, shall be in form “deemed
10 final” by the County for purposes of Rule 15c2-12, promulgated by the Securities and Exchange
11 Commission (the “Rule”), unless otherwise exempt, but is subject to revision, amendment and completion
12 in a final official statement (the “Official Statement”). The Official Statement for each series in
13 substantially said form is hereby authorized and approved, with such changes therein as any County Officer
14 may approve. The County Officer is hereby authorized and directed, at or after the time of the sale of the
15 Note of each series, for and in the name and on behalf of the County, to deem the applicable Preliminary
16 Official Statement final on behalf of the County, to execute a final Official Statement in substantially the
17 form of the applicable Preliminary Official Statement presented to this meeting, with such additions thereto
18 or changes therein as the County Officer may approve, such approval to be conclusively evidenced by the
19 execution and delivery thereof.

20 Any one of the County Officers is hereby authorized and directed to provide disclosure
21 counsel with such information relating to the County as they shall reasonably request for inclusion in the
22 Preliminary Official Statement and the Official Statement related to any series and any supplements thereto.
23 Upon inclusion of the information relating to the County therein, the Preliminary Official Statement is,
24 except for certain omissions permitted by the Rule, hereby deemed final within the meaning of the Rule.
25 If, at any time prior to the end of the underwriting period, as defined in the Rule, any event occurs as a
26 result of which the information contained in any Preliminary Official Statement might include an untrue
27 statement of a material fact or omit to state any material fact necessary to make the statements therein, in

1 Federal Deposit Insurance Corporation (SAIF) or any successors thereto. These deposits: (a) must be
2 continuously and fully insured by BIF or SAIF, or (b) must have maturities of less than 366 days and be
3 deposited with banks the short term obligations of which are rated SP-1 by S&P and MIG-1 by Moody's.

4 6. Money market mutual funds or portfolios investing in short-term US Treasury
5 securities rated AAAM or AAAM G by S&P and Aaa by Moody's.

6 7. Investment agreements, funding agreements or guaranteed investment contracts
7 approved by the County Treasurer-Tax Collector with a financial institution rated in one of the two highest
8 rating categories by both Moody's and S&P without regard to plus, minus or numerical notation. Such
9 agreement or contract must contain downgrade covenants providing that in the event of a rating downgrade
10 of the provider below Aa3 by Moody's or AA- by S&P, the agreement or contract shall require the provider
11 to notify the County Treasurer-Tax Collector in writing of such downgrade within five (5) business days of
12 such downgrade event; thereafter, at the provider's option, the provider shall either (a) assign the agreement
13 or contract and all of its obligations thereunder to a then qualified financial institution acceptable to the
14 County Treasurer-Tax Collector, or (b) collateralize the agreement or contract with U.S. Treasury or
15 Government Agency securities at 105% of principal and interest, marked-to-market weekly with a three (3)
16 business day cure period for deficiencies. Such collateral must be held by an independent third party acting
17 for the benefit of the County and must be free and clear of any liens. A downgrade below A3 by Moody's
18 or A- by S&P of the provider or any substituted provider pursuant to an assignment, shall allow for the
19 immediate withdrawal of all monies then invested in the agreement or contract at no premium or penalty to
20 the County.

21 8. Repurchase agreements with financial institutions or banks insured by the FDIC or
22 FSLIC, or any broker dealer with "retail customers" which falls under the jurisdiction of the Securities
23 Investors Protection Corporation (SIPC), or any other financial institutions, provided that: (a) the repurchase
24 agreement is over-collateralized at one hundred two percent (102%), computed weekly, consisting of
25 securities as described in clauses (1) and (2) above; (b) a third party custodian, the Paying Agent or the
26 Federal Reserve Bank shall have possession of such obligations; (c) the Paying Agent shall have perfected

1 a first priority security interest in such obligations; and (d) failure to maintain the requisite collateral
2 percentage will require the Paying Agent to liquidate the collateral.

3 9. The Local Agency Investment Fund administered by the State of California.

4 10. Investment Trust of California, doing business as CalTRUST.

5 11. The Pooled Investment Fund maintained by the County Treasurer-Tax Collector.

6 Section 7. Source of Payment; Parity Note. The principal amount of the Note, together with
7 the interest thereon, shall be payable from taxes, income, revenue (including, but not limited to, revenue
8 from the state and federal governments), cash receipts and other moneys which are accrued, received or
9 held by the County for the general fund of the County and are provided for or attributable to the Repayment
10 Fiscal Year and which are available for payment of current expenses and other obligations of the County
11 (“Unrestricted Revenues”). As security for the payment of the principal of and interest on the Note and any
12 Parity Note, the County hereby pledges all Unrestricted Revenues, except for Unrestricted Revenues
13 pledged by the County to the payment of County of Riverside Teeter Plan obligations issued pursuant to
14 Resolution No. 97-203, as such resolution may be amended and supplemented from time to time (the
15 “Pledged Revenues”), and the principal of the Note and any Parity Note and the interest thereon shall
16 constitute a first lien and charge thereon and shall be payable from the moneys received by the County from
17 such Pledged Revenues and, to the extent not so paid, shall be paid from any other taxes, income, revenue,
18 cash receipts and other moneys of the County lawfully available therefor (all as provided for in Sections
19 53856 and 53857 of the Act).

20 In order to effect the pledge referenced in the preceding paragraph, the County hereby agrees
21 to the establishment and maintenance of a “2024 Note Payment Account” (herein called the “Payment
22 Account”) by the Paying Agent as the responsible agent to maintain such an account until the payment of
23 the principal of the Note and the interest thereon, and the County further agrees to cause to be deposited in
24 the Payment Account from amounts received in the months specified in the respective Contract of Purchase
25 as Repayment Months (each individual month a “Repayment Month” and collectively “Repayment
26 Months”) (and any amounts received thereafter provided for or attributable to the Repayment Fiscal Year)
27 until the amount on deposit in the Payment Account, is equal in the respective Repayment Months identified

1 in the respective Contract of Purchase to the percentage of the principal of and interest due on the Note
2 specified in such Contract of Purchase. As security for the payment of the Note and any Parity Note and
3 the interest thereon, the County hereby pledges and grants a lien on and a security interest in the amounts
4 on deposit in the Payment Account whether now owned or hereafter arising as security for the payment of
5 the principal of and interest on the Note and any Parity Note and said amounts shall not be used for any
6 other purpose until the Note and any Parity Note and the interest thereon have been paid in full or such
7 payment has been duly provided for. Moneys in the Payment Account shall be invested in Permitted
8 Investments as may be directed by a County Officer, including as provided in an investment administration
9 agreement or otherwise, and the proceeds of such investments shall be retained in the Payment Account.
10 Any such deposit may take into consideration anticipated investment earnings on amounts deposited in an
11 investment agreement that is a Permitted Investment through the Maturity Date.

12 Any County Officer is hereby authorized to approve the determination of the Repayment
13 Months and percentages of the principal of and interest due on the Note of each series required to be on
14 deposit in the Payment Account in each Repayment Month, all as specified in the respective Contract of
15 Purchase, by executing and delivering such Contract of Purchase, such execution and delivery to be
16 conclusive evidence of approval by this Board and such County Officer. In the event on the day in each
17 such Repayment Month that a deposit to the Payment Account is required to be made, the County has not
18 received sufficient Unrestricted Revenues to permit the deposit into the Payment Account of the full amount
19 of Pledged Revenues to be deposited in the Payment Account from said Unrestricted Revenues in said
20 month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the
21 County lawfully available for the payment of the principal of the Note and the interest thereon, as and when
22 such other moneys are received or are otherwise legally available.

23 Any moneys placed in the Payment Account shall be for the benefit of the holders of the
24 Note. The moneys in the Payment Account shall be applied only for the purposes for which the Payment
25 Account is created until the principal of the Note and all interest thereon are paid or until provision has been
26 made for such payment.

27 In the event that moneys in the Payment Account are insufficient to pay the principal of and
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1 interest on the Note in full when due, such moneys shall be applied in the following priority: first, to pay
2 interest on the Note and any Parity Note, ratably; and second, to pay principal of the Note and any Parity
3 Note, ratably without preference or priority of any kind, according to the amounts due and payable with
4 respect to such Note and Parity Note. Any moneys remaining in or accruing to the Payment Account after
5 the principal of the Note and the interest thereon have been paid, or provision for such payment has been
6 made, shall be transferred to the general fund of the County.

7 Any investment of the Payment Account shall be for the account and risk of the County.
8 The County shall not be deemed to be relieved of any of its obligations with respect to the Note by reason
9 of such investment of the moneys in its Payment Account.

10 Anything herein to the contrary notwithstanding, the County may at any time during the
11 Repayment Fiscal Year issue a Parity Note secured by a first lien and charge on Pledged Revenues on a
12 parity with the then outstanding Note; provided that (i) the issuance of any such Parity Note shall not, in
13 and of itself, reduce or impair the rating on the then outstanding Note, (ii) the maturity date of any such
14 Parity Note shall be later than the outstanding Note and (iii) the then outstanding Note and Parity Note shall
15 have the same paying agent. In the event that the County issues a Parity Note, the County shall make
16 appropriate deposits into the Payment Account with respect to such Parity Note, and in such event, the
17 Payment Account shall also be held for the benefit of the holders of the Parity Note.

18 Section 8. Execution of Note. Any one of the County Officers or any other officer
19 designated by the Board shall be authorized to execute the Note by manual or facsimile signature, the Clerk
20 of the Board of the County or any duly appointed deputy or assistant thereto shall be authorized to
21 countersign the Note by manual or facsimile signature, and the Note shall be authenticated by the manual
22 signature of the Paying Agent. Said officers of the County are hereby authorized to cause the blank spaces
23 of the Note to be filled in as may be appropriate pursuant to the respective Contract of Purchase. In case
24 any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of
25 such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such
26 officer had remained in office until delivery. The Note need not bear the seal of the County, if any.

1 Substitute Depository, or their respective nominees, as the case may be, all as specified in the written request
2 of the County Officer. In the case of any transfer pursuant to clause (iii) of Subsection (B) of this Section
3 9 upon receipt of the outstanding Note of a series by the Paying Agent (together with a written request of
4 the County Officer to such Paying Agent), a new Note of such series, which the County shall prepare or
5 cause to be prepared, shall be executed by the County and authenticated by the Paying Agent and delivered
6 in such denominations and registered in the names of such persons as specified by the County Officer in
7 such written request, subject to the limitations of this Section 9, provided, that, the Paying Agent shall
8 deliver such new Note as soon as practicable.

9 (D) The County and the Paying Agent shall be entitled to treat the person in whose name
10 any Note is registered as the owner thereof for all purposes of this Resolution and for purposes of payment
11 of principal of and interest on such Note, notwithstanding any notice to the contrary received by the Paying
12 Agent or the County; and the County and the Paying Agent shall not have responsibility for transmitting
13 payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Note
14 while DTC or its successor is the registered owner. Neither the County nor the Paying Agent shall have
15 any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party,
16 including DTC or its successor (or Substitute Depository or its successor), except to the registered owner
17 of any Note, and the Paying Agent may rely conclusively on its records as to the identity of the owners of
18 the Note.

19 (E) Notwithstanding any other provision of this Resolution and so long as the outstanding
20 Note is registered in the name of Cede & Co. or its registered assigns, the County and the Paying Agent
21 shall cooperate with Cede & Co. or its registered assigns, as sole registered owner, in effecting payment of
22 the principal of and interest on the Note by arranging for payment in such manner that funds for such
23 payments are properly identified and are made available on the date they are due all in accordance with the
24 Letter of Representations, the provisions of which the Paying Agent may rely upon to implement the
25 foregoing procedures notwithstanding any inconsistent provisions herein.

26 (F) In the case of any transfer pursuant to clause (iii) of subsection (B) of this Section, any
27 Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount
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1 in authorized denominations, upon the books required to be kept by the Paying Agent pursuant to the
2 provisions hereof, by the person in whose name it is registered, in person or by his duly authorized attorney,
3 upon surrender of such Note for cancellation, and, in the case of a transfer, accompanied by delivery of a
4 written instrument of transfer, duly executed and in form approved by the Paying Agent.

5 Whenever any Note shall be surrendered for transfer or exchange, the County shall execute
6 and the Paying Agent shall authenticate and deliver a new Note of authorized denominations of the same
7 series, for a like aggregate principal amount of the same interest rate. The Paying Agent shall require the
8 owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid
9 with respect to such transfer or exchange.

10 (G) The Paying Agent will keep or cause to be kept sufficient books for the registration and
11 transfer of the Note of each series, which shall at all times be open to inspection by the County. Upon
12 presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe,
13 register or transfer or cause to be registered or transferred, on such books, the Note as hereinbefore provided.

14 (H) If any Note shall become mutilated, the County, at the expense of the owner of such
15 Note, shall execute, and the Paying Agent shall thereupon authenticate and deliver a new Note of like series,
16 tenor, interest rate and number in exchange and substitution for the Note so mutilated, but only upon
17 surrender to the Paying Agent of the Note so mutilated. Every mutilated Note so surrendered to the Paying
18 Agent shall be cancelled by it and delivered to, or upon the order of, the County. If any Note shall be lost,
19 destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County and the
20 Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given,
21 the County, at the expense of the owner, shall execute, and the Paying Agent shall thereupon authenticate,
22 if required, and deliver a new Note of like series, interest rate, tenor and number in lieu of and in substitution
23 for the Note so lost, destroyed or stolen (or if any such Note shall have matured or shall be about to mature,
24 instead of issuing a substitute Note, the Paying Agent may pay the same without surrender thereof). The
25 Paying Agent may require payment by the registered owner of a Note of a sum not exceeding the actual
26 cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be
27 incurred by the County and the Paying Agent. Any Note issued under these provisions in lieu of any Note

1 or filing with, or certification by, any regulatory authority having jurisdiction over the County required for
2 the issuance and sale of the Note or the consummation by the County of the other transactions contemplated
3 by this Resolution, except those the County shall obtain or perform prior to or upon the issuance of the
4 Note.

5 (E) Prior to the issuance of the Note, the County has duly, regularly and properly adopted
6 a recommended budget for the Repayment Fiscal Year setting forth expected revenues and expenditures
7 and has complied with all statutory and regulatory requirements with respect to the adoption of such budget.
8 The County hereby covenants that it shall (i) duly, regularly and properly prepare and adopt its final budget
9 for the Repayment Fiscal Year, (ii) provide to the Municipal Advisor and the Underwriter, promptly upon
10 adoption, copies of such final budget and of any subsequent revisions, modifications or amendments thereto
11 and (iii) comply with all applicable laws pertaining to its budget.

12 (F) The County (i) has not defaulted within the past twenty (20) years, and is not
13 currently in default, on any debt obligation, and (ii) to the best knowledge of the County, has never defaulted
14 on any debt obligation.

15 (G) The County's most recent audited financial statements present fairly the financial
16 condition of the County as of the date thereof and the results of operation for the period covered thereby.
17 Except as has been disclosed to the Municipal Advisor and the Underwriter and in the Preliminary Official
18 Statement and to be set forth in the final Official Statement, there has been no change in the financial
19 condition of the County since the date of such audited financial statements that will in the reasonable
20 opinion of the County materially impair its ability to perform its obligations under this Resolution and the
21 Note. The County agrees to furnish to the Municipal Advisor and the Underwriter promptly, from time to
22 time, such information regarding the operations, financial condition and property of the County as such
23 party may reasonably request.

24 (H) There is no action, suit, proceeding, inquiry or investigation, at law or in equity,
25 before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best
26 knowledge of the County, threatened against or affecting the County questioning the validity of any
27 proceeding taken or to be taken by the County in connection with the Note, the Contract of Purchase or this

1 Resolution, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the County
2 of any of the foregoing, or wherein an unfavorable decision, ruling or finding would have a materially
3 adverse effect on the County's financial condition or results of operations or on the ability of the County to
4 conduct its activities as presently conducted or as proposed or contemplated to be conducted, or would
5 materially adversely affect the validity or enforceability of, or the authority or ability of the County to
6 perform its obligations under, the Note, the Contract of Purchase or this Resolution.

7 (I) Upon issuance of the Note and execution of the Contract of Purchase, this Resolution,
8 the Contract of Purchase and the Note will constitute legal, valid and binding agreements of the County,
9 enforceable in accordance with their respective terms, except as such enforceability may be limited by
10 bankruptcy or other laws affecting creditors' rights generally, the application of equitable principles if
11 equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on
12 legal remedies against local agencies, as applicable, in the State of California.

13 (J) The County and its appropriate officials have duly taken, or will take, all proceedings
14 necessary to be taken by them, if any, for the levy, receipt, collection and enforcement of the Pledged
15 Revenues in accordance with law for carrying out the provisions of this Resolution and the Note.

16 (K) Except for Parity Notes, if any, permitted to be executed and delivered pursuant to
17 Section 7 hereof, the County shall not incur any indebtedness secured by a pledge of its Pledged Revenues
18 unless such pledge is subordinate in all respects to the pledge of Pledged Revenues hereunder.

19 (L) The information contained in the Official Statement (excluding the statements and
20 information under the heading "UNDERWRITING" and under "THE NOTE—Book-Entry-Only System"),
21 as of the time of delivery thereof to the Underwriter and at all times subsequent thereto up to and including
22 the closing, will be true, complete, correct and final in all material respects and will not contain any untrue
23 statement of a material fact or omit to state a material fact necessary to make the statements therein, in the
24 light of the circumstances under which they were made, not misleading.

25 (M) The County hereby covenants and agrees that it will comply with and carry out all of
26 the provisions of the Continuing Disclosure Certificate consistent with the requirements of the Rule.

27 Section 11. Tax Covenants. The County will not take any action or fail to take any action

1 if such action or failure to take such action would adversely affect the exclusion from gross income of the
2 interest payable on the Tax-Exempt Note under Section 103 of the Internal Revenue Code of 1986, as
3 amended (the "Code"). Without limiting the generality of the foregoing, the County will not make any use
4 of the proceeds of the Tax-Exempt Note or any other funds of the County which would cause the Tax-
5 Exempt Note to be an "arbitrage bond" within the meaning of Section 148 of the Code, a "private activity
6 bond" within the meaning of Section 141(a) of the Code, or an obligation the interest on which is subject
7 to federal income taxation because it is "federally guaranteed" as provided in Section 149(b) of the Code.
8 The County, with respect to the proceeds of the Tax-Exempt Note, will comply with all requirements of
9 such sections of the Code and all regulations of the United States Department of the Treasury issued or
10 applicable thereunder to the extent that such requirements are, at the time, applicable and in effect.

11 The County hereby covenants that the County will take all legally permissible steps
12 necessary to ensure that all of the gross proceeds of the Tax-Exempt Note will be expended no later than
13 the day that is six months after the date of issuance of the Tax-Exempt Note so as to satisfy the requirements
14 of Section 148(f)(4)(B) of the Code.

15 Notwithstanding any other provision of this Resolution to the contrary, upon the County's
16 failure to observe, or refusal to comply with, the covenants contained in this Section 11, no one other than
17 the holders or former holders of the Tax-Exempt Note, and their legal representatives, shall be entitled to
18 exercise any right or remedy under this Resolution on the basis of the County's failure to observe, or refusal
19 to comply with, such covenants.

20 The covenants contained in this Section 11 shall survive the payment of the Tax-Exempt
21 Note.

22 Section 12. Events of Default and Remedies.

23 If any of the following events occur, it is hereby defined as and declared to be and to
24 constitute an "Event of Default":

25 (a) Failure by the County to make or cause to be made the transfers and deposits to the
26 Payment Account, or any other payment required to be paid hereunder, including payment of principal of
27 and interest on the Note, on or before the date on which such transfer, deposit or other payment is due and
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1 payable;

2 (b) Failure by the County to observe and perform any covenant, condition or agreement
3 (other than failure to make a payment or transfer as provided in subsection (a) of this Section) on its part to
4 be observed or performed under this Resolution, for a period of fifteen (15) days after written notice,
5 specifying such failure and requesting that it be remedied, is given to the County by the holders of not less
6 than 10% in aggregate principal amount of the Note, unless such holders shall agree in writing to an
7 extension of such time prior to its expiration;

8 (c) Any warranty, representation or other statement by or on behalf of the County
9 contained in this Resolution or the Contract of Purchase or in any requisition or any financial report
10 delivered by the County or in any instrument furnished in compliance with or in reference to this Resolution
11 or the Contract of Purchase or in connection with the Note, is false or misleading in any material respect;

12 (d) A petition is filed against the County under any bankruptcy, reorganization,
13 arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether
14 now or hereafter in effect and is not dismissed within 30 days after such filing, but the holders of the Note
15 shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect their
16 interests;

17 (e) The County files a petition in voluntary bankruptcy or seeking relief under any
18 provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or
19 liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any
20 petition against it under such law; or

21 (f) The County admits insolvency or bankruptcy or is generally not paying its debts as
22 such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of
23 creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the County or any
24 of its property is appointed by court order or takes possession thereof and such order remains in effect or
25 such possession continues for more than 30 days, but the holders of the Note shall have the right to intervene
26 in the proceedings prior to the expiration of such 30 days to protect their interests;

27 Whenever any Event of Default referred to in this Section 12 shall have happened and be

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1 continuing, the holders of the Note and any adversely affected former holders of the Note, and their legal
2 representatives, shall, in addition to any other remedies provided herein, have the right, at their option
3 without any further demand or notice, to take one or any combination of the following remedial steps:

4 (a) Without declaring the Note to be immediately due and payable, require the County
5 to pay to the Paying Agent on behalf of the holders of the Note, an amount equal to the principal of the Note
6 and interest thereon to maturity, plus all other amounts due hereunder, and upon notice to the County the
7 same shall become immediately due and payable by the County without further notice or demand; and

8 (b) Take whatever other action at law or in equity (except for acceleration of payment
9 on the Note) which may appear necessary or desirable to collect the amounts then due and thereafter to
10 become due hereunder or to enforce any other of its rights hereunder.

11 Section 13. Application of Amounts After Default. Notwithstanding anything to the
12 contrary contained herein, after a default by the County, all funds and accounts held by the Paying Agent
13 and all payments received by the Paying Agent with respect to the Note after an Event of Default by the
14 County pursuant to Section 12 hereof, and all damages or other payments received by the Paying Agent for
15 the enforcement of any rights and powers of the Paying Agent under Section 12, shall be deposited into the
16 Payment Account and as soon as practicable thereafter applied to the payment of all amounts then due as
17 interest on the Note and any Parity Note, and thereafter to the payment of all amounts due as principal on
18 the Note and any Parity Note, ratably without preference or priority of any kind, according to the amounts
19 due and payable with respect to such Note and Parity Note.

20 Section 14. Paying Agent. U.S. Bank Trust Company, National Association is hereby
21 appointed as paying agent and registrar for the Note. The County hereby directs and authorizes the payment
22 by the Paying Agent of the interest on and principal of the Note when such become due and payable, from
23 the Payment Account held by the Paying Agent in the name of the County in the manner set forth herein.
24 The County hereby covenants to deposit funds in such account at the time and in the amount specified
25 herein to provide sufficient moneys to pay the principal of and interest on the Note on the day on which it
26 matures and if the Maturity Date is more than 12 months from the date of issuance, payable on the interim
27 interest payment date set forth in the respective Contract of Purchase. Payment of the Note shall be in

1 additional funds or accounts to be held under this Resolution;

2 (d) to cure any ambiguity, supply any omission, or cure or correct any defect or
3 inconsistent provision in this Resolution; or

4 (e) to amend or supplement this Resolution in any other respect;

5 provided, however, that any such Supplemental Resolution does not adversely affect the interests of the
6 holders of the Note.

7 Any modifications or amendment of this Resolution and of the rights and obligations of the
8 County and of the holders of the Note may be made by a Supplemental Resolution, with the written consent
9 of the holders of at least a majority in principal amount of the Note outstanding at the time such consent is
10 given; provided, however, that if such modification or amendment will, by its terms, not take effect so long
11 as the Note remains outstanding, the consent of the holders of such Note shall not be required. No such
12 modification or amendment shall permit a change in the maturity of the Note or a reduction of the principal
13 amount thereof or an extension of the time of any payment thereon or a reduction of the rate of interest
14 thereon, or a change in the date or amounts of the pledge set forth in this Resolution, without the consent
15 of the holders of the Note, or shall reduce the percentage of the Note, the consent of the holders of which is
16 required to effect any such modification or amendment, or shall change or modify any of the rights or
17 obligations of the Paying Agent without its written assent thereto.

18 Section 19. Severability. In the event any provision of this Resolution shall be held invalid
19 or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render
20 unenforceable any other provision hereof.

21 Section 20. Appointment of Bond Counsel and Disclosure Counsel. The County approves
22 and consents to the appointment of the law firm of Orrick, Herrington & Sutcliffe LLP, Los Angeles,
23 California as Bond Counsel for the Note. The County acknowledges that Bond Counsel regularly performs
24 legal services for many private and public entities in connection with a wide variety of matters, and that
25 Bond Counsel has represented, is representing or may in the future represent other public entities,
26 underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, financial and other
27 consultants who may have a role or interest in the proposed financing or that may be involved with or

1 adverse to the County in this or some other matter. Given the special, limited role of Bond Counsel
2 described above, the County acknowledges that no conflict of interest exists or would exist, waives any
3 conflict of interest that might appear to exist, and consents to any and all such relationships.

4 The County approves and consents to the appointment of the law firm of Kutak Rock LLP,
5 Los Angeles, California as Disclosure Counsel for the Note. The County acknowledges that Disclosure
6 Counsel regularly performs legal services for many private and public entities in connection with a wide
7 variety of matters, and that Disclosure Counsel has represented, is representing or may in the future
8 represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement
9 providers, lenders, financial and other consultants who may have a role or interest in the proposed financing
10 or that may be involved with or adverse to the County in this or some other matter. Given the special,
11 limited role of Disclosure Counsel described above, the County acknowledges that no conflict of interest
12 exists or would exist, waives any conflict of interest that might appear to exist, and consents to any and all
13 such relationships.

14 Section 21. Appointment of Municipal Advisor and Underwriter. The County approves the
15 appointment of Fieldman, Rolapp & Associates, Inc., as municipal advisor for the County for the Note (the
16 “Municipal Advisor”) pursuant to its existing contract to provide financial advisory services for the County.

17 The County approves and consents to the appointment of J.P. Morgan Securities LLC, as
18 senior manager, together with Wells Fargo Bank, National Association, as co-manager (collectively, the
19 “Underwriter”) for the Note.

20 Section 22. California Debt and Investment Advisory Commission Filings. With the
21 passage of this Resolution, the Board hereby certifies that the Debt Management Policy complies with
22 California Government Code Section 8855(i), and that the Note authorized to be issued pursuant to this
23 Resolution is consistent with such policy, and instructs Orrick, Herrington & Sutcliffe LLP, as Bond
24 Counsel, on behalf of the County, with respect to the Note issued pursuant to this Resolution, (a) to cause
25 notices of the proposed sale and final sale of the Note to be filed in a timely manner with the California
26 Debt and Investment Advisory Commission pursuant to California Government Code Section 8855, and
27 (b) to check, on behalf of the County, the “Yes” box relating to such certifications in the notice of proposed
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1 sale filed pursuant to California Government Code Section 8855.

2 Section 23. Electronic Signature. The Board hereby approves the execution and delivery of
3 all agreements, documents, certificates and instruments referred to herein with electronic signatures as may
4 be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be
5 permitted under Section 16.5 of the California Government Code using DocuSign.

6 Section 24. Effective Date. This Resolution shall take effect from and after its date of
7 adoption.

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9 [Attach form of Certification of the Clerk with respect to the Resolution.]

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12 ROLL CALL:

13 Ayes: Jeffries, Washington, Spiegel, Perez, and Gutierrez

14 Nays: None

15 Absent: None

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The foregoing is certified to be a true copy of a resolution duly adopted by said
Board of Supervisors on the date therein set forth.

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KIMBERLY A. RECTOR, Clerk of said Board

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By: Naomy Li
Deputy

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EXHIBIT A

FORM OF NOTE

COUNTY OF RIVERSIDE

2024 TAX AND REVENUE ANTICIPATION NOTE, SERIES ___^{*/}

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
%	_____, 2025	_____, 2024
<u>First Repayment Month</u>	<u>Second Repayment Month</u>	<u>Third Repayment Month</u>
___% (Total of principal and interest due on Note at maturity)	___% (Total of principal and interest due on Note at maturity)	___% (Total of principal and interest due on Note at maturity) ^{**/}

REGISTERED OWNER:

PRINCIPAL AMOUNT:

FOR VALUE RECEIVED, the County of Riverside (the "County") acknowledges itself indebted, and promises to pay, to the registered owner identified above, or registered assigns, on the maturity date set forth above, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon on [_____, 20__ and on] the Maturity Date, at the Interest Rate specified above. Principal of and interest on this Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal to be paid upon surrender hereof at the office of U.S. Bank Trust Company, National Association, or its successor, as paying agent (the "Paying Agent"). Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the maturity date specified above and, if funds are not provided for payment at maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; *provided, however*, no interest shall be payable for any period after maturity during which the holder hereof fails to properly present this Note for payment.

^{*/} If more than one series is issued in the Repayment Fiscal Year.

^{**/} Number of Repayment Dates and percentages to be determined in the Contract of Purchase (as defined in the Resolution).

1 It is hereby certified, recited and declared that this Note (the "Note") represents the
2 authorized issue of the Note in the aggregate principal amount made, executed and given pursuant to and
3 by authority of certain resolutions of the Board of Supervisors of the County (the "Board") duly passed and
4 adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4,
Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the
provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.

5 The principal of the Note, together with the interest thereon, shall be payable from taxes,
6 income, revenue, cash receipts and other moneys which are received or accrued by the County for the
7 general fund of the County and are provided for or attributable to the Repayment Fiscal Year, as defined in
8 the Resolution, and which are available for payment thereof. As security for the payment of the principal
9 of and interest on the Note, the County has pledged from Unrestricted Revenues of the County received in
10 the Repayment Months (as defined in the Resolution) identified in the Contract of Purchase (as defined in
11 the Resolution) (and any amounts received thereafter provided for or attributable to the Repayment Fiscal
12 Year) until the amount on deposit in the Payment Account (as defined in the Resolution) in each such
13 month, is equal to the corresponding percentages of principal of and interest due on the Note as set forth in
the Contract of Purchase (such pledged amounts being hereinafter called the "Pledged Revenues"), and the
principal of the Note and the interest thereon shall constitute a first lien and charge on such Pledged
Revenues, and a lien on and a security interest in the amounts on deposit in the Payment Account whether
now owned or hereafter arising, and shall be payable therefrom, and to the extent not so paid shall be paid
from any other moneys of the County lawfully available therefor as set forth in the Resolution. The full
faith and credit of the County is not pledged to the payment of the principal of or interest on this Note.

14 In accordance with the Resolution, the County may at any time during the Repayment Fiscal
15 Year issue a Parity Note secured by a first lien and charge on Pledged Revenues on a parity with this Note;
16 provided that (i) the issuance of any such Parity Note shall not, in and of itself, reduce or impair the rating
on this Note, (ii) the maturity date of any such Parity Note shall be later than the maturity date of this Note,
and (iii) this Note and the Parity Note shall have the same paying agent.

17 The County and the Paying Agent may deem and treat the registered owner hereof as the
18 absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest
19 due hereon and for all other purposes, and the County and the Paying Agent shall not be affected by any
notice to the contrary.

20 It is hereby certified that all of the conditions, things and acts required to exist, to have
21 happened and to have been performed precedent to and in the issuance of this Note do exist, have happened
22 and have been performed in due time, form and manner as required by the Constitution and statutes of the
State of California and that the amount of this Note, together with all other indebtedness of the County,
23 does not exceed any limit prescribed by the Constitution or statutes of the State of California.

24 Unless this Note is presented by an authorized representative of The Depository Trust
Company to the Paying Agent for registration of transfer, exchange or payment, and any Note issued is
25 registered in the name of Cede & Co. or such other name as requested by an authorized representative of
The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE
26 OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL
since the registered owner hereof, Cede & Co., has an interest herein.

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IN WITNESS WHEREOF, the Board has caused this Note to be executed by the manual or facsimile signature of a duly authorized County Officer and countersigned by the manual or facsimile signature of the Clerk of the Board as of the date of original issue set forth above.

COUNTY OF RIVERSIDE

By: _____

Countersigned

By: _____
Clerk of the Board

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CERTIFICATE OF AUTHENTICATION

This is the Note delivered pursuant to the Resolution.

Dated: _____, 20__

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Paying Agent**

By: _____
Authorized Officer

PAYING AGENT AGREEMENT

THIS PAYING AGENT AGREEMENT is entered into as of July 1, 2024 (the “**Agreement**”), by and between County of Riverside, California (the “**County**”) and U.S. Bank Trust Company, National Association, as paying agent (the “**Paying Agent**”), a national banking association duly organized and operating under the laws of the United States of America.

WHEREAS, the County has duly authorized the sale and issuance of the County of Riverside 2024 Tax and Revenue Anticipation Note (the “**Note**”) pursuant to Resolution No. 2024-___ adopted by the County on [May 21], 2024 (the “**Resolution**”);

WHEREAS, in connection with the issuance of its Note, the County has agreed to pay certain of the costs associated with the issuance and delivery of the Note (the “**Costs of Issuance**”);

WHEREAS, the Paying Agent has agreed to act as paying agent and registrar for the Note in accordance with the Resolution and, as Paying Agent, to accept a deposit in the amount of \$_____.00 for payment of certain Costs of Issuance (the “**COI Deposit**”) and to disburse payments of Costs of Issuance to various persons, upon instruction;

WHEREAS, the Paying Agent has also agreed to establish and maintain the County of Riverside 2024 Tax and Revenue Anticipation Note Proceeds Account (the “**Proceeds Account**”) in accordance with the Resolution;

WHEREAS, the Paying Agent has also agreed to establish and maintain the County of Riverside 2024 Tax and Revenue Anticipation Note Payment Account (the “**Payment Account**”) in accordance with the Resolution;

WHEREAS, as to the deposits by the County hereunder of all or a portion of the Proceeds of the Note to the Proceeds Account, for the payment of certain Costs of Issuance, and for the repayment of the Note from the Payment Account, the County shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally; and

WHEREAS, the Paying Agent has full power and authority to perform and serve as Paying Agent for the County in connection with the Note and the payment of the Costs of Issuance;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I APPOINTMENT OF PAYING AGENT

SECTION 1.01 APPOINTMENT. (a) The County hereby appoints the Paying Agent to serve as Paying Agent with respect to the Note in accordance with, respectively, the Resolution and this Agreement, including, without limitation:

(i) The obligation of the Paying Agent to make payments in respect of principal of and interest on the Note;

(ii) The obligation of the Paying Agent to maintain a register required to be kept by the Paying Agent pursuant to the provisions of the Resolution for the registration and transfer of the Note;

(iii) The obligation of the Paying Agent to make disbursement of the COI Deposit to pay Costs of Issuance, upon receipt of invoices by the Paying Agent; and

(iv) The obligation of the Paying Agent to transfer and exchange the Note; provided that, prior to any transfer of the Note outside the book-entry system, (including, but not limited to, the initial transfer outside the book-entry system) the transferor shall provide or cause to be provided to the Paying Agent all information necessary to allow the Paying Agent to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended, it being acknowledged that the Paying Agent shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

(b) By executing and delivering this Agreement, the Paying Agent hereby agrees to perform the duties and responsibilities of the Paying Agent under the Resolution with respect to the Note and hereby accepts its appointment and agrees to serve as Paying Agent for the Note.

SECTION 1.02 COMPENSATION. The Paying Agent will receive a one-time fee of \$____.00 payable out of the COI Deposit, as compensation for the Paying Agent’s services hereunder and under the Resolution. If the amount on deposit in the Costs of Issuance Account is not sufficient to pay such fee to the Paying Agent, the County shall pay the Paying Agent from available funds of the County all amounts necessary to compensate the Paying Agent pursuant to this Section 1.02. In addition, the Paying Agent shall be entitled to payment of all reasonable expenses (including, without limitation, legal fees and expenses) incurred in satisfaction of any of the provisions hereof, out of the COI Deposit or, if such funds no longer exist or are not sufficient, the County shall make such reimbursement to the Paying Agent.

ARTICLE II PROCEEDS ACCOUNT

SECTION 2.01 PROCEEDS ACCOUNT. (a) There is hereby established an account to be known as “County of Riverside 2024 Tax and Revenue Anticipation Note Proceeds Account” (herein called the “Proceeds Account”) to be held by the Paying Agent, the deposit to and investment of, and requisition from shall be as directed by the County Executive Office (County Executive Officer or designees which include the Chief Administrative Officer, Chief Finance Officer, or Director of Finance) (each, an “**Authorized Officer**”) and as provided below.

(b) The proceeds received from the sale of the Note are to be deposited in the following funds in the following amounts: \$____.00 in the Costs of Issuance Account and \$____.00 in the Proceeds Account.

(c) All money in the Proceeds Account shall be held by the Paying Agent in trust. The Paying Agent shall establish a subaccount in the Proceeds Account for any Parity Note. Funds in the Proceeds Account shall be credited to the proceeds subaccount attributable to the applicable

Note series, as may be subsequently set forth in the applicable resolution with respect to any additional parity note (the “**Parity Note**”) during the Repayment Fiscal Year.

(d) Moneys in the Proceeds Account shall be invested in Permitted Investments as may be directed by an Authorized Officer, including as provided in an investment administration agreement or otherwise, and the proceeds of such investments shall be retained in the Proceeds Account and any such investment shall be for the account and risk of the County.

(e) Moneys in the Proceeds Account, and each proceeds subaccount, if any, shall be disbursed from time to time by the Paying Agent to the County up to, but excluding, (i) the last day (or, with respect to any Parity Note, such other day as set forth in the resolution applicable to the corresponding Parity Note) of the last Repayment Month applicable to such Note or Parity Note (Repayment Month as defined in the Resolution or respective resolution and the last Repayment Month as indicated on the face of such respective Note or Parity Note), or (ii) if only one Repayment Month is applicable to such Note or Parity Note, the last day of such Repayment Month (or, with respect to any Parity Note, such other day as set forth in the resolution applicable to the corresponding Parity Note), as soon as practical, pursuant to a Requisition of the County in substantially the form set forth as Exhibit B hereto, submitted in advance of the requested disbursement date (Electronic Means (as defined below), hand delivery or mail), as required to comply with the disbursement provisions of the applicable Permitted Investment, for any purpose for which the County is authorized to use and expend moneys; provided, however, that the Paying Agent shall not disburse any moneys from the Proceeds Account or a proceeds subaccount if it has received written notice or actual knowledge that an Event of Default has occurred and is continuing as defined in the Resolution.

(f) Payments made by the County with respect to Note or Parity Note, respectively, prior to the last day of the first Repayment Month (as defined in the Resolution or respective resolution and indicated on the face of each Note or Parity Note) for such Note or Parity Note shall be credited to the proceeds subaccount related to such Note or Parity Note and, except as otherwise specifically provided herein, shall be available for further disbursement to the County from time to time; provided, however, if the County has issued more than one Note or Parity Note, that payments made with respect to a Note or Parity Note prior to the last day of the first Repayment Month of such Note or Parity Note, shall, to the extent of any deficiency with respect to payments due on any other Note or Parity Note in any Repayment Month applicable to such other Note or Parity Note, be applied to such deficiency and deposited in the Payment Account(s) attributable to such other Note or Parity Note in accordance with the Resolution, and such amount shall not be available for further disbursement to County.

(g) The Paying Agent shall not allow the County to deposit into the Proceeds Account and any proceeds subaccount attributable to a Note or Parity Note, respectively, an amount that exceeds the aggregate unreplenished withdrawals from such account or subaccount.

(h) The Paying Agent shall transfer from each proceeds subaccount attributable to a Note or Parity Note to the corresponding subaccount of the Payment Account attributable to such Note or Parity Note, taking into consideration investment earnings as reviewed with the County anticipated to be received by the principal and/or interest payment date applicable to such respective Note or Parity Note:

(i) by the last day of each Repayment Month designated on the face of such Note or Parity Note (or, with respect to any Parity Note, such other day as set forth as the respective date of each Repayment Month designated on the face of such Note or Parity Note), up to, but excluding, the last Repayment Month, amounts which are equal to the percentages of the principal and interest due to be paid in each such Repayment Month with respect to the respective Note or Parity Note as designated on the face of such respective Note or Parity Note; and

(ii) by the last day of the last Repayment Month applicable to such Note or Parity Note (or, with respect to any Parity Note, such other day as set forth as the respective date of the last Repayment Month designated on the face of such Note or Parity Note), or, if only one Repayment Month is applicable to such Note or Parity Note, by the last day of such Repayment Month (or, with respect to any Parity Note, such other day as set forth as the respective date of such last Repayment Month designated on the face of such Parity Note), the total amount, if any, remaining in the corresponding proceeds subaccount attributable to such Note or Parity Note.

(i) If by the last day of the first (or single) Repayment Month applicable to such Note or Parity Note (or, with respect to any Parity Note, such other day as set forth in the Resolution applicable to the corresponding Parity Note), the amount in the related proceeds subaccount is less than the aggregate amount required to be transferred pursuant to clause (i) above, the Paying Agent shall transfer the entire amount in such proceeds subaccount to the corresponding Payment Account on such day.

(j) Any amounts remaining in the related proceeds subaccount of the Proceeds Account attributable to such Note or Parity Note, shall be returned to the County promptly after the last day of the last Repayment Month applicable to such Note or Parity Note.

ARTICLE III COSTS OF ISSUANCE ACCOUNT

SECTION 3.01 COSTS OF ISSUANCE ACCOUNT. There is hereby established an account to be known as “County of Riverside 2024 Tax and Revenue Anticipation Note Costs of Issuance Account” (herein called the “Costs of Issuance Account”) to be held by the Paying Agent, into which the County shall cause to be deposited the COI Deposit. The Paying Agent shall establish a subaccount in the Costs of Issuance Account for any Parity Note. Funds in the Costs of Issuance Account shall be credited to the Costs of Issuance Subaccount attributable to the applicable Note series, as may be subsequently set forth in the applicable resolution with respect to any Parity Note during the Repayment Fiscal Year.

ARTICLE IV PAYMENT ACCOUNT

SECTION 4.01 PAYMENT ACCOUNT. (a) There is hereby established an account to be known as “County of Riverside 2024 Tax and Revenue Anticipation Note Payment Account” (herein called the “Payment Account”) to be held by the Paying Agent, into which the County shall cause to be deposited from amounts received in the Repayment Months (and any amounts received

thereafter provided for or attributable to the Repayment Fiscal Year) until the amount on deposit in the Payment Account, is equal in the respective Repayment Months to the percentage of the principal of and interest due on the Note and any Parity Note. All money in the Payment Account shall be held by the Paying Agent in trust.

(b) As security for the payment of the Note and any Parity Note and the interest thereon, the County hereby pledges and grants a lien on and a security interest in the amounts on deposit in the Payment Account whether now owned or hereafter arising as security for the payment of the principal of and interest on the Note and any Parity Note and said amounts shall not be used for any other purpose until the Note and any Parity Note and the interest thereon have been paid in full or such payment has been duly provided for.

(c) Moneys in the Payment Account shall be invested in Permitted Investments as may be directed by an Authorized Officer, including as provided in an investment administration agreement or otherwise, and the proceeds of such investments shall be retained in the Payment Account. Any such investment shall be for the account and risk of the County including, without limitation, the Pooled Investment Fund maintained by the County Treasurer-Tax Collector.

ARTICLE V DUTIES OF PAYING AGENT

SECTION 5.01 DUTIES OF PAYING AGENT. (a) The Paying Agent shall pay from the COI Deposit held in the Costs of Issuance Account those Costs of Issuance for which the Paying Agent has received a written invoice; provided that (i) each payee is listed as entitled to payment of Costs of Issuance on Exhibit A to this Agreement, (ii) the amount paid shall not exceed the amount set forth with respect to such payee in Exhibit A and (iii) amounts on deposit in the Costs of Issuance Account are sufficient to cover such payment.

(b) If the then remaining amounts on deposit in the Costs of Issuance Account are insufficient to pay any Costs of Issuance for which an invoice set forth in Exhibit A has been presented to the Paying Agent, the Paying Agent shall honor invoices to the extent of amounts remaining on deposit in the Costs of Issuance Account, and the County shall be responsible for payment of any amount of such invoice remaining unpaid. The Paying Agent shall honor invoices on a first received – first paid basis.

(c) The Paying Agent shall invest all cash in the Costs of Issuance Account as directed in writing by the County from time to time.

(d) Any earnings in the Costs of Issuance Account shall remain in said account, until such account is closed. The Costs of Issuance Account shall be closed on the earlier to occur of (1) the date which is 45 days following the Closing Date of the Note; (2) the date on which each invoice scheduled on Exhibit A is paid in full; or (3) the date that the last available sums on deposit in the Costs of Issuance Account are disbursed in accordance with paragraph (a) above. At that time, the Paying Agent shall remit any amount remaining in the Costs of Issuance Account to the County.

(e) The Paying Agent shall invest all cash in the Proceeds Account and the Payment Account each as directed in writing by the County from time to time. Any earnings in the Proceeds

Account and the Payment Account shall remain in each respective account, until such account is closed.

(f) In addition to the Proceeds Account and the Payment Account established by the Paying Agent in accordance with the Resolution and the Costs of Issuance Account established hereunder, the Paying Agent may establish one or more temporary accounts to facilitate the receipt and transfer of proceeds of the Note.

(g) The Paying Agent shall not be responsible for any investment losses which may occur. The Paying Agent shall have no obligation to invest and reinvest any cash held by it hereunder in the absence of timely and specific written investment direction from the County. The County acknowledges that regulations of the Comptroller of the Currency grant the County the right to receive brokerage confirmations of the security transactions as they occur, at no additional cost. To the extent permitted by law, the County specifically waives compliance with 12 C.F.R. 12 and hereby notifies the Paying Agent that no brokerage confirmations need be sent relating to the security transactions as they occur. The Paying Agent may purchase or sell to itself or any affiliate, as principal or agent, investments authorized by the County.

(h) The Paying Agent shall (i) authenticate the Note to be issued in fully registered form, registered in the name of Cede & Co, and numbered as the Paying Agent shall determine, (ii) receive the proceeds of sale of the Note, account for the receipt of such proceeds and, as instructed in a written request of an Authorized Officer, deposit a portion of such proceeds upon receipt in the Costs of Issuance Account and (a) transfer the specified portion of such proceeds to the County of Riverside Treasurer-Tax Collector for deposit in the County's 2024 Note Proceeds Account for deposit in the Pooled Investment Fund maintained by the County Treasurer-Tax Collector, and/or (b) deposit the specified portion of such proceeds to the Proceeds Account hereunder, and (iii) have such other duties as assigned to it under the Resolution.

ARTICLE VI ADDITIONAL PROVISIONS REGARDING THE PAYING AGENT

SECTION 6.01 ADDITIONAL RIGHTS AND DUTIES. The Paying Agent undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof and may conclusively rely on certificates, invoices and requisitions furnished to the Paying Agent. In addition:

(a) No provisions of this Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(b) The Paying Agent may rely, shall be protected in acting or refraining from acting upon and shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, resolution, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(c) The Paying Agent may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and completed authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(d) Neither the Paying Agent nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Agreement or in connection herewith except to the extent caused by the Paying Agent's gross negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. The Paying Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

(e) Any bank, corporation or association into which the Paying Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Paying Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Paying Agent shall be the successor of the Paying Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

(f) The County shall indemnify, defend and hold harmless the Paying Agent and its officers, directors, employees and agents, from and against and reimburse the Paying Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Paying Agent directly or indirectly relating to, or arising from, claims against the Paying Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Paying Agent's gross negligence or willful misconduct. The provisions of this Section 6.01(f) shall survive the termination of this Agreement or the earlier resignation or removal of the Paying Agent.

(g) The Paying Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("**Instructions**") given pursuant to this Paying Agent Agreement and delivered using Electronic Means ("**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Paying Agent, or another method or system specified by the Paying Agent as available for use in connection with its services hereunder); provided, however, that the County shall provide to the Paying Agent an incumbency certificate listing officers with the authority to provide such Instructions ("**Authorized Officers**" herein) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the County whenever a person is to be added or deleted from the listing. If the County elects to give the Paying Agent Instructions using Electronic Means and the Paying Agent in its discretion elects to act upon such Instructions, the Paying Agent's understanding of such Instructions shall be deemed controlling. The County understands and agrees that the Paying Agent cannot determine the identity of the actual sender of such Instructions and that the Paying Agent shall conclusively presume that directions that purport to have been sent

by an Authorized Officer listed on the incumbency certificate provided to the Paying Agent have been sent by such Authorized Officer. The County shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Paying Agent and that the County and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the County. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The County agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Paying Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the County; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Paying Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 6.02 MONEY HELD BY PAYING AGENT. The Paying Agent shall (a) have such duties as assigned to it under the Resolution including, without limitation, with respect to the establishment, maintenance and investment of the Proceeds Account and the Payment Account in accordance with the Resolution and the Investment Administration Agreement entered into concurrently with this Agreement, and (b) hold the COI Deposit in the Costs of Issuance Account to be held in a fiduciary capacity for the payment of Costs of Issuance and invest and remit funds therein as directed. Payments made from the Costs of Issuance Account shall be made by check or wire transfer drawn on such trust account.

All funds at any time and from time to time provided to or held by the Paying Agent in the Costs of Issuance Account, the Proceeds Account and the Payment Account hereunder and under the Resolution shall be deemed, construed, and considered for all purposes as being provided to or held by the Paying Agent in trust and as a Paying Agent for the County, for payment of Costs of Issuance for the benefit of the County and for the payment of the principal of the Note and the interest thereon, respectively. The Paying Agent acknowledges, covenants, and represents that it is acting herein in an agency capacity in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as paying agent for and on behalf of the County, to be applied as Paying Agent pursuant to the terms of this Agreement. The County shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Paying Agent hereunder shall not be subject to warrants, drafts, or checks drawn by the County and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Paying Agent.

The Paying Agent shall be under no liability for interest on any money received by it hereunder.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

SECTION 7.01 AMENDMENT. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

SECTION 7.02 ASSIGNMENT. This Agreement may not be assigned by either party without prior written consent of the other, provided, however, that no such prior consent is required for an assignment by the Paying Agent if such assignment is to a successor by operation of law or in connection with a merger, consolidation, conversion or sale of all or substantially all of the Paying Agent's corporate trust business.

SECTION 7.03 NOTICES. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the County or the Paying Agent shall be mailed or delivered to the following addresses:

To the Paying Agent at:

U.S. Bank Trust Company, National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071
Attn: Ashraf Almurdaah
Tel: (213) 615-6002
Fax: (213) 615-6199

To the County at:

County of Riverside
Executive Office
4080 Lemon Street, 4th Floor
Riverside, CA 92501
Attn: Don Kent, Director of Finance

SECTION 7.04 SUCCESSORS AND ASSIGNS. All covenants and agreements herein by the County shall bind its successors and assigns, whether so expressed or not.

SECTION 7.05 SEVERABILITY. In case any provision herein shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 7.06 BENEFITS OF AGREEMENT. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

SECTION 7.07 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties hereto relative to the Paying Agent acting in such capacity as agent of the County.

SECTION 7.08 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

SECTION 7.09 ELECTRONIC SIGNATURES. Each of the parties hereto agrees that the transaction consisting of this Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Agreement using an electronic signature, it is signing, adopting and accepting this Agreement and that signing this Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Agreement in a usable format.

SECTION 7.10 TERMINATION. This Agreement will terminate on the date that the Note is paid in full. This Agreement may be earlier terminated by either party upon 30 days written notice. Upon an early termination of this Agreement, the Paying Agent agrees to promptly transfer and deliver to the County all pertinent records relating to the Costs of Issuance Account, the Proceeds Account, the Payment Account and the Note.

SECTION 7.11 GOVERNING LAW. This Agreement shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Paying
Agent**

By: _____
Authorized Officer

COUNTY OF RIVERSIDE

By: _____
Don Kent, Director of Finance

EXHIBIT A

SCHEDULE OF COSTS OF ISSUANCE

Issuer's Expenses	Riverside County
Issuer's Counsel	County Counsel
Municipal Advisor	Fieldman Rolapp & Associates, Inc.
Bond Counsel	Orrick, Herrington & Sutcliffe LLP
Disclosure Counsel	Kutak Rock LLP
Rating Agency Fee	Fitch, Inc.
Rating Agency Fee	S&P Global Ratings
O.S. Printing	ImageMaster LLC
Paying Agent	U.S. Bank Trust Company, National Association
Contingencies	
Total	<hr/>

EXHIBIT B

FORM OF REQUISITION FROM PROCEEDS ACCOUNT

To: U.S. Bank Trust Company, National Association, as Paying Agent

Re: County of Riverside 2024 Tax and Revenue Anticipation Note

Requisition No. _____

The undersigned, on behalf of County of Riverside (the “County”), hereby requests payment from the Proceeds Account of the County established with respect to the County of Riverside 2024 Tax and Revenue Anticipation Note, the amount of \$ _____ [by wire/check (circle one)] for purposes for which the County is authorized to use and expend moneys. If the payment is by wire, please fill in the following information:

Name of Bank:

ABA#:

Account No.

The undersigned hereby certifies as follows:

1. The amount requisitioned hereby together with all other unreplenished withdrawals from all Proceeds Account, (and any subaccount thereof) of the County does not, as of the date hereof, exceed eighty-five percent (85%) of (a) the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys intended as receipts for the general fund of the County and attributable to its fiscal year ending June 30, 2025 (“Repayment Fiscal Year”) and which are generally available for the payment of current expenses and other obligations of the County (collectively, “unrestricted revenues”) less (b) projected uncollectible unrestricted revenues of the County attributable to such Fiscal Year.

2. The amount requisitioned hereby (a) is for a purpose for which the County is authorized to use and expend funds from the general fund or capital fund of the County, and (b) (if invested under the Investment Agreement) is not being requisitioned for reinvestment in other investments.

3. Other funds of the County are not readily available for expenditure for such purpose with respect to any operating draws.

4. The information contained herein is true and correct as of the date of this Requisition.

5. The representations of the County set forth in Section 10 of the Resolution of the County, providing for the borrowing of funds attributable to its Repayment Fiscal Year and the issuance and sale of one or more Series of County of Riverside 2024 Tax and Revenue Anticipation Notes therefor (the "Resolution") are true and correct in all material respects as though made on and as of this date except to the extent that such representations relate to an earlier date.

6. As of the date hereof, no event has occurred and is continuing which constitutes an Event of Default under the Resolution or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

Dated: _____, 20__.

COUNTY OF RIVERSIDE

By: _____
Authorized Officer

**[/PAR]
COUNTY OF RIVERSIDE
2024 TAX AND REVENUE ANTICIPATION NOTE

CONTRACT OF PURCHASE**

[OS Date], 2024

Board of Supervisors
County of Riverside
4080 Lemon Street, 4th Floor
Riverside, California 92501

Ladies and Gentlemen:

J.P. Morgan Securities LLC, as representative (the “Representative”) of itself and Wells Fargo Bank, National Association (together, the “Underwriters”) offers to enter into this Contract of Purchase (the “Contract of Purchase”) with the County of Riverside (the “County”). This offer is made subject to written acceptance by the County prior to 8:59 p.m., Pacific Daylight Time, on the date hereof, and, upon such acceptance, this Contract of Purchase will be binding upon the County and the Underwriters.

J.P. Morgan Securities LLC represents and warrants that it is duly authorized and has been duly authorized by the Underwriters, pursuant to an agreement among underwriters, to execute this Contract of Purchase, to act hereunder on behalf of the Underwriters and to take all actions and to waive any condition or requirement required or permitted to be taken or waived hereunder by the Underwriters. The Underwriters shall not designate any other representative except upon the approval of the County (which approval shall not be unreasonably withheld).

The primary role of the Underwriters, is to purchase the Note (as defined below), for resale to investors, in authorized denominations of \$5,000 or integral multiples thereof, in an arm's-length commercial transaction between the County and the Underwriters. Each of the Underwriters has financial and other interests that differ from those of the County. Capitalized terms used in this Contract of Purchase and not otherwise defined herein have the meanings set forth in the Official Statement.

1. Purchase and Sale of the Note. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the County for reoffering to the public, and the County hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the County’s 2024 Tax and Revenue Anticipation Note in the aggregate principal amount of \$[/PAR] (the “Note”). The aggregate purchase price to be paid by the Underwriters for the Note shall be \$[/PRICE], being the principal amount of the Note, [plus/less net original issue premium/discount] of \$[/PREMIUM/DISCOUNT], and less an Underwriters’ discount of \$[/DISCOUNT].

2. The Note. The Note shall be dated its date of issuance and shall mature on June 30, 2025 (the “Maturity Date”). The Note is being issued under a resolution adopted by the Board

of Supervisors of the County (the “Resolution”), in full conformity with the Constitution and laws of the State of California including Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the “Act”), as amended and supplemented. The Note will bear interest at the rate of [COUPON]% per annum, priced to yield [YIELD]% to maturity. The Note will be registered initially in the name of “Cede & Co.” as nominee of The Depository Trust Company (“DTC”) in New York, N.Y., the securities depository for the Note.

3. Use of Documents. The County has delivered to the Underwriters its Preliminary Official Statement dated [POS Date], 2024 (including the cover page, the appendices thereto, and any documents incorporated therein by reference, including as supplemented by any supplements or amendments thereto, the “Preliminary Official Statement”). As of its date, such Preliminary Official Statement has been “deemed final” by the County for purposes of Securities and Exchange Commission Rule 15c2-12 (the “Rule”), except for information permitted to be omitted by said Rule. The County agrees to deliver to the Underwriters a final Official Statement, dated the date hereof (the “Official Statement”) within 7 business days from the date hereof and in sufficient time to accompany any confirmations requesting payment sent to purchasers. The Preliminary Official Statement and the Official Statement shall be in the designated electronic format to comply with the Rule and the rules of the Municipal Securities Rulemaking Board (“MSRB”). The County has approved the distribution by the Underwriters of the Preliminary Official Statement and the Official Statement and the County hereby authorizes the Underwriters to use, in connection with the offer and sale of the Note, the Official Statement and the Resolution and all information contained herein and therein and all other documents, agreements, certificates or statements furnished by the County to the Underwriters or entered into in connection with the transactions contemplated by this Contract of Purchase.

The County will undertake, pursuant to a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), to provide certain financial information on a quarterly basis and notices of the occurrence of certain listed events. A description of such undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

In connection with the issuance of the Note, the County will enter into the Paying Agent Agreement, dated as of July 1, 2024 (the “Paying Agent Agreement”), by and between the County and U.S. Bank Trust Company, National Association, as paying agent and registrar (the “Paying Agent”), a national banking association duly organized and operating under the laws of the United States of America.

4. Establishment of Issue Price. (a) The Representative, on behalf of the Underwriters, agrees to assist the County in establishing the issue price of the Note and shall execute and deliver to the County at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the County and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or the initial offering price to the public of the Note.

(b) [Except as otherwise set forth in Exhibit A attached hereto, the] County will treat the first price at which 10% of the Note (the “10% test”) is sold to the public as the issue price of the Note. At or promptly after the execution of this Contract of Purchase, the Representative shall report to the County the price at which the Underwriters have sold to the public the Note. [If at that time the 10% test has not been satisfied for the Note, the Representative agrees to promptly report to the County the price at which the Note has been sold by the Underwriters to the public. That reporting

obligation shall continue, whether or not the Closing Date has occurred, until either (i) the entire principal amount of the Note has been sold or (ii) the 10% test has been satisfied for the Note, provided that, the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the County or Bond Counsel.]

(c) [The Representative confirms that the Underwriters have offered the Note to the public on or before the date of this Contract of Purchase at the offering price (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Contract of Purchase, that the 10% test has not been satisfied with respect to the Note and for which the County and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the County to treat the initial offering price to the public of the Note as of the sale date as the issue price of the Note (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to the Note, the Underwriters will neither offer nor sell any unsold portion of the Note to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of the Note to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the County promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of the Note to the public at a price that is no higher than the initial offering price to the public.]

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Note to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the price at which it sells the Note to the public, whether or not the Closing Date (as defined below) has occurred, until either the portion of the Note allocated to it has been sold or it is notified by the Representative that the 10% test has been satisfied as to the Note, provided that the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) to promptly notify the Representative of any sales of the Note that, to its knowledge, is made to a purchaser who is a related party to an underwriter participating in the initial sale of the Note to the public (each such term being used as defined below); and

(C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by an underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Note to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Note to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold portion of the Note allocated to it, whether or not the Closing Date has occurred, until either all of the portion of the Note allocated to it has been sold or it is notified by the Representative or such underwriter or dealer that the 10% test has been satisfied as to the Note, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the underwriter or the dealer and as set forth in the related pricing wires.

(e) The County acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each underwriter to comply with the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Note to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Note to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Note, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Note.

(f) The Underwriters acknowledge that sales of the Note or any portion of the Note to any person that is a related party to either of the Underwriters shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” under this Section 4 means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Note to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Note to the public (including a member of a

selling group or a party to a third-party distribution agreement participating in the initial sale of the Note to the public),

(iii) a purchaser of any of the Note is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Contract of Purchase by all parties.

5. Closing. At 8:00 a.m., Pacific Daylight Time, on [Closing Date], 2024, or at such other time and on such other date as shall have been mutually agreed upon by the County and the Representative (the “Closing Date”), the County will deliver to the Underwriters, through the facilities of DTC, the Note in registered form duly executed and other documents hereinafter mentioned, and the Underwriters will accept such delivery and pay the purchase price thereof in immediately available funds to the order of the County (the “Closing”).

6. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees with the Underwriters that:

(a) The County is a political subdivision, organized and existing pursuant to the Constitution and laws of the State of California (the “State”), and has all requisite right, power and authority to conduct its business, to adopt the Resolution, to issue the Note and to execute this Contract of Purchase, the Paying Agent Agreement and the Continuing Disclosure Certificate (collectively, the “Documents”), and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by the Documents.

(b) All representations and warranties set forth in the Resolution are true and correct on the date hereof and are made for the benefit of the Underwriters as if set forth herein.

(c) (i) At or prior to the Closing, the County will have taken all actions required to be taken by it to authorize the issuance and delivery of the Note; (ii) the execution and delivery of the Note and the Documents, the adoption by the County of the Resolution, and the performance by the County of the obligations contained in the Documents, have been duly authorized and such authorization will be in full force and effect at the time of the Closing, and when duly executed and delivered the Note and the Documents will each constitute the valid and legally binding obligation of the County enforceable against the County in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws in effect for the protection of debtors and by application of general principles of equity; (iii) this Contract of Purchase has been duly executed and delivered and constitutes the valid and legally binding obligation of the County

enforceable against the County in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws in effect for the protection of debtors and by application of general principles of equity; (iv) the Board of Supervisors has duly authorized the consummation by the County of all transactions contemplated by the Documents and the Resolution; and (v) the County has authorized and approved the Preliminary Official Statement and the Official Statement and the distribution thereof by the Underwriters.

(d) No consent, approval, authorization, license, order, filing, registration, qualification, election or referendum, of or by any person, organization, State court or State governmental agency or public body whatsoever is required for the consummation of the transactions contemplated hereby, except for such actions as have been taken or as may be necessary to qualify the Note for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Representative may designate (except that the County shall not be responsible for the failure to comply with any such laws or regulations with regard to Blue Sky).

(e) The adoption of the Resolution and the execution and delivery of this Contract of Purchase, and compliance with the provisions hereof and thereof, will not in any material respect conflict with, or constitute a breach of or default under, the County's duties under the Resolution or any law, administrative regulation, court decree, resolution, by-laws or other agreement to which the County is subject or by which it or any of its property is bound.

(f) Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before any State court or public body, pending or, to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the County or the entitlement of the officials of the County to their respective offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Note, the application of the proceeds of the sale of the Note, or the collection of revenues or taxes of the County pledged or to be pledged or available to pay the principal of and interest on the Note, or the pledge thereof, or in any way contesting the validity of the Note or the Documents, or contesting the powers or authority of the County with respect to the Note or the Documents; or (iii) in which a final adverse decision would (a) materially adversely affect the amount of taxes, income, revenue, cash receipts and other moneys of the County available to pay the Note, (b) materially adversely affect the consummation of the transactions contemplated by the Documents, or (c) declare the Documents to be invalid or unenforceable in whole or in material part.

(g) As of the date thereof and at all times prior to the execution of this Contract of Purchase, the Preliminary Official Statement (excluding information relating to DTC and its book-entry system contained therein and in the information under the caption "UNDERWRITING," as to which no representation is made) did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except for information permitted to be omitted therefrom by the Rule.

(h) As of the date hereof, the Official Statement (excluding information relating to DTC and its book-entry system contained therein and the information under the caption

“UNDERWRITING,” as to which no representation is made) does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If between the date of the Official Statement and the Closing (i) any event shall occur or any pre-existing fact or condition shall become known which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the County shall promptly notify the Representative thereof, and (ii) if in the reasonable opinion of the Representative and the County, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the County will at its expense supplement or amend the Official Statement in a form and in a manner jointly approved by the Representative and the County, which approval shall not be unreasonably withheld.

(i) The County undertakes that, for a period beginning with the day on which the Note is delivered to the Underwriters and ending on the earlier of (i) the 25th day following the end of the underwriting period, as defined in the Rule, or (ii) 90 days following Closing, it will (a) apprise the Underwriters of all material developments, if any, occurring with respect to the County and (b) if determined by the County or requested by the Representative, prepare a supplement to the Official Statement in respect of any such material event. The period described in the preceding sentence shall be reduced to twenty-five (25) days following the end of the underwriting period if the Official Statement has been deposited with the MSRB and is available from such depository upon request. The Underwriters hereby agree to use their best efforts to deposit the Official Statement with the MSRB so that such period will be reduced to twenty-five (25) days following the end of the underwriting period. Unless otherwise notified in writing by the Underwriters, the County may assume that the end of this underwriting period occurs on the date when the County delivers the Note to the Underwriters.

(j) Between the date hereof and the Closing, without the prior written consent of the Underwriters, the County will not have issued any bonds, notes or other obligations for borrowed money except as may be described in or contemplated by the Preliminary Official Statement and the Official Statement.

(k) Any certificates signed by any official of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters as to the statements made therein but not of the person signing the same.

(l) The County will punctually pay or cause to be paid the principal of and interest to become due on the Note in strict conformity with the terms of the Resolution and the Note and it will faithfully observe and perform all of the conditions, covenants and requirements of the Note and the Documents.

(m) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters if and as the Representative may reasonably request in order (i) to qualify the Note for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Representative may designate and (ii) to determine the eligibility of the Note for investment under the laws of such states and other jurisdictions and will, if requested by the Representative, use its best efforts to continue such qualifications in effect so long as required

for distribution of the Note; provided that the County shall not be required to pay any fees in connection with the foregoing or to subject itself to service of process in any jurisdiction in which it is not presently so subject.

(n) Between the date hereof and the Closing, the County will not modify or amend the Resolution without the prior written consent of the Representative.

(o) The County will enter into the Continuing Disclosure Certificate in order to provide the information required therein. Except as disclosed in the Preliminary Official Statement and the Official Statement, the County has not failed to comply in all material respects with any continuing undertaking under the Rule during the previous five years.

(p) The Note will be issued only under and within the limits of the Act, and, as such, is a general obligation of the County, but payable only out of unrestricted revenues consisting of taxes, income, revenue (including, but not limited to, revenue from state and federal governments), cash receipts and other moneys to be received by the County attributable to County Fiscal Year 2024-25 and legally available for payment thereof, and is secured by a pledge of said unrestricted revenues, excluding amounts heretofore pledged by the County to the payment of its Teeter Plan obligations issued pursuant to Resolution No. 97-203, as such resolution may be amended and supplemented from time to time, all as more particularly set forth in the Resolution.

(q) The County's Audited Financial Statement for the Fiscal Year ended June 30, 2023 (the "Financial Statements"), as described or set forth, as appropriate, in the Preliminary Official Statement and the Official Statement, is true, complete and correct and fairly presents the financial condition of the County and the results of its operations for such fiscal year. There has been no material adverse change in the financial condition of the County since June 30, 2023, except as described in the Financial Statements or the Preliminary Official Statement and the Official Statement.

(r) In order to effect the pledge of Pledged Revenues provided in the Resolution, the County hereby agrees to be deposited in the Payment Account (as defined in the Resolution) (a) on [January 31], 2025 an amount equal to [60]% of the principal amount of and interest on the Note at maturity from Pledged Revenues received by the County in [January] 2025; and (b) on [May 31], 2025 an amount equal to [40]% of the principal amount of and interest on the Note at maturity from Pledged Revenues received by the County in [May] 2025 (and any Pledged Revenues received thereafter provided for or attributable to Fiscal Year 2024-25), until the amount on deposit in the Payment Account is equal to the percentage of the principal and interest due on the Note. Any such deposit may take into consideration anticipated investment earnings on amounts deposited in the Payment Account to be established in accordance with the Resolution to the Maturity Date. The County will instruct the Paying Agent to invest the amounts in the Payment Account in the County Treasurer's Pooled Investment Fund (a Permitted Investment) pursuant to an investment agreement to be executed by and between the County and the Paying Agent until such amounts are required for the repayment of the Note.

7. Conditions to Obligations of Underwriters at Closing. The Underwriters have entered into this Contract of Purchase in reliance upon the representations and warranties of the County contained herein and the performance by the County of its obligations hereunder, as of the date hereof

and as of the Closing. The obligation of the Underwriters to purchase the Note at the Closing is subject to the following further conditions, any or all of which can be waived by the Representative in writing:

(a) The representations and warranties of the County contained herein shall be true and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing and otherwise pursuant hereto shall be true and correct in all material respects at and as of the Closing;

(b) At and as of the Closing (i) the Official Statement, this Contract of Purchase, the Paying Agent Agreement, the Continuing Disclosure Certificate and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been jointly agreed to in writing by the County and the Representative; (ii) all actions under the Act which, in the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel (“Bond Counsel”), shall be necessary in connection with the transactions contemplated hereby for Bond Counsel to deliver their approving opinion in the form set forth as APPENDIX C to the Official Statement, shall have been duly taken and shall be in full force and effect; and (iii) the County shall perform or have performed all of its obligations required under or specified in the Resolution or this Contract of Purchase to be performed at or prior to the Closing;

(c) To the best knowledge of the County, based on reasonable inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, is pending or threatened against the County which has any of the effects described in Paragraph 6(f) hereof or contesting in any way the completeness or accuracy of the Preliminary Official Statement and the Official Statement; and

(d) At or prior to the Closing, the Underwriters shall have received a copy of the following documents in each case dated at and as of the Closing and satisfactory in form and substance to the Representative:

(1) An approving opinion of Bond Counsel as to the Note in the form attached to the Official Statement as APPENDIX C, addressed to the County, together with a reliance letter addressed to the Underwriters;

(2) A supplemental opinion of Bond Counsel, addressed to the Underwriters, to the effect that:

(i) the Contract of Purchase and the Paying Agent Agreement have been duly executed and delivered by the County and constitute valid and binding obligations of the County, except as enforcement may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against counties in the State and except that no opinion need be expressed with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability;

(ii) the statements contained in the Official Statement under the captions “THE NOTE” (except for any statements contained under the subcaption “Book-Entry-Only System”), “TAX MATTERS,” and contained in “APPENDIX C — PROPOSED FORM OF OPINION OF BOND COUNSEL,” excluding any material that may be treated as included under such captions by cross reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Resolution or set out the content of Bond Counsel’s approving opinion, are accurate in all material respects; and

(iii) the Note is not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(3) The negative assurance letter, dated the Closing Date and addressed to the County and the Underwriters, of Kutak Rock LLP, as Disclosure Counsel to the County, to the effect that based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement as Disclosure Counsel to the County and without having undertaken to determine independently the accuracy or completeness of the contents in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its date and as of the date hereof, or the Official Statement, as of its date and as of the Closing Date (except for information therein with respect to DTC or with respect to any financial, numerical or statistical data, or any estimates, assumptions and expressions of opinion, contained in the Preliminary Official Statement and the Official Statement, including any of the appendices thereto, as to which such counsel express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein, in light of the circumstances under which they were made, not misleading in any material respect;

(4) An opinion of the County Counsel, addressed to the Underwriters, to the effect that:

(i) The County is a political subdivision duly organized and validly existing under and by virtue of the Constitution and laws of the State;

(ii) The Resolution was duly adopted on [Reso Date], 2024 at a meeting of the Board of Supervisors which was called and held pursuant to law, with all public notice required by law, and at which a quorum was present and acting throughout and the Resolution is in full force and effect and has not been amended, modified or rescinded;

(iii) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of the County Counsel’s knowledge, threatened against or affecting the County in which an unfavorable decision, ruling or finding would materially adversely affect the participation of the County in, or consummation of, the transactions contemplated by the Official Statement, the Note, the Contract of Purchase or

the Resolution, materially adversely affect the amount of taxes, income, revenue, cash receipts and other moneys of the County available to pay the Note, or in any way contesting the existence of the County or its powers with respect thereto, nor, to the best of the County Counsel's knowledge, is there any basis for any such action, suit, proceeding or investigation;

(iv) The County has full right and lawful authority to adopt the Resolution and to execute and deliver the Note, the Contract of Purchase and the Official Statement, such documents have been duly authorized, executed and delivered on behalf of the County, and the Contract of Purchase and the Resolution constitute the legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or limiting creditors' rights generally, by the principles of equity if equitable remedies are sought, by the exercise of judicial discretion and by the limitations on remedies against counties in the State;

(v) To the best of the County Counsel's knowledge, the adoption of the Resolution and the execution and delivery of the Note, the Contract of Purchase and the Official Statement and compliance by the County with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument applicable to or binding upon the County or any existing law, regulation, court order or consent decree to which the County is subject; and

(vi) Based upon examinations which the County Counsel has made and their discussions in conferences with certain officials of the County and others with respect to the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement (including the Appendices attached thereto), nothing has come to the County Counsel's attention which would lead the County Counsel to believe that the Preliminary Official Statement or the Official Statement (other than financial and statistical data therein and incorporated therein by reference, information relating to DTC and its book entry system, and the information under the caption "UNDERWRITING," as to which no representation need be expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(5) The certificate of the County, dated the Closing Date, to the effect that:

(i) the County is a political subdivision duly organized and existing under the Constitution of the laws of the State;

(ii) the Resolution was duly adopted at a meeting of the Board of Supervisors which was called and held pursuant to law with all public notice

required by law and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been amended, modified or rescinded;

(iii) the adoption of the Resolution and the execution and delivery of the Note and the Documents and compliance with the provisions hereof and thereof, under the circumstances contemplated thereby and hereby, do not conflict with or constitute on the part of the County a material breach of or material default under any agreement or other instrument applicable or binding upon the County or any of its properties or any existing law, regulation, court order or consent decree to which the County or any of its properties is subject;

(iv) the County has full right and lawful authority to deliver the Official Statement, to execute and deliver the Note, and to execute and deliver the Documents and to adopt the Resolution and the County has duly authorized, executed and delivered the Official Statement and the Documents;

(v) Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit or proceeding, inquiry or investigation before or by any State court, public board or body, pending or, to the best knowledge of the County, threatened against or affecting the County, (a) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or wherein an unfavorable decision, ruling or finding is likely to have a material adverse effect on the financial condition of the County, or the transactions contemplated by the Documents, the Resolution or the Official Statement, or (b) which will adversely affect the validity or enforceability of, or the authority or ability of the County to perform its obligations under the Note, the Documents, the Resolution, or any other agreement or instrument to which the County is a party and which is used or contemplated for use in consummation of the transactions contemplated by the Documents, the Resolution or the Official Statement;

(vi) The representations and warranties of the County herein are true and correct in all material respects as of the date made and as of the Closing Date, and the County has performed all its obligations required under or specified in the Resolution and the Documents to be performed at or prior to the Closing; and

(vii) The Preliminary Official Statement did not contain as of its date and does not contain as of the date hereof any untrue statement of a material fact and did not omit as of its date and does not omit as of the date hereof to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and the Official Statement did not contain as of its date and does not contain as of the Closing Date any untrue statement of a material fact and did not omit as of its date and does not omit as of the Closing Date to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, in each case, that no

representation is made as to the information relating to DTC and its book-entry system contained therein and the information under the caption "UNDERWRITING";

(6) A certificate of the Clerk of the Board of Supervisors of the County, together with a fully executed copy of the Resolution, to the effect that:

(i) such copy is a true and correct copy of the Resolution; and

(ii) the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect at and as of the Closing Date, except for amendments, if any, adopted with the consent of the Representative;

(7) A certificate, dated the Closing Date, signed by a duly authorized official of the Paying Agent, to the effect that:

(i) The Paying Agent is a national banking association existing under the laws of the United States of America, and has full power and is qualified to accept and comply with the terms of the Paying Agent Agreement and the Resolution, and to perform its obligations stated therein;

(ii) The Paying Agent is duly authorized to enter into the Paying Agent Agreement and the Paying Agent has accepted the duties and obligations imposed on it by the Paying Agent Agreement and the Resolution; and upon execution by the County, the Paying Agent Agreement will constitute the valid and binding obligation of the Paying Agent;

(iii) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Paying Agent that has not been obtained is or will be required for the consummation by the Paying Agent of the transactions contemplated by the Paying Agent Agreement and by the Paying Agent of the transactions contemplated by the Resolution to be undertaken by the Paying Agent;

(iv) The execution and delivery by the Paying Agent of the Paying Agent Agreement, and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Paying Agent is a party or by which it is bound, or, to the best knowledge of the Paying Agent, any law, rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Paying Agent;

(v) The Paying Agent has authenticated and delivered the Note; and

(vi) To the knowledge of the Paying Agent, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, served on, or, to the best

knowledge of the Paying Agent, threatened against, the Paying Agent, affecting the existence of the Paying Agent or the titles of its officers to their respective offices, or in any way contesting or affecting the validity or enforceability of the Paying Agent Agreement against the Paying Agent, or contesting the power of the Paying Agent or its authority to enter into, adopt or perform its obligations under the Paying Agent Agreement, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Paying Agent Agreement against the Paying Agent;

(8) A certified copy of the general resolution of the Paying Agent authorizing the execution and delivery of the Paying Agent Agreement;

(9) A non-arbitrage certification from the County in form and substance satisfactory to Bond Counsel, signed by an official of the County;

(10) Evidence from S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") and Fitch Ratings, Inc. ("Fitch") that the Note has been rated "[____]" and "[____]" respectively, and that such ratings continue in effect as of the Closing;

(11) Certified copies of the Resolution and one executed original of each of the Documents, the Tax Certificate dated the date hereof (the "Tax Certificate") and such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative or Bond Counsel may reasonably request in order to evidence compliance by the County with legal requirements, the truth and accuracy, at and as of the Closing, of the representations, warranties and agreements of the County herein contained and the statements contained in the Preliminary Official Statement and the Official Statement, and the due performance and satisfaction by the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County;

(12) An opinion, dated the Closing Date, addressed to the Underwriters, of Nixon Peabody LLP, counsel to the Underwriters ("Underwriters' Counsel"), in such form as may be acceptable to the Underwriters; and

(13) Such additional certificates, instruments and other documents as the Underwriters may reasonably deem necessary.

8. Termination of Obligations of Underwriters. If the County shall be unable to satisfy the conditions set forth in Section 7 to the obligations of the Underwriters contained in this Contract of Purchase, the obligations of the Underwriters under this Contract of Purchase may be terminated by the Underwriters by notice to the County at, or at any time prior to, the Closing Date. Notwithstanding any provision herein to the contrary, the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing in its sole discretion.

The Representative shall also have the right to terminate, in its sole discretion, the Underwriters' obligations under this Contract of Purchase, by notice to the County at, or at any time prior to the Closing, if between the date hereof and the Closing:

(i) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading in any material respect and, in either such event, the County refuses to permit the Official Statement to be supplemented to supply such statement or information or the effect of the Official Statement as so supplemented is, in the judgment of the Representative, to materially adversely affect the market for the Note or the sale, at the contemplated offering price (or yield), by the Underwriters of the Note; or

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Note which, in the reasonable judgment of the Representative, materially adversely affects the market for the Note or the sale, at the contemplated offering price (or yield), by the Underwriters of the Note; or

(iii) an order, decree or injunction of any court of competent jurisdiction, or any order, ruling or regulation of the Securities and Exchange Commission, is issued or made with the purpose or effect of prohibiting the issuance, offering or sale of the Note as contemplated hereby or legislation has been enacted, or a bill favorably reported for adoption, or a decision by any court rendered, or a ruling, regulation, proposed regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter has been made or issued, to the effect that the Note or any other securities of the County or of any similar body of the type contemplated herein are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 as amended and as then in effect, or of the Trust Indenture Act of 1939 as amended and as then in effect; or

(iv) legislation is introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Note, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Note, including any or all

underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

(v) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis, or escalation thereof, the effect of which on financial markets is such as to make it, in the reasonable judgment of the Representative, impractical or inadvisable to proceed with the offering of the Note as contemplated in the Official Statement; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Note or similar obligations; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers such as to make it, in the judgment of the Representative, impractical or inadvisable to proceed with the offering of the Note as contemplated in the Official Statement; or

(vii) a general banking moratorium shall have been declared by federal or New York or California state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Representative, impractical or inadvisable to proceed with the offering of the Note as contemplated in the Official Statement; or

(viii) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service ("Moody's"), S&P, or Fitch of any debt securities payable from the County's General Fund, or (ii) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities payable from the County's General Fund, including the Note; or

(ix) any investigation or proceeding is pending or threatened by the Securities and Exchange Commission against the County; or

(x) (i) the federal or State Constitution shall be amended or an amendment shall qualify for the ballot, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of federal or State law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the United States of America or the State by an official, agency or department thereof, affecting the tax status of the County, its property or income, its notes or bonds (including the Note) or the interest thereon, which in the reasonable judgment of the Representative materially and adversely affects the market price or marketability of the Note or the ability of the Underwriters to enforce contracts for the sale of the Note; or

(xi) except as disclosed in or contemplated by the Preliminary Official Statement and the Official Statement, any materially adverse change in the financial condition of the County.

9. Conditions to Obligations of the County. The performance by the County of its obligations under this Contract of Purchase with respect to issuance, sale and delivery of the Note to the Underwriters is conditioned upon (i) the performance by the Underwriters of their obligations hereunder; and (ii) receipt by the County and the Underwriters of opinions and certificates being delivered at or prior to the Closing by persons and entities other than the County.

10. Expenses. (a) The Underwriters shall be under no obligation to pay, and the County shall pay from its available funds or from the proceeds of the Note, the following expenses: (i) all expenses in connection with the preparation, distribution and delivery of the Preliminary Official Statement, the Official Statement, and any amendment or supplement thereto, and this Contract of Purchase; (ii) all expenses in connection with the printing, issuance and delivery of the Note; (iii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iv) the fees and disbursements of counsel and consultants, including the County's municipal advisor, in connection with the Note; (v) the disbursements of the County in connection with the Note; (vi) the fees and disbursements of the Paying Agent; (vii) any and all fees incurred in connection with obtaining a rating on the Note or in obtaining any form of credit enhancement; and (viii) all expenses in connection with the preparation, execution and delivery of the Resolution and the Note. The County will also pay (or cause to be paid) expenses (included in the expense component of the spread) incurred on behalf of the County's employees (including, but not limited to, meals, transportation, lodging and entertainment) which are incidental to implementing this Contract of Purchase.

(b) The County has agreed to pay the Underwriters' discount set forth in paragraph 1 of this Contract of Purchase, and inclusive in the expense component of the Underwriters' discount are actual expenses incurred or paid for by the Underwriters on behalf of the County in connection with the marketing, issuance, and delivery of the Note, including, but not limited to, fees and expenses of Underwriters' Counsel, the costs of any Preliminary and Final Blue Sky Memoranda, CUSIP fees, fees of the California Debt and Investment Advisory Commission, and transportation, lodging, and meals for the County's employees and representatives.

11. Notices. Any notice or other communication to be given under this Contract of Purchase (other than the acceptance hereof as specified in the first paragraph hereof) shall be given by telephone or telex, confirmed in writing, or by delivering the same in writing, if to the County, to the address first written above, attention: County Executive Officer, or if to the Underwriters, to the Representative, J.P. Morgan Securities LLC, 2029 Century Park E, Floor 41, Los Angeles, CA 90067, Tyler Old, Executive Director.

12. No Advisor or Fiduciary Role. The County acknowledges and agrees that: (i) the transactions contemplated by this Contract of Purchase are arm's length, commercial transactions between the County and the Underwriters, each Underwriter of which is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the County; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the County with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto irrespective of whether the Underwriters or any of their respective affiliates have provided other services or are currently providing other services to the County on other matters; (iii) the obligations that the Underwriters have to the County with respect to the purchase and sale of the Note are expressly set forth in this Contract of Purchase; and (iv) the County has consulted its own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent it has deemed appropriate.

13. Parties in Interest; Survival of Representations and Warranties. This Contract of Purchase when accepted by the County in writing as specified herein shall constitute the entire agreement between the County and the Underwriters and is made solely for the benefit of the County and the Underwriters (including their respective successors and assigns). No other person shall acquire or have any right hereunder or by virtue hereof. The obligations of the County arising out of its representations and warranties in this Contract of Purchase shall not be affected by any investigation made by or on behalf of the Underwriters.

14. Execution in Counterparts; Electronic Signatures. This Contract of Purchase may be executed in counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. Signatures hereto may be delivered as .pdf signatures delivered by electronic mail.

[Remainder of page intentionally left blank]

15. Applicable Law. This Contract of Purchase shall be interpreted under, governed by and enforced in accordance with the laws of the State of California.

Very truly yours,

J.P. MORGAN SECURITIES LLC, as
Representative of the Underwriters

By _____
Tyler Old
Executive Director

The foregoing is hereby agreed to
and accepted as of the date first
above written:

COUNTY OF RIVERSIDE

By _____
Jeffrey A. Van Wagenen Jr.
County Executive Officer

EXHIBIT A

ISSUE PRICE CERTIFICATE OF THE UNDERWRITERS

**[\$[PAR]
COUNTY OF RIVERSIDE
2024 TAX AND REVENUE ANTICIPATION NOTE**

ISSUE PRICE CERTIFICATE

The undersigned, J.P. Morgan Securities LLC (the “Representative”), on behalf of itself and Wells Fargo Bank, National Association, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned tax and revenue anticipation note (the “Note”).

1. ***[10% Test Satisfied][Sale of the Note*** . As of the date of this certificate, the first price at which at least 10% of the Note was sold to the Public is the price listed in Schedule A.]

2. ***[10% Test Not Satisfied][Initial Offering Price of the Note.***

(a) The Underwriters offered the Note to the Public for purchase at the initial offering price listed in Schedule A (the “Initial Offering Price”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Note is attached to this Certificate as Schedule B.

(b) As set forth in the Contract of Purchase, the Underwriters have agreed in writing that, (i) for the Note, they would neither offer nor sell the Note to any person at a price that is higher than the Initial Offering Price for the Note during the Holding Period for the Note (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold the Note at a price that is higher than the Initial Offering Price for the Note during the Holding Period.]

3. ***Defined Terms.***

(a) *[Holding Period* means, with respect to the Note, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([June 1, 2023]), or (ii) the date on which the Underwriters have sold at least 10% of the Note to the Public at a price that is no higher than the Initial Offering Price for the Note.]

(b) *Issuer* means the County of Riverside.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Note to the Public, and (ii) any person that agrees pursuant to a written contract directly or

indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Note to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Note to the Public).

(e) *[Sale Date* means the first day on which there is a binding contract in writing for the sale of the Note. The Sale Date of the Note is [OS Date], 2024.]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Note, and by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Note is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Note. **[If HTOP is used, Wells Fargo will need to rep as to HTOP separately.]**

J.P. MORGAN SECURITIES LLC, as Representative

By: _____

Name: _____

Dated: [Closing Date], 2024

SCHEDULE A
SALE PRICE OF THE NOTE

(Attached)

**[SCHEDULE B
PRICING WIRE**

(Attached)

NEW ISSUE—BOOK-ENTRY-ONLY

S&P: “[]”
 Fitch: “[]”
 See “RATINGS” herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest with respect to the Note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. The amount treated as interest on the Note and excluded from gross income may depend upon the taxpayer’s election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel, interest on the Note is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Note included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Note. See “TAX MATTERS” herein.

\$425,000,000*

**COUNTY OF RIVERSIDE
 2024 TAX AND REVENUE ANTICIPATION NOTE**

CUSIP®: _____

Dated: Date of Delivery Coupon: ____% Yield: ____% Price: ____% Due: June 30, 2025

The County of Riverside 2024 Tax and Revenue Anticipation Note (the “Note”) will be issued in fully registered book-entry form only in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) and will be available to the beneficial owners thereof in the denomination of \$5,000 or any multiple thereof under the book-entry system maintained by DTC. Purchasers of the Note or any portion thereof will not receive certificates representing their interests in the Note. Principal of and interest on the Note will be payable only at maturity by U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), by wire transfer to DTC. In accordance with its procedures, DTC will agree to remit such principal and interest to its Participants, which in turn will remit such principal and interest to the Indirect Participants or to the Beneficial Owners of the Note, as more fully described herein. See “APPENDIX E – BOOK-ENTRY-ONLY SYSTEM” attached hereto.

The Note, in accordance with California law, is a general obligation of the County of Riverside (the “County”) payable solely from Unrestricted Revenues (as defined herein) of the County consisting of taxes, income, revenue (including, but not limited to, revenue from State and federal governments), cash receipts and other moneys of the County attributable to the County’s Fiscal Year 2024-25, commencing July 1, 2024 and ending on June 30, 2025, which are legally available for payment of current expenses and other obligations of the County. The Note is secured by a pledge of such Unrestricted Revenues as more particularly described in this Official Statement, excluding amounts pledged by the County to the payment of the County’s Teeter Plan obligations (as defined herein). The Note shall constitute a first lien and charge against such Unrestricted Revenues constituting Pledged Revenues (as defined herein) and a lien on and a security interest in the amounts on deposit in the Payment Account (as defined below). See “THE NOTE – Security for the Note” herein. To the extent not so paid, the Note shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the County lawfully available therefor. The Resolution (as defined herein) requires the County to set aside and deposit in a special fund (the “Payment Account”), to be established by the Paying Agent, certain amounts from such Pledged Revenues received by the County in those months described herein so that the amount on deposit in the Payment Account on such dates as described herein, taking into consideration anticipated investment earnings thereon to be received by the maturity date, will be, following all such deposits, equal to all of the principal of and interest due on the Note, as more fully described herein.

THE NOTE IS NOT SUBJECT TO REDEMPTION PRIOR TO MATURITY.

THE NOTE IS A LIMITED OBLIGATION OF THE COUNTY, PAYABLE SOLELY FROM CERTAIN FUNDS PLEDGED UNDER THE RESOLUTION. THE COUNTY IS NOT AUTHORIZED TO LEVY OR COLLECT ANY TAX FOR REPAYMENT OF THE NOTE.

This cover page contains information for quick reference only, and is not a summary of this issue. Potential purchasers must read the entire Official Statement in order to obtain information essential to making an informed investment decision.

The Note is offered when, as and if issued and delivered, subject to the approval as to its legality of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain additional legal matters will be passed upon for the County by County Counsel, and for the Underwriters by their counsel, Nixon Peabody LLP, Los Angeles, California. It is anticipated that the Note, in definitive form, will be available for delivery through the facilities of DTC on or about July 1, 2024.

J.P. Morgan

Wells Fargo Securities

Dated: June __, 2024.

* Preliminary, subject to change.

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This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Note by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Note. Statements contained in this Official Statement which involve estimates, projections or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. See “INTRODUCTION—Forward-Looking Statements” herein.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is submitted in connection with the sale of the Note referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

This Official Statement and the information contained herein is in a form deemed final by the County for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). However, the information herein is subject to revision, completion or amendment in a final Official Statement.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXCEPTIONS CONTAINED IN SUCH ACT. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY, NOR ANY AGENCY OR DEPARTMENT THEREOF, HAS PASSED UPON THE MERITS OF THE NOTE OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. THE NOTE HAS NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

REFERENCES TO WEBSITE ADDRESSES PRESENTED HEREIN ARE FOR INFORMATIONAL PURPOSES ONLY AND MAY BE IN THE FORM OF A HYPERLINK SOLELY FOR THE READER'S CONVENIENCE. UNLESS SPECIFIED OTHERWISE, SUCH WEBSITES AND THE INFORMATION OR LINKS CONTAINED THEREIN ARE NOT INCORPORATED INTO, AND ARE NOT PART OF, THIS FINAL OFFICIAL STATEMENT FOR PURPOSES OF, AND AS THAT TERM IS DEFINED IN, SEC RULE 15C2-12. THE COUNTY MAINTAINS A WEBSITE; HOWEVER, INFORMATION PRESENTED THERE IS NOT A PART OF THIS OFFICIAL STATEMENT AND SHOULD NOT BE RELIED UPON IN MAKING INVESTMENT DECISIONS WITH RESPECT TO THE NOTE.

THE COUNTY HAS ENTERED INTO AN UNDERTAKING FOR THE BENEFIT OF THE HOLDERS OF THE NOTE TO PROVIDE CERTAIN QUARTERLY FINANCIAL INFORMATION AND OPERATING DATA AND NOTICE OF CERTAIN ENUMERATED EVENTS, PURSUANT TO THE REQUIREMENTS OF SECTION (b)(5)(i) OF RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION, TO THE MUNICIPAL SECURITIES RULEMAKING BOARD'S ELECTRONIC MUNICIPAL MARKET ACCESS SYSTEM.

COUNTY OF RIVERSIDE

County Executive Office
4th Floor
4080 Lemon Street
Riverside, California 92501

Board of Supervisors

Chuck Washington, Third District, Chair
V. Manuel Perez, Fourth District, Vice Chair
Kevin Jeffries, First District
Karen Spiegel, Second District
Yxstian Gutierrez, Fifth District

County Officials

Jeffrey A. Van Wagenen Jr., County Executive Officer
Matt Jennings, Treasurer-Tax Collector
Ben Benoit, Auditor-Controller
Peter Aldana, Assessor-County Clerk-Recorder
Minh Tran, County Counsel
Don Kent, Director of Finance

SPECIAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Kutak Rock LLP
Los Angeles, California

Municipal Advisor

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Paying Agent

U.S. Bank Trust Company, National Association
Los Angeles, California

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OFFICIAL STATEMENT

\$425,000,000*

COUNTY OF RIVERSIDE 2024 TAX AND REVENUE ANTICIPATION NOTE

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Note being offered and a brief description of this Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement. References to, and summaries of, provisions of the Constitution and laws of the State of California and any documents referred to herein do not purport to be complete and such references are qualified in their entirety by reference to the complete provisions thereof. All capitalized terms used in this Official Statement and not otherwise defined herein have the meanings set forth in the Resolution (as defined below). See “APPENDIX F—FORM OF RESOLUTION” attached hereto.

General

This Official Statement, including the Appendices hereto, has been prepared under the direction of the County of Riverside (the “County”), in order to furnish information with respect to its sale of a tax and revenue anticipation note designated, “County of Riverside 2024 Tax and Revenue Anticipation Note” (the “Note”) in the aggregate principal amount of \$425,000,000*. The Note was authorized pursuant to the resolution of the County’s Board of Supervisors (the “Board of Supervisors” or the “Board”) adopted on May 21, 2024 (the “Resolution”), and will be issued in full conformity with the constitution and laws of the State of California (the “State”), including Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the California Government Code (the “Act”). The Note is a general obligation of the County payable solely from Unrestricted Revenues (as defined herein) of the County attributable to its fiscal year commencing on July 1, 2024 and ending on June 30, 2025 (“Fiscal Year 2024-25”) and legally available for payment of current expenses and other obligations of the County. The Note is secured by a pledge of such Unrestricted Revenues, excluding amounts pledged by the County to the payment of the County’s Teeter Plan obligations. See “THE NOTE—Security for the Note” herein for a description of such Unrestricted Revenues constituting Pledged Revenues (as defined herein), and “APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION IV—FINANCIAL INFORMATION—Teeter Plan” attached hereto, for a discussion of the County’s Teeter Plan obligations. The Note shall constitute a first lien and charge against such Pledged Revenues and a lien on and a security interest in the amounts on deposit in the Payment Account (as defined herein). Proceeds from the sale of the Note will be used for current General Fund obligations and expenditures, including current expenses and capital expenditures. The Note is being issued in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received or accrued by the County for the general fund of the County (the “General Fund”), and provided for or attributable to its Fiscal Year 2024-25. The Act provides that the County may issue the Note only if the principal of and interest on the Note will not exceed 85% of the estimated moneys legally available for the payment of the Note and the interest thereon.

In the event that on the day in a particular month that a deposit to the Payment Account is required to be made, the County has not received sufficient Pledged Revenues to permit the deposit into the Payment Account of the full amount required to be deposited in the Payment Account in said month, then the amount of any deficiency will be satisfied and made up from any other moneys of the County

* Preliminary, subject to change.

lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “projection,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty and risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results; those differences could be material.

THE NOTE

Authority for Issuance

The Note is issued under the authority of the cited provisions of the Act and pursuant to the Resolution (see “INTRODUCTION” above).

Description of the Note

The Note will be issued in the aggregate principal amount of \$425,000,000* and will be available to beneficial owners thereof in the denominations of \$5,000 or any multiple thereof under the book-entry system maintained by DTC. The Note shall bear interest at the rate and will mature on the date set forth on the cover page hereof. The Note is payable at maturity and interest thereon will be computed on a 30-day month/360-day year basis. The Note is to be delivered as a fully registered Note, without coupons and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Note. Purchases will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof. Principal of and interest on the Note will be payable only at maturity by U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), by wire transfer to DTC.

Purpose of Issue

Issuance of the Note will provide moneys to meet the County’s Fiscal Year 2024-25 expenditures, including current expenses and capital expenditures, and the discharge of other obligations or indebtedness of the County.

Proceeds from the sale of the Note will be deposited in and/or transferred to Note Proceeds Accounts to be maintained, respectively, by the County and by the Paying Agent, and such amounts will be applied for current General Fund obligations and expenditures, including current expenses and capital expenditures of the County. Amounts on deposit in such Note Proceeds Accounts shall be invested by or at the direction of the County in Permitted Investments (as defined in the Resolution), which may include the County Treasurer’s Pooled Investment Fund (a Permitted Investment), and amounts transferred to the Note Proceeds Account to be maintained by the County will be deposited to the County Treasurer’s Pooled Investment Fund for application as described above. The proceeds of such investments will be

* Preliminary, subject to change.

retained in the Proceeds Account. Amounts held in the Note Proceeds Account maintained by the Paying Agent will be drawn by Requisitions of the County for application as described above.

Security for the Note

The Note and the interest thereon is a general obligation of the County, payable solely from taxes, income, revenue (including, but not limited to, revenue from the State and federal governments), cash receipts and other moneys which are accrued, received or held by the County for the General Fund and are provided for or attributable to its Fiscal Year 2024-25 and legally available for payment of current expenses and other obligations of the County (collectively “Unrestricted Revenues”). As security for the payment of the principal of and interest on the Note, the Resolution provides for the pledge of all Unrestricted Revenues, except for Unrestricted Revenues pledged by the County to the payment of County of Riverside Teeter Plan obligations issued pursuant to Resolution No. 97-203, as such resolution may be amended and supplemented from time to time (the “Pledged Revenues”), and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the moneys received by the County from such Pledged Revenues and, to the extent not so paid, shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the County lawfully available therefor. See “APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION IV—FINANCIAL INFORMATION—Teeter Plan” attached hereto, for a discussion of the County’s Teeter Plan obligations. The Note shall constitute a first lien and charge against such Pledged Revenues and a lien on and a security interest in the amounts on deposit in the Payment Account. As security for the payment of the Note, including the interest thereon, the County has covenanted pursuant to the Resolution to set aside: * (a) on January 31, 2025, an amount equal to 60% of the principal amount of and interest on the Note due at maturity from said Pledged Revenues received by the County in January 2025; and (b) on May 30, 2025, an amount equal to 40% of the principal amount of and interest on the Note due at maturity from said Pledged Revenues received by the County in May 2025. Certain deposits may take into consideration anticipated investment earnings on amounts deposited in Permitted Investments through the maturity date. See “APPENDIX F—FORM OF RESOLUTION” attached hereto. As of the date hereof, the County has met all of its prior obligations to set aside amounts for payment in full of its \$360,000,000 County of Riverside 2023 Tax and Revenue Anticipation Note due June 28, 2024.

The County has reserved the right to issue additional notes (each a “Parity Note”) during Fiscal Year 2024-25 having a parity lien on the Pledged Revenues and amounts on deposit in the Payment Account, so long as the aggregate principal of and interest on the Note and such additional Parity Notes will not exceed 85% of the estimated moneys legally available for the payment of the Note and such Parity Notes. See “Additional Notes.”

The Pledged Revenues being set aside as described above shall be deposited by the County and held by the Paying Agent, in a special account to be established and maintained by the Paying Agent (the “Payment Account”) in accordance with the Resolution and a Paying Agent Agreement, dated as of July 1, 2024 (the “Paying Agent Agreement”), by and between the County and the Paying Agent, and applied as directed under the Resolution. Any money deposited by the Paying Agent in the Payment Account shall be for the benefit of the holders of the Note, and, under the Resolution, the County has pledged and granted a lien on and security interest in the amounts deposited in the Payment Account as security for the payment of the Note and any Parity Note and the interest thereon. Until the Note and all interest thereon are paid or until provision has been made for the payment of the principal of and interest on the Note at maturity, the moneys in the Payment Account shall be applied solely for the purpose of paying the principal of and interest on the Note at its maturity, although such amounts shall be invested by or at the

* Preliminary, subject to change.

direction of the County in Permitted Investments (as defined in the Resolution). Among such Permitted Investments, the County may instruct the Paying Agent to invest amounts in the Payment Account in the County Treasurer's Pooled Investment Fund pursuant to an investment agreement between the Paying Agent and the County until such amounts are required for the repayment of the Note. In the event investment losses cause amounts on deposit in the Payment Account to be insufficient to pay principal of and interest on the Note at maturity, the County is required to use any available Pledged Revenues from Fiscal Year 2024-25 for the payment of principal of and interest on the Note, but there is no guarantee that the County will have sufficient Pledged Revenues to pay the principal of and interest on the Note as the same becomes due. Any moneys placed in the Payment Account shall be for the benefit of the holders of the Note. The moneys in the Payment Account shall be applied only for the purposes for which the Payment Account is created until the principal of the Note and all interest thereon are paid or until provision has been made for such payment. In the event that moneys in the Payment Account are insufficient to pay the principal of and interest on the Note in full when due, such moneys shall be applied in the following priority: first, to pay interest on the Note and any Parity Note, defined herein, ratably; and second, to pay principal of the Note and any Parity Note, ratably without preference or priority of any kind, according to the amounts due with respect to such Note and Parity Note. Any moneys remaining in or accruing to the Payment Account after the principal of the Note and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund.

The Resolution requires that the Pledged Revenues be deposited and held in the Payment Account until maturity, at which time the moneys in such account will be used to repay the Note. If during the foregoing period there are insufficient sources of Pledged Revenues to permit deposit of the full amount of Pledged Revenues, then the amount of any deficiency shall be satisfied from any other moneys of the County lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available. The County is not authorized to levy or collect any taxes for the repayment of the Note.

Should the County file for Chapter 9 bankruptcy, a court might hold that the holders of the Note do not have a valid and prior lien on amounts on deposit the Payment Account then invested in the County Treasurer's Pooled Investment Fund. While the County has taken steps to mitigate this risk by retaining the Paying Agent, by entering into a formal investment agreement with the Paying Agent, and by its practice of maintaining separate records of amounts on deposit the Payment Account invested in the Pooled Investment Fund, if the holders of the Note cannot trace the Payment Account funds, such funds may not be available for payment of principal of and interest on the Note and any Parity Note. There can be no assurance that the holders of the Note will be able to successfully trace such funds in the County Treasurer's Pooled Investment Fund. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Note to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights. For more information regarding the County Treasurer's Pooled Investment Fund, see "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION IV—FINANCIAL INFORMATION—County of Riverside Treasurer-Tax Collector's Pooled Investment Fund" attached hereto.

Available Sources of Repayment

The Note, in accordance with the Act, is a general obligation of the County but is payable only out of Pledged Revenues, which include the taxes, income, revenue (including, but not limited to, revenue from State and federal governments), cash receipts and other moneys of the County which are accrued, received or held by the County for the General Fund and are provided for or attributable to Fiscal Year 2024-25 and which are legally available for payment of current expenses and other obligations of the County. The Constitution of the State substantially limits the County's ability to levy ad valorem taxes (see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND

APPROPRIATIONS” herein). The County may, under the Act, issue the Note only if the principal of and interest on the Note will not exceed 85% of the estimated amounts of the County’s uncollected taxes, income, revenue (including, but not limited to, revenue from the State and federal governments), cash receipts, and other moneys to be received or accrued by the County for the General Fund and provided for or attributable to Fiscal Year 2024-25, all of which will be legally available to pay principal of and interest on the Note. The County has reserved the right to issue additional tax and revenue anticipation notes during Fiscal Year 2024-25 having a parity lien on the Pledged Revenues and amounts on deposit in the Payment Account, so long as the principal of and interest on the Note and such additional tax and revenue anticipation notes will not exceed 85% of the estimated moneys legally available for the payment of the Note and such additional notes. See “Additional Notes” below and “APPENDIX F—FORM OF RESOLUTION” attached hereto. Further detail as to the estimated Pledged Revenues available for repayment can be found in “Table I, County of Riverside Fiscal Year 2024-25 Projected Unrestricted Revenues Available for Note Repayment,” “Table IV, County of Riverside Fiscal Year 2024-25 Projected General Fund Cash Flow,” and “Table VII, County of Riverside Alternative and Other Restricted Cash Resources, Actual/Projected.” The County currently expects that, other than the Note, it will not issue any tax and revenue anticipation notes, bonds or warrants pursuant to the Act with respect to Fiscal Year 2024-25.

The table below sets forth the source and amount of Fiscal Year 2024-25 projected unrestricted revenues available for repayment of the Note.

TABLE I
County of Riverside
Fiscal Year 2024-25 Projected Unrestricted Revenues
Available for Note Repayment
(in Thousands)

<u>Revenue Source</u>	<u>Fiscal Year 2024-25 Amount</u>
Property Taxes	\$ 360,884
Sales and Use Taxes	48,479
Other Taxes	91,937
Licenses and Permits	23,304
Fines, Forfeitures and Penalties	50,247
Revenue from Use of Money and Property	60,875
State Aid	2,166,203
Federal Aid	924,052
Other Government Aid	155,605
Charges for Current Services	754,906
Miscellaneous Revenue	50,999
Other Financing Sources	29,732
Repayment of Advances to Other Funds	112,140
Reimbursement from Departments (CalPERS)	240,492
Interfund Transfers	45,000
Total	\$5,114,855

Estimated and Projected General Fund Cash Flows

Set forth below in Table II is a detailed summary of the County’s actual Fiscal Year 2022-23 General Fund cash flows. Set forth below in Table III is a detailed summary of the County’s actual and estimated Fiscal Year 2023-24 General Fund cash flows. Set forth below in Table IV is a detailed summary of the County’s projected Fiscal Year 2024-25 General Fund cash flows. Table V provides a

comparison between the Fiscal Year 2023-24 original projections of General Fund cash flows and the Fiscal Year 2023-24 actual/estimated General Fund cash flows. Table VI provides a comparison between the Fiscal Year 2023-24 actual/estimated General Fund cash flows and the Fiscal Year 2024-25 projected General Fund cash flows.

The estimated Fiscal Year 2023-24 cash flows and the projected Fiscal Year 2024-25 cash flows, as prepared by the County Auditor-Controller’s Office, reflect the best currently available estimates and judgments of the County Auditor-Controller’s Office as to the County’s revenues and expenditures and the expected financial condition of the County for such fiscal years. The presented projected cash flows assume that all of the County’s cash flow requirements are externally funded through the issuance of the Note, but, based on market conditions, the County may determine to borrow internally for a portion of its cash flow needs. On June 11 and 12, 2024, the Board of Supervisors will hold budget hearings on the Fiscal Year 2024-25 Recommended Budget. The presented projected cash flows do not reflect changes to the Fiscal Year 2024-25 Recommended Budget which may arise from such budget hearings. See “SECTION III—BUDGETARY INFORMATION—Fiscal Year 2024-25 Recommended Budget” in Appendix A hereto.

Neither the County’s independent auditors, nor any other independent accountants, have compiled, examined or performed any procedures with respect to the estimated Fiscal Year 2023-24 cash flows or the projected Fiscal Year 2024-25 cash flows contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and such parties assume no responsibility for, and disclaim any association with, the estimated Fiscal Year 2023-24 cash flows or the projected Fiscal Year 2024-25 cash flows.

The assumptions and estimates underlying the projected cash flows are uncertain and, though considered reasonable by the management of the County as of the date hereof, are subject to a wide variety of significant business, economic and political risks and uncertainties that could cause actual results to differ materially from those contained in the projected cash flows. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the County or that actual results will not be materially higher or lower than those contained in the projected cash flows. Inclusion of the projected cash flows in this Official Statement should not be regarded as a representation by any person that the results contained in the projected cash flows will be achieved. Basic assumptions underlying these General Fund projections include, but are not limited to, revenues and expenses as set forth in the County’s recommended budget and impacts of recommended State budget (including the May revision thereto). For a discussion of the County’s budget process, see “APPENDIX A—SECTION III—BUDGETARY INFORMATION—Budgetary Process” attached hereto.

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TABLE II
County of Riverside Fiscal Year 2022-23
Actual General Fund Cash Flow
(\$ in Thousands)

	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	TOTALS
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	
Beginning General Fund Cash Balance	442,405	161,988	44,695	(36,775)	(51,855)	(188,573)	14,357	182,400	122,926	40,293	66,977	337,708	442,405
Receipts													
Property Taxes	-	-	-	16,102	-	89,675	84,105	134	5,189	29,829	100,859	12,606	338,499
Sales and Use Taxes	4,012	6,404	4,152	3,793	4,786	3,576	3,806	9,357	3,263	3,178	6,511	3,832	56,670
Other Taxes	1,615	5,487	2,022	1,596	5,098	25,293	2,730	3,260	2,849	2,086	35,405	3,693	91,134
Licenses & Permits	1,254	2,057	1,319	1,175	1,649	1,080	1,607	1,570	1,232	6,304	3,502	1,478	24,227
Fines, Forfeitures & Penalties	1,146	1,041	1,041	1,459	1,188	1,189	1,336	8,842	1,595	1,053	2,511	17,094	39,495
Use of Money and Property	1,339	1,341	928	5,387	1,434	5,507	3,266	3,618	11,517	4,058	1,830	19,679	59,904
State Aid	43,149	37,821	66,906	117,549	106,993	135,886	304,862	109,877	137,424	169,915	277,149	323,182	1,830,713
Federal Aid	27,053	50,721	46,570	86,183	41,382	96,006	58,089	63,472	45,109	56,894	116,323	101,061	788,863
Other Governmental Aid	-	6,626	-	-	-	74,821	-	-	-	-	82,213	545	164,205
Charges for Current Services	65,461	29,848	67,699	29,073	26,913	46,903	34,273	42,509	58,919	88,663	70,413	107,697	668,371
Miscellaneous Revenue	1,003	1,109	1,080	682	2,362	2,216	1,465	2,825	3,016	14,339	7,397	15,916	53,410
Other Financing Sources	-	32	348	219	64	318	-	1,077	844	(1,197)	2,943	52,322	56,970
COVID-19 Related	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Advances to Other Funds	-	-	-	-	18,000	-	-	9,000	6,000	5,500	21,740	600	60,840
Reimbursement from Departments for CalPERS	16,352	19,012	18,791	18,892	28,329	19,406	19,863	13,342	13,457	13,548	12,647	7,887	201,526
Interfund Transfers	61,799	-	-	-	-	-	-	-	35,000	-	-	-	96,799
Total Receipts	224,183	161,499	210,856	282,110	238,198	501,876	515,402	268,883	325,414	394,170	741,443	667,592	4,531,626
Disbursements													
Salaries & Benefits	148,548	152,482	152,165	165,929	237,154	162,878	174,314	161,409	162,256	173,255	244,396	161,378	2,096,164
Services & Supplies	26,730	58,730	41,939	73,273	52,657	60,963	24,243	92,518	116,794	116,895	117,714	110,477	892,933
Other Charges	60,352	66,348	58,815	57,488	71,208	73,449	117,898	70,513	108,197	73,007	88,186	141,783	987,244
Fixed Assets & Capital Outlay	1,831	1,032	1,893	500	2,187	958	1,165	1,248	846	1,288	2,350	6,875	22,173
Other Financing Uses	903	-	16,914	-	1,010	698	17,339	2,669	1,455	3,041	18,066	27,011	89,106
COVID-19 Related	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances to Other Funds	60,240	200	-	-	400	-	-	-	-	-	-	-	60,840
CalPERS Prepayment	205,996	-	-	-	-	-	-	-	-	-	-	-	205,996
Interfund Transfers	-	-	20,600	-	10,300	-	12,400	-	18,499	-	-	35,000	96,799
Total Disbursements	504,600	278,792	292,326	297,190	374,916	298,946	347,359	328,357	408,047	367,486	470,712	482,524	4,451,255
Ending General Fund Cash Balance	161,988	44,695	(36,775)	(51,855)	(188,573)	14,357	182,400	122,926	40,293	66,977	337,708	522,776	522,776
TRANS Borrowing													
TRANS Borrowing		369,557	369,557	369,557	369,557	369,557	369,557	142,787	142,787	142,787	142,787	(8,393)	-
Proceeds of Notes	360,000	-	-	-	-	-	-	-	-	-	-	-	360,000
Principal Payment on Note	-	-	-	-	-	-	(216,000)	-	-	-	(144,000)	-	(360,000)
Premium	9,892	-	-	-	-	-	-	-	-	-	-	-	9,892
Interest Expense / Cost of Issuance	(335)	-	-	-	-	-	(10,770)	-	-	-	(7,180)	8,393	(9,892)
Total TRANSs Borrowing	369,557	369,557	369,557	369,557	369,557	369,557	142,787	142,787	142,787	142,787	(8,393)	-	-
Ending Balance WITH TRANSs Borrowing	531,545	414,252	332,782	317,702	180,984	383,914	325,187	265,713	183,080	209,764	329,315	522,776	522,776

Source: County Auditor-Controller

TABLE III
County of Riverside Fiscal Year 2023-24
Actual/Estimated General Fund Cash Flow
(\$ in Thousands)

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	TOTALS
	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Projected	Projected	Projected	
Beginning General Fund Cash Balance	522,776	257,290	122,320	(10,551)	15,501	(105,591)	(41,211)	133,267	208,230	143,433	148,651	245,856	522,776
Receipts													
Property Taxes	-	-	-	20,877	(85)	97,075	92,178	46	1,848	32,804	87,288	8,204	340,235
Sales and Use Taxes	4,761	3,991	3,529	-	8,611	-	8,225	6,240	4,144	3,919	4,450	2,934	50,804
Other Taxes	1,469	4,466	1,652	1,573	5,809	3,571	32,001	2,743	1,599	3,809	13,016	12,579	84,287
Licenses & Permits	1,637	1,709	1,132	1,268	1,481	1,125	1,418	1,575	1,591	4,134	3,502	1,845	22,417
Fines, Forfeitures & Penalties	1,253	289	1,112	1,553	10,954	1,482	11,704	2,155	1,637	1,051	2,152	17,170	52,512
Use of Money and Property	1,282	4,169	1,415	2,504	1,601	12,394	2,090	5,777	20,700	1,089	1,039	1,609	55,669
State Aid	70,788	60,635	60,222	217,632	144,371	169,804	140,349	316,592	144,594	173,876	206,905	283,379	1,989,147
Federal Aid	45,308	38,399	80,197	70,038	67,096	48,622	95,042	53,351	59,792	98,942	96,142	96,029	848,958
Other Governmental Aid	-	-	7,380	-	-	162	83,519	-	-	-	-	58,108	149,169
Charges for Current Services	68,309	46,427	41,139	44,628	35,499	52,794	99,383	48,039	102,709	32,827	58,000	87,793	717,547
Miscellaneous Revenue	1,170	1,872	3,589	1,969	2,346	2,569	3,770	5,419	1,986	4,401	1,842	15,780	46,713
Other Financing Sources	142	543	671	379	2,586	2,420	1,914	961	1,376	15	-	10,009	21,016
Repayment of Advances to Other Funds	-	1,527	-	20,000	8,000	-	6,000	-	7,354	11,145	2,960	5,214	62,200
Reimbursement from Departments for CalPERS	14,055	18,190	16,925	17,462	25,011	18,026	17,312	17,020	17,162	16,407	16,407	2,913	196,890
Interfund Transfers	59,067	-	-	-	-	-	-	-	-	-	35,000	-	94,067
Total Receipts	269,241	182,217	218,963	399,883	313,280	410,044	594,905	459,918	366,492	384,419	528,703	603,566	4,731,631
Disbursements													
Salaries & Benefits	166,849	181,014	172,248	181,855	253,099	177,014	189,453	176,620	180,655	189,150	236,426	199,150	2,303,533
Services & Supplies	40,445	55,932	58,170	83,249	49,718	58,534	163,958	55,840	131,933	126,409	111,962	112,136	1,048,286
Other Charges	68,550	78,762	84,440	90,864	88,423	98,821	65,939	150,228	114,125	60,145	70,639	89,747	1,060,683
Fixed Assets & Capital Outlay	1,102	1,255	4,170	572	2,194	2,749	917	568	2,894	465	1,121	1,301	19,308
Other Financing Uses	818	24	13,117	16,891	1,560	8,546	160	1,699	1,682	3,032	11,350	25,016	83,895
Advances to Other Funds	60,073	200	-	400	-	-	-	-	-	-	-	-	60,673
CalPERS Prepayment	196,890	-	-	-	-	-	-	-	-	-	-	-	196,890
Interfund Transfers	-	-	19,689	-	39,378	-	-	-	-	-	-	35,000	94,067
Total Disbursements	534,727	317,187	351,834	373,831	434,372	345,664	420,427	384,955	431,289	379,201	431,498	462,350	4,867,335
Ending General Fund Cash Balance	257,290	122,320	(10,551)	15,501	(105,591)	(41,211)	133,267	208,230	143,433	148,651	245,856	387,072	387,072
TRANS Borrowing													
TRANS Borrowing	-	-	-	180,000	220,000	270,000	270,000	145,230	145,230	145,230	145,230	(6,230)	-
Proceeds of Notes	-	-	180,000	40,000	50,000	-	90,000	-	-	-	-	-	360,000
Principal Payment on Note	-	-	-	-	-	-	(216,000)	-	-	-	(144,000)	-	(360,000)
Premium	-	-	-	-	-	-	5,843	-	-	-	-	-	5,843
Interest Expense / Cost of Issuance	-	-	-	-	-	-	(4,613)	-	-	-	(7,460)	6,230	(5,843)
Total TRANS Borrowing	-	-	180,000	220,000	270,000	270,000	145,230	145,230	145,230	145,230	(6,230)	-	-
Ending Balance WITH TRANS Borrowing	257,290	122,320	169,449	235,501	164,409	228,789	278,497	353,460	288,663	293,881	239,626	387,072	387,072

Source: County Auditor-Controller

TABLE IV
County of Riverside Fiscal Year 2024-25
Projected General Fund Cash Flow
(\$ in Thousands)

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	TOTALS
	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Beginning General Fund Cash Balance	387,072	(54,789)	(193,088)	(311,522)	(363,483)	(364,411)	(166,810)	(102,662)	(46,244)	(51,867)	(154,241)	25,408	387,072
Receipts													
Property Taxes	-	-	-	22,067	-	108,116	87,768	132	7,225	34,665	92,241	8,670	360,884
Sales and Use Taxes	4,316	6,375	4,436	3,127	4,982	3,940	3,277	7,918	2,810	1,736	2,481	3,081	48,479
Other Taxes	1,680	5,706	2,103	1,660	5,302	4,590	32,425	3,390	2,963	1,699	19,937	10,482	91,937
Licenses & Permits	1,267	3,088	1,332	1,187	1,665	1,091	1,623	1,585	1,244	5,072	2,305	1,845	23,304
Fines, Forfeitures & Penalties	1,146	1,041	1,041	1,459	1,188	1,189	1,336	8,842	1,595	88	14,152	17,170	50,247
Use of Money and Property	2,404	2,404	1,739	8,309	3,159	13,032	4,281	4,740	17,035	1,055	682	2,035	60,875
State Aid	70,991	60,809	69,395	218,257	174,485	170,291	120,952	287,801	185,009	210,920	262,299	334,994	2,166,203
Federal Aid	45,855	51,015	89,395	69,338	66,425	68,136	109,092	62,817	79,194	105,466	93,151	84,168	924,052
Other Governmental Aid	-	7,626	-	-	-	86,821	-	-	-	-	-	61,158	155,605
Charges for Current Services	68,309	45,427	41,139	44,628	38,499	52,794	99,383	48,039	102,709	30,186	78,000	105,793	754,906
Miscellaneous Revenue	1,043	1,569	2,123	2,709	2,456	2,305	1,523	4,938	5,136	12,439	2,842	11,916	50,999
Other Financing Sources	142	543	671	379	2,586	2,420	1,914	961	1,376	7,931	800	10,009	29,732
Repayment of Advances to Other Funds	-	-	8,000	21,262	6,527	21,262	7,100	21,262	8,000	6,133	6,133	6,461	112,140
Reimbursement from Departments for CalPERS	20,041	20,041	20,041	20,041	20,041	20,041	20,041	20,041	20,041	20,041	20,041	20,041	240,492
Interfund Transfers	-	-	-	-	20,000	-	-	-	-	-	25,000	-	45,000
Total Receipts	217,194	205,644	241,415	414,423	347,315	556,028	490,715	472,466	434,337	437,431	620,064	677,823	5,114,855
Disbursements													
Salaries & Benefits	194,788	194,788	194,788	289,034	194,788	194,788	194,788	194,788	194,788	289,034	201,788	186,792	2,524,952
Services & Supplies	41,413	69,019	59,287	86,111	61,882	63,402	147,427	67,427	125,957	142,842	136,517	109,414	1,110,698
Other Charges	68,550	78,762	84,440	90,864	88,423	98,821	65,939	150,228	114,125	104,432	85,639	109,747	1,139,970
Fixed Assets & Capital Outlay	1,373	774	1,420	375	2,140	718	874	936	635	465	1,121	2,301	13,132
Other Financing Uses	903	-	19,914	-	1,010	698	17,539	2,669	4,455	3,032	15,350	20,016	85,586
Advances to Other Funds	111,540	600	-	-	-	-	-	-	-	-	-	-	112,140
CalPERs Prepayment	240,488	-	-	-	-	-	-	-	-	-	-	-	240,488
Interfund Transfers	-	-	-	-	-	-	-	-	-	-	-	45,000	45,000
Total Disbursements	659,055	343,943	359,849	466,384	348,243	358,427	426,567	416,048	439,960	539,805	440,415	473,270	5,271,966
Ending General Fund Cash Balance	(54,789)	(193,088)	(311,522)	(363,483)	(364,411)	(166,810)	(102,662)	(46,244)	(51,867)	(154,241)	25,408	229,961	229,961
<hr/>													
TRANS Borrowing		430,370	430,370	430,370	430,370	430,370	430,370	165,080	165,080	165,080	165,080	(12,380)	-
Proceeds of Notes	425,000	-	-	-	-	-	-	-	-	-	-	-	425,000
Principal Payment on Note	-	-	-	-	-	-	(255,000)	-	-	-	(170,000)	-	(425,000)
Premium	5,843	-	-	-	-	-	-	-	-	-	-	-	5,843
Interest Expense / Cost of Issuance	(473)	-	-	-	-	-	(10,290)	-	-	-	(7,460)	12,380	(5,843)
Total TRANS Borrowing	430,370	430,370	430,370	430,370	430,370	430,370	165,080	165,080	165,080	165,080	(12,380)	-	-
Ending Balance WITH TRANS Borrowing	375,581	237,282	118,848	66,887	65,959	263,560	62,418	118,836	113,213	10,839	13,028	229,961	229,961

Source: County Auditor-Controller

TABLE V
County of Riverside Fiscal Year 2023-24
Comparison between Original Projected General Fund Cash Flows
and Actual/Estimated General Fund Cash Flows
(\$ in Thousands)

	FY 23/24 Projections	FY 23/24 Actual / Revised Projections	\$ Over (Under)	% Over (Under)	
Property Taxes	\$ 341,505	\$ 340,235	(\$1,270)	-0.4%	
Sales and Use Taxes	49,313	50,804	1,491	3.0	
Other Taxes	75,179	84,287	9,108	12.1	A
Licenses & Permits	23,804	22,417	(1,387)	-5.8	
Fines, Forfeitures & Penalties	54,247	52,512	(1,735)	-3.2	
Rev from Use of Money and Property	43,933	55,669	11,736	26.7	B
State Aid	1,845,523	1,989,147	143,624	7.8	
Federal Aid	793,585	848,958	55,373	7.0	
Other Governmental Aid	139,805	149,169	9,364	6.7	
Charges for Current Services	627,058	717,547	90,489	14.4	C
Miscellaneous Revenue	38,363	46,713	8,350	21.8	D
Other Financing Sources	14,591	21,016	6,425	44.0	E
Repayment of Advances to Other Funds	63,389	62,200	(1,189)	-1.9	
Reimbursement from Depts (CalPERS)	196,890	196,890	-	0.0	
Interfund Transfers	94,067	94,067	-	0.0	
Total	\$4,401,252	\$4,731,631	\$330,379	7.5%	
Salaries and Benefits	\$2,187,250	\$2,303,533	\$116,283	5.3%	
Services and Supplies	916,849	1,048,286	131,437	14.3	F
Other Charges	987,801	1,060,683	72,882	7.4	
Fixed Assets and Capital Outlay	14,932	19,308	4,376	29.3	G
Other Financing Uses	86,186	83,895	(2,291)	-2.7	
Advances to Other Funds	63,389	60,673	(2,716)	-4.3	
CalPERS Prepayment	196,890	196,890	-	0.0	
Interfund Transfers	94,067	94,067	-	0.0	
Total	\$4,547,364	\$4,867,335	\$319,971	7.0%	

A. The Documentary Transfer Tax and Transient Tax, which are applied to real estate property transfers and vacation rentals, respectively, have contributed to a steady increase in Other Taxes.

B. The Federal Funds Rate has been raised by the Federal Reserve, resulting in higher investment returns as a result of the increased interest rates.

C. The increase in Charges for Current Services is attributable to the growth of contractual services and administrative revenues.

D. The increase in Miscellaneous Revenue is attributable to transfers of unclaimed funds and increases in certain franchise fees, administrative fees, and tax sales.

E. Increase in Other Financing Sources is attributable to reimbursements to the General Fund and the sale of automotive equipment.

F. The increase in costs is attributable to the higher prices of government services and supplies needed to return to normal operations after the COVID-19 pandemic.

G. The increase in Fixed Assets and Capital Outlay is attributable to the renovation of two facilities by the County Sheriff's Department and the Public Health Department's acquisition of certain lab testing equipment.

Source: County Auditor-Controller

TABLE VI
County of Riverside
Comparison between Fiscal Year 2023-24 Actual/Estimated General Fund Cash Flows
and Fiscal Year 2024-25 Projected General Fund Cash Flows
(\$ in Thousands)

	FY 23/24 Actual / Revised Projections	FY 24/25 Projections	\$ Over (Under)	% Over (Under)	
Property Taxes	\$340,235	\$360,884	\$20,649	6.1%	H
Sales and Use Taxes	50,804	48,479	(2,325)	-4.6	
Other Taxes	84,287	91,937	7,650	9.1	I
Licenses & Permits	22,417	23,304	887	4.0	
Fines, Forfeitures & Penalties	52,512	50,247	(2,265)	-4.3	
Rev from Use of Money and Property	55,669	60,875	5,206	9.4	J
State Aid	1,989,147	2,166,203	177,056	8.9	K
Federal Aid	848,958	924,052	75,094	8.8	K
Other Governmental Aid	149,169	155,605	6,436	4.3	
Charges for Current Services	717,547	754,906	37,359	5.2	
Miscellaneous Revenue	46,713	50,999	4,286	9.2	L
Other Financing Sources	21,016	29,732	8,716	41.5	M
Repayment of Advances to Other Funds	62,200	112,140	49,940	80.3	N
Reimbursement from Depts (CalPERS)	196,890	240,492	43,602	22.1	
Interfund Transfers	94,067	45,000	(49,067)	-52.2	
Total	\$4,731,631	\$5,114,855	\$383,224	8.1%	
Salaries and Benefits	2,303,533	2,524,952	221,419	9.6%	O
Services and Supplies	1,048,286	1,110,698	62,412	6.0	
Other Charges	1,060,683	1,139,970	79,287	7.5	
Fixed Assets and Capital Outlay	19,308	13,132	(6,176)	-32.0	
Other Financing Uses	83,895	85,586	1,691	2.0	
Advances to Other Funds	60,673	112,140	51,467	84.8	N
CalPERS Prepayment	196,890	240,488	43,598	22.1	P
Interfund Transfers	94,067	45,000	(49,067)	-52.2	
Total	\$4,867,335	\$5,271,966	\$404,631	8.3%	

H. The increase in Property Taxes is attributable to the rise in assessed property values.

I. The Documentary Transfer Tax and Transient Tax, which are applied to real estate property transfers and vacation rentals, respectively, have contributed to a steady increase in Other Taxes.

J. The Federal Funds Rate has been raised by the Federal Reserve, resulting in higher investment returns as a result of the increased interest rates.

K. The rise in State and federal government assistance is attributable to an increase in claims resulting from escalating expenses associated with salaries and services/supplies.

L. The increase in Miscellaneous Revenue is attributable to transfers of unclaimed funds and increases in certain franchise fees, administrative fees, and tax sales.

M. The increase in Other Financing Sources can be attributed to supplementary contributions made from other funds.

N. The increases in Repayment of Advances to Other Funds and Advances to Other Funds result from additional contributions to debt service advances.

O. The recent union adjustments have directly increased pay and employee benefits, and the Board of Supervisors has approved substantial improvements in medical benefits and staff compensation. See "APPENDIX A – INFORMATION REGARDING THE COUNTY OF RIVERSIDesection IV – FINANCIAL INFORMATION – Labor Relations."

P. The prepayment amount for Fiscal Year 2024-25 has been raised because of an increased unfunded liability contribution amount. See "APPENDIX A – INFORMATION REGARDING THE COUNTY OF RIVERSIDesection IV – FINANCIAL INFORMATION – Retirement Program."

Source: County Auditor-Controller

Alternative Cash Resources and Other Restricted Cash Resources Available For Repayment of the Note

Alternative cash resources and other restricted cash resources may be available to pay principal of and interest on the Note in the event of a shortfall in Pledged Revenues such that Pledged Revenues are insufficient to pay principal of and interest on the Note.

California Government Code Section 25252 authorizes the Board of Supervisors of the County to establish and abolish funds necessary for the proper transaction of the business of the County and further provides that the Board of Supervisors may authorize the County Auditor-Controller to perform this

function. In addition, California Government Code Section 25252 authorizes the Board of Supervisors to make transfers from one fund to another as the public interest requires and further provides that the Board of Supervisors may by resolution authorize the County Auditor-Controller to make such transfers of money from one fund to another if the Board of Supervisors has authority over each such fund, as the public interest requires. Pursuant to Resolution No. 2010-205, adopted by the Board of Supervisors on August 10, 2010, the Board of Supervisors has authorized the County Auditor-Controller to make temporary transfers of money between those funds under the authority of the Board of Supervisors as the public interest may require.

Set forth in Table VII below are the actual and projected alternative and other restricted cash resources available to the County from the specified funds as of the dates set forth in such table. Pursuant to the authority granted in Resolution No. 2010-205, the County Auditor-Controller is authorized to transfer such moneys from one fund to another fund as the public interest may require, including transfers to the General Fund for the payment of the Note. There is no prescribed time period for the repayment of temporary transfers from one fund to another. The County Auditor-Controller has the authority to determine the timing of such repayments based on the needs of the respective funds.

The assumptions and projections underlying the projected alternative and other restricted cash resources are uncertain and, though considered reasonable by the management of the County as of the date hereof, are subject to a wide variety of significant business, economic and political risks and uncertainties that could cause actual results to differ materially from those contained in the projected alternative and other restricted cash resources. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the County or that actual results will not be materially higher or lower than those contained in the projected alternative and other restricted cash resources. Inclusion of the projected alternative and other restricted cash resources in this Official Statement should not be regarded as a representation by any person that the results contained in the projected alternative and other restricted cash resources will be achieved.

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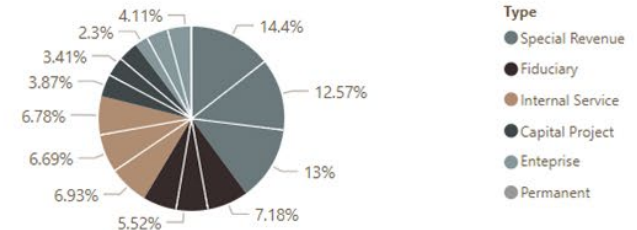
TABLE VII
County of Riverside Alternative and Other Restricted Cash Resources
Actual/Projected



Alternative Cash and Other Restricted Cash Resources

Type	Fund Group	6/30/23	5/13/24	Proj. 6/30/24	Proj. 6/30/25
Capital Project	CREST	\$8,722,106	\$7,144,126	\$7,948,527	\$7,849,504
Capital Project	Flood Cntrl	\$19,848	\$20,448	\$19,575	\$19,630
Capital Project	Pub Fac Improvmnts	\$225,080,949	\$208,945,232	\$195,789,791	\$203,336,583
Capital Project	Reg Parks & Open Spc	\$170,779	\$2,748,219	\$2,186,568	\$1,841,714
Enteprise	EF_Aviation	\$2,303,799	\$3,892,178	\$3,516,710	\$3,664,579
Enteprise	EF_CSA	\$3,627,593	\$3,379,758	\$2,744,218	\$3,385,505
Enteprise	EF_Flood_Control	\$8,167,765	\$6,974,973	\$7,560,532	\$7,754,625
Enteprise	EF_Housing_Authority	\$110,886	(\$1,672,910)	\$193,209	\$155,839
Enteprise	EF_RUHS-FQHC	(\$95,215)	(\$9,268,174)	(\$2,857,243)	(\$2,836,404)
Enteprise	EF_RUHS-Medical Center	(\$117,012,461)	\$24,415,519	(\$8,533,991)	\$5,568,824
Enteprise	EF_Waste_Resources	\$242,016,806	\$246,857,160	\$224,971,961	\$230,585,044
Fiduciary	CF_External_Investment_Pool	\$15,226,042	(\$20,601,260)	\$1,208,842	\$4,414,018
Fiduciary	CF_Other_Custodial	\$201,189,937	\$347,701,198	\$168,974,747	\$176,107,405
Fiduciary	CF_Payroll_Deduction	\$10,787,198	(\$53,654,366)	\$10,075,400	\$9,577,472
Fiduciary	CF_Property_Tax_Collection	\$187,386,904	\$2,177,825,434	\$132,394,427	\$144,138,766
Fiduciary	Private_Purpose_Trust	\$19,299,170	\$5,762,336	\$21,003,238	\$20,577,786
Internal Service	ISF_Central_Mail	\$410,888	\$223,867	\$403,229	\$408,852
Internal Service	ISF_Fleet_Services	\$4,684,294	(\$600,401)	\$5,777,707	\$5,570,600
Internal Service	ISF_Flood_Cntrl_Equi	\$4,838,515	\$5,660,325	\$2,927,628	\$4,183,856
Internal Service	ISF_FM	\$17,165,085	\$14,780,914	\$16,545,909	\$16,544,742
Internal Service	ISF_Info_Technology	\$27,624,514	\$25,263,145	\$27,209,280	\$27,493,482
Internal Service	ISF_Risk_Management	\$356,568,842	\$377,770,903	\$345,148,304	\$348,652,000
Internal Service	ISF_Supply_Services	\$492,859	\$501,070	\$387,836	\$417,980
Internal Service	Public Safety Enterprise Communication - Sheriff	\$7,269,792	\$6,302,929	\$6,271,783	\$6,588,802
Permanent	Perris Valley Cemetery	\$1,577,345	\$1,773,303	\$1,401,245	\$1,459,991
Special Revenue	Air Quality Improvement Fund	\$1,717,836	\$1,745,759	\$1,437,338	\$1,537,913
Special Revenue	Cnty Svc Areas	\$44,094,874	\$40,973,021	\$39,602,513	\$41,217,878
Special Revenue	Community Svcs	\$97,696,755	\$87,153,151	\$69,136,502	\$72,656,838
Special Revenue	Flood Cntrl	\$314,040,443	\$299,297,986	\$301,251,500	\$306,612,153
Special Revenue	In Home Support Services	(\$1,354,440)	(\$2,067,942)	(\$805,050)	\$194,950
Special Revenue	Other Special Revenue	\$105,706,238	\$134,814,452	\$76,301,406	\$84,513,406
Special Revenue	Perris Valley Cemetery	\$2,133,262	\$2,386,464	\$1,906,397	\$1,982,569
Special Revenue	RC Family Comm	\$34,877,023	\$34,639,447	\$34,408,277	\$34,685,979
Special Revenue	Reg Parks & Open Spc	\$20,065,466	\$17,824,373	\$16,868,093	\$18,001,170
Special Revenue	Transportation	\$251,804,194	\$252,417,295	\$219,593,360	\$224,746,797
Total		\$2,098,415,891	\$4,251,329,932	\$1,932,969,768	\$2,013,610,848

Alternative Cash and Other Restricted Cash Resources



Alternative Cash and Other Restricted Cash Resources-Summary

Borrow/Restrict	Type	6/30/23	5/13/24	Proj. 6/30/24	Proj. 6/30/25
Borrowable	Capital Project	\$233,803,055	\$216,089,358	\$203,738,318	\$211,186,087
Borrowable	Enteprise	(\$111,176,284)	\$22,419,281	(\$5,130,306)	\$9,782,504
Borrowable	Internal Service	\$414,216,274	\$424,242,427	\$401,744,048	\$405,676,458
Borrowable	Special Revenue	\$501,019,897	\$517,103,678	\$406,071,119	\$424,672,832
Restrict	Capital Project	\$190,627	\$2,768,667	\$2,206,143	\$1,861,344
Restrict	Enteprise	\$250,295,457	\$252,159,223	\$232,725,702	\$238,495,508
Restrict	Fiduciary	\$433,889,251	\$2,457,033,342	\$333,656,654	\$354,815,447
Restrict	Internal Service	\$4,838,515	\$5,660,325	\$2,927,628	\$4,183,856
Restrict	Permanent	\$1,577,345	\$1,773,303	\$1,401,245	\$1,459,991
Restrict	Special Revenue	\$369,761,754	\$352,080,328	\$353,629,217	\$361,476,821
Total		\$2,098,415,891	\$4,251,329,932	\$1,932,969,768	\$2,013,610,848

General Fund Unrestricted Cash

Fund	6/30/23	05/13/24	Proj. 6/30/24	Proj. 6/30/25
10000	\$522,760,050	\$198,262,307	\$387,072,000	\$229,960,760
Total	\$522,760,050	\$198,262,307	\$387,072,000	\$229,960,760

Source: County Auditor-Controller

The County projects that alternative cash resources, General Fund unrestricted cash and other restricted cash resources will total approximately \$2.243 billion as of June 30, 2025, the maturity date of the Note. The Board of Supervisors has pre-authorized draws on alternative cash resources referenced above, if necessary to pay debt service of the Note, without the requirement of further Board action. Other restricted cash resources are also available as resources for repayment of the Note, however, further Board action would be required.

Additional Notes

Under the Resolution, the County has reserved the right to issue additional tax and revenue anticipation notes during Fiscal Year 2024-25 having a lien on the Pledged Revenues and amounts on deposit in the Payment Account that is on parity to the lien on the Pledged Revenues securing the then-outstanding Note and amounts on deposit in the Payment Account, so long as the aggregate principal of and interest on the Note and each such additional Parity Note will not exceed 85% of the estimated moneys legally available for the payment of the Note and each such additional Parity Note. A Parity Note may be issued provided that (i) the issuance of any such Parity Note shall not in and of itself reduce or impair the rating on the then outstanding Note, (ii) the maturity date of any such Parity Note shall be later than the then outstanding Note, and (iii) the then-outstanding Note and the Parity Note shall have the same paying agent. In the event that the County issues a Parity Note, the County shall make appropriate deposits into the Payment Account with respect to such Parity Note, and in such event, the Payment Account shall also be held for the benefit of the holders of the Parity Note. The County may incur indebtedness secured by a pledge of its Pledged Revenues subordinate to the pledge of Pledged Revenues under the Resolution and may issue subordinate tax and revenue anticipation notes. See “APPENDIX F—FORM OF RESOLUTION” attached hereto. The County currently expects that, other than the Note, it will not issue any tax and revenue anticipation notes, bonds or warrants pursuant to the Act with respect to Fiscal Year 2024-25.

Sources and Uses of Funds

The following table presents the estimated sources and uses of funds in connection with the issuance of the Note.

Sources

Par Amount of Note
[Original Issue Premium/Discount]
Total Sources

Uses

Deposit to Note Proceeds Accounts
Costs of Issuance*
Total Uses

* Includes legal fees, Underwriters' discount, printing expenses and other costs of issuance.

Book-Entry-Only System

DTC will act as securities depository for the Note. The Note will be issued as a fully registered security registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued in the aggregate principal amount of the Note and will be deposited with DTC. Individual purchases of participation in the Note will be made in book-entry form only. Purchasers of the Note or any portion

thereof will not receive certificates representing their ownership interest in the Note purchased. Principal and interest payments on the Note are payable directly to DTC by the Paying Agent. Upon receipt of payments of principal and interest, DTC will in turn distribute such payments to its participants who are responsible for distributing such payments to the beneficial owners of the Note. See “APPENDIX E—BOOK-ENTRY-ONLY SYSTEM” attached hereto.

Unless otherwise noted, the information contained in Appendix E hereto has been provided by DTC. The County makes no representations as to the accuracy or completeness of such information. The beneficial owners of the Note should confirm the information contained in Appendix E with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE COUNTY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE NOTE; (C) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE OWNER OF THE NOTE; (D) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE NOTE; OR (E) ANY OTHER MATTER REGARDING DTC.

THE COUNTY

General

The County was organized in 1893 from territory in San Bernardino and San Diego counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino county, on the east by the State of Arizona, on the south by San Diego and Imperial counties and on the west by Orange and San Bernardino counties. The County is the fourth largest county (by area) in the State and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County. According to the State Department of Finance, Demographic Research Unit, the County’s population was estimated at 2,442,378 as of January 1, 2024, representing an approximately 0.6% increase over the County’s population estimated as of January 1, 2023.

The County is a general law county divided into five supervisorial districts on the basis of registered voters and population. The County is governed by a five-member Board of Supervisors, elected by district, serving staggered four-year terms. The Chair of the Board is elected by the Board members. The County administration includes appointed and elected officials, boards, commissions and committees which assist the Board.

The County provides a wide range of services to residents, including police and fire protection, medical and health services, education, library services and public assistance programs. Some municipal services are provided by the County on a contract basis to incorporated cities within its boundaries. These services are designed to allow cities to contract for municipal services such as police and fire protection without incurring the cost of creating their own departments and facilities for such services. Services are provided to the cities at cost by the County.

Economic, demographic and financial information regarding the County is contained herein in “APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE” and “APPENDIX B — THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL

YEAR ENDED JUNE 30, 2023” herein. Each contains important information concerning the County and should be read in its entirety.

COVID-19 Pandemic

The spread of the novel strain of coronavirus and the disease it causes (now known as “COVID-19”) has among other things, disrupted economies across the world, including those at the national, state, and local levels. The State and County have taken actions designed to mitigate the spread of COVID-19, including the imposition by the State of the Blueprint for a Safer Economy, which provided a tiered framework for restricting and loosening business and social activities based on local COVID-19 risk levels. With widespread vaccination in the United States and many countries worldwide, most of the governmental-imposed restrictions on operations of schools and businesses implemented to respond to and control the outbreak have been eased or eliminated.

In 2020, the County received grants in the total amount of approximately \$487 million under the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”) from the federal government. The funds were placed in a special restricted fund established within the County treasury and may only be accessed for purposes permitted under the CARES Act, which, under current guidelines from the U.S. Department of the Treasury, is limited to necessary expenditures incurred due to the public health emergency with respect to COVID-19. Funds received by the County under the CARES Act are not available for payment of debt service on the Note and cannot be used to backfill County revenue losses related to COVID-19. Administration of the funds is conducted solely through the County’s Executive Office with direction from the Board of Supervisors. A portion of the CARES Act funds received by the County are allocable to other governmental units or other entities within the County.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (“ARPA”) into law, which was intended to combat the COVID-19 pandemic, including the public health and economic impacts. The County’s share of ARPA funds is approximately \$480 million. The County received approximately \$240 million of ARPA funds on May 17, 2021 and received the second installment allocation of ARPA funds in an equal amount on June 6, 2022. The County Executive Office has presented allocation recommendations to the Board of Supervisors that included funding for economic recovery, housing and homelessness, County departments’ response, infrastructure, and nonprofit assistance. The latest update and recommendation was presented to the Board of Supervisors on October 31, 2023.

In November 2022, the United States Department of the Treasury announced the release of the first round of Local Assistance and Tribal Consistency Fund (“LATCF”) payments to eligible counties for Fiscal Years 2022-23 and 2023-24. The fund is a general revenue enhancement program that provides additional assistance to eligible revenue sharing counties and eligible Tribal governments under ARPA. The County has received an allocation of \$12 million from the fund.

In accordance with the Interim Final Rule published by the Department of the Treasury on May 17, 2021 with respect to Coronavirus State and Local Fiscal Recovery Funds, the County cannot allocate the ARPA funds to the payment of principal and interest on the Note. Overall, declines in the County’s General Fund discretionary revenue, as well as its Prop 172 Public Safety Sales Tax revenue have not materialized as originally anticipated in 2020. In addition, the County realized \$10 million in revenue backfill funds from ARPA in Fiscal Year 2021-22, which was used to fund government services. The County cannot predict any additional adverse impacts the COVID-19 pandemic may have on the County or its financial condition or operations.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

The County is not authorized to levy or collect any specific tax for the repayment of the Note.

Article XIII A of the State Constitution

In 1978, California voters approved Proposition 13, adding Article XIII A to the California Constitution. Article XIII A was subsequently amended in 1986, as discussed below. Article XIII A limits the amount of any ad valorem tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the Fiscal Year 1975-76 tax bill under ‘full cash’ or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster.

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to the County continues as part of its allocation in future years.

Article XIII B of the State Constitution

On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Propositions 98 and 111, approved by the California voters in 1988 and 1990, respectively, substantially modified Article XIII B. The principal effect of Article XIII B is to limit the annual appropriations of the State and any city, county, school district, authority, or other political subdivision of the State to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living and population. The initial version of Article XIII B provided that the “base year” for establishing an appropriations limit was the 1978-79 Fiscal Year, which was then adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies. Proposition 111 revised the method for making annual adjustments to the appropriations limit by redefining changes in the cost of living and in population. It also required that beginning in Fiscal Year 1990-91, each appropriations limit must be recalculated using the actual 1986-87 appropriations limit and making the applicable annual adjustments as if the provisions of Proposition 111 had been in effect.

Appropriations subject to limitation of a local government under Article XIII B include generally any authorization to expend during a fiscal year the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity, exclusive of refunds of taxes. Proceeds of taxes include, but are not limited to, all tax revenues plus the proceeds to an entity of government from (1) regulatory licenses, user charges and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), (2) the investment of tax revenues, and (3) certain subventions received from the State. Article XIII B permits any government entity to change the appropriations limit by a vote of the electors in conformity with statutory and constitutional voting effective for a maximum of four years.

As amended by Proposition 111, Article XIII B provides for testing of appropriations limits over consecutive two-year periods. If an entity's revenues in any two-year period exceed the amounts permitted to be spent over such period, the excess has to be returned by revising tax rates or fee schedules over the subsequent two years. As amended by Proposition 98, Article XIII B provides for the payment of a portion of any excess revenues to a fund established to assist in financing certain school needs.

The County's appropriations limit for Fiscal Year 2022-23 was \$3,795,098,855 and the amount subject to the limitation was \$1,983,006,950. The County's appropriations limit for Fiscal Year 2023-24 is \$3,977,263,600 and the amount shown in its budget for that fiscal year as the appropriations subject to limitation is \$1,874,420,924.

Right To Vote on Taxes Initiative-Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of local agencies to levy and collect both existing and future taxes, assessments, fees and charges. Proposition 218 (Article XIII C) requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote.

Proposition 218 (Article XIII D) also adds several provisions making it generally more difficult for local agencies to levy and maintain fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a "special benefit," as defined in Article XIII D, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services where the service is available to the public at large in substantially the same manner as it is to property owners.

Proposition 218 (Article XIII C) also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of any county will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the County's General Fund. No such initiative is currently pending, or to the knowledge of the County, proposed.

The County is unaware of any assessments imposed by the County which, if challenged, would adversely affect County finances. Implementing legislation respecting Proposition 218 may be introduced in the State legislature (the “Legislature”) from time-to-time that would supplement and add provisions to California statutory law. No assurance may be given as to the terms of such legislation or its potential impact on the County.

Proposition 62

Proposition 62, a statutory initiative that was adopted by the voters voting in the State at the November 4, 1986 general election, (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities be approved by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIII A of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires a reduction of ad valorem property taxes allocable to the jurisdiction imposing a tax not in compliance with its provisions equal to one dollar for each dollar of revenue attributable to the invalid tax, for each year that the tax is collected.

Following its adoption by the voters, various provisions of Proposition 62 were declared unconstitutional at the appellate court level. For example, in *City of Woodlake v. Logan*, 230 Cal.App.3d 1058 (1991) (the “Woodlake Case”), the Court of Appeal held portions of Proposition 62 unconstitutional as a referendum on taxes prohibited by the California Constitution. In reliance on the Woodlake Case, numerous taxes were imposed or increased after the adoption of Proposition 62 without satisfying the voter approval requirements of Proposition 62. On September 28, 1995, the California Supreme Court, in *Santa Clara County Local Transportation Authority v. Guardino*, 11 Cal. 4th 220 (1995) (the “Santa Clara Case”), upheld the constitutionality of the portion of Proposition 62 requiring a two-thirds vote in order for a local government or district to impose a special tax, and, by implication, upheld a parallel provision requiring a majority vote in order for a local government or district to impose any general tax. In deciding the Santa Clara Case on Proposition 62 grounds, the Court disapproved the decision in the Woodlake Case.

The decision in the Santa Clara Case did not address the question of whether it should be applied retroactively. On June 4, 2001, the California Supreme Court released *Howard Jarvis Taxpayers Association v. City of La Habra, et al.* 74 Cal.App.4th 707 (1999) (the “La Habra” case). In this decision, the court held that a public agency’s continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought. No such challenge against the County is currently pending, or to the knowledge of the County, proposed.

Proposition 1A

Proposition 1A, proposed by the Legislature in connection with the 2004-05 Budget Act, approved by the voters in November 2004 and generally effective in 2007-08 Fiscal Year, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A

generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the VLF rate then in effect, 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 1A may result in increased and more stable County revenues. The magnitude of such increase and stability is unknown and would depend on future actions by the State. However, Proposition 1A could also result in decreased resources being available for State programs. This reduction, in turn, could affect actions taken by the State to resolve budget difficulties. Such actions could include increasing State taxes, decreasing spending on other State programs or other action, some of which could be adverse to the finances of the County.

Proposition 22

Proposition 22, approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State's general fund or any other State fund. In addition, Proposition 22 generally eliminates the State's authority to temporarily shift property taxes from cities, counties and special districts to schools or temporarily increase a school and community college districts' share of property tax revenues, prohibits the State from borrowing or redirecting redevelopment property tax revenues or requiring increases in pass-through payments thereof, and prohibits the State from reallocating vehicle license fee revenues to pay for State-imposed mandates. In addition, Proposition 22 requires a two-thirds vote of each house of the Legislature and a public hearing process to be conducted in order to change the amount of fuel excise tax revenues shared with cities and counties. Proposition 22 prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies. While Proposition 22 will not change overall State and local government costs or revenues by the express terms thereof, it will cause the State to adopt alternative actions to address its fiscal and policy objectives.

Proposition 26

On November 2, 2010, the voters passed Proposition 26, which amends the State Constitution to require that certain state and local fees be approved by two-thirds of each house of the Legislature instead of a simple majority, or by local voters. The change in law affects regulatory fees and charges such as oil recycling fees, hazardous materials fees and fees on alcohol containers.

Proposition 26 provides that the local government bears the burden of proving by a preponderance of evidence that a levy, charge or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the government activity, and that the manner in which those costs are allocated to a payor bear a reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The County does not expect the provisions of Proposition 26 to materially and adversely affect its ability to pay debt service on the Note when due.

Assessment Appeals and Assessor Reductions

Pursuant to California law, a property owner may apply for a reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county assessment appeals board (a "Proposition 8" appeal). Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which written application is filed. The assessed value increases to its pre-reduction level for fiscal years following the year for which the reduction application is filed. However, if the taxpayer establishes through proof of comparable values that the property continues to be overvalued (known as "ongoing hardship"), a county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year as well. In a similar manner, a county assessor may reassert the pre-appeal level of assessed value depending on the county assessor's determination of current value.

In addition to reductions in assessed value resulting from Proposition 8 appeals and general economic conditions, California law also allows assessors to reduce assessed value unilaterally based on a general decline in market value of an area. Although Proposition 8 reductions are temporary and are expected to be eliminated under Proposition 13 if and when market conditions improve, no assurance is given that such reductions will be eliminated. The County has, in prior years, been affected by a reduction in taxable property assessed values due to successful property owner appeals and unilateral reductions by the County Assessor, and may experience additional reductions in the future.

Timing is an important consideration with respect to the property valuation process. Values are set for the current year with a valuation date as of the preceding January 1. Changes in market value subsequent to the January 1 valuation date are not reflected until the subsequent year. Therefore, there is an inherent lag in the process.

The County Assessor prepares the tax roll in each spring and summer. Owners are notified of changes in valuation by early fall and have the ability to file an appeal. The deadline for appeals in the County is November 30th. Current year appeals take a number of months to process and typically are not resolved by the end of the fiscal year.

Assessor-initialized reductions generally represent the bulk of adjustments to the tax roll during a market decline. Cumulatively, assessed valuation in the County declined 11% from Fiscal Year 2007-08 through Fiscal Year 2014-15 due to the County Assessor's proactive reviews. Since Fiscal Year 2014-15, there have been no additional Proposition 8 reductions of significance. Assessed valuation has increased in the County in each Fiscal Year since Fiscal Year 2013-14, and is projected to increase by approximately 6% in Fiscal Year 2024-25 as compared to the prior year. See "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE" attached hereto.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D and Propositions 62, 1A, 25 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time-to-time, other initiative measures could be adopted, further affecting revenues of the County or the County's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the County.

Initiative Measure Qualified for November 2024 Ballot — Taxpayer Protection and Government Accountability Act. A ballot initiative known as the "Taxpayer Protection and Government Accountability Act" ("Initiative 1935") is presently qualified for the November 2024 statewide ballot. If

approved by a majority of voters, Initiative 1935 would make numerous significant changes to Articles XIII, XIII A, XIII C and XIII D of the California Constitution to further limit the authority of local governments, and electors via the initiative process, to adopt and impose taxes and fees.

Among other effects, if passed, Initiative 1935 would provide that all levies, charges or exactions imposed by a local law are taxes unless the charge is an “exempt charge,” as further described in Initiative 1935. A “local law” is broadly defined to include regulations, rulings, opinion letters or other legal authority or interpretation of a local government. Local governments such as the County that impose fees or charges would need to prove by clear and convincing evidence that the fee or charge qualifies as an exempt charge, which Initiative 1935 generally limits to: (i) reasonable charges for a specific local government service or product in an amount that does not exceed the actual cost to the local government, as further described in Initiative 1935; (ii) charges relating to the reasonable costs of regulatory activities; (iii) reasonable charges for entering or using public property; (iv) judicial fines, penalties and other charges imposed pursuant to adjudicatory due process; (v) charges as a condition to property development except those relating to vehicle miles traveled; (vi) assessments, fees or charges subject to Article XIII D of the Constitution (such as charges for water or wastewater services) or assessments imposed by a tourism marketing district, a parking and business improvement area or a property and business improvement district; and (vii) charges for certain health care services provided directly to the payor that do not exceed the reasonable cost of providing the service.

Initiative 1935 could affect fees and charges related to emergency response, document processing and duplication, transit, tolls, parking, facility use, and garbage disposal. If the fee or charge does not qualify as an exempt charge under Initiative 1935, or the local government cannot prove the necessary facts by clear and convincing evidence, the charge would be considered a tax, requiring certain procedures and an election. Under Initiative 1935, any special tax, whether proposed by the governing body or by initiative, would require a two-thirds vote.

In addition to the restraints on fees and charges described above, Initiative 1935 would impose new restrictions that could make it significantly more difficult for local governments such as the County to raise revenues by taxation, impacting their ability to support general fund-paid obligations. Specifically, each ballot measure for a new, increased or extended tax would have to include language concerning the type, amount or rate, duration and use of the tax. Any special tax, including those imposed by initiative, would require a two-thirds vote. Advisory measures accompanying a general tax would be prohibited.

Initiative 1935 purports to apply retroactively. If its retroactivity is effective, applicable taxes, fees and charges created, increased or extended after January 1, 2022, not adopted in a manner consistent with the requirements of Initiative 1935 would become void unless reenacted within 12 months.

The Governor and the Legislature are challenging Initiative 1935 in the California Supreme Court. They argue that the initiative should not appear on the ballot because it would amount to an unlawful revision of the California Constitution and an impermissible interference with essential government functions. The Governor and the Legislature have requested a ruling by June 2024, before election workers prepare ballots for the November 2024 election. It is unclear how the California Supreme Court will rule.

The County cannot predict whether Initiative 1935 will be approved at the November 2024 election. If Initiative 1935 is approved, the County cannot provide any assurances that it will not have a material adverse effect on the County’s ability to adopt or increase rates, fees, and charges for the various services provided by the County.

STATE OF CALIFORNIA BUDGET INFORMATION

The following information concerning the State's budgets has been obtained from publicly available information which the County believes to be reliable; however, the County neither takes any responsibility for nor guarantees the accuracy or completeness thereof. The County has not independently verified such information. Information about the State budget is regularly available at various State-maintained websites. Text of the current and past budgets may be found at the State Department of Finance website. An impartial analysis of the budget is posted by the Legislative Analyst's Office at its website. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriters, and the County and the Underwriters take no responsibility for the continued accuracy of the internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated herein by these references.

The County relies significantly upon State and federal payments for reimbursement of various costs, including certain mandated programs. For Fiscal Year 2023-24, approximately 44.4% of the County's General Fund budget revenues consist of payments from the State and approximately 22.5% consist of payments from the federal government. For Fiscal Year 2024-25, the County projects that approximately 43.7% of its General Fund budget revenues will consist of payments from the State and 21.4% will consist of payments from the federal government. A portion of such amounts constitutes Pledged Revenues. Changes in various federal and State programs and legislation could have a material impact on the County's budget. There can be no assurances that the occurrence of a recession or otherwise declining conditions in the local, State or national economies will not materially adversely affect the financial condition of the County in the future.

For a description of certain potential impacts of the State budget on the finances and operations of the County, see "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION III—BUDGETARY INFORMATION" attached hereto.

State Budget for Fiscal Year 2023-24. On June 27, 2023, the Governor signed the State budget for fiscal year 2023-24 (the "2023-24 Budget"). The following information is drawn from the Department of Finance (the "DOF") summary of the 2023-24 Budget.

The 2023-24 Budget reports that, after two years of growth, the State is projected to face a downturn in revenues driven by a declining stock market, persistently high inflation, rising interest rates and job losses in high-wage sectors. The 2023-24 Budget forecasts that the State will face a \$31.7 billion shortfall in fiscal year 2023-24. To close the budget gap, the 2023-24 Budget includes a series of measures intended to avoid deep reductions to priority programs that marked budgetary shortfalls over the past two decades:

- *Fund Shifts* – \$9.3 billion in shifts of spending commitments from the State general fund to other sources.
- *Reductions/Pullbacks* – \$8.1 billion in State general fund spending reductions or pullbacks of previously approved spending.
- *Delays* – \$7.9 billion in delayed spending across multiple years, without reducing the amount of funding over the same period.

- *Revenue and Internal Borrowing* – \$6.1 billion in revenue, primarily from the Managed Care Organization tax, and internal borrowing from special fund balances not projected for programmatic purposes.
- *Trigger Reductions* – \$340 million in reductions that will be restored in the proposed State budget for fiscal year 2024-25 if there are sufficient resources to do so.

For fiscal year 2022-23, the 2023-24 Budget projects total general fund revenues and transfers of \$205.1 billion and authorizes expenditures of \$234.6 billion. The State is projected to end the 2022-23 fiscal year with total reserves of \$54.2 billion, including \$21.1 billion in the traditional general fund reserve, \$22.3 billion in the Budget Stabilization Account, \$9.9 billion in the Public School System Stabilization Account and \$900 million in the Safety Net Reserve Fund. For fiscal year 2023-24, the 2023-24 Budget projects total general fund revenues and transfers of \$208.7 billion and authorizes expenditures of \$225.9 billion. The State is projected to end the 2023-24 fiscal year with total reserves of \$37.8 billion, including \$3.8 billion in the traditional general fund reserve, \$22.3 billion in the Budget Stabilization Account, \$10.8 billion in the Public School System Stabilization Account and \$900 million in the Safety Net Reserve Fund. The 2023-24 Budget indicates that maintaining this level of reserves provides a prudent insurance policy, as the State continues to face revenue risks and uncertainty. Significantly, prolonged storm activity over the winter caused a tax filing delay affecting over 99% of tax filers in 55 of the State’s 58 counties. This delay pushed the projected receipt of \$42 billion in State tax receipts into October, representing nearly one-fourth of the 2022-23 fiscal year’s total projected personal income taxes, and nearly one third of the corporation tax.

The ending balance in the Budget Stabilization Account is at the constitutional maximum amount, requiring any amounts in excess thereof to be dedicated to infrastructure improvements. The 2023-24 Budget also includes revised deposits to the Public School System Stabilization Account of \$4.8 billion and \$1.8 billion attributable to fiscal years 2021-22 and 2022-23, respectively, and authorizes a deposit to that account in fiscal year 2023-24 of \$902 million.

Information about the State budget and State spending is available at various State maintained websites. The text of the Fiscal Year 2023-24 Budget and other documents related to the State budget may be found at the website of the State Department of Finance, www.dof.ca.gov. A nonpartisan analysis of the budget is posted by the Legislative Analyst’s Office at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov.

Proposed State Budget for Fiscal Year 2024-25 and May Revision to Proposed Fiscal Year Budget. The Governor released his Proposed 2024-25 State Budget, which sets forth a budget for Fiscal Year 2024-25 (the “Proposed Fiscal Year 2024-25 Budget”), on January 10, 2024. In the Proposed Fiscal Year 2024-25 Budget, the Governor proposes a \$291.5 billion state budget that assumes continued but slowing economic growth and does not assume a recession. The Proposed Fiscal Year 2024-25 Budget projects a \$37.9 billion deficit and proposes to draw upon \$13.1 billion from the State’s reserves to address part of the deficit. The remaining \$24.8 billion gap is bridged with a variety of deferrals, borrowings, reversions of unspent funds from prior years, and fund shifts. The Legislative Analyst’s Office has estimated a larger deficit of \$73 billion for Fiscal Year 2024-25 and proposes further spending reductions to achieve budgetary savings.

The County is currently evaluating the Proposed Fiscal Year 2024-25 State Budget. The Proposed Fiscal Year 2024-25 State Budget provides for, but is not limited to, the following items applicable to counties:

- Decreases of \$12.7 million State general fund in 2023-24, \$16.5 million general fund in 2024-25, and \$6.6 million general fund in 2025-26, and an increase of \$1.1 million in 2026-27 and annually thereafter for CARE Act implementation.
- CalWORKs Single Allocation – a reversion of \$336 million State general fund from 2022-23, a reversion of \$40.8 million general fund in 2023-24, and a reduction of \$40.8 million general fund in 2024-25 and ongoing which was previously approved as part of ongoing augmentation for this program.
- Family Stabilization – a reversion of \$55 million in 2023-24 and a reduction of \$71 million beginning in 2024-25 and ongoing for this program.
- Employment Services Intensive Case Management – a reduction of \$47 million beginning in 2024-25 and ongoing for this program.
- Expanded Subsidized Employment – a reversion of \$134.1 million in 2023-24 and reduction of \$134.1 million in 2024-25 and ongoing for this program.
- Per- and Polyfluoroalkyl Substances (PFAS) Support – a reversion of \$71.6 million State general fund in prior year funds and reduction of \$30 million in 2024-25 for PFAS support.

[TO BE UPDATED]

The complete Proposed Fiscal Year 2024-25 Budget and the 2024-25 May Revision are available from the State Department of Finance website at www.dof.ca.gov. Neither the County nor the Underwriters can take responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposition 25. According to the State Constitution, the Governor must propose a budget to the Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. Historically, the budget required a two-thirds vote of each house of the Legislature for passage. However, on November 2, 2010, the voters approved Proposition 25, which amends the State Constitution to lower the vote requirement necessary for each house of the Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two-thirds to a simple majority (50% plus one) of each house of the Legislature. The lower vote requirement also would apply to trailer bills that appropriate funds and are identified by the Legislature “as related to the budget in the budget bill.” The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two-thirds vote of the Legislature is still required to override any veto by the Governor.

Future State Budgets. No prediction can be made by the County as to whether the State will encounter budgetary problems in future fiscal years, and if this occurs, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the County cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on County finances and operations or what actions will be taken in the future by the Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, over which the County has no control.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Note is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. The amount treated as interest on the Note and excluded from gross income may depend upon the taxpayer’s election under Internal Revenue Notice 94-84. In the further opinion of Bond Counsel, interest on the Note is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that interest on the Note included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Note. A complete copy of the proposed form of opinion of Bond Counsel is set forth in “APPENDIX C—PROPOSED FORM OF OPINION OF BOND COUNSEL.”

Notice 94-84, 1994-2 C.B. 559, states that the Internal Revenue Service (the “IRS”) is studying whether the amount of the payment at maturity on debt obligations such as the Note that is excluded from gross income for federal income tax purposes is (i) the stated interest payable at maturity, or (ii) the difference between the issue price of the Note and the aggregate amount to be paid at maturity of the Note (the “original issue discount”). For this purpose, the issue price of the Note is the first price at which a substantial amount of the Note is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). Until the IRS provides further guidance, taxpayers may treat either the stated interest payable at maturity or the original issue discount as interest that is excluded from gross income for federal income tax purposes. However, taxpayers must treat the amount to be paid at maturity on all tax exempt debt obligations with a term that is not more than one year from the date of issue in a consistent manner. Taxpayers should consult their own tax advisors with respect to the tax consequences of ownership of the Note if original issue discount treatment is elected.

A Note purchased, whether at original issuance or otherwise, for an amount higher than the principal amount payable at maturity (a “Premium Note”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Note, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a holder of the Note’s basis in a Premium Note, will be reduced by the amount of amortizable bond premium properly allocable to such holder of the Note. Holders of a Premium Note should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Note. The County has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Note will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Note being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Note. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Note may adversely affect

the value of, or the tax status of interest on, the Note. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

One of the covenants of the County referred to above requires the County to reasonably and prudently calculate the amount, if any, of excess investment earnings on the proceeds of the Note which must be rebated to the United States, to set aside from lawfully available sources sufficient moneys to pay such amounts and to otherwise do all things necessary and within its power and authority to ensure that interest on the Note is excluded from gross income for federal income tax purposes. Under the Code, if the County spends 100% of the proceeds of the Note within six months after issuance, there is no requirement that there be a rebate of investment profits in order for interest on the Note to be excluded from gross income for federal income tax purposes. The Code also provides that such proceeds are not deemed spent until all other available moneys (less a reasonable working capital reserve) are spent. The County expects to satisfy this expenditure test or, if it fails to do so, to make any required rebate payments from moneys received or accrued during Fiscal Year 2024-25. To the extent that any rebate cannot be paid from such moneys, California law is unclear as to whether such covenant would require the County to pay any such rebate. This would be an issue only if it were determined that the County's calculation of expenditures of Note proceeds or of rebatable arbitrage profits, if any, was incorrect.

Although Bond Counsel is of the opinion that interest on the Note is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Note may otherwise affect a holder of the Note's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the holder(s) of the Note or the holder(s) of the Note's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Note to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent holders from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Note. Prospective purchasers of the Note should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Note for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the County, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The County has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Note ends with the issuance of the Note, and, unless separately engaged, Bond Counsel is not obligated to defend the County or the holders of the Note regarding the tax-exempt status of the Note in the event of an audit examination by the IRS. Under current procedures, holders of the Note would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the County legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Note for audit, or the course or result of such audit, or an audit of bonds

presenting similar tax issues may affect the market price for, or the marketability of, the Note, and may cause the County or the holders of the Note to incur significant expense.

Payments on the Note generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate holder of the Note may be subject to backup withholding with respect to “reportable payments,” which include interest paid on the Note and the gross proceeds of a sale, exchange, retirement or other disposition of the Note. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a holder’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain holders of the Note (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

LITIGATION

No litigation is pending, or, to the best knowledge of the County, threatened, concerning the validity of the Note or the Resolution, or contesting the County’s ability to appropriate or make the repayment of the Note, or materially impacting Pledged Revenues, and an opinion of the Office of County Counsel to that effect will be furnished to the Underwriters at the time of the execution and delivery of the Note. See “APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE—SECTION II—SERVICES AND RISK MATTERS—Litigation” attached hereto, for a discussion of the County’s pending general litigation.

LEGALITY FOR INVESTMENT

Under provisions of the California Financial Code, the Note is a legal investment for commercial banks in California to the extent that the Note, in the informed opinion of the bank, is prudent for the investment of funds of its depositors, and is eligible to secure deposits of public moneys in California under provisions of the California Government Code.

UNDERWRITING

The Note is being purchased initially by J.P. Morgan Securities LLC and Wells Fargo Bank, National Association (the “Underwriters”), at a price of \$_____ (being the par amount of the Note, [plus/minus] an original issue [premium/discount] in the amount of \$_____, less the Underwriters’ discount of \$_____). The Contract of Purchase provides that the obligation to make such purchase is subject to certain terms and conditions.

The Underwriters may offer and sell authorized denominations of the Note to certain dealers and others at a price lower than the initial public offering price. The offering price may be changed from time to time by the Underwriters.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Note, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase

authorized denominations of the Note from JPMS at the original issue price less a negotiated portion of the selling concession applicable to the portion of the Note that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group (“WFBNA”), one of the Underwriters of the Note, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the Note. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Note with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the Note. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the County and its affiliates in connection with such activities. In the course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

CONTINUING DISCLOSURE

Pursuant to the Resolution, the County has covenanted for the benefit of the owners and beneficial owners of the Note to enter into a Continuing Disclosure Certificate as of the closing date, and to comply with Securities and Exchange Commission Rule 15c2-12(b)(5), as amended (the “Rule”). As provided in the Continuing Disclosure Certificate, the County will covenant to provide information regarding the occurrence of certain enumerated events, and certain financial information on a quarterly basis, to the owners of the Note and to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access (“EMMA”) system, or any successor thereto, during the term of the Note. In addition, the County has covenanted to provide updated quarterly cash flow information not later than each Quarterly Report Date, as defined in the Continuing Disclosure Certificate. See “APPENDIX D—

FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Within the last five years, the County and certain of its related entities have failed to comply in certain respects with continuing disclosure obligations related to outstanding indebtedness. The failure to comply fell into three general categories: (i) for Fiscal Year 2017-18 through Fiscal Year 2019-20, failure to provide timely significant event notices, most often with respect to changes in the ratings of outstanding indebtedness, and primarily related to changes in the ratings of various bond insurers insuring the indebtedness of the County or its related entities; (ii) for Fiscal Year 2017-18 through Fiscal Year 2022-23, missing, incomplete or late filing of annual or quarterly reports, budgets or operating information with respect to a number of the bond issues; and (iii) for Fiscal Years 2018-19 through 2021-22, failure to file notice of incurrence of financial obligations. In almost every case with respect to obligations related to the General Fund, such information and reports were available on the County’s website and/or available in other continuing disclosure filings made by the County, though not directly incorporated by reference across all prior issues filed with the Municipal Securities Rulemaking Board; and in all of the cases where a notice of failure to file was required to be filed, the County has filed such notices. The County and its related entities have reviewed their previous filings and have made corrective filings where material, including an omnibus corrective notice regarding bond insurer ratings and ratings of the County’s General Fund debt.

In order to ensure ongoing compliance by the County and its related entities with their continuing disclosure undertakings, (i) the County has recently performed an evaluation of its policy and operating procedures to strengthen and ensure future compliance and coordination between the County and its related entities which include higher frequency of review as well as enhanced delineation of staff duties; and (ii) the County has continued to contract with a consultant to assist the County in filing accurate, complete and timely disclosure reports. The County will continue its review of its procedures to ensure continued compliance with the Rule.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, and Fitch Ratings, Inc. have assigned ratings of “[]” and “[]”, respectively, to the Note. Such ratings reflect only the views of such rating agencies, and any explanation of the significance of such ratings should be obtained from each rating agency. Further, there is no assurance that any of the ratings will be retained for any given period of time or that any of the ratings will not be revised or withdrawn entirely by such rating agencies if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the trading value and the market price of the Note.

CERTAIN LEGAL MATTERS

At the time of the delivery of the Note, Orrick, Herrington & Sutcliffe LLP, Bond Counsel, will deliver its final approving opinion. A form of such approving opinion is contained in APPENDIX C hereto and will be delivered to DTC with the Note. Bond Counsel has undertaken no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed upon for the County by County Counsel, and for the Underwriters by their counsel, Nixon Peabody LLP. Payment of the fees of Bond Counsel, Disclosure Counsel and Underwriters’ Counsel is contingent upon the issuance of the Note. Underwriters’ Counsel has undertaken no responsibility for the accuracy, completeness or fairness of this Official Statement.

MUNICIPAL ADVISOR

The County has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as Municipal Advisor (the “Municipal Advisor”) in connection with the authorization and delivery of the Note. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fees of the Municipal Advisor are contingent upon the sale, issuance and delivery of the Note.

Fieldman, Rolapp & Associates, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

FINANCIAL STATEMENTS

The general purpose financial statements of the County for the fiscal year ended June 30, 2023, which are included in APPENDIX B to this Official Statement, have been audited by Brown Armstrong Accountancy Corporation, independent certified public accountants, as stated in their report appearing in APPENDIX B. Brown Armstrong Accountancy Corporation, has not consented to the inclusion of its report as APPENDIX B and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Brown Armstrong Accountancy Corporation with respect to any event subsequent to its report dated December 12, 2023. See “APPENDIX B—THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023” attached hereto.

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MISCELLANEOUS

References made herein to certain documents and reports are brief summaries thereof, which do not purport to be complete or definite, and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Resolution are available upon request from the County of Riverside, County Executive Office, 4th Floor, 4080 Lemon Street, Riverside, California 92501, Attention: Director of Finance.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or holders of the Note.

The execution and delivery of this Official Statement have been duly authorized by the County.

COUNTY OF RIVERSIDE

By: _____
Director of Finance

APPENDIX A

INFORMATION REGARDING THE COUNTY OF RIVERSIDE

APPENDIX B

THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Certificate”) is entered into by the County of Riverside (the “County”) in connection with the issuance by the County of Riverside of its \$425,000,000* aggregate principal amount of County of Riverside 2024 Tax and Revenue Anticipation Note (the “Note”). The Note is being issued pursuant to a Resolution adopted by the Board of Supervisors of the County on May 21, 2024 (the “Resolution”). The County covenants and agrees as follows:

Section 1. Purpose of Certificate. This Certificate is being executed and delivered by the County for the benefit of the Owners and Beneficial Owners (as defined below) of the Note and in order to assist the Participating Underwriters (as defined below), in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

“*Beneficial Owner*” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Note (including persons holding a Note through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Note for federal income tax purposes.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any person appointed in writing by the County to act as the County’s agent in complying with the filing requirements of the Rule, which person has accepted such appointment. As of the date of this Certificate, the County has appointed Fieldman, Rolapp & Associates, Inc. as Dissemination Agent.

“*Financial Obligations*” means (i) debt obligations, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, existing or planned debt obligations, or (iii) guarantee of (i) or (ii) above; but excluding municipal securities as to which a final official statement has been provided to MSRB consistent with the Rule.

“*Listed Event*” means any of the events listed in Section 4(a) of this Certificate.

“*MSRB*” means the Municipal Securities Rulemaking Board and any successors or assigns, or any other entities or agencies approved under the Rule.

“*Participating Underwriters*” means any of the original purchasers of the Note required to comply with the Rule in connection with the offering of the Note.

“*Quarterly Report*” means any Quarterly Report of the County provided by the County pursuant to and as described in Section 3 of this Certificate.

* Preliminary, subject to change.

“*Quarterly Report Date*” means the due date corresponding to the fiscal quarter end date set forth in the following table:

<u>Fiscal Quarter End Date</u>	<u>Due Date</u>
September 30, 2024	December 1, 2024
December 31, 2024	March 1, 2025
March 31, 2025	June 1, 2025

“*Repository*” means, until otherwise designated by the Commission, the Electronic Municipal Market Access website of the MSRB located at <http://emma.msrb.org>.

“*Rule*” means paragraph (b)(5) of Rule 15c2-12 adopted by the Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Reports.

(a) The County shall, or shall cause the Dissemination Agent to, not later than the applicable Quarterly Report Date, provide to the Repository, in such format accompanied by such identifying information as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information, copies of the Quarterly Report of the County, which is consistent with the requirements of subsection (b) below. Each Quarterly Report may include by reference other information as required by this Certificate. The County shall provide a written certification with each Quarterly Report filed with the Dissemination Agent to the effect that such Quarterly Report constitutes the Quarterly Report required to be submitted by the County hereunder. The Dissemination Agent may conclusively rely upon such certification of the County.

(b) The County’s Quarterly Report shall contain or include by reference information regarding the County’s cash flow in the fiscal quarter most recently ended, including comparative information to the projected cash flow included in the Official Statement.

(c) The Dissemination Agent (if one has been appointed) shall:

(i) determine prior to the date for providing the Quarterly Report the name and address of the Repository; and

(ii) if the Quarterly Report has been furnished to the Dissemination Agent, file a report with the County certifying that the Quarterly Report has been provided pursuant to this Certificate, stating the date it was provided.

(d) If the County is unable to provide to the MSRB or the Dissemination Agent (if other than the County), a Quarterly Report by the applicable Quarterly Report Date, the County shall send a notice in a timely manner to the MSRB through the Electronic Municipal Market Access System in substantially the form attached hereto as Exhibit A; provided, however, that, in the event that final information consistent with the requirements of subsection (b) above is not available by the applicable Quarterly Report Date, the Quarterly Report shall contain comparable draft information, and the final Quarterly Report for such period shall be filed in the same manner when it becomes available.

Section 4. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 4, the County shall give, or cause to be given, notice to the Repository of the occurrence of any of the following events (the “Listed Events”) with respect to the Note in a timely manner not in excess of ten (10) business days after the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Note, or other material events affecting the tax status of the Note;
- (vii) modifications to the rights of Owners of the Note, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property, if any, securing repayment of the Note, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or similar event of the County;
- (xiii) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) incurrence of a Financial Obligation of the County, if material, or amendment to covenants, events of defaults, remedies, priority rights, or other terms of a Financial Obligation of the County, any of which affect Note holders, if material; and

(xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

(b) Notwithstanding the foregoing, notice of Listed Events described in Subsection (a)(viii) above need not be given under this subsection any earlier than when the notice, if any, of the underlying event is given to Owners of affected Note pursuant to the Resolution.

Section 5. Termination of Reporting Obligation. The County's obligations under this Certificate shall terminate upon the legal defeasance or payment in full of all of the Note or upon delivery to the County and to the Dissemination Agent (if any) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Note, the County shall give notice of such termination in the same manner as for a Listed Event under Subsection 4(a).

Section 6. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 60 days' written notice to the County. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Certificate.

Section 7. Amendment Waiver. Notwithstanding any other provision of this Certificate, the County may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3 or Subsection 4(a), it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an obligated person with respect to the Note, or the type of business conducted;

(b) The undertakings, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Note, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Note in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Owners of the Note, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Note.

In the event of any amendment or waiver of a provision of this Certificate, the County shall describe such amendment in its next Quarterly Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the County.

Section 8. Additional Information. Nothing in this Certificate shall be deemed to prevent the County from disseminating any other information, including the information then contained in the

County's official statements or other disclosure documents relating to debt issuances, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the County chooses to include any information in any Quarterly Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Certificate, the County shall have no obligation under this Certificate to update such information or include it in any future Quarterly Report or notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the County to comply with any provision of this Certificate, any Owner or Beneficial Owner of the Note may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Resolution with respect to the Note, and the sole remedy under this Certificate in the event of any failure of the County to comply with this Certificate shall be an action to compel performance, and no person or entity shall be entitled to recover monetary damages under this Certificate.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate and the County agrees, to the extent permitted by law, to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Note.

Section 11. Beneficiaries. This Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, the Owners and Beneficial Owners from time to time of the Note, and shall create no rights in any other person or entity.

Section 12. Electronic Signatures. The County agrees that the transaction consisting of this Certificate may be conducted by electronic means. The County agrees, and acknowledges that it is the County's intent, that if the County signs this Certificate using an electronic signature, it is signing, adopting and accepting this Certificate and that signing this Certificate using an electronic signature is the legal equivalent of having placed its handwritten signature on this Certificate on paper. The County acknowledges that it is being provided with an electronic or paper copy of this Certificate in a usable format.

Section 13. Governing Law. This Certificate shall be governed by the laws of the State of California and the federal securities laws.

Dated: July 1, 2024

COUNTY OF RIVERSIDE

By _____
Authorized Officer

EXHIBIT A

**FORM OF NOTICE TO REPOSITORIES
OF FAILURE TO FILE REPORT**

Name of Issuer: County of Riverside, California
Name of Bond Issue: \$425,000,000* County of Riverside 2024 Tax and Revenue Anticipation Note
Issuance Date: July 1, 2024

NOTICE IS HEREBY GIVEN that the COUNTY OF RIVERSIDE (the “County”) has not provided the Quarterly Report with respect to the above-named Note as required by Section 3 of the Continuing Disclosure Certificate, dated as of July 1, 2024, executed and delivered by the County. The County anticipates that such report will be filed by _____.

Dated: _____

COUNTY OF RIVERSIDE

By _____
Authorized Officer

* Preliminary, subject to change.

APPENDIX E

BOOK-ENTRY-ONLY SYSTEM

The information in this APPENDIX E concerning DTC and its book-entry system has been obtained from DTC and the County takes no responsibility for the completeness or accuracy thereof. The County cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Note, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Note, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Note, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this APPENDIX E. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

General

DTC will act as securities depository for the Note. The Note will be issued as a fully-registered security registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Note certificate will be issued for the Note in the aggregate principal amount of the Note, and will be deposited with DTC or held by the Paying Agent.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA." The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. The County has not undertaken any responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on the websites described in the preceding sentence including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites.

Purchases of interests in the Note under the DTC system must be made by or through Direct Participants, which will receive a credit for the Note on DTC's records. The ownership interest of each

actual purchaser of an interest in the Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Note are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Note, except in the event that use of the book-entry system for the Note is discontinued.

To facilitate subsequent transfers, the Note deposited by Direct Participants with DTC is registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Note with DTC and its registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Note; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Note are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Note unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Note is credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Note will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the County, the Paying Agent on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Direct and Indirect Participant and not of DTC, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Note at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Note are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing individual interests in the Note will be printed and delivered to the registered holders of the Note.

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF THE NOTE AND WILL NOT BE RECOGNIZED BY THE PAYING AGENT AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE PARTICIPANTS.

APPENDIX F
FORM OF RESOLUTION

[Attached]

APPENDIX A
INFORMATION REGARDING THE COUNTY OF RIVERSIDE

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SECTION I – DEMOGRAPHIC AND ECONOMIC INFORMATION

Set forth below is certain information with respect to the County. Such information was prepared by the County except as otherwise indicated. Certain statements included or incorporated by reference in this Appendix A constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The County does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

General

The County was organized in 1893 from territory in San Bernardino and San Diego counties and encompasses 7,177 square miles. The County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial counties and on the west by Orange and San Bernardino counties. The County is the fourth largest county (by both area and population) in the State of California (the “State”) and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County.

The County is a general law county divided into five supervisorial districts on the basis of registered voters and population. The County is governed by a five-member Board of Supervisors (the “Board of Supervisors” or the “Board”), elected by district, serving staggered four-year terms. The Chair of the Board is elected by the Board members annually. The County administration includes appointed and elected officials, boards, commissions and committees which assist the Board.

The County provides a wide range of services to residents, including police and fire protection, medical and health services, education, library services and public assistance programs. Some municipal services are provided by the County on a contract basis to incorporated cities within its boundaries. These services are designed to allow cities to contract for municipal services such as police and fire protection without incurring the full cost of creating their own separate departments and facilities. Services are provided to the cities at cost by the County.

Three distinct geographical areas characterize the County: the western valley area, the higher elevations of the mountains and the eastern desert areas. The western portion of the County, which includes the San Jacinto Mountains and the Cleveland National Forest, experiences the mild climate typical of Southern California. The higher elevations of the County tend to experience colder winters. The eastern desert areas experience warmer and dryer weather conditions.

Population

According to the State Department of Finance, Demographic Research Unit, the County’s population was estimated at 2,442,378 as of January 1, 2024, representing an approximately 0.6% increase over the County’s population as estimated for the prior year. This compares to the statewide population increase of 0.2% for the same period. For the period of January 1, 2014 to January 1, 2024, the County’s population grew by approximately 6.6% cumulatively. The County is the tenth most populous county in the United States and the fourth most populous county in California.

The following table sets forth annual population figures for cities located within the County for each of the years listed:

TABLE 1
COUNTY OF RIVERSIDE
POPULATION OF CITIES WITHIN THE COUNTY
(as of January 1)

<i>City</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Banning	30,535	30,744	31,046	31,213
Beaumont	53,920	54,208	56,275	57,416
Blythe	17,362	17,418	17,224	17,378
Calimesa	10,589	10,930	10,909	10,867
Canyon Lake	11,044	10,932	10,846	10,832
Cathedral City	51,540	51,383	51,045	50,911
Coachella	41,856	41,783	42,179	43,173
Corona	157,202	156,879	156,268	156,615
Desert Hot Springs	32,208	32,276	32,380	32,654
Eastvale	70,401	69,797	69,123	68,884
Hemet	89,170	88,856	89,333	89,663
Indian Wells	4,740	4,765	4,733	4,797
Indio	88,973	89,226	89,978	90,680
Jurupa Valley	105,120	105,117	104,599	104,721
Lake Elsinore	70,951	71,586	71,351	71,452
La Quinta	37,660	37,523	37,824	38,370
Menifee	104,230	107,120	109,401	111,560
Moreno Valley	208,008	207,549	206,903	207,146
Murrieta	110,916	110,291	109,364	109,177
Norco	24,640	24,957	24,893	25,068
Palm Desert	50,590	50,439	50,274	50,889
Palm Springs	44,235	44,007	43,802	43,791
Perris	78,724	78,191	78,424	79,311
Rancho Mirage	16,519	16,787	16,868	16,992
Riverside	313,145	317,821	315,747	316,690
San Jacinto	54,100	54,108	53,746	53,538
Temecula	109,676	109,071	108,173	108,700
Wildomar	36,646	36,306	36,093	36,327
TOTALS				
Incorporated	2,024,700	2,030,070	2,028,801	2,038,815
Unincorporated	394,465	397,762	399,779	403,563
County-Wide	2,419,165	2,427,832	2,428,580	2,442,378
California	39,327,868	39,114,785	39,061,058	39,128,162

Source: State Department of Finance, Demographic Research Unit, Report E-4 Population Estimates for Cities, Counties, and the State, 2021-2024.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and nontax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other than labor-related income (such as employer contributions to private pension funds), proprietor’s income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources and transfer payments (such as pensions and

welfare assistance). Deducted from this total are personal taxes (federal, state and local, nontax payments, fines, fees, penalties, etc.) and personal contributions to social security insurance and federal retirement payroll deductions. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total Effective Buying Income for the County, the State and the United States for the current and last four years:

TABLE 2
RIVERSIDE COUNTY, CALIFORNIA AND UNITED STATES
TOTAL EFFECTIVE BUYING INCOME,
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME AND
PERCENT OF HOUSEHOLDS WITH INCOMES OVER \$50,000⁽¹⁾

	<i>Total Effective Buying Income⁽²⁾</i>	<i>Median Household Effective Buying Income (“EBI”)</i>	<i>Median County EBI as a percentage of State and Federal EBI</i>	<i>Percent of Households with Income over \$50,000</i>
2020				
Riverside County	\$ 59,340,416	\$ 59,167	--	57.60%
California	1,243,564,816	65,285	90.63%	61.45
United States	9,487,165,436	55,303	106.99	--
2021				
Riverside County	\$ 60,749,087	\$ 60,203	--	58.41%
California	1,290,894,604	67,510	89.18%	62.86
United States	9,809,944,764	56,790	106.01	--
2022				
Riverside County	\$ 71,160,967	\$ 70,683	--	65.97%
California	1,452,426,152	76,880	91.94%	68.53
United States	11,208,582,540	63,679	111.00	--
2023				
Riverside County	\$ 72,687,953	\$ 71,389	--	66.37%
California	1,461,799,662	76,990	92.73%	68.58
United States	11,454,846,397	64,600	110.51	--
2024				
Riverside County	\$ 76,381,809	\$ 75,248	--	68.70%
California	1,510,708,521	80,609	93.35%	70.31
United States	11,987,185,826	67,310	111.79	--

⁽¹⁾ Estimated, as of January 1 of each year.

⁽²⁾ Dollars in thousands.

Source: Claritas Spotlight Reports.

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Building and Real Estate Activity

The two tables below set forth a summary of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) for the last five years.

**TABLE 3
COUNTY OF RIVERSIDE
BUILDING PERMIT VALUATIONS
(IN THOUSANDS)**

	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
RESIDENTIAL					
New Single-Family	\$ 1,834,821	\$ 2,315,365	\$ 2,013,159	\$ 2,429,329	\$ 1,928,591
New Multi-Family	282,465	93,149	149,081	339,475	544,606
Alterations and Adjustments	<u>158,117</u>	<u>110,788</u>	<u>100,402</u>	<u>152,309</u>	<u>140,851</u>
Total Residential	\$ 2,275,404	\$ 2,519,303	\$ 2,262,642	\$ 2,921,113	\$ 2,614,048
NON-RESIDENTIAL					
New Commercial ⁽¹⁾	\$ 312,035	\$ 313,728	\$ 607,980	\$ 643,697	\$ 497,885
New Industrial	493,872	225,401	184,817	83,556	189,455
Other Buildings ⁽²⁾	179,861	233,709	460,240	449,607	347,661
Alterations & Additions	<u>300,086</u>	<u>380,937</u>	<u>290,962</u>	<u>524,757</u>	<u>368,067</u>
Total Nonresidential	\$ 1,285,855	\$ 1,153,777	\$ 1,543,998	\$ 1,701,617	\$ 1,403,068
TOTAL ALL BUILDING	\$ 3,561,260	\$ 3,673,080	\$ 3,806,640	\$ 4,622,730	\$ 4,017,116

⁽¹⁾ Includes office buildings, stores & other mercantile, hotels & motels, amusement & recreation, parking garages and service stations & repair.

⁽²⁾ Includes churches and religious buildings, medical and institutional buildings, agricultural and storage buildings, hospitals and institutional buildings, public works and utility buildings, schools and educational buildings, structures other than buildings, and residential garages.

Source: California Homebuilding Foundation.

**TABLE 4
COUNTY OF RIVERSIDE
NUMBER OF NEW DWELLING UNITS**

	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Single Family	6,563	8,443	7,360	8,863	8,123
Multi-Family	<u>1,798</u>	<u>732</u>	<u>1,126</u>	<u>2,861</u>	<u>4,992</u>
TOTAL	8,361	9,166	8,486	11,724	13,115

Source: California Homebuilding Foundation.

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The following table sets forth the median housing prices for Los Angeles County, Riverside County, San Bernardino County and Southern California for the last five years.

**TABLE 5
COUNTIES OF LOS ANGELES, RIVERSIDE AND SAN BERNARDINO
AND SOUTHERN CALIFORNIA
MEDIAN HOUSING PRICES**

<i>Year</i>	<i>Los Angeles</i>	<i>Riverside</i>	<i>San Bernardino</i>	<i>Southern California⁽¹⁾</i>
2019 ⁽²⁾	\$615,000	\$392,000	\$343,750	\$530,000
2020 ⁽²⁾	670,000	430,000	380,000	575,000
2021 ⁽²⁾	770,000	510,000	450,000	665,000
2022 ⁽³⁾	775,000	545,250	480,000	685,000
2023 ⁽⁴⁾	820,000	550,000	481,500	720,000

⁽¹⁾ Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.

⁽²⁾ Annual median housing prices reported for calendar years 2019, 2020 and 2021.

⁽³⁾ Median housing prices reported for December 2022.

⁽⁴⁾ Median housing prices reported for December 2023.

Source: CoreLogic.

The following table sets forth the number of residential foreclosures recorded in Riverside County for the last five years.

**TABLE 6
COUNTY OF RIVERSIDE
RESIDENTIAL FORECLOSURES**

<i>Year</i>	<i>Foreclosures</i>
2019	872
2020 ⁽¹⁾	314
2021 ⁽¹⁾	274
2022	407
2023	395

⁽¹⁾ Foreclosures were lower in 2020 and 2021 than in prior years due to a moratorium on foreclosure of certain mortgage and court closures related to the COVID-19 pandemic. The statewide moratorium ended on June 30, 2022.

Source: DQNews (2019-2021); County Assessor (2022-2023).

Agriculture

In 2022, principal agricultural products were nursery stock, milk, alfalfa, dates, avocados, table grapes, eggs, lemons, bell peppers and turf grass.

Four areas in the County account for a major portion of the agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County’s eastern border.

Agricultural production in the County may be impacted by drought conditions. See “SECTION II—SERVICES AND RISK MATTERS—Environmental Control Services” below. The County cannot predict the impact that a future prolonged drought would have on agricultural production in the County.

The following table sets forth the value of agricultural production in the County for the years 2018 through 2022, the last year being the most recent year for which data is currently available.

TABLE 7
COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Citrus Fruits	\$ 170,775,000	\$ 121,934,000	\$ 126,567,000	\$ 127,473,000	\$ 132,062,000
Trees and Vines	249,150,000	268,368,000	282,840,000	280,105,000	270,078,000
Vegetables, Melons, Misc.	371,570,000	354,217,000	334,440,000	324,895,000	328,236,000
Field and Seed Crops	93,282,000	141,652,000	156,114,000	135,033,000	159,419,000
Nursery	165,758,000	204,768,000	247,765,000	267,547,000	318,683,000
Apiculture	5,473,000	6,123,000	5,858,000	5,925,000	5,950,000
Aquaculture	4,732,000	4,776,000	4,596,000	4,873,000	5,749,000
Livestock and Poultry	238,468,000	219,427,000	260,040,000	260,059,000	270,282,000
Grand Total	\$ 1,299,208,000	\$ 1,321,265,000	\$ 1,418,220,000	\$ 1,405,910,000	\$ 1,490,459,000

Source: County of Riverside Agricultural Commissioner.

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. State Route 91 extends southwesterly from Riverside through Corona and connects with the Orange County freeway network. Interstate 10 traverses the County in an east-west direction, the western-most portion of which links up with major cities and freeways in Los Angeles County and San Bernardino County, with the eastern part linking the County's desert cities with Arizona. Interstates 15 and 215 extend northeasterly to Nevada, and Interstate 15 extends southerly to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to San Bernardino County and Los Angeles County. The State Route 91 Express Lanes connect to the OCTA SR-91 Express Lanes at the Orange County/Riverside County line on the west and continue easterly to the Interstate 15/State Route 91 interchange opened in March 2017. When travelling along State Route 91 through Corona, vehicles are able to use either the tolled express lanes or the free general-purpose lanes. The Interstate 15 Express Lanes, which opened in April 2021, extend from the San Bernardino County line southerly to Cajalco Road in Corona.

Metrolink provides commuter rail service to Los Angeles, San Bernardino and Orange Counties from nine stations in western Riverside County, including the Perris Valley area. Transcontinental passenger rail service is provided by Amtrak with stops in Riverside and Palm Springs. Freight service to major west coast and national markets is provided by two transcontinental railroads – Union Pacific Railroad and the BNSF Railway Company. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. There are also four municipal transit operators in the western County providing services within the cities of Banning, Beaumont, Corona and Riverside. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, servicing the area from Desert Hot Springs to Oasis and from Palm Springs to Riverside. The Palo Verde Valley Transit Agency provides service in the far eastern portion of the County (City of Blythe and surrounding communities).

The County seat, located in the City of Riverside, is within 20 miles of the Ontario International Airport in neighboring San Bernardino County. This airport is operated by the Ontario International Airport Authority (OIAA) and was transferred by the City of Los Angeles to the OIAA in October 2016. Four major airlines schedule commercial flight service at Palm Springs International Airport owned and operated by the City of Palm Springs. County-operated general aviation airports include those in Thermal, Hemet, Blythe, Chiriaco-

Summit and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Reserve Base, which converted from an active-duty base to a reserve-only base on April 1, 1996. In connection with the realignment to reserve-only status, the March AFB Joint Powers Authority (the “JPA”), comprised of the County and the Cities of Riverside, Moreno Valley and Perris, is responsible for planning and implementing new uses for currently vacant land at the military base, reuse of existing facilities, and joint use of the airfield facilities for the development of an air cargo facility. The JPA has constructed infrastructure improvements, entered into leases with private users and initialized a major business park project. As of May 22, 2023, the March Air Reserve Base had 9,600 employees, including part-time employees and reservists.

Commercial Activity

Commercial activity is an important factor in the County’s economy. Much of the County’s commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are five regional shopping malls in the County: Galleria at Tyler (Riverside), Hemet Valley Mall, Westfield Palm Desert Shopping Center, Moreno Valley Mall and the Promenade at Temecula. There are also three factory outlet malls (Desert Hills Factory Stores, Cabazon Outlets and Lake Elsinore Outlet Center) and over 200 area centers in the County.

The following tables sets forth taxable sales transactions within the County for the last five years, the last year being the most recent full year of which annual data is currently available.

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**TABLE 8
COUNTY OF RIVERSIDE
TAXABLE SALES TRANSACTIONS**

	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Motor Vehicle and Parts Dealers	\$ 5,551,535,521	\$ 5,786,471,096	\$ 7,462,856,112	\$ 7,470,778,646	\$ 7,290,418,116
Home Furnishings and Appliance Stores	2,092,520,010	2,097,785,280	2,006,427,563	1,999,155,804	1,752,712,585
Building Materials and Garden Equipment and Supplies Dealers	2,487,360,007	3,091,784,448	3,600,518,832	3,598,728,060	3,426,894,979
Food and Beverage Stores	1,821,669,581	1,938,870,682	2,121,116,195	2,121,728,760	2,228,185,847
Gasoline Stations	3,383,592,749	2,622,849,376	3,958,293,093	3,959,674,480	4,347,271,090
Clothing and Clothing Accessories Stores	2,361,182,097	1,824,772,212	2,784,916,128	2,787,245,164	2,889,254,390
General Merchandise Stores	3,966,881,856	4,122,093,914	4,730,209,136	4,756,623,842	5,089,133,123
Other Retail Group	3,079,536,332	5,031,910,636	9,688,728,975	9,700,523,667	11,291,973,434
Food Services and Drinking Places	<u>4,276,122,483</u>	<u>3,547,301,048</u>	<u>4,927,010,190</u>	<u>4,936,088,033</u>	<u>5,747,978,402</u>
Total Retail and Food Services	\$ 29,020,400,636	\$ 30,063,838,692	\$ 41,280,076,224	\$ 41,330,546,456	\$ 44,063,821,966
All Other Outlets	<u>11,537,443,970</u>	<u>11,854,183,849</u>	<u>14,185,676,044</u>	<u>14,204,649,233</u>	<u>17,030,771,703</u>
Total All Outlets	\$ 40,557,844,606	\$ 41,918,022,541	\$ 55,465,752,268	\$ 55,535,195,689	\$ 61,094,593,669

Source: California Department of Tax and Fee Administration.

Industry and Employment

The County is a part of the Riverside-San Bernardino-Ontario Primary Metropolitan Statistical Area (“PMSA”), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the PMSA has a large and growing commercial, service sector and logistics employment base. The number of employed persons in the PMSA by industry is set forth in the following table.

TABLE 9
RIVERSIDE-SAN BERNARDINO-ONTARIO PMSA
ANNUAL AVERAGE EMPLOYMENT BY INDUSTRY⁽¹⁾
(In Thousands)

<i>Industry</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>
Agriculture	14.6	13.9	13.1	14.7	13.8
Construction	101.1	105.0	107.6	114.3	118.9
Finance Activities	44.2	43.7	44.5	47.6	45.0
Government	268.8	249.1	239.7	254.1	270.3
Manufacturing:	102.6	94.3	94.6	98.1	98.1
Nondurables	15.4	34.6	35.4	38.6	38.4
Durables	65.7	59.7	59.2	59.5	59.7
Mining & Logging	1.2	1.3	1.3	1.6	1.6
Retail Trade	191.1	168.8	173.4	187.7	189.7
Professional and Business Services	160.7	154.0	163.5	185.9	168.9
Education and Health Services	260.5	248.7	252.7	272.3	297.4
Leisure & Hospitality	174.5	139.2	148.3	178.2	185.1
Other Services	43.1	39.6	41.3	49.2	50.0
Transportation, Warehousing and Utilities	146.3	170.5	194.0	220.5	211.8
Wholesale Trade	65.0	64.6	66.4	69.2	68.4
Information	<u>11.3</u>	<u>9.4</u>	<u>8.8</u>	<u>10.3</u>	<u>13.3</u>
Total, All Industries	1,585.0	1,501.8	1,549.2	1,703.7	1,732.3

⁽¹⁾ The employment figures by industry which are shown above are not directly comparable to the “Total, All Industries” employment figures due to rounded data.

Source: State Employment Development Department, Labor Market Information Division.

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The following table sets forth the major employers in the County and their respective product or service and number of employees as of May 1, 2024.

**TABLE 10
COUNTY OF RIVERSIDE
CERTAIN MAJOR EMPLOYERS⁽¹⁾
(AS OF MAY 1, 2024)**

<i>Company Name</i>	<i>Product/Service</i>	<i>No. of Local Employees</i>
County of Riverside	Government	23,772
Amazon	E-Commerce	14,317
University of California, Riverside	University	8,593
State of California	Government	8,398
Walmart	Retail Company	6,465
Moreno Valley Unified School District	Educational Services	6,020
Kaiser Permanente Riverside Medical Center	Health Care	5,817
Riverside Unified School District	Educational Services	5,431
Mt. San Jacinto Community College District	Educational Services	4,638
Stater Bros	Retail Grocery	4,990
Marie Callender Wholesalers Inc.	Food Wholesale	4,454
Temecula Valley Unified School District	Educational Services	4,022
Eisenhower Medical Center	Health Care	4,001
Pechanga Resort & Casino	Hospitality	4,000
Hemet Unified School District	Educational Services	3,960
Home Depot	Retail Store	3,549
Murrieta Valley Unified School District	Educational Services	3,552
Starcrest of California	E-Commerce	3,450
McDonald's	Limited Service Restaurant	3,405
Palm Springs USD	Educational Services	3,328
Lake Elsinore Unified School District	Educational Services	3,267
Jurupa Unified School District	Educational Services	2,749
City of Riverside	Government	2,700
Target	Retail Company	2,609
Coachella Valley Unified School District	Educational Services	2,581
Albertsons	Retail Grocery	2,342
Lowes Home improvement	Retail Store	2,276
Riverside Community College District	Educational Services	2,228
Desert Regional Medical Center	Health Care	2,200
Agua Caliente Band of Cahuilla Indians	Tribal Government/Gaming	2,200
Spa Resort and Casino	Casino Resort and Spa	2,120
Beaumont Unified School District	Educational Services	2,053
Abbott Vascular	Medical Device Manufacturer	2,011
Hemet Valley Medical Center	Hospital	1,963
Alvord Unified School District	Educational Services	1,936
Riverside County Office of Education	Educational Services	1,712
Kroger	Retail Grocery	1,688
Msr Desert Resort, LP	Hospitality	1,500
Desert Community College District	Educational Services	1,200
Medline Professional Hospital Supply	Medical Manufacturer	1,200

⁽¹⁾ Includes part-time and temporary employees. Certain major employers in the County may have been excluded because of the data collection methodology.

Source: Riverside County Office of Economic Development.

Unemployment data for the County, the State and the United States for the last five years and preliminary data for March 2024 (as indicated) are set forth in the following table.

**TABLE 11
COUNTY, CALIFORNIA AND UNITED STATES UNEMPLOYMENT DATA**

	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>March 2024⁽²⁾</i>
County ⁽¹⁾	4.2%	10.1%	7.3%	4.2%	4.8%	5.2%
California ⁽¹⁾	4.1	10.1	7.3	4.3	4.8	5.3
United States ⁽³⁾	3.7	8.1	5.3	3.6	3.6	3.8

⁽¹⁾ Data is not seasonally adjusted. The unemployment data for the County and State is calculated using unrounded data.

⁽²⁾ Unemployment rate information is preliminary for March 2024.

⁽³⁾ Data is seasonally adjusted.

Sources: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics.

SECTION II – SERVICES AND RISK MATTERS

Sheriff and Fire Services

The core services of the County Sheriff’s Department (the “Sheriff’s Department”) are to provide a 24/7 uniformed response to calls for service from the public in the unincorporated County areas, to operate a countywide jail system that serves all local agencies, to provide court security and service of court processes and orders, and to perform Coroner – Public Administrator functions pursuant to California law.

The Field Operations Division provides much of the County’s law enforcement via eleven Sheriff patrol stations, several support bureaus, and specialty teams spread across the County’s different regions. In addition, the Sheriff’s Department provides police services under contracts for sixteen incorporated cities, one tribal reservation, and one community college district. The Corrections Division operates five correctional facilities, an alternative sentencing program, and several in-custody treatment programs. The Courts Services Division provides court security by maintaining public safety, execution of orders issued by the court, service, and enforcement of civil processes, and serving civil and criminal arrest warrants. The Court Services Division also provides enhanced security at the County Administrative Center. The Coroner’s Bureau investigates and reports on all the violent, sudden, or unusual deaths of persons within the County as established by California law. The Public Administrator investigates and administers the estates of County residents who die without someone available or willing to handle their affairs. The Sheriff’s Department supports internal operations through the Administration Division, Support Services Bureau, and the Ben Clark Public Safety Training Center (“BCTC”), a 370-acre main training facility located in the City of Riverside. The Sheriff’s Department budget for Fiscal Year 2023-24 is approximately \$1 billion.

The Sheriff is currently evaluating future improvements to the BCTC. The modernization project would provide for a new training and educational campus for a variety of public safety, government, and educational partners to train and equip public safety personnel with effective tools and techniques for the foreseeable future. The project is intended to meet the needs of not only the Sheriff, but also other County public safety departments, the California Department of Forestry and Fire Protection (“CAL FIRE”), the California Highway Patrol, Riverside Community College District, federal law enforcement and public safety agencies, and other entities.

The Riverside County Fire Department (“RCFD”) is an integrated, cooperative, regional fire protection system that provides fire, emergency medical services, technical rescue and hazardous materials response to approximately 1.6 million residents in the unincorporated area, in 18 partner fire cities and one community services district.

The County has contracted with CAL FIRE since 1921 to serve as the RCFD for emergency services. All hazards emergency response services are provided from 94 fire stations using approximately 1,050 firefighters (CAL FIRE), 327 administrative and support personnel, and approximately 150 reserve volunteer firefighters, all of whom are State employees. CAL FIRE is responsible for protecting the State Responsibility Area (SRA) or watershed as part of the cooperative agreement and Public Resources Code §§4125-4127. The RCFD is one of the largest regional fire service organizations in California.

Medical and Health Services

General. Riverside University Health System (“RUHS”) is comprised of the Medical Center (“RUHS-MC”), Behavioral Health (“RUHS-BH”), Public Health (“RUHS-PH”) and Community Health Centers (“RUHS-CHC”). With more than 8,000 staff members, RUHS provides more than 3 million services per year, of which 2.3 million are behavioral health and/or substance use treatment services.

All counties in the State have the legal responsibility to provide health care to all individuals, regardless of their ability to pay or insurance status. Counties may meet this obligation by operating their own hospitals or contributing financially to other healthcare providers. The County provides these services directly by operating RUHS. RUHS provides services to patients covered by various reimbursement programs, principally Medi-Cal and Medicare, and some commercial insurance, while also providing services to the uninsured. RUHS relies on a significant amount of governmental Medicaid waiver revenue including, Disproportionate Share Hospitals (“DSH”) funding, Delivery System Reform Incentive Payments (DSRIP) and Realignment. In December 2015, several changes were adopted with respect to the Medicaid waiver to shift the focus of care away from hospital-based and inpatient care and instead towards outpatient, primary, and preventive care. RUHS is organized to ensure a pay-for-performance transformation that accomplishes the goal of continuing support, maximizing federal funds and improving the system of care for the County.

For Fiscal Year 2022-23, the County contributed approximately \$11.5 million to RUHS from its tobacco settlement revenue receipts to pay for operating expenses and debt service on the main RUHS facility, and the County currently anticipates continuing to pay such costs from its tobacco settlement revenue receipts through Fiscal Year 2026-27.

RUHS-MC. Located in the City of Moreno Valley, at approximately 520,000 square feet, RUHS-MC includes a Level I trauma facility, a tertiary care and Level II trauma facility licensed for 439 beds, and a Medical and Surgical Center, which opened in March 2020. There are 362 licensed beds in the main acute-care hospital and 77 licensed beds in a separate psychiatric facility. RUHS-MC is serviced by over 4,000 healthcare professionals and support staff and provides training to 1,000 medical residents and students and 2,500 nursing students annually. The County uses an enterprise fund to account for RUHS-MC.

RUHS-MC has 12 operating rooms, including one with a da Vinci Xi surgical robot, a helipad located directly adjacent to the trauma center, digital radiology services, including magnetic resonance imaging (MRI) and computerized tomography (CT), all single-bed rooms, and provides support to numerous hospital-based clinics. There are also adult, pediatric and neonatal intensive care units, a birthing center and complete pulmonary services, hyperbaric oxygen treatments, and an emergency psychiatric hospital. RUHS-MC is currently evaluating future improvements for the Medical Center including an emergency department, critical care expansion and other campus facilities and improvements.

RUHS-BH. RUHS-BH provides services in clinical practices affecting mental health. RUHS-BH has a dedicated professional team of approximately 1,100 employees consisting of psychiatrists, clinicians, peer specialists and paraprofessionals who provide clinical and substance use services to 65,000 persons annually in over 79 treatment sites operated by RUHS-BH, over 100 school sites and 5 jails, in addition to contracts with 140 community-based organizations. Services are primarily targeted toward individuals eligible for Medi-Cal and other specialized State programs.

RUHS-BH is comprised of three major programs: Mental Health Services, Substance Use Services, and the Public Guardian's Office.

The Mental Health Services program provides treatment and support services to transition-age youth, adults and older adults who have a mental illness and children who are seriously emotionally disturbed. Services include outpatient services, medication, peer recovery services, education, housing, residential care, as well as subacute and acute care. Peer-to-peer support services are a component of the program and are provided in clinics and by contract providers. Services to individuals who are homeless and mentally ill are also provided across the County.

The Substance Use Services program provides substance abuse treatment for all ages through a wide range of countywide clinics and contract providers. Prevention services are provided through (i) the largest Friday Night Live Program in the State, (ii) collaborative grants with school districts to set up student assistance programs, and (iii) contracts to reach out to community organizations and assist each community to make environmental prevention changes as needed.

The Public Guardian's Office provides services to persons unable to properly care for themselves or who are unable to manage their finances. The Public Guardian conducts the official County investigation into conservatorship matters and acts as the legally appointed guardian or conservator for persons found by the Superior Courts to be unable to properly care for themselves or their finances.

RUHS anticipates the completion and beneficial occupancy of the Mead Valley Wellness Village, an approximately 450,000 square foot behavioral health wellness center, by the end of 2026. In addition, RUHS-BH is evaluating other opportunities to meet community needs in alignment with proposed state initiatives around the modernization of behavioral healthcare delivery.

RUHS-PH. The mission of RUHS-PH is to promote and protect the health of all County residents and visitors for the wellbeing of the community. With a staff of 700 doctors, nurses, health educators, nutritionists, communicable disease and community program specialists, the department works towards preventing disease and promoting healthier communities.

RUHS-CHC. With 12 community health centers located throughout the County, RUHS-CHC provides free or low-cost health, dental and medical care. The clinics focus on persons with low income or no health insurance and offer a sliding fee scale, based on the ability to pay. Services offered by each clinic vary by specialty. The County uses an enterprise fund to account for RUHS-CHC.

Education Services

There are three union school districts, one elementary school district, one high school district, eighteen unified ("K-12") school districts and four community college districts in the County. Approximately ninety percent of all K-12 students attend schools in the unified school districts. The three largest unified school districts are Corona-Norco Unified School District, Riverside Unified School District and Moreno Valley Unified School District.

There are nine two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley, Palo Verde Valley, Banning and Temecula. There are also three universities located in the City of Riverside – the University of California, Riverside ("UCR"), La Sierra University and California Baptist University. The City of Palm Desert also has a UCR campus and California State University, San Bernardino campus.

Homelessness Services

The County is committed to preventing and ending homelessness in the County, and its Department of Housing and Workforce Solutions (“HWS”) provides the necessary leadership and structure to unify community-wide responses. HWS works alongside a Homelessness Continuum of Care network to plan, coordinate and implement homeless solutions countywide. The Point-in-Time count is a federally mandated census of sheltered and unsheltered people experiencing homelessness on a single night in the County. The last full count was conducted on January 25, 2023 and identified 3,725 people, of which approximately 65% were unsheltered, representing an approximately 12% increase from the prior year. Although the County did not conduct a count of unsheltered people experiencing homelessness in 2024, the County did undertake a count of sheltered people, which revealed an increase of 41% in comparison to 2023. The County attributes this increase to expanded efforts to capture sheltering data, including data from the California Work Opportunity and Responsibility to Kids Program administered by the California Department of Social Services, and to an expansion in new and existing sheltering projects resulting from local investments to increase housing in the County. These efforts have resulted in over 14,000 unduplicated individuals being served to date during Fiscal Year 2023-24. The County incorporates these homeless services and homelessness prevention programs into its budget planning process and seeks to maximize outside funding sources, including actively pursuing available State funding.

Environmental Control Services

Assessing Environmental and Social Risk. The County’s 2018 Multi-Jurisdictional Local Hazard Mitigation Plan (“LHMP”) provides a County-wide risk assessment of natural, technological and man-made hazards. The top five identified hazards in order of priority risk were identified as earthquakes, influenza pandemics, wildland fires, electrical failures and emergent diseases. CAL FIRE has designated and adopted Fire Hazard Severity Zones in State Responsibility Areas (“SRA”). In addition, the County has adopted CAL FIRE recommendations for Very High Fire Hazard Severity Zones in Local Responsibility Areas (“LRA”). The unincorporated areas of the County includes State Responsibility Areas and Local Responsibility Areas and contains a mixture of Very High Fire Hazard Severity Zone areas, High Fire Hazard Severity Zone areas, Moderate Fire Hazard Severity Zone areas, and areas that are not designated as Fire Hazard Severity Zones. Fire Hazard Severity Zone maps for Riverside County may be found at the following links: SRA – *Map of CAL FIRE’s Fire Hazard Severity Zones in State Responsibility Areas – Western Riverside County*; LRA West – *Map of CAL FIRE’s Fire Hazard Severity Zones in Local Responsibility Areas – Western Riverside County*; and LRA East – *Map of CAL FIRE’s Fire Hazard Severity Zones in Local Responsibility Areas – Eastern Riverside County*. The LHMP indicates that climate change and drought conditions are likely to become more frequent and persistent, contributing to increasing wildfire risk. The County incorporates these environmental risks into its budget and capital planning by providing funds for those departments tasked with the response. The Fiscal Year 2023-24 budget includes approximately \$92 million for such uses. In the event of a disaster or emergency, the Board of Supervisors can provide additional funds through budget adjustments that may be recovered through State or federal resources (such as increased reimbursements from CAL FIRE, the State’s office of emergency services, the Department of Homeland Security and FEMA).

Water Supply. The County obtains a large part of its water supply from groundwater sources, with certain areas of the County, such as the City of Riverside, relying almost entirely on groundwater. As in most areas of Southern California, this groundwater source is not sufficient to meet countywide demand, and the County’s water supply is supplemented by imported water. Imported water is provided by the Metropolitan Water District of Southern California from the Colorado River via the Colorado River Aqueduct and from the State Water Project via the Edmund G. Brown California Aqueduct. In the Southwest area of the County, approximately 80% of the water supply is imported.

At the regional and local level, there are several water districts that were formed for the primary purpose of supplying supplemental water to the cities and agencies within their areas. The Coachella Valley Water District, the Western Municipal Water District and the Eastern Municipal Water District are the largest of these water districts in terms of area served. The San Geronio Pass Water Agency, Desert Water Agency, Palo Verde

Irrigation District, Elsinore Valley Municipal Water District and Rancho California Water District also provide supplemental water to cities and agencies within the County.

The governor and the State Legislature have developed strategies to help mitigate the effects of the State's susceptibility to periodic, potentially prolonged and/or severe drought conditions. In response to drought conditions that occurred between 2011 and 2015, the governor established certain conservation measures to prohibit wasteful practices such as: (i) hosing off sidewalks, driveways and other hardscapes, (ii) washing automobiles with hoses not equipped with a shut-off nozzle, (iii) using non-recirculated water in a fountain or other decorative water feature, (iv) watering lawns in a manner that causes runoff, or within forty-eight hours of measurable precipitation, and (v) irrigating ornamental turf on public street medians. In 2017, the governor directed the State Water Resources Control Board to initiate the rulemaking process to ensure that such measures remain in place.

During a workshop in May of 2015 to discuss the drought, the Board of Supervisors directed staff to revise County Ordinance No. 859.3 *Water Efficient Landscape Requirements*. On July 21, 2015, the Board of Supervisors adopted, via an urgency ordinance, updated water efficient landscape requirements in Ordinance No. 859. A key highlight of this revised ordinance is that it "*prohibits the use of natural turf grass lawns within the front yards of new homes and promoting low water use plants and inert materials for a sustainable and marketable landscape design.*"

In 2021, the State again began experiencing drought conditions. Beginning in April 2021, the governor signed a series of proclamations determining, as of July 8, 2021, that 50 of the 58 counties in the State, but not including the County, are in a state of emergency due to drought conditions affecting such areas. In addition, on July 8, 2021, the governor signed Executive Order N-10-21, which asks citizens of the State to voluntarily reduce their water use by 15% compared to 2020 levels. On October 19, 2021, the governor issued a proclamation of a state of emergency incorporating the remaining eight counties in the State from the July 8, 2021 Order, including the County, to expeditiously mitigate the effects of the drought conditions to ensure the protection of health, safety, and the environment. On March 28, 2022, the governor signed Executive Order N-7-22 in response to intensifying drought conditions. The Order, building on the four 2021 orders relating to California's drought, among other requirements, limits a county, city or other public agency's ability to permit modified or new groundwater wells, and instructs the State Water Resource Control Board to consider (1) requiring certain water conservation measures from urban water suppliers and (2) banning non-functional or decorative grass at businesses and institutions. The County has partnered with a consortium of local water districts to send tiered water conservation messages as drought conditions continue to worsen. There can be no assurance the County will not be subject to additional emergencies, proclamations or Orders due to drought conditions in the future.

Flood Control. Primary responsibility for planning and construction of flood control and drainage systems within the County is provided by the Riverside County Flood Control and Water Conservation District (the "District") and the Coachella Valley Water District.

The District, formed in 1945 by an Act of the State Legislature, is divided into seven geographic zones and is empowered to levy property or special assessment tax on both real and personal property located within the boundaries of each zone. Taxes collected within each zone must be spent for flood control projects within, or proportionally beneficial to, that zone.

The Board of Supervisors serves as the District's governing body. Its staff are District employees while the County provides support services such as human resources and purchasing. The District provides a full range of services, including the design and construction of flood control facilities; regulatory services which fulfill legal requirements associated with federal and state programs that relate to District activities; surveying and mapping services; watershed protection services and planning and developer services that relate to land development.

The District's total budget for Fiscal Year 2022-23 was \$212.9 million, and the following District-administered flood control project contracts were completed during, or were under construction during the Fiscal Year 2022-2023:

- Romoland Master Drainage Plan (“MDP”) Line A-3. This District-led project will ultimately protect existing neighborhoods along Varela Lane and properties south of Varela Lane and east of Palomar Street.
- Woodcrest Dam Outlet Modification. This District-led project will upgrade the safety and operation of Woodcrest Dam. The improvements include replacing the existing gate assembly and control system, replacing the existing outlet structure with a new debris rack outlet structure to reduce clogging potential, and installation of erosion control measures on the embankment slope.
- Palm Springs MDP Line 41, Stages 3 & 4. Stage 3 of the Line 41 system is a District-led project to install approximately 5,450 feet of underground pipe ranging and construct a 7-acre detention basin. Stage 4 of the Line 41 system is a District-led storm drain improvement project to install approximately 1,365 feet of reinforced concrete pipe.
- Lakeland Village MDP Line H. This District-led storm drain improvement project includes installation of approximately 6,123 feet of various size underground pipe and box and a 2-acre sediment basin. The primary objective of this project is to provide flood protection to the residential area of Lakeland Village by capturing stormwater runoff from the Elsinore Mountains and safely conveying it in an underground storm drain.
- Beaumont MDP Line 16, Stage 50 Recharge Basin Feeder. This District-led storm drain project features water conservation elements and is a joint project with Beaumont-Cherry Valley Water District (BCVWD). The project consists of 7,800 feet of pipe and recharge basin improvements. The primary objective of this project is to provide flood protection to residents near Grand Avenue in Cherry Valley and increase groundwater recharge within the project vicinity.
- North Norco Channel Line NB, Stage 3. This District-led project will replace approximately 1,800 feet of existing interim earthen channel with an open concrete trapezoidal and rectangular channel that will provide 100- year flood protection to the community near the channel between Valley View Avenue and Sierra Avenue.

In addition, the cities of Corona, Norco, Moreno Valley, San Jacinto, and Riverside are also overseeing the design and implementation of substantial flood control projects using District financing (provided through Board-approved cooperative agreements).

The Emergency Management and Government Affairs Division has completed the Santa Ana River Levee. This project involved working with U.S. Army Corps of Engineers to rehabilitate 13,000 linear feet of damaged portions of the federally constructed reach of the Santa Ana River Levee system.

Sewage. There are 18 wastewater treatment agencies in the County's Santa Ana River region and nine in the County's Colorado River Basin region. The County does not own or operate a Publicly Owned Treatment Works (“POTW”), or sewage plant. Most residents in rural areas of the County which are unsewered rely upon septic tanks and leach fields for sewage disposal only if a POTW does not service the area with sewer infrastructure.

Cybersecurity

The County, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the County is subject to cyber threats including, but not limited to: hacking, malware, social engineering, and other attacks on its computer systems and sensitive digital networks. The Board of Supervisors adopted Policy No. A-58 - Enterprise Information Security Policy, which aligns with the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework regarding information security and privacy, and cyber risk management. In accordance with the adopted policy, all County employees are required to complete mandatory Policy No. A-58 Information Security Training on an annual basis. The County’s Information Security Office operates a security operations center (“SOC”) that provides 24x7x365 monitoring of the County’s enterprise network, performs continuous penetration testing, conducts monthly simulated phishing attacks and phishing awareness campaigns, and distributes monthly security awareness newsletters to all County employees. Additionally, the County’s Information Security Office has developed and implemented a formal Security Incident Response and Breach Notification Process for County-wide responses to information security incidents. The County carries a cyber liability insurance policy to cover the financial losses that may result from data breaches and cyberattacks.

No assurances can be given that the County’s security and operational control measures will be successful in guarding against any and each cyber threat and attack. The results of any attack on the County’s computer and information technology systems could impact its operations and damage the County’s digital networks and systems, and the costs of remedying any such damage could be substantial.

Litigation

No litigation is pending, or, to the best knowledge of the County, threatened, concerning the validity of the Note or the Resolution, or contesting the County’s ability to appropriate or make the repayment of the Note, and an opinion of the Office of County Counsel to that effect will be furnished to the Underwriters at the time of the execution and delivery of the Note. Although the County may, from time to time, be involved in legal or administrative proceedings arising in the ordinary course of its affairs, it is the opinion of the County that any currently pending or known threatened proceedings will not materially affect the County’s finances or impair its ability to meet its obligations.

The County is currently involved in a series of lawsuits involving state-calculated assessments of unitary property (“unitary taxes”). These lawsuits have been brought by telecommunication companies and an electric utility company. While each of these lawsuits is separate, they all seek refunds of property taxes that have been paid under California’s “pay first, litigate later” rule. Practically, this means that the County may be required to issue significant refunds to these providers. The unitary tax is collected by the County on behalf of special districts, school districts and water districts who utilize unitary tax revenue to pay for debt service. The County acts as the collection agent for all local property taxes, including the unitary taxes as set forth above. If these companies prevail, the County would be responsible for issuing refunds and then collecting or offsetting future amounts of revenue from these special districts. As such, the County has issued notices to said districts pursuant to Revenue and Taxation Code Sections 5146 and 5148 indicating that the County may be required to collect funds from the special districts to pay any refunds ordered by the Court or schedule an offset of future tax revenues.

First, AT&T, T-Mobile, Sprint and several other companies (the “Telecommunication Companies”) have each filed lawsuits against the County seeking a refund of unitary taxes paid for tax years ranging from 2014-2015 to the present. The Telecommunication Companies also seek a reduction in the unitary tax rate to reflect a lower rate that they believe is assessed against other business and commercial properties. The Telecommunication Companies further argue that the unitary tax rate cannot be higher than 1% as capped by Proposition 13.

The Telecommunication Companies are seeking a refund amount, in total, of approximately \$28,000,000 to \$38,000,000 in taxes. The earliest cases were initially either tolled or stayed by agreement of the parties due to a parallel lawsuit involving the County of Santa Clara, which lawsuit ended with an appellate decision in favor of the government. A more recent Telecommunication Companies case against the County, *Pacific Bell Telephone Company v. County of Riverside*, is pending appeal after a decision upon demurrer at the trial court that was favorable to the County. The other unitary tax cases brought by the Telecommunication Companies are currently tolled or stayed pending the outcome of the Pacific Bell case. The County does not anticipate resolution of the Pacific Bell case until at least late 2024.

Second, the County is also facing another unitary tax lawsuit entitled *Southern California Edison v. Board of Equalization*. This lawsuit was filed by electric utility provider Edison against the State's Board of Equalization and nineteen (19) counties, including the County, seeking a total refund of approximately \$5.5 billion. The County received approximately \$53,329,392 in Fiscal Year 2020-2021 at the valuation approved by the State, and the County's share is estimated to be \$1,281,000. Edison would like that amount to be reduced by approximately 10.32% resulting in an adjusted tax of approximately \$42,872,680. As such, Edison seeks a refund from the County in the amount of approximately \$10,456,712. Edison has filed identical lawsuits for two additional years as well. In total, the potential total refund to Edison for all three years would be approximately \$35,000,000. Of note, the County acts as the collection agent for the unitary taxes, and, if Edison were to prevail, a majority of the refunded amount would be attributable to cities, special districts and school districts that receive the unitary tax revenue. This matter is being heard in Orange County Superior Court. The County does not anticipate a ruling in this matter until late 2024 or early 2025.

Third, the County entered into a tolling agreement with Edison on January 29, 2024, to extend the time for Edison to file a separate lawsuit alleging that the unitary tax rate cannot be higher than 1% (the same argument raised by the Telecommunication Companies, described above). If Edison were to prevail, it will be entitled to a tax refund of approximately \$18,000,000 for the 2018-2019 tax year.

The County is also currently involved in eighteen separate lawsuits wherein the plaintiffs allege they were sexually abused in foster homes in which they were placed by the Riverside County Department of Public Social Services between 1971 and 2012. The County is evaluating and responding to the litigation and claims but is unable, at this time, to provide any additional details as to the resolution of these matters due to the preliminary nature of the litigation, the time periods during which the sexual abuse is alleged to have occurred and other factors.

Insurance

The County is self-insured for short-term disability, unemployment insurance, general liability, medical malpractice and workers' compensation claims. General liability claims are self-insured to \$7.5 million for each occurrence, and the balance (to \$25 million for each occurrence), with an optional excess liability program aggregate of \$50 million, is insured through Public Risk Innovation, Solutions, and Management ("PRISM," formerly known as CSAC EIA), a joint powers authority and insurance risk sharing pool consisting of 55 counties in the State, as well as other non-county public entities. Medical malpractice is self-insured for the first \$1.1 million for each claim with a \$1.5 million limit on a claims-made basis in excess of the County's self-insured retention, followed by a \$20 million limit on an occurrence basis through PRISM, for a total limit of \$21.5 million in excess of the County's self-insured retention. Workers' compensation claims are self-insured to \$2 million for each occurrence and the balance of statutory limits (unlimited) is insured through PRISM. Long-term disability income claims are fully insured by an independent carrier.

The PRISM property insurance program provides insurance coverage for all-risk subject to a \$50,000 per occurrence deductible; flood coverage is subject to a \$100,000 per occurrence deductible within Flood Zones A and V and a \$25,000 deductible outside of Flood Zones A and V. In order to diversify risk, property exposure among all members within the program are categorized into eight "Towers" based on geography and building type. The County participates in four of the eight Towers, each of which provides \$100 million in all-risk limits

(including earthquake and flood limits), and \$300 million limit for all-risk and a minimum of \$200 million for flood per Tower. A \$300 million excess all risk layer sits above the Towers, providing a total of \$600 million in all-risk limits for Towers I-VIII. With respect to earthquake coverage, each of the four Towers in which the County participates has a limit of \$100 million, with a \$365 million excess rooftop layer shared by all of the Towers that is triggered by the depletion of the initial limit for one or more of the Towers in a policy year. The County has \$765 million in shared earthquake coverage that covers scheduled locations and buildings equal to or greater than \$1 million in value and lesser valued locations where such coverage is required by contract. Earthquake coverage is subject to a deductible equal to 5% of total value per unit per occurrence, subject to a \$100,000 minimum. Boiler and Machinery provides up to \$100 million in limits, subject to a \$5,000 deductible per event. Property insurance limits in each Tower are shared with other counties within that Tower on a per event basis. If a catastrophic event occurs and losses exceed the limits, the County would be responsible for such amounts.

SECTION III – BUDGETARY INFORMATION

Financial Policies

General. The County has adopted a comprehensive set of financial policies to serve as a guideline for financial matters as further described below. Such policies can be found on the County’s website at the following link: *Financial Policies*.

Governmental Fund Balance and Reserve Policy. Fund balance is the difference between assets and liabilities on a governmental fund balance sheet, and represents the net remainder of resources less expenses at year-end. It is a widely used component in government financial statements analysis. In September 2011, the County adopted Board Policy No. B-30, Government Fund Balance and Reserve Policy (the “Government Fund Balance and Reserve Policy”), which establishes guidelines for use of fund balance with restricted purpose versus unrestricted purpose. This policy applies to governmental funds, which includes the General Fund, special revenue funds, capital projects funds, debt service funds and permanent funds. The Government Fund Balance and Reserve Policy intends to ensure that when both restricted and unrestricted fund balances are available, restricted amounts are used first, and that unrestricted funds are used in the following order: committed, assigned, and unassigned.

The overall objective of the Government Fund Balance and Reserve Policy is to maintain a General Fund unassigned fund balance of at least 25 percent of the fiscal year’s estimated discretionary revenue. The County considers property tax, local sales tax (not the Prop. 172 public safety sales tax), documentary transfer tax, tobacco settlement revenue, motor vehicle in lieu fees, fines and penalties, franchise fees, mitigation fees and interest earnings as discretionary revenue. A portion of this fund balance may be separately identified for one-time or short-term coverage of budgetary crises. If unassigned fund balance is drawn below 25 percent, the County Executive Office is required to develop a plan to restore it to the minimum level within three years. Special revenue fund balances are to be kept at or above the minimum level dictated by the funding source and should not fall below zero. If the fund balance drops below minimum levels, the department responsible for the fund will develop a plan to restore the balance to established minimum levels within two years.

Pension Management Policy. The County bears the ultimate responsibility to meet its pension obligations. The County established the Pension Advisory Review Committee (“PARC”) in September 2003. The purpose of PARC is to develop a better institutional understanding of the County’s Plans and to advise the Board of Supervisors on important matters concerning the Plans. PARC reports annually to the Board of Supervisors on the performance of the Plans and evaluates strategies to address appropriate funding of the Plans. As part of such activities, PARC annually receives an independent, third-party actuarial report on the County’s pension cost projections in order to ensure that the County has adequate information concerning its long-term pension obligations.

PARC is comprised of a representative from the County Executive Office, County Treasurer-Tax Collector, Human Resources, County Auditor-Controller, and a local safety member department representative.

PARC meets at least annually or as necessary upon the call of the Chairperson to address County pension plan topics. Each year, PARC prepares a public report of the status of the Plans and analysis of CalPERS's most recently available actuarial report, the Temporary and Part-Time Employees' Retirement plan, the Other Post-Employment Benefits plan and Section 115 OPEB Trust and, the County's Section 115 Pension Trusts. PARC reviews proposed changes to benefits or liability amortization schedules and, provides the Board of Supervisors with an analysis of the long-term costs and benefits.

Issuance of pension-related debt is reviewed first by PARC. The County has established a liability management fund in connection with the initial debt issuance of such debt and may do so with any future issuance and/or a Section 115 Pension Trust. Such liability management funds (collectively, the "Liability Management Fund") and Section 115 Pension Trusts are funded by projected savings from the issuance of pension-related debt and are only used to retire pension bond debt or are transferred to CalPERS to reduce an unfunded liability. PARC also makes annual recommendations regarding prepayment of CalPERS pension obligations, and potential savings from such early payment.

In January 2005, the County adopted Board Policy No. B-25, Pension Management Policy, which was last revised in March 2022 as the Pension Management and Other Post-Employment Benefits policy (the "Pension Management Policy") upon the recommendation of the PARC. The County has created this policy to ensure the financial stability of the County through proper management. The purpose is to safeguard the public trust by assuring prudent decisions regarding the County's pension plans, Other Post-Employment Benefits (OPEB), Section 115 Trusts (Pension and OPEB), and other retirement or termination related items such as compensated absences for employees' accrued annual, vacation or sick leave balances, providing proper oversight of the benefits provided, and their associated cost. This Policy applies to all County defined benefit pension plans currently administered by the California Public Employees Retirement System ("CalPERS"), the Section 115 OPEB Trust administered by California Employers' Benefit Trust (CERBT), the Temporary and Part-Time Employees' Retirement Plan (a defined benefit program for its Temporary Assistance Program ("TAP") employees) administered by the County, and the Section 115 Pension Trust administered by Public Agency Retirement Services (PARS), collectively the "Plans".

The County sets contribution rates sufficient to pay any amounts due to CalPERS, capture the full cost of annual debt service on pension obligation bonds outstanding, collect designated annual contributions that the County has established with the Liability Management Fund and its Section 115 Pension Trust(s) in connection with the issuance of such bonds, and pay consultants hired to assist PARC. Withdrawal of a group of employees from participation in the plans does not necessarily trigger a distribution of assets. If any employee group or department separates from the County, the associated actuarial liability and pension are subject to independent actuarially determined "true value." All contracts or grants are required to include the full amount of estimated pension cost in the contract or grant by Board policy. Upon the termination of such contracts or grants, a termination payment may be negotiated to reflect any unfunded liability associated with such employees.

See the caption "SECTION IV—FINANCIAL INFORMATION—Retirement Program" for information regarding PARC and PARC's 2024 Annual Report.

Debt Management Policy. Board Policy No. B-24, Debt Management Policy (the "Debt Management Policy"), first adopted in the late 1980s and last revised in November 2017, was created to ensure the financial stability of the County, reduce the County's cost of borrowing, and protect the County's credit quality through proper debt management. The Debt Management Policy applies to all direct County debt, conduit financing and land secured financing. Long-term debt is not used to finance ongoing operational costs. When possible, the County pursues alternative sources of funding, such as pay-as-you-go or grant funding, to minimize the level of direct debt. The County uses special assessment revenue, or other self-supporting debt instead of General Fund debt whenever possible. Debt issued may not have a maturity date beyond the useful life of the asset acquired or constructed. Long-term, General Fund obligated debt is incurred, when necessary, to acquire land or fixed assets based upon project priority and ability of the County to pay. The project should be integrated with the County's long-term financial plan and capital improvement program.

The County establishes an affordable debt level to preserve credit quality and ensure sufficient revenue is available to pay annual debt service. The debt level is calculated by comparing seven percent of discretionary revenue to aggregate debt service, excluding self-supporting debt. The policy provides for a variable rate debt ratio in an amount not to exceed 20 percent of the total outstanding debt, excluding variable rate debt hedged with cash, cash equivalents, or a fixed-rate swap.

When it benefits the County's financial or operating position, the County reviews outstanding debt and initiates fixed rate refundings. The term of such refunding does not extend the maturity beyond the original debt without compelling justification.

Each County department, agency, district or authority managing debt observes applicable state and federal regulations and laws regarding disclosure in all financings, files annual reports and material event notices with appropriate state and/or federal agencies in a timely manner, and provides an annual certificate to the Debt Advisory Committee of its compliance or noncompliance with state and/or federal disclosure laws.

The County established the Debt Advisory Committee ("DAC") in the late 1980s. DAC reviews all proposed County-related financings at least once prior to approval by the Board of Supervisors. DAC has seven members, including a representative from the County Executive Office, as chair, the County Treasurer-Tax Collector, the County Auditor-Controller, County Counsel, the Office of Economic Development, Community Facilities District/Assessment District Administrator, and the General Manager and Chief Engineer of the Flood Control and Water Conservation District. DAC meetings are held monthly or as called upon by the chair. Each proposed financing brought before DAC is required to include a detailed description of the type and structure of the financing, full disclosure of the specific use of the proceeds, a description of the public benefit to be provided by the proposed debt, the principal parties involved in the financing, anticipated sources of repayment, an estimated statement of sources and uses, any proposed credit enhancement, the anticipated debt rating, if any, and an estimated debt service schedule. DAC acts on items brought before it with either a "Review and File" or "Review and Recommend" action to the full Board of Supervisors.

Investment Policy. The County Treasurer-Tax Collector is responsible for managing the investment of County funds, subject to Board policy. Board Policy No. B-21, County Investment Policy (the "Investment Policy"), adopted in April 1999 and last revised in May 2022, safeguards public funds by assuring the County follows prudent investment practices and provides proper oversight of these investments. The policy applies to all funds held in the County Treasury, and to those held in trust outside of the County Treasury. The County Treasurer-Tax Collector annually presents its statement of investment policy to the County Investment Oversight Committee for review and to the Board of Supervisors for approval. The Treasurer's authority to make investments is reviewed and redelegated annually, pursuant to state law. All investments are governed by restrictions defining the type of investments authorized, maturity limitations, portfolio diversification, credit quality standards and applicable purchase restrictions. The Treasurer-Tax Collector actively manages the investment portfolio in a manner responsive to the public trust and consistent with state law, with the objectives to safeguard investment principal, maintain sufficient liquidity to meet daily cash flow requirements, and achieve a reasonable yield on the portfolio consistent with these objectives. See the website of the County Treasurer-Tax Collector, <https://countytreasurer.org/>, for more information.

Capital Improvement Program. The Capital Improvement Program ("CIP") is the capital planning mechanism for new facilities, major facility expansions, and purchases of large capital assets. In August 2002, the Board of Supervisors adopted Policy No. B-22, which was last revised in December 2015 and is used as a guiding strategy to establish funding methods, administration and control, and allowable uses of the CIP funds. The CIP team, led by the Executive Office, evaluates immediate and long-term capital needs, as well as financing and budget requirements, in order to best use the County's limited capital funds.

Capital facilities approved under the CIP are funded through the following sources:

(a) The Capital Improvement Program fund (the "CIP Fund") accounts for capital expenditures associated with various projects. The CIP Fund receives bond proceeds, project-specific resources, and

contributions from the General Fund, as required. In 2007, the Board of Supervisors approved the securitization of future cash flows of tobacco settlement revenue. The action resulted in a one-time payment of cash to be used for qualifying General Fund capital projects;

(b) Development Impact Fees (“DIF”) required by local governments of new development for the purpose of providing new or expanded public capital facilities required to serve that development. The fees typically require cash payments in advance of the completion of development, are based on a methodology and calculation derived from the cost of the facility and the nature and size of the development, and are used to finance improvements offsite of, but to the benefit of, the development. In the County, DIF pays for Board-authorized projects. Projects and eligible funding amounts are published within the public facilities needs list, which is updated every ten years. The list is the official public document that identifies facilities eligible for financing in whole or in part, through DIF funds levied on new development within unincorporated Riverside County. The County is in the process of developing the public facilities needs list as part of its DIF 2030 Nexus Study. There is no General Fund cost associated with this fund;

(c) The Cabazon Community Revitalization Act Infrastructure Fund was established pursuant to Board action taken on December 10, 2013, directing that 25% of the growth in sales and use tax from the expansion of the factory outlets in Cabazon be set aside in a separate fund for infrastructure improvements and public safety in that area;

(d) The Wine Country Community Revitalization Act Infrastructure Fund was similarly approved on September 9, 2014, to allocate 25% of the sales and use tax in the wine country area to assist with development of the wineries; and

(e) The Mead Valley Infrastructure Fund was similarly approved on April 20, 2015, to direct 25% of the growth in sales and use tax revenue of the specified commercial/industrial zone for infrastructure and public services in the Mead Valley community.

The CIP process allows the County to fully account and plan for capital projects that will have a major impact to the County’s annual budget, future staffing levels and service to the public. The CIP allows the County to anticipate and plan for future capital needs, as well as prioritize multiple projects to maximize the use of County’s limited capital funds. CIP projects include professional facilities services and associated capital improvements with a combined project value over \$100,000, including but not limited to: master planning for public facilities, acquisition of land for a County facility, acquisition of buildings, construction or expansion of County facilities, fixed assets, enhancements to County facilities that will be used, occupied or owned by a County entity; major leases over \$1 million and changes/revisions to current projects on the CIP list; or any County facilities project requiring new Net County Cost.

The CIP team solicits project lists from departments through the Assistant County Executive Officers (ACEOs) of each portfolio. Each ACEO provides their prioritized list to the County Executive Officer and Executive Management team to develop a County-wide ranked priority list for capital projects. Adjustments are made as needed, if funding is available. Any appropriations remaining in the CIP Fund at the end of the fiscal year will automatically carry forward into the next fiscal year.

Budgetary Process

General. Under the California Government Code, the County must approve a recommended budget by June 30 of each year as the legal authorization to spend until the approval of the adopted budget. An adopted budget reflecting any revisions to the recommended budget must be approved by the Board of Supervisors no later than October 2. The recommended and adopted budgets must be balanced.

Subsequent to the approval of the adopted budget, the County may make adjustments to reflect revenue, as realized, and to record changes in expenditure requirements. For example, in recent years, the County, like

many other counties, has adopted a budget in advance of the adoption of the State budget and has been required to make adjustments in certain circumstances upon the passage of the State budget. The County conducts quarterly reviews, with major adjustments generally addressed at the end of the first, second and third quarters.

Five-Year Forecast. To ensure prudent financial management, the County maintains a five-year internal budget forecast based on conservative revenue assumptions derived internally and from information provided by external consultants and includes projections in the out years for labor and pension increases. The current forecast reflects a continuing trend of cost increases outpacing revenue growth, such that without corrective action steps taken, structural balance would not likely be attained, and the 25% reserve target implemented by the Board of Supervisors would not be met in Fiscal Years 2023-24 through 2027-28. In Fiscal Years 2018-19 and 2019-20, the County’s reserves exceeded the target. The County’s reserves also exceeded the target in Fiscal Year 2020-21, due to CARES Act reimbursement of General Fund costs related to COVID 19; in Fiscal Year 2021-22, due to increasing revenues as well as \$12.6 million in unspent contingency funds; and in Fiscal Year 2022-23, due to \$42 million in lesser than projected Net County Cost as well as \$125 million in greater than expected discretionary revenue, largely attributable to interest earnings, property and sales taxes. Factors driving cost increases include increased labor, medical and pension costs, and unanticipated one-time costs. See “SECTION IV—FINANCIAL INFORMATION—Labor Relations” and “—Retirement Program.” The County has a number of strategies to address these challenges, such as targeted reductions to the Net County Cost, keeping new requests to a minimum, identifying one-time vs. ongoing revenues and reducing vacant full-time positions. The County’s practice has been to apply one-time revenues towards the rebuilding of reserves or mission critical one-time costs and assumes that budgetary shortfalls will not be backfilled with discretionary revenues.

Fiscal Year 2023-24 Budget

On June 12 and 13, 2023, the Board of Supervisors held budget hearings regarding the Fiscal Year 2023-24 Budget (the “Fiscal Year 2023-24 Budget”) which includes total General Fund appropriations of approximately \$4.99 billion. For Fiscal Year 2023-24, the County estimates that approximately 66.8% of its General Fund budget revenues in the Fiscal Year 2023-24 Budget will consist of payments from the State and Federal government. Discretionary revenue is budgeted at approximately \$1.143 billion for Fiscal Year 2023-24, an increase of approximately 13% from the Adopted Budget for Fiscal Year 2022-23. The increase is due primarily to modestly rising property-related tax revenues, as well as interest earnings and sales tax. The Fiscal Year 2023-24 Budget is structurally balanced with discretionary spending of approximately \$1.125 billion. The remaining \$18 million will be set aside in reserves and a deferred maintenance fund. Property tax revenue is budgeted at approximately \$505 million (including \$160 million in redevelopment tax increment pass-through funds) for Fiscal Year 2023-24 and represents approximately 44% of the County’s discretionary revenue. Property tax estimates assume an increase in assessed valuation in Fiscal Year 2023-24 of 7% from Fiscal Year 2022-23. In addition, the County estimates that sales tax revenue will increase by 15% from Fiscal Year 2022-23, because the higher cost of goods from shortages and high shipping costs has resulted in increases in consumer spending and strong business receipts.

The County’s reserve balance at the end of Fiscal Year 2023-24 is projected at approximately \$536 million, approximately \$250 million above Board policy. The Fiscal Year 2023-24 Budget was approved by the Board of Supervisors on June 27, 2023.

Midyear Budget Report

On February 27, 2024, the County Executive Officer presented the Fiscal Year 2023-24 Midyear Budget Report to the Board. At the end of the second quarter, the County’s financial position improved relative to the

Adopted Budget. Discretionary revenue was projected higher by \$60.7 million from \$1,143.2 billion to \$1,203.9 billion, while Net County Cost remains the same at \$1,125 billion. The largest increases in discretionary revenue were primarily attributable to property taxes and interest earnings. The County's General Fund unassigned fund balance updated projection at the end of the fiscal year is approximately \$677 million, approximately \$376 million above Board policy and \$122 million above the Adopted Budget.

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Historical Budgets

The following table sets forth the General Fund budgets for the last five fiscal years as initially adopted by the Board of Supervisors. During the course of each fiscal year, a budget may be amended to reflect adjustments to receipts and expenditures that have been approved by the Board of Supervisors.

TABLE 12
COUNTY OF RIVERSIDE
ADOPTED GENERAL FUND BUDGETS⁽¹⁾
FISCAL YEARS 2019-20 THROUGH 2023-24
(IN MILLIONS)

	<i>2019-20</i> <i>Budget</i>	<i>2020-21</i> <i>Budget</i>	<i>2021-22</i> <i>Budget</i>	<i>2022-23</i> <i>Budget⁽²⁾</i>	<i>2023-24</i> <i>Budget</i>
<u>REQUIREMENTS</u>					
General Government	\$ 156.4	\$ 226.7	\$ 235.7	\$ 267.0	\$ 267.0
Public Protection	1,513.8	1,605.1	1,695.0	1,879.8	2,027.7
Health and Sanitation	737.2	764.2	786.4	904.5	1,135.5
Public Assistance	1,049.4	1,156.8	1,211.4	1,225.8	1,517.7
Education	0.7	0.6	0.7	0.7	0.8
Recreation and Cultural	2.2	2.1	3.3	4.4	4.5
Debt Retirement-Capital Leases	14.5	14.5	19.1	21.9	20.0
Contingencies	17.6	20.0	20.0	20.0	20.0
Increase to Reserves	<u>19.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Requirements ⁽³⁾	\$ 3,511.4	\$ 3,790.0	\$ 3,971.6	\$ 4,324.1	\$ 4,993.3
<u>AVAILABLE FUNDS</u>					
Use of Fund Balance and Reserves	\$ 0.0	\$ 60.8	\$ 73.8	\$ 36.7	\$ 2.2
Estimated Revenues:					
Property Taxes	333.9	357.0	397.3	439.6	486.7
Other Taxes	4.6	4.2	5.9	7.2	8.4
Licenses, Permits and Franchises	20.8	20.5	21.0	21.9	22.9
Fines, Forfeitures and Penalties	62.5	76.1	62.9	59.0	59.7
Use of Money and Properties	28.2	15.0	15.8	24.9	59.7
Intergovernmental Revenue:					
State ⁽⁴⁾	1,547.9	1,637.0	1,726.1	1,824.9	2,213.8
Federal	718.6	780.5	837.9	943.7	1,121.9
Charges for Current Services	627.3	643.8	640.1	720.1	764.2
Other Revenues	<u>167.6</u>	<u>195.1</u>	<u>190.8</u>	<u>246.1</u>	<u>253.7</u>
Total Available Funds ⁽³⁾	\$ 3,511.4 ⁽⁵⁾	\$ 3,790.0	\$ 3,971.6	\$ 4,324.1	\$ 4,993.3

(1) Data source is the official budget documents submitted to the State Controller's Office. Figures do not reflect quarterly amendments or adjustments.

(2) See APPENDIX B — "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 — Budgetary Comparison Statement – General Fund" for a comparison of the Fiscal Year 2022-23 Budget to actual.

(3) Column numbers may not add up to totals due to rounding.

(4) State funding sources include AB 118 Local Revenue, Proposition 172 Public Safety Sales Tax, motor vehicle in lieu fees, Mental Health Services Act funds, State public assistance programs and State realignment programs, among other sources.

(5) Includes use of reserves of \$21.0 million in Fiscal Year 2018-19 and \$19.6 million in Fiscal Year 2019-20 to balance discretionary revenue that are reflected as a portion of budgeted General Fund revenue.

Source: County Auditor-Controller.

SECTION IV – FINANCIAL INFORMATION

Employees

The following table sets forth the number of County employees for the last ten calendar years.

TABLE 13
COUNTY OF RIVERSIDE
REGULAR EMPLOYEES

<i>Year</i>	<i>Regular Employees⁽¹⁾</i>
2014	18,620
2015	19,244
2016	19,404
2017	19,409
2018	19,102
2019	19,569
2020	20,131
2021	20,270
2022	20,656
2023	21,869

⁽¹⁾ As of December 31st of each year. Excludes temporary and per diem employees.
Source: County of Riverside Human Resources.

Labor Relations

County employees comprise 19 bargaining units, plus another 9 unrepresented employee groups. The bargaining units are represented by six labor organizations. The two largest of these organizations are Service Employees International Union, Local 721 (“SEIU”) and the Laborers International Union of North America (“LIUNA”), which collectively represent approximately 68.6% of all County employees in a variety of job classifications*. Salary, benefits and personnel items for management, confidential and other unrepresented employees which are exempt from collective bargaining, are governed by a County Resolution and Ordinance which contain provisions for these personnel related matters.

The County’s non-management law enforcement employees are represented by the Riverside Sheriffs’ Association (“RSA”). The RSA represents three separate units: Law Enforcement Unit (“RSA LEU”), Corrections Unit (“RSA Corrections”), and Public Safety Unit (“RSA PSU”). Management employees of the law enforcement group are represented by the Riverside County Law Enforcement Management Unit (“LEMU”). The Public Defenders, County Counsel and Prosecuting Attorneys of the District Attorney’s Office are represented by the Riverside County Deputy District Attorneys Association (“RCDDAA”). SEIU also represents the Per Diem Unit which are classifications that are the equivalent to the regular SEIU classifications however, in a per diem capacity.

* This percentage is calculated based off of regular, temporary, and per diem employees for all groups.

The following table presents information regarding the County’s bargaining units and status of its collective bargaining agreements.

**TABLE 14
COUNTY OF RIVERSIDE
LABOR ORGANIZATIONS⁽¹⁾**

<i>Bargaining Units or Employee Group</i>	<i>Number of Employees⁽²⁾</i>	<i>Expiration Date of Contract</i>
Management, Confidential, and Other Unrepresented	1,920	N/A ⁽³⁾
Law Enforcement Management Unit (LEMU)	489	February 1, 2026
Riverside County Deputy District Attorneys’ Association (RCDDAA)	417	December 31, 2025
Riverside Sheriffs’ Association (RSA) LEU	1,659	December 9, 2024
Riverside Sheriffs’ Association (RSA) Corrections	967	December 9, 2024
Riverside Sheriffs’ Association Public Safety Unit (RSA)	517	October 26, 2025
Service Employees International Union (SEIU)	8,724	Active Negotiations ⁽⁴⁾
Service Employees International Union (SEIU) Per Diem Unit	419	November 30, 2024
Laborers’ International Union of North America (LIUNA)	7,881	October 19, 2024
In-Home Supportive Services (IHSS)	<u>N/A⁽⁵⁾</u>	December 31, 2025
Total	22,993	

⁽¹⁾ Includes all County districts.

⁽²⁾ As of February 8, 2024. Excludes temporary, unrepresented per diem, and seasonal employees. Includes (SEIU) Per Diem Unit.

⁽³⁾ Management, Confidential and Other Unrepresented employees are not represented by a bargaining unit and do not have a collective bargaining agreement with the County.

⁽⁴⁾ The previous collective bargaining agreement for SEIU expired on January 27, 2024, and a collective bargaining agreement is currently under active negotiation.

⁽⁵⁾ The IHSS Public Authority is only the employer of record within the meaning of Government Code Section 3500 *et seq.* (Meyers-Milias-Brown Act) which allows the home care workers to organize and engage in collective bargaining in an effort to improve wages and obtain benefits. Home care workers are employed by the consumers of the services, who have the right to hire, train, supervise and terminate the home care workers who assist them.

Source: County of Riverside Human Resources.

In the most recent contracts, increases of 2% to 8% were offered over a period of years to increase the salary range maximum. Additionally, the County moved units/employee groups from salary steps to broad banding, a more flexible salary structure that consolidates pay grades into fewer levels with wider salary ranges. Anniversary increases will occur in 4% increments. The County also provides a subsidy to employees with one or more dependents enrolled in a County medical plan to help pay for the cost of health care. The County believes that its benefits and compensation packages are competitive in the region.

Retirement Program

General. The County provides retirement benefits to all regular County employees through its contract with California Public Employees’ Retirement System (“CalPERS”), a multiple-employer public sector employee defined benefit pension plan. The retirement plan, as amended, provides pension benefits for eligible employees in the Miscellaneous and Safety Plans (herein defined) with CalPERS. CalPERS provides service and disability retirement benefits, annual cost-of-living adjustments and death benefits to CalPERS members and beneficiaries. The retirement benefits are based on a years of service, benefit factor (determined by age at retirement), and final compensation which is the highest average pay rate and special compensation during any consecutive one-year period of employment (for Tier 1 employees) or three-year period of employment (for Tier 2 and Tier 3 employees). The benefit calculation for members is the product of the benefit factor (based on age), years of service, and final compensation. Due to pension reform efforts, the County’s retirement plan currently includes three tier levels of benefits.

TABLE 15
COUNTY OF RIVERSIDE
EMPLOYEES PER RETIREMENT TIER⁽¹⁾
(As of January 1, 2024)

<i>Tier Level</i>	<i>Number of Employees in Tier Level</i>
Tier 1	7,616
Tier 2	829
Tier 3	<u>13,691</u>
Total	22,136

⁽¹⁾ Excludes districts, temporary, per diem, and seasonal employees.
Source: County of Riverside Human Resources.

Miscellaneous members, who qualify for retirement benefits based on their date of hire, are enrolled in one of three tiers of benefits: Tier I (3% at 60), Tier II (2% at 60), or Tier III (2% at 62). Safety members, who qualify for retirement benefits based on their date of hire, are enrolled in one of three tiers of benefits Tier I (3% at 50), Tier II (2% at 50), or Tier III (2.7% at 57). Each tier of retirement benefits specifies the percentage of a retiree’s final compensation for each year of credited service and a specified retirement age; for example, Miscellaneous Tier I members are entitled to retire at age 60 with 3% of their final compensation for each year of service credit. The three tiers of retirement benefits all provide for cost-of-living adjustments of up to 2% per year after retirement. For further information on the County’s pension obligations, see Note 20 of the Notes to the Basic Financial Statements, June 30, 2023, which are included in APPENDIX B — “COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023.”

The Board of Supervisors approved and implemented a second tier (“Tier II”) level of retirement benefits for new Miscellaneous and Safety employees on August 23, 2012. The Tier II retirement benefit calculation is based on years of service, age, and the average monthly eligible wages earned during the highest three consecutive years of employment. The Tier II retirement benefit factor for Miscellaneous Plan members ranges from 1.092% at age 50 to 2.418% at age 63 and beyond. For Safety Plan members, the Tier II retirement benefit factor ranges from 2% at age 50 to 2.7% at 55 and beyond. The plans also provide for cost-of-living adjustments of up to 2% per year after retirement.

On September 12, 2012, Governor Brown signed Assembly Bill 340, creating the Public Employees’ Pension Reform Act (“PEPRA”) and amending certain sections of the County Employees Retirement Law of 1937 (the “1937 Act”). The majority of the PEPRA changes first impacted the rates and benefit provisions on the June 30, 2013 valuation for Fiscal Year 2015-16 rates. Among other things, PEPRA created a new retirement benefit tier (“Tier III”) for new employees/members entering public agency employment and public retirement system membership for the first time on or after January 1, 2013.

The new Tier III formulas for both Miscellaneous and Safety provide for a reduced benefit and were required to be implemented by all public agency employers unless the retirement formula in existence on December 31, 2012 had both a lower normal cost and lower benefit factor at normal retirement age. PEPRA requires that all new employees hired on or after January 1, 2013, pay at least 50% of the normal cost contribution. Tier III benefits are set 2% at 62 for Miscellaneous members and 2.7% at 57 for Safety members. PEPRA mandated all new members be subject to a pensionable compensation cap, which limits the annual salary that can be used to calculate final compensation for all new members. Adjustments to the limits are permitted annually based on changes to the Consumer Price Index (CPI) for all urban consumers.

The County’s CalPERS Contract. The following information concerning CalPERS is excerpted from publicly available sources that the County believes to be reliable; however, the County takes no responsibility as to the accuracy of such information and has not independently verified such information. CalPERS acts as a common investment and administrative agent for participating public entities within the State. CalPERS is a

contributory plan deriving funds from employee and employer contributions and earnings from investments. CalPERS maintains two pension plans for the County, a Miscellaneous Plan (the “Miscellaneous Plan”) and a Safety Plan (the “Safety Plan” and, together with the Miscellaneous Plan, the “CalPERS Plans”). The County contributes to CalPERS based on the annual actuarial valuation rates recommended by CalPERS.

The staff actuaries at CalPERS prepare an annual actuarial valuation which covers a fiscal year ending approximately 12 months before the actuarial valuation is prepared, which report dictates the County contributions for the subsequent Fiscal Year. For example, the County’s contribution rates derived from the actuarial valuation as of June 30, 2022, which was prepared in July 2023, is effective for the County’s Fiscal Year 2024-25. Beginning with Fiscal Year 2017-18, CalPERS collects employer contributions toward the CalPERS Plans’ unfunded liability as dollar amounts instead of the prior method of a contribution rate (expressed as a percent of covered payroll). This change addressed potential funding issues that could arise from a declining payroll or reduction in the number of active members in a CalPERS Plan. Funding the unfunded liability as a percentage of payroll could lead to the underfunding of the CalPERS Plans. The County is invoiced by CalPERS at the beginning of each fiscal year for its unfunded liability payments. The CalPERS Plans’ normal cost contribution continues to be collected as a percentage of payroll. CalPERS rules require the County to implement the actuary’s recommended rates.

In calculating the annual actuarially required contribution rates, the CalPERS actuary calculates on the basis of certain assumptions regarding the actuarial present value of the benefits that CalPERS will pay under the CalPERS Plans, which includes two components, the Normal Cost and the Unfunded Accrued Actuarial Liability (the “UAAL”). The normal cost represents the actuarial present value of benefits that are attributed to the current year, and the UAAL represents the actuarial present value of benefits that are attributed to past years. The UAAL represents an estimate of the actuarial shortfall between assets on deposit at CalPERS and the present value of the benefits that CalPERS will pay under the CalPERS Plans to retirees and active employees upon their retirement. The determination of both components is based on a set of actuarial assumptions which can be divided into two categories: demographic assumptions (which includes mortality rates, retirement rates, employment termination rates and disability rates) and economic assumptions (which includes future investment earnings, inflation and salary growth rates). In addition, the UAAL includes certain actuarial adjustments such as, among others, the actuarial practice of smoothing losses and gains over multiple years.

CalPERS staff actuaries prepare annual actuarial valuations calculating the plan’s funded status at the valuation date, most recently June 30, 2022, based on census data and asset information as of that date. That valuation sets the County’s required contribution for the 2nd following fiscal year (the 2022 valuation sets the Fiscal Year 2024-25 required contribution). The cost of retirement benefits earned in each year, the Normal Cost, is paid to CalPERS each payroll period as a percentage of actual covered payroll. Active employees pay a portion of the normal cost, either a fixed percentage of covered pay as specified by law or for newer employees, one-half of the Normal Cost. The County pays the remainder of the Normal Cost. The actuarial valuation also calculates the County’s unfunded actuarial accrued liability (UAAL), which is the difference between the value of employees’ and retiree’s past service-related retirement benefits and plan assets. New UAAL created each year, positive or negative, is amortized and repaid to CalPERS by the County as an escalating annual payment. As of June 30, 2022, the County’s UAAL has 27 amortization bases with between 1 and 26 years remaining in their contribution schedule of amortization bases.

CalPERS adopted a new amortization policy effective with the June 20, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a 5-year ramp-up and ramp-down on UAAL bases attributable to assumption and method changes and non-investment gains/losses. The new policy also does not utilize a 5-year ramp-down on investment gains/losses. These changes will apply only to new UAAL bases established on or after June 30, 2019.

In calculating the plan costs, CalPERS uses many actuarial assumptions. Most significantly, future investment return is assumed to be 6.80% per year, net of both investment and administrative expenses. The

underlying inflation rate is 2.30%. Demographic assumptions are based on studies of actual member experience and include 15 years of projected mortality improvement.

On July 12, 2021, CalPERS announced that the 21.3% net return on investments for the 12-month period that ended June 30, 2021 would trigger a reduction in the discount rate or assumed rate of return to 6.8%, from its previous level of 7%. The new discount rate is reflected in the County's contribution levels in Fiscal Year 2023-24.

On July 20, 2022 CalPERS announced a negative 6.1% net return on investments for the 12-month period that ended June 30, 2022, with an assumed discount rate of 6.8%. The new discount rate is reflected in the County's contribution levels for Fiscal Year 2024-25.

Copies of the County's actuarial valuations are available on CalPERS website, <https://www.calpers.ca.gov/>.

Contribution Rates. In addition to required County contributions, members are also obligated to make certain payments. For the Miscellaneous Plan, Tier I members' contribution rates are fixed at 8% of salaries. The Tier II and III member contribution rates for the Miscellaneous Plan are 7% and 7.25%, respectively. For the Safety Plan, the Tier I and Tier II member contribution rate is 9%, and the Tier III member contribution rate is 12.50%. Member contribution rates vary based on the terms of the collective bargaining agreements in effect. In addition to making annual contributions to CalPERS in accordance with the applicable actuarial valuation, the County has historically been obligated pursuant to collective bargaining arrangements to pay a portion of the employees' required contribution to CalPERS (these payments by the County are referred to herein as the "County Offsets of Employee Contributions"). Effective July 1, 2023, the required Safety Plan PEPRA member contribution rate was 13.50%, and the Miscellaneous Plan remained at 7.25%. Effective July 1, 2024, the required Safety Plan PEPRA member contribution rate will remain at 13.50%, and the Miscellaneous Plan will be 7.75%.

Funding Status. The actuarial value of assets, the actuarial accrued liability and the funding status with respect to the Safety Plan and the Miscellaneous Plan are set forth under "— Historical Funding Status." In the actuarial valuation for the Miscellaneous Plan as of June 30, 2022, the CalPERS actuary recommended an employer Normal Cost contribution rate of 11.29% (projected to be \$153 million) be implemented as the required rate for Fiscal Year 2024-25, and an employer unfunded liability payment of \$178.4 million, which the County anticipates will result in a contribution to CalPERS of approximately \$331.1 million for that fiscal year. In the actuarial valuation for the Safety Plan as of June 30, 2022, the CalPERS actuary recommended an employer normal cost contribution rate of 21.36% (projected to be \$77.5 million) be implemented as the required rate for Fiscal Year 2024-25, and an employer unfunded liability payment of \$70.1 million, which the County anticipates will result in a contribution to CalPERS of approximately \$147.6 million for that fiscal year. The County's total CalPERS contribution (Miscellaneous Plan and Safety Plan) for Fiscal Year 2024-25 is projected to be approximately \$478.7 million. The County generally pays the unfunded liability payments early, at the beginning of each fiscal year, and receives a discount of approximately 3.4%.

On February 17, 2005, the County issued its Taxable Pension Obligation Bonds, Series 2005A (the "2005 Pension Obligation Bonds") in the original principal amount of \$400,000,000, the proceeds of which were used to fund approximately 90% of the County's estimated actuarial accrued liability as of February 17, 2005. The 2005 Pension Obligations Bonds remain outstanding in the principal amount of \$89.9 million as of February 15, 2024, with annual debt service payments (principal and interest for Fiscal Year 2023-24) of approximately \$40.1 million. The payment to CalPERS resulted in a net pension asset of \$396.9 million, \$311.2 million of which was applied to the County's UAAL for the Miscellaneous Plan and \$85.7 million of which was applied to the County's UAAL for the Safety Plan. According to Foster & Foster, Inc., an independent actuarial pension consultant to the County, the 2005 Pension Obligation Bonds have resulted in a net estimated gain to the County of approximately \$204.6 million as of February 15, 2024. The Liability Management Fund was established in connection with the 2005 Pension Obligation Bonds to capture a portion of the annual cost

reduction. By Board policy, each year in its annual report, PARC recommends to the Board whether the funds in the Liability Management Fund should be applied to purchase 2005 Pension Obligations Bonds or to transfer the funds to CalPERS to reduce the County's CalPERS unfunded liability. In 2016, PARC recommended to transfer the excess liability management funds to the County's Section 115 Pension Trust in each future year.

The County established its first Section 115 Pension Trust (the "Trust") in November 2016 with Public Agency Retirement Services ("PARS") serving as the administrator. The goal of the Trust is to help the County independently mitigate CalPERS' contribution rate volatility and act as a buffer for budgeting purposes. Assets in the Trust cannot be used for any other purposes except for making payments directly to CalPERS to pay down a portion of the unfunded liability or for reimbursing the County for CalPERS contributions. Excess funds from the Liability Management Fund and OPEB disbursements were placed in the Trust to fund the initial deposit of \$2.1 million.

On May 6, 2020, the County issued its Taxable Pension Obligation Bonds, Series 2020 (the "2020 Pension Obligation Bonds") in the original principal amount of \$719,995,000, the proceeds of which were used to refund up to approximately 20% of the County's total UAAL. The payments to CalPERS resulted in a net pension asset of \$715.8 million, \$371.5 million of which was applied to the County's UAAL for the Miscellaneous Plan and \$344.3 million of which was applied to the County's UAAL for the Safety Plan. The 2020 Pension Obligations Bonds remain outstanding in the principal amount of \$621.7 million as of February 15, 2023, with annual debt service payments (principal and interest for Fiscal Year 2023-24) of approximately \$61.7 million. According to Foster & Foster, Inc., the 2020 Pension Obligation Bonds have resulted in a net estimated gain to the County of approximately \$84.3 million as of February 15, 2024. As part of the approval process in April 2020 for the sale of the 2020 Pension Obligation Bonds, the Board of Supervisors directed that the payment reductions (savings), estimated at \$230.8 million over the eighteen-year life of the bonds, be captured each year and deposited into a dedicated Section 115 Pension Trust. The second Trust account was established in July 2020. Funds have since been dollar-cost averaged over time into the Trust(s) and now total a combined \$142 million, as of March 1, 2024. Since inception, no funds have been drawn from the Trust(s).

Historical Funding Status. The following two tables, for the Safety Plan and the Miscellaneous Plan, respectively, set forth the UAAL and funded status as of the valuation dates of the last five years for which the data was available:

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**TABLE 16
HISTORICAL FUNDING STATUS
(Safety Plan)**

<i>Valuation Date June 30</i>	<i>Unfunded Accrued Liability</i>	<i>Funded Status (Market Value)</i>	<i>Affects County Contribution for Fiscal Year</i>	<i>County Contribution Amount⁽¹⁾</i>	<i>County Offsets of Employee Contributions</i>
2018	\$1,089,696,531	70.4%	2020-21	\$144,542,181	\$0
2019 ⁽²⁾	1,115,122,032	71.1	2021-22	118,247,426	0
2020	832,266,670	79.4	2022-23	124,872,869	0
2021	488,733,498	88.9	2023-24	131,038,288	0
2022	1,087,673,768	76.8	2024-25	147,639,955	0

⁽¹⁾ Figures listed are amounts paid by the County to CalPERS in the specific years and do not reflect all amounts paid by the County under the Safety Plan, as debt service with respect to the County's outstanding 2005 or 2020 pension obligation bonds, or otherwise.

⁽²⁾ 2019 figure does not reflect the amount of \$344.2 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2018 through June 30, 2022 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

**TABLE 17
HISTORICAL FUNDING STATUS
(Miscellaneous Plan)**

<i>Valuation Date June 30</i>	<i>Unfunded Accrued Liability</i>	<i>Funded Status (Market Value)</i>	<i>Affects County Contribution for Fiscal Year</i>	<i>County Contribution Amount⁽¹⁾</i>	<i>County Offsets of Employee Contributions</i>
2018	\$2,416,961,672	70.4%	2020-21	\$297,035,219	\$287,040
2019 ⁽²⁾	2,499,686,250	70.9	2021-22	283,962,428	279,811
2020	2,246,650,531	75.0	2022-23	295,705,279	260,801
2021	1,397,148,552	85.6	2023-24	303,959,728	183,145
2022	2,586,715,932	74.6	2024-25	331,155,466	0

⁽¹⁾ Figures listed are amounts paid by the County to CalPERS in the specific years and do not reflect all amounts paid by the County under the Miscellaneous Plan, as debt service with respect to the County's outstanding 2005 or 2020 pension obligation bonds, or otherwise.

⁽²⁾ 2019 figure does not reflect the amount of \$371.5 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2018 through June 30, 2022 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

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A six-year schedule of the funding progress of the Safety Plan and the Miscellaneous Plan are presented in the following two tables:

**TABLE 18
SCHEDULE OF FUNDING PROGRESS
(Safety Plan)**

<i>Valuation Date June 30</i>	<i>Accrued Liability (a)</i>	<i>Market Value of Assets (b)</i>	<i>Unfunded Liability (a-b)</i>	<i>Funded Status (Market Value) (b/a)</i>	<i>Annual Covered Payroll (c)</i>	<i>Unfunded Liability as a Percentage of Payroll ((a-b)/c)</i>
2017	\$3,361,565,098	\$2,394,890,161	\$966,674,937	71.2%	\$328,400,573	294.4%
2018	3,676,571,381	2,586,874,850	1,089,696,531	70.4	309,713,827	351.8
2019 ⁽¹⁾	3,857,810,725	2,742,688,693	1,115,122,032	71.1	304,732,882	365.9
2020	4,045,933,495	3,213,666,825	832,266,670	79.4	316,205,748	263.2
2021	4,416,850,557	3,928,117,059	488,733,498	88.9	323,672,580	151.0
2022	4,691,047,110	3,603,373,342	1,087,673,768	76.8	333,941,947	325.7

⁽¹⁾ 2019 figure does not reflect the amount of \$344.2 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2017 through June 30, 2022.

**TABLE 19
SCHEDULE OF FUNDING PROGRESS
(Miscellaneous Plan)**

<i>Valuation Date June 30</i>	<i>Accrued Liability (a)</i>	<i>Market Value of Assets (b)</i>	<i>Unfunded Liability (a-b)⁽²⁾</i>	<i>Funded Status (Actuarial Value) (b/a)</i>	<i>Annual Covered Payroll (c)</i>	<i>UAAL as a Percentage of Payroll ((a-b)/c)</i>
2017	\$7,441,270,302	\$5,325,794,759	\$2,115,475,543	\$71.6	\$1,128,397,500	187.5%
2018	8,165,793,889	5,748,832,217	2,416,961,672	70.4	1,118,711,056	216.0
2019 ⁽¹⁾	8,602,935,143	6,103,248,893	2,499,686,250	70.9	1,145,579,094	218.2
2020	8,992,723,006	6,746,072,475	2,246,650,531	75.0	1,182,860,410	189.9
2021	9,670,471,442	8,273,322,890	1,397,148,552	85.6	1,211,043,768	115.4
2022	10,195,511,990	7,608,796,058	2,586,715,932	74.6	1,245,591,727	207.7

⁽¹⁾ 2019 figure does not reflect the amount of \$371.5 million contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2017 through June 30, 2022.

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The following table shows the percentage of salary which the County was responsible for contributing to CalPERS from Fiscal Year 2019-20 through Fiscal Year 2024-25 to satisfy its retirement funding obligations.

**TABLE 20
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

<i>Valuation Date June 30</i>	<i>Affects Contribution Rate for Fiscal Year:</i>	<i>Safety Plan – Employer Normal Cost Rate</i>	<i>Employer Payment of Unfunded Liability</i>	<i>Miscellaneous Plan – Employer Normal Cost Rate</i>	<i>Employer Payment of Unfunded Liability</i>
2017	2019-20	19.853% ⁽¹⁾	\$62,876,977	10.998% ⁽¹⁾	\$129,905,894
2018	2020-21	21.095	73,668,397	11.673	155,375,654
2019	2021-22	20.740	49,686,992	11.160	145,275,743
2020	2022-23	20.240	55,446,291	10.760	157,637,843
2021	2023-24	21.730	54,629,206	11.790	148,845,017
2022	2024-25	21.360	70,148,901	11.290	178,381,623

⁽¹⁾ Beginning in Fiscal Year 2017-18, CalPERS collects employer contributions toward the plan’s unfunded liability as dollar amounts rather than contribution rate, which was the prior method of collection. The County pays at the beginning of each fiscal year for its unfunded liability payment, receiving a discount of approximately ½ year’s interest on the amounts listed above. The plan’s normal cost contribution will continue to be collected as a percentage of payroll. See the caption “— The County’s CalPERS Contract.”

Source: CalPERS Actuarial Valuation Reports for June 30, 2017 through June 30, 2022.

Projected County Contributions. As described above under the heading “SECTION I— DEMOGRAPHIC AND ECONOMIC INFORMATION—General,” in 2003 the County established the PARC, which annually prepares a report for the Board. PARC’s 2024 Annual Report projects the following contribution to CalPERS (including both normal cost and UAAL amortization):

**TABLE 21
PROJECTED COUNTY CONTRIBUTIONS
(Safety Plan)⁽¹⁾**

<i>Fiscal Year</i>	<i>County Rate</i>	<i>County Payment</i>
2023-24	48.2%	\$169,451,000
2024-25	50.7	183,804,000
2025-26	51.2	190,798,000
2026-27	52.7	202,023,000
2027-28	54.6	215,034,000

⁽¹⁾ Projections are based on data from a report prepared by Foster & Foster, Inc. dated November 8, 2023 and include debt service on the County’s 2005 and 2020 Pension Obligation Bonds, normal cost and UAAL amortization.

Source: PARC 2024 Annual Report.

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TABLE 22
PROJECTED COUNTY CONTRIBUTIONS
(Miscellaneous Plan)⁽¹⁾

<i>Fiscal Year</i>	<i>County Rate</i>	<i>County Payment</i>
2023-24	28.2%	\$370,495,000
2024-25	28.6	387,027,000
2025-26	28.3	393,499,000
2026-27	29.2	417,487,000
2027-28	30.2	444,578,000

⁽¹⁾ Projections are based on data from a report prepared by Foster & Foster, Inc. dated November 8, 2023 and include debt service on the County’s 2005 and 2020 Pension Obligation Bonds, normal cost and UAAL amortization.
Source: PARC 2024 Annual Report.

The County’s projections with respect to the County contributions reflect certain significant assumptions concerning future events and circumstances. The information and the related assumptions are future projections and are not to be construed as representations of fact or representation that in fact the information shown will be the correct amounts for the years indicated. Rather, these amounts reflect good faith estimates by the County taking into account a variety of assumptions. Variations in the assumptions may produce substantially different results. Actual results during the projection period may vary from those presented in the forecast, and such variations may be material. Accordingly, prospective investors are cautioned to view these estimates as general indications of trends and orders of magnitude and not as precise amounts.

The County’s projected contribution rates are affected by the market rate of return in the CalPERS Plans and other changes that may be adopted by CalPERS from time to time, see “—The County’s CalPERS Contract” above. CalPERS reported an annualized rate of return of 21.3% for Fiscal Year 2020-21 and an annualized rate of return of negative 6.1% for Fiscal Year 2021-22. In July 2023, CalPERS reported a preliminary net return of 5.8% on its investments for the 12-month period ending June 30, 2023. The County’s projected contribution rates shown in PARC’s 2024 Annual Report are based on CalPERS’ Fiscal Year 2021-22 investment returns. Actual investment returns lower than the actuarially assumed level will result in decreased funding status and increased actuarially required contribution.

Other Retirement Plans. The County also provides a Defined Benefit Pension Plan (the “DBPP”) to employees who are designated as a part-time or temporary employee and not eligible for Social Security or CalPERS retirement benefits through the County. This plan is subject to Internal Revenue Code Section 401(a) and is self-funded and self-administered. The County has set a goal of ensuring that the DBPP is at least 80% funded. Participants in the DBPP are required to contribute 3.75% of their eligible compensation to the DBPP in lieu of Social Security tax. As of June 30, 2023, the DBPP was funded at 82.9%, and the contribution level was 0%, as actuarially recommended. However, the County has maintained the contribution rate of 5.58% to drive the funded status higher. The County’s contribution to the DBPP was \$2,281,919 for Fiscal Year 2021-22, \$3,140,160 for Fiscal Year 2022-23, and \$3,755,492 for Fiscal Year 2023-24. The DBPP’s unfunded liabilities as of June 30, 2023, were approximately \$12.6 million. Overall, the DBPP’s plan’s funded status was relatively similar to the prior Fiscal Year; however, the GASB 68 funded status improved, and the Net Pension Liability decreased from the prior valuation. The primary reason for these differing results is the asset gain, which is spread over five years under the actuarial funding method but recognized immediately for GASB accounting purposes. Assets were higher than expected due to favorable investment return on plan assets—11.4% actual compared to 6.00% assumed. Employer and employee contributions were higher than the actuarially determined contribution. Demographic experience was different than expected, primarily because there were more terminations than expected, and because data clarification had erroneously reflected certain active employees as part-time (rather than full-time) status, resulting in a net liability loss.

Other Post-Employment Benefits (OPEB). The County provides certain post-retirement health insurance benefits to qualifying retired employees and their eligible dependents or survivors. Regular employees with a minimum service of five years and who are at least age 50, or age 52 if they became a CalPERS member on or after January 1, 2013, at retirement qualify to receive the post-retirement benefits.

The Board of Supervisors took action on October 25, 2006 to set aside \$10 million as a contribution for OPEB. On November 7, 2007 the irrevocable OPEB Trust was established with the California Employers' Retiree Benefit Trust ("CERBT") and funded with a payment of \$10.4 million. As of February 15, 2024, the OPEB Trust had a balance of \$116.5 million.

In June 2015, GASB released Statement No. 75, which affects accounting for other post-employment benefit plans. Among other goals, GASB Statement No. 75 seeks to improve accounting and financial reporting by state and local governments for OPEB. The County adopted GASB Statement No. 75 in its audited financial statements for the fiscal year ended June 30, 2018. The changes include moving unfunded liabilities from the footnotes to the balance sheet, the potential for more volatile periodic expense and a change in the discount rate basis.

The County obtains actuarial valuations of its OPEB obligations from Aon, with the most recent calculated as of June 30, 2023. Based on the combination of plans and contribution levels that the County offers, assuming an investment rate of 7.00%, the present value of benefits was estimated to be \$212.4 million, the accrued actuarial liability was estimated to be \$157.6 million and the annual normal cost was \$6.5 million. The County's OPEB funded ratio including implicit subsidy was 35.5% and excluding implicit subsidy, 66.4%. The implicit subsidy is the difference between the true cost of coverage for a retiree's medical plan and the actual rate paid where retirees and active employees are paying a blended premium that covers both retiree and active employee costs.

According to the valuation, the County's funding contribution for Fiscal Year 2022-23 is approximately \$6.4 million and approximately \$7.4 million in Fiscal Year 2023-24. Pursuant to Board Policy B-25, Pension Management and Other Post-Employment Benefits, the County will follow a multi-year plan of improving its funded ratio. The current actuarial schedule projects the desired 80% minimum funding level, excluding implicit subsidy, would be reached in 2026 with \$16.9 million to be charged to departments annually beginning in Fiscal Year 2021-22, which currently, as a percentage of payroll, represents approximately 1.1%. Each year the annual required contribution to the Trust is evaluated and adjusted accordingly.

Overall, the funded status improved compared to the prior valuation. Primarily because the expected return on assets changed from 7.70% to 7.80%, reflecting higher expectations for CERBT Asset Allocation Strategy 1. As a result, the discount rate similarly increased, resulting in a small liability decrease for GASB only. Large prefunding contributions reduced the UAAL. Healthcare assumptions were updated to reflect current medical cost growth expectation, resulting in a liability increase. Healthcare cost increases were higher than projected from the prior year, resulting in a liability loss. Investment returns were lower than expected (6.5% compared to 7.7% assumed), resulting in a small asset loss.

In addition to the multi-year plan of adjusting annual required contributions to increase the funded ratio, at its January 2021 meeting, the Pension Advisory Review Committee reviewed and approved a dollar cost average transitioning from CERBT's Strategy 2 account (long-term expected return of 5.90%) into the Strategy 1 account (long-term expected return of 6.30%) over the course of twelve months.

Ad Valorem Property Taxes

General. Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation. For assessment and collection purposes, property is classified either as "secured" or

“unsecured” and is listed accordingly on separate assessment rolls. The “secured roll” is that assessment roll containing locally assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of growth in situs assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county wide or less than city wide special districts and school districts. In addition, the County levies and collects additional taxes for voter approved debt service and fixed charge assessments on behalf of any taxing agency and special districts within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after 5:00 p.m. on December 10 and April 10, respectively, and a ten percent penalty attaches. Property on the secured roll with unpaid delinquent taxes is declared tax-defaulted after 5:00 p.m. on June 30. Such property may thereafter be redeemed by payment of the delinquent taxes, the ten percent delinquency penalty, a minimum \$38.06 fee for preparation of delinquent tax record, a minimum \$36.45 per parcel redemption fee (from which the State receives five dollars), and redemption penalty of one and one half percent per month starting July 1 and continuing until date of redemption (collectively, the “Redemption Amount”). If taxes remain unpaid after five years on the default roll, the property becomes subject to a tax sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of January 1 lien date and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the taxpayer.

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The following tables set forth the secured property tax roll and the unsecured property tax roll of the County for the last ten Fiscal Years and the current Fiscal Year.

TABLE 23
COUNTY OF RIVERSIDE
AD VALOREM PROPERTY TAXES - LEVIES AND COLLECTIONS
SECURED PROPERTY TAX ROLL⁽¹⁾

<i>Fiscal Year</i>	<i>Secured Property Tax Levy</i>	<i>Current Levy Delinquent June 30</i>	<i>Percentage of Current Taxes Delinquent June 30⁽²⁾</i>	<i>Total Collections⁽³⁾</i>	<i>Percentage of Total Collections to Current Levy⁽³⁾</i>
2013-14	\$2,813,381,750	\$49,716,695	1.76%	\$2,943,824,187	104.64%
2014-15	3,014,259,026	46,145,916	1.52	3,152,661,477	104.59
2015-16	3,205,453,157	45,956,538	1.43	3,328,995,827	103.85
2016-17	3,368,109,165	45,522,477	1.35	3,496,857,648	103.82
2017-18	3,565,210,050	42,580,125	1.19	3,679,787,833	103.21
2018-19	3,762,000,301	62,930,733	1.67	3,768,906,901	100.18
2019-20	3,964,853,341	83,339,399	2.10	3,944,201,906	99.48
2020-21	4,185,760,961	70,727,830	1.69	4,201,081,747	100.37
2021-22	4,424,068,721	64,395,731	1.46	4,428,241,989	100.09
2022-23	4,815,817,368	81,206,837	1.69	4,784,421,257	99.35
2023-24	5,223,596,234	N/A	N/A	2,796,238,274 ⁽⁴⁾	53.53 ⁽⁴⁾

(1) The Levy and Collection data reflect the 1% levy allowed under Article XIII A of the California Constitution and additional taxes levied for voter-approved debt and special assessments. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.

(2) Under the Teeter Plan, participating agencies receive their full levy of current secured taxes regardless of delinquency rate, subject to roll corrections during the year. Prior year taxes are deposited to the Teeter Plan fund. See the caption "Teeter Plan" herein.

(3) Includes current year taxes collected only and prior years' redemptions, penalties and interest distributed as of January 31, 2024.

(4) Total adjusted tax levy as of January 31, 2024.

Source: County Auditor-Controller.

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TABLE 24
UNSECURED PROPERTY TAX ROLL⁽¹⁾

<i>Fiscal Year</i>	<i>Unsecured Property Tax Levy</i>	<i>Total Collections⁽²⁾</i>	<i>Percentage of Total Collections to Original Levy⁽²⁾</i>
2013-14	\$83,522,992	\$86,835,311	103.97%
2014-15	84,869,586	89,749,581	105.75
2015-16	84,381,854	88,526,356	104.91
2016-17	91,527,259	97,904,720	106.97
2017-18	92,470,967	97,787,334	105.75
2018-19	97,064,852	106,502,808	109.72
2019-20	103,243,149	105,370,218	102.06
2020-21	108,068,113	108,896,346	100.77
2021-22	118,425,447	129,565,509	109.41
2022-23	141,148,015 ⁽³⁾	138,837,917	98.36
2023-24	160,514,938	156,346,928 ⁽⁴⁾	97.4 ⁽⁴⁾

⁽¹⁾ The Levy and Collection data reflect the 1% levy allowed under Article XIII A of the California Constitution and additional taxes levied for voter-approved debt and special assessments. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.

⁽²⁾ Includes current and prior years' taxes, redemptions, penalties and interest in unsecured taxes.

⁽³⁾ Total adjusted tax levy as of January 31, 2024.

⁽⁴⁾ From July 1, 2023 to January 31, 2024.

Source: County Auditor-Controller.

State legislation enacted in 1984 established the "supplemental roll," which directs the County Assessor to re-assess real property, at market value, on the date the property changes ownership or upon completion of new construction. Property on the supplemental roll is eligible for billing 30 days after the reassessment and notification to the new assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of new construction and the date of the next regular tax roll upon which the assessment is entered.

Supplemental roll billings are made on a monthly basis and are due on the date mailed. If mailed within the months of July through October, the first installment becomes delinquent on December 10 and the second on April 10. If mailed within the months of November through June, the first installment becomes delinquent on the last day of the month following the month of billing. The second installment becomes delinquent on the last day of the fourth month following the date the first installment is delinquent. These assessments are subject to the same penalties and default procedures as the secured and unsecured rolls.

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The following table sets forth the supplemental tax roll of the County for the last ten Fiscal Years and the current Fiscal Year:

TABLE 25
COUNTY OF RIVERSIDE
SUMMARY OF SUPPLEMENTAL ROLL⁽¹⁾
AD VALOREM PROPERTY TAXATION

<i>Fiscal Year</i>	<i>Tax Levy for Increased Assessments⁽²⁾</i>	<i>Refunds for Decreased Assessments⁽²⁾</i>	<i>Net Supplemental Tax Levy</i>	<i>Collections⁽³⁾</i>
2013-14	\$52,907,916	\$8,982,077	\$43,925,839	\$41,498,433
2014-15	68,579,326	7,954,074	60,625,253	56,319,752
2015-16	70,084,954	6,399,454	63,685,501	60,101,066
2016-17	85,097,029	7,733,087	77,363,942	70,527,505
2017-18	95,818,550	6,329,416	89,489,134	87,764,555
2018-19	48,663,655	3,244,119	45,419,536	61,852,162
2019-20	55,304,570	4,793,074	50,511,496	43,283,527
2020-21	133,415,501 ⁽⁴⁾	9,830,606	123,584,895	117,273,827
2021-22	91,271,062 ⁽⁴⁾	7,758,188	83,512,874	111,110,969
2022-23	277,982,291 ⁽⁴⁾	7,351,558	270,630,733	231,128,002
2023-24 ⁽⁵⁾	235,875,512 ⁽⁴⁾	7,549,418	228,326,094	150,323,071

⁽¹⁾ The Levy and Collection data reflect the 1% levy and additional taxes levied for voter-approved debt. Taxes for the County, cities, school districts, special districts and redevelopment agencies are included in the totals.

⁽²⁾ Tax levy amounts are shown net of minimum tax less than \$15 and refund amounts are shown net of refund or negative supplemental taxes less than \$10 as of January 31, 2024.

⁽³⁾ Includes current and prior years' taxes, penalties and interest collected (before refunds) as of January 31, 2024.

⁽⁴⁾ Tax levy fluctuation from Fiscal Year 2020-21 through Fiscal Year 2023-24 is partially due to the stabilization of the property tax system for the Assessor, Tax Collector and Auditor which delayed processing all supplemental transactions.

⁽⁵⁾ From July 1, 2023 to January 31, 2024.

Source: County Auditor-Controller/County Treasurer-Tax Collector.

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The following table sets forth the assessed valuation by category and property type for Fiscal Year 2019-20 through Fiscal Year 2023-24:

TABLE 26
COUNTY OF RIVERSIDE
ASSESSED VALUATION HISTORY BY CATEGORY AND PROPERTY TYPE⁽¹⁾
FISCAL YEARS 2019-20 THROUGH 2023-24
(IN MILLIONS)

<i>Category</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>	<i>2023-24</i>
SECURED PROPERTY:					
Land	\$ 87,392	\$ 90,586	\$ 93,979	\$ 100,649	\$ 107,356
Structures	204,416	218,398	232,113	255,994	281,799
Fixtures	618	669	706	772	839
Living Improvements	81	81	85	85	86
Personal Property	889	948	947	980	1,097
Penalty	16	18	14	18	17
Utilities	<u>6,317</u>	<u>6,956</u>	<u>6,813</u>	<u>8,026</u>	<u>8,858</u>
Total Secured	\$ 299,730	\$ 317,655	\$ 334,656	\$ 366,524	\$ 400,054
UNSECURED PROPERTY:					
Land	2	2	2	1	2
Structures	82	75	62	57	53
Fixtures	4,225	4,447	5,046	5,575	6,695
Personal Property	4,921	5,076	5,327	5,713	6,544
Penalty	<u>95</u>	<u>83</u>	<u>80</u>	<u>85</u>	<u>124</u>
Total Unsecured	<u>\$ 9,324</u>	<u>\$ 9,683</u>	<u>\$ 10,518</u>	<u>\$ 11,431</u>	<u>\$ 13,417</u>
GRAND TOTAL	\$ 309,054	\$ 327,337	\$ 345,174	\$ 377,955	\$ 413,471

⁽¹⁾ Assessed valuation is reported as of July 1 of each year at 100% of full taxable value. Pursuant to Article XIII A of the California Constitution (Proposition 13), property is valued for tax purposes at the 1975 fair market value, adjusted annually for inflation (not to exceed 2%). Generally, property is reassessed at fair market value upon change of ownership and for new construction. Fiscal Year 2023-24 equalized roll includes roll corrections up to August 16, 2023.

Source: County Auditor-Controller/County Assessor.

Assessed valuations can be reduced as a result of an assessment appeal or an assessor-initialized reduction. Property owners can appeal their initial valuation at the time of acquisition to establish their Proposition 13 basis. Subsequently, they may appeal the valuation under Proposition 8 to achieve a temporary reduction below the Proposition 13 value, as adjusted. The County Assessor is required under Proposition 8 to make reductions, should declines in market values call for such reductions. Following the decline in housing prices in the County during the 2008 recession, the Assessor proactively reviewed all residential properties purchased after January 1, 1999, in each year from Fiscal Year 2010-11 to Fiscal Year 2013-14, which resulted in a net decline in assessed valuation in each of those years. From and after Fiscal Years 2014-15, there were no additional proactive Proposition 8 reductions. Housing prices in the County have been showing increases in recent years. Assessed valuation in the County increased by at least 5% each year from Fiscal Year 2015-16 to 2020-21. Assessed valuation in the County increased by approximately 9.5% in Fiscal Year 2022-23 as compared to Fiscal Year 2021-22. Assessed valuation increased by 9.40% in Fiscal Year 2023-24 as compared to Fiscal Year 2022-23.

Property Tax Appeals. The County estimates that it has received assessment appeals applicable to Fiscal Year 2023-24 totaling approximately \$20.3 billion of assessed value, although the County is still processing the case filings for Fiscal Year 2022-23 so the actual total assessed value subject to appeal may differ.

Successful appeals result in either a refund of taxes paid or a reduction to an unpaid tax bill. A total of \$792 million of assessed value was reduced from the County tax roll in Fiscal Year 2021-22 and Fiscal Year 2022-23 due to appeals, representing \$7,920,000 in general purpose taxes over the two-fiscal year period. Approximately 11% of the Fiscal Year 2023-24 assessment appeals have been completed. The majority of the remaining Fiscal Year 2023-24 assessment appeals are expected to be completed by June 2025.

Motor Vehicle Fees In-Lieu of Property Taxes. The County receives an allocation of motor vehicle in-lieu tax from the State. The motor vehicle in-lieu tax is levied for the privilege of operating a vehicle on the public highways of the State. The motor vehicle registration fee is levied annually on all motor vehicles, trailer coaches, and other vehicles that use public highways of the State.

Teeter Plan

With respect to collection of property taxes, the County adopted in 1993 the Teeter Plan, which is an alternate procedure authorized in Chapter 3, Part 8, Division 1 of the Revenue and Taxation Code of the State of California (comprising Sections 4701 through 4717, inclusive), commonly referred to as the “Teeter Plan” for distribution of certain property tax and assessment levies on the secured roll.

Generally, the Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the County included in the Teeter Plan (defined previously as the “Revenue Districts”) on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest. Supplemental taxes, which are the result of changes in property ownership or completion of new construction, are currently excluded from the Teeter Plan.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the fiscal year in which it is to apply. As a separate election, a county may elect to have the Teeter Plan procedures also apply to assessments on the secured roll. Once adopted, a county’s Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two thirds of the participating districts in the county. An electing county may, however, determine to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency.

Taxing entities that are required to maintain funds in the County Treasury are all included in the Teeter Plan. These include all K-12 school districts, community college districts and certain special districts. Other taxing entities may elect to be included in the Teeter Plan. Taxing entities that do not elect to participate in the Teeter Plan will be paid as taxes are collected. In Fiscal Year 2022-2023, taxing agencies representing approximately 58.7% of the secured roll participated in the Teeter Plan. In Fiscal Year 2023-24, taxing agencies representing approximately 58.54% of the secured roll participated in the Teeter Plan.

Pursuant to the Law, the County is required to establish a Tax Losses Reserve Fund to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property (i.e., if the sale price of the property is less than the amount owed). At the election of the County, the Tax Losses Reserve Fund is maintained at an amount equal to one of two methods: (1) 1% of the total amount of taxes and assessments levied on the secured roll for a particular year for taxing entities participating in the Teeter Plan, or (2) 25% of the total delinquent secured taxes and assessments calculated as of the end of the fiscal year for taxing entities participating in the Teeter Plan. Any excess over the required balance in the Tax Losses Reserve Fund may be transferred to the County’s General Fund.

Until September 2023, the County had been governed by the first alternative since the implementation of the Teeter Plan. On September 12, 2023, the Board of Supervisors approved changing to the second

alternative for calculating the required balance in the Tax Losses Reserve Fund, which change is in effect for Fiscal Year 2023-24. The County may in the future use the alternative method of funding the Tax Losses Reserve Fund. Such a change would require the recommendation of the Auditor-Controller and the approval of the Board of Supervisors prior to October 31 in order to be effective for such fiscal year.

State law governs local property tax collection. As part of the COVID-19 related response from the State, on May 6, 2020, Governor Newsom signed Executive Order N-61-20 granting county tax collectors the ability to cancel penalties, costs, and interest for taxes not timely paid on certain properties that were not delinquent prior to March 4, 2020. The Order expired May 6, 2021. As of February 6, 2024, approximately 3,002 parcels subject to the Executive Order had penalties cancelled representing approximately \$1.5 million in uncollected penalties, cost and interest. As of July 23, 2021, Revenue and Taxation Code 4985.2 was amended to allow cancellation of penalties due to a documented hardship, determined by the tax collector, arising from a shelter in place. To date this amended code has not been used for documented hardships arising from a shelter in place within the County and, therefore, the amount of uncollected penalties has not grown since August 2022, and the County does not currently expect such amount to change materially in the future.

On July 31, 1997, the County, acting pursuant to the provisions of Sections 860 et seq. of the California Code of Civil Procedure, filed a complaint in the Superior Court of the State of California for the County of Riverside (Case No. 299847) seeking judicial validation of the transactions relating to the Resolution (as originally adopted) and certain other matters. On September 12, 1997, the court entered a default judgment to the effect that, among other things, the Resolution and the Obligations issued pursuant to the Resolution, including the Notes, represent valid and binding obligations of the County (the “Validation Judgment”). The period allowed for appeal of such judgment by Sections 860 et seq. expired on October 14, 1997 without an appeal having been filed.

Since 1997, the County has publicly issued tax exempt notes and, from time to time, taxable notes, to finance the County’s obligations to make distributions to the Revenue Districts pursuant to the Teeter Plan, and to refund certain obligations of the County related to such obligations. The County manages the program on a continuous basis by paying down the amount of notes outstanding with collections of prior fiscal years’ taxes and funding with note proceeds the current year’s advance and any unpaid amounts of maturing notes.

From Fiscal Year 1997-98 through Fiscal Year 2006-07, the size of the Teeter Plan obligations fluctuated between approximately \$24 million and \$90 million, producing annual net revenue to the County’s General Fund of approximately \$14 million to \$25 million. The Teeter Plan obligations grew to approximately \$168.4 million in Fiscal Year 2007-08 and peaked at approximately \$266.6 million in Fiscal Year 2008-09 with net revenue to the County’s General Fund of approximately \$43.6 million and \$52.5 million, respectively. For the last five fiscal years the annual revenues from the Teeter Plan to the County General Fund averaged approximately \$22 million. As the amount of delinquent taxes receivable has declined, the annual revenue available to the General Fund has been reduced. For Fiscal Year 2021-22, the net revenue transferred to the County’s General Fund was approximately \$27 million. The County issued Teeter Plan obligation notes in the principal amount of \$103,330,000 for Fiscal Year 2023-24, which mature on October 18, 2024. The County currently expects to repay the outstanding Teeter Plan obligation notes with available funds and proceeds from additional notes, as described below. See also “SECTION V—DEBT OBLIGATIONS—Short-Term Obligations of County.”

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The following table sets forth the aggregate principal amount of the Teeter Plan obligation notes issued in last ten Fiscal Years.

TABLE 27
COUNTY OF RIVERSIDE
TEETER PLAN OBLIGATION NOTES ISSUED

<i>Fiscal Year</i>	<i>Principal Amount</i>
2014-15	\$100,175,000
2015-16	87,040,000
2016-17	81,765,000
2017-18	78,735,000
2018-19	74,190,000
2019-20	84,115,000
2020-21	99,570,000
2021-22	87,410,000
2022-23	84,055,000
2023-24	103,330,000

Source: County of Riverside, Executive Office.

The County accounts for the Teeter Plan in its audited financial statements by listing the amount of Notes Payable with its other liabilities, including unpaid taxes with its other receivables, and including apportioned prior years' taxes on deposit with other restricted cash. The taxes receivable are listed in their principal amount without any penalties or accrued interest.

Since the Teeter Program is ongoing, the County must have annual access to cash, either through the issuance of Teeter notes or other alternative sources of cash. Should market access for the Teeter notes be limited, and no private or direct bank placements options be available, the County has two primary options to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts.

The first option for the County to meet the redemption requirements of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts in the event of limited market access is to have the County Treasurer's Pooled Investment Fund (the "PIF") purchase the Teeter notes. Such Teeter notes have been purchased by the PIF in the past. Formal Board of Supervisors and County Treasurer approval would be required in order for the PIF to purchase Teeter notes if the notes are not rated or otherwise not qualified for purchase under the County's investment policy.

The second option for the County to meet the redemption requirements of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts would be for the County to advance funds from the General Fund. All lawfully available moneys in the County's General Fund are available for the repayment of Teeter notes in accordance with the Validation Judgment, and the continuation of the Teeter Program is beneficial to the County's over-all financial condition. Should additional cash be needed, the County may borrow lawfully available moneys in the County's General Fund to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts. Such General Fund borrowings to meet the redemption of maturing Teeter notes and to fund the subsequent Teeter advance to the participating Revenue Districts have been authorized by the Board of Supervisors, most recently in April 2007.

Additionally, the County Treasurer and the County Auditor-Controller have an operating agreement to facilitate such General Fund borrowings by allowing the primary General Fund account within the County Pool to run a negative balance. The amount by which the balance in the General Fund account within the County Pool may be negative is capped by the amount the County may legally borrow. Such operating agreement allows

for a seamless mechanism. It also spreads the loan across all County funds, minimizing the impact on any single fund and the need to manage individual fund balances. The Government Code allows such borrowings on an indefinite basis, stipulating that repayment must only be made prior to such date that funds are needed in the originating funds. The County has utilized this approach for many years including during the 1990s when the County carried a substantial year-end negative cash balance in the General Fund.

Largest Taxpayers

The following table shows the 25 largest property taxpayers by individual tax levied in the County for Fiscal Year 2023-24:

TABLE 28
COUNTY OF RIVERSIDE
TWENTY-FIVE LARGEST PROPERTY TAXPAYERS IN FISCAL YEAR 2023-24
BY TAX LEVIED⁽¹⁾

<i>Taxpayer</i>	<i>Total Taxes Levied</i>	<i>Percentage of Total Tax Charge</i>
DUKE REALTY LTD PARTNERSHIP	\$ 6,751,202.08	0.14%
COSTCO WHOLESALE CORP	5,348,162.28	0.11
FIRST INDUSTRIAL	5,172,696.68	0.11
KB HOME COASTAL INC	4,528,155.04	0.09
USEF CROSSROADS II	4,342,081.14	0.09
CHELSEA GCA REALTY PARTNERSHIP	4,064,387.70	0.08
WALGREEN CO	3,756,911.82	0.08
TYLER MALL LTD PARTNERSHIP	3,595,129.78	0.07
WAL MART REAL ESTATE BUSINESS TRUST	3,550,030.74	0.07
RIVERSIDE HEALTHCARE SYSTEM	3,545,758.14	0.07
GARDEN OF CHAMPIONS	3,511,584.36	0.07
LA SIERRA UNIVERSITY	3,497,436.20	0.07
ROSS DRESS FOR LESS INC	3,492,137.08	0.07
SCG ATLAS ASHTON CO	3,484,360.80	0.07
TARPON PROP OWNERSHIP	3,443,663.24	0.07
CASTLE & COOKE CORONA CROSSINGS	2,918,423.58	0.06
RICHMOND AMERICAN HOMES OF MARYLAND INC	2,917,458.14	0.06
CLUBCORP MISSION HILLS COUNTRY CLUB INC	2,811,044.70	0.06
LOWES HIW INC	2,690,886.00	0.06
TARGET CORP	2,658,477.40	0.06
TAI OW MONTEREY OWNER	2,542,663.00	0.05
HP LQ INVESTMENT	2,527,729.96	0.05
RAINTREE CORONA POINTE	2,526,413.06	0.05
BT OH	2,443,546.96	0.05
IDIL PERRIS FULFILLMENT CENTER	<u>2,356,338.06</u>	<u>0.05</u>
Total	\$ 88,476,677.94	1.84%
Total Secured Tax Charge for 2023-24	\$4,800,284,534.03	

⁽¹⁾ Includes secured property; excludes unsecured property and State-assessed property.
Source: County Treasurer-Tax Collector.

The 10 largest property owners in the County by assessed value for all properties, for Fiscal Year 2023-24 are shown below:

**TABLE 29
COUNTY OF RIVERSIDE
TEN LARGEST PROPERTY OWNERS IN FISCAL YEAR 2023-24
BY ASSESSED VALUE**

<i>Assessee</i>	<i>Assessed Value</i>
AMAZON COM SERVICES LLC	\$ 745,960,853
DUKE REALTY LTD PARTNERSHIP	604,020,399
DPIF3 CA 27 ARCHIBALD AVE	473,393,501
FIRST INDUSTRIAL	470,833,052
COSTCO WHOLESALE CORP	455,287,689
SPECTRUM PACIFIC WEST LLC	366,868,856
KAISER FOUNDATION HOSPITALS	485,967,355
RIVERSIDE HEALTHCARE SYSTEM	335,746,167
DUKE REALTY WEBSTER RIDER	330,312,428
I10 LOGISTICS OWNER	<u>328,602,166</u>
Subtotal	\$ 4,596,992,466
All Others	<u>399,637,397,098</u>
Total	\$ 404,234,389,564⁽¹⁾

⁽¹⁾ Excludes State-assessed property. Does not reflect any applicable exemptions.
Source: County Assessor.

Other Taxing Entities

The County does not retain all of the property taxes it collects for its own purposes. The majority of property taxes collected by the County are disbursed to other agencies. For both Fiscal Years 2021-22 and 2022-23, the County retained approximately 19% of the total amount collected (and is budgeted to retain 19% in Fiscal Year 2023-24). The remainder is distributed according to State law (AB 8), which established a tax-sharing formula, and State redevelopment law (See “—Redevelopment Agencies” below). Taxes levied for the purpose of repaying general obligation debt, special taxes and assessments are applied to pay such obligations, less any allowable collection charges.

Redevelopment Agencies

The California Community Redevelopment Law (California Health and Safety Code Section 33000 *et seq.*) authorized the redevelopment agency of any city or county to issue bonds payable from the allocation of tax revenues resulting from increases in assessed valuation of properties within the designated project areas. The net effect of the formation of a redevelopment area is to redistribute tax revenues away from the AB 8 formula. Local taxing authorities other than the former redevelopment agency realize tax revenues on a portion of the taxes generated in a project area including: 1) on the “frozen” tax base; 2) for project areas adopted prior to January 1, 1994, local taxing authorities may receive an additional amount based on any negotiated agreements with former redevelopment agencies to receive a share of tax increment proceeds; and, 3) for project areas adopted after January 1, 1994, local taxing authorities receive a pass-through payment based on statutory rules pursuant to section 33607.5 of the California Health and Safety Code.

The following table summarizes the community redevelopment agencies’ frozen base value, full cash value increments, and total tax allocations for the last ten Fiscal Years.

TABLE 30
COUNTY OF RIVERSIDE
COMMUNITY REDEVELOPMENT AGENCIES'
FROZEN BASE VALUE, FULL CASH VALUE INCREMENTS
AND TOTAL TAX ALLOCATIONS

<i>Fiscal Year</i>	<i>Frozen Base Value</i>	<i>Full Cash Value Increments⁽¹⁾</i>	<i>Total Tax Allocations⁽²⁾⁽³⁾</i>
2014-15	\$16,352,691,201	\$62,266,158,988	\$729,793,564
2015-16	16,352,657,201	65,770,021,482	772,866,457
2016-17	16,352,657,201	69,510,642,793	816,260,103
2017-18	16,352,657,201	73,397,406,955	866,983,038
2018-19	16,352,657,201	78,931,108,121	791,516,576
2019-20	16,352,657,201	83,774,752,955	838,352,528
2020-21	16,352,657,201	90,024,188,096	902,599,217
2021-22	16,352,657,201	96,060,913,816	963,039,899
2022-23	16,352,657,201	107,115,726,887	1,073,672,542
2023-24	16,176,446,418	119,565,526,587	1,198,468,762

⁽¹⁾ Full cash value for all redevelopment projects (including County projects) above the “frozen” base year valuations. This data represents growth in full cash values generating tax revenues for use by the former redevelopment agencies and includes State assessed properties; has not been adjusted for negative project area increment.

⁽²⁾ Actual cash revenues collected by the County and available to the Redevelopment Property Tax Trust Fund (RPTTF) allocations under ABx126

⁽³⁾ Includes estimated general purpose and debt; excludes negative treatment redevelopment projects where assessed value is less than frozen base value.

Source: County Auditor-Controller.

Legislation enacted as part of the State’s 2011 Budget Act (“ABx1 26”) eliminated redevelopment agencies, with formal dissolution effective February 1, 2012. The County had previously formed a redevelopment agency with project areas in 45 unincorporated communities. In accordance with ABx1 26, the County redevelopment agency dissolved on February 1, 2012 and the County’s Board of Supervisors is acting as the successor agency to the County’s redevelopment agency. At the time of its dissolution, the County redevelopment agency had a total land area of 82,334 acres, a base year assessed value, including State-owned land, of \$3,971,824,734, and a Fiscal Year 2011-12 assessed value of \$8,266,787,927. In Fiscal Year 2011-12, the pass-through payment to the County’s General Fund from the County’s redevelopment agency totaled \$1,600,443, and was offset in its entirety pursuant to Health and Safety Code Section 33607.5. As a consequence of the dissolution of redevelopment agencies, the County receives only a fraction of the pass-through payments from the County redevelopment agency it previously received, but these amounts were relatively modest and are largely offset by the County’s receipt of its tax allocation under the AB 8 formula. As the result of the dissolution, the County is receiving a share of residual, unencumbered low and moderate housing and other asset funding. The County received approximately \$43,195,558 in residual funds for Fiscal Year 2021-22, approximately \$55,351,436 in residual funds for Fiscal Year 2022-23, and has budgeted to receive approximately \$66,052,647 in residual funds for Fiscal Year 2023-24.

In Fiscal Years 2021-22 and 2022-23, the County received approximately \$135 million and \$155 million, respectively, in pass-through payments pursuant to agreements with various city redevelopment agencies. The County is projected to receive approximately \$169 million in Fiscal Year 2023-24. Pursuant to ABx1 26 and its following clarifying legislation, the County’s negotiated pass-through agreements with these redevelopment agencies remain in full force and effect as enforceable obligations of the successor entity to each such redevelopment agency.

Enhanced Infrastructure Financing Districts

California Government Code Sections 53398.50-53398.88 (the “EIFD Law”) enables cities and counties in the state of California to form enhanced infrastructure financing districts (“EIFDs”) as a means of funding public improvements with a useful life of 15 years or more, that provide community wide benefit. To fund such improvements, the EIFD Law provides that an EIFD may issue bonds payable from, or utilize pay-as-you-go revenue generated from, *ad valorem* property tax increment and in-lieu Vehicle License Fee increment revenue resulting from increases in assessed valuation of property within designated EIFD areas. The net effect is that in EIFD areas, the County will realize tax revenues on a portion of the taxes generated in an EIFD area including: 1) on the “frozen” tax base; and 2) on the remaining portion of increment, after the Board of Supervisors approved percentage of increment has been allocated to the EIFD. The EIFD Law also provides that allocation of tax increment revenue to an EIFD is subordinate to allocation of increment revenue to obligations of any former redevelopment project areas, where EIFD boundaries might overlap with former redevelopment area boundaries.

On April 20, 2021, the County’s Board of Supervisors adopted a Resolution of Intention to Establish the Temecula Valley Wine Country Enhanced Infrastructure Financing District (the “Temecula Valley Wine Country EIFD”); on November 9, 2021, the Temecula Valley Wine Country EIFD’s Infrastructure Financing Plan was formally adopted; and on February 17, 2022, the State’s Board of Equalization sent confirmation of establishment of the Temecula Valley Wine Country EIFD in the form of a Notice of Tax Rate Area Change. The Temecula Valley Wine Country EIFD area is comprised of 825 parcels located on approximately 9,007 acres; the EIFD’s established base year was Fiscal Year 2022-23, and its first allocation of increment was received in January 2024.

On May 24, 2022, the County’s Board of Supervisors adopted a Resolution of Intention to Establish the Highway 74 Enhanced Infrastructure Financing District (the “Highway 74 EIFD”); on November 8, 2022, the Highway 74 EIFD’s Infrastructure Financing Plan was formally adopted; and on February 17, 2023, the State’s Board of Equalization sent confirmation of establishment of the Highway 74 EIFD in the form of a Notice of Tax Rate Area Change. The Highway 74 EIFD area is comprised of 475 parcels located on approximately 941 acres; the EIFD’s established base year was also Fiscal Year 2022-23, and its first allocation of increment was also received in January 2024.

The following table summarizes estimated combined increment revenue generation for both EIFDs for Fiscal Year 2023-24.

TABLE 31
COUNTY OF RIVERSIDE
COMMUNITY ENHANCED INFRASTRUCTURE FINANCING DISTRICTS’ (EIFDs)
FROZEN BASE VALUE, FULL CASH VALUE INCREMENTS
AND TOTAL TAX ALLOCATIONS

<i>Fiscal Year</i>	<i>Frozen Base Value</i>	<i>Full Cash Value Increments⁽¹⁾</i>	<i>Total Tax Allocations⁽²⁾⁽³⁾</i>
2023-24	\$569,927,688	\$73,760,608	\$737,606

(1) The EIFD boundaries that also overlap the RDA boundary area are not reflected in this Table 31. Such amounts are reported in Table 30.

(2) Full cash value for both enhanced infrastructure financing districts above the "frozen" base year valuations.

(3) Includes estimated general purpose and debt.

Source: County Auditor-Controller.

County of Riverside Treasurer-Tax Collector’s Pooled Investment Fund

The County Treasurer-Tax Collector maintains one Pooled Investment Fund (the “PIF”) for all local jurisdictions having funds on deposit in the County Treasury, including the County, schools and special districts

within the County, and other discretionary depositors throughout the County. As of March 31, 2024, the portfolio assets comprising the PIF had a market value of \$15,162,652,396.40.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer-Tax Collector. On June 30, 2023, the Auditor-Controller performed an analysis on the County Treasury, which resulted in the identification and classification of “mandatory” vs. “discretionary” depositors. The County Auditor-Controller reports that collectively, these mandatory deposits constituted approximately 79.28% of the funds on deposit in the County Treasury, while approximately 20.72% of the total funds on deposit in the County Treasury represented discretionary deposits. While State law permits other governmental jurisdictions to participate in the County’s PIF, the desire of the County Treasurer-Tax Collector is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer’s 2021 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The investments in the PIF as of March 31, 2024 were as follows (numbers may not add up due to rounding of individual components):

TABLE 32
COUNTY OF RIVERSIDE
CATEGORIES OF INVESTMENTS IN THE POOLED INVESTMENT FUND
AS OF MARCH 31, 2024

	<i>Balance</i>	<i>% of Pool</i>
Repurchase Agreements	\$ 825,000,000.00	5.38%
U.S. Treasury Securities	1,643,575,292.52	10.71
Federal Agency Securities	6,454,102,723.07	42.06
Cash Equivalent & Money Market Funds	409,032,941.01	2.67
Commercial Paper	2,814,541,940.47	18.34
Int’l Bank for Reconstruction and Development (IBRD) & Int’l Finance Corp (IFC)	445,481,850.51	2.90
NCD	2,580,008,224.06	16.81
Medium Term Notes	37,404,120.26	0.24
Municipal Notes	<u>134,819,366.83</u>	<u>0.88</u>
Total Book Value	<u>\$ 15,343,966,458.74</u>	<u>100.00%</u>
Book Yield:		4.34%
Weighted Average Maturity:		1.23 Years

Source: County Treasurer-Tax Collector.

As of March 31, 2024, the market value of the PIF was 98.82% of book value. The Treasurer estimates that sufficient liquidity exists within the portfolio to meet daily expenditure needs without requiring any sale of securities at a principal loss prior to their maturity.

In keeping with Sections 53684 and 53844 of the California Government Code, all interest, income, gains and losses on the portfolio are distributed quarterly to participants based upon their average daily balance

except for specific investments made on behalf of a particular fund. In these instances, Sections 53844 requires that the investment income be credited to the specific fund in which the investment was made.

The Board has established an “Investment Oversight Committee” in compliance with California Government Code Section 27131. Currently, the Committee is composed of the Director of Finance, the County Treasurer-Tax Collector, the County Superintendent of Schools, a school district representative and a public member at large. The purpose of the committee is to review the prudence of the County’s investment policy, portfolio holdings and investment procedures, and to make any findings and recommendations known to the Board. As of September 29, 2004, the State no longer required the County to have a local oversight committee; however, the County has elected to maintain the committee. The committee is utilized by the County to safeguard public funds and to perform other internal control measures.

The County Treasurer-Tax Collector has obtained a rating on the PIF of “Aaa/MR1” from Moody’s Investors Service and “AAAf/S1” rating from Fitch Ratings. The PIF has been continuously rated since the 1990s. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

Financial Statements and Related Issues

The County’s accounting policies used in preparation of its audited financial statements conform to generally accepted accounting principles applicable to counties. The County’s governmental funds use the modified accrual basis of accounting. This system recognizes revenues in the accounting period in which they become available and measurable. Expenditures, with the exception of unmatured interest on general long-term debt, are recognized in the accounting period in which the fund liability is incurred. Proprietary funds and fiduciary funds use the accrual basis of accounting, and revenues are recognized in the accounting period in which they are earned and become measurable, while expenses are recognized in the period during which they are incurred.

The County establishes sub-funds to track revenues and expenditures for certain designated programs administered by the County. Revenues held in sub-funds are generally restricted for the related programs. Currently, the County classifies restricted revenues as deferred inflows and recognizes the revenues when the associated expenditures are incurred, which may not be in the year in which the restricted revenues are received. A change in the recognition of the restricted revenues to the year in which the revenues are received rather than in the year in which the related expenditures are incurred would result in the acceleration of certain revenues currently held in the sub-funds. Revenues are reported in accordance with Generally Accepted Accounting Principles, and therefore there is no need to alter the current accounting practice related to the recognition of revenue held in sub-funds.

The State Government Code requires every county to prepare an annual financial report. The County Auditor-Controller prepares the “Annual Financial Report of the County of Riverside.” Under the U.S. Single Audit Act of 1984 and State law, independent audits are required on all operating funds under the control of the Board of Supervisors and must be conducted annually. The County’s financial statements for Fiscal Year 2021-22 were audited by Brown Armstrong Accountancy Corporation. See APPENDIX B — “COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023.”

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The following table sets forth the County's Statement of Revenues, Expenditures and Change in Unreserved Funds Balances-General Fund for the last five Fiscal Years.

TABLE 33
COUNTY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES – GENERAL FUND
FISCAL YEARS 2018-19 THROUGH 2022-23
(In Thousands)

	2018-19	2019-20	2020-21	2021-22	2022-23
BEGINNING FUND BALANCE	\$ 369,582	\$ 410,455	\$ 401,682	\$ 564,179	\$ 680,515
REVENUES					
Taxes	\$ 326,991	\$ 336,983	\$ 397,329	\$ 440,139	\$ 486,442
Licenses, permits and franchises	19,989	18,939	19,683	21,584	23,358
Fines, forfeiture and penalties	64,521	54,332	61,802	62,975	54,481
Use of money and property–Interest	41,315	24,881	2,939	(19,520) ⁽¹⁾	57,533
Use of money and property–Rents and concessions	12,244	15,232	18,112	14,486	17,053
Government Aid–State	1,404,112	1,483,441	1,557,651	1,695,870	1,898,633
Government Aid–Federal	567,753	646,890	705,181	758,843	825,499
Governmental Aid–Other	117,264	126,723	137,642	143,497	164,239
Charges for current services	499,566	510,103	523,997	528,383	576,182
Other revenues	<u>49,682</u>	<u>63,228</u>	<u>60,481</u>	<u>54,717</u>	<u>70,310</u>
TOTAL REVENUES	\$ 3,103,437	\$ 3,280,752	\$ 3,484,817	\$ 3,700,974	\$ 4,173,730
EXPENDITURES					
General government	\$ 118,662	\$ 120,724	\$ 120,250	\$ 137,936	\$ 166,367
Public protection	1,382,395	1,477,295	1,573,840	1,591,388	1,733,723
Public ways and facilities	-	-	-	-	-
Health and sanitation	558,905	627,950	656,502	728,702	777,072
Public assistance	934,641	1,010,175	1,011,834	1,057,631	1,224,473
Education	678	628	490	512	716
Recreation and cultural	1,959	2,111	1,980	2,369	2,994
Capital Outlay	6,287	24,409	6,215	26,118	53,968
Debt service	<u>23,422</u>	<u>29,400</u>	<u>28,292</u>	<u>21,175</u>	<u>39,999</u>
TOTAL EXPENDITURES	\$ 3,026,949	\$ 3,292,692	\$ 3,399,403	\$ 3,565,831	\$ 3,999,312
Excess (deficit) of revenues over (under) expenditures	76,488	(11,940)	85,414	135,143	174,418
OTHER FINANCING SOURCES (USES)					
Transfer from other reserves	\$ 114,208	\$ 158,712	\$ 289,535	\$ 133,658	\$ 147,522
Transfer to other funds	(154,164)	(179,954)	(215,946)	(178,583)	(198,890)
Finance Purchases	-	-	-	-	32,116
Capital Leases	<u>6,287</u>	<u>24,409</u>	<u>6,215</u>	<u>26,118</u>	<u>21,852</u>
Total other Financing Sources (Uses)	\$ (33,669)	\$ 3,167	\$ 79,804	\$ (18,807)	\$ 2,600
NET CHANGE IN FUND BALANCES	\$ 42,819	\$ (8,773)	\$ 165,218	\$ 116,336	\$ 177,018
FUND BALANCE, END OF YEAR	\$ 410,455 ⁽²⁾	\$ 401,682	\$ 564,179 ⁽³⁾	\$ 680,515	\$ 857,533

(1) Decrease in use of money and property–interest reflects interest income of approximately \$2.7 million and an unrealized investment loss of approximately \$22.2 million on securities held by the County due to increasing interest rates.

(2) Fund balance does not foot because of subsequent restatement to reflect the prior period cost related to the implementation of GASB Statement No. 84 for Fiduciary Activities.

(3) Fund balance does not foot because of subsequent restatement to reflect a prior year advance received from grantor that was incorrectly recorded as revenue before the eligibility requirements had been met.

Source: County Auditor-Controller.

The following table sets forth the County's General Fund balance sheets for the last five Fiscal Years.

TABLE 34
COUNTY OF RIVERSIDE
GENERAL FUND BALANCE SHEETS
AT JUNE 30, 2019 THROUGH JUNE 30, 2023
(In Thousands)

	<i>2018-19</i>	<i>2019-20</i>	<i>2020-21</i>	<i>2021-22</i>	<i>2022-23</i>
ASSETS:					
Cash & Marketable Securities	\$ 207,950	\$ 308,199	\$ 362,675	\$ 442,471	\$ 488,349
Taxes Receivable	10,499	12,206	8,813	8,101	11,757
Accounts Receivable	15,111	18,686	8,840	11,195	17,923
Interest Receivable	9,624	4,046	1,426	4,582	23,306
Lease Receivable	-	-	-	50,601	46,872
Advances to Other Funds	4,869	4,869	4,869	4,869	4,869
Due from Other Funds	9,961	20,597	8,387	8,380	9,894
Due from Other Governments	343,679	360,840	406,867	404,617	523,269
Inventories	2,087	2,075	2,390	3,465	4,560
Prepaid items	-	62	46	47	2,298
Restricted Assets	<u>411,861</u>	<u>417,867</u>	<u>502,449</u>	<u>691,979</u>	<u>674,850</u>
Total Assets	\$ 1,015,641	\$ 1,149,447	\$ 1,306,762	\$ 1,630,307	\$ 1,807,947
LIABILITIES:					
Accounts Payable	\$ 39,870	\$ 77,946	\$ 66,145	\$ 101,682	\$ 107,627
Salaries & Benefits Payable	107,031	126,347	69,780	79,499	96,400
Due To Other Funds	13,346	51,943	2,476	299	2,979
Due to Other Governments	64,974	126,314	131,994	123,356	113,595
Deferred Revenue	-	-	-	-	-
Deposits Payable	28	14	15	12	9
Advances from other funds	-	-	-	-	-
Advances from grantors and third parties	<u>318,534</u>	<u>303,583</u>	<u>403,592</u>	<u>523,727</u>	<u>482,284</u>
Total Liabilities	\$ 543,783	\$ 686,147	\$ 674,002	\$ 828,575	\$ 802,894
Deferred inflows of resources	\$ 59,457	\$ 61,618	\$ 65,860	\$ 121,217	\$ 147,520
FUND BALANCE:					
Nonspendable	\$ 2,416	\$ 2,466	\$ 2,756	\$ 3,843	\$ 7,055
Restricted	102,288	112,711	142,367	184,315	180,041
Committed	18,320	14,844	15,070	13,185	19,442
Assigned	14,196	13,702	35,900	39,198	60,704
Unassigned	<u>275,181</u>	<u>257,959</u>	<u>370,807</u>	<u>439,974</u>	<u>590,291</u>
Fund Balance	\$ 412,401	\$ 401,682	\$ 566,900	\$ 680,515	\$ 857,533
Total Liabilities and Fund Balance	\$ 1,015,641	\$ 1,149,447	\$ 1,306,762	\$ 1,630,307	\$ 1,807,947

Source: County Auditor-Controller.

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The following table sets forth the County’s General Fund balances as of June 30 for the last ten Fiscal Years based on classification.

TABLE 35
COUNTY OF RIVERSIDE
GENERAL FUND BALANCES
AT JUNE 30, 2014 THROUGH JUNE 30, 2023
(In Thousands)

<i>June 30,</i>	<i>Nonspendable</i>	<i>Restricted</i>	<i>Committed</i>	<i>Assigned</i>	<i>Unassigned</i>	<i>Total</i>
2014	\$2,045	\$117,595	\$32,820	\$7,772	\$203,444	\$363,676
2015	2,001	122,967	39,422	5,144	225,855	395,389
2016	2,369	99,639	40,310	11,870	217,322	371,510
2017	2,314	95,130	21,907	10,989	217,891	348,231
2018	3,470	95,881	23,290	12,464	234,477	369,582
2019	2,416	102,288	18,320	14,196	275,181	412,401
2020	2,466	112,711	14,844	13,702	257,959	401,682
2021	2,756	142,367	15,070	35,900	370,807	566,900
2022	3,843	184,315	13,185	39,198	439,974	680,515
2023	7,055	180,041	19,442	60,704	590,291	857,533

Source: County Auditor-Controller.

SECTION V – DEBT OBLIGATIONS

Short-Term Obligations of County

On July 3, 2023, the County issued its 2023 Tax and Revenue Anticipation Note (the “2023 TRAN”) in the principal amount of \$360,000,000 to provide funds to meet the County’s Fiscal Year 2023-24 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions. The 2023 TRAN is due on June 28, 2024. The 2023 TRAN is payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County’s 2023-24 Fiscal Year which are legally available for the payment thereof. Delinquent property taxes attributable to prior Fiscal Years are included in the taxes pledged to the payment of the 2023 Teeter Notes (defined below) and are not available to pay debt service on the 2023 TRAN. The County has issued tax and revenue anticipation notes annually for over twenty consecutive years with timely repayment.

The County expects to issue its 2024 Tax and Revenue Anticipation Note (the “2024 TRAN”) in July 2024 to provide funds to meet the County’s Fiscal Year 2024-25 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions, consistent with past practice. The 2024 TRAN will be payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County’s 2024-25 Fiscal Year which are legally available for the payment thereof. The County has not yet determined the amount of the 2024 TRAN.

On October 18, 2023, the County issued its \$103,330,000 Teeter Plan Obligation Notes 2023 Series A (the “2023 Teeter Notes”) to refund a portion of the County’s Teeter Obligation Notes, 2022 Series A and to fund an advance of unpaid property taxes for Revenue Districts participating in the County’s Teeter Plan. See “SECTION IV—FINANCIAL INFORMATION—Teeter Plan” above. The 2023 Teeter Notes are due on October 18, 2024. The 2023 Teeter Notes are payable from “Pledged Taxes,” generally consisting of (i) the right to collect any uncollected property taxes due to the County and other Revenue Districts for the fiscal years ended June 30, 1994 through and including June 30, 2023 and such other fiscal years approved by the County under certain circumstances, (ii) all amounts received by the County upon the sale of property to recover such property taxes or assessments, and (iii) all amounts received by the County upon the redemption of properties

for sale or previously sold to recover such property taxes or assessments, in each case to which the County is entitled under applicable law, and in each case following an allocation by the County of the receipts of property taxes and assessments between the Revenue Districts and those public districts within the County that are not participating in the Teeter Plan.

Long-Term Obligations of County

Since its formation in 1893, to the best knowledge of County officials, the County has never failed to pay the principal of or interest on any of its bonded indebtedness. As of March 1, 2024, the County had \$656,749,629 in direct General Fund obligations and \$670,785,000 in pension obligation bond indebtedness, as reflected in the following table, and has no authorized but unissued general obligation debt.

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The statement of direct and overlapping debt (the “Debt Report”) set forth below was prepared by California Municipal Statistics, Inc., and is dated as of March 1, 2024. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The County has not independently verified its completeness or accuracy and makes no representations in connection therewith.

**TABLE 36
COUNTY OF RIVERSIDE
ESTIMATED DIRECT AND OVERLAPPING OBLIGATIONS
(AS OF MARCH 1, 2024)**

2023-24 Assessed Valuation: \$405,099,445,082 (includes unitary utility valuation)

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/24</u>
Metropolitan Water District	6.812 %	\$ 1,240,465
Community College Districts	1.140-100.	1,206,640,565
Unified School Districts	1.011-100.	3,656,482,648
Perris Union High School District	100.	292,042,191
Elementary School Districts	100.	208,268,275
City of Riverside	100.	1,740,000
Eastern Municipal Water District Improvement Districts	100.	17,665,000
Riverside County Flood Control, Zone 4 Benefit Assessment District	100.	2,755,000
San Geronio Memorial Hospital District	100.	105,368,130
Community Facilities Districts	50.225-100.	3,418,392,803
Riverside County 1915 Act Bonds	100.	470,000
City and Special District 1915 Act Bonds (Estimated)	100.	<u>116,016,887</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		\$9,027,081,964
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Riverside County General Fund Obligations	100. %	\$ 656,749,629⁽¹⁾
Riverside County Pension Obligations	100	670,785,000
School Districts General Fund and Lease Tax Obligations	1.140-100.	392,009,538
City of Corona General Fund Obligations	100.	21,361,013
City of Moreno Valley General Fund Obligations	100.	73,636,303
City of Indio General Fund and Judgment Obligation Bonds	100.	142,225,000
City of Palm Springs Certificates of Participation and Pension Obligation Bonds	100.	113,115,061
City of Riverside Certificates of Participation	100.	166,355,220
City of Riverside Pension Obligation Bonds	100.	425,275,000
Other City General Fund Obligations	100.	415,976,135
Other Special District Certificates of Participation	100.	<u>4,841,359</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$3,082,329,258
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		 \$1,789,660,063
 COMBINED TOTAL DEBT		 \$13,899,071,285⁽²⁾

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Assessed Valuation:

Overlapping Tax and Assessment Debt	2.23%
Combined Direct Debt (\$1,327,534,629).....	0.33%
Combined Total Debt.....	3.43%

Ratios to Successor Agency Redevelopment 2023-24 Incremental Valuation: (\$119,645,868,935):

Total Overlapping Tax Increment Debt	1.50%
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Source: California Municipal Statistics, Inc.

Lease Obligations

The County has used nonprofit corporations and joint powers authorities to finance certain public facilities through the issuance of lease obligations. Pursuant to these arrangements, a nonprofit corporation or joint powers authority constructs or acquires facilities with the proceeds of lease revenue obligations, which are then leased to the County; the lease obligations are payable from the General Fund. Upon expiration of the lease, title to the facilities vests in the County.

The table on the following page sets forth the County’s outstanding publicly offered lease obligations and the respective annual lease requirements as of March 1, 2024. In addition, as discussed below under “— Facilities Lease Agreements,” the County has other substantial lease obligations payable from the General Fund.

TABLE 37
COUNTY OF RIVERSIDE
SUMMARY OF PUBLICLY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY’S GENERAL FUND — (AS OF MARCH 1, 2024))

	<i>Final Maturity Year</i>	<i>Original Lease Amount</i>	<i>Outstanding Obligations</i>	<i>Annual Base Rental</i>
Riverside County Hospital Project, Leasehold Revenue Bonds:				
1997 Series A	2026	\$ 41,170,073	\$ 10,976,829	\$ 3,877,594
County of Riverside Certificates of Participation (2009 Public Safety Communication and Woodcrest Library Refunding Projects) ⁽¹⁾	2039	45,685,000	4,525,000	180,000
County of Riverside Infrastructure Financing Authority (2015 A Lease Revenue Refunding Bonds) ⁽²⁾	2037	72,825,000	40,125,000	3,445,000
County of Riverside Infrastructure Financing Authority (2016 A) ⁽³⁾	2031	39,985,000	24,200,000	2,620,000
County of Riverside Infrastructure Financing Authority (2017 A Lease Revenue Refunding Bonds) ⁽⁴⁾	2044	46,970,000	40,020,000	1,280,000
County of Riverside Infrastructure Financing Authority (2017 B & 2017 C Lease Revenue Bonds) ⁽⁵⁾	2047	22,205,000	18,710,000	685,000
County of Riverside Asset Leasing Corporation (2019 A Technology Refunding Projects) ⁽⁶⁾	2043	12,875,000	11,230,000	430,000
County of Riverside Infrastructure Financing Authority (2021 A & 2021 B Lease Revenue Refunding Bonds) ⁽⁷⁾	2045	<u>499,800,000</u>	<u>458,230,000</u>	<u>21,330,000</u>
TOTAL		\$ 781,515,073	\$ 608,016,829	\$ 33,847,594

⁽¹⁾ The 2009 Public Safety Communication and Woodcrest Library Refunding Project refunded the 2007B Public Safety Communication Refunding Project and the 2006 Capital Appreciation Notes.

⁽²⁾ The 2015 Series A Infrastructure Financing Authority Lease Revenue Refunding Bonds refunded the County of Riverside Certificates of Participation (Capital Facilities Project) 2005 Series A, County of Riverside Certificates of Participation (Historic Courthouse Refunding Project) 2005 Series B and the County of Riverside Certificates of Participation (Capital Facilities Projects) 2006 A.

⁽³⁾ The 2016 A & A-T Infrastructure Financing Authority Lease Revenue Refunding Bonds refunded the Riverside County Palm Desert Financing Authority Lease Revenue Bonds 2008 Series A.

⁽⁴⁾ The County of Riverside Infrastructure Financing Authority (2017 A Lease Revenue Refunding Bonds) refunded the Riverside Community Properties Development, Inc. Lease Revenue Bonds (2013 Riverside County Law Building Project).

⁽⁵⁾ The County of Riverside Infrastructure Financing Authority (2017 B Lease Revenue Bonds) refunded the County of Riverside Southwest Communities Financing Authority Lease Revenue Bonds, Series 2008 A.

⁽⁶⁾ The County of Riverside Asset Leasing Corporation (2019 A Technology Refunding Projects) refunded a portion of the County of Riverside Leasehold Revenue Bonds (2013 Series A Public Defender/Probation Bldg. and Riverside County Technology Solution Center Projects).

⁽⁷⁾ The County of Riverside Infrastructure Financing Authority (2021 A & 2021 B Lease Revenue Refunding Bonds) refunded, through redemption or defeasance as applicable, all of the outstanding: County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding); County of Riverside Asset Leasing Corporation Lease Revenue Bonds (2012 County Administrative Center Refunding Project); County of Riverside Asset Leasing Corporation Lease Revenue Bonds, 2012 Series A (County of Riverside Capital Projects); Riverside County Public Financing Authority Lease Revenue Refunding Bonds (County Facilities Projects), Series 2012; County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects); County of Riverside Asset Leasing Corporation Lease Revenue Refunding Bonds (Court Facilities Project), Series 2014A; and Riverside County Public Financing Authority Lease Revenue Bonds (Capital Facilities Project), Series 2015.

Source: County Executive Office.

Facilities Lease Agreements

The following table sets forth the County’s outstanding non-publicly offered lease obligations payable from the County’s General Fund and the respective annual lease requirements as of March 1, 2024. More information is provided below.

TABLE 38
COUNTY OF RIVERSIDE
SUMMARY OF NON-PUBLICLY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY’S GENERAL FUND — (AS OF MARCH 1, 2024) ⁽¹⁾

	<i>Year Incurred</i>	<i>Final Maturity Year</i>	<i>Original Obligations</i>	<i>Outstanding Obligations⁽²⁾</i>	<i>Annual Rent</i>
County and Corona Medical Arts Plaza, LLC (Corona Care Clinic) ⁽³⁾	2017	2032	\$42,573,904	\$26,029,776	\$2,572,906
Jurupa Valley Medical Partners, LLC (Jurupa Valley Care Clinic) ⁽⁴⁾	2017	2039	47,575,096	35,285,649	2,125,728
TC Riverside MOB, LLC (RUHS-Medical and Surgical Outpatient Office Bldg) ⁽⁵⁾	2019	2044	438,469,834	380,919,247	13,587,297
CFP Riverside, LLC (Libraries) ⁽⁶⁾	2019	2051	124,561,024	115,814,662	2,788,323
Sunquitz EMC, LLC (RUHS-Palm Springs Clinic) ⁽⁷⁾	2019	2051	73,070,212	66,464,968	2,094,075

⁽¹⁾ Amounts are rounded to the nearest dollar. As discussed below, the Leases for the Corona Care Clinic, Jurupa Valley Care Clinic, and the Libraries projects are comprised of leases that do not distinguish between principal component and components, however they include ongoing management/administrative expenses. The Lease for the RUHS Medical and Surgical Center (MSC) Building does not distinguish between principal and interest components. The \$438,469,834 figure cited above represents the total expected lease payments for which the County is obligated during the term of the MSC Lease. CFP Riverside lease payments are fixed for ten years and adjust every ten years thereafter. Sunquitz EMC, LLC is subject to a separate ground lease paid for by Sublessor.

⁽²⁾ Includes base rent, tenant improvements, furniture rent, operating expenses, RCIT costs, utility costs and FM fees.

⁽³⁾ Annual payments escalate by 2.75% annually.

⁽⁴⁾ Annual payments escalate by 2.00% annually.

⁽⁵⁾ Annual payments escalate by 4.00% annually.

⁽⁶⁾ Base rent commenced in Fiscal Year 2020-21 at \$2.03 million per year, escalating to \$3.261 million in Fiscal Year 2050-51. Base rent in Fiscal Year 2023-24 is \$2,788,323.

⁽⁷⁾ Base rent commenced in Fiscal Year 2021-22 at \$1.94 million per year, escalating to \$5.95 million in Fiscal Year 2050-51. Base Rent in Fiscal Year 2023-24 is \$2,094,075.

Source: County of Riverside Facilities Management.

The County and Corona Medical Arts Plaza, LLC entered into a Lease dated as of September 13, 2016, as supplemented by the First Amendment to Lease (as supplemented, the “Corona Clinic Lease”), dated as of June 20, 2017, in order to fund the construction, operation and maintenance of a 45,204 square-foot medical clinic (the “Corona Care Clinic”) for RUHS located in the City of Corona. The principal component of the lease obligation is estimated at \$42,573,904. Pursuant to the terms of the Corona Clinic Lease, rental payments commenced upon substantial completion of construction and occupancy of the Corona Care Clinic (in the first quarter of 2018), and the County will continue to pay rental payments for 15 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year’s lease payment (Fiscal Year 2018-19) was approximately \$2.6 million, escalating at 2.75% annually thereafter. Annual lease payments include utilities, one-time technology fees, an allowance for tenant improvements and FF&E, and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects to receive federal funding that will cover the Corona Clinic Lease payments, the County may be required to advance monies from its General Fund. Ultimately, as the Lessee and obligor under the Corona Clinic Lease, the County is responsible for lease payments thereunder.

On July 11, 2017, the County and Jurupa Valley Medical Partners, LLC entered into a Lease (the “Jurupa Valley Clinic Lease”) in order to fund the proposed construction, operation and maintenance of an approximately 40,000 square-foot medical clinic for RUHS located in the City of Jurupa Valley (the “Jurupa Valley Care Clinic”). Presently, the principal component of the lease obligation is estimated at \$47,575,096. Pursuant to the terms of the Jurupa Valley Clinic Lease, it was anticipated that the County would commence rental payments upon substantial completion of construction and occupancy of the Jurupa Valley Care Clinic, and the County achieved substantial completion of construction on January 10, 2019. The County commenced

rental payments in Fiscal Year 2019-20 for the lease term and will continue to pay rental payments for approximately 20 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's lease payment (Fiscal Year 2019-20) was approximately \$2.4 million, escalating at 2% annually thereafter. Annual lease payments include utilities, one-time technology fees, an allowance for tenant improvements and FF&E, and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects to receive federal funding that will cover the Jurupa Valley Clinic Lease payments, the County may be required to advance monies from its General Fund. Ultimately, as the Lessee and obligor under the Jurupa Valley Clinic Lease, the County is responsible for lease payments thereunder.

On April 18, 2017, the County entered into a Facilities Lease Agreement with TC Riverside MOB, LLC to fund the proposed construction, operation, and maintenance of an approximately 200,000 square foot surgery center and medical office building complex (the "RUHS Medical and Surgical Outpatient Office Building") next to the RUHS Medical Center. The total cost, over the term of the lease, including base rent and additional rent, related to the lease obligation is estimated at \$438,469,834. The final project budget and final rent schedule were approved by the County on November 14, 2017. Rental payments commenced upon the substantial completion of construction of the project on December 13, 2019, and the County will continue to pay rental payments for approximately 25 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's lease payment (Fiscal Year 2020-21) was approximately \$13.3 million, escalating at 3% annually thereafter. Annual lease payments include utilities, operating costs, one-time technology fees and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects that the RUHS Medical and Surgical Outpatient Office Building will attract a more favorable payor mix that will enable RUHS to make Facilities Lease Agreement payments from its operating revenues, the County may be required to advance monies from its General Fund. Ultimately, as the Tenant and obligor under the Facilities Lease Agreement, the County is responsible for Facilities Lease Agreement payments.

On August 28, 2019, the County entered into a Facilities Lease Agreement with CFP Riverside, LLC, a Minnesota non-profit limited liability company, for the design, construction, installation, equipping, furnishing, operation and maintenance of three separate public library facilities and related amenities in the cities of Desert Hot Springs and Menifee and in the unincorporated area of French Valley (the "Libraries"). The principal component of the lease obligation is \$42,115,000. The construction of the Libraries was completed in May 2021. Upon completion and delivery of the Libraries to the County, the County commenced making rental payments on May 1, 2021. The County's lease obligations with respect to the Libraries will continue for 30 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's base rent payment in Fiscal Year 2021-22 was approximately \$2.036 million, escalating to \$3.261 million in Fiscal Year 2050-51.

On November 19, 2019, the County entered into a Facilities Sub-Lease Agreement with Sunquitz EMC, LLC, a California limited liability company for the design, construction and property management services for an approximately 35,000 square community health clinic located in the City of Palm Springs. The principal component of the lease obligation is \$73,070,212. The County commenced making rental payments on June 29, 2021. The County's lease obligations with respect to the clinic will continue for 30 years thereafter, subject to County's right to purchase the improvements based upon the pricing provisions specified in the sublease agreement. Annual lease payments include utilities, operating costs, one-time technology fees and an ongoing management fee of 5.28% to Riverside County Facilities Management. The initial year's base rent payment in Fiscal Year 2021-22 was approximately \$1.94 million, escalating to \$5.95 million in Fiscal Year 2050-51.

Lease Lines of Credit

Lease line of credit agreements are reviewed and approved by the Debt Advisory Committee, and then presented to the Board of Supervisors for their final approval. The County may utilize the lines of credit to

finance capital assets for a period of 24 to 120 months. No specific amortization is required by the lease lines of credit, and the County budgets to repay the outstanding amounts over the lifecycle of the financed assets.

The County has entered into several multi-year lease lines of credit with Banc of America Public Capital Corporation in connection with various capital and capital equipment purchases, on the dates and in the original principal amounts as further described in the following table.

On October 25, 2022, the County entered into a \$50 million multi-year lease line of credit with JPMorgan Chase Bank, N.A. (in increments of \$25 million).

On October 17, 2023, the County entered into a \$75 million multi-year lease line of credit with JPMorgan Chase Bank, N.A.

TABLE 39
COUNTY OF RIVERSIDE
SUMMARY OF LEASE LINES OF CREDIT
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF MARCH 1, 2024))⁽¹⁾

<i>Date Incurred</i>	<i>Original Principal Amount</i>	<i>Outstanding Principal Amount⁽¹⁾</i>	<i>Outstanding Interest⁽¹⁾</i>	<i>Total Outstanding Obligations⁽¹⁾</i>
February 4, 2014 ⁽²⁾	\$ 40,000,000	\$ 582,721	\$ 10,491	\$ 593,212
December 15, 2015 ⁽³⁾	40,000,000	2,691,777	143,292	2,835,069
July 31, 2018 ⁽⁴⁾	75,000,000	14,818,434	623,377	15,441,811
June 9, 2020 ⁽⁵⁾	40,000,000	23,399,050	1,734,726	25,133,776
October 25, 2022 ⁽⁶⁾	50,000,000	41,389,213	3,954,793	45,344,006
October 17, 2023 ⁽⁷⁾	75,000,000	0	0	0
Total	\$ 320,000,000	\$ 82,881,195	\$ 6,466,679	\$ 89,347,874

⁽¹⁾ Outstanding amounts as of March 1, 2024.

⁽²⁾ This line of credit was exhausted in March 2016.

⁽³⁾ This line of credit was exhausted in December 2018.

⁽⁴⁾ Original principal amount of \$50 million increased to \$75 million with County approval in April 2019. This line of credit was exhausted on June 3, 2020.

⁽⁵⁾ This line of credit was exhausted in September 2023.

⁽⁶⁾ As of March 1, 2024, the County has drawn down \$45 million of this \$50 million lease line of credit.

⁽⁷⁾ As of March 1, 2024, the County has not drawn on this \$75 million lease line of credit.

Capital Lease Purchase Agreements

On October 30, 2014, the County entered into a Lease Purchase Agreement with Banc of America Public Capital Corporation in the amount of \$54,573,300 to finance the purchase and installation of certain solar equipment for the purpose of reducing County energy costs. In March 31, 2017, the financing was restructured to a principal balance of \$57,977,325. As of March 1, 2024, approximately \$45,737,570 principal amount remained outstanding, which is scheduled to be repaid in full by August 30, 2035.

On June 11, 2021, the County entered into an Equipment Lease Purchase Agreement to finance replacement of Cisco network equipment and provide maintenance, support, and software fixes in an additional amount of \$3,613,826, which is scheduled to be repaid in full by Fiscal Year 2025-26. As of March 1, 2024, approximately \$1,445,530 principal amount of this Lease Purchase Agreement remained outstanding.

On September 30, 2021, the County entered into a Lease Purchase Agreement to finance the renewal of the Cisco Flex Enterprise License Agreement in the amount of \$4,014,486, which is scheduled to be repaid in full by Fiscal Year 2025-26. As of March 1, 2024, approximately \$1,907,243 principal amount of this Lease Purchase Agreement remained outstanding.

The following chart summarizes the County’s outstanding equipment lease obligations:

**TABLE 40
COUNTY OF RIVERSIDE
SUMMARY OF EQUIPMENT LEASE OBLIGATIONS
AS OF MARCH 1, 2024**

	<i>Final Maturity Year</i>	<i>Original Lease Amount</i>	<i>Outstanding Obligations</i>	<i>Annual Base Rental</i>
Lease Purchase Agreement – Solar Equipment	2035	\$57,977,325 ⁽¹⁾	\$45,737,570	\$3,155,289
Master Equipment Lease Purchase Agreement (6/11/2021)	2025	3,613,826	1,445,530	722,765
Master Equipment Lease Purchase Agreement (9/30/2021)	2025	4,014,486	1,907,243	953,621

⁽¹⁾ Original lease amount of \$54,573,300 was restructured to a principal balance of \$57,977,325.

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