

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



ITEM: 2.7
(ID # 26005)

MEETING DATE:
Tuesday, October 01, 2024

FROM : AUDITOR CONTROLLER

SUBJECT: AUDITOR-CONTROLLER: Fiscal Year 2023-2024 Auditor-Controller Reports of Funds Established, Funds Close and Funds with Negative Cash Balances as of June 30, 2024. All Districts. [\$0]

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

1. Funds Established in Fiscal Year 2023-2024
2. Funds Closed in Fiscal Year 2023-2024
3. Funds with Negative Cash Balances as of June 30, 2024

ACTION: Consent


Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 9/25/2024

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: October 1, 2024
xc: Auditor Controller

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	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment:	No
			For Fiscal Year:	23/24

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

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

Attachment "A" represents 26 new funds that were established during the fiscal year.

Attachment "B" represents 3 funds that were closed during the fiscal year.

Attachment "C" reports the funds that had negative cash balances as of June 30, 2024, including custodian's explanations for their cash deficit.

ATTACHMENT A. Funds Established in Fiscal Year 2023/2024

ATTACHMENT B. Funds Closed in Fiscal Year 2023/2024

ATTACHMENT C. County Funds with Negative Cash Balance as of June 30, 2024


Dolores Reyna, Principal Management Analyst 9/25/2024



Attachment A
Funds Established During Fiscal Year 2023/2024

Fund	Fund Name	Effective Date
20577	Landscaping & Lighting Maintenance District No. 89-1-Consolidated, Street Lighting Zone 151	8/29/2023
20578	Landscaping & Lighting Maintenance District No. 89-1-Consolidated, Street Lighting Zone 152	8/29/2023
20579	Landscaping & Lighting Maintenance District No. 89-1-Consolidated, Street Lighting Zone 214	8/29/2023
20580	Landscaping & Lighting Maintenance District No. 89-1-Consolidated, Street Lighting Zone 218	8/29/2023
20581	Landscaping & Lighting Maintenance District No. 89-1-Consolidated, Street Lighting Zone 220	8/29/2023
20851	Community Facilities Districts 22-6M Summit Canyon - Tax B	3/4/2024
20861	Community Facilities Districts 23-1M Highgrove Town Center - Tax B	3/4/2024
20871	Community Facilities Districts 23-2M Highgrove - Tax B	3/4/2024
20900	Community Facilities Districts 23-4M Highland	3/4/2024
20901	Community Facilities Districts 23-6M Parkview	3/4/2024
20902	Community Facilities Districts 23-7M JBJ Ranch	3/4/2024
20903	Community Facilities Districts 23-8M McCanna	3/4/2024
20904	Community Facilities Districts 23-9M Triada	3/4/2024
20905	Community Facilities Districts 23-10M The Woods IA A	3/4/2024
20906	Community Facilities Districts 23-10M The Woods IA B	3/4/2024
20907	Community Facilities Districts 23-10M The Woods IA C	3/4/2024
20908	Community Facilities Districts 23-10M The Woods IA D	3/4/2024
22710	Highway 74 Enhanced Infrastructure Financing District	10/3/2023
22720	TV Wine Country Enhanced Infrastructure Financing District	10/3/2023
47201	Facilities Management Capital Asset Plan	10/5/2023
51351	Coachella Valley Conservation Commission In-Lieu Fee	12/13/2023
51880	Desert Community Energy	12/13/2023
52020	Nuevo Donation Burrowing Owl	10/25/2023
66265	Highway 74 Enhanced Infrastructure Financing District	8/8/2023
66270	Eastern Coachella Valley Enhanced Infrastructure Financing District	6/14/2024
69013	E-Payables IM Clearing Fund	10/20/2023

Attachment B
Funds Closed During Fiscal Year 2023/2024



Fund	Fund Name	Effective Date
25520	Arundo Removal	12/20/2023
25600	County Service Area Park Maintenance & Operations	12/20/2023
25610	Community Centers Maint & Operations	12/20/2023



Attachment C

County Funds with Negative Cash Balance as of June 30, 2024

FUND NUMBER	FUND NAME	BALANCE AS OF JUNE 30, 2024	EXPLANATION
55010	Corona School B Warrants	(\$77,298,063)	This fund is one of two clearing accounts for vendor payments for the Corona-Norco Unified School District. The fund balance fluctuates throughout the year due to the timing of payments, reimbursements to the fund, and transfers from other clearing accounts. The negative balance is also due to Corona's school booking process. The Treasurer's Office created entries in FY2025 to clear the balances. As of August 2024, the fund has a positive balance.
65650	Treasurer Unapportioned Interest	(\$11,635,020)	Fund 65650 reflected a negative cash balance due to a timing difference in the recognition of interest earnings. These earnings were advanced to our shareholders during the 4th Quarter Interest Apportionment distribution. The corresponding entry and accrual will not be recognized until September 2024, with the cash flows for the earnings occurring in July and September. As of July 2024, the fund has a positive balance.
21450	Office On Aging	(\$3,096,390)	The Office on Aging operates on a reimbursement basis, receiving funds in arrears from federal and state governments, primarily via the California Department of Aging. Expenses are incurred before submitting a reimbursement request. Reimbursements for claims are typically received in the first quarter of the fiscal year, while requests for fourth-quarter funds aren't fulfilled until September of the new fiscal year. The Office on Aging will maintain these accounts throughout the year to reflect the receivables against the negative cash balance.
11158	Workers Compensation Insurance Fraud	(\$1,826,511)	This fund is designated for the District Attorney's Office to prosecute Workers' Compensation fraud cases involving the California Department of Insurance. The negative cash balance results from a timing difference, as the related expenditures were recorded in the fiscal year 2024. The reimbursements for these expenses are typically received in the first quarter of the following fiscal year. As of August 2024, the fund now has a positive balance.
22800	In-Home Supportive Services Public Authority	(\$901,536)	This fund is intended to cover the administrative expenses of the In-Home Supportive Services Public Authority. The negative cash balance occurred due to the fourth-quarter payment, which will be received in August 2024. Throughout the year, the fund experiences timing issues related to state reimbursements. The negative balance is expected to be resolved by the end of the fiscal year.
65011	DeltaCare USA DHMO	(\$492,593)	This fund is designated to manage and record all activities associated with the dental health care plan provided under DeltaCare. The funds used to cover the costs of the plan are reimbursed through payroll deductions, where employees' insurance premiums are collected. However, the fund occasionally shows a negative balance, primarily due to timing differences between when payroll is processed and when the contributions are posted to the account. These timing discrepancies can create temporary shortfalls, but the balance is expected to correct itself once all contributions are posted.
11197	Tax Collection Non-Sufficient Funds	(\$413,594)	This fund serves as a Non-Sufficient Funds Chargeback fund. As a result, the cash balance will consistently appear negative. Outstanding liabilities are recovered from taxpayers or through bank collections.
21841	California Proposition 56 Local Oral Health	(\$384,586)	This fund is intended to capture public health expenses that qualify under the California Proposition 56 Local Oral Health Plan. Funding is provided on a reimbursement basis, with claims submitted 60 days after the end of each quarter and paid within the following 60 days. The negative cash balance is due to the third-quarter claim submitted in mid-May, with payment expected by the end of July. The balance also includes fourth-quarter expenses, which will be claimed for reimbursement in mid-August.
65060	Life Insurance	(\$327,258)	This fund is a clearing fund for payroll. The negative cash balance is due to the timing of transfers and adjustments between other payroll funds. During FY2025 management will discuss rate adjustments and will address the negative cash balance.
11118	Department of Insurance-Auto Insurance Fraud	(\$184,321)	The purpose of the fund is for the District Attorney's Office to prosecute California Department of Insurance automobile fraud cases. The negative cash balance is due to a timing difference as the related expenditures were properly accounted for within the appropriate fiscal year 2024. Reimbursements are received within the 1st quarter of the following fiscal year. As of August 2024, the fund has a positive balance.
11156	Auto Insurance Fraud - Urban	(\$142,993)	The purpose of the fund is to capture and prosecute automobile insurance fraud activity for the District Attorney's Office. The negative cash balance is due to a timing difference as the related expenditures were captured in fiscal year 2024. Reimbursements are received within the 1st quarter of the following fiscal year. As of August 2024, the fund has a positive balance.

11063	Department of Public Social Services Welfare Advance Fund	(\$67,546)	The purpose of this fund is to provide advances for welfare assistance, administration, and child support enforcement. DPSS mistakenly processed a journal to reallocate child support collections received from the California Department of Child Support Services (CDCSS) to the appropriate accounting string. This was done to offset the county's share of CalWORKs Assistance and Foster Care placement costs before the funds were received from CDCSS. The payment was received on July 2nd, therefore, as of July 2025, the fund has a positive balance.
45980	Internal Service Fund-Long Term Disability	(\$50,489)	The fund is used to capture activity related to long-term disability. The funds are reimbursed through payroll collections. The negative balance is due to timing and adjustments. As of August 2024, the fund has a positive balance.
51000	Salton Sea Authority-Payroll	(\$37,476)	The negative balance was caused by timing issues. A direct deposit was processed by the Salton Sea Authority on June 26, 2024, but it wasn't received by the Treasurer Tax Collector until July 5, 2024. To guarantee that monies are applied to the account before the end of the fiscal year, transfers to the County will henceforth be done at least one week in advance. The fund has a positive balance as of July 2024.
20302	Landscape & Landscape Maintenance District-Zone 3	(\$14,784)	The purpose of this fund is to track the revenue received through property tax payments for the maintenance of landscapes zones. Revenue is received with the distribution of Secured Property Taxes in January and May. The negative cash balance is due to timing differences between tax receipts and expenditures. During fiscal year 2024, expenses were posted before corresponding revenues. Reimbursement will be received in fiscal year 2025.
65265	Abstract Of Judgment	(\$8,990)	The purpose of this fund is to capture the activities related to employee garnishment payments and deposits. The negative cash balance is due to an overpayment to the California Department of Child Support Services. The collection of revenue from the State is still pending.
20301	Landscape & Landscape Maintenance District-Zone 1	(\$7,237)	The purpose of this fund is to track the revenue received through property tax payments for the maintenance of landscapes zones. Revenue is received with the distribution of Secured Property Taxes in January and May. The negative cash balance is due to timing differences between tax receipts and expenditures. During fiscal year 2024, expenses were posted before corresponding revenues. Reimbursement will be received in fiscal year 2025.
65268	Post Employment Health Savings	(\$5,633)	This fund is a clearing fund for payroll. The negative cash balance is due to the timing of transfers and adjustments between other payroll and contributions postings.
22000	Rideshare	(\$3,806)	The purpose of the fund is to reduce vehicle emissions and improve air quality by encouraging the use of ridesharing and other sustainable transportation methods fund. Currently, there is a pending year-end cleanup to post the final revenue for fiscal year 2024.
20300	Landscape Maintenance District	(\$3,012)	This fund is designed to track revenue from property tax payments used for maintaining landscape zones. Transportation employs project-based accounting, with specific projects allocated to individual sub-funds. Last year, Transportation employees mistakenly coded time to a project within sub-fund 20300, which is currently under review. The correction for this entry will be made in FY25.
65190	State Withholding Tax County	(\$2,079)	The purpose of this fund is to capture the activities related to the payroll State Withholdings payments. The current negative cash balance comes from prior year adjustments, specifically an overpayment of taxes to the State. This year, a reconciliation will be performed to forecast if any revenues will be recovered. If recovery is not possible, the amount will be addressed either during rate adjustments or offset against excess revenue as part of the cost of doing business.
Grand Total of Negative Cash Balances		(\$96,903,917)	

Note: Negative cash balances for the above funds are obtained from the "Pool Detail Report Negative Cash Only" for Fiscal Year 2024 Accounting Period 12 Monthly.