NEW ISSUE—BOOK-ENTRY ONLY

Moody's: "A2"
S&P: "AA"
See "RATINGS"

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 on the Series 2020 Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Series 2020 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2020 Bonds. See "TAX MATTERS" herein.

$719,995,000
COUNTY OF RIVERSIDE
TAXABLE PENSION OBLIGATION BONDS, SERIES 2020

Dated: Date of Delivery **Due:** February 15, as shown on inside cover

The County of Riverside (the "County") is issuing its Taxable Pension Obligation Bonds, Series 2020 (the "Series 2020 Bonds") under a Trust Agreement, dated as of February 1, 2005, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2020 (collectively, the "Trust Agreement"), both by and between the County and Wells Fargo Bank, National Association, as trustee (the "Trustee"), to (i) refund a portion of the County's obligations to the California Public Employee's Retirement System ("CalPERS" or the "System") under the CalPERS Contract (as described herein), evidencing a portion of the County's obligation to pay the County's unfunded accrued actuarial liability to the System and (ii) pay the costs of issuance related to the Series 2020 Bonds. Pursuant to the Trust Agreement, the Series 2020 Bonds will be issued on parity with the County's Series 2005 Bonds (as defined herein), which were previously issued to refund a portion of the County's obligation to CalPERS under the CalPERS Contract. See "Security and Sources of Payment for the Series 2020 Bonds" herein.

The Series 2020 Bonds will be issued to refinance the County's statutory obligation to appropriate and make payments to CalPERS for certain amounts arising as a result of retirement benefits accruing to members of the System. The obligations of the County under the Series 2020 Bonds, including the obligation to make all payments of the principal, premium, if any, and interest on, when due, are obligations of the County imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. See "PLAN OF FINANCING" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" herein.

The Series 2020 Bonds will be issued as current interest bonds. The Series 2020 Bonds accrue interest from the date of delivery thereof and are payable semiannually on February 15 and August 15 of each year, commencing August 15, 2020.

The Series 2020 Bonds are being issued in fully registered form, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") in the United States. DTC will act as Securities Depository for the Series 2020 Bonds. Individual purchases of Series 2020 Bonds will be made in book-entry form only in denominations of $5,000 principal amount, or any integral multiple thereof. Purchasers will not receive certificates representing their beneficial ownership interest in the Series 2020 Bonds purchased. See "APPENDIX C — BOOK-ENTRY-ONLY SYSTEM."

The Series 2020 Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2020 BONDS — Redemption Provisions" herein.

THE SERIES 2020 BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. NEITHER THE SERIES 2020 BONDS NOR THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS ON THE SERIES 2020 BONDS CONSTITUTE AN INDEBTEDNESS OF THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

This cover page contains information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page not otherwise defined will have the meanings set forth herein.

The Series 2020 Bonds will be offered when, as and if issued and received by the Underwriters, subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Bond Counsel, and certain other conditions. Columbia Capital Management, LLC. is serving as Municipal Advisor to the County in connection with the issuance of the Series 2020 Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Jones Hall, A Professional Law Corporation, San Francisco, California and for the County by Kutak Rock LLP, Los Angeles, California, Disclosure Counsel, and by the Riverside County Counsel. It is anticipated that the Series 2020 Bonds in definitive form will be available for delivery to DTC in New York, New York on or about May 6, 2020.

RAYMOND JAMES®

BofA Securities **Barclays** **Citigroup**

Dated: April 22, 2020

$719,995,000
COUNTY OF RIVERSIDE
TAXABLE PENSION OBLIGATION BONDS, SERIES 2020

MATURITY SCHEDULE

Base CUSIP*: 76913C

Serial Current Interest Bonds

Maturity (February 15)	Principal Amount	Coupon	Yield	CUSIP†
2021	$29,540,000	2.165%	2.165%	AV1
2022	30,920,000	2.265	2.265	AW9
2023	37,845,000	2.363	2.363	AX7
2024	40,795,000	2.617	2.617	AY5
2025	43,985,000	2.667	2.667	AZ2
2026	47,340,000	2.863	2.863	BA6
2027	50,935,000	2.963	2.963	BB4
2028	54,725,000	3.070	3.070	BC2
2029	58,775,000	3.120	3.120	BD0
2030	25,135,000	3.170	3.170	BE8

$300,000,000 3.818% Term Current Interest Bonds due February 15, 2038—Yield 3.818% CUSIP† BF5

COUNTY OF RIVERSIDE

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

Board of Supervisors

V. Manuel Perez, Fourth District, Chairman
Karen Spiegel, Second District, Vice Chairman
Kevin Jeffries, First District
Chuck Washington, Third District
Jeff Hewitt, Fifth District

County Officials

George Johnson, County Executive Officer
Jon Christensen, Treasurer-Tax Collector
Paul Angulo, Auditor-Controller
Peter Aldana, Assessor-County Clerk-Recorder
Gregory P. Priamos, County Counsel
Don Kent, County Finance Officer

SPECIAL SERVICES

Bond Counsel

Orrick, Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Kutak Rock LLP
Los Angeles, California

Municipal Advisor

Columbia Capital Management, LLC
Glendale, California

Actuarial Consultant

Bartel Associates, LLC
San Mateo, California

Trustee

Wells Fargo Bank, National Association
Los Angeles, California

This Official Statement is delivered for use in connection with the issuance, sale and delivery of the Series 2020 Bonds and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the Series 2020 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2020 Bonds. Statements contained in this Official Statement which involve estimates, forecasts 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 fact. The information and expressions of opinions herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof.

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 responsibilities 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.

This Official Statement, including any supplement or amendment hereto, is intended to be deposited with the Municipal Securities Rulemaking Board through the Electronic Municipal Marketplace Access (EMMA) website. The County also maintains a website. In addition, certain information and reports found on other websites are referred to in this Official Statement. However, the information and reports available at the County's or such other websites are not incorporated by reference herein and must not be relied upon in making an investment decision with respect to the Series 2020 Bonds.

The issuance and sale of the Series 2020 Bonds have not been registered under the Securities Act of 1933 in reliance upon an exemption provided thereunder by Section 3(a)(2) for the issuance and sale of municipal securities.

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OFFICIAL STATEMENT

$719,995,000
COUNTY OF RIVERSIDE
TAXABLE PENSION OBLIGATION BONDS,
SERIES 2020

INTRODUCTION

This Introduction is subject in all respects to the more complete information contained elsewhere in this Official Statement, and the offering of the Series 2020 Bonds to potential investors is made only by means of the entire Official Statement. Terms used in this Introduction and not otherwise defined will have the respective meanings assigned to them elsewhere in this Official Statement. This Official Statement presents information as of April 22, 2020, with the exception of information under "THE COUNTY-COVID-19 Outbreak" herein, which is presented as of April 29, 2020.

General

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information concerning the issuance and sale by the County of Riverside (the "County") of $719,995,000 aggregate principal amount of its Taxable Pension Obligation Bonds, Series 2020, issued as current interest bonds (the "Series 2020 Bonds").

Authority for the Series 2020 Bonds

The Series 2020 Bonds are being issued pursuant to Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (the "State") and a Trust Agreement, dated as of February 1, 2005 (the "Master Trust Agreement"), as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2020 (the "First Supplemental Trust Agreement, and together with the Master Trust Agreement, the "Trust Agreement"), both by and between the County and Wells Fargo Bank, National Association, as trustee (the "Trustee").

Purpose

Pursuant to its contract dated December 26, 1944 (as amended to date, and as may further be amended from time to time, the "CalPERS Contract") with the Board of Administration of the California Public Employee's Retirement System ("CalPERS" or the "System") and Section 20000 et seq. of the State Government Code (the "Retirement Law"), the County is obligated to make payments to CalPERS arising as a result of retirement benefits accruing to members of CalPERS. The County's obligations under the Retirement Law include, among others, the requirement to amortize the unfunded accrued actuarial liability (the "UAAL") with respect to such retirement benefits.

The County is issuing the Series 2020 Bonds (i) to refund a portion of the County's obligations to the System under the CalPERS Contract (the "CalPERS Contract Obligations"), evidencing the County's UAAL to the System and (ii) to pay the costs of issuance related to the Series 2020 Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Security and Sources of Payment for the Series 2020 Bonds

In 2005, the County issued its Taxable Pension Obligation Bonds, Series 2005 A (the "Series 2005 Bonds"), pursuant to the Master Trust Agreement and the laws of the State to refund a portion of the County's obligations to CalPERS under the CalPERS Contract, evidencing the County's unfunded accrued actuarial liability to the System. The Series 2005 Bonds are currently outstanding in the approximate aggregate principal amount of $218,830,000. The Series 2020 Bonds will be on parity with the Series 2005 Bonds under the Trust Agreement.

The obligations of the County under the Series 2020 Bonds (and the Series 2005 Bonds), including the obligation to make all payments of the principal, as applicable, premium, if any, and interest on, when due, are obligations of the County imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. Pursuant to the Trust Agreement, the County is required to prepay its Fiscal Year debt service requirements to the Trustee no later than July 31 of each year. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" herein.

THE SERIES 2020 BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. NEITHER THE SERIES 2020 BONDS NOR THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS ON THE SERIES 2020 BONDS CONSTITUTE AN INDEBTEDNESS OF THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The County has not established a debt service reserve fund for the Series 2020 Bonds.

The assets of CalPERS will not secure or be available to pay principal, premium, if any, and interest on, the Series 2020 Bonds.

Validation

The authorization by the County of the issuance of the Series 2005 Bonds and any Additional Bonds (as defined herein, and which include the Series 2020 Bonds) under the Trust Agreement as obligations of the County imposed by law, and as to the validity and conformity of the Series 2005 Bonds and Additional Bonds (which include the Series 2020 Bonds) with all applicable provisions of law, were validated by a judgment of the Superior Court of the State of California in and for the County of Riverside entered on May 3, 2004. The time period for the filing of appeals with respect to the judgment has expired. No appeals were filed and therefore, the judgment is final. See "VALIDATION" herein.

Redemption

The Series 2020 Bonds are subject to redemption as described herein. See "THE SERIES 2020 BONDS — Redemption Provisions" herein.

Continuing Disclosure

The County has agreed to provide, or cause to be provided, to the Municipal Securities Rulemaking Board certain annual financial information and operating data and, in a timely manner, notice of certain listed events for purposes of Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission. These covenants have been made in order to assist the

Underwriters (as defined herein) in complying with the Rule. See “CONTINUING DISCLOSURE” herein and “APPENDIX F — FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, is acting as Bond Counsel with respect to the Series 2020 Bonds and will receive compensation from the County contingent upon the sale and delivery of the Series 2020 Bonds. Certain legal matters will be passed upon for the County by the County Counsel and by Kutak Rock LLP, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriters by Jones Hall, A Professional Law Corporation, San Francisco, California, as Underwriters’ Counsel. Columbia Capital Management, LLC, Glendale, California, is acting as the Municipal Advisor with respect to the Series 2020 Bonds. All of the fees of Bond Counsel, Disclosure Counsel, Underwriters’ Counsel and the Municipal Advisor with respect to the issuance of the Series 2020 Bonds are contingent upon the issuance and delivery of the Series 2020 Bonds.

Summaries Not Definitive

Brief descriptions of the Series 2020 Bonds, the County and the Trust Agreement are included in this Official Statement and appendices related thereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Series 2020 Bonds and the Trust Agreement are qualified in their entirety by reference to the actual documents, or with respect to the Series 2020 Bonds, the forms thereof included in the Trust Agreement, copies of all of which are available for inspection by written request mailed to the County of Riverside, Executive Office, 4080 Lemon Street, 4th Floor, Riverside, California, 92501 and will be available upon request and payment of duplication costs from the Trustee.

PLAN OF FINANCING

In July 2019, CalPERS notified the County as to the amount of the UAAL for the County’s defined benefits pension plans for its public safety employees (the “Safety Plan”) and miscellaneous employees (the “Miscellaneous Plan”) based on CalPERS’ annual valuation as of June 30, 2018 (the “2019 CalPERS Reports”), which are the most recent actuarial valuations routinely performed by CalPERS for the County’s defined benefits pension plans for its public safety employees and miscellaneous employees. As of June 30, 2018, the County’s aggregate CalPERS UAAL totaled approximately $3,506,658,203. According to the 2019 CalPERS Reports, as of June 30, 2018: (i) the Miscellaneous Plan was 70.4% funded (based on the market value of assets), and the County’s UAAL with respect to the Miscellaneous Plan was approximately $2,416,961,672 ; and (ii) the Safety Plan was 70.4% funded (based on market value of assets), and the County’s UAAL with respect to the Safety Plan was approximately $1,089,696,531.

On September 24, 2019, Bartel Associates, LLC (“Bartel”), an independent actuary that annually prepares a report of the County’s pension cost projections, prepared an analysis (based on the 2019 CalPERS Reports) projecting the County’s aggregate CalPERS UAAL to be approximately $3.722 billion as of June 30, 2020. According to Bartel’s analysis, the County’s UAAL is projected to be: (i) approximately $2.560 billion as of June 30, 2020 with respect to the Miscellaneous Plan, and (ii) approximately $1.162 billion as of June 30, 2020 with respect to the Safety Plan. In addition, according to Bartel’s analysis, the County’s aggregate UAAL contribution payment for Fiscal Year 2020-21 is projected to be approximately $229,044,051, consisting of approximately: (i) $155,375,654 for the Miscellaneous Plan, and (ii) $73,668,397 for the Safety Plan.

In February 2020, Bartel delivered to the County the Proposed 2020 POB Study (the “POB Study”) to provide the County with analysis and evaluation of the proposed Bonds and to assist the County in understanding the likelihood of success for certain proposed scenarios for the Bonds. The POB Study defines "success" as a lower cost present value of contribution cash flows and CalPERS asset balance after 30 years with the Bonds issued, as compared to if the Bonds are not issued. The POB Study states that it is based on a stochastic model with 1,000 trials for investment returns over the next 30 years. Based on those returns, the POB Study calculated the required County CalPERS contributions both with and without the issuance of the Bonds. The same analysis was completed for four potential scenarios for the Bonds with varying assumptions for average effective interest rate, average duration and par amount. The California Public Employees' Pension Reform Act (PEPRA) requires that employers always contribute annually at least the normal cost, which means that the County's contribution may not be reduced below the normal cost amount even if the plans are funded in excess of 100%. For this reason, Bartel calculated the likelihood of success with and without the normal cost minimum requirement. Based on the analysis, the POB Study presents the County with likelihood of success for the Safety Plan and the Miscellaneous Plan, on a combined basis, ranging from a low of 80% (without normal cost minimum) or 76% (with normal cost minimum) to a high of 84% (without normal cost minimum) or 81% (with normal cost minimum).

In March 2020, Bartel updated the POB Study to specifically address the plan of finance discussed in the following paragraph related to the Series 2020 Bonds, and to reflect interest rates as of February 21, 2020 plus twenty-five basis points, which projected a probability of success of 85% with the required normal cost minimum.

At its March 17, 2020 meeting, the Board of Supervisors approved the issuance of the Series 2020 Bonds, which would refund up to approximately 25% of the County's total UAAL, split approximately evenly between the Miscellaneous Plan and the Safety Plan. The approval was supplemented by the Board of Supervisors at its April 21, 2020 meeting. The total UAAL is comprised of numerous "bases" of the Miscellaneous Plan and the Safety Plan pursuant to which various benefit and experience changes are amortized. The bases were created over time as actual experience differed from the CalPERS actuarial assumptions, and include a 30-year fresh start in 2008, a golden handshake in 2010, and various assumption changes, method changes, and special gains and losses. Future bases may be created due to a number of factors, including but not limited to similar factors that resulted in new bases in the past. Proceeds of the Series 2020 Bonds will be used by the County to prepay the bases highlighted in the tables below. As a result of such prepayment, the County's scheduled contributions to CalPERS for such refunded bases will be eliminated.

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	Bases	Miscellaneous Term	FY 2020 UAAL Balance	FY 2020-21 Payment
	Fresh Start 2008	20	($10,247,300)	($758,043)
*	Assumption 2009	11	72,495,290	8,280,520
	Special Gain/Loss 2009	21	117,644,970	8,434,601
*	Golden Handshake 2009	11	28,436,747	3,248,088
	Special Gain/Loss 2010	22	83,282,672	5,799,374
	Golden Handshake 2010	12	1,030,881	109,973
*	Assumption 2011	13	92,123,008	9,241,576
*	Golden Handshake 2011	13	29,431,222	2,952,475
	Special Gain/Loss 2011	23	(46,233,612)	(3,133,002)
	Payment Gain/Loss 2012	24	(70,964,501)	(4,687,974)
	Gain/Loss 2012	24	224,756,554	14,847,604
	Gain/Loss 2013	25	651,279,390	44,180,831
	Assumption 2014	16	380,473,466	36,178,919
	Gain/Loss 2014	26	(518,566,321)	(34,291,177)
	Gain/Loss 2015	27	488,720,385	25,562,072
*	Assumption 2016	18	152,882,092	8,323,642
	Gain/Loss 2016	28	614,345,318	24,142,947
	Assumption 2017	19	159,488,983	5,815,832
	Gain/Loss 2017	29	(156,180,638)	(4,151,542)
	Method Change 2018	20	68,987,301	1,286,243
	Assumption 2018	20	284,548,078	5,305,294
	Gain/Loss 2018	30	(96,105,953)	(1,312,599)
	TOTAL		**$2,551,628,032**	**$155,375,654**
	TOTAL SELECTED FOR REFUNDING**		**$375,368,359**	**$32,046,301**

	Bases	Safety Term	FY 2020 UAAL Balance	FY 2020-21 Payment
	Fresh Start 2008	20	($5,071,674)	($375,177)
*	Assumption 2009	11	17,304,007	1,976,490
	Special Gain/Loss 2009	21	72,307,088	5,184,084
*	Golden Handshake 2010	12	11,279,214	1,203,256
	Special Gain/Loss 2010	22	57,778,021	4,023,362
*	Assumption 2011	13	40,982,270	4,111,251
	Special Gain/Loss 2011	23	63,467,195	4,300,829
	Payment Gain/Loss 2012	24	(36,509,479)	(2,411,846)
	Gain/Loss 2012	24	(5,210,885)	(344,235)
	Gain/Loss 2013	25	380,873,619	25,837,318
*	Assumption 2014	16	205,064,408	19,499,411
	Gain/Loss 2014	26	(217,569,234)	(14,387,176)
	Gain/Loss 2015	27	204,358,505	10,688,784
*	Assumption 2016	18	73,188,206	3,984,721
	Gain/Loss 2016	28	207,818,835	8,167,002
	Assumption 2017	19	79,369,500	2,894,242
	Gain/Loss 2017	29	(107,771,821)	(2,864,755)
	Method Change 2018	20	20,451,083	381,303
	Assumption 2018	20	135,962,249	2,534,966
	Gain/Loss 2018	30	(53,847,003)	(735,433)
	TOTAL		**$1,144,224,104**	**$73,668,397**
	TOTAL SELECTED FOR REFUNDING**		**$347,818,105**	**$30,775,129**

* Bases to be prepaid with proceeds of the Series 2020 Bonds.
** The amount required to pay off the refunded bases reflects a discount from CalPERS based on the balances as of May 6, 2020.
Source: Bartel Associates, LLC

The Series 2020 Bonds are being issued as Additional Bonds under the Trust Agreement (see the captions "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS — Additional Bonds" and "VALIDATION" herein) to: (i) to refund a portion (approximately 15%) of the County's aggregate UAAL with respect to Miscellaneous Plan and 30% with respect to the Safety Plan, and (ii) to pay the costs of issuance related to the Series 2020 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein. Upon the issuance of the Series 2020 Bonds, the County will pay $371,563,461.00 to CalPERS for deposit to the Miscellaneous Plan and $344,292,469.00 for deposit to the to the Safety Plan, which reflects a discount for prepayment of the selected bases. Bartel will certify that as of the delivery of the Series 2020 Bonds, the UAAL is at least equal to the principal amount of the Series 2020 Bonds.

In May 2004, the Superior Court of the State of California in and for the County entered a default judgment to the effect, among other things, that the CalPERS Contract, the Trust Agreement, the Series 2005 Bonds and any Additional Bonds (which include the Series 2020 Bonds) issued under the Trust Agreement, are valid, legal and binding obligations of the County and that the CalPERS Contract, the Trust Agreement, the Series 2005 Bonds and any Additional Bonds (which include the Series 2020 Bonds) issued under the Trust Agreement, are valid and in conformity with all applicable provisions of law and all applicable provisions of the Retirement Law and the California Constitution. See the caption "VALIDATION".

The County's obligations under the CalPERS Contract are, and the County's obligations with respect to the Series 2020 Bonds upon issuance, including the obligation to make all payments of principal, premium, if any, and interest on, when due, are obligations of the County imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The Series 2020 Bonds do not constitute an obligation of the County for which the County is obligated to levy or pledge any form of taxation. Neither the Series 2020 Bonds nor the obligation of the County to make payments on the Series 2020 Bonds constitute an indebtedness of the County, the State, or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Series 2020 Bonds are set forth below:

Sources	***Series 2020 Bonds***
Principal Amount of Series 2020 Bonds	$719,995,000.00
Total Sources	$719,995,000.00
Uses	
Refunding of CalPERS Contract Obligations	$715,855,929.00
Costs of Issuance Fund*	4,139,071.00
Total Uses	$719,995,000.00

* Includes Underwriters' discount, legal fees, fees of the municipal advisor, the Trustee, the actuary and the rating agencies, printing costs and certain miscellaneous expenses.

THE SERIES 2020 BONDS

Terms of the Series 2020 Bonds

Series 2020 Bonds. The Series 2020 Bonds will be dated their date of delivery, will be issued only in fully registered form, in denominations of $5,000 principal amount or any integral multiple thereof and will mature on the dates and in the amounts and bear interest at the rates (based on a 360-day year of twelve 30-day months) set forth on the inside front cover hereof. Interest on the Series 2020 Bonds will be payable semiannually on February 15 and August 15 of each year, commencing August 15, 2020 (each, a "Series 2020 Interest Payment Date").

The Series 2020 Bonds will bear interest from the Series 2020 Interest Payment Date next preceding the date of authentication thereof, unless (i) a Series 2020 Bond is authenticated on or before a Series 2020 Interest Payment Date and after the close of business on the preceding Record Date (as defined below), in which event it will bear interest from such Series 2020 Interest Payment Date, or (ii) a Series 2020 Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the date of delivery of the Series 2020 Bonds; provided, however, that if at the time of authentication of any Series 2020 Bond interest is then in default on the Outstanding Series 2020 Bonds, such Series 2020 Bond will bear interest from the Series 2020 Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Series 2020 Bonds. Payment of interest on the Series 2020 Bonds due on or before the maturity or prior redemption thereof will be made to the person whose name appears in the registration books kept by the Trustee as the Owner of such Series 2020 Bonds as of the close of business on the Record Date for a Series 2020 Interest Payment Date, whether or not such day is a Business Day, such interest to be paid by check mailed on the Series 2020 Interest Payment Date by first-class mail to such Owner at the address as it appears in such books; provided that upon the written request of an Owner of $1,000,000 or more in aggregate Principal Amount of Series 2020 Bonds received by the Trustee prior to the applicable Record Date, interest will be paid by wire transfer in immediately available funds. For a further description of the Series 2020 Bonds, see "— Redemption Provisions" below and "APPENDIX D — SUMMARY OF THE TRUST AGREEMENT."

"Principal Amount" means, as to any Series 2020 Bond, the principal amount thereof.

"Record Date" means, with respect to the Series 2020 Bonds, the first day (whether or not such day is a Business Day) of the month of each Series 2020 Interest Payment Date.

The Series 2020 Bonds, when issued, 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 Series 2020 Bonds. Ownership interests in the Series 2020 Bonds may be purchased in book-entry form only. Purchasers will not receive securities certificates representing their interests in the Series 2020 Bonds purchased. Payments of principal or premium, if any, and interest on the Series 2020 Bonds will be paid by the Trustee to DTC, which is obligated in turn to remit such principal or premium, if any, and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Series 2020 Bonds. See "APPENDIX C — BOOK-ENTRY ONLY SYSTEM."

Redemption Provisions

Optional Redemption (Make-Whole Redemption). The Series 2020 Bonds shall be subject to optional redemption, in whole or in part (and if in part, as described below under "Selection of Series 2020 Bonds for Redemption"), on any date on or after May 6, 2020 and prior to their maturity, at the option of the County, from any source of available funds, at a redemption price equal to the greater of the following:

(1) 100% of the Principal Amount of the Series 2020 Bonds to be redeemed; or

(2) the sum of the present value of the remaining scheduled payments of Principal Amounts and interest on the Series 2020 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2020 Bonds are to be redeemed, discounted to the date on which such Series 2020 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus 45 basis points;

plus, in each case, accrued interest on the Series 2020 Bonds to be redeemed to the date fixed for redemption.

"Treasury Rate" means, with respect to any redemption date for a particular Series 2020 Bond pursuant to this subsection, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available on a date selected by the County that is at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2020 Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

At least two Business Days prior to the date fixed for redemption pursuant to the foregoing section, the County shall provide to the Trustee written confirmation of the redemption price.

Mandatory Sinking Fund Redemption.

The Series 2020 Bonds maturing on February 15, 2038, shall be subject to mandatory sinking fund redemption, in part (as described below under "Selection of Series 2020 Bonds for Redemption"), on February 15 in each year, commencing February 15, 2030, at a redemption price equal to 100% of the Principal Amount of such Series 2020 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective Principal Amounts in the respective years as follows:

Sinking Fund Redemption Date (February 15)	***Principal Amount to be Redeemed***
2030	$38,015,000
2031	67,780,000
2032	57,365,000
2033	54,865,000
2034	33,765,000
2035	24,615,000
2036	14,505,000
2037	7,480,000
2038†	1,610,000

† Final maturity.

If some but not all of the Series 2020 Bonds maturing on February 15, 2038 are redeemed pursuant to the optional redemption provisions described above, the Principal Amount of Series 2020 Bonds maturing on February 15, 2038 to be subsequently redeemed pursuant to mandatory sinking fund redemption will be reduced by the aggregate Principal Amount of the Series 2020 Bonds maturing on February 15, 2038 so redeemed, such reduction to be allocated among redemption dates in authorized denominations, as designated by the County in a Written Certificate of the County filed with the Trustee.

Selection of Series 2020 Bonds for Redemption. (a) If, at the time of a redemption of less than all of the Series 2020 Bonds of a maturity, the Series 2020 Bonds of such maturity are registered in book-entry only form and the Securities Depository, or its nominee, is the sole Owner of such Series 2020 Bonds, the Series 2020 Bonds of such maturity shall be redeemed on a "Pro-Rata Pass-Through Distribution of Principal" basis in accordance with the Securities Depository's procedures; provided, however, that such redemption shall be made in accordance with the operational arrangements of the Securities Depository then in effect. The underwriters of the Series 2020 Bonds have advised the County that the Series 2020 Bonds will be made eligible, in the case of a partial redemption of a maturity thereof, to be treated by the Securities Depository in accordance with its rules and procedures, as a "pro rata pass-through distribution of principal." The Trustee shall send notice to the Securities Depository in accordance with such rules and procedures to effect a pro rata reduction of principal of the applicable Series 2020 Bonds to accomplish partial redemptions of the Series 2020 Bonds through a pass-through distribution of principal. In connection with each such redemption, the Trustee shall include in the notice of redemption sent by the Trustee pursuant to Section 3.03 the dollar amount per $1,000 principal amount payable on account of principal and accrued interest to effect a pro rata reduction through a pass-through distribution of principal on the related redemption date. The Securities Depository shall be responsible for distributing the principal and accrued interest among its direct participants, as applicable, pro rata in accordance with its rules and procedures for a pro rata pass-through distribution of principal based upon the beneficial interest in the Series 2020 Bonds being redeemed that the Securities Depository's records list as owned by each Securities Depository direct participant as of the record date for such payment. Any failure of the Trustee to make such selection or of the Securities Depository or its participants or any other intermediary, to make such selection or proportional allocation, for whatever reason, will not affect the sufficiency or the validity of the redemption of the Series 2020 Bonds.

(b) If, at the time of a redemption of less than all of the Series 2020 Bonds of a maturity, the Series 2020 Bonds of such maturity are registered in book-entry only form and the Securities Depository, or its nominee, is the sole Owner of such Series 2020 Bonds, but the Securities Depository's operational arrangements do not allow for allocation of such redemption on a pro rata pass-through distribution of principal basis, the portion of the Series 2020 Bonds of such maturity to be redeemed shall be selected in accordance with the Securities Depository's then existing rules and procedures and may be by lot.

(c) If, at the time of a redemption of less than all of the Series 2020 Bonds of a maturity, the Series 2020 Bonds of such maturity are not then in book-entry form, the Trustee shall select such Series 2020 Bonds for redemption by lot in any manner that the Trustee in its sole discretion shall deem appropriate.

Notice of Redemption. Notice of redemption will be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the redemption date to the respective Owners of the Series 2020 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. The Trustee will also give redemption notice by (i) registered or certified mail, return receipt requested, postage prepaid, (ii) telephonically confirmed facsimile transmission, (iii) overnight delivery service or (iv) other means acceptable to such Information Service, to one of the Information Services. Each notice of redemption will state the date of such notice, the redemption price, if any, (including the name and appropriate address of the Trustee), the CUSIP number (if any) and ISIN number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2020 Bonds of such maturity, to be redeemed and, in the case of Series 2020 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2020 Bonds the redemption price, if any, thereof and in the case of a Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2020 Bonds be then surrendered at the address of the Trustee specified in the redemption notice; provided, however, that any such notice of redemption may be cancelled and annulled by a Written Request of the County given to the Trustee at least five days prior to the date fixed for redemption, whereupon the Trustee will forthwith give appropriate notice of such cancellation and annulment to all the recipients of such notice of redemption. Failure by the Trustee to give notice pursuant to the Trust Agreement to one of the Information Services or the failure of any Owner to receive notice pursuant to the Trust Agreement or any defect therein will not invalidate any of the proceedings taken in connection with such redemption.

Effect of Redemption. If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Series 2020 Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice, Series 2020 Bonds so called for redemption will become due and payable, and from and after the date so designated interest on such Series 2020 Bonds will cease to accrue, and the Owners of such Series 2020 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

Book-Entry System

DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Series 2020 Bond will be issued for each maturity of the Series 2020 Bonds. See "APPENDIX F — BOOK-ENTRY ONLY SYSTEM." The County and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal or premium, if any, and interest on the Series 2020 Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the beneficial owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The County and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to beneficial owner with respect to the Series 2020 Bonds or an error of delay relating thereto.

Transfer and Exchange of Series 2020 Bonds

Transfer. Any Series 2020 Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of the Trust Agreement by the person in whose name it is registered, in person or by such person's duly authorized attorney, upon surrender of such Series 2020 Bond for cancellation at the Corporate Trust Office of the Trustee accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee; provided, however, that the Trustee will require the payment by the owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege; and provided further, that the Trustee may refuse to transfer any Series 2020 Bonds during the 15 day period prior to the date established by the Trustee for the selection of Series 2020 Bonds for redemption, or to transfer any Series 2020 Bonds selected by the Trustee for redemption. Whenever any Series 2020 Bond will be surrendered for transfer, the County will execute and the Trustee will authenticate and deliver to the transferee a new Series 2020 Bond or Series 2020 Bonds of the same series of bonds and maturity of authorized denominations equal to the Principal Amount of the Series 2020 Bond surrendered. The County and the Trustee may deem and treat the owner of any Series 2020 Bond as the absolute owner of such Series 2020 Bond for the purpose of receiving payment thereof and for all other purposes, whether such Series 2020 Bond will be overdue or not, and neither the County nor the Trustee will be affected by any notice or knowledge to the contrary; and payment of the principal, or redemption price of and the interest due on such Series 2020 Bond will be made only to such owner, which payments will be valid and effectual to satisfy and discharge liability on such Series 2020 Bond to the extent of the sum or sums so paid.

Exchange of Bonds. Any Series 2020 Bond may, in accordance with its terms, be exchanged at the Corporate Trust Office of the Trustee for a new Series 2020 Bond or Series 2020 Bonds of the same series of bonds and maturity of authorized denominations equal to the Principal Amount of the Series 2020 Bond surrendered; provided, however, that the Trustee will require the payment by the owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege; and provided, further, that the Trustee may refuse to exchange any Series 2020 Bonds during the 15 day period prior to the date established by the Trustee for the selection of Series 2020 Bonds for redemption, or to exchange any Series 2020 Bonds selected by the Trustee for redemption.

The cost of preparing the Series 2020 Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer or exchange of the Series 2020 Bonds will be paid by the County.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS

Sources of Payment

The obligations of the County under the Series 2020 Bonds, including the obligation to make all payments of principal, premium, if any, and interest on, when due, are obligations of the County imposed by law, payable from funds to be appropriated by the County pursuant to the Retirement Law, are absolute and unconditional, without any right of set-off or counterclaim.

The Trust Agreement provides that the County is obligated to deposit with the Trustee no later than July 31 of each year, an amount which, together with the amount then on deposit in the Bond Fund, will equal the amount of the principal, premium, if any, and interest on the Series 2005 Bonds and the Series 2020 Bonds coming due in the then current Fiscal Year and in July of the following Fiscal Year. Debt service is due on the Series 2005 Bonds, Series 2020 Bonds and any future Additional Bonds on February 15 and August 15 of each Fiscal Year, as applicable. Accordingly, the County is obligated to deposit by July 31 of each Fiscal Year an amount equal to the debt service coming due on the following February 15 and August 15 for the Series 2005 Bonds, the Series 2020 Bonds and any Additional Bonds.

The Series 2020 Bonds will be issued on parity with the Series 2005 Bonds. See "INTRODUCTION — Security and Sources of Payment for the Series 2020 Bonds" for a description of the Series 2005 Bonds and see "—Additional Bonds" below for information regarding future Additional Bonds that may be issued on a parity with the Series 2005 Bonds and the Series 2020 Bonds.

For more information regarding the Bond Fund and additional funds established under the Trust Agreement, see "APPENDIX D — SUMMARY OF THE TRUST AGREEMENT — Pledge; Funds."

THE SERIES 2020 BONDS DO NOT CONSTITUTE AN OBLIGATION OF THE COUNTY FOR WHICH THE COUNTY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION. NEITHER THE SERIES 2020 BONDS NOR THE OBLIGATION OF THE COUNTY TO MAKE PAYMENTS ON THE SERIES 2020 BONDS CONSTITUTES AN INDEBTEDNESS OF THE

COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

No Reserve Fund

The County has not established a debt service reserve fund for the Series 2020 Bonds.

Additional Bonds

The Trust Agreement provides that the County may from time to time issue additional bonds ("Additional Bonds") under and in accordance with the Trust Agreement for (i) the purpose of satisfying any obligation of the County to make payments to the System pursuant to the Retirement Law relating to pension benefits accruing to the System's members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding. Such Additional Bonds may be issued on parity with the Series 2020 Bonds and the Series 2005 Bonds without the consent of any Owner or the bond insurer for the Series 2005 Bonds. The Series 2020 Bonds constitute Additional Bonds under the Trust Agreement. For more information regarding the issuance of additional bonds, see "APPENDIX D — SUMMARY OF THE TRUST AGREEMENT — Additional Bonds."

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DEBT SERVICE SCHEDULE

The following table sets forth the annual debt service schedule for the Series 2020 Bonds (assuming no optional redemptions).

	Series 2020 Bonds			*Series 2005 Bonds*	*Series 2005 Bonds and Series 2020 Bonds*
Fiscal Year Ending June 30	**Principal**	**Interest**	**Total Fiscal Year Debt Service**	**Total Fiscal Year Debt Service**	**Total Fiscal Year Debt Service**
2020	$0.00	$0.00	$0.00	$37,084,815.00	$37,084,815.00
2021	29,540,000.00	17,905,605.22	47,445,605.22	38,563,847.00	$86,009,452.22
2022	30,920,000.00	22,464,465.76	53,384,465.76	40,084,063.50	$93,468,529.26
2023	37,845,000.00	21,764,127.78	59,609,127.78	41,657,185.50	$101,266,313.28
2024	40,795,000.00	20,869,850.40	61,664,850.40	43,283,602.50	$104,948,452.90
2025	43,985,000.00	19,802,245.26	63,787,245.26	28,248,220.50	$92,035,465.76
2026	47,340,000.00	18,629,165.28	65,969,165.28	7,553,708.00	$73,522,873.28
2027	50,935,000.00	17,273,821.10	68,208,821.10	7,876,020.00	$76,084,841.10
2028	54,725,000.00	15,764,617.00	70,489,617.00	8,206,368.00	$78,695,985.00
2029	58,775,000.00	14,084,559.50	72,859,559.50	8,547,988.00	$81,407,547.50
2030	63,150,000.00	12,250,779.50	75,400,779.50	8,898,864.00	$84,299,643.50
2031	67,780,000.00	10,002,587.30	77,782,587.30	9,266,980.00	$87,049,567.30
2032	57,365,000.00	7,414,746.90	64,779,746.90	9,639,816.00	$74,419,562.90
2033	54,865,000.00	5,224,551.20	60,089,551.20	10,030,356.00	$70,119,907.20
2034	33,765,000.00	3,129,805.50	36,894,805.50	10,430,828.00	$47,325,633.50
2035	24,615,000.00	1,840,657.80	26,455,657.80	5,808,712.00	$32,264,369.80
2036	14,505,000.00	900,857.10	15,405,857.10	-	$15,405,857.10
2037	7,480,000.00	347,056.20	7,827,056.20	-	$7,827,056.20
2038	1,610,000.00	61,469.80	1,671,469.80	-	$1,671,469.80
Total	$719,995,000.00	$209,730,968.60	$929,725,968.60	$315,181,374.00	$1,244,907,342.60

Source: The County and the Underwriters

THE COUNTY

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 Los Angeles Counties. The County is the fourth largest (by area) in the State and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 29 incorporated cities in the County. According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,440,124 as of January 1, 2019, reflecting a 1.1% increase over January 1, 2018.

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"), elected by district. Members serve staggered four-year terms, and the chairman is elected by the Board members. County administration includes appointed and elected officials, boards, commissions and committees which assist the Board of Supervisors.

The County provides a wide range of services to residents, including police and fire protection, medical and health services, education, library services, judicial institutions 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 city 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 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 eastern desert areas experience warmer and dryer weather conditions.

Economic, demographic and financial information regarding the County of Riverside 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, 2019" herein. Each contains important information concerning the County and should be read in its entirety. In particular, Appendix A contains certain economic and financial data which could materially adversely be impacted by the COVID-19 outbreak (see below) which is expected to have a material adverse impact on the financial condition of the County in Fiscal Year 2019-20, Fiscal Year 2020-21 and potentially in future fiscal years.

COVID-19 Outbreak

The spread of the novel strain of coronavirus called COVID-19 ("COVID-19") is having significant negative impacts throughout the world, including in the County. The World Health Organization has declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the United States, the State and the County. The purpose behind these declarations is to coordinate and formalize emergency actions across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus.

As of April 29, 2020, the Riverside University Health System-Public Health reported 3,942 confirmed cases of COVID-19 and 143 COVID-19 related deaths in the County. Health officials are expecting the number of confirmed cases to grow exponentially. The outbreak has resulted in the imposition of restrictions on mass gatherings and widespread temporary closings of businesses, universities and schools (including within the County) and the implementation of "Safer at Home" orders for citizens to remain at home except for certain essential purposes. The United States is restricting certain non-US citizens and permanent residents from entering the country. In addition, capital markets in the U.S. and globally have been volatile, with significant declines attributed to coronavirus concerns.

Potential impacts to the County associated with the COVID-19 outbreak include, but are not limited to, disruption of the regional and local economy with corresponding decreases in the County's revenues from property tax, documentary transfer tax, sales tax, transient occupancy tax revenues and investment income, and increased costs of County operations. The County is projecting that the pandemic will cause major impacts on many of its sources of General Fund discretionary revenue in the current fiscal year and in Fiscal Year 2020-21. The County's Executive Office has estimated that the County's discretionary General Fund revenue could decline by more than $100,000,000 in the aggregate in Fiscal Year 2019-20 and Fiscal Year 2020-21, attributable to decreases in revenues from Prop. 172 taxes, sales and use taxes, fines and forfeitures, documentary transfer taxes, transient occupancy taxes, penalties and interest on delinquent taxes and interest earnings. Governor Newsom has announced a one-year sales tax reprieve for small businesses, which the County estimated will have a negative impact of $1.5 million on the County's General Fund. Other initiatives that may be adopted by the federal or State governments in response to the pandemic may have various levels of negative impact on the County's revenues as well. In addition, there is uncertainty regarding the impacts on the County of the Governor's release of the revised State budget in May 2020, which is expected to be further revised in August 2020 in order to account for the extended personal income tax return filing deadlines. In addition, CalPERS has reportedly lost significant value in its investments as a result of declines in the stock market, which could result in a significant increase in the County's unfunded pension liability and future pension costs, commencing in Fiscal Year 2022-23. See "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — FINANCIAL INFORMATION – Retirement Program. According to the U.S. Bureau of Labor Statistics, the unemployment rate in the United States rose by 0.9% in March, to 4.4%. According to the California Economic Development Department, California's unemployment rate rose by 1.4% in March 2020, to 5.2%, and the unemployment rate for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area rose by 1.1% in March 2020, to 5.1%. Further increases are expected as the pandemic continues, which the County expects will have a material adverse effect on its revenues.

In order to minimize the negative impact on the County's revenue losses in the current fiscal year, the County Executive Office has directed all departments to eliminate all non-mission critical, non-essential spending with impacts on net County costs. Hiring of staff is subject to extensive review, as the areas of public safety, social work, hospital and clinic staffing need to continue to meet residents' needs. The Executive Office is currently working with departments to review vacant funded positions that may be eliminated. Due to the estimated revenue losses, in addition to other obligations, the County anticipates that staff reductions are probable and that non-core functions of the County will be examined. On April 21, 2020, the Board of Supervisors of the County approved the formation of the County of Riverside Economic Recovery Task Force Committee. The Committee is intended to be comprised of public and private sector leaders and to help plan for the recovery of the local economy through a series of slow, safe and sensible solutions to ensure the health and safety of the County.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, and the ramifications of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the County's operations and finances is unknown. As of March 26, 2020, the County estimated that it had incurred costs in an amount of approximately $3 million related to COVID-19, at a rate of approximately $1 million per week. On April 23, 2020, the County received a grant in the amount of $431,091,225 under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") from the federal government. The funds have been 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 which were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act), and are incurred between March 1, 2020 and December 30, 2020. Funds received by the County under the CARES Act are not available for payment of debt service on the Series 2020 Bonds, and cannot be used to backfill County revenue losses related to COVID-19. Administration of the funds will be 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 may be allocable to other governmental units or other entities within the County. While complete guidance is not yet available, County leadership continues to engage with federal and State partners to interpret eligible uses and allocations of CARES Act funding.

Regardless of the financial challenges caused by COVID-19, the obligations of the County under the Series 2020 Bonds, including the obligation to make all payments of the principal, premium, if any, and interest when due, are obligations of the County imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2020 BONDS" herein. Alternative cash resources and other restricted cash resources of the County may be available to pay principal and interest on the Series 2020 Bonds in the event that General Fund revenues are insufficient to pay principal and interest on the Series 2020 Bonds. California Government Code Section 25252 authorizes the Board of Supervisors of the County to establish 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 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 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 2010-205, adopted by the Board of Supervisors on August 10, 2010, the Board of Supervisors has authorized the County Auditor 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 the tables on the following page 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 2010-205, the County Auditor 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 principal of and interest on the Series 2020 Bonds. There is no prescribed time period for the repayment of temporary transfers from one fund to another. The County Auditor has the authority to determine the timing of such repayments based on the needs of the respective funds.

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Available Liquidity - Borrowable Resources

Fund Type	Fund Purpose	Audited Actual Balance 6/30/19	Actual Balance 3/25/20	Actual/Projected Balance 6/30/20	Projected Balance 6/30/21
Special Revenue	Transportation	147,669	159,301	163,949	162,194
Special Revenue	Flood Control	261,062	261,261	247,772	245,120
Special Revenue	Community Services	62,289	36,257	57,400	56,786
Special Revenue	County Service Areas	25,097	27,120	26,566	26,282
Special Revenue	Other Special Revenue	19,910	24,304	24,468	24,206
Capital Project	Public Facilities	177,604	166,371	184,599	182,624
Capital Project	Crest	3,843	4,577	4,378	4,331
Capital Project	PSEC	-	0	253	253
Enterprise	County Service Areas	555	637	637	630
Enterprise	Flood Control	4,269	4,325	4,202	4,157
Enterprise	Regional Medical Center	50,319	(46,469)	(46,469)	(45,972)
Enterprise	Federally Qualified Health Care Clinics	(24,208)	(30,992)	(9,314)	1,719
Enterprise	Waste Management	176,808	192,759	137,549	136,077
Internal Service	Records Management and Archives	66	67	66	65
Internal Service	Fleet Services	7,514	63	8,201	8,113
Internal Service	Information Services	25,441	16,830	19,881	19,668
Internal Service	Printing Services	488	205	119	118
Internal Service	Supply Services	982	1,110	1,146	1,133
Internal Service	Human Resources	-	(1,753)	788	600
Internal Service	Risk Management	265,426	261,908	252,347	249,646
Internal Service	Temporary Assistance Pool	1,318	1,147	1,147	1,135
Internal Service	Flood Control Equipment	8,133	7,406	7,406	7,327
Internal Service	EDA Facilities Management	15,010	4,672	(10,838)	(10,722)
Total Alternative Cash Resources		**1,229,593**	**1,091,104**	**1,076,253**	**1,075,493**

Fund Type	Fund Purpose	Audited Actual Balance 6/30/19	Actual Balance 3/25/20	Actual/Projected Balance 6/30/20	Projected Balance 6/30/21
Permanent fund	Perris Valley Cemetery	872	972	997	1,086
Special Revenue	Regional Park and Open Space	11,508	9,151	8,974	9,772
Special Revenue	Air Quality Improvement	434	748	748	815
Special Revenue	In-Home Support Services	308	(1,350)	(1,179)	(1,284)
Special Revenue	Perris Valley Cemetery	1,031	1,175	1,042	1,135
Capital Project	Regional Park and Open Space	4,005	2,359	2,359	2,569
Capital Project	Flood Control	19	19	18	18
Enterprise	Housing	8,725	8,889	8,725	9,501
Trust and Agency	Agency funds	329,196	874,322	270,113	294,144
Trust and Agency	Private Purpose Trust	120,486	101,647	114,341	124,513
Debt Service	Pension obligation	4,709	38,537	8,994	9,794
Other	Children and Families Commission	32,160	34,485	34,485	37,553
Other Cash Resources of Riverside County		**513,452**	**1,070,954**	**449,618**	**489,617**

Fund Type	Fund Purpose	Audited Actual Balance 6/30/19	Actual Balance 3/25/20	Actual/Projected Balance 6/30/20	Projected Balance 6/30/21
Alternative Cash Resources		1,229,593	1,091,104	1,076,253	1,075,493
Other Restricted Cash		513,452	1,070,954	449,618	489,617
General Fund Unrestricted Cash		207,951	95,927	184,144	140,570
General Fund Subfunds		517,225	521,026	524,827	528,628
All Riverside County Cash		**2,468,220**	**2,779,011**	**2,234,842**	**2,234,308**

Projected Cash Resources

Alternative Cash Resources $1.075 billion & Other Restricted Cash $489 million

* June 30, 2020 -$2.234 billion

RISK FACTORS

The following information should be considered by potential investors in evaluating the Series 2020 Bonds. However, it does not purport to be an exhaustive list of the risks or other considerations which may be relevant to an investment in the Series 2020 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Limitations on Remedies Available; Bankruptcy

The enforceability of the rights and remedies of the Owners and the obligations of the County may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose.

In addition to the limitation on remedies contained in the Trust Agreement, the rights and remedies provided in the Trust Agreement may be limited by and are subject to the provisions of federal bankruptcy laws. The County is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the "Bankruptcy Code"). However, the County is a municipality and therefore may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. If the County were to become a debtor under the Bankruptcy Code, the County would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Such a bankruptcy could adversely affect the payments under the Trust Agreement. Among the adverse effects might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the County or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the County and could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have priority of payment superior to that of the Owners of the Series 2020 Bonds; and (iv) the possibility of the adoption of a plan (the "Plan") for the adjustment of the County's debt without the consent of the Trustee or all of the Owners of the Series 2020 Bonds, which Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that the Plan is fair and equitable and in the best interests of creditors.

Past bankruptcies in the City of Stockton, the City of San Bernardino and the City of Detroit brought scrutiny to municipal securities. Specifically, in the San Bernardino bankruptcy, the Court held that in the event of a municipal bankruptcy, payments on pension obligation bonds, such as the Series 2020 Bonds, were unsecured obligations and not entitled to the same priority of payments made to the related pension system. A variety of events including, but not limited to, additional rulings adverse to the interests of bond owners in the Stockton, San Bernardino and Detroit bankruptcy cases or additional municipal bankruptcies, could prevent or materially adversely affect the rights of Owners to receive payments on the Series 2020 Bonds in the event the County files for bankruptcy. Accordingly, in the event of bankruptcy, it is likely that Owners may not recover their principal, as applicable, and interest.

The opinions of counsel, including Bond Counsel, delivered in connection with the issuance and delivery of the Series 2020 Bonds will be so qualified. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the Owners 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.

County System Pension Benefit Liability

Many factors influence the amount of the County's pension benefit liability, including, without limitation, inflationary factors, changes in statutory provisions of the Retirement Law, changes in the levels of benefits provided or in the contribution rates of the County, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods, and differences between actual and anticipated investment performance of CalPERS. Any of these factors could give rise to additional liability of the County to CalPERS as a result of which the County would be obligated to make additional payments to CalPERS over the amortization schedule for full funding of the County's obligation to CalPERS. See "PENSION PLAN" herein and "APPENDIX A—FINANCIAL INFORMATION – Retirement Program."

Infectious Disease Outbreak and Potential Impact of Coronavirus

The County's operations and financial results could be harmed by a national or localized outbreak of a highly contagious or epidemic disease, such as the current COVID-19 pandemic. The County cannot predict any costs associated with the potential treatment of an infectious disease outbreak or preparation for such treatment.

There can be no assurances that the spread of COVID-19 will not materially impact the local, state and national economies and, accordingly, materially adversely impact the General Fund. The Coronavirus public health emergency is altering the behavior of businesses and people in a manner that will have negative impacts on global and local economies, including the economy of the County and the State. The County relies significantly upon State and Federal payments for reimbursement of various costs including certain mandated programs. Under the 2019-20 State Budget, approximately 70% of the State's General Fund revenue is projected to be derived from personal income tax receipts and 10% is projected to be derived from capital gains tax receipts. California's Legislative Analyst's Office published a report on March 18, 2020 which anticipates that the economic uncertainty caused by the outbreak will significantly affect the State's near-term fiscal outlook, including lower capital gains-related tax revenue due to the volatility in the financial markets, and the likelihood that a recession is forthcoming due to pullback in activity across wide swaths of the economy. See "STATE BUDGET INFORMATION." In addition, the County is incurring increased costs related to COVID-19 and is projecting significant negative economic impacts leading to decreases in General Fund revenues. See "THE COUNTY – COVID-19 Outbreak" herein. The County cannot predict the impact of COVID-19 on the County's operations and finances, or on its ratings (see "RATINGS" herein).

Seismic, Topographic and Climatic Conditions

The financial stability of the County can be adversely affected by a variety of factors, particularly those that may affect infrastructure and other public improvements and private improvements and the continued habitability and enjoyment of such improvements. Such additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements and floods) and climatic conditions (such as droughts, floods and wildfires).

The area encompassed by the County, like that in much of California, may be subject to unpredictable seismic activity. There are a number of known active or potentially active faults that traverse through portions of the County, including the San Jacinto Fault and the San Andreas Fault. The County takes proactive steps to mitigate the impacts (including economic) of emergencies and disasters through coordinated planning, preparedness, response and recovery efforts, however, if there were to be an occurrence of severe seismic activity in or around the County, the County could be adversely affected from a reduction in assessed values of property in the County. See "—Assessed Value of Taxable Property" below.

Building codes require that some of these factors be taken into account, to a limited extent, in the design of improvements. Some of these factors may also be taken into account, to a limited extent, in the design of other infrastructure and public improvements neither designed nor subject to design approval by the County. Design criteria in any of these circumstances are established upon the basis of a variety of considerations and may change, leaving previously-designed improvements unaffected by more stringent subsequently established criteria. In general, design criteria reflect a balance at the time of protection and the future costs of lack of protection, based in part upon a present perception of the probability that the condition will occur and the seriousness of the condition should it occur. Conditions may occur and may result in damage to improvements of varying seriousness, such that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the actual value of public and private improvements within the County in general may well depreciate or disappear, notwithstanding the establishment of design criteria for any such condition.

The County, and all of Southern California, experienced a severe drought between 2011 and 2015. In addition, in recent years, wildfires have caused extensive damage throughout the State, including within the County. Certain of these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. In some instances, entire neighborhoods have been destroyed. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events.

From time to time, the County is subject to other natural calamities which could adversely affect economic activity in the County, and which could have a negative impact on the general economy and the values of properties in the County. There can be no assurance that the occurrence of any natural calamity, such as earthquake, flooding or wildfire, would not cause substantial reduction business and economic development in the County, resulting in a reduction in assessed values of property in the County. See "—Assessed Value of Taxable Property" below.

Hazardous Substances

The discovery of hazardous substances on parcels of property within the County may limit the beneficial use of taxable property within the County and may result in the reduction in the assessed value of such property. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the County be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition. Reduction in the value of property in the County could reduce property tax revenues received by the County and deposited in the General Fund, which could significantly and adversely affect the ability of the County to make payments on the Series 2020 Bonds.

Articles XIIIC and XIIID of the California Constitution

See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Articles XIIIC and XIIID of the State Constitution," for information about certain risks to General Fund revenues under Articles XIIIC and Article XIIID of the California Constitution.

State Law Limitations on Appropriations

Article XIIIB of the California Constitution limits the amount that local governments can appropriate annually. The ability of the County to make debt service payments on the Series 2020 Bonds may be affected if the County should exceed its appropriations limit. The State may increase the appropriation limit of its counties by decreasing its own appropriation limit. The County does not anticipate exceeding its appropriations limit. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Article XIIIB of the State Constitution."

Impact of State Budget on County Revenues

The County cannot predict what actions will be taken in future years by the State Legislature and the Governor to address future State budget deficits, if any. Future State budgets will be affected by national and state economic conditions and other factors over which the County has no control. To the extent that the State budget process results in reduced revenues to the County, the County will be required to make adjustments to its budget, which could adversely affect the ability of the County to make payments on the Series 2020 Bonds. See "STATE BUDGET INFORMATION."

Assessed Value of Taxable Property

Property taxes account for a significant portion of General Fund revenues. Natural and economic forces can affect the assessed value of taxable property within the County. The County is located in a seismically active region, and damage from an earthquake in or near the area could cause moderate to extensive damage to taxable property. In addition to seismic, topographic and climatic conditions, other natural or manmade disasters, such as flood, fire, ongoing drought, toxic dumping or acts of terrorism, could cause a reduction in the assessed value of taxable property within the County. Economic and market forces, such as a downturn in the regional economy generally, can also affect assessed values, particularly as these forces might reverberate in the residential housing and commercial property markets. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Reductions in the market values of taxable property may cause property owners to appeal assessed values and may also be associated with an increase in delinquency rates for taxes. Section 2(b) of Article XIIIA of the California Constitution and Section 51 of the Revenue and Taxation Code, which follow from "Proposition 8," require the County assessor to annually enroll either a property's adjusted base year value (its "Proposition 13 Value") or its current market value, whichever is less. When the current market value replaces the higher Proposition 13 Value on the assessor's roll, that lower value is referred to as its "Proposition 8 Value." Although the annual increase for a Proposition 13 Value is limited to no more than 2%, the same restriction does not apply to a Proposition 8 Value. The Proposition 8 Value of a property is reviewed annually as of January 1; the current market value must be enrolled as long as the Proposition 8 Value falls below the Proposition 13 Value. Thus, any subsequent increase or decrease in market value is enrolled regardless of any percentage increase or decrease. Only when a current Proposition 8 Value exceeds its Proposition 13 Value attributable to a piece of property (adjusted for inflation), does the County assessor reinstates the Proposition 13 Value.

Decreases in the aggregate value of taxable property within the County resulting from natural disaster or other calamity, reclassification by ownership or use, or as a result of the operation of Proposition 8 all may have an adverse impact on the General Fund revenues available to make debt service payments on the Series 2020 Bonds.

In addition, failure by large property owners to pay property taxes when due may also cause a decrease in General Fund revenues available to make debt service payments on the Series 2020 Bonds.

See "- Seismic, Topographic and Climatic Calamities" and "APPENDIX A – INFORMATION REGARDING THE COUNTY OF RIVERSIDE– FINANCIAL INFORMATION – *Ad Valorem* Property Taxes."

Cybersecurity

As a recipient and provider of personal, private and sensitive information, the County faces multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the County's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. The County has not experienced an attack on its computer operating systems within the last five years which resulted in a breach of its cybersecurity systems. Additionally, the County carries cybersecurity insurance. However, no assurances can be given that the County's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the County. See "INFORMATION REGARDING THE CITY OF SOUTH SAN FRANCISCO— Risk Management" in Appendix A hereto for more information with respect to the City's earthquake insurance coverage. "APPENDIX A — DEMOGRAPHIC AND ECONOMIC INFORMATION — Cybersecurity" for more information regarding the County's cybersecurity policies.

County Facilities Lease Agreements

As described in Appendix A, the County has entered into three facilities lease obligations related to two health clinics and a large medical office building (the "Medical Facilities Leases") to be operated by the Riverside University Health System ("RUHS"). While RUHS management expects that the Medical Facilities Leases will be self-supporting from anticipated federal grant funding or a more favorable payor mix, as applicable, the aggregate lease obligations are substantial. RUHS will likely be unable to make payments under the Medical Facilities Leases without advances from the General Fund in the event that such leases are not self-supporting. As lessee and obligor under each of the Medical Facilities Leases, the County is ultimately responsible for such payments.

For purposes of making an investment decision with respect to the Series 2020 Bonds, prospective investors should assume that the General Fund will be responsible for making the entirety of the lease payments associated with the Medical Facilities Leases discussed above and in Appendix A. See "APPENDIX A — FINANCIAL INFORMATION — Facilities Lease Agreements" for more information.

Changes in Law

The State Legislature may in the future enact legislation that will amend or create laws resulting in a reduction of moneys securing or available to pay the Series 2020 Bonds. Similarly, the State electorate could adopt initiatives or the State Legislature could adopt legislation with the approval of the electorate amending the State Constitution which could have the effect of reducing moneys securing or available to pay the Series 2020 Bonds.

Secondary Market for Series 2020 Bonds

There can be no guarantee that there will be a secondary market for the Series 2020 Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

STATE 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 does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information in this Official Statement that the interest or principal due on the Series 2020 Bonds is payable from any funds of the State.

The County relies significantly upon State and Federal payments for reimbursement of various costs including certain mandated programs. For Fiscal Year 2018-19, approximately 43% of the County's General Fund budget revenues consist of payments from the State and approximately 21% consists of payments from the Federal government. For Fiscal Year 2019-20, the County projects that approximately 44% of its General Fund budget revenues will consist of payments from the State and 20% will consist of payments from the Federal government.

Information about the State budget and State spending is available at various State maintained websites. Text of the 2019-20 State Budget (as defined herein) 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. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriter, and the County and the Underwriter 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.

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 — FINANCIAL INFORMATION — Impacts of State Budget."

State Budget for Fiscal Year 2019-20. The Governor released his proposed State budget for fiscal year 2019-20 (the "Proposed 2019-20 State Budget") on January 10, 2019. On May 9, 2019, the Governor released the May Revision to the Proposed 2019-20 State Budget (the "2019-20 May Revision"). The Governor signed the 2019-20 State Budget on June 27, 2019 which sets forth a balanced budget for Fiscal Year 2019-2020 (the "2019-20 State Budget"). The 2019-20 State Budget notes several potential risks to California's economy, including the impact of a slowing global economy, projected slower economic and wage growth in the United States, and growing federal deficits constraining the federal government's options to address the economic slowdown.

The 2019-20 State Budget estimates that total resources available in Fiscal Year 2018-19 totaled approximately $149.46 billion (including a prior year balance of approximately $11.42 billion) and total expenditures in Fiscal Year 2018-19 totaled approximately $142.69 billion. The 2019-20 State Budget projects total resources available for Fiscal Year 2019-20 of approximately $150.58 billion (inclusive of revenues and transfers of approximately $143.80 billion and prior year balance of approximately $6.77 billion). The 2019-20 State Budget projects expenditures totaling $147.78 billion (inclusive of non-Proposition 98 expenditures of approximately $91.89 billion and Proposition 98 expenditures of approximately $55.89 billion). The 2019-20 State Budget proposes to allocate approximately $1.38 billion of the General Fund's projected fund balance to the Reserve for Liquidation of Encumbrances and $1.41 billion of the General Fund's projected fund balance to the State's Special Fund for Economic Uncertainties. In addition, the 2019-20 State Budget estimates the Rainy Day Fund will have a fund balance of $16.52 billion.

As applicable to counties, the 2019-20 State Budget includes, but is not limited to, the following:

- The 2019-20 State Budget includes $650 million in one-time funds to support local governments in addressing homelessness in the State, including providing mental health and substance use disorder treatment services, as well as emergency shelters and housing support Proposed 2019-20 State Budget proposal regarding homelessness, emergency shelters and navigations centers. The 2019-20 May Revision increases the total investment from $500 million to $650 million, provides $275 million of that funding directly to counties, and expands eligible uses of funds to include innovative projects such as hotel/motel conversions, rapid rehousing or jobs programs. Combined with other targeted investments, the 2019-20 May Revision includes approximately $1 billion to combat homelessness.
- The 2019-20 State Budget revises the county IHSS MOE and includes an increase of $55 million from the General Fund to reflect revised 1991 Realignment revenue projections and IHSS caseload and cost projections.
- The 2019-20 State Budget temporarily restores the seven-percent across-the-board reduction to IHSS service hours through December 31, 2021, due to lower than expected revenues over the forecast period and ongoing efforts to contain costs.
- The 2019-20 State Budget provides funding to assist local communities in recovering from recent wildfire devastation and becoming more resilient to future disasters. The additional investments include, but are not limited to, updates to the property tax backfills proposed in the 2019-20 State Budget and $75 million from the General Fund to improve resiliency of the State's critical infrastructure and to provide assistance to communities, where appropriate, as specific urgent needs are identified.
- The 2019-20 State Budget includes $87.2 million in one-time General Fund expenditures to make additional investments to upgrade and replace voting systems and technology in all 58 counties in the State. In the 2018-19 State Budget, the State included $134.4 million in General Fund expenditures for these efforts.

The complete Proposed 2019-20 State Budget, the 2019-20 May Revision and the final 2019-20 State Budget are available from the California Department of Finance website at www.dof.ca.gov. The County does not 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.

Proposed State Budget for Fiscal Year 2020-21. The Governor released his Proposed 2020-21 State Budget (the "Proposed Fiscal Year 2020-21 Budget") on January 10, 2020. The Proposed Fiscal Year 2020-21 Budget sets forth a budget for Fiscal Year 2020-21. The Governor notes the nation's economic expansion marks the longest period of sustained growth since World War II. However, the Governor cautions that the expansion is occurring in the context of slowing global growth and growing uncertainty regarding the political climate and federal policies. The State is prepared for an economic downturn with reserves of $21 billion. Even with these reserves, managing a recession will be challenging, as even a moderate recession could result in revenue declines of nearly $70 billion and a budget deficit of over $40 billion over three years. The Proposed Fiscal Year 2020-21 Budget estimates that total resources available in Fiscal Year 2020-21 total approximately $156.869 billion (including a prior year balance of $5.234 billion) and total expenditures in Fiscal Year 2020-21 total approximately $153.083 billion. The Proposed Fiscal Year 2020-21 Budget projects total resources available for Fiscal Year 2020-21 of $156.869 billion, inclusive of revenues and transfers of $153.083 billion and a prior year balance of $5.234 billion. For Fiscal Year 2020-2021, the Proposed Fiscal Year 2020-21 Budget proposes to allocate $2.144 billion of the General Fund's projected fund balance to the Reserve for Liquidation of Encumbrances and $1.640 billion of such fund balance to the State's Special Fund for Economic Uncertainties. In addition, the Proposed Fiscal Year 2020-21 Budget estimates the Rainy Day Fund will have a fund balance of $17.977 billion by the end of Fiscal Year 2020-21 (as compared to $16.018 billion in Fiscal Year 2019-20).

The County is currently evaluating the Proposed 2020-21 State Budget. The Proposed 2020-21 State Budget provides for, but is not limited to, the following items applicable to counties:

- A $12.5 billion investment over five years for climate resilience, partially funded by a proposed climate bond, to fund initiatives related to forest health, Community Power Resiliency (formerly PSPS), home hardening, and a climate revolving fund that would provide low- interest loans for waste diversion, low-carbon transportation, and sustainable agriculture;

- A new Access to Housing and Services Fund, with an initial State investment of $750 million, which will pay rent for individuals facing homelessness, support new dwelling units, and help stabilize board and care facilities and homes;

- A reduction in probation term lengths for both felony and misdemeanants to two years, matched with an investment in more intensive supervision and services for misdemeanant probationers; and

- $695 million, growing to $1.4 billion in the out-years, for preventative health care, over a third of which will be aimed at the unsheltered homeless population.

The complete Proposed Fiscal Year 2020-21 Budget is available from the California 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.

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 State 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.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIIIA of the State Constitution

On June 6, 1978, State voters approved Proposition 13, which added Article XIIIA to the State Constitution. Article XIIIA, as amended, 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: (i) on indebtedness approved by the voters prior to December 1, 1978; (ii) on bonded indebtedness approved by a two-thirds vote on or after December 1, 1978, for the acquisition or improvement of real property; or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters voting on the proposition, but only if certain accountability measures are included in the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment" subject to exemptions in certain circumstances of property transfer or reconstruction. The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA 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, including a general economic downturn, 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, and in other minor or technical ways.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. 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 counties and distributed according to a formula among taxing agencies.

Increases in 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 a local agency continues as part of its allocation in future years.

All taxable property is shown at full cash value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100 percent of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Article XIIIB of the State Constitution

In addition to the limits that Article XIIIA imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual "appropriations limit" imposed by Article XIIIB which effectively limits the amount of such revenues that such entities are permitted to spend. Article XIIIB, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "proceeds of taxes," which consist of tax revenues and the investment proceeds thereof, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds. Article XIIIB also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized as of October 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Proposition 111 requires that each local government's actual appropriations be tested against its limit every two years.

If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years.

The County's appropriations have never exceeded the limitation on appropriations under Article XIIIB.

Articles XIIIC and XIIID of the State Constitution

On November 5, 1996, State voters approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIIC and XIIID to the State Constitution and contains a number of interrelated provisions affecting the ability of local agencies (including the County) to levy and collect both existing and future taxes, assessments and property-related fees and charges. The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Article XIIIC 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. The voter approval requirements of Proposition 218 reduce the flexibility of the County to raise revenues for the General Fund, and no assurance can be given that the County will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs, such as hearings and stricter and more individualized benefit requirements and findings. 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 XIIID, 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. If the County is unable to continue to collect these revenues, the services and programs funded with these revenues would have to be curtailed and/or the County's General Fund might have to be used to support them. The County is unable to predict whether or not in the future it will be able to continue all existing services and programs funded by the fees, charges and assessments in light of Proposition 218 or, if these services and programs are continued, which amounts (if any) would be used from the County's General Fund to continue to support such activities.

Article XIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairments of contracts. Legislation implementing Proposition 218 provides that the initiative power provided for in Proposition 218 "shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights" protected by the United States Constitution. However, no assurance can be given that the voters of the 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.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election and: (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the County be approved by a two-thirds vote of the governmental entity's legislative body and 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 XIIIA; (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 State Legislature in connection with the State's fiscal year 2004-05 budget, approved by the voters in November 2004 and generally effective in State fiscal year 2007-08, 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. Proposition 1A provides, however, that beginning in State fiscal year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. The State also will not be able to borrow from local property tax revenues for more than two fiscal years within a period of ten fiscal years. In addition, the State cannot reduce the local sales tax rate or restrict the authority of local governments to impose or change the distribution of the State-wide local sales tax. 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 motor vehicle license fee rate currently in effect, 0.65% 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 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 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, 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 State 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 believe that Proposition 26 will adversely affect its General Fund revenues.

Split Roll Initiative

An initiative measure (the "Split Roll Initiative") to amend Article XIIIA has qualified for the State's November 2020 ballot. If adopted, the Split Roll Initiative would base property taxes for commercial and industrial properties on market values beginning in tax year 2020-21. Such market values would be reassessed by the applicable county assessor's office at least once every three years. The Split Roll Initiative includes exceptions for businesses with a total market value of less than $2 million (adjusted for inflation), which would continue to be subject to property taxes based on purchase price, and exempts from property tax assessments up to $500,000 of the value of personal property, or all personal property for businesses with fewer than 50 employees. There can be no assurance that the Split Roll Initiative will be adopted. Moreover, if the Split Roll Initiative is adopted, the County is unable to predict how it would affect the level of commercial building activity within the County and the relationship of the assessed value between land use types (i.e. residential versus commercial) in the County, or what other impacts the Split Roll Initiative might have on the local economy or the County's financial condition.

Future Initiatives

Articles XIIIA, XIIIB, XIIIC and XIIID and Propositions 218, 111, 62, 1A, 22 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.

ERISA CONSIDERATIONS

Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and Section 4975 of the Internal Revenue Code, as amended (the "Code"), prohibit employee benefit plans as well as individual retirement accounts and some types of Keogh plans ("Plans") subject to ERISA or Section 4975 of the Code from engaging in certain transactions involving "plan assets" with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "Parties in Interest") with respect to the Plan. ERISA also imposes certain duties on persons who are fiduciaries of Plans subject to ERISA. Under ERISA, any person who exercises any authority or control respecting the management or disposition of the assets of a Plan is considered to be a fiduciary of such Plan (subject to certain exceptions not relevant here). A violation of these "prohibited transaction" rules may generate excise tax and other liabilities under ERISA and the Code for fiduciaries and Parties in Interest.

The Underwriters, as a result of their own activities or because of the activities of their respective affiliate, may be considered Parties in Interest, with respect to certain Plans. Prohibited transactions may arise under Section 406 of ERISA and Section 4975 of the Code if Series 2020 Bonds are acquired by a Plan with respect to which the Underwriters or any of their respective affiliates are Parties in Interest. Certain exemptions from the prohibited transaction rules could be applicable, however, depending in part upon the type of Plan fiduciary making the decision to acquire a Series 2020 Bond and the circumstances under which such decision is made. Included among these exemptions are those transactions regarding securities purchased during the existence of an underwriting, investments by insurance company pooled separate accounts, investments by insurance company general accounts, investments by bank collective investment funds, transactions effected by "qualified professional asset managers," and transactions affected by certain "in-house asset managers." Even if the conditions specified in one or more of these exemptions are met, the scope of the relief provided by these exemptions might or might not cover all acts which might be construed as prohibited transactions. In order to ensure that no prohibited transaction under ERISA or Section 4975 of the Code will take place in connection with the acquisition of a Series 2020 Bond by or on behalf of a Plan, each prospective purchaser of a Series 2020 Bond that is a Plan or is acquiring on behalf of a Plan will be required to represent that either (i) no prohibited transactions under ERISA or Section 4975 of the Code will occur in connection with the acquisition of such Series 2020 Bond or (ii) the acquisition of such Series 2020 Bond is subject to a statutory or administrative exemption.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA and some church plans (as defined in Section 3(33) of ERISA) are not subject to ERISA requirements nor to Section 4975 of the Code. However, governmental plans and church plans that are "qualified" under Section 401(a) of the Code are subject to restrictions with respect to prohibited transactions under Section 503(a)(1)(B) of the Code, the sanction for violation being the loss of "qualified" status. Governmental plans may also be subject to state and local laws imposing restrictions on investments.

Any Plan fiduciary who proposes to cause a Plan to purchase Series 2020 Bonds should (i) consult with its counsel with respect to the potential applicability of ERISA and the Code to such investments and whether any exemption would be applicable and (ii) determine on its own whether all conditions have been satisfied. Moreover, each Plan fiduciary should determine whether, under the general fiduciary standards of investment prudence and diversification, an investment in the Series 2020 Bonds is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan's investment portfolio, and whether such investment is authorized by the terms of such Plan.

VALIDATION

In 2004, the County, acting pursuant to the provisions of Section 860 *et seq*. of the California Code of Civil Procedure and Section 53511 et seq. of the California Government Code, filed a complaint in the Superior Court of the State of California for the County of Riverside seeking judicial validation of the Series 2005 Bonds and all Additional Bonds (which include the Series 2020 Bonds) and certain other matters, including the Trust Agreement. On May 3, 2004, the court entered a default judgment to the effect that, among other things, the County's Series 2005 Bonds and all Additional Bonds (which include the Series 2020 Bonds) are valid, legal and binding obligations of the County not subject to the debt limitation provided in Article XVI, Section 18 of the State Constitution and that the County's Series 2005 Bonds and all Additional Bonds (which include the Series 2020 Bonds) are valid and in conformity with all applicable provisions of law. The Trust Agreement was also the subject of the default judgment. The time period for the filing of appeals with respect to the judgment has expired. No appeals were filed and therefore, the judgment is final. In issuing its opinion as to the validity of the Series 2020 Bonds, Bond Counsel will rely upon the entry of the foregoing default judgment.

PENSION PLAN

This caption contains certain brief information relating to CalPERS. The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The County has not independently verified the information provided by CalPERS and makes no representations nor expresses any opinion as to the accuracy of the information provided by CalPERS.

The comprehensive annual financial reports of CalPERS are available on its internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference herein. The County cannot guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

The County contributes to CalPERS, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. All permanent and temporary employees who work more than 1,000 hours are eligible to participate in CalPERS. Benefits vest after five years of service and vary based upon final yearly compensation or final compensation as the highest average annual pensionable compensation earned during a 36-month period, as applicable, pension plan, length of service, pension tier, and age at retirement. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to CalPERS members and beneficiaries and acts as a common investment and administrative agent for participating public entities within the State. CalPERS is a contributory plan deriving funds from employee contributions as well as from employer contributions and earnings from investments. CalPERS maintains two pension plans for the County, the Safety Plan and the Miscellaneous Plan (together, "CalPERS Plans"). The County contributes to CalPERS amounts equal to the sum of Employer Normal Cost rates for the CalPERS Plans multiplied by the payroll of those employees of the County who are eligible under CalPERS, plus the Employer Unfunded Accrued Liability Contribution Amount for the CalPERS Plans.

CalPERS is not obligated in any manner for payment of debt service on the Series 2020 Bonds, and the assets of CalPERS are not available for such payment. CalPERS should be contacted directly at CalPERS, Lincoln Plaza, 400 Q Street Sacramento, California 95811 or (888) 225-7377, www.calpers.ca.gov for other information, including information relating to its financial position and investments.

Additional information on the County's Retirement Program is described in more detail in "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — FINANCIAL INFORMATION – Retirement Program." See also, "PLAN OF FINANCING" herein.

TAX MATTERS

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 on the Series 2020 Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Series 2020 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2020 Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix E hereto.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Series 2020 Bonds that acquire their Series 2020 Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2020 Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2020 Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2020 Bonds pursuant to this offering for the issue price that is applicable to such Series 2020 Bonds (i.e., the price at which a substantial amount of the Series 2020 Bonds are sold to the public) and who will hold their Series 2020 Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2020 Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series 2020 Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2020 Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2020 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2020 Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series 2020 Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series 2020 Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Series 2020 Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series 2020 Bonds is less than the amount to be paid at maturity of such Series 2020 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2020 Bonds) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Series 2020 Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series 2020 Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2020 Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2020 Bond.

Sale or Other Taxable Disposition of the Series 2020 Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the County) or other disposition of a Series 2020 Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2020 Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2020 Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Series 2020 Bond (generally, the purchase price paid by the U.S. Holder for the Series 2020 Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2020 Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2020 Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Series 2020 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Series 2020 Bonds. If the County defeases any Series 2020 Bond, the Series 2020 Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the Series 2020 Bond.

Information Reporting and Backup Withholding. Payments on the Series 2020 Bonds 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 U.S. Holder of the Series 2020 Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Series 2020 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2020 Bonds. 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 the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act," payments of principal of, and interest on, any Series 2020 Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, a such term is defined in the Code, which is related to the County through stock ownership and (2) a bank which acquires such Series 2020 Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Series 2020 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Series 2020 Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the County or a deemed retirement due to defeasance of the Series 2020 Bond) or other disposition of a Series 2020 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the County) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Series 2020 Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Series 2020 Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "FATCA," under current U.S. Treasury Regulations, payments of principal and interest on any Series 2020 Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Series 2020 Bond or a financial institution holding the Series 2020 Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

<u>Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders</u>

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Series 2020 Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2020 Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series 2020 Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance, sale and delivery by the County of the Series 2020 Bonds are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, as Bond Counsel. A copy of the proposed form of Bond Counsel opinion is contained in Appendix E hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Kutak Rock LLP, Los Angeles, California, is acting as Disclosure Counsel for the County. Certain legal matters will be passed upon for the Underwriters by their counsel, Jones Hall, A Professional Law Corporation, San Francisco, California. All of the fees of Bond Counsel, Disclosure Counsel and Underwriters' Counsel with respect to the issuance of the Series 2020 Bonds are contingent upon the issuance and delivery of the Series 2020 Bonds.

CONTINUING DISCLOSURE

The County has covenanted for the benefit of the Owners and beneficial owners of the Series 2020 Bonds to comply with the Rule and will enter into a Continuing Disclosure Certificate as of the closing date, in which it covenants to provide certain financial information and other operating data on an annual basis not later 60 days after the County normally receives its audited financial statements from its auditors in each year but in no event later than February 15 (commencing with the audited financial statements for the 2019-20 Fiscal Year), and information regarding certain listed events, if any such events should occur, to the owners of the Series 2020 Bonds and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system, or any successor thereto, during the term of the Series 2020 Bonds. See "APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE." 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 two general categories: (i) 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; and (ii) missing, incomplete or late filing of annual or quarterly reports, budgets or operating information with respect to a number of the bond issues. 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, no notice of failure to file such information was provided. 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 instituted enhanced procedures to ensure future compliance and coordination between the County and its related entities; and (ii) the County has contracted with a consultant to assist the County in filing accurate, complete and timely disclosure reports. The County continues to review its procedures to ensure continued compliance with the Rule.

MUNICIPAL ADVISOR

The County has retained the services of Columbia Capital Management, LLC, Glendale, California, as Municipal Advisor (the "Municipal Advisor") in connection with the issuance of the Series 2020 Bonds. 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.

FINANCIAL STATEMENTS OF THE COUNTY

The general purpose financial statements of the County, which are included in Appendix B to this Official Statement, have been audited by Brown Armstrong Accountancy Corporation, independent certified public accountants (the "Auditor"), as stated in their report appearing in Appendix B. The Auditor 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 the Auditor, with respect to any event subsequent to its report dated December 12, 2019.

ABSENCE OF LITIGATION

To the best knowledge of the County, there is no action, suit or proceeding pending or threatened either restraining or enjoining the execution or delivery of the Series 2020 Bonds or the Trust Agreement, or in any way contesting or affecting the validity of the foregoing or any proceedings of the County taken with respect to any of the foregoing.

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. For a discussion of certain matters that may result in significant financial obligations of the County, see "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE — FINANCIAL INFORMATION — Litigation."

RATINGS

Moody's Investors Service Inc. ("Moody's") and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") have assigned the Series 2020 Bonds ratings of "A2" (stable outlook) and "AA" (stable outlook), respectively. Such ratings reflects only the views of such organizations and any explanation of the meaning and significance of such ratings, including the methodology used and any outlook thereon, should be obtained from rating agency furnishing the same, at the following addresses, which are current as of the date of this Official Statement: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; and S&P Global Ratings, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The ratings are not a recommendation to buy, sell or hold the Series 2020 Bonds. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agency, if in the judgment of the respective rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2020 Bonds.

UNDERWRITING

The Series 2020 Bonds are being purchased by Raymond James & Associates, Inc., on behalf of itself and several underwriters listed on the front cover of this Official Statement (collectively, the "Underwriters"). The Underwriters will purchase the Series 2020 Bonds from the County at an aggregate purchase price of $716,746,853.10 (representing the principal amount of the Series 2020 Bonds and less $3,248,146.90 of Underwriters' discount).

The Series 2020 Bonds are offered for sale at the initial prices stated on the inside cover page of this Official Statement, which may be changed from time to time by the Underwriters. The Series 2020 Bonds may be offered and sold to certain dealers at prices lower than the public offering prices.

Citigroup Global Markets Inc., an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

BofA Securities, Inc., an underwriter of the Series 2020 Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2020 Bonds.

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 various 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.

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MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Trust Agreement and other documents are available, upon request, and upon payment to the County of a charge for copying, mailing and handling, from the County Clerk at the County of Riverside, 4080 Lemon Street, Riverside, California 92501.

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 Owners of any of the Series 2020 Bonds.

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

COUNTY OF RIVERSIDE

By ______________________
County Executive Officer

APPENDIX A

INFORMATION REGARDING THE COUNTY OF RIVERSIDE

GENERAL INFORMATION

Set forth below is certain information with respect to the County. Such information was prepared by the County except as otherwise indicated.

THE SPREAD OF THE NOVEL STRAIN OF CORONAVIRUS CALLED COVID-19 ("COVID-19") IS HAVING SIGNIFICANT NEGATIVE IMPACTS THROUGHOUT THE WORLD, INCLUDING IN THE COUNTY. THE COVID-19 OUTBREAK IS ONGOING, AND THE ULTIMATE GEOGRAPHIC SPREAD OF THE VIRUS, THE DURATION AND SEVERITY OF THE OUTBREAK, AND THE ECONOMIC AND OTHER RAMIFICATIONS OF ACTIONS THAT MAY BE TAKEN BY GOVERNMENTAL AUTHORITIES TO CONTAIN THE OUTBREAK OR TO TREAT ITS IMPACT ARE UNCERTAIN. PLEASE SEE "THE COUNTY–COVID-19 OUTBREAK" IN THE FOREPART OF THIS OFFICIAL STATEMENT.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,440,124 as of January 1, 2019, representing an approximately 1.14% increase over the County's population as estimated for the prior year, and a rate higher than the statewide population increase of 0.47% for the same period. For the ten-year period of January 1, 2009 to January 1, 2019, the County's population grew by approximately 14.00%. During this period, the cities of Eastvale, Jurupa Valley, Menifee and Wildomar incorporated, and account for a total population of 12.37% of the County as of January 1, 2019.

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The following table sets forth annual population figures, as of January 1 of each year, 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)

City	*2015*	*2016*	*2017*	*2018*	*2019*
Banning	30,746	30,967	31,170	30,950	31,044
Beaumont	43,906	45,617	46,730	46,545	48,401
Blythe	18,522	19,008	19,027	19,651	19,428
Calimesa	8,114	8,212	8,567	9,080	9,159
Canyon Lake	10,673	10,728	10,882	11,213	11,285
Cathedral City	53,390	53,842	54,296	54,466	54,907
Coachella	44,486	44,940	45,273	45,777	46,351
Corona	162,396	163,341	166,819	167,013	168,101
Desert Hot Springs	28,900	29,252	29,347	29,102	29,251
Eastvale	59,930	62,147	63,720	65,725	66,078
Hemet	80,439	80,997	82,417	84,423	84,754
Indian Wells	5,407	5,512	5,549	5,389	5,445
Indio	84,009	85,233	86,632	88,194	89,406
Jurupa Valley	99,742	101,412	103,661	104,661	106,318
Lake Elsinore	59,404	61,422	62,487	62,241	62,949
La Quinta	39,323	39,899	40,605	41,753	42,098
Menifee	85,801	87,608	89,552	90,775	93,452
Moreno Valley	201,387	202,621	204,285	206,046	208,297
Murrieta	109,408	110,166	111,793	116,970	118,125
Norco	26,198	26,727	26,799	26,464	26,386
Palm Desert	50,683	51,250	52,058	53,298	53,625
Palm Springs	46,099	46,534	47,157	48,390	48,733
Perris	74,866	76,070	77,311	76,260	76,971
Rancho Mirage	18,201	18,369	18,579	18,297	18,489
Riverside	317,890	320,226	323,190	326,270	328,101
San Jacinto	46,462	47,085	47,560	47,607	48,878
Temecula	109,144	110,536	112,040	113,248	113,826
Wildomar	34,751	35,270	35,882	35,635	36,066
TOTALS					
Incorporated	1,950,277	1,974,991	2,003,388	2,025,443	2,045,924
Unincorporated	367,618	371,726	379,252	387,093	394,200
County-Wide	2,317,895	2,346,717	2,382,640	2,412,536	2,440,124
California	38,912,464	39,179,627	39,500,973	39,740,508	39,927,315

Source: State Department of Finance, Demographic Research Unit.

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 and the State for the period 2016 through 2020:

TABLE 2

**RIVERSIDE COUNTY AND CALIFORNIA
TOTAL EFFECTIVE BUYING INCOME,
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME AND
PERCENT OF HOUSEHOLDS WITH INCOMES OVER $50,000[1]**

	Total Effective Buying Income[2]	*Median Household Effective Buying Income*	*Percent of Households with Income over $50,000*
2016			
Riverside County	$ 45,407,058	$48,674	48.50%
California	981,231,666	53,589	52.74
2017			
Riverside County	$ 47,509,909	$50,287	50.23%
California	1,036,142,723	55,681	54.27
2018			
Riverside County	$ 51,784,973	$53,505	53.29%
California	1,113,648,181	58,858	57.15
2019			
Riverside County	$ 54,118,453	$54,920	54.41%
California	1,183,264,399	61,895	59.16
2020			
Riverside County	$ 59,340,416	$59,167	57.60%
California	1,243,564,816	65,285	61.45

(1) Estimated, as of January 1 of each year.
(2) Dollars in thousands.
Source: The Nielsen Company, Site Reports, 2016-2018; Environics Analytics, Spotlight Claritas Reports 2019-2020.

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 large and growing commercial and service sector employment. The number of employed persons in the PMSA by industry is set forth in the following table.

TABLE 3

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

Industry	*2015*	*2016*	*2017*	*2018*	*2019*
Agriculture	14.8	14.6	14.4	14.5	14.6
Construction	85.7	92.0	97.0	104.8	101.1
Finance Activities	43.9	44.6	44.5	43.7	44.2
Government	233.3	242.3	250.0	257.5	268.8
Manufacturing:	96.1	98.6	98.7	101.3	102.6
Nondurables	33.0	34.2	34.8	36.2	15.4
Durables	63.1	64.4	63.9	65.1	65.7
Mining & Logging	1.3	0.9	0.9	1.0	1.2
Retail Trade	174.3	178.0	182.1	180.8	191.1
Professional and Business Services	147.4	145.0	147.2	150.6	160.7
Education and Health Services	205.1	214.3	224.8	240.0	260.5
Leisure & Hospitality	151.7	160.2	165.7	170.0	174.5
Other Services	44.0	44.6	45.6	45.6	43.1
Transportation, Warehousing and Utilities	97.4	107.3	120.2	132.6	146.3
Wholesale Trade	61.6	62.8	63.7	64.9	65.0
Information	11.4	11.5	11.3	11.2	11.3
Total, All Industries	1,367.9	1,416.6	1,466.0	1,518.7	1,585.0

(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.

The following table sets forth the major employers in the County as of June 30, 2019 and their respective product or service and number of employees as of June 30, 2019.

TABLE 4

COUNTY OF RIVERSIDE
CERTAIN MAJOR EMPLOYERS[(1)]
(AS OF JUNE 30, 2019)

Company Name	*Product/Service*	*No. of Local Employees*
County of Riverside	County Government	21,672
Amazon	E-Commerce	10,500
University of California, Riverside	University	9,770
March Air Reserve Base	Military Reserve Base	9,600
Stater Bros	Retail Grocery	8,304
Hemet Unified School District	School District	7,046
Kaiser Permanente Riverside Medical Center	Hospital	5,700
Pechanga Resort & Casino	Resort Casino	5,078
Walmart	Department Stores	4,931
Corona-Norco Unified School District	School District	4,903
Ross Dress For Less	Department Stores	4,321
Riverside Unified School District	School District	4,000
Eisenhower Medical Center	Hospital	3,900
Moreno Valley Unified School District	School District	3,755
Lake Elsinore Unified School District	School District	3,717
Desert Sands Unified School District	School District	3,437
Jurupa Unified School District	School District	3,250
Temecula Valley Unified School District	School District	3,057
Palm Springs Unified School District	School District	2,737
Murrieta Valley Unified School District	School District	2,500
City of Riverside	City Government	2,470
Riverside Community College District	Community College District	2,342
JW Marriott Desert Springs Resort & Spa	Resort & Spa	2,304
Agua Caliente Band of Cahuilla Indians	Tribal Government/Casinos	2,300
Morongo Casino, Resort, & Spa	Resort Casino	2,300
Cal Baptist University	University	2,285
Riverside Community Hospital	Hospital	2,200
Desert Regional Medical Center	Hospital	1,962
Alvord Unified School District	School District	1,868
Coachella Valley Unified School District	School District	1,805
Riverside County Office of Education	Education	1,653
Mt San Jacinto College	Community College District	1,479
Corona Regional Medical Center	Hospital	1,250
Medline Professional Hospital Supply	Medical and Hospital Equipment and Supplies	1,204
Fantasy Springs Resort and Casino and Tribe	Tribal Government/Casinos	1,202
UTC Aerospace Systems	Aerospace Product and Parts Manufacturing	1,200
California Rehabilitation Center	Level II Prison	1,200
Fantasy Springs Resort Casino	Resort Casino	1,153
Parkview Community Hospital Medical Center	Hospital	1,149
Ironwood State Prison	Level I & III Prison	1,081

(1) Certain major employers in the County may have been excluded because of the data collection methodology used by Riverside County Economic Development Agency.

Source: County Economic Development Agency.

Unemployment data for the County, the State and the United States for the years 2015 through 2018 and preliminary data for 2019 (as indicated) are set forth in the following table.

TABLE 5

COUNTY OF RIVERSIDE
COUNTY, STATE AND NATIONAL UNEMPLOYMENT DATA

	2015	***2016***	***2017***	***2018***	***2019***[(2)]
County[(1)]	6.7%	6.1%	5.2%	4.4%	3.7%
California[(1)]	6.2	5.5	4.8	4.2	3.9
United States[(3)]	5.3	4.9	4.4	3.9	3.5

(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 December 2019.
(3) Data is seasonally adjusted.
Source: State of California Employment Development Department Labor Market Information Division; U.S. Bureau of Labor Statistics.

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 in the County for the years 2013 through 2017, the last year being the most recent full year of which annual data is currently available. Industry level data for 2015 through 2017 is not comparable to that of prior years due to the change in format of reporting the data.

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TABLE 6

COUNTY OF RIVERSIDE
TAXABLE SALES TRANSACTIONS
(IN THOUSANDS)

	2013	*2014*	*2015*	*2016*	*2017*
Motor Vehicles and Parts Dealers	$ 3,965,201	$ 4,417,943	$ 4,841,615	$ 5,047,534	$ 5,348,814
Home Furnishings and Appliance Stores	486,061	520,393	1,135,235	1,386,985	1,730,702
Electronics and Appliances Stores	510,423	510,061	-	-	-
Building Materials, Garden Equipment and Supplies	1,535,178	1,706,183	1,826,294	1,965,101	2,161,593
Food and Beverage Stores	1,421,590	1,509,403	1,727,518	1,574,030	1,666,910
Health and Personal Care Stores	523,724	544,958	-	-	-
Gasoline Stations	3,456,322	3,426,830	2,851,558	2,704,278	2,933,718
Clothing and Clothing Accessories Stores	1,771,603	1,989,623	2,136,728	2,190,228	2,199,512
Sporting Goods, Hobby, Book and Music Stores	499,366	519,188	-	-	-
General Merchandise Stores	3,298,920	3,289,057	3,040,244	3,052,409	3,101,256
Miscellaneous Store Retailers	758,664	809,032	-	-	-
Nonstore Retailers	243,334	309,809	-	-	-
Other Retail Groups	-	-	2,338,039	2,452,591	2,586,878
Food Services and Drinking Places	2,836,388	3,093,862	3,384,494	3,648,980	3,852,674
Total Retail and Food Services	$ 21,306,774	$ 22,646,343	$ 23,281,724	$ 24,022,136	$ 25,581,948
All Other Outlets	8,758,693	9,389,345	9,629,186	10,209,008	10,550,866
Total All Outlets	$ 30,065,467	$ 32,035,687	$ 32,910,910	$ 34,231,144	$ 36,132,814

Source: California Department of Tax and Fee Administration.

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) from 2014 through 2018.

TABLE 7

COUNTY OF RIVERSIDE
BUILDING PERMIT VALUATIONS
(IN THOUSANDS)

	2014	*2015*	*2016*	*2017*	*2018*
RESIDENTIAL					
New Single-Family	$ 1,296,553	$ 1,313,084	$ 1,526,768	$ 1,670,542	$ 2,200,021
New Multi-Family	178,117	110,458	106,292	109,309	232,707
Alterations and Adjustments	147,081	113,200	126,475	123,567	125,353
Total Residential	$ 1,621,751	$ 1,536,742	$ 1,759,535	$ 1,903,418	$ 2,558,081
NON-RESIDENTIAL					
New Commercial[1]	$ 184,138	$ 189,994	$ 540,447	$ 522,769	$ 703,977
New Industrial	161,321	180,521	59,439	410,275	529,326
Other Buildings[2]	142,204	226,346	374,917	136,935	410,606
Alterations & Additions	327,327	314,604	371,216	363,711	315,771
Total Nonresidential	$ 814,990	$ 911,465	$ 1,346,020	$ 1,433,690	$ 1,959,680
TOTAL ALL BUILDING	$ 2,436,741	$ 2,448,207	$ 3,105,554	$ 3,337,108	$ 4,517,761

(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 8

COUNTY OF RIVERSIDE
NUMBER OF NEW DWELLING UNITS

	2014	*2015*	*2016*	*2017*	*2018*
Single Family	5,007	5,007	5,662	6,265	7,540
Multi-Family	1,931	1,189	897	1,070	1,628
TOTAL	6,938	6,196	6,559	7,335	9,168

Source: California Homebuilding Foundation.

The following table sets forth the annual median housing prices for Los Angeles County, Riverside County, San Bernardino County and Southern California for the years 2015 through 2019.

TABLE 9

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

Year	*Los Angeles*	*Riverside*	*San Bernardino*	*Southern California*[(1)]
2015	$487,500	$310,000	$262,000	$431,000
2016	520,000	332,000	284,000	457,500
2017	560,000	356,000	310,000	491,000
2018	596,000	380,000	330,000	524,000
2019	615,000	392,000	343,750	530,000

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

The following table sets forth the home and condominium foreclosures recorded in Los Angeles County, Riverside County, San Bernardino County and Southern California for the years 2015 through 2019.

TABLE 10

COUNTIES OF LOS ANGELES, RIVERSIDE AND SAN BERNARDINO AND SOUTHERN CALIFORNIA COMPARISON OF HOME FORECLOSURES

Year	*Los Angeles*	*Riverside*	*San Bernardino*	*Southern California*[(1)]
2015	3,970	2,463	2,616	11,959
2016	3,191	2,045	1,954	9,354
2017	2,316	1,453	1,641	6,968
2018	1,552	1,233	1,183	5,182
2019	1,516	872	977	4,391

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

Agriculture

In 2018, principal agricultural products were nursery stock, milk, table grapes, lemons, bell peppers, dates, eggs, hay, grapefruits and avocados.

Four areas in the County account for the major portion of 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.

The County, and all of Southern California, experienced a severe drought between 2011 and 2015. See "—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 2014 through 2018.

TABLE 11

COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION

	2014	*2015*	*2016*	*2017*	*2018*
Citrus Fruits	$ 170,891,000	$ 199,772,000	$ 200,101,000	$ 177,055,000	$ 170,775,000
Trees and Vines	223,593,000	234,928,000	227,444,000	228,315,000	249,150,000
Vegetables, Melons, Misc.	337,404,000	327,199,000	365,157,000	331,986,000	371,570,000
Field and Seed Crops	156,575,000	122,794,000	97,184,000	96,063,000	93,282,000
Nursery	172,910,000	158,648,000	150,426,000	153,749,000	165,758,000
Apiculture	4,819,000	4,897,000	5,082,000	5,415,000	5,473,000
Aquaculture	5,078,000	5,397,000	4,624,000	4,764,000	4,732,000
Livestock and Poultry	290,746,000	260,015,000	225,758,000	221,175,000	238,468,000
Grand Total	$ 1,362,016,000	$ 1,313,650,000	$ 1,275,776,000	$ 1,218,522,000	$ 1,299,208,000

Source: Riverside County Agricultural Commissioner.

Transportation

Several major freeways and highways provide access between the County and all parts of Southern California. State Route 91 extends southwest from Riverside through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses most of the width of the County, the western-most portion of which links up with major cities and freeways in Los Angeles County and the southern part of San Bernardino County, with the eastern part linking to the County's desert cities and Arizona. Interstate 15 and 215 extend north and then east to Las Vegas, and south to San Diego. State Route 60 provides an alternate (to Interstate 10) east-west link to Los Angeles County. Riverside 91 Express Lanes that connect with the OCTA SR-91 Express Lanes at the Orange County/Riverside County line and continue 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; vehicles soon will have a similar choice when travelling along the northern part of Interstate 15 in Riverside County. Riverside 15 Express Lanes from State Route 60 in Eastvale and Jurupa Valley to Cajalco Road in Corona are currently under construction and are expected to open later in 2020.

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 and was transferred by the City of Los Angeles to the joint powers authority in October 2016. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. 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. 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 developing joint military and civilian use. The JPA has constructed infrastructure improvements, entered into leases with private users and initialized a major business park project.

Education

There are three elementary school districts, 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.

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, influenzas pandemic, wildland fires, electrical failures and emergent diseases. Additionally, CalFire has identified 22 cities and eight operational area jurisdictions within the County as Very High Fire Hazard Severity Zones. 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 2019-20 budget includes $3.2 million for such uses, which the County anticipates will increase in Fiscal Year 2020-21. In the event of a disaster or emergency, the Board of Supervisors can provide additional funds through a mid-year budget adjustment that may be recovered through state or federal resources (such as increased reimbursements from CalFire, the State's office of emergency services, the Department of Homeland Security and FEMA).

The County has been focused on addressing the homeless situation for several years. The Department of Social Services conducts an annual survey to support data-based policy responses. The 2019 homeless count found 2,811 people experiencing homelessness, of which 75% were unsheltered, representing an 8% increase over the prior year. Preliminary results of the 2020 homeless count indicate a continuing trend of a growing number of people experiencing homelessness in the County. The County incorporates these challenges into its budget planning process. The County seeks to maximize outside funding sources, including actively pursuing available State funding. The County created an integrated approach to organizing County agencies and federal, state, city and nonprofit partners to control costs associated with homeless services and clearing encampments.

In addition, the Board of Supervisors has created an ad hoc committee on homelessness which has prioritized grant-seeking as a key strategy to accelerate the County's response to homelessness.

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. At the present time, the County does not provide wholesale or retail water service and 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 Gorgonio 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. On April 1, 2015, California's governor issued the fourth in a series of executive orders extending the measures necessary to address California's severe drought conditions which occurred between 2011 and 2015. On May 9, 2016, as a result of persistent severe drought conditions in many areas of California, the governor issued an additional executive order that, among other things, made permanent many of the conservation measures set in the governor's previous executive orders. On April 7, 2017, as a result of the record rainfall and snowfall that occurred in the State between November 2016 and March 2017, the governor declared an end to the drought emergency in California (except with respect to four counties mostly located in California's agricultural Central Valley). However, this same executive order directed the State Water Resources Control Board to initiate the rulemaking process to ensure that many key conservation measures established by the governor's 2016 executive order will remain in place. Such conservation measures 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.

During a workshop in May of 2015 to discuss the drought, the Board of Supervisors directed staff to revise County Ordinance 859.3 *Water Efficient Landscape Requirements*. On July 21, 2015 the Board of Supervisors adopted, via an urgency ordinance, updated water efficient landscape requirements Ordinance 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*."

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 and the Coachella Valley Water District.

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 County Board of Supervisors adopted Policy 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 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, and 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 currently carries a cyber liability insurance policy to cover the financial losses that may result from data breaches and cyber attacks.

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.

FINANCIAL INFORMATION

Budgetary Process and Budget

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 budget forecast (the "County Budget Forecast") based on conservative revenue assumptions derived internally and from information provided by external consultants, including projections in the out years for labor and pension increases. The current County Budget Forecast reflects a continuing trend of cost increases outpacing revenue growth, such that the 25% reserve target implemented by the Board of Supervisors is unlikely to be met for the next several years. Consistent with the County Budget Forecast projections, the County is budgeting to use reserves and fund transfers to balance the Fiscal Year 2019-20 budget, adopted by the Board of Supervisors on June 25, 2019 (the "Adopted Budget"). Factors driving cost increases include labor concessions, increasing pension costs and inmate health care expenses. See "– Retirement Program" and "– Labor Relations." 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 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. In addition, the hiring freezes that the County Executive Office instituted in January 2018 are ongoing, and the County is committed to limited cost-of-living adjustments after the expiration of the current labor contracts.

Fiscal Year 2019-20 Budget

On June 25, 2019, the Board of Supervisors approved the Adopted Budget. The Adopted Budget includes total general fund appropriations of approximately $3.5 billion. For Fiscal Year 2019-20, the County estimates that approximately 64% of its General Fund budget revenues in the Adopted Budget will consist of payments from the State and Federal government. Discretionary revenue is budgeted at approximately $837 million for Fiscal Year 2019-20, an increase of approximately 4.7% from the Fiscal Year 2018-19 adopted budget estimates. The increase is due primarily to modestly rising property-related tax revenues and interest income. The Adopted Budget includes discretionary spending of approximately $857.5 million. The $20.5 million gap between discretionary revenue and discretionary spending is covered by the use of reserves. Property tax revenue is budgeted at approximately $390.6 million (including $116.5 million in redevelopment tax increment pass-through funds) for Fiscal Year 2019-20, and represents approximately 47% of the County's discretionary revenue. Property tax estimates assumed an increase in assessed valuation in Fiscal Year 2019-20 of 5% from Fiscal Year 2018-19. The County's reserve balance at the beginning of Fiscal Year 2019-20 is projected at approximately $212 million, approximately $3 million above the County's reserve policy. As part of the County Executive Office's corrective action plan to bring their overall performance in line with the Adopted Budget, the County Executive Office continues to engage in analyses and discussions with the various County departments to maximize the use of available resources and identify and implement steps necessary to align their spending with their allocated net County cost. For example, the County Executive Office engages in monthly revenue and expenditure monitoring and formal quarterly Board of Supervisors updates and actions. Additionally, the County has implemented and regularly reviews and updates its investment policies and policies related to debt and pension management. Furthermore, the County Executive Office has specifically instructed departments expecting budget shortfalls to provide monthly departmental updates and action plans. To keep discretionary spending within the reserve limits and continue to meet the priorities established by the Board of Supervisors, the Adopted Budget implements targeted reductions of approximately 2.2%.

Mid-Year Budget Report

On February 4, 2020, the County Executive Officer released the Fiscal Year 2019-20 Mid-Year Budget Report (the "Mid-Year Budget Report"). The Mid-Year Budget Report reports that the close-out of Fiscal Year 2018-19 resulted in an increase to reserves of approximately $52.7 million, of which approximately $38.5 million is attributable to recruitment challenges and approximately $14.2 million is attributable to increases in discretionary revenues, the majority of which was derived from greater-than-projected interest earnings. The County applied $20 million of such funds to replenish contingency funds already drawn in Fiscal Year 2019-20 and to transfer the remainder into the County's reserves. In addition, the County's projected discretionary revenue estimates increased from the Adopted Budget by approximately $5.6 million and the Proposition 172 sales tax revenue increased by approximately $3.5 million from the Adopted Budget. While the discretionary revenue has increased, the County is also anticipating increases in expenditures which outpace revenue projections, including increased labor costs resulting from ongoing negotiations with labor groups. The Mid-Year Budget Report included approximately $10.7 million in contingency adjustments, which include approximately $9 million for labor agreement increases with the Riverside Sheriffs' Association, approximately $1.4 million for a County-wide technology upgrade for the human capital management system, and approximately $300,000 for additional Code Enforcement staffing needs. In the Mid-Year Budget Report, the County projected that it will close Fiscal Year 2019-20 with a $29 million operating shortfall, requiring a draw upon the County's reserves. Despite the anticipated draw on reserves, the County expected to meet its reserve requirement of the 25% of discretionary revenue, required by policy of the Board of Supervisors, for the current fiscal year, although future obligations are projected to draw down reserves below this limit in future fiscal years. A copy of the Mid-Year Budget Report is included as APPENDIX G to the Official Statement. Recent developments related to the impact of COVID-19 are expected to result in a reduction of reserves to approximately $200 million by the end of the current fiscal year. SEE "THE COUNTY–COVID-19 Outbreak" in the forepart of this Official Statement.

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.

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 expense at year-end. It is a widely used component in government financial statements analysis. In September 2011, the County adopted Board Policy 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 fund balance 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 Prop. 172), documentary transfer tax, tobacco tax, 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. In January 2005, the County adopted Board Policy B-25, *Pension Management Policy* (the "Pension Management Policy"), which was last revised in January 2000, to ensure proper pension plan management. This policy applies to all County-defined benefit pension plans (the "Plans"), administered by the California Public Employees Retirement System ("CalPERS"). The County's pension assets constitute a trust independently administered by CalPERS to satisfy the County's retirement obligations. The County bears the ultimate responsibility to meet its pension obligations. The County sets contribution rates sufficient to pay any amounts due to CalPERS, capture full cost of annual debt service on pension obligation bonds outstanding, collect designated annual contributions if the County has established a liability management fund in connection with the issuance of such bonds, and pay consultants hired to assist the Pension Advisory Review Committee ("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 include full estimated pension cost in the contract or grant. Upon the termination of such contracts or grants, a termination payment may be negotiated.

The County established 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 report on the County's pension cost projections in order to ensure that the County has adequate information concerning its long-term pension obligations. In addition to PARC's advisory role with respect to the Plans, PARC has been formally tasked with reviewing the County's other post-employment benefit ("OPEB") plans and advising the Board of Supervisors with respect thereto.

PARC is comprised of the County Finance Officer (Chair), Treasurer, Human Resources Director, 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. PARC reviews proposed changes to pension 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, such as the Series 2020 Bonds, is reviewed first by PARC. The County may establish a liability management fund in connection with the initial debt issuance, and any future issuance. Such liability management funds are funded by projected savings from issuance and only used to retire pension bond debt or transferred to CalPERS to reduce unfunded liability. PARC makes annual recommendations regarding prepayment of pension obligation financings or annual CalPERS contributions, and potential savings from such early payment.

Debt Management Policy. Board Policy B-24, *Debt Management Policy* (the "Debt Management Policy"), adopted in October 2003 and last revised in November 2017, protects the County's credit quality through proper debt management, thereby reducing the County's cost of borrowing. 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 grants, 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 County tries to maintain a variable rate debt an amount not greater than 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 refunding. 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 2003. DAC reviews all proposed County-related financings at least once prior to approval by the Board of Supervisors. DAC has seven members, including the County Executive Office, as chair, the County Treasurer, the County Auditor-Controller, County Counsel, Economic Development Agency Executive Director, 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 actions brought before it with either a "Review and File" or "Review and Recommend" action to the full Board of Supervisors.

Investment Policy. Board Policy B-21, *County Investment Policy Statement (the "Investment Policy")*, adopted in April 1999 and last revised in September 2008, safeguards public funds by assuring the County follows prudent investment practices and provides proper oversight of these investments. The Treasurer 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 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 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.

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 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 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 pay 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 the 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; and

(d) The Wine Country Community Revitalization Act Infrastructure fund was similarly approved to allocate 25% of the sales and use tax in the wine country area to assist with development of the wineries.

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.

During Fiscal Year 2018-19, the Executive Office overhauled the CIP process to reflect the County's current organizational structure and financial status. The CIP team has solicited project lists from departments through the Assistant County Executive Officers (ACEOs) of each portfolio. Each ACED provided their prioritized list to the County Executive Officer and Cabinet to develop a County-wide ranked priority list for capital projects. The table below shows the current CIP priority list, describes the projects, and shows the estimated project budget. The various

CIP projects are included in the adopted budget based on current Board-approved project commitments. Adjustments are made as needed, if funding is available. Any appropriations remaining in the fund at the end of the fiscal year will automatically carry forward into the next fiscal year.

Table 1 – CIP Priority List

Rank	Project Name	Portfolio	Project Description	Project Budget Estimate (in millions)	Funding Source	Approved Minute Order
1	Robert Presley Detention Center (RPDC) elevators – repair/replace	Public Safety	RPDC started operations in 1989 and has housed inmates for 28 years. The facility has six elevators used by staff, inmates, and visitors. This project will replace and modernize all six elevators.	$3.9	CIP Fund 30700, GF Sub-Fund 11183	3/7/17, 3.40 4/16/19, 3.7
2	Riverside Downtown Law building security system replacement project	Public Safety	This building is occupied by the Offices of the District Attorney, County Counsel, and the Probation Department. Upgrade of the building's systems will maintain the appropriate levels of security for these departments.	$1.2	CIP Fund 30700	3/26/19, 3.4
3	Purchase of certified voting equipment	Economic and Community Development	On February 27, 2019, California Secretary of State Alex Padilla initiated the process for withdrawing certification or conditional approval of voting systems that were not tested or certified under the most recent state security standards, and mandated that county elections officials implement a voting system that meets California's newest testing and certification standards. All certified voting systems are to be operational for the March 3, 2020 Presidential Primary Election.	$6 – $8	General Fund	TBD
4	Smith Correctional Facility housing units 15-17 healthcare enhancement project	Correctional Health	Provision and enhancement of additional medical and behavioral health service space.	$0.8	CIP Fund 30700	5/9/17, 3.13 4/9/19, 3.8

Table 1 – CIP Priority List						
Rank	**Project Name**	**Portfolio**	**Project Description**	**Project Budget Estimate (in millions)**	**Funding Source**	**Approved Minute Order**
5	Cois Byrd healthcare enhancement project	Correctional Health	Provision and enhancement of additional medical and behavioral health service space.	$2.9	CIP Fund 30700	4/16/19, 3.6
6	West County Emergency Operations Center (EOC) project	Public Safety	On March 20, 2018, the Board approved the acquisition of the property located at 450 E. Alessandro Boulevard, Riverside, California for use by the Emergency Management Department as an emergency operations center to serve the western region of Riverside County. The property purchase was approximately $3 million. The building is currently being assessed to determine the scope of work and budget required for a fully operational EOC.	$8-$14	TBD	
7	Riverside Juvenile Hall project (reallocation of SB81, round 2 funds)	Public Safety	The Probation department was awarded funds for development of a Youth Treatment and Education Center (YTEC) in Indio, under SB 81. After evaluating regional needs, the department determined that these grant funds can be reallocated to the Riverside Juvenile Hall Campus renovation. The project is in the scoping phase to determine the total budget.	TBD	TBD	
8	County Administrative Center (CAC) utilization	Various	EDA is evaluating the space needs of various departments to maximize utilization of the CAC. Space will be available on the 2nd, 9th, and 10th floors, and the county would like to locate general fund departments in these spaces to reduce departments' costs.	TBD	TBD	
9	RMAP digitization project	Finance and Government Services	The County Archives Program must meet industry preservation standards in order to protect County records of historical value. This requires modernizing the Archive's HVAC system, expanding the facility to house the program's collection, and beginning the process of restoring, preserving and digitizing archived volumes and maps.	$4	TBD	

Budget Comparison

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 2015-16 THROUGH 2019-20
(IN MILLIONS)

	2015-16 Budget	***2016-17 Budget***	***2017-18 Budget***	***2018-19 Budget***	***2019-20 Budget***
REQUIREMENTS					
General Government	$216.1	$209.1	$ 220.4	$171.9	$156.4
Public Protection	1,276.2	1,345.7	1,379.1	1,445.6	1,513.8
Health and Sanitation	562.3	534.9	601.1	678.8	737.2
Public Assistance	1,004.8	1,003.8	996.0	1,002.5	1,049.4
Education	0.7	0.7	0.7	0.7	0.7
Recreation and Cultural	0.3	0.5	0.5	0.5	2.2
Debt Retirement-Capital Leases	4.7	5.1	10.6	10.5	14.5
Contingencies	36.5	20.0	20.0	14.9	17.6
Increase to Reserves	2.0	0.0	0.0	0.0	19.6
Total Requirements[2]	$3,100.8	$3,119.8	$3,228.4	$3,325.4	$3,511.4
AVAILABLE FUNDS					
Use of Fund Balance and Reserves	$76.8	$67.7	$84.9	$0.0	$0.0
Estimated Revenues:					
Property Taxes	280.2	300.9	303.0	313.4	333.9
Other Taxes	25.0	24.0	21.0	3.4	4.6
Licenses, Permits and Franchises	17.5	18.3	18.1	19.1	20.8
Fines, Forfeitures and Penalties	44.4	39.5	38.4	60.1	62.5
Use of Money and Properties	16.6	10.5	11.4	26.5	28.2
Aid from Other Governmental Agencies:					
State	1,356.1	1,357.4	1,407.1	1,462.5	1,547.9
Federal	615.3	634.1	627.5	681.6	718.6
Charges for Current Services	528.9	523.4	562.7	596.1	627.3
Other Revenues	139.9	144.0	154.3	152.7	167.6
Total Available Funds[2]	$3,100.8	$3,119.8	$3,228.4	$3,325.4[3]	$3,511.4[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) Column numbers may not add up to totals due to rounding.
(3) Includes use of reserves of $18.5 million in Fiscal Year 2018-19 and $20.5 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.

Riverside County Treasurer's Pooled Investment Fund

The County Treasurer maintains one Pooled Investment Fund (the "PIF") for all local jurisdictions having funds on deposit in the County Treasury. As of February 29, 2020, the portfolio assets comprising the PIF had a market value of $7,341,926,889.86.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer. On June 30, 2019, 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 81.91% of the funds on deposit in the County Treasury, while approximately 18.09% 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 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 2020 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 allocation of the investments in the PIF as of February 29, 2020 were as follows (numbers may not add up due to rounding of individual components):

	Balance (in thousands)	***% of Pool***
U.S. Treasury Securities	$ 815,383.29	11.15%
Federal Agency Securities	3,516,415.17	48.07
Cash Equivalent & Money Market Funds	992,023.97	13.56
Commercial Paper	1,142,478.48	15.62
Negotiable Certificates of Deposits	613,000.00	8.38
Medium Term Notes	82,836.63	1.13
Municipal Notes	153,456.23	2.10
Certificates of Deposit	-	-
Repurchase Agreements	-	-
Local Agency Obligations (1)	40.00	0.001
Total Book Value	$ 7,315,633.79	100.00%

Book Yield:	1.80%
Weighted Average Maturity:	1.156 Years

(1) Represents County obligations issued by Riverside District Court Financing Corporation.
Source: County Treasurer-Tax Collector.

As of February 29, 2020, the market value of the PIF was 100.36% 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 County Finance Director, 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 has obtained a rating on the PIF of "Aaa-bf" from Moody's Investors Service and "AAAf/S1" rating from Fitch Ratings. 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.

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 $38.63 administrative cost, a $36.77 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.

The following tables set forth the secured property tax roll and the unsecured property tax roll of the County for Fiscal Year 2009-10 through Fiscal Year 2019-20.

TABLE 13

COUNTY OF RIVERSIDE
***AD VALOREM* PROPERTY TAXES - LEVIES AND COLLECTIONS**
FISCAL YEARS 2009-10 THROUGH 2019-2020
SECURED PROPERTY TAX ROLL[1]

Fiscal Year	*Secured Property Tax Levy*	*Current Levy Delinquent June 30*	*Percentage of Current Taxes Delinquent June 30[2]*	*Total Collections[3]*	*Percentage of Total Collections to Current Levy[3]*
2009-10	$2,791,941,475	$139,427,699	4.99%	$2,957,072,395	105.91%
2010-11	2,698,915,858	95,454,538	3.54	2,826,336,496	104.72
2011-12	2,676,613,483	70,921,563	2.65	2,805,588,954	104.82
2012-13	2,677,034,057	58,215,544	2.17	2,800,820,511	104.62
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	1.53	3,152,661,477	104.59
2015-16	3,205,453,157	45,956,538	1.43	3,318,638,318	103.53
2016-17	3,368,109,165	45,522,477	1.35	3,486,155,109	103.50
2017-18	3,565,210,050	42,580,125	1.19	3,679,787,833	103.21
2018-19	3,762,000,301	71,213,196	1.89	3,768,906,901	100.18
2019-20	3,964,853,341	N/A	N/A	2,113,496,209[4]	N/A

(1) The Levy and Collection data reflect the 1% levy allowed under Article XIIIA 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 and prior years' redemptions, penalties and interest in current secured and unsecured taxes.
(4) As of January 1, 2020.
Source: County Auditor-Controller.

TABLE 14

UNSECURED PROPERTY TAX ROLL[1]

Fiscal Year	*Unsecured Property Tax Levy*	*Total Collections*[2]	*Percentage of Total Collections to Original Levy*[2]
2009-10	$88,118,784	$88,409,527	100.33%
2010-11	86,326,418	82,483,361	95.55
2011-12	83,904,478	84,157,603	100.30
2012-13	83,848,832	78,686,704	93.84
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	104,905,609	108.08
2019-20	103,243,149	101,351,175[3]	98.17[3]

(1) The Levy and Collection data reflect the 1% levy allowed under Article XIIIA 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' redemptions, penalties and interest in current secured and unsecured taxes.
(3) From July 1, 2019 to December 31, 2019.
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.

The following table sets forth the supplemental tax roll of the County for Fiscal Year 2008-09 through Fiscal Year 2019-20:

TABLE 15

COUNTY OF RIVERSIDE
SUMMARY OF SUPPLEMENTAL ROLL
***AD VALOREM* PROPERTY TAXATION**
FISCAL YEARS 2008-09 THROUGH 2019-20

Fiscal Year	*Tax Levy for Increased Assessments*(1),(2),(3)	*Refunds for Decreased Assessments*(1),(3)	*Net Supplemental Tax Levy*(2)	*Collections*(1),(2)
2008-09(4)	$60,817,712	$46,478,150	$14,339,562	$74,316,444
2009-10	27,019,730	35,212,651	(8,192,922)(5)	19,632,809
2010-11	34,612,092	27,686,887	6,925,205	16,813,302
2011-12	26,497,836	18,807,091	7,690,745	17,105,096
2012-13	35,389,177	16,720,188	18,668,989	23,487,988
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(6)	52,402,356	3,236,791	49,165,564	62,884,988(7)
2019-20	158,609(8)	121,599(8)	37,011(8)	10,955,740(9)

(1) These figures include tax levy, refunds and collections for all districts, including the County, cities, school districts, special districts and redevelopment agencies. Amounts are net of minimum tax less than $10.
(2) Includes current and prior years' taxes, redemption penalties and interest collected.
(3) Tax levy amounts are shown net of minimum tax less than $10 and refunds are shown net of refunds of negative supplemental taxes less than $10.
(4) Changes from prior years due to decrease in housing values and lower transaction volume. See discussion below, following the table of Assessed Valuation History by Category and Property Type.
(5) The negative tax levy is a result of refunds exceeding the billed amounts.
(6) The supplemental tax levy is lower in Fiscal Year 2018-19 than the prior year due to a new property tax system implementation. The stabilization phase of the system for the Assessor, Tax Collector and Auditor delayed processing of all supplemental transactions in a timely manner.
(7) Collections are higher than the supplemental levy due to collection of amounts levied in prior years.
(8) Consists primarily of supplemental corrections. Supplemental billings have not been processed since the beginning of Fiscal Year 2019-20 due to a program issue in the new property tax system.
(9) Consists of prior year collections from July 1, 2019 to December 31, 2019.
Source: County Auditor-Controller/County Treasurer and Tax Collector.

The following table sets forth the assessed valuation by category and property type for Fiscal Year 2015-16 through Fiscal Year 2019-2020:

TABLE 16

COUNTY OF RIVERSIDE
ASSESSED VALUATION HISTORY BY CATEGORY AND PROPERTY TYPE[(1)]
FISCAL YEARS 2015-16 THROUGH 2019-20
(IN MILLIONS)

Category	*2015-16*	*2016-17*	*2017-18*	*2018-19*	*2019-20*
SECURED PROPERTY:					
Land	$ 73,305	$ 76,443	$ 79,694	$ 83,726	$ 87,392
Structures	160,030	169,096	179,648	192,023	204,416
Personal Property	875	829	789	898	889
Utilities	4,768	5,350	5,327	5,461	5,591
Total Secured	$ 238,978	$ 251,718	$ 265,458	$ 282,108	$ 298,288
UNSECURED PROPERTY:					
Land	$ 9	$ 3	$ 4	$ 35	$ 2
Structures	193	133	115	109	82
Fixtures	3,543	3,738	3,791	4,108	4,225
Personal Property	3,736	4,082	4,166	4,612	4,921
Total Unsecured[(2)]	$ 7,481	$ 7,956	$ 8,076	$ 8,864	$ 9,230
GRAND TOTAL	$ 246,459	$ 259,674	$ 273,534	$ 290,972	$ 307,518

(1) Assessed valuation is reported as of July 1 of each year at 100% of full taxable value. Pursuant to Article XIIIA of the State Constitution (Proposition 13), property is valued for tax purposes at the 1975-76 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.

(2) Represents total of categories set forth above; does not represent total tax roll values.

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 most recent 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. In Fiscal Years 2014-15, 2015-16 and 2016-17, 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 from Fiscal Year 2014-15 to 2015-16 by approximately 5.78%, from Fiscal Year 2015-16 to 2016-17 by approximately 5.08%, from Fiscal Year 2016-17 to 2017-18 by approximately 5.52% and from Fiscal Year 2017-18 to 2018-19 by approximately 6.3%. Assessed valuation in the County is expected to increase by approximately 5.0% in Fiscal Year 2019-20 as compared to Fiscal Year 2018-19.

Property Tax Appeals. The County estimates that it has received assessment appeals applicable to Fiscal Year 2019-20 totaling approximately $11.9 billion of assessed value, although the County is still processing the case filings for Fiscal Year 2019-20 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 $345 million of assessed value was reduced from the County tax roll in Fiscal Year 2017-18 and Fiscal Year 2018-19 due to appeals, representing $3,450,000 in general purpose taxes over the two-fiscal year period. Approximately

2% of the Fiscal Year 2019-20 assessment appeals have been completed. The majority of the remaining Fiscal Year 2019-20 assessment appeals are expected to be completed by June 2021.

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 (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. In connection with its adoption of the Teeter Plan, the County advanced to the participating taxing agencies an amount equal to 95% of the total then-prior years' delinquent secured property taxes and 100% of the then-current year's secured roll levy. Supplemental taxes 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 2017-18, taxing agencies representing approximately 56.34% of the secured roll participated in the Teeter Plan. In Fiscal Year 2018-19, taxing agencies representing approximately 56.37% 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). The appropriate amount in the fund is determined by one of two methods: (1) an amount not less than 1% of the total amount of taxes and assessments levied on the secured roll for a particular year for entities participating in the Teeter Plan, or (2) an amount not less than 25% of the total delinquent secured taxes and assessments calculated as of the end of the fiscal year for entities participating in the Teeter Plan. Any amount in excess of the 1% or 25% level determined pursuant to either method of calculation may be credited to the County's General Fund. The County is currently governed by the first alternative, and this amount has consistently been sufficient to provide for any tax losses.

Since 1997, the County has issued taxable and tax exempt notes from time to time 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 outstanding with collections of prior years' taxes, funding the current year's advance and rolling over any unpaid amounts.

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. For the last five fiscal years the annual Teeter revenues averaged approximately $25.6 million. As the amount of delinquent taxes receivable has declined, the annual revenue available to the General Fund has been reduced. For Fiscal Year 2018-19, the net Teeter revenue to the County's General Fund was approximately $35.9 million. The Teeter Plan obligations are approximately $84 million in Fiscal Year 2019-20. The following table sets forth the aggregate principal amount of the Teeter Plan obligations issued in fiscal years 2009-10 through 2019-20.

TABLE 17

COUNTY OF RIVERSIDE
TEETER PLAN OBLIGATIONS ISSUED
FISCAL YEARS 2009-10 THROUGH 2019-20

Fiscal Year	*Principal Amount*
2009-10	$257,300,000
2010-11	206,805,000
2011-12	171,325,000
2012-13	142,840,000
2013-14	119,770,000
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

Source: County of Riverside.

The County accounts for the Teeter Plan in its audited financial statements by listing the amount of its 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. See APPENDIX B – "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019 – Note 6 Receivables."

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 Teeter notes be limited and no private or direct bank placements options be available, the County has two voluntary 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 is to have the PIF purchase the Teeter notes. Such Teeter notes have been purchased by the PIF in the past, beginning in 2001. 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. See "–Riverside County Treasurer's Pooled Investment Fund."

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. Lawfully available moneys in the County's General Fund are available for the repayment of Teeter notes, 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 General Fund account in which the County Pool is deposited to run a negative balance. The amount by which the balance in the General Fund account in which the County Pool is deposited may be negative is capped by the amount the County may 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 section allows such borrowings on an indefinite basis, stipulating repayment 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.

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Largest Taxpayers

The following table shows the 25 largest property taxpayers by individual tax levied in the County for Fiscal Year 2018-19:

TABLE 18

COUNTY OF RIVERSIDE
TWENTY-FIVE LARGEST TAXPAYERS IN FISCAL YEAR 2018-19
BY TAX LEVIED[(1)]

Taxpayer	*Total Taxes Levied*	*Percentage of Total Tax Charge*
LENNAR HOMES OF CALIF INC	$3,723,895.46	0.10%
COSTCO WHOLESALE CORP	3,568,178.20	0.09
RIVERSIDE HEALTHCARE SYSTEM	3,543,195.62	0.09
TYLER MALL LTD PARTNERSHIP	3,521,625.50	0.09
CHELSEA GCA REALTY PARTNERSHIP	3,443,780.12	0.09
GARDEN OF CHAMPIONS	3,174,037.70	0.08
WALGREEN CO	3,131,965.92	0.08
RORIPAUGH VALLEY RESTORATION	2,913,620.02	0.08
TARPON PROP OWNERSHIP 2	2,882,416.56	0.08
TARGET CORP	2,756,363.76	0.07
CASTLE & COOKE CORONA CROSSINGS	2,726,228.56	0.07
LOWES HIW INC	2,681,896.00	0.07
WAL MART REAL ESTATE BUSINESS TRUST	2,677,227.80	0.07
KAISER FOUNDATION HEALTH PLAN INC	2,523,803.14	0.07
ROSS DRESS FOR LESS INC	2,515,037.60	0.07
DUKE REALTY LTD PARTNERSHIP	2,461,110.36	0.07
WESTERN PACIFIC HOUSING INC	2,380,796.72	0.06
UNIVERSITY PARK INV	2,246,314.54	0.06
PARDEE HOMES	2,168,726.84	0.06
TEMECULA TOWNE CENTER ASSOC	2,053,514.70	0.05
FIRST INDUSTRIAL	2,034,090.60	0.05
CALATLANTIC GROUP INC	1,971,132.96	0.05
ROHR INC	1,909,555.74	0.05
WESTERN A WEST CA	1,889,108.06	0.05
NEWAGE DESERT SPRINGS	1,887,414.90	0.05
Total	**$66,785,037.38**	**1.78%**
Total Secured Tax Charge for 2018-2019	**$3,761,995,618.38**	

(1) Includes secured property.
Source: County Treasurer and Tax Collector.

The 10 largest property owners in the County by assessed value for all properties, for Fiscal Year 2018-19 are shown below:

TABLE 19

COUNTY OF RIVERSIDE
TEN LARGEST PROPERTY OWNERS IN FISCAL YEAR 2018-19
BY ASSESSED VALUE

Assessee	***Assessed Value***
EISENHOWER MEDICAL CENTER	$548,217,650
KAISER FOUNDATION HOSPITALS	413,233,468
COSTCO WHOLESALE CORP	402,124,889
CALIFORNIA BAPTIST UNIVERSITY	369,636,700
DUKE REALTY LTD PARTNERSHIP	322,701,883
RIVERSIDE HEALTHCARE SYSTEM	320,627,868
FIRST INDUSTRIAL	315,766,205
ROSS DRESS FOR LESS INC	300,793,211
KAISER FOUNDATION HEALTH PLAN INC	299,053,424
WALGREENS CO	281,542,289
Subtotal	$3,573,697,587
All Others	$299,201,674,536
Total	$302,775,372,123 [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 Fiscal Year 2018-19, the County retained approximately 18% of the total amount collected (and is budgeted to retain 18% in Fiscal Year 2019-20 and 18% in Fiscal Year 2020-21). 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. In effect, local taxing authorities other than the 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 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 net effect of the formation of a redevelopment area is to redistribute tax revenues away from the AB 8 formula. Redevelopment agencies generally receive the majority of the taxes to be allocated. Other taxing entities may receive a portion of the tax revenue pursuant to agreements negotiated with the redevelopment agency.

The following table summarizes the community redevelopment agencies' frozen base value, full cash value increments, and total tax allocations for Fiscal Years 2009-10 through 2019-20.

TABLE 20

**COUNTY OF RIVERSIDE
COMMUNITY REDEVELOPMENT AGENCIES'
FROZEN BASE VALUE, FULL CASH VALUE INCREMENTS
AND TOTAL TAX ALLOCATIONS
FISCAL YEARS 2009-10 THROUGH 2019-20**

Fiscal Year	*Frozen Base Value*	*Full Cash Value Increments*[(1)]	*Total Tax Allocations*[(2)(3)]
2009-10	$15,256,883,605	$62,342,584,603	$630,001,609
2010-11	15,980,487,099	58,188,212,570	586,318,387
2011-12	16,272,503,279	56,687,373,841	598,655,064
2012-13	16,352,697,201	56,178,718,338	594,476,134
2013-14	16,352,697,201	58,479,843,303	688,683,052
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

(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 community 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 community redevelopment agencies, subject to certain negotiated agreements with taxing entities for a share of the property tax increment.
(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 $11,119,776 in residual funds for Fiscal Year 2018-19, and is budgeting to receive approximately $10,439,917 in residual funds for Fiscal Year 2019-2020.

In Fiscal Years 2017-18 and 2018-19, the County received approximately $107 million and $116 million, respectively, in pass-through payments pursuant to agreements with various city redevelopment agencies. The County is projected to receive approximately $118 million in Fiscal Year 2019-20. 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.

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 and fiduciary 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 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.

As part of the County's county-wide financial assessment and efficiency analysis, the County has undertaken a review of the operation of sub-funds within its accounting system. 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. As part of such review, the County is evaluating the timing of the revenue recognition associated with programs for which sub-funds have been established. 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 2018-19 were audited by Brown Armstrong Accountancy Corporation. See APPENDIX B — "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

The following table sets forth the County's Statement of Revenues, Expenditures and Change in Unreserved Funds Balances-General Fund for Fiscal Year 2014-15 through 2018-19.

TABLE 21

COUNTY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES – GENERAL FUND
FISCAL YEARS 2014-15 THROUGH 2018-19
(In Thousands)

	2014-15	*2015-16*	*2016-17*	*2017-18*	*2018-19*
BEGINNING FUND BALANCE	$ 364,676[(1)]	$ 395,389	$ 371,510	$ 348,231	$ 369,582
REVENUES					
Taxes	267,708	279,945	292,674	303,836	326,991
Licenses, permits and franchises	17,829	19,100	18,400	19,142	19,989
Fines, forfeiture sand penalties	77,770	73,198	67,689	64,525	64,521
Use of money and property–Interest	4,372	6,728	7,893	16,727	23,197
Use of money and property–Rents and concessions	7,758	10,491	13,391	13,552	12,244
Government Aid–State	1,224,095	1,238,292	1,280,127	1,328,912	1,404,112
Government Aid–Federal	542,934	572,267	589,905	596,949	567,753
Governmental Aid-Other	94,217	97,888	104,043	110,656	117,264
Charges for current services	431,323	465,333	460,539	481,245	499,566
Other revenues	34,851	20,069	46,355	44,273	49,682
TOTAL REVENUES	$2,702,857	$2,783,311	$2,881,016	$2,979,817	$3,103,437
EXPENDITURES					
General government	$ 109,900	$ 113,779	$ 133,217	$ 130,989	$ 118,662
Public protection	1,189,466	1,256,765	1,317,038	1,328,734	1,382,395
Public ways and facilities	8	-	-	-	-
Health and sanitation	478,047	468,272	494,771	543,976	558,905
Public assistance	865,309	918,963	920,185	916,191	934,641
Education	590	669	643	628	678
Recreation and cultural	317	325	354	483	1,959
Capital Outlay	54,5292	11,829	64,2893	6,486	6,287
Debt service	12,877	20,755	12,558	17,357	23,422
TOTAL EXPENDITURES	$2,711,043	$2,791,357	$2,943,055	$2,944,844	$3,026,949
Excess (deficit) of revenues over (under) expenditures	(8,186)	(8,046)	(62,039)	34,973	76,488
OTHER FINANCING SOURCES (USES)					
Transfer from other reserves	$ 87,924	$ 114,185	$ 113,509	$ 108,979	$114,208
Transfer to other funds	(103,554)	(141,847)	(139,043)	(129,087)	(154,164)
Capital Leases	54,529[(2)]	11,829	64,289[(3)]	6,486	6,287
Total other Financing Sources (Uses)	$ 38,899	$ (15,833)	$ 38,760	$ (13,622)	$ (33,669)
NET CHANGE IN FUND BALANCES	$ 30,713	$ (23,879)	$ (23,279)	$ 21,351	$ 42,819
FUND BALANCE, END OF YEAR[(1)]	$ 395,389	$ 371,510	$ 348,231	$ 369,582	$ 412,401

(1) Restated.
(2) Increases in capital outlay and capital leases expenditures in Fiscal Year 2014-15 primarily reflect costs related to a capital lease for the County Sheriff and the construction of the Riverside County Law Building for the Riverside Economic Development Agency.
(3) Increases in capital outlay and capital lease expenditures in Fiscal Year 2016-17 primarily reflect costs related to a capital lease for a solar panel project.

Source: County Auditor-Controller.

The following table sets forth the County's General Fund balance sheets for Fiscal Years 2014-15 through 2018-19.

TABLE 22

COUNTY OF RIVERSIDE
GENERAL FUND BALANCE SHEETS
AT JUNE 30, 2014 THROUGH JUNE 30, 2019
(In Thousands)

	2014-15	*2015-16*	*2016-17*	*2017-18*	*2018-19*
ASSETS:					
Cash & Marketable Securities	$133,487	$135,255	$ 94,866	$123,884	$207,950
Taxes Receivable	9,243	9,772	9,182	9,025	10,499
Accounts Receivable	10,846	14,674	13,865	12,484	15,111
Interest Receivable	785	2,002	2,295	6,560	9,624
Advances to Other Funds	7,442	7,369	7,369	4,869	4,869
Due from Other Funds	11,854	9,355	9,489	11,242	9,961
Due from Other Governments	317,901	345,183	363,548	380,479	343,679
Inventories	1,638	2,006	1,981	2,360	2,087
Prepaid items	--	--	--	781	-
Restricted Assets	358,985	332,543	365,394	395,407	411,861
Total Assets	$852,181	$858,159	$ 867,989	$947,091	$1,015,641
LIABILITIES:					
Accounts Payable	$ 24,756	$ 28,234	$ 29,801	$ 38,969	$39,870
Salaries & Benefits Payable	79,116	99,724	104,327	103,293	107,031
Due To Other Funds	2,172	3,247	865	1,551	107,031
Due to Other Governments	32,894	51,497	65,120	76,507	64,974
Deferred Revenue	48,535	50,155	--	–	
Deposits Payable	43	52	76	35	28
Advances from other funds	--	--	--	–	–
Advances from grantors and third parties	269,276	253,740	268,007	305,318	318,534
Total Liabilities	$456,792	$486,649	$468,196	$525,673	$543,783
FUND BALANCE:					
Nonspendable	$ 2,001	$ 2,369	$ 2,314	$ 3,470	$ 2,416
Restricted	122,967	99,639	95,130	95,881	102,288
Committed	39,422	40,310	21,907	23,290	18,320
Assigned	5,144	11,870	10,989	12,464	14,196
Unassigned	225,855	217,322	217,891	234,477	275,181
Fund Balance	$395,389	$ 371,510	$ 348,231	$369,582	$412,401
Total Liabilities and Fund Balance	$852,181	$ 858,159	$ 867,989	$947,091	$1,015,641

Source: County Auditor-Controller.

The following table sets forth the County's General Fund balances as of June 30 for Fiscal Years 2009-10 through 2018-19 based on classification.

TABLE 23

COUNTY OF RIVERSIDE
GENERAL FUND BALANCES
AT JUNE 30, 2010 THROUGH JUNE 30, 2019
(In Thousands)

	Reserved	***Unreserved***				***Total***
2010	$90,374	$296,112				$386,486
	Nonspendable	***Restricted***	***Committed***	***Assigned***	***Unassigned***	***Total***
2011(1)	$ 2,214	$ 98,552	$ 50,097	$ 3,463	$189,236	$343,562
2012	1,834	101,651	52,439	8,764	171,910	336,598
2013	3,247	101,440	42,183	10,460	199,919	357,249
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

(1) As of June 30, 2011, the County's financial statements reported fund balance in accordance with GASB Statement No. 54, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.
Source: County Auditor-Controller.

Short-Term Obligations of County

On July 1, 2019, the County issued its 2019 Tax and Revenue Anticipation Note (the "2019 TRAN") in the principal amount of $340,000,000 to provide funds to meet the County's Fiscal Year 2019-20 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions. The 2019 TRAN is due on June 30, 2020. The 2019 TRAN is payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County's 2019-20 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 2019 Teeter Notes (defined below) and are not available to pay debt service on the 2019 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 2020 Tax and Revenue Anticipation Note (the "2020 TRAN") in July 2020 in an amount to be determined by the County Board of Supervisors to provide funds to meet the County's Fiscal Year 2020-21 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions, consistent with past practice. The 2020 TRAN will be payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County's 2020-21 Fiscal Year which are legally available for the payment thereof.

On October 23, 2019, the County issued its $84,113,000 2019 Series A Teeter Obligation Notes (Tax-Exempt) (the "2019 Teeter Notes") to refund the County's 2018 Series A Teeter Obligation Notes and to fund an advance of unpaid property taxes for Revenue Districts participating in the County's Teeter Plan. See "—Teeter Plan" above. The 2019 Teeter Notes are due on October 22, 2020. The 2019 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, 2019 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 February 1, 2020, the County had $767,453,584 in direct General Fund obligations and $243,850,000 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 February 1, 2020. 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 24

COUNTY OF RIVERSIDE
ESTIMATED DIRECT AND OVERLAPPING OBLIGATIONS
(AS OF FEBRUARY 1, 2020)

2019-20 Assessed Valuation: $301,528,883,809 (includes unitary utility valuation)

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 2/1/2020
Metropolitan Water District	6.349%	$ 3,050,695
Community College Districts	1.180-100.	866,213,562
Unified School Districts	1.177-100.	3,204,434,292
Perris Union High School District	100.	246,840,871
Elementary School Districts	100.	131,359,028
City of Riverside	100.	7,795,000
Eastern Municipal Water District Improvement Districts	100.	30,285,000
Riverside County Flood Control, Zone 4 Benefit Assessment District	100.	12,530,000
San Gorgonio Memorial Hospital District	100.	106,565,000
Community Facilities Districts	50.225-100.	3,038,038,061
Riverside County 1915 Act Bonds	100.	1,010,000
City and Special District 1915 Act Bonds (Estimated)	100.	167,073,850
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$7,815,195,359
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	**100. %**	**$ 767,453,584**
Riverside County Pension Obligations	**100.**	**243,850,000**
School Districts General Fund and Lease Tax Obligations	1.177-100.	517,414,816
City of Corona General Fund Obligations	100.	34,916,865
City of Moreno Valley General Fund Obligations	100.	78,459,000
City of Indio General Fund and Judgment Obligation Bonds	100.	50,440,000
City of Palm Springs Certificates of Participation and Pension Obligation Bonds	100.	119,910,685
City of Riverside Certificates of Participation	100.	212,661,243
City of Riverside Pension Obligation Bonds	100.	66,120,000
Other City General Fund Obligations	100.	79,409,582
Other Special District Certificates of Participation	100.	9,110,414
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$2,179,746,189
Less: Riverside District Court Financing Corporation (100% supported from U.S. General Services Administration)		**884,743**
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$2,178,861,446
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$2,105,217,154
GROSS COMBINED TOTAL DEBT		$12,100,158,702 (1)
NET COMBINED TOTAL DEBT		$12,099,273,959

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

Overlapping Tax and Assessment Debt 2.59%
Combined Gross Direct Debt ($1,011,303,584) 0.34%
Combined Net Direct Debt ($1,010,418,841) 0.34%
Gross Combined Total Debt 4.01%
Net Combined Total Debt 4.01%

Ratios to Successor Agency Redevelopment Incremental Valuation ($83,897,507,384):

Total Overlapping Tax Increment Debt 2.51%

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 February 1, 2020. In addition, as discussed below under "—Facilities Lease Agreements," the County has other substantial lease obligations payable from the General Fund.

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TABLE 25

COUNTY OF RIVERSIDE
SUMMARY OF PUBLICY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF FEBRUARY 1, 2020))

	Final Maturity Year	*Original Lease Amount*	*Outstanding Obligations*	*Annual Base Rental*
Riverside County Hospital Project, Leasehold Revenue Bonds:				
1997 Series A	2026	$41,170,073	$29,123,111	
2012 Series A and B[(1)]	2029	90,530,000	31,135,000	$ 20,750,400 [(1)]
County of Riverside 1990 Taxable Variable Rate Certificates of Participation (Monterey Avenue)	2020	8,800,000	800,000	872,000 [(2)]
County of Riverside Certificates of Participation (2009 Larson Justice Center Refunding)[(3)]	2021	24,680,000	7,130,000	2,602,200
Riverside District Court Financing Corporation (United States District Court Project):				
Series 1999	2020	24,835,000	844,473	
Series 2002	2020	925,000	40,000	917,521 [(4)]
County of Riverside Leasehold Revenue Bonds (Southwest Justice Center Project) 2008 Series A[(5)]	2032	78,895,000	62,040,000	6,608,162
County of Riverside Certificates of Participation (2009 Public Safety Communication and Woodcrest Library Refunding Projects)[(6)]	2039	45,685,000	19,955,000	14,029,454
County of Riverside Monroe Park Building 2011 Lease Financing	2020	5,535,000	660,000	677,523
County of Riverside Certificates of Participation (2012 County Administrative Center Refunding Project)[(7)]	2031	33,360,000	23,065,000	2,531,613
County of Riverside Public Financing Authority (2012 Lease Revenue Refunding Bonds)[(8)]	2033	17,640,000	12,355,000	1,367,925
County of Riverside Leasehold Revenue Bonds (2013 Series A Public Defender/Probation Bldg. and Riverside County Technology Solution Center Projects)	2043	66,015,000	48,055,000[(9)]	3,464,163
County of Riverside Lease Revenue Bonds (Courts Facilities Project), Series 2014 A & 2014 B (Taxable)[(10)]	2033	18,495,000	7,405,000	714,825
County of Riverside Public Financing Authority (2015 A Lease Revenue Bonds)	2045	325,000,000	308,225,000	20,966,600
County of Riverside Infrastructure Financing Authority (2015 A Lease Revenue Refunding Bonds)[(11)]	2037	72,825,000	61,330,000	6,009,381
County of Riverside Infrastructure Financing Authority (2016 A & 2016 A-T Lease Revenue Refunding Bonds)[(12)]	2031	39,985,000	33,700,000	3,531,325
County of Riverside Infrastructure Financing Authority (2017 A Lease Revenue Refunding Bonds) [(13)]	2044	46,970,000	44,655,000	2,785,863
County of Riverside Infrastructure Financing Authority (2017 B & 2017 C Lease Revenue Bonds) [(14)]	2047	22,205,000	21,145,000	1,402,575
County of Riverside Asset Leasing Corporation (2019 A Technology Refunding Projects)[(15)]	2043	12,875,000	12,875,000	766,691
TOTAL		$976,425,073	$676,482,584	$ 89,998,211

(1) Total annual base rental for Riverside County Hospital Project, Leasehold Revenue Bonds. The 2012 Series A and B Bonds refunded the 1997 B Bonds. A portion of the proceeds of the 2012 Bonds was used to redeem the 1997 B Bonds and the remaining proceeds were used to pay for improvements of the Medical Center Campus.
(2) Annual base rental estimated at assumed interest rate of 9.00%. The average interest rate for the twelve-month period ending February 1, 2020 was approximately 2.14%.
(3) The 2009 Larson Justice Center Refunding Project Refunded the 1998 Larson Center Refunding Project.
(4) Total annual base rental for Riverside District Court Financing Corporation (United States District Court Project).
(5) The 2008 Series A refunded the 2000 Series B SWJC Project.
(6) The 2009 Public Safety Communication and Woodcrest Library Refunding Project refunded the 2007B Public Safety Communication Refunding Project and the 2006 Capital Appreciation Notes.
(7) The 2012 County Administrative Refunding Project refunded the 2001 County Administrative Annex Project.
(8) The 2012 Public Financing Authority Lease Revenue Refunding Bonds refunded the 2003A Palm Desert Financing Authority Lease Revenue Bonds.
(9) Approximately $11,160,000 was refunded with proceeds of the County of Riverside Asset Leasing Corporation (Technology Refunding Projects) Series 2019A Bonds.
(10) The 2014 Series A & B (Taxable) County of Riverside Lease Revenue Bonds refunded the County of Riverside Certificates of Participation (Capital Facilities Project) 2003 Series B, County of Riverside Certificates of Participation (Historic Courthouse Project) 2003 Series A and the County of Riverside Court Financing Corporation Certificates of Participation (Bankruptcy Courthouse Acquisition Property).
(11) 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.
(12) 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.

(13) 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).
(14) 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.
(15) 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).
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 February 1, 2020. More information is provided below.

TABLE 26

COUNTY OF RIVERSIDE
SUMMARY OF NON-PUBLICY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF FEBRUARY 1, 2020))

	Year Incurred	*Final Maturity Year*	*Original Obligations**	*Annual Rent*
County and Corona Medical Arts Plaza, LLC (Corona Care Clinic)[1]	2017	2032	$42,573,904	$2,600,000
Jurupa Valley Medical Partners, LLC (Jurupa Valley Care Clinic)[2]	2017	2039	47,575,096	2,400,000
TC Riverside MOB, LLC (RUHS Medical and Surgical Outpatient Office Building)[3]	2017	2044	438,469,834	13.300,000
CFP Riverside, LLC (Libraries)[4]	2019	2051	42,115,000	2,036,188

(1) Annual payments escalate by 2.75% annually.
(2) Annual payments escalate by 2.00% annually.
(3) Annual payments escalate by 4.00% annually.
(4) Base rent is scheduled to commence in Fiscal Year 2021-22 at $2,036 million per year, escalating to $3.261 million in Fiscal Year 2050-51.
* As discussed below, the Leases for the Corona Care Clinic, Jurupa Valley Care Clinic, and the Libraries projects are comprised of an initial principal component and future interest and ongoing management/administrative expenses. The Lease for the RUHS Medical and Surgical Outpatient Office 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 Lease.
Source: County Executive Office.

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 4.92% to the Riverside County Economic Development Agency. 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 has commenced rental payments 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) is 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 4.92% to the Riverside County Economic Development Agency. 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. Currently, the initial year's lease payment (Fiscal Year 2020-21) is projected to be 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 4.92% to the Riverside County Economic Development Agency. 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. It is anticipated that construction of the Libraries will commence in April of 2020 with completion estimated to be in February 2021. Upon completion and delivery of the Libraries to the County, the County will commence making rental payments which is estimated to be on or about 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 is approximately $2.036 million, escalating to $3.261 million in Fiscal Year 2050-51.

Lease Lines of Credit

On December 15, 2015, the County entered into a $40 million multi-year lease line of credit with Banc of America Public Capital Corp., to finance various capital equipment needs of County departments. The County started using the initial line of credit on April 8, 2016, and exhausted the funds by September 26, 2017. The County then entered into an additional $20 million line of credit with Banc of America Public Capital Corp. with an option for an additional $20 million after the initial funds were exhausted. The County started using the additional line of credit on September 26, 2017 and exhausted the funds as of December 31, 2018. As of February 18, 2020, an aggregate of approximately $75,266,137 in capital costs remains outstanding for repayment for the two lease lines of credit with Banc of America. The County may utilize the lines of credit to finance capital assets for a period of 36 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.

On July 31, 2018, the County entered into a multi-year lease line of credit with Banc of America Public Capital Corporation, in the total amount of $50 million for capital purchases. On April 30, 2019, the Board of Supervisors approved the addition of $25 million to the line of credit as a result of needed medical equipment for the new county medical building. This provided a total of $75 million on the current lease line of credit. As of February 18, 2020, the County has drawn down $60,180,300 of the $75 million.

On April 9, 2020, the County's Debt Advisory Committee recommended the approval of a multi-year lease line of credit with Banc of America Public Capital Corporation, in the total amount of $40 million, for capital purchases. The Board of Supervisors is expected to consider entering into the line of credit at an upcoming meeting.

Capital Lease Purchase Agreements

On January 29, 2013, the County entered into a Master Equipment Lease Purchase Agreement with Banc of America Capital Corp. in the amount of $16,000,000 to finance the purchase and installation of Cisco voice, video, wireless and data converged network equipment to replace all of the County's phones, auto attendants, Interactive Voice Response System, call centers, voicemail and wireless networks. On June 25, 2013, the County entered into an amendment to the Master Equipment Lease Purchase Agreement to provide for an additional $3,000,000 in lease financing for additional equipment. As of February 1, 2020, no principal amount remained outstanding under the original lease and $500,000 principal amount remained outstanding under the first amendment to the lease, which are scheduled to be repaid in full by fiscal year 2021. On September 22, 2015, the County entered into a subsequent Master Equipment Lease Purchase Agreement to finance the last of the required equipment in an additional amount of $6,368,130 and which is scheduled to be repaid in full by fiscal year 2022. As of February 1, 2020, approximately $1,843,885 principal amount of this Master Equipment Lease Purchase Agreement remained outstanding.

On October 30, 2014, the County entered into a Lease Purchase Agreement with Banc of America Public Capital Corp. 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. As of March 31, 2017, the financing was restructured to a principal balance of $57,977,325. As of February 1, 2020, approximately $52,701,691 principal amount remained outstanding, which is scheduled to be repaid in full by August 30, 2035.

The following chart summarizes the County's outstanding equipment lease obligations:

TABLE 27

COUNTY OF RIVERSIDE
SUMMARY OF EQUIPMENT LEASE OBLIGATIONS
AS OF FEBRUARY 1, 2020

	Final Maturity Year	***Original Lease Amount***	***Outstanding Obligations***	***Annual Base Rental***
Master Equipment Lease Purchase Agreement (6/25/13)	2021	$3,000,000	$500,000	$500,000
Master Equipment Lease Purchase Agreement (9/22/15)	2022	$6,368,130	$1,866,804	$960,667
Lease Purchase Agreement – Solar Equipment	2035	$57,977,325[(1)]	$52,701,691	$3,527,127

[(1)] Original lease amount of $54,573,300 was restructured to a principal balance of $57,977,325.

Interest Rate Swap Agreements

The County adopted a written interest rate swap policy (the "Swap Policy") establishing the guidelines for the use and management of interest rate swaps as a method of lowering financing costs and reducing the risks associated with fluctuations in interest rates. The Swap Policy is reviewed annually to provide the appropriate internal framework to ensure that consistent objectives, practices, controls and authorizations are maintained to minimize the County's risk related to its debt portfolio.

Simultaneously with the issuance of the County's Leasehold Obligation Bonds (Southwest Justice Center Refunding) 2008 Series A, the County entered into an amended and restated interest rate swap agreement with a notional amount of $76,300,000. The interest rate swap agreement was novated in January 2012 to substitute Wells Fargo Bank, N.A. as the new counterparty (the "Counterparty"). Under the swap agreement, the County has an obligation to pay the Counterparty a fixed rate of 5.155 percent and the County receives 64 percent of one month LIBOR from the Counterparty. The bonds and the related swap agreement mature on November 1, 2032. The Counterparty was rated "Aa2" by Moody's, "A+" by Standard & Poor's and "AA-" by Fitch as of January 2020. Downgrade provisions specify that if the long-term senior unsecured debt rating of the Counterparty is withdrawn, suspended or falls below "BBB" (in the case of S&P) or "Baa2" (in the case of Moody's), the County or the party so downgraded is required to post collateral in the amount of its exposure. If the swap agreement is terminated and, at the time of such termination, the fair market value of the swap agreement is negative, the County would be liable to the Counterparty for a termination payment equal to the swap's fair market value. As of January 1, 2020, the swap agreement had a negative fair market value of $19,037,767.55 (based on the quoted market price from the Counterparty at such date).

The County's regularly scheduled swap payments are insured by Assured Guaranty Corp. The swap agreement provides that if an "Insurer Event" occurs, whereby the insurer fails at any time to have one out of two of the following ratings: (i) a claims-paying ability rating of "A-" or higher from S&P, or (ii) a financial strength rating of "A3" or higher from Moody's, and only in the event that the County's ratings have also been downgraded to below the threshold level of "Baa2" from Moody's and "BBB" from S&P, the County would be required, within one business day of receiving a notice from the Counterparty, to either (A) provide an alternate credit support document acceptable to the Counterparty from a credit support provider with a claims paying ability rating of at least "AA-" from S&P and a financial strength rating of at least "Aa3" from Moody's or an unenhanced rating on its unsecured unsubordinated long-term debt of at least "AA-" from S&P and at least "Aa3" from Moody's, or (B) give notice to the Counterparty that it will thereafter be subject to the ISDA Credit Support Annex as both a Secured Party and a pledgor in accordance with the terms of such ISDA Credit Support Annex. As of February 1, 2020, Assured Guaranty Municipal Corp. had a rating of "AA" by S&P, "A2" from Moody's and "AA+" from Kroll (KBRA). An explanation of the significance of the above ratings may be obtained from the applicable rating agency.

In July 2017, the United Kingdom's Financial Conduct Authority (the "LIBOR Regulator") announced that it may discontinue the use of LIBOR by 2021. The County is unable to predict what benchmark rate will replace LIBOR for purposes of the swap agreement or the effect such replacement will have on the value of the swap agreement. The Counterparty has informed the County (a) that banking regulators across the globe have directed the market to prepare for LIBOR no longer existing by the end of 2021, (b) that date is based on an agreement that the LIBOR Regulator has with the panel banks to continue submitting LIBOR estimates through the end of 2021, (c) even before LIBOR stops being published, regulators may announce that it is no longer representative of the relevant underlying markets, which could affect the market's ability to continue using an "unrepresentative" benchmark, and (d) the timing of any of these developments is uncertain and may vary across different currencies and tenors in which LIBOR is currently produced and may differ from other interest rate benchmarks.

Employees

The following table sets forth the number of County employees for calendar years 2010 through 2020.

TABLE 28

COUNTY OF RIVERSIDE
REGULAR EMPLOYEES
2010 THROUGH 2020

Year	***Regular Employees***[(1)]
2010	17,671
2011	17,764
2012	17,815
2013	18,728
2014	18,620
2015	19,244
2016	19,404
2017	19,409
2018	19,102
2019	19,569
2020	19,746

(1) As of December 31st of each year for years 2009 through 2019; as of February 1, 2020 for year 2020. Excludes temporary and per diem employees.
Source: County Human Resources Department.

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 67% 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.

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

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TABLE 29

COUNTY OF RIVERSIDE
LABOR ORGANIZATIONS[1]

Bargaining Units or Employee Group	*Number of Employees[2]*	*Expiration Date of Contract*
Management, Confidential, and Other Unrepresented	1,490	N/A
Law Enforcement Management Unit (LEMU)	440	December 31, 2020
Riverside County Deputy District Attorneys' Association (RCDDAA)	372	June 30, 2017[3]
Riverside Sheriffs' Association (RSA) LEU/Corrections	2,440	December 16, 2024
Riverside Sheriffs' Association Public Safety Unit (RSA)	567	December 16, 2024[3]
Service Employees International Union (SEIU)	7,165	January 29, 2024
Service Employees International Union (SEIU) Per Diem Unit	324	November 30, 2019[3]
Laborers' International Union of North America (LIUNA)	7,132	March 28, 2021
In-Home Supportive Services (IHSS)	N/A[4]	October 7, 2022
Total	19,930	

(1) Includes all County districts.
(2) As of January 1, 2020. Excludes temporary, per diem and seasonal employees. Includes (SEIU) Per Diem Unit.
(3) The County is currently in negotiations with such labor organization for a new labor contract and will continue operating under the terms of the expired contract until a new contract is in place or the terms of the County's last, best and final offer are imposed.
(4) 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. The consumer of the services has the right to hire, train, supervise and terminate the home care workers who assist them.
Source: County Human Resources Department.

In recent years, the bargaining units and employee groups received cost of living adjustments equivalent to 2.71% per year. In the most recent contracts, increases of 2% to 10% 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. Anniversary increases will occur in 4% increments. In order to make the County more competitive in the market, the County eliminated a range of bottom steps from each classification. The County believes that its 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 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 recent pension reform, the County's retirement plan currently includes three tier levels of benefits.

TABLE 30

COUNTY OF RIVERSIDE
EMPLOYEES PER RETIREMENT TIER[1]
(As of January 1, 2020)

Tier Level	*Number of Employees in Tier Level*
Tier 1	10,813
Tier 2	767
Tier 3	8,074
Total	19,564

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

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). 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 Basic Financial Statements, June 30, 2019, which are included in APPENDIX B — "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019."

The Board of Supervisors approved a second tier ("Tier II") level of retirement benefits for new Miscellaneous and Safety employees and on August 23, 2012, the County implemented a Tier II retirement benefit applicable to employees first employed by the County after 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 was 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 (thus, the actuarial valuation delivered to the County in July 2019 that dictates the County contributes for Fiscal Year 2020-21 covered CalPERS' Fiscal Year 2017-18). 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 % of covered payroll). This change addresses 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. The County's contribution rates derived from the actuarial valuation as of June 30, 2018, which was prepared in July 2019, is effective for the County's Fiscal Year 2020-21. 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, 2018, 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 2018 valuation sets the FY2020/21 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, ½ 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, 2018, the County's UAAL has approximately 20 layers with between 11 and 30 years remaining in their repayment schedules. New UAAL arising June 30, 2019 and later will be amortized and repaid over a period of 20 years with the dollar amounts of each schedule level after an initial 5-year phase in period.

In calculating the plan costs, CalPERS uses many actuarial assumptions. Most significantly, future investment return is assumed to be 7.00% per year, net of both investment and administrative expenses. (Note that for financial reporting purposes under GASB Statement 68, the assumed rate of return is 7.15% which is net of only investment expenses.) The underlying inflation rate is 2.5%. Demographic assumptions are based on studies of actual member experience, and include 15 years of projected mortality improvement.

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

On November 18, 2015, the CalPERS Board adopted a Funding Risk Mitigation Policy. The Policy seeks to reduce CalPERS funding risk over time. A mechanism will be established to reduce the discount rate, or assumed rate of return, by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the existing discount rate by at least two percentage points. At the same time, CalPERS strategic asset allocation targets will be adjusted to reduce risk. The policy will incrementally lower the discount rate in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers.

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 Tier III member contribution rates for the Miscellaneous Plan are 7% and 6.5%, respectively. For the Safety Plan, the Tier I and Tier II member contribution rate is 9%, and the Tier III member contribution rate is 11.75%. 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, 2020, the required Safety Plan PEPRA member contribution rate will be 12.50% and the Miscellaneous Plan will be 7.25%.

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, 2018, the CalPERS actuary recommended an employer normal cost contribution rate of 11.673% (projected to be $141.7 million) be implemented as the required rate for Fiscal Year 2020-21, and an employer unfunded liability payment of $155.4 million, which the County anticipates will result in a contribution to CalPERS of approximately $297.0 million for that fiscal year. In addition, the County will pay CalPERS for the Miscellaneous Plan approximately $279.8 thousand in County Offsets of Employee Contributions for Fiscal Year 2020-21, which will result in a total contribution by the County to CalPERS for the Miscellaneous Plan for Fiscal Year 2020-21 of approximately $297.3 million. In the actuarial valuation for the Safety Plan as of June 30, 2018, the CalPERS actuary recommended an employer normal cost contribution rate of 21.095% (projected to be $70.9 million) be implemented as the required rate for Fiscal Year 2020-21, and an employer unfunded liability payment of $73.7 million, which the County anticipates will result in a contribution to CalPERS of approximately $144.5 million for that fiscal year. As of August 2016, the County no longer pays County Offsets of Employee Contributions to CalPERS for the Safety Plans. The County's total CalPERS contribution (Miscellaneous Plan and Safety Plan) for Fiscal Year 2020-21 is projected to be approximately $441.8 million. The County generally pays the unfunded liability payments early, at the beginning of each fiscal year, and receives a discount of ½ years' interest.

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 $218,000,000 as of February 1, 2020, with annual debt service payments of approximately $31,639,000. 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 Bartel Associates, LLC, the 2005 Pension Obligation Bonds have resulted in a net gain to the County of approximately $138.1 million as of February 15, 2020. A liability management fund was established in connection with the 2005 Pension Obligation Bonds. 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 Section 115 Supplemental Pension Trust in each future year.

The County established the Section 115 Pension Trust (the "Trust") was established in November 2016 with Public Agency Retirement Services (PARS) serving as the administrator, HighMark Capital Management as the investment manager, and, U.S. Bank National Association, as trustee. 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. Funds have since been dollar-cost averaged over time into the Trust and now total $30.3 million, as of January 31, 2020. Since inception, no funds have been drawn from the Trust.

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 from June 30, 2013 through June 30, 2018 and the total employer contributions of the County for Fiscal Year 2015-16 through Fiscal Year 2020-21. The two tables are based on CalPERS Actuarial Reports for those years:

TABLE 31

HISTORICAL FUNDING STATUS
(Safety Plan)

Valuation Date June 30	*Unfunded Accrued Liability*	*Funded Status (Market Value)*	*Affects County Contribution for Fiscal Year*	*County Contribution Amount*[(1)]	*County Offsets of Employee Contributions*
2013	$509,464,128	77.7%	2015-16	$80,459,918	$698,338
2014	517,389,969	80.2	2016-17	90,515,002	31,077[(2)]
2015	705,377,373	75.2	2017-18	97,043,553	0
2016	958,272,557	69.2	2018-19	117,148,524	0
2017	966,674,937	71.2	2019-20	133,860,833	0
2018	1,089,696,531	70.4	2020-21	144,542,181	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 pension obligation bonds, or otherwise.
(2) Reductions from prior years are due to staggered implementation of employee-paid retirement contributions beginning in Fiscal Year 2011-12. Beginning Fiscal Year 2014-15, the County stopped paying towards the employee contribution rate to CalPERS for the Safety Plans for Tier I and Tier II employees. As of August 2016, the County also stopped paying towards the employee contribution rate to CalPERS for Safety Plans for Tier III employees.
Source: CalPERS Actuarial Reports for June 30, 2013 through June 30, 2018 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

TABLE 32

HISTORICAL FUNDING STATUS
(Miscellaneous Plan)

Valuation Date June 30	***Unfunded Accrued Liability***	***Funded Status (Market Value)***	***Affects County Contribution for Fiscal Year***	***County Contribution Amount***[(1)]	***County Offsets of Employee Contributions***
2013	$1,034,364,773	79.3%	2015-16	$151,557,834	$292,900
2014	973,226,141	82.8	2016-17	178,554,572	290,401
2015	1,399,399,333	77.3	2017-18	183,911,209	315,000
2016	2,050,567,259	70.1	2018-19	224,862,038	280,475
2017	2,115,475,543	71.6	2019-20	265,021,457	355,161
2018	2,416,961,672	70.4	2020-21	297,035,219	279,810

(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 pension obligation bonds, or otherwise.

Source: CalPERS Actuarial Reports for June 30, 2013 through June 30, 2018 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

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

TABLE 33

SCHEDULE OF FUNDING PROGRESS
(Safety Plan)

Valuation Date June 30	***Accrued Liability[(2)] (a)***	***Market Value of Assets (b)***	***Unfunded Liability (a-b)***	***Funded Status (Market Value) (b/a)***	***Annual Covered Payroll (c)***	***Unfunded Liability as a Percentage of Payroll ((a-b)/c)***
2013	$2,285,586,497	$1,776,122,369	$509,464,128	77.7%	$271,367,032	187.7%
2014	2,615,686,777	2,098,296,808	517,389,969	80.2	295,171,068	175.3
2015	2,846,014,858	2,140,637,485	705,377,373	75.2	319,499,129	220.8
2016	3,110,254,402	2,151,981,845	958,272,557	69.2[(1)]	338,809,025	282.8
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

(1) As reported by CalPERS, decline due to a preliminary 0.61% net return on investments for the 12-month period that ended June 30, 2016.
(2) The discount rate was decreased to 7.00% in 2018 over 3 years, from 7.5% in 2015 and earlier.
Source: CalPERS Actuarial Reports for June 30, 2013 through June 30, 2018.

TABLE 34

SCHEDULE OF FUNDING PROGRESS
(Miscellaneous Plan)

Valuation Date June 30	*Accrued Liability* [2] *(a)*	*Market Value of Assets (b)*	*Unfunded Liability (a-b)*	*Funded Status (Actuarial Value) (b/a)*	*Annual Covered Payroll (c)*	*UAAL as a Percentage of Payroll ((a-b)/c)*
2013	$5,008,806,968	$3,974,442,195	$1,034,364,773	79.3%	$856,593,282	120.8%
2014	5,656,121,103	4,682,894,962	973,226,141	82.8	897,506,714	108.4
2015	6,174,498,346	4,775,099,013	1,399,399,333	77.3	1,000,223,148	139.9
2016	6,850,143,825	4,799,576,566	2,050,567,259	70.1[1]	1,090,295,411	188.1
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

(1) As reported by CalPERS, decline due to a preliminary 0.61% net return on investments for the 12-month period that ended June 30, 2016.
(2) The discount rate was decreased to 7.00% in 2018 over 3 years, from 7.5% in 2015 and earlier.
Source: CalPERS Actuarial Reports for June 30, 2013 through June 30, 2018.

The following table shows the percentage of salary which the County was responsible for contributing to CalPERS from Fiscal Year 2013-14 through Fiscal Year 2019-20 to satisfy its retirement funding obligations.

TABLE 35

SCHEDULE OF EMPLOYER CONTRIBUTION RATES

Valuation Date June 30	***Affects Contribution Rate for Fiscal Year:***	***Safety Plan***	***Employer Payment of Unfunded Liability***	***Miscellaneous Plan***	***Employer Payment of Unfunded Liability***
2013	2015-16	23.585%	N/A	15.429%	N/A
2014	2016-17	26.570	N/A	16.476	N/A
2015	2017-18	17.912[(1)]	$35,778,888	10.192[(1)]	$ 73,598,564
2016	2018-19	18.464	48,790,038	10.458	100,265,926
2017	2019-20	19.853	62,876,977	10.998	129,905,894
2018	2020-21	21.095	73,668,397	11.673	155,375,654

(1) Beginning in Fiscal Year 2017-18, CalPERS will collect 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 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 Reports for June 30, 2013 through June 30, 2018.

Projected County Contributions. As described above under "—General," in 2003 the County established the PARC, which annually prepares a report for the Board. PARC's 2020 Annual Report projects the following contribution to CalPERS (including both normal cost and UAAL amortization):

TABLE 36

PROJECTED COUNTY CONTRIBUTIONS
(Miscellaneous Plan)[(1)]

Fiscal Year	***County Rate***	***County Payment***
2019-20	23.9%	$294,100,000
2020-21	26.9	326,900,000
2021-22	28.3	353,200,000
2022-23	30.0	384,800,000
2023-24	31.0	408,700,000

(1) Projections are based on data from a report prepared by Bartel Associates, LLC dated September 24, 2019 and include debt service on the County's 2005 pension obligation bonds.

Source: PARC 2020 Annual Report.

TABLE 37

PROJECTED COUNTY CONTRIBUTIONS
(Safety Plan)[(1)]

Fiscal Year	*County Rate*	*County Payment*
2019-20	39.7%	$141,900,000
2020-21	45.5	152,900,000
2021-22	47.8	165,000,000
2022-23	50.3	178,400,000
2023-24	51.8	188,700,000

(1) Projections are based on data from a report prepared by Bartel Associates, LLC dated September 24, 2019 and include debt service on the County's 2005 pension obligation bonds.
Source: PARC 2020 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.

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. Based on the actuarial valuation of June 30, 2019, the County's current required contribution level is 1.87% to maintain a funded ratio of 80%. As of June 30, 2019, the DBPP was funded at 76.6%. The County's contribution to the DBPP was $667,952 for Fiscal Year 2016-17, and $1,341,340 for Fiscal Year 2017-18, and $815,531 for Fiscal Year 2018-19 and 831,825 for Fiscal Year 2019-20. The DBPP's unfunded liabilities as of June 30, 2019 were approximately $13,016,689. Overall, the DBPP's unfunded actuarial accrued-liability increased by approximately 15% from the prior valuation due to the net result of the following: 1) demographic experience was different than expected, primarily due to fewer terminations than expected, which resulted in a liability loss; 2) termination assumptions were updated to reflect the recent experience, resulting in an increase in liabilities; 3) lump sum conversion rate was decreased from 5.00% to 4.00% to reflect the current bond market conditions, resulting in an increase in liability; 4) assets were lower than expected due to unfavorable investment return on plan assets (4.66% actual compared to 6.0% assumed); and 5) mortality assumptions were updated to reflect the recent public mortality table Pub-2010 amount weighted for General employees, with generational future improvement scale MP-2019, resulting in an increase in liabilities.

Other Post-Employment Benefits. 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 County obtained an actuarial valuation of its Post-Employment Health Benefits obligations, calculated as of June 30, 2019 (the "Postretirement Benefits Plan"), prepared by Aon Hewitt. Based on the combination of plans and contribution levels that the County offers, assuming an investment rate of 6.73%, the present value of benefits was estimated to be $127.8 million, the accrued actuarial liability was estimated to be $103.1 million and the annual normal cost was $2.9 million. According to the Health Benefits Valuation, the County's funding contribution for Fiscal Year 2019-20 will be approximately $4.2 million and approximately $9.0 million in Fiscal Year 2020-21. The Health Benefits Valuation further provides that the June 30, 2019 plan liabilities and annual costs are higher than the prior valuation, primarily due to increased plan participation (i.e., retirees electing coverage) for CalPERS and RSA participants. As the past years higher elections caused an increase in liabilities, the assumption was also increased to reflect this recent experience, resulting in an increase in liabilities exceeding $15 million. Beyond the higher participation impact, July 1, 2019 unfunded AAL and costs are still slightly higher than expected based on a projection from the prior valuation, as a net result of the following factors: 1) a change to allow management groups to become eligible for CalPERS plans and 2) an update in the future plan participation assumption (i.e., retirees electing coverage), which both result in an increase in liability.

After consideration of the items above, the unfunded AAL and costs are lower than expected based on the following factors: 1) Discount rate increased from 6.73% to 7.01% due to the change in the CERBT expected return on assets, resulting in a decrease in liabilities. 2) Mortality assumptions were updated to reflect the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvement scale MP-2019, resulting in a decrease in liabilities. 3) Future healthcare premiums are lower than previously assumed, resulting in a decrease in liabilities. 4)Census experience was different than assumed. The past year's plan participation election experience was higher than assumed, resulting in an actuarial loss. 5)Investment return on assets was slightly higher than expected, resulting in a small asset gain. According to the Health Benefits Valuation, as of June 30, 2019, the County's OPEB funded ratio including implicit subsidy was 43.6% and excluding implicit subsidy was 81.5%.

The Board of Supervisors took action on October 25, 2006 to set aside $10 million as a contribution to the California Employers' Retiree Benefit Trust (the "OPEB Trust"). On November 7, 2007 the irrevocable OPEB Trust was established with CalPERS and a payment of $10.4 million was made to the OPEB Trust. On June 26, 2009, the County contributed an additional $2.2 million to the OPEB Trust. The pre-funding of OPEB through the use of the OPEB Trust allows the County to use different actuarial assumptions to determine the actuarial value of assets and liabilities, including assuming a higher rate of return on assets held in the OPEB Trust.

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.

Riverside University Health System - Medical Center

Riverside University Health System—Medical Center ("RUHS") is an approximately 520,000 square foot tertiary care and Level II trauma facility, licensed for 439 beds. There are 362 licensed beds in the main acute-care hospital and 77 licensed beds in a separate psychiatric facility. RUHS is serviced by nearly 3,500 healthcare professionals and support staff, and provides training to 1,000 medical residents and students and 2,500 nursing students annually. RUHS has 12 operating rooms including one with a da Vinci Xi surgical robot, a helipad located directly adjacent to the trauma center, and digital radiology services, including magnetic resonance imaging (MRI) and computerized tomography (CT), and 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, including hyperbaric oxygen treatments, and one of only ten emergency psychiatric hospitals in the State.

The County has the legal responsibility to provide health care to all individuals, regardless of their ability to pay or insurance status, and provides these services 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.

In response to several years of declining profitability and losses, in 2013, the County's Board of Supervisors retained Huron Consulting Group ("Huron") to provide consulting services designed to improve efficiencies and increase revenue at RUHS. The engagement is complete and suggested changes were implemented. Toward the end of the Huron engagement, the County completed restructuring efforts at RUHS through permanent hiring of a new executive team. The new leadership team developed and deployed a strategy to lock in recent fiscal improvement, improve operational efficiency and prepare for anticipated challenges. In each of the years following the completion of Huron's engagement, RUHS experienced net operating surpluses before pension adjustments ($54.7 million, $35.9 million, $9.3 million, $11.4 million and $3.0 million in Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18, and 2018-2019 respectively).

The original Huron engagement cost $26 million and was paid for with proceeds of a temporary transfer from the County's Waste Management Enterprise Fund. RUHS is required to repay the remaining balance due on the original $26 million cost, with interest calculated at the County's pool investment fund rate, in five annual installments which are to be paid over the five year period beginning June 2023 and ending in June 2027, reflecting a deferment for cash flow purposes of the original payment schedule that began in 2016 and ended in 2022. If RUHS is unable to repay this loan, any unpaid amounts will be transferred to the County's Waste Management Enterprise Fund from unencumbered amounts in the County's General Fund. Prior to the deferment period, RUHS made scheduled payments on the loan in the amount of $3,693,711 in both Fiscal Years 2015-16 and 2016-17. As of February 1, 2020, the outstanding principal amount of the loan is $18,468,858.

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 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.

In Fiscal Year 2017-18, RUHS commenced construction for new RUHS Medical and Surgical Outpatient Office Building to provide a full array of primary care and comprehensive ancillary services. The RUHS Medical and Surgical Outpatient Office Building is scheduled to open in March 2020. RUHS is partnering with a private developer to lease the buildings over twenty-five years with an estimated annual lease payment of $13.3 million. It is expected that, at the end of the lease, ownership of the buildings will transfer to RUHS. Additional expenses for equipping and furnishing the RUHS Medical and Surgical Outpatient Office Building are estimated at $40 million, of which $10 million is expected to be donated. The remaining cost was financed with a lease line of credit with Banc of America Public Capital Corporation. The County expects to contribute approximately $4.6 million in Fiscal Year 2019-20 from the General Fund to RUHS to pay for debt service related to the RUHS Medical and Surgical Outpatient Office Building.

For Fiscal Year 2019-20, consistent with its past practice, the County contributed approximately $10 million to RUHS from its tobacco settlement revenue receipts and $3 million in redevelopment pass through funds to pay for operating expenses and debt service on the main RUHS facility.

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 $5 million for each occurrence with a $2 million corridor (annual aggregate excess of the self-insured retention) and the balance (to $25 million for each occurrence) is insured through CSAC Excess Insurance Authority ("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 CSAC EIA, 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 CSAC EIA. Long-term disability income claims are fully insured by an independent carrier.

The CSA EIA property insurance program provides insurance coverage for all-risk subject to a $50,000 per occurrence deductible; flood coverage is subject to a $100,000 per occurrence deductible within a 100-year flood zone and a $50,000 deductible outside of a 100-year flood zone. In order to diversify risk, property exposure amongst 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 including 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.

Litigation

No litigation is pending, or, to the best knowledge of the County, threatened, concerning the validity of the Bonds or the Resolution, or contesting the County's ability to appropriate or make the repayment of the Bonds, 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 litigation arising from its assessment, levy and collection of the possessory interest tax on non-tribal members on tribal and U.S. trust lands. Approximately 510 taxpayers have filed two different lawsuits in Superior Court seeking refunds for such possessory interest taxes paid. The total amount claimed in the two cases is approximately $12,055,780, of which the County's share is approximately $2,170,040, plus interest and attorney's fees. The named Plaintiff, Heidi Herpel, also sought to certify a class for a class-action litigation seeking the refund of approximately $31,000,000 annually in possessory interest taxes for the past four years. The first case, *Heidi Herpel, et al. v. County of Riverside*, proceeded to trial where the County prevailed. The California Court of Appeal has ruled in favor of the County and issued a final judgment in favor of the County and against the plaintiffs. The plaintiffs are currently evaluating whether to proceed with a petition to the California Supreme Court.

The second case, *Leonard Albrecht et al. v. County of Riverside*, proceeded to trial in October 2018 where the County also prevailed. The *Albrecht* plaintiffs have also filed an appeal with the Court of Appeal. The *Albrecht* plaintiffs have not withdrawn their appeal in light of the Herpel ruling in favor of the County. Instead, the *Albrecht* plaintiffs have requested a thirty-day extension to file an opening brief. The County expects that this case will be fully briefed by the spring of 2020 with oral argument scheduled for late summer or early fall of 2020.

The County is also currently involved in litigation arising from its levy and collection of California's unitary tax. Pursuant to California's Revenue and Taxation Code, the State of California's Board of Equalization assesses certain properties as a "unit" for the purposes of tax valuation and relays those values to each county. Upon receipt of those valuations from the State, the County follows a formula set forth in the Revenue and Taxation Code and issues tax notices to various businesses. Recently, BNSF Railway filed a federal lawsuit against fifteen California counties, including the County, arising from the assessment and collection of the unitary tax. BNSF seeks an order from the federal court that would reduce the percentage collected to reflect a benchmark rate identified in 49 U.S.C. § 11501. In addition, AT&T, T-Mobile and Sprint have each filed lawsuits against the County seeking a refund of unitary taxes paid for 2014-2015. AT&T seeks approximately $1,000,000 in refunds for the 2014-2015 tax year. The County has not been served with the T-Mobile or Sprint lawsuits at this time but expects that they will be served shortly. AT&T also seeks a reduction in the unitary tax rate to reflect a lower rate that they believe is assessed against other business and commercial properties. AT&T further argues that the unitary tax rate cannot be higher than 1% as capped by Proposition 13.

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. As such, the County has issued notices to said districts pursuant to Revenue and Taxation Code §§ 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. The above-identified special districts have a right to intervene in the litigation. As of this date, it is unclear what, if any, impact there will be on debtholders that provide debt service to these special districts.

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APPENDIX B

THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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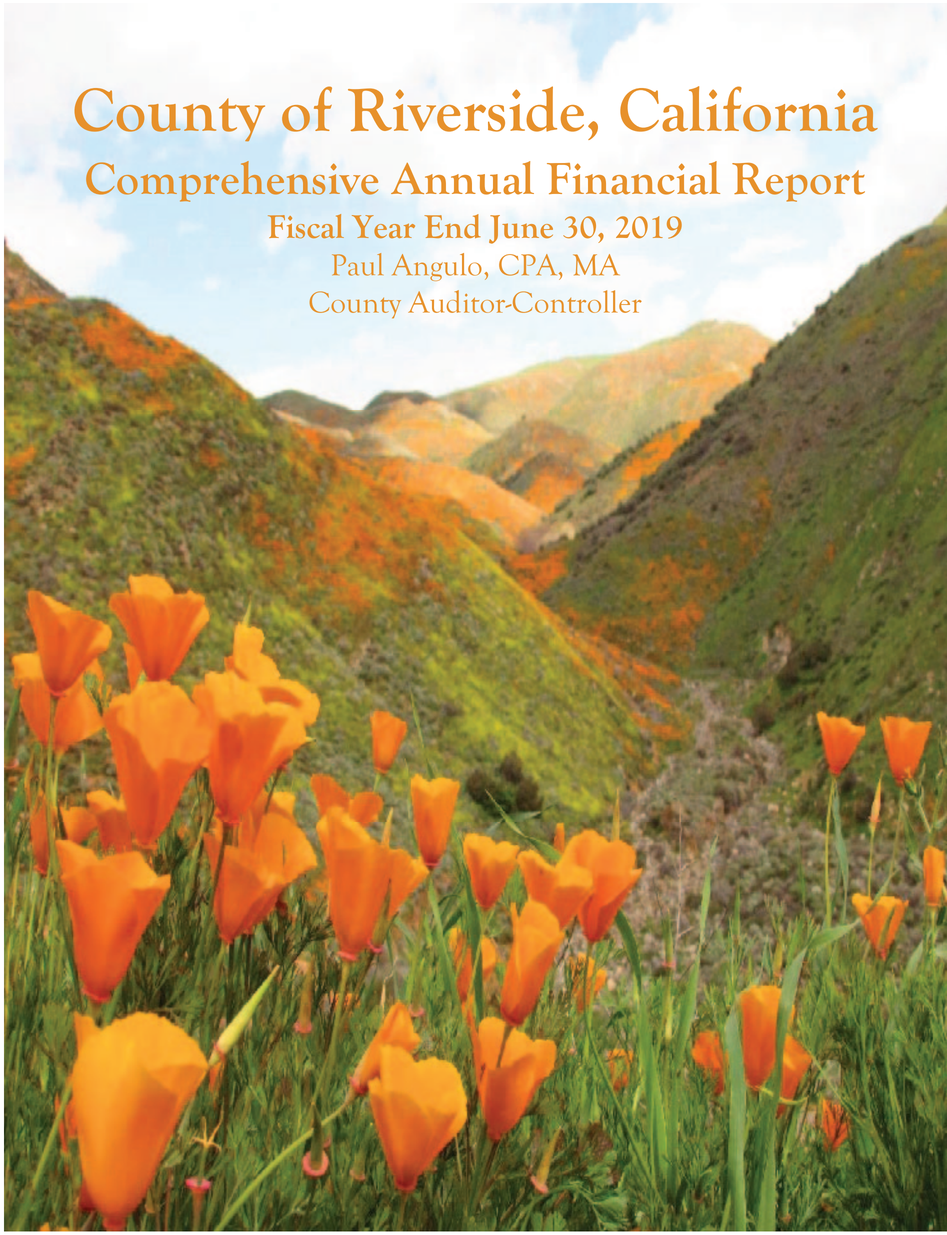
County of Riverside, California

Comprehensive Annual Financial Report

Fiscal Year End June 30, 2019

Paul Angulo, CPA, MA

County Auditor-Controller



COUNTY OF RIVERSIDE, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019

PREPARED BY THE OFFICE OF:

PAUL ANGULO, CPA, MA

COUNTY AUDITOR-CONTROLLER

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER
County Administrative Center
4080 Lemon Street, 11th Floor
P.O. Box 1326
Riverside, CA 92502-1326
(951) 955-3800
Fax (951) 955-3802

AUDITOR CONTROLLER COUNTY OF RIVERSIDE
Paul Angulo, CPA, MA
Auditor-Controller

December 12, 2019

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

Members of the Board and Citizens of Riverside County:

The Comprehensive Annual Financial Report (CAFR) of the County of Riverside (the County) for the fiscal year ended June 30, 2019, is hereby submitted in accordance with the provisions of Section 25253 of the Government Code of the State of California (the State). The report contains financial statements that have been prepared in conformity with the United States generally accepted accounting principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data, the completeness, and fairness of the presentation, including all disclosures, rests with the management of the County. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and changes in financial position of the various funds and component units of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

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

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

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

Brown Armstrong Accountancy Corporation has issued an unmodified ("clean") opinion on the County of Riverside's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

PROFILE OF THE GOVERNMENT

The County is the fourth largest county by area in the State. It encompasses 7,295 square miles and extends nearly 184 miles across Southern California, from the Arizona border west to within 10 miles of the Pacific Ocean. It is situated east of Los Angeles and Orange Counties, south of San Bernardino County, and north of San Diego and Imperial Counties.

There are 28 incorporated cities located within the County. The latest city to be incorporated was Jurupa Valley on July 1, 2011. The largest cities in the County are Riverside (the County seat) with a population of 328,101, Moreno Valley 208,297, Corona 168,101, Murrieta 118,125, and Temecula 113,826. Estimated population figures are developed by the California State Department of Finance, and each year it is revised on January 1, with a revised estimate for the prior year. The total County population as of January 1, 2019, was reported as 2,440,124, an increase of 1.1 percent as compared to the revised estimate for January 1, 2018. Approximately 16.2 percent of the residents live in unincorporated areas.

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

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

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

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

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

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

Source: Riverside County GIS

The County has over 21,000 employees, and provides a variety of services and programs to its residences as the table below depicts.

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

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

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

FACTORS AFFECTING ECONOMIC CONDITION

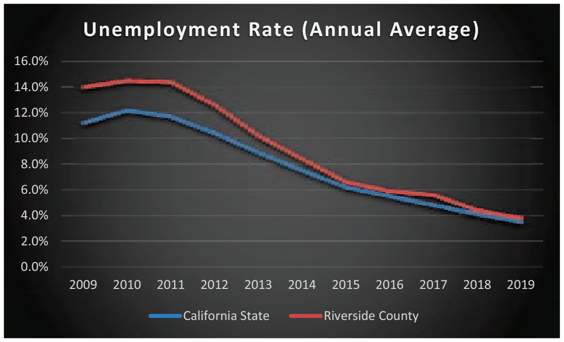
State Economy

The Governor's Budget Revision was issued in May 2019. The May Revision projects Fiscal Year 2019-20 general fund revenues and transfers of approximately $143.84 billion, total expenditures of approximately $147.03 billion and a year-end fund balance of approximately $3.03 billion, of which $1.39 billion would be reserved for liquidation of encumbrances and approximately $1.65 billion would be deposited in a reserve fund for economic uncertainties.

The May Revision includes a projected balance of $16.52 billion in the Budget Stabilization Account/Rainy Day Fund by the end of Fiscal Year 2019-20. The May Revision provides that the State has built a strong fiscal foundation by paying down debts and liabilities and building reserves that will help manage the effects of an economic downturn. Although the May Revision does not predict a recession, it cautions that growing uncertainty related to the global political and economic climate, federal polices, rising costs and the length of the current economic expansion require that the Fiscal Year 2019-2020 Budget be prudent. The May Revision allocates $15.00 billion ($1.40 billion more than the Proposed Fiscal Year 2019-2020 Budget) to building budgetary resiliency and paying down the State's unfunded retirement liabilities. As a result, the State's Rainy Day Fund is expected to reach its constitutional cap in Fiscal Year 2020-2021, two years earlier than predicted in the Proposed Fiscal Year 2019-2020 Budget. Furthermore, the May Revision provides that by the end of Fiscal Year 2022-2023, the Rainy Day Fund balance is projected to be $18.70 billion.

The State's economy, in the first part of 2019, remains on a steady growth track despite concerns about how long the current expansion will continue. Like the nation, the state economy benefited from expansionary fiscal policy in the form of tax cuts coupled with increases in government spending that pushed the labor market closer to full employment and fueled solid job gains.

California's economy and many of its metro areas continue to be at or near record lows in terms of unemployment rates, picking up where they left off last year. The statewide rate was 4.2% in January, coasting just a hair above the all-time low of 4.1% for several months running. Indeed, recent increases in California's labor force have kept the unemployment rate above the four percent threshold.



The annual unemployment rates for the State of California and Riverside County display a continued downward trend improving gradually since its highest peak in 2010. As of September 2019 (Preliminary), the State's average unemployment rate decreased from 4.1% to 3.9% and the County's unemployment rate decreased from 4.4% to 3.8%.

Source: Employment Development Department, Labor Market Information Division, Preliminary September 2019

Local Economy

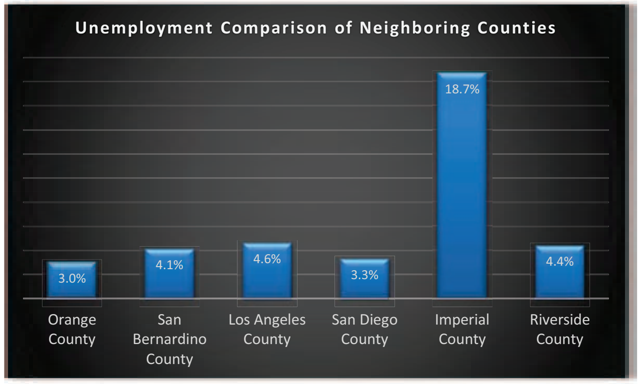
Beacon Economics' current forecast for Riverside County represents a positive outlook that the economy is trending in the right direction, but at a slower pace as compared to recent years. For the time being, the robust growth of recent years has slowed down across the region, state, and nation. Even so, local revenues are projected to grow at a healthy, though not extraordinary, pace through fiscal year 2023-2024, and the national and state economies are projected to continue experiencing gains that are somewhat similar to those of recent memory.

The supply of existing homes for sale in Riverside County has trended up from the start of the current fiscal year. If a greater supply of homes softens prices over the next few months, the combination of lower mortgage rates and weak price gains may spur sales activity in the existing market, which would both increase assessed value and increase transfer tax revenues. These developments will likely have a greater impact on fiscal year 2020.

The Riverside County economy has experienced slower growth in recent months after years of spectacularly robust gains. This is a function of both the economy reaching full employment capacity and weakness in individual industries. Still, with low unemployment and continued wage gains fueling spending, the County can expect ongoing - although slightly tempered – growth in sales tax revenues.

According to Beacon Economics, consumer and business spending revenues ticked up in fiscal year 2018, thanks to continued growth in economic activity, jobs, and wages. The Inland Empire as a whole experienced a full percentage point decrease in its unemployment rate from fiscal years 2018 to 2019, while nonfarm job growth accelerated to 3.9% year-over-year. However, the regional economy has slowed markedly in fiscal year 2019, with average year-over-year job growth through the third quarter pacing at 2.5%. The slowdown has been more evident recently, with average job growth from January through March falling to a year-over-year pace of 1.3%.

With the neighboring Southern California economies of Orange, Los Angeles, and San Diego Counties also experiencing considerable slowdowns in both job and labor force growth, the entire Southern California labor market may be close to capacity. On a positive note, the California Department of Finance reported that Riverside County experienced a net in migration of 14,780 individuals in 2018, the most among all California counties and accounting for about 71% of total state migration on net. Riverside County continues to be a magnet for new residents, including significant numbers of Southern California residents who choose to move inland from more unaffordable coastal counties. In turn, the County should expect modest growth in taxable sales, all else being equal.



Source: Employment Development Department, Labor Market Division, June 2019

Relevant Financial Policies

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

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

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

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

Investment Oversight Committee reviews the County's investment policies.

Financial Reporting Awards

The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the County for its CAFR for the fiscal year ended June 30, 2018. This was the thirty-first consecutive year the County has achieved this prestigious award. In order to be awarded a *Certificate of Achievement*, a government entity must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

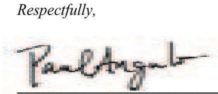
The County has also been awarded for *Outstanding Achievement* in the preparation of the Popular Annual Financial Report (PAFR), which is also referred to as Financial Highlights for the fiscal year ended June 30, 2018. This was the thirteenth consecutive year the County has achieved this award. In order to receive an award for *Outstanding Achievement in Popular Annual Financial Reporting*, a government entity must publish a PAFR, with contents conforming to program standards of creativity, presentation, understandability and reader appeal. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR and PAFR continue to meet the Certificate of Achievement Program's requirements and we are submitting both reports to the GFOA to determine the eligibility for new certificates.

Acknowledgments

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

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

Respectfully,



PAUL ANGULO, CPA, MA
RIVERSIDE COUNTY AUDITOR-CONTROLLER

COUNTY OF RIVERSIDE

List of Principal Officials
As of June 30, 2019

ELECTED OFFICIALS

Board of Supervisors

KEVIN
JEFFRIES
First District

KAREN
SPIEGEL
Second District

CHUCK
WASHINGTON
Third District

V. MANUEL
PEREZ
Fourth District

JEFF
HEWITT
Fifth District

COUNTYWIDE ELECTED OFFICIALS

MICHAEL HESTRIN
District Attorney

CHAD BIANCO
Sheriff
Coroner
Public Administrator

PAUL ANGULO
Auditor
Controller

PETER ALDANA
Assessor
Clerk
Recorder

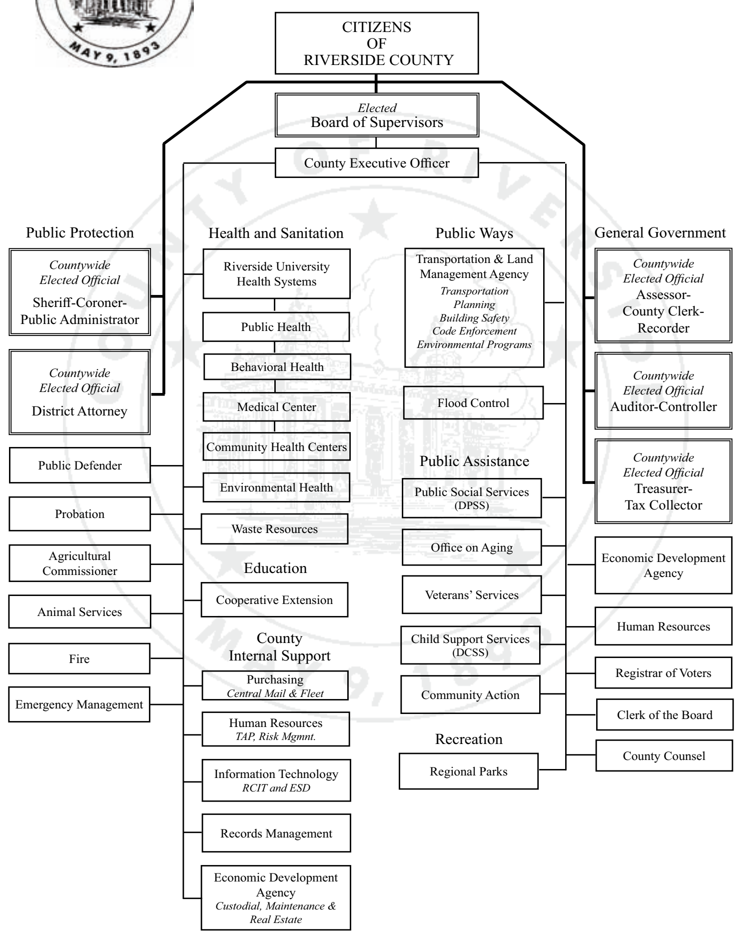
JON
CHRISTENSEN
Treasurer
Tax Collector

APPOINTED OFFICIALS

GEORGE JOHNSON
County Executive Officer

GREGORY P. PRIAMOS
County Counsel

COUNTY OF RIVERSIDE ORGANIZATION CHART



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Riverside
California

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill
Executive Director/CEO

FINANCIAL SECTION

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BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
County of Riverside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Riverside, California, (the County) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinion Unit	Assets	Revenues
Governmental Activities	19%	3%
Business-Type Activities	21%	11%
Aggregate Remaining Fund Information	2%	0%
Discretely Presented Component Unit	100%	100%

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

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

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund, the Transportation Special Revenue Fund, and the Flood Control Special Revenue Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-24; the County's Retirement Plans schedules relating to net pension liabilities, changes in net pension liabilities, and pension contributions on pages 129-138; and the County's net and total other post-employment benefit (OPEB) liabilities, changes in net and total OPEB liabilities, and schedules of plan contributions on pages 139-144 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 12, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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MANAGEMENT'S

DISCUSSION AND ANALYSIS

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

This section of the County of Riverside's (the County) Comprehensive Annual Financial Report presents a narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal beginning on page v and the County's basic financial statements which begin on page 25.

FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2018-19, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $2.21 billion (*net position*). The net position included $3.90 billion of net investment in capital assets, $809.8 million of restricted resources for the County's ongoing obligations related to programs with external restrictions, and $2.50 billion deficit of unrestricted resources.

- As of June 30, 2019, the County's governmental funds reported combined fund balances of $1.11 billion, an increase of $26.3 million in comparison with the prior year. Approximately 24.8% of this amount ($275.2 million) is available for spending at the County's discretion *(unassigned fund balance).*

- At the end of the fiscal year, unrestricted fund balance (the total of the *committed, assigned,* and *unassigned* components of *fund balance*) for the general fund was $307.7 million, or approximately 10.2% of total general fund expenditures.

- The change in capital assets net of accumulated depreciation resulted from the acquisition of land and easements in addition to major increases in structures and improvements.

- During fiscal year 2018-19, the Inland Empire Tobacco Securitization Authority (the Authority), a blended component unit of the County issued $100.0 million of Series 2019 Turbo Current Interest Bonds with a final turbo redemption date of June 1, 2028. The proceeds of the Series 2019 Turbo Current Interest Bonds along with other available funds under the Authority, were deposited into an escrow account to refund and defease the outstanding 2007 Series A Turbo Current Interest Bonds and 2007 Series B Turbo Convertible Capital Appreciation Bonds, to fund the Debt Service Reserve Account and Debt Service Account for the Series 2019 Turbo Current Interest Bonds, and pay the cost of issuance incurred in connection with the issuance of the Series 2019 Turbo Current Interest Bonds. $30.3 million in capital leases were issued for financing the costs associated with equipment and vehicles.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

The blended component units are:

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

Fund Financial Statements, illustrated on pages 30-47, provide information regarding the three major categories of County funds – governmental, proprietary, and fiduciary. The focus of governmental and proprietary fund financial statements is on major funds. Major funds are determined based on minimum criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. Like other state and local governments, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund accounting is also used to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

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

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

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

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

Proprietary Funds are used to account for services for which the County charges customers, either outside customers or internal departments of the County. Proprietary funds statements, found on pages 42-45, provide the same type of information as shown in the government-wide financial statements with more detail. The County maintains the following two types of proprietary funds:

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for RUHS-MC, Waste Resources, Housing Authority, County Service Areas, Flood Control and Riverside University Health Systems – Community Health Centers (RUHS-CHC). RUHS-MC, Waste Resources, and Housing Authority financial statements are reported in separate columns of the proprietary fund statements due to the materiality criteria defined by GASB Statement No. 34, as amended. Financial information for the remaining enterprise funds (nonmajor funds) is combined into a single, aggregated presentation. Individual fund statements for County Service Areas, Flood Control and RUHS-CHC are presented in the supplementary information section.

- *Internal service funds* are used to report activities that provide supplies and services for certain County programs and activities. The County uses internal service funds to account for its records and archive management, fleet services, information services, central mail services, supply services, human resources, risk management, temporary assistance pool, economic development agency (facilities management), and flood control equipment. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund financial information for each internal service fund is provided in the supplementary information section.

Fiduciary Funds report assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's programs nor be reflected in the government-wide financial statements. Fiduciary funds maintained by the County include a pension trust fund, investment trust funds, private-purpose trust funds, and agency funds. The fiduciary fund financial statements, on pages 46-47, are presented on the economic resources measurement focus and the accrual basis of accounting.

Notes to the Basic Financial Statements provide additional information other than that displayed on the face of the financial statements and are essential for fair presentation of the financial information in the government-wide and fund financial statements. The notes can be found on pages 49-128 of this report.

Required Supplementary Information provides changes in net pension liability and related ratios, employer contributions to the pension plan, changes in net other postemployment benefits (OPEB) liability and related ratios, employer contributions to the OPEB plan, and changes in total OPEB liability and related ratios. Required supplementary information can be found on pages 129-144 of this report.

Combining and individual fund statements and budgetary schedules provide information for nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and fiduciary funds, and are presented immediately following the required supplementary information. Combining and individual fund statements and budgetary schedules can be found on pages 145-196 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of a government's financial position. The table below focuses on the net position and changes in net position in the County's governmental and business-type activities. It presents an analysis of the County's net position as of June 30, 2019, in comparison to the prior fiscal year 2017-18. At the end of current fiscal year, the County reported positive net position in two of the three categories: net investment in capital assets and restricted net position. Total assets and deferred outflows of resources, as indicated below, exceeded liabilities and deferred inflows of resources by $2.21 billion, representing a decrease of $77.9 million ($101.1 million changes in net position and a restatement of $23.2 million, see Note 3), or 3.4%. A more detailed statement can be found on page 25 in the government-wide financial statements.

STATEMENT OF NET POSITION
June 30, 2019 and 2018
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percentage Change
Assets:								
Current and other assets	$ 2,418,904	$ 2,278,347	$ 477,346	$ 473,888	$ 2,896,250	$ 2,752,235	$ 144,015	5.2%
Capital assets	4,935,151	4,835,105	335,431	330,659	5,270,582	5,165,764	104,818	2.0%
Total assets	7,354,055	7,113,452	812,777	804,547	8,166,832	7,917,999	248,833	3.1%
Deferred outflows of resources:	846,545	1,347,941	132,874	214,273	979,419	1,562,214	(582,795)	-37.3%
Total deferred outflows of resources	846,545	1,347,941	132,874	214,273	979,419	1,562,214	(582,795)	-37.3%
Liabilities:								
Current liabilities	802,583	759,858	242,546	230,374	1,045,129	990,232	54,897	5.5%
Long-term liabilities	4,935,506	4,953,026	821,739	794,475	5,757,245	5,747,501	9,744	0.2%
Total liabilities	5,738,089	5,712,884	1,064,285	1,024,849	6,802,374	6,737,733	64,641	1.0%
Deferred inflows of resources:	112,046	390,581	19,815	61,988	131,861	452,569	(320,708)	-70.9%
Total deferred inflows of resources	112,046	390,581	19,815	61,988	131,861	452,569	(320,708)	-70.9%
Net position:								
Net investment in capital assets	3,673,404	3,505,380	224,427	218,159	3,897,831	3,723,539	174,292	4.7%
Restricted	769,225	799,830	40,585	58,136	809,810	857,966	(48,156)	-5.6%
Unrestricted	(2,092,164)	(1,947,282)	(403,461)	(344,312)	(2,495,625)	(2,291,594)	(204,031)	8.9%
Total net position	$ 2,350,465	$ 2,357,928	$ (138,449)	$ (68,017)	$ 2,212,016	$ 2,289,911	$ (77,895)	-3.4%

Analysis of Net Position

Below are the three components of net position and their respective balances as of June 30, 2019:

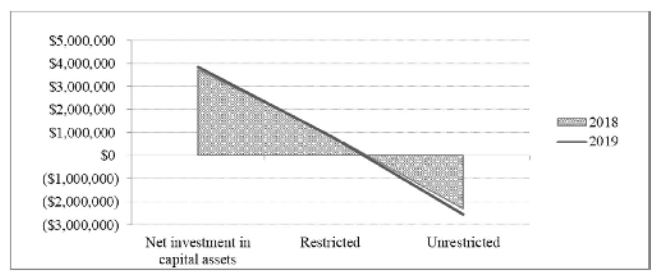
The largest portion of the County's net position reflects its net investment in capital assets of $3.90 billion, an increase of $174.3 million, or 4.7%, from prior fiscal year. This component consists of capital assets such as land and easements, structures and improvements, infrastructure, and equipment, net of accumulated depreciation. The amount is further reduced by any debt attributable to the acquisition, construction, or improvement of the assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated for these liabilities.

The restricted net position is $809.8 million, a decrease of $48.2 million, or 5.6%, from prior fiscal year, and represents resources that are subject to external restrictions on how they may be used. External restrictions include those imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The unrestricted net position is negative $2.50 billion, a decrease of $204.0 million, or 8.9%, from the prior year. The negative unrestricted net position resulted from GASB Statement No. 68 related to pensions and its requirement to record a net pension liability on the government-wide financial statements as pension costs increased in the current year. The factors contributing to increased pension costs include salary increases, retirements, and retiree cost-of-livings were greater than expected, terminations and retiree deaths were fewer than expected.

The decrease in overall net position of governmental and business-type activities was attributed to several contributing factors. The annual contribution to retirement plans for fiscal year 2018-19 was $312.4 million, an increase of $32.5 million, or 11.6%, from fiscal year 2017-18. There were also increased expenditures in public ways and facilities of $29.2 million and a decrease of $14.9 million in general government expenditures. The operating expenses in business-type activities increased by $58.7 million, or 6.6%. There was an increase of $27.3 million, or 4.3%, by RUHS-MC. This was mostly related to increases in personnel salary costs. Operating expenses increased by $23.5 million, or 41.9%, for RUHS-CHC. This was mainly due to increases in salaries and benefits, professional services and depreciation expense.

Statement of Net Position
June 30, 2019 and 2018
(In thousands)



The following table provides information from the Statement of Activities of the County as of June 30, 2019 as compared to the prior year:

CHANGES IN NET POSITION
For the fiscal years ended June 30, 2019 and 2018
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percentage Change
Revenues:								
Program revenues:								
Charges for services	$ 759,487	$ 716,973	$ 837,924	$ 787,775	$ 1,597,411	$ 1,504,748	$ 92,663	6.2%
Operating grants and contributions	2,010,351	1,951,911	-	-	2,010,351	1,951,911	58,440	3.0%
Capital grants and contributions	47,530	77,352	-	87	47,530	77,439	(29,909)	-38.6%
General revenues:								
Property taxes	407,895	387,305	-	-	407,895	387,305	20,590	5.3%
Sales and use taxes	33,673	27,557	-	-	33,673	27,557	6,116	22.2%
Unrestricted intergovernmental revenue	281,336	262,745	-	-	281,336	262,745	18,591	7.1%
Investment earnings	69,755	26,613	8,330	3,228	78,085	29,841	48,244	161.7%
Other	285,511	257,358	-	-	285,511	257,358	28,153	10.9%
Total revenues	3,895,538	3,707,814	846,254	791,090	4,741,792	4,498,904	242,888	5.4%
Expenses:								
General government	261,113	275,973	-	-	261,113	275,973	(14,860)	-5.4%
Public protection	1,600,054	1,606,348	-	-	1,600,054	1,606,348	(6,294)	-0.4%
Public ways and facilities	244,547	215,360	-	-	244,547	215,360	29,187	13.6%
Health and sanitation	611,195	611,960	-	-	611,195	611,960	(765)	-0.1%
Public assistance	1,067,788	1,067,151	-	-	1,067,788	1,067,151	637	0.1%
Education	25,220	23,560	-	-	25,220	23,560	1,660	7.0%
Recreation and cultural services	19,232	17,345	-	-	19,232	17,345	1,887	10.9%
Interest on long-term debt	69,630	63,685	-	-	69,630	63,685	5,945	9.3%
Riverside University Health Systems - Medical Center	-	-	663,496	636,169	663,496	636,169	27,327	4.3%
Waste Resources	-	-	102,278	88,964	102,278	88,964	13,314	15.0%
Housing Authority	-	-	95,929	98,591	95,929	98,591	(2,662)	-2.7%
County Service Areas	-	-	233	243	233	243	(10)	-4.1%
Flood Control	-	-	2,404	5,183	2,404	5,183	(2,779)	-53.6%
Riverside University Health Systems - Community Health Centers	-	-	79,792	56,247	79,792	56,247	23,545	41.9%
Total expenses	3,898,779	3,881,382	944,132	885,397	4,842,911	4,766,779	76,132	1.6%
Excess (deficiency) before transfers	(3,241)	(173,568)	(97,878)	(94,307)	(101,119)	(267,875)	166,756	-62.3%
Transfer in (out)	(28,292)	(15,036)	28,292	15,036	-	-	-	0.0%
Change in net position, before extraordinary items	(31,533)	(188,604)	(69,586)	(79,271)	(101,119)	(267,875)	166,756	-62.3%
Extraordinary items	-	-	-	78	-	78	(78)	-100.0%
Change in net position	(31,533)	(188,604)	(69,586)	(79,193)	(101,119)	(267,797)	166,678	-62.2%
Net position, beginning of year, as restated	2,381,998	2,546,532	(68,863)	11,176	2,313,135	2,557,708	(244,573)	-9.6%
Net position, end of year	$ 2,350,465	$ 2,357,928	$ (138,449)	$ (68,017)	$ 2,212,016	$ 2,289,911	$ (77,895)	-3.4%

Analysis of Changes in Net Position

The following are specific major factors that resulted in the net position changes in governmental activities between fiscal years 2018-19 and 2017-18 as shown in the table on page 9.

Revenues for governmental activities

Total revenues for governmental activities were $3.90 billion, an increase of $187.7 million, or 5.1%, from the previous year. This increase consisted of increases in program revenues of $71.1 million and general revenues of $116.6 million. The largest share of program revenues were operating grants and contributions which accounted for 71.4%. Operating grants and contributions are monies received from parties outside the County and are generally restricted to one or more specific programs such as State and Federal revenue for public assistance and health and sanitation. Charges for services are revenues that arise from charges to external customers or applicants who purchase, use, or directly benefit from the goods, services, or privileges provided. General revenues are used to support program activities Countywide. Example of general revenues include property tax, sales and use tax, as well as other County levied tax, investment income, rents and concessions, contributions and donation, and sales of surplus property.

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

- Charges for services increased by $42.5 million, or 5.9%. A significant increase of $40.7 million is due to reimbursement revenue for the completion of road construction projects for the Transportation department. A $4.7 million increase due to higher number of billable jurisdictions participating in the November 2018 general elections, resulting from Senate Bill (SB) 415's requirement for jurisdictions with odd year elections to change to even year elections.
- Operating grants and contributions increased by $58.4 million, or 3.0%. There was a significant increase of $22.0 million in funding due to SB 1, which relates to Gasoline Tax and State Highway Users Tax. There was a $20.1 million increase in Mental Health Services Act to continue providing services that are provided through the Behavioral Health department. Finally, a $10.3 million increase was due to Assembly Bill (AB) 118 revenue to an increase in offsetting expenditures.
- Capital grants and contributions decreased by $29.8 million, or 38.6%. The decrease is related to capital grant funding mainly related to the John J. Benoit Detention Center which is partially funded through AB 900. As construction nears completion funding has declined.

The increase in general revenues was largely attributable to:

- Property tax revenues increased by $20.6 million, or 5.3%. The increase is due to the growth of assessed property valuations, increases in changes of ownership of real estate, and rising values in all sectors of the commercial real estate and residential markets.
- Investment earnings increased by $43.1 million, or 162.1%. The increase was due to the Federal Reserve increasing rates and higher investment returns on pooled investment as the economy continues to expand.
- Other revenue increased by $28.2 million, or 10.9%. Approximately $10.2 million was due to additional special district revenue. A $4.5 million increase was related to the premium on the issuance of the Tax and Revenue Anticipation Notes (TRANS). Other increases were noted in miscellaneous revenues.

Expenses for governmental activities

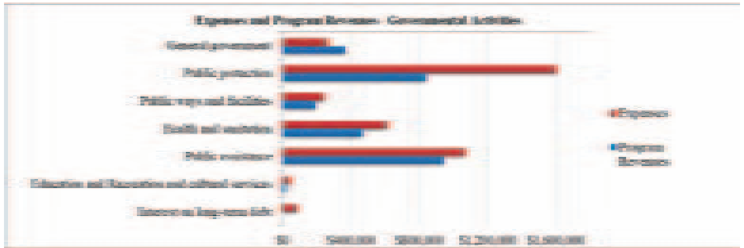
Total expenses for governmental activities were $3.90 billion for the current fiscal year, an increase of $17.4 million, or 0.4% ($11.4 million increase in functional expenses and $5.9 million increase in interest expense), as compared to prior fiscal year. The following are the key components accounting for the variances:

- The expenses in general government decreased by $14.9 million, or 5.4%. This was due mainly to an $11.9 million dollar decrease in consulting services.
- The expenses in public protection decreased by $6.3 million, or 0.4%. There was an increase in salaries and benefits of $20.6 million. This was a result of increased recruitment to meet state mandates and maintain service levels, merit increases, and employment leave paid for retirement. There was also a $7.1 million increase in the purchase of several large capital assets. This was offset by a decrease of $31.2 million in

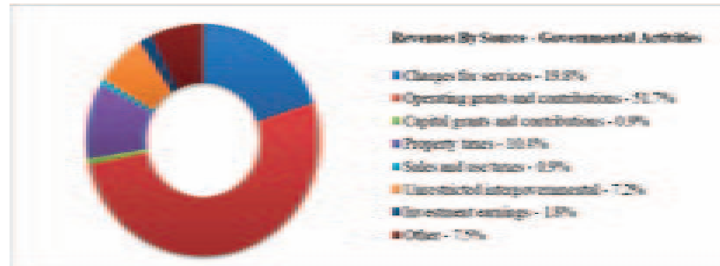
insurance claims payments due to the number of insurance claims incurred and payment processing speeds were increased in the prior fiscal year.

- The increase in public ways and facilities of $29.2 million, or 13.6%, was mainly caused by the completion of road improvement projects including extension and resurfacing due to recent development in the communities.
- The $5.9 million increase in interest on long-term debt is due mainly to the Tax and Revenue Anticipation Notes (TRANS) that carried a higher interest rate.

The following chart displays expenses and the associated program revenues by function for the governmental activities for the fiscal year ended June 30, 2019 (In thousands):



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



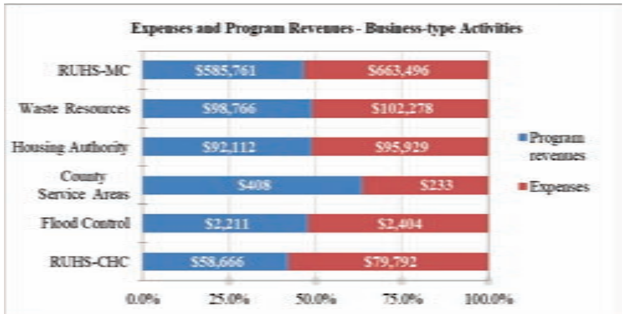
Business-type Activities

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

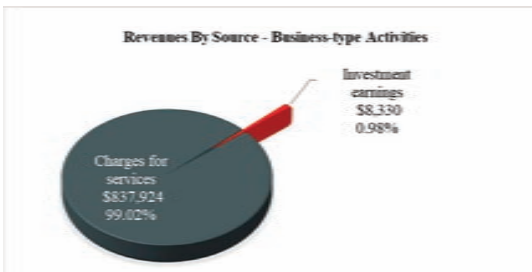
<u>Revenues</u>: For the current year, $837.9 million, or 99.0%, of business-type activities program revenue was received from charges for services, a percentage consistent with the prior fiscal year. The majority of this revenue, $585.8 million, was received by RUHS-MC as compared to $560.2 million for the prior fiscal year. The increase was mainly attributed to higher patient revenue from in-patients and out-patients visits and therefore increases in insurance contracts revenues and other collection sources, as well as increased state compensation for care of patients with Medi-Cal insurance.

<u>Expenses</u>: Total expenses for business-type activities were $944.1 million for the fiscal year compared to $885.4 million for the prior fiscal year. This represents an increase of $58.7 million, or 6.6%. The majority of the increases in expenses was incurred by RUHS-MC with an increase of $27.3 million and RUHS-CHC with $23.5 million. The increase by RUHS-MC was mainly attributed to salaries and benefits increases and increases in insurance expenses. The increase related to RUHS-CHC is mainly due to salaries and benefits increases, as well as an increase in professional services and depreciation expense.

The following chart displays expenses and the associated program revenues by function for the business-type activities for the fiscal year ended June 30, 2019 (In thousands):



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



FINANCIAL ANALYSIS OF FUND STATEMENTS

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

Governmental Funds

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

As of June 30, 2019, the County's governmental funds reported combined fund balances of $1.11 billion, an increase of $26.3 million in comparison with the prior year. The components of total fund balance are as follows (See Note 16 - Fund Balances for additional information):

- Nonspendable fund balance – $5.0 million, amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact.
- Restricted fund balance – $738.6 million, amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.
- Committed fund balance – $37.8 million, amounts that are committed for a specific purpose. These funds require action from the Board of Supervisors to remove or change the specified use.
- Assigned fund balance – $53.5 million, amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. Assigned amounts cannot cause a deficit in unassigned fund balance.
- Unassigned fund balance – $275.2 million, funds that are not reported in any other category and are available for any purpose within the general fund.

Total governmental fund revenue increased by $154.9 million, or 4.3%, from the prior fiscal year with $3.73 billion being recognized for the fiscal year ended June 30, 2019. Expenditures increased by $72.5 million, or 2.0%, from the prior fiscal year with $3.67 billion being expended for governmental functions during fiscal year 2018-19. Overall, governmental fund balance increased by $26.3 million, or 2.4%. In comparison, fiscal year 2017-18 had a decrease in governmental fund balance of $24.3 million, or 2.2%, over fiscal year 2016-17.

The general fund is the primary operating fund of the County. At the end of fiscal year 2018-19, the general fund's total fund balance was $412.4 million, as compared to $369.6 million in fiscal year 2017-18. As a measure of the general fund's liquidity, it is useful to compare both total fund balance and spendable fund balance to total fund expenditures. The nonspendable portion of fund balance was $2.4 million, and the spendable portion was $410.0 million. The current year unassigned fund balance is 9.1% of the total general fund expenditures of $3.03 billion, as compared to 8.0% of the prior year expenditures total of $2.94 billion. The total fund balance of the general fund for the current year is 13.6% of the total general fund expenditures as compared to 12.6% for the prior year.

The fund balance of the County's general fund increased by $42.8 million during the current fiscal year. The overall increase in net position was due to an increase in state aid and investment earnings. Other factors contributing to the increase in fund balance were the result of operations as discussed in the general fund financial analysis on pages 15 and 16.

Transportation fund balance increased by $23.3 million, or 27.2%, due mainly to an increase of $22.0 million in funding related to Senate Bill (SB) 1.

Flood control fund balance increased by $21.2 million, or 9.0%. The increase in fund balance is primarily a result of an increase in property taxes and investment earnings received during the current fiscal year.

Public facilities improvements capital projects fund balance decreased from $180.0 million to $164.8 million, 8.5% or $15.2 million. The decrease was caused mainly by the construction of the John J. Benoit Detention Center nearing completion.

Public financing authority fund balance decreased by $23.2 million, or 96.6%. The decrease was primarily due to the ongoing construction of the detention center, courtrooms, and parking structures that continued in the current fiscal year and which are financed with proceeds from the Series 2015 Bond issuance. The proceeds from the Series 2015 Bond issuance have been spent as the capital projects progressed.

Other Governmental Funds

The $22.5 million, or 12.0%, decrease in nonmajor governmental funds fund balance was essentially from the scheduled annual principal payments of outstanding debts in debt service funds.

Proprietary Funds

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

At the end of the fiscal year, total proprietary fund net position was a negative $29.7 million, compared to a positive $6.6 million from prior fiscal year; this represents a decrease of $36.3 million, or 550.2%. The funds accounting for the majority of the variance were RUHS-MC, Housing Authority, and Other. The total decrease in net position for RUHS-MC and Other were $41.5 million and $4.9 million, respectively. Factors concerning the finances of these two funds have been previously discussed in the business-type activities on page 12. The decrease of $2.7 million for Housing Authority was mainly due to a decrease in total operating revenues due to the transfer of rental income and housing assistant subsidies from the Housing Authority to a property management company.

GENERAL FUND FINANCIAL ANALYSIS

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

General Fund - Revenues by Source
For the fiscal years ended June 30, 2019 and 2018
(In thousands)

	2019		2018		Increase / (Decrease)	
Revenues by Sources	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
Taxes	$ 326,991	10.1%	$ 303,836	9.8%	$ 23,155	7.6%
Intergovernmental revenues	2,089,129	64.8%	2,036,517	65.8%	52,612	2.6%
Charges for services	499,566	15.5%	481,245	15.5%	18,321	3.8%
Other revenue	187,751	5.8%	158,219	5.1%	29,532	18.7%
Other financing sources	120,495	3.7%	115,465	3.7%	5,030	4.4%
Total	$ 3,223,932	100.0%	$ 3,095,282	100%	$ 128,650	4.2%

General fund revenues had an overall increase of $128.7 million, or 4.2%, from the prior year. The increase was due primarily to the changes in the following:

- The increase in *Taxes* during the current fiscal year was due to the increase on the assessment roll value for fiscal year 2018-19 with the main increase of approximately $23.2 million noted in the secured property taxes.

- The increase of $52.6 million in *Intergovernmental revenues* was primarily attributed to a $75.2 million increase in state funding for mandated reimbursement in motor vehicle in lieu taxes, along with an increase in Mental Health Services Act revenue. The Mental Health Services Act revenue increased due to the continued implementation of new programs, as well as funding of the new augmented board and care facility in the desert. This was offset by a decrease in federal funding of $29.2 million, mainly due to a decrease of $24.1 million in treatment services.

- *Charges for services* increased by $18.3 million, or 3.8%, primarily due to increases in contract law enforcement services and increases in revenues related to fire protection services provided during the fiscal year.

- The increase in *other financing sources* of approximately $5.0 million, or 4.4%, was primarily related to the premium on the issuance of the Tax and Revenue Anticipation Notes (TRANS).

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

General Fund - Expenditures by Function
For the fiscal years ended June 30, 2019 and 2018
(In thousands)

	2019		2018		Increase / (Decrease)	
Expenditures by Function	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
General government	$ 118,662	3.7%	$ 130,989	4.3%	$ (12,327)	-9.4%
Public protection	1,382,395	43.5%	1,328,734	43.2%	53,661	4.0%
Health and sanitation	558,905	17.6%	543,976	17.7%	14,929	2.74%
Public assistance	934,641	29.4%	916,191	29.8%	18,450	2.0%
Other expenditures	32,346	1.0%	24,954	0.8%	7,392	29.6%
Other financing uses	154,164	4.8%	129,087	4.2%	25,077	19.4%
Total	$ 3,181,113	100.0%	$ 3,073,931	100.0%	$ 107,182	3.5%

Total expenditures for the general fund were $3.18 billion, an increase of $107.2 million, or 3.5%, from the prior year. Significant changes are as follows:

- The decrease in *General government* of $12.3 million, or 9.4%, was due mainly to an $11.9 million dollar decrease for consulting services.

- The increase in *Public protection* of $53.7 million was mainly due to an increase in service and supplies of $27.1 million. This was caused by an increase in operating expenditures across several departments. The main increases were noted in the Sheriff and Fire departments. The Sheriff department had a $6.4 million increase due to an increase in the County internal service rates, a $5.2 million increase due to recruitment costs and increases in professional services, and a $1.2 million dollar increase due to the emergency repair of a dormitory water heater. The Fire department had a $6.0 million increase in operating expenses, mainly due to the replacement of computer equipment. There was also an overall increase in salaries and benefits of $20.6 million. This was a result of 68 new positions in the Sheriff department for the John J. Benoit Detention Center and 65 new positions for the Federal Consent Decree (Remedial Plan). The increase in salaries and benefits is also due to increased recruitment to meet state mandates and maintain service levels, merit increases, and employment leave paid for retirement. There was also a $7.1 million increase in the purchase of several large capital assets between the Sheriff and Fire departments.

- The increase in *Health and sanitation* of $14.9 million was primarily attributed to an $8.1 million increase in intergovernmental activity.

- The increase in *Other expenditures* of $7.4 million was due to an increase in interest on long-term debt as the Tax and Revenue Anticipation Notes (TRANS) carried a higher interest rate.

- The increase in *Other financing sources* of $25.1 million was mainly due to contributions made to other County funds for financing debt service payments according to the debt service schedule, construction costs of capital projects, and County program activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Variance between General Fund Original Adopted and Final Budgets

Estimated Revenue Variances

The original adopted General Fund estimated revenue budget decreased by $80.0 million, or 2.3%, from $3.41 billion to the final revenue budget of $3.33 billion. The major estimated revenue variances are described as follows:

Charges for current services: Decreased by $82.2 million, or 13.5%, from $607.5 million to $525.3 million. The primary decrease was due to intergovernmental activities of $87.4 million. This was offset by an increase in fire contract services of $2.6 million by the Fire Department, and an increase of $1.1 million of additional payroll and professional services provided by the Human Resources Department. Finally, the Sheriff Department received an additional $1.0 million in law enforcement services provided to cities within Riverside County.

Other revenue: Decreased by $22.1 million, or 21.0%, from $105.2 million to $83.0 million. The primary decrease was due to intergovernmental activities of $26.8 million. This was offset by a $4.0 million increase by the Executive Office to recognize a higher premium related to the Tax and Revenue Anticipation Notes.

Aid from other governmental agencies: Increased by $23.3 million or 1.0% from $2.26 billion to $2.28 billion. California Public Safety Sales Tax increased by $3.4 million and the Department of Social Services increased $2.0 million as a result of SB850 which was signed into law on June 27, 2018 and authorized both the Homeless Emergency Aid and California Emergency Solutions and Housing Programs to address the homeless crisis throughout California. The balance was a combination of increases from Behavioral Health, the Fire Department, the Department of Child Social Services (DCSS) and the District Attorney.

Expenditure Appropriation Variances

The original adopted General Fund appropriation budget decreased by $84.4 million, or 2.4%, from $3.45 billion to the final appropriation budget of $3.37 billion. The major expenditure appropriation variances are described as follows:

General government: The original adopted appropriation budget for General government decreased by $47.8 million, or 20.9%, from $228.5 million to the final appropriation budget of $180.7 million. The major appropriation variances are described below.

- *Other charges* decreased by $33.3 million, or 37.3%, from $89.2 million to $55.9 million. The primary decrease of $52.0 million was due to intergovernmental activities. This was offset by an increase of $17.8 million in contributions that were not originally budgeted and of which $13.0 million were provided to the Federal Qualified Health Clinics to assist with their operational deficit. The Capital Improvement Fund received $3.0 million to assist with acquisition costs for the Riverside County Emergency Operations Center and the Transportation department received $1.5 million to assist with emergency storm damage road repair work, culvert and drainage repairs.

- *Appropriation for contingencies* decreased by $14.4 million, or 98.2%, from $14.7 million to $0.3 million. The Department of Public Social Services General Assistance (GA) program experienced significant budget challenges in fiscal year 18/19 and was the main recipient of contingency funds. The Board of Supervisors adopted changes to the County-funded GA program pursuant to Welfare and Institutions Code Sections 17000, et seq., and supporting case law. These changes took effect July 1, 2018 and resulted in significantly increased caseload and administrative costs; as such, the GA program received $12.2 million in fiscal year 18/19 in order to cover the increase in program costs.

Public protection: The original adopted appropriation budget for Public protection increased by $19.9 million or 1.4%, from $1.44 billion to the final appropriation budget of $1.46 billion. The major appropriation variances are described below.

- *Services and supplies* increased by $16.5 million, or 3.5%, from $469.5 million to $486.0 million. An increase of $5.4 million was due to the Sheriff Department's Security Electronic System replacement at four Correctional Facilities. The Emergency Management Department increased by $4.0 million in costs associated with the response to two of the largest fire events in Riverside County's history. Fire Protection increased its budget by $3.6 million due to several perimeter fencing projects, and to removed dead, dying, and diseased trees.

- *Other charges* decreased by $12.1 million, or 22.9%, from $52.8 million to $40.7 million. The main decrease was due to $11.5 million from intergovernmental activities relating to operating transfers in and out of the same fund group.

- *Capital assets* increased by $14.8 million, or 389.1%, from $3.8 million to $18.6 million. An increase of $11.7 million was mainly due to the costs associated with security camera upgrades as well as the purchase of equipment and computer hardware by the Sheriff Department. The Fire Department also invested $2.6 million toward the purchase of Fire Tractor.

Health and sanitation: The original adopted appropriation budget for Health and Sanitation decreased by $1.8 million, or 0.3%, from $678.8 million to the final appropriation budget of $677.0 million. The major appropriation variances are described below.

- *Services and supplies* increased by $14.7 million, or 11.2%, from $131.2 million to $145.9 million. This was mainly due to Behavior Health increasing their budget by $7.6 million to cover Behavioral Health Integration Prevention and Early Intervention screening costs. Correctional Health increased their budget by $3.7 million for information technology services, pharmaceuticals, outside hospitalization, and professional services costs. Public Health increased their budget by $1.3 million for professional services and special program expenses.

- *Other charges* decreased by $9.4 million, or 3.5%, from $267.9 million to $258.5 million. The decrease was related to the budget appropriation transfer of funds to services and supplies to cover Behavioral Health Integration Prevention and Early Intervention screening costs as explained above.

Debt services: The original adopted appropriation budget for Debt services decreased by $63.4 million, or 63.2%, from $100.3 million to the final appropriation budget of $37.0 million. The major appropriation variances are described below.

- *Principal* decreased by $49.7 million, or 85.1%, from $58.4 million to $8.7 million primarily due to intergovernmental activities.

- *Interest* decreased by $13.7 million, or 32.9%, from $41.6 million to $27.9 million primarily due to intergovernmental activities.

Variance between General Fund Actual Revenues and Expenditures and Final Budget

During the year, the General Fund had a positive budget variance of approximately $109.0 million resulting from unexpended appropriations of $340.4 million, or 10.1%, and overestimated revenue of $231.3 million, or 6.9%. The following contributed to the variance:

Revenue Variances

General Fund actual revenues of $3.10 billion were 6.9%, or $231.3 million, less than the final revenue budget of $3.33 billion. The major revenue variances are described as follows:

Taxes: Actual revenues of $327.0 million were $13.5 million, or 4.3%, more than the final budget of $313.4 million due to an increase in property tax assessed values and as well as an increase in sales and uses tax.

Fine, forfeitures, and penalties: Actual revenues of $64.5 million were $3.9 million, or 6.5%, more than the final budget of $60.6 million. The District Attorney's Office increased by $2.6 million in revenue from the consumer fraud and environment crimes units. Sheriff Corrections received additional booking fee recovery revenue of $2.2 million, and Sheriff Patrol received $1.1 million from asset forfeitures. These were offset by a decrease of $1.3 million from the Teeter overflow revenue and $1.0 million from Environmental Health due to a reduction in code enforcement activity.

Investment Earnings: Actual revenues of $41.3 million were $23.2 million, or 128.0%, more than the final budget of $18.1 million. The primary variance was due to the Treasurer-Tax Collector Office optimizing the investment selections and strategies which resulted in additional interest earnings. Additionally, the year-end fair market value calculation on investments was positive in the current year compare to being negative in the prior year.

Rents and concessions: Actual revenue of $12.2 million were $20.0 million, or 62.0%, less than final budget of $32.2 million mainly due to intergovernmental activities of $19.5 million.

Federal: Actual revenues of $567.8 million were $122.9 million, or 17.8%, less than the final budget of $690.7 million. A majority of the decrease was due to the implementation of a new billing system and the timing of public assistance claims by the Department of Public Social Services. There was also a $23.4 million decrease due to a decline in CalWORKs and Foster Care caseloads. Decreases were also experienced by Behavioral Health, Public Health, the Fire Department, the DCSS and the Sheriff Department.

State: Actual revenues of $1.40 billion were $72.6 million, or 4.9%, less than the final budget of $1.48 billion. This category is closely aligned with federal revenues whereas decreases in federal funding also translates to decreases in state funding. Approximately $64.3 million decrease in state public assistance was due to fluctuations in expenditures as this source of revenue is expenditure driven. Decreases in expenditures and therefore less claimable revenue were noted by the DPSS, Behavior Health and Public Health. There was also a $14.7 million decrease in AB109 funding. This is offset by $10.3 million increase in Public Safety Sales Tax Revenue.

Charges for services: Actual revenues of $499.6 million were $25.7 million, or 4.9%, less than the final budget of $525.3 million. A majority of the variance is due to decreases of $87.4 million in intergovernmental activities. This was offset by additional increases in the amount of $57.7 million for contract cities fire protection services and $8.6 million in Sheriff's contract city law enforcement service revenues.

Other revenue: Actual revenues of $49.7 million were $33.4 million, or 40.2%, less than the final budget of $83.0 million. The majority of this variance is related to operating transfers in and out of pension activities.

Expenditure Variances

General Fund actual expenditures of $3.03 billion were $340.4 million, or 10.1%, less than the final appropriation budget of $3.37 billion. The major appropriation variances are described as follows:

General government: Actual expenditures of $118.7 million were $62.1 million, or 34.3%, less than the final budget of $165.1 million.

- *Salaries and employee benefits* decreased by $8.3 million, or 7.8%. Assessor had decreases of $1.2 million due to attrition salary savings. Human Resources had decreases of $2.7 million due to vacant positions and the Treasurer Tax Collector had a decrease of $1.3 million due to office reorganization and vacant positions.
- *Services and supplies* decreased by $13.8 million, or 15.0%. Assessor had a decrease of $2.2 million from department cost allocation reductions. The Economic Development Agency (EDA) had decreases in water and heating fuel utility costs that were $3.0 million less than budgeted. The Executive Office had a decrease of $2.3 million due to several work streams resulting in contractual savings. The remaining balance of the decrease was attributed to conservative spending decisions by departments Countywide.
- *Other charges* decreased by $44.0 million, or 78.8%, mainly due to decreases in contributions to other funds as directed by the Executive Office and intergovernmental activities.
- *Intrafund transfers* decreased by $4.7 million, or 6.3%, mainly due to a decrease of $2.7 million by EDA's Energy Division having reductions in utilities costs and in project reimbursement costs.

Public protection: Actual expenditures of $1.38 billion were $76.2 million, or 5.2%, less than the final budget of $1.46 billion.

- *Salaries and employee benefits* decreased by $33.9 million, or 3.6%, mainly due to salary savings and the hiring freeze. The following departments had decreases in their salaries and employee benefits: $13.0 million for Probation, Sheriff had $5.9 million, District Attorney had $4.1 million, and $2.6 million for Fire.
- *Services and supplies* were $28.2 million, or 5.8%, less than the final budget. The Fire Department had decreases of $12.0 million in professional services and weed abatement charges. Other public safety departments experienced savings due to conservative spending.
- *Capital assets* were $6.2 million, or 33.6%, less than the final budget due to postponed projects by the Fire Department.
- *Intrafund transfers* were $2.4 million, or 16.0%, more than the final budget mainly due to the Sheriff Department receipt of $1.7 million from the Emergency Management Department for their services provided during the Cranston and Holy fires. The Emergency Management Department also received an additional transfer of $1.3 million for fire related expenses.

Health and sanitation: Actual expenditures of $558.9 million were $118.1 million, or 17.4%, less than the final budget of $677.0 million.

- *Salaries and employee benefits* were $55.3 million, or 16.3%, less than the final budget mainly due to hiring freezes. Behavioral Health Department had salary savings of $43.7 million. Public Health had $7.7 million in savings, and Environmental Health Department had $2.4 million in salary savings.
- *Other charges* were $55.5 million, or 21.5%, less than the final budget mostly due to several contract programs at Behavior Health not being fully operational during the fiscal year. These programs include $23.5 million of constructions costs for the Desert Augmented Board and Care facility and $16.0 million from Children and Crisis contract services. Finally, there was a decrease of $15.1 million as they continue the process of fully implementing the Drug Medi-Cal Waiver program.
- *Intrafund transfers* were $3.8 million, or 5.6%, more than the final budget mainly due to transfer increases to Behavioral Health for approximately $3.6 million.

Public assistance: Actual expenditures of $934.6 million were $76.7 million, or 7.6%, less than the final budget of $1.01 billion.

- *Salaries and employee benefits* actual expenditures of $333.9 million were $20.3 million, or 5.7%, less than the final budget of $354.2 million. This is primarily due to a decrease of $20.1 million from the Department of Public Social Services salaries due to the Countywide hiring freeze.
- *Services and supplies* were $18.1 million, or 13.8%, less than the final budget of $131.5 million primarily due to the Department of Public Social Services experiencing lower expenditures related to consultants and data processing services. Additionally, new project costs rolled over to the next fiscal year due to the implementation of the billing system causing timing issues with rent-lease building and professional services.
- *Other charges* were $38.3 million, or 7.3%, less than the final budget of $526.0 million mainly due to $31.1 million decreases in client services, due to drop in caseload for CalWorks and Foster Care programs. The remaining variance was due to intergovernmental activities.

Debt services: Actual expenditures of $23.4 million were $13.5 million, or 36.6%, less than the final budget of $52.6 million primarily due to decrease in transfers from the General Fund to the CORAL debt service fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, the County's capital assets for both its governmental and business-type activities amounted to $5.27 billion (net of accumulated depreciation). The capital assets include infrastructure, land & easements, land improvements, structures and improvements, equipment, construction in progress, and concession arrangements. The County's infrastructure is comprised of channels, storm drains, levees, basins, roads, traffic signals, bridges, runways, parks, park trails, and landfill liners. The County's capital assets increased by approximately 1.6%, or $80.8 million, from $5.19 billion in fiscal year 2017-18 to $5.27 billion in fiscal year 2018-19.

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

- Infrastructure increased approximately $49.8 million consisting of donated roads valued at $28.7 million and $21.1 million as a result of the completed projects related to various channels, storm drains, roads and traffic signals.
- Land easements increased approximately $5.4 million. The major increase was due to the Flood Control District land valuation of $5.1 million. The value is primarily comprised of parcels and easements conveyed via Grant Deed to the Flood Control District.
- Structures and improvements decreased approximately $5.1 million for the current fiscal year. The overall decrease was attributed to depreciation for the current fiscal year.
- Equipment increased approximately $30.3 million. The primary increase of $47.6 million was due to the classification of the new integrated property tax management system from construction in progress and $2.4 million was due to the increase in equipment vehicles and other miscellaneous equipment throughout the County. Whereas approximately $19.7 million of vehicles and various equipment were retired in the current fiscal year.
- During the current fiscal year, construction in progress experienced additions in the amount of $212.2 million related to existing and new projects. The major increases were noted as follows: the Transportation and Land Management Agency incurred an additional $104.0 million for projects related to roads, bridges, sidewalks and signal lights; the Economic Development Agency incurred $56.2 million in costs for existing projects such as the construction and street improvements of the East County Detention Center and Roy's Desert Resource Center; the Riverside University Health Systems – Medical Center incurred an additional $10.9 million for projects such as the COGEN Plan Rehabilitation, Medical & Surgical Center Telecom/Cisco Network System, Emergency Room Expansion and the Cardiac Catheterization Lab; the Flood Control District incurred $8.9 million for storm drains and channels; the Crest project incurred an additional $4.8 million towards the new integrated property management system; the Park District incurred an additional $4.7 million for projects related to District Headquarters Building E and to the trails located in Santa River and Salt Creek; the Sheriff's Department incurred $4.1 million for the Security Electronic System replacement to four (4) Correctional Facilities; and the Waste Management Department incurred an additional cost of $3.3 million for projects such as the Corona, Badlands & Lamb Canyon landfills drainage improvements and gas collection system expansion. During the current year approximately $201.1 million of completed projects were transferred out of construction in progress to other capital asset classifications and $9.8 million were retired due to canceled projects which resulted in an overall increase in construction in progress of approximately $1.1 million.

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

CAPITAL ASSETS (Net of Accumulated Depreciation)
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percentage Change
Infrastructure	$ 2,037,710	$ 1,986,825	$ 45,099	$ 46,189	$ 2,082,809	$ 2,033,014	$ 49,795	2.4%
Land and easements	587,148	581,920	21,524	21,359	608,672	603,279	5,393	0.9%
Land improvements	80	81	5,904	6,680	5,984	6,761	(777)	-11.5%
Structures and improvements	1,298,668	1,318,084	146,321	132,046	1,444,989	1,450,130	(5,141)	-0.4%
Equipment	243,278	209,981	58,664	61,623	301,942	271,604	30,338	11.2%
Construction in progress	768,267	762,284	49,089	53,932	817,356	816,216	1,140	0.1%
Concession	-	-	8,830	8,830	8,830	8,830	-	0.0%
Total outstanding	$ 4,935,151	$ 4,859,175	$ 335,431	$ 330,659	$ 5,270,582	$ 5,189,834	$ 80,748	1.6%

Additional information on the County's capital assets can be found in Note 8 on pages 74-76 of this report.

Debt Administration

Per Board of Supervisors policy, the County's Debt Advisory Committee reviews all debt issuances of the County and its financing component unit organizations and advises the Board of Supervisors accordingly. Net bonded debt per capita equaled $499.0 thousand as of June 30, 2019. The calculated legal debt limit for the County is $3.55 billion.

The following are credit ratings maintained by the County:

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

The table below provides summarized information (including comparative amounts from the preceding year) for the County’s outstanding long-term liabilities as of June 30, 2019.

COUNTY’S OUTSTANDING DEBT OBLIGATIONS
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2019	2018	2019	2018	2019	2018	Dollar Change	Percentage Change
Loan payable	$ 980	$ 1,600	$ -	$ -	$ 980	$ 1,600	$ (620)	-38.8%
Bonds payable	1,189,065	1,232,233	64,254	77,773	1,253,319	1,310,006	(56,687)	-4.3%
Certificates of participation	60,265	78,128	-	-	60,265	78,128	(17,863)	-22.9%
Capital leases	102,905	116,842	34,724	21,521	137,629	138,363	(734)	-0.5%
Total outstanding	$ 1,353,215	$ 1,428,803	$ 98,978	$ 99,294	$ 1,452,193	$ 1,528,097	$ (75,904)	-5.0%

The County of Riverside’s total debt decreased by 5.0%, or $75.9 million, during the current fiscal year. The decrease was primarily due to a substantial decrease in the finance of capital leases for equipment and the regularly scheduled principal reductions on the existing outstanding debt. Additional information on the County’s long-term debt can be found in Note 14 on pages 84-94 of this report.

ECONOMIC FACTORS AND THE FISCAL YEAR 2019-20 BUDGET OUTLOOK

Beacon Economics’ current forecast for Riverside County represents a positive outlook that the economy is trending in the right direction. The residential and nonresidential property markets continue to be positive while unemployment rates are at its lowest. Local revenues are projected to grow at a healthy, though not extraordinary pace. The County’s revenues forecast most closely associated with the local real estate market continue to exhibit positive growth, which would both increase the assessed property value and increase transfer tax revenues through fiscal year 2020. Riverside County continues to be a magnet for new residents, including significant numbers of Southern California residents who choose to move inland from more unaffordable coastal counties. In turn, the County should expect modest growth in taxable sales, all else being equal.

The following table reflects anticipated discretionary revenue totals and sources for fiscal year 2019-20.

Source	Final Budget Estimate (In millions)
Taxes	$ 390,600
Other taxes	66,600
Licenses, permits, franchise taxes	7,000
Fines, forfeitures, penalties	19,100
Use of money and property	18,000
State	276,300
Federal	3,400
Miscellaneous	56,500
Total	$ 837,500

The County’s employee retirement benefit contribution rate for fiscal year 2018-19 for miscellaneous members is 18.9% and the safety contribution rate is 31.6%. The employer rate for both plans is subject to changes in future years, as it continues to reflect changes in investment returns and the County’s growth rate, among other factors. Fiscal year 2019-20 rates are projected at 21.6% (Miscellaneous) and 37.4% (Safety). Additional information regarding the

County’s retirement plans is included in Notes 20 and 21 of the financial statements and schedules of changes in net pension liability and related ratios and contributions, which are included in the required supplementary information section.

Requests for Information

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

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BASIC FINANCIAL STATEMENTS-GOVERNMENT-WIDE FINANCIAL STATEMENTS

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COUNTY OF RIVERSIDE
Statement of Net Position
June 30, 2019
(Dollars in Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Children and Families Commission
ASSETS:				
Cash and investments (Note 4)	$ 1,251,677	$ 146,402	$ 1,398,079	$ 32,288
Receivables, net (Notes 1 and 6)	462,910	243,554	706,464	6,100
Internal balances (Note 7)	169,377	(169,377)	-	-
Inventories	5,714	8,220	13,934	-
Prepaid items and deposits	4,728	6,061	10,789	-
Restricted cash and investments (Notes 4 and 5)	500,797	106,332	607,129	-
Other noncurrent receivables (Note 6)	23,457	-	23,457	-
Loans receivable (Note 6)	-	99,534	99,534	-
OPEB asset, net (Note 22)	244	-	244	-
Land held for resale	-	36,620	36,620	-
Capital assets (Note 8):				
Nondepreciable assets	1,355,415	79,443	1,434,858	373
Depreciable assets, net	3,579,736	255,988	3,835,724	1,639
Total assets	7,354,055	812,777	8,166,832	40,400
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	846,545	132,874	979,419	2,141
LIABILITIES:				
Current liabilities:				
Cash overdrawn	-	24,304	24,304	-
Accounts payable	155,423	45,911	201,334	1,383
Salaries and benefits payable	122,753	31,437	154,190	266
Due to other governments	66,492	137,074	203,566	2,935
Interest payable	10,094	272	10,366	-
Deposits payable	1,026	189	1,215	-
Advances from grantors and third parties (Note 12)	349,110	-	349,110	-
Notes payable (Note 13)	75,754	-	75,754	-
Other liabilities	3,334	3,359	6,693	-
Interest rate swap (Notes 14 and 15)	18,597	-	18,597	-
Noncurrent liabilities:				
Due within one year				
Long-term liabilities (Note 14)	294,637	37,127	331,764	173
Landfill closure/post-closure care costs (Notes 10)	-	968	968	-
Pollution remediation (Note 23)	447	853	1,300	-
Due more than one year:				
Long-term liabilities (Note 14)	1,742,510	194,357	1,936,867	131
Landfill closure/post-closure care costs (Notes 10)	-	95,873	95,873	-
Pollution remediation (Note 23)	1,499	41,791	43,290	-
Net pension liability (Notes 20 and 21)	2,872,432	445,879	3,318,311	5,407
OPEB liabilities (Note 22)	23,981	4,891	28,872	-
Total liabilities	5,738,089	1,064,285	6,802,374	10,295
DEFERRED INFLOWS OF RESOURCES (Note 15)	112,046	19,815	131,861	450
NET POSITION:				
Net investment in capital assets	3,673,404	224,427	3,897,831	2,012
Restricted for:				
Children's programs	-	-	-	29,784
Endowment care - nonexpendable	802	-	802	-
Community development	204,765	-	204,765	-
Debt service	71,495	28,217	99,712	-
Health and sanitation	27,522	10,971	38,493	-
Public protection	58,899	-	58,899	-
Public ways and facilities	379,599	-	379,599	-
Other programs	26,143	1,397	27,540	-
Unrestricted	(2,092,164)	(403,461)	(2,495,625)	-
Total net position	$ 2,350,465	$ (138,449)	$ 2,212,016	$ 31,796

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

COUNTY OF RIVERSIDE
Statement of Activities
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
					Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Children and Families Commission
FUNCTION/PROGRAM ACTIVITIES:								
Primary government:								
Governmental activities:								
General government	$ 261,113	$ 170,904	$ 165,878	$ 15,432	$ 91,101	$ -	$ 91,101	
Public protection	1,600,054	448,722	390,515	-	(760,817)	-	(760,817)	
Public ways and facilities	244,547	92,051	67,871	31,333	(53,292)	-	(53,292)	
Health and sanitation	611,195	37,043	432,527	-	(141,625)	-	(141,625)	
Public assistance	1,067,788	1,693	942,591	-	(123,504)	-	(123,504)	
Education	25,220	431	9,510	-	(15,279)	-	(15,279)	
Recreation and cultural services	19,232	8,643	1,459	765	(8,365)	-	(8,365)	
Interest on long-term debt	69,630	-	-	-	(69,630)	-	(69,630)	
Total governmental activities	3,898,779	759,487	2,010,351	47,530	(1,081,411)	-	(1,081,411)	
Business-type activities:								
Riverside University Health Systems - Medical Center	663,496	585,761	-	-	-	(77,735)	(77,735)	
Waste Resources Department	102,278	98,766	-	-	-	(3,512)	(3,512)	
Housing Authority	95,929	92,112	-	-	-	(3,817)	(3,817)	
Flood Control	2,404	2,211	-	-	-	(193)	(193)	
Riverside University Health Systems - Community Health Centers	79,792	58,666	-	-	-	(21,126)	(21,126)	
County Service Areas	233	408	-	-	-	175	175	
Total business-type activities	944,132	837,924	-	-	-	(106,208)	(106,208)	
Total primary government	$ 4,842,911	$ 1,597,411	$ 2,010,351	$ 47,530	(1,081,411)	(106,208)	(1,187,619)	
Component unit:								
Children and Families Commission	$ 30,528	$ -	$ 23,922	$ -				$ (6,606)
Total component unit	$ 30,528	$ -	$ 23,922	$ -				$ (6,606)
General revenues:								
Taxes:								
Property taxes					407,895	-	407,895	-
Sales and use taxes					33,673	-	33,673	-
Other taxes					29,941	-	29,941	-
Unrestricted intergovernmental revenue					281,336	-	281,336	-
Investment earnings					69,755	8,330	78,085	1,154
Other					255,570	-	255,570	44
Transfers					(28,292)	28,292	-	-
Total general revenues and transfers					1,049,878	36,622	1,086,500	1,198
Changes in net position before extraordinary item					(31,533)	(69,586)	(101,119)	(5,408)
Extraordinary item								
Extraordinary item					-	-	-	-
Changes in net position					(31,533)	(69,586)	(101,119)	(5,408)
NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)					2,381,998	(68,863)	2,313,135	37,204
NET POSITION, END OF YEAR					$ 2,350,465	$ (138,449)	$ 2,212,016	$ 31,796

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

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BASIC FINANCIAL STATEMENTS-
FUND FINANCIAL STATEMENTS

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COUNTY OF RIVERSIDE
Balance Sheet
Governmental Funds
June 30, 2019
(Dollars in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	General	Transportation	Flood Control	Teeter Debt Service	Public Facilities Improvements Capital Projects	Public Financing Authority	Other Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments (Note 4)	$ 207,950	$ 148,108	$ 260,190	$ -	$ 178,153	$ -	$ 129,632	$ 924,033
Accounts receivable (Notes 1 and 6)	15,111	142	89	-	-	-	2,862	18,204
Interest receivable (Note 6)	9,624	559	1,197	65	697	94	499	12,735
Taxes receivable (Note 6)	10,499	14	1,133	49,853	-	-	1,474	62,973
Due from other governments (Note 6)	343,679	21,309	820	-	1,235	-	11,086	378,129
Due from other funds (Note 7)	9,961	73	-	35	9,044	-	290	19,403
Inventories	2,087	1,277	-	-	-	-	-	3,364
Prepaid items and deposits	-	2,336	-	-	-	-	1,601	3,937
Restricted cash and investments (Notes 4 and 5)	411,861	-	1,904	32,515	-	9,612	44,905	500,797
Advances to other funds (Note 7)	4,869	-	-	-	-	-	-	4,869
Total assets	1,015,641	173,818	265,333	82,468	189,129	9,706	192,349	1,928,444
Deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 1,015,641	$ 173,818	$ 265,333	$ 82,468	$ 189,129	$ 9,706	$ 192,349	$ 1,928,444
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:								
Liabilities:								
Accounts payable	$ 39,870	$ 43,143	$ 3,240	$ -	$ 16,695	$ -	$ 9,898	$ 112,846
Salaries and benefits payable	107,031	3,247	1,355	-	-	-	3,173	114,806
Due to other governments	64,974	1	1,313	-	-	-	64	66,352
Due to other funds (Note 7)	13,346	165	490	6,714	5,073	8,888	1,244	35,920
Interest payable	-	-	-	-	-	-	4	4
Deposits payable	28	501	-	-	-	-	497	1,026
Advances from grantors and third parties (Note 12)	318,534	17,970	533	-	545	-	11,528	349,110
Teeter notes payable (Note 13)	-	-	-	75,754	-	-	-	75,754
Advances from other funds (Note 7)	-	-	-	-	2,000	-	-	2,000
Total liabilities	543,783	65,027	6,931	82,468	24,313	8,888	26,408	757,818
Deferred inflows of resources (Note 15)	59,457	-	1,133	-	-	-	5	60,595
Fund balances (Note 16):								
Nonspendable	2,416	1,278	1	-	-	-	1,320	5,015
Restricted	102,288	87,536	257,268	-	143,969	818	146,731	738,610
Committed	18,320	4,519	-	-	8,427	-	6,492	37,758
Assigned	14,196	15,458	-	-	12,420	-	11,393	53,467
Unassigned	275,181	-	-	-	-	-	-	275,181
Total fund balances	412,401	108,791	257,269	-	164,816	818	165,936	1,110,031
Total liabilities, deferred inflows of resources, and fund balances	$ 1,015,641	$ 173,818	$ 265,333	$ 82,468	$ 189,129	$ 9,706	$ 192,349	$ 1,928,444

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

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COUNTY OF RIVERSIDE

Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2019
(Dollars in Thousands)

Fund balances - total governmental funds (page 31)		$ 1,110,031
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		4,872,120
Net other postemployment benefits (OPEB) assets are not current financial resources and, therefore, are not reported in the governmental funds.		244
Deferred Outflows of Resources Related to OPEB and Pensions are not current financial resources and, therefore, are not reported in the governmental funds:		
Deferred Outflows of Resources Related to OPEB	$ 19,651	
Deferred Outflows of Resources Related to Pensions	766,232	785,883
Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements.		37,454
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds payable	(1,189,065)	
Capital lease obligations	(76,961)	
Certificates of participation	(60,265)	
Loans payable	(980)	
Accrued interest payable	(10,090)	
Accreted interest payable	(195,574)	
Accrued remediation cost	(1,788)	
Compensated absences	(213,931)	
Net OPEB liability	(22,697)	
Net Pension liability	(2,707,368)	(4,478,719)
Deferred Outflows/Inflows of Resources Related to OPEB and Pensions are not current financial resources and, therefore, are not reported in the governmental funds:		
Deferred Inflows of Resources Related to OPEB	(475)	
Deferred Inflows of Resources Related to Pensions	(84,814)	(85,289)
Internal service funds are used by management to charge the costs of equipment, fleet management, printing, information technology, supply services, risk management, and temporary assistance to individual funds. Since internal service funds predominantly service governmental activities, the assets and liabilities of these funds are included as governmental activities in the statement of net position.		108,741
Net position of governmental activities (page 25)		$ 2,350,465

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

COUNTY OF RIVERSIDE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	General	Transportation	Flood Control	Teeter Debt Service	Public Facilities Improvements Capital Projects	Public Financing Authority	Other Governmental Funds	Total Governmental Funds
REVENUES:								
Taxes	$ 326,991	$ 9,048	$ 59,111	$ -	$ -	$ -	$ 75,417	$ 470,567
Licenses, permits, and franchise fees	19,989	3,368	-	-	-	-	759	24,116
Fines, forfeitures, and penalties	64,521	7	-	-	-	-	969	65,497
Use of money and property:								
Investment earnings	41,315	3,096	7,299	663	4,690	325	4,232	61,620
Rents and concessions	12,244	-	166	-	368	-	13,112	25,890
Aid from other governmental agencies:								
Federal	567,753	10,572	-	-	-	-	59,314	637,639
State	1,404,112	79,372	599	-	15,432	-	9,423	1,508,938
Other	117,264	8,128	-	-	35,208	-	26,013	186,613
Charges for services	499,566	75,871	5,353	-	22,071	-	40,219	643,080
Other revenue	49,682	19,893	14,517	-	1,100	-	18,080	103,272
Total revenues	3,103,437	209,355	87,045	663	78,869	325	247,538	3,727,232
EXPENDITURES:								
Current:								
General government	118,662	-	-	-	62,731	-	35,713	217,106
Public protection	1,382,395	5,176	-	-	-	-	8,315	1,395,886
Public ways and facilities	-	193,310	63,292	-	457	-	17,178	274,237
Health and sanitation	558,905	-	-	-	-	-	2,222	561,127
Public assistance	934,641	-	-	-	-	-	61,619	996,260
Education	678	-	-	-	-	-	24,467	25,145
Recreation and cultural services	1,959	-	-	-	-	-	20,346	22,305
Debt service:								
Principal	7,491	391	-	-	-	-	60,946	68,828
Interest	15,581	16	-	1,443	66	-	52,071	69,177
Cost of issuance	350	-	-	224	-	-	1,724	2,298
Capital outlay	6,287	-	-	-	-	23,506	4,612	34,405
Total expenditures	3,026,949	198,893	63,292	1,667	63,254	23,506	289,213	3,666,774
Excess (deficiency) of revenues over (under) expenditures	76,488	10,462	23,753	(1,004)	15,615	(23,181)	(41,675)	60,458
OTHER FINANCING SOURCES (USES):								
Transfers in	114,208	16,335	272	1,443	15,900	-	134,841	282,999
Transfers out	(154,164)	(3,535)	(2,837)	(439)	(46,748)	-	(104,854)	(312,577)
Issuance of refunding bonds	-	-	-	-	-	-	100,000	100,000
Redemption of bonds	-	-	-	-	-	-	(110,835)	(110,835)
Capital leases	6,287	-	-	-	-	-	-	6,287
Total other financing sources (uses)	(33,669)	12,800	(2,565)	1,004	(30,848)	-	19,152	(34,126)
NET CHANGE IN FUND BALANCES	42,819	23,262	21,188	-	(15,233)	(23,181)	(22,523)	26,332
Fund balances, beginning of year	369,582	85,529	236,081	-	188,377	15,671	188,459	1,083,699
Adjustments to beginning fund balances (Note 3)	-	-	-	-	(8,328)	8,328	-	-
Fund balances, beginning of year, as restated	369,582	85,529	236,081	-	180,049	23,999	188,459	1,083,699
FUND BALANCES, END OF YEAR	$ 412,401	$ 108,791	$ 257,269	$ -	$ 164,816	$ 818	$ 165,936	$ 1,110,031

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

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COUNTY OF RIVERSIDE

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

Net change in fund balances - total governmental funds (page 35)		$ 26,332
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay and other capital projects as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capital assets	$ 272,886	
Less loss on disposal of capital assets	(4,590)	
Less current year depreciation	(181,216)	87,080
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repayment	169,769	
Issuance of long-term debt	(106,287)	63,482
Under the modified accrual basis of accounting, revenue cannot be recognized until it is available to liquidate liabilities of the current period; under accrual accounting, revenue must be recognized as soon as earned, regardless of its availability. Also, any liability of earned but unavailable revenue must be eliminated in the government-wide financial statements.		7,889
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest	104	
Change in accreted interest	(7,609)	
Change in long-term compensated absences	2,628	
Change in pollution remediation obligation	(804)	
OPEB expense	125	
Pension expense	(244,039)	(249,595)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (loss) of the internal service funds is reported with governmental activities.		33,279
Change in net position of governmental activities (page 27)		$ (31,533)

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

COUNTY OF RIVERSIDE
Budgetary Comparison Statement
General Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Over(Under)
REVENUES:				
Taxes	$ 313,446	$ 313,446	$ 326,991	$ 13,545
Licenses, permits, and fees	19,133	19,551	19,989	438
Fines, forfeitures, and penalties	60,132	60,606	64,521	3,915
Use of money and property:				
Investment earnings	18,118	18,118	41,315	23,197
Rents and concessions	32,126	32,225	12,244	(19,981)
Aid from other governmental agencies:				
Federal	681,560	690,696	567,753	(122,943)
State	1,462,532	1,476,700	1,404,112	(72,588)
Other	115,109	115,109	117,264	2,155
Charges for services	607,473	525,286	499,566	(25,720)
Other revenue	105,184	83,047	49,682	(33,365)
Total revenues	3,414,813	3,334,784	3,103,437	(231,347)
EXPENDITURES:				
Current:				
General government:				
Salaries and employee benefits	106,691	106,794	98,462	(8,332)
Services and supplies	92,124	92,049	78,247	(13,802)
Other charges	89,163	55,879	11,845	(44,034)
Capital assets	542	853	526	(327)
Intrafund transfers	(74,729)	(75,117)	(70,418)	4,699
Appropriation for contingencies	14,700	264	-	(264)
Total general government	228,491	180,722	118,662	(62,060)
Public protection:				
Salaries and employee benefits	924,833	928,167	894,295	(33,872)
Services and supplies	469,510	486,023	457,776	(28,247)
Other charges	52,807	40,726	35,285	(5,441)
Capital assets	3,805	18,609	12,360	(6,249)
Intrafund transfers	(12,264)	(14,935)	(17,321)	(2,386)
Total public protection	1,438,691	1,458,590	1,382,395	(76,195)
Health and sanitation:				
Salaries and employee benefits	344,907	339,638	284,380	(55,258)
Services and supplies	131,220	145,905	143,201	(2,704)
Other charges	267,916	258,488	202,944	(55,544)
Capital assets	1,163	1,467	666	(801)
Intrafund transfers	(66,360)	(68,484)	(72,286)	(3,802)
Total health and sanitation	678,846	677,014	558,905	(118,109)

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

COUNTY OF RIVERSIDE
Budgetary Comparison Statement
General Fund (Continued)
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Over(Under)
Public assistance:				
Salaries and employee benefits	$ 351,079	$ 354,179	$ 333,898	$ (20,281)
Services and supplies	131,444	131,462	113,316	(18,146)
Other charges	520,361	526,007	487,665	(38,342)
Capital assets	72	149	66	(83)
Intrafund transfers	(457)	(457)	(304)	153
Total public assistance	1,002,499	1,011,340	934,641	(76,699)
Education:				
Salaries and employee benefits	346	344	344	-
Services and supplies	328	334	334	-
Total education	674	678	678	-
Recreation and cultural services:				
Salaries and employee benefits	140	140	127	(13)
Services and supplies	1,882	1,947	1,917	(30)
Other charges	146	3	-	(3)
Capital assets	1	1	-	(1)
Intrafund transfers	(1)	(85)	(85)	-
Total recreation and cultural services	2,168	2,006	1,959	(47)
Debt service:				
Principal	58,387	8,687	7,491	(1,196)
Interest	41,593	27,926	15,581	(12,345)
Cost of issuance	350	350	350	-
Total debt service	100,330	36,963	23,422	(13,541)
Capital outlay	-	-	6,287	6,287
Total expenditures	3,451,699	3,367,313	3,026,949	(340,364)
Excess (deficiency) of revenues over (under) expenditures	(36,886)	(32,529)	76,488	109,017
OTHER FINANCING SOURCES (USES):				
Transfers in	-	114,208	114,208	-
Transfers out	-	(154,164)	(154,164)	-
Capital leases	-	-	6,287	6,287
Total other financing sources (uses)	-	(39,956)	(33,669)	6,287
NET CHANGE IN FUND BALANCE	(36,886)	(72,485)	42,819	115,304
Fund balance, beginning of year	369,582	369,582	369,582	-
FUND BALANCE, END OF YEAR	$ 332,696	$ 297,097	$ 412,401	$ 115,304

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

COUNTY OF RIVERSIDE
Budgetary Comparison Statement
Transportation Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Over(Under)
REVENUES:				
Taxes	$ 8,590	$ 8,590	$ 9,048	$ 458
Licenses, permits, and franchise fees	3,114	3,114	3,368	254
Fines, forfeitures, and penalties	16	16	7	(9)
Use of money and property:				
Investment earnings	775	775	3,096	2,321
Aid from other governmental agencies:				
Federal	23,905	23,905	10,572	(13,333)
State	77,812	81,477	79,372	(2,105)
Other	16,142	16,142	8,128	(8,014)
Charges for services	89,675	75,808	75,871	63
Other revenue	14,203	13,485	19,893	6,408
Total revenues	234,232	223,312	209,355	(13,957)
EXPENDITURES:				
Current:				
Public protection	8,634	8,405	5,176	(3,229)
Public ways and facilities	229,049	233,870	193,310	(40,560)
Debt service:				
Principal	419	419	391	(28)
Interest	21	21	16	(5)
Total expenditures	238,123	242,715	198,893	(43,822)
Excess (deficiency) of revenues over (under) expenditures	(3,891)	(19,403)	10,462	29,865
OTHER FINANCING SOURCES (USES):				
Transfers in	-	16,335	16,335	-
Transfers out	-	(3,535)	(3,535)	-
Total other financing sources (uses)	-	12,800	12,800	-
NET CHANGE IN FUND BALANCE	(3,891)	(6,603)	23,262	29,865
Fund balance, beginning of year	85,529	85,529	85,529	-
FUND BALANCE, END OF YEAR	$ 81,638	$ 78,926	$ 108,791	$ 29,865

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

COUNTY OF RIVERSIDE
Budgetary Comparison Statement
Flood Control Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Over(Under)
REVENUES:				
Taxes	$ 57,673	$ 57,673	$ 59,111	$ 1,438
Use of money and property:				
Investment earnings	1,802	1,802	7,299	5,497
Rents and concessions	157	157	166	9
Aid from other governmental agencies:				
State	587	587	599	12
Charges for services	4,557	4,557	5,353	796
Other revenue	13,833	13,561	14,517	956
Total revenues	78,609	78,337	87,045	8,708
EXPENDITURES:				
Current:				
Public ways and facilities	147,408	149,130	63,292	(85,838)
Total expenditures	147,408	149,130	63,292	(85,838)
Excess (deficiency) of revenues over (under) expenditures	(68,799)	(70,793)	23,753	94,546
OTHER FINANCING SOURCES (USES):				
Transfers in	-	272	272	-
Transfers out	-	(2,837)	(2,837)	-
Total other financing sources (uses)	-	(2,565)	(2,565)	-
NET CHANGE IN FUND BALANCE	(68,799)	(73,358)	21,188	94,546
Fund balance, beginning of year	236,081	236,081	236,081	-
FUND BALANCE, END OF YEAR	$ 167,282	$ 162,723	$ 257,269	$ 94,546

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

COUNTY OF RIVERSIDE

Statement of Net Position

Proprietary Funds

June 30, 2019

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
ASSETS:						
Current assets:						
Cash and investments (Note 4)	$ 16,863	$ 113,630	$ 14,416	$ 1,493	$ 146,402	$ 327,644
Accounts receivable - net (Notes 1 and 6)	46,310	7,852	434	1,329	55,925	11,848
Interest receivable (Note 6)	-	899	5	38	942	1,402
Taxes receivable (Note 6)	-	-	-	11	11	-
Due from other governments (Note 6)	183,890	99	1,235	1,452	186,676	1,076
Due from other funds (Note 7)	5,254	-	-	16,000	21,254	517
Advances to other funds (Note 7)	-	20,469	-	-	20,469	-
Inventories	7,659	347	-	214	8,220	2,350
Land held for sale	-	-	36,620	-	36,620	-
Prepaid items and deposits	5,948	-	6	107	6,061	791
Restricted cash and investments (Notes 4 and 5)	28,411	73,354	1,204	3,363	106,332	-
Total current assets	294,335	216,650	53,920	24,007	588,912	345,628
Noncurrent assets:						
Loans receivable (Note 6)	-	3,000	96,534	-	99,534	-
Capital assets (Note 8):						
Nondepreciable assets	48,422	27,390	3,631	-	79,443	1,460
Depreciable assets	159,251	61,157	9,952	25,628	255,988	61,571
Total noncurrent assets	207,673	91,547	110,117	25,628	434,965	63,031
Total assets	502,008	308,197	164,037	49,635	1,023,877	408,659
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	111,663	9,559	3,860	7,792	132,874	42,065
LIABILITIES:						
Current liabilities:						
Cash overdrawn	-	-	-	24,304	24,304	-
Accounts payable	35,858	5,310	431	4,312	45,911	42,576
Salaries and benefits payable	26,241	1,342	738	3,116	31,437	7,947
Due to other governments	134,666	54	19	2,335	137,074	140
Due to other funds (Note 7)	3,522	-	29	15	3,566	1,688
Interest payable	113	-	-	159	272	-
Deposits payable	5	38	-	146	189	-
Other liabilities	2,168	638	428	125	3,359	3,334
Accreted interest payable (Note 14)	1,210	-	-	-	1,210	-
Accrued closure and post-closure costs (Notes 10 and 23)	-	968	-	-	968	-
Accrued remediation costs (Note 23)	-	853	-	-	853	23
Compensated absences (Notes 1 and 14)	22,273	1,274	165	2,295	26,007	9,291
Capital lease obligations (Note 14)	3,419	-	-	1,510	4,929	13,337
Bonds payable (Note 14)	4,981	-	-	-	4,981	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	62,615
Total current liabilities	234,456	10,477	1,810	38,317	285,060	140,951
Noncurrent liabilities:						
Compensated absences (Note 2)	10,970	1,912	1,485	1,203	15,570	5,026
Advances from other funds (Note 7)	18,469	-	1,527	-	19,996	3,342
Accreted interest payable (Note 14)	78,712	-	-	-	78,712	-
Accrued closure and post-closure care costs (Note 10)	-	95,873	-	-	95,873	-
Accrued remediation costs (Notes 10 and 23)	-	41,791	-	-	41,791	135
Capital lease obligations (Notes 1 and 2)	5,687	-	-	24,108	29,795	12,607
Bonds payable (Note 14)	59,273	-	-	-	59,273	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	197,495
Net OPEB liability (Notes 14 and 22)	3,591	231	-	471	4,293	1,284
Total OPEB liability (Notes 14 and 22)	-	598	-	-	598	-
Net pension liability (Notes 14 and 20)	378,069	38,086	14,505	15,219	445,879	165,064
Other long-term liabilities (Note 14)	-	-	11,007	-	11,007	-
Total noncurrent liabilities	554,771	178,491	28,524	41,001	802,787	384,953
Total liabilities	789,227	188,968	30,334	79,318	1,087,847	525,904
DEFERRED INFLOWS OF RESOURCES (Note 15)	10,225	7,268	898	1,424	19,815	3,617
NET POSITION:						
Net investment in capital assets	134,313	88,547	1,557	10	224,427	37,087
Restricted for debt service	28,217	-	-	-	28,217	-
Restricted for health and sanitation	-	10,971	-	-	10,971	-
Restricted other	193	-	1,204	-	1,397	-
Unrestricted	(348,504)	22,002	133,904	(23,325)	(215,923)	(115,884)
Total net position	$ (185,781)	$ 121,520	$ 136,665	$ (23,315)	49,089	$ (78,797)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(187,538)	
Net position of business-type activities					$ (138,449)	

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

COUNTY OF RIVERSIDE

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Fiscal Year Ended June 30, 2019

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
OPERATING REVENUES:						
Net patient revenue (Notes 1 and 18)	$ 542,810	$ -	$ -	$ 17,435	$ 560,245	$ -
Charges for services	3,696	92,861	4,478	13,567	114,602	328,283
Other revenue	39,255	5,905	87,634	30,283	163,077	32,738
Total operating revenues	585,761	98,766	92,112	61,285	837,924	361,021
OPERATING EXPENSES:						
Cost of materials used	-	258	-	-	258	1,665
Personnel services	396,288	23,620	12,546	48,803	481,257	130,364
Communications	725	173	1	351	1,250	9,603
Insurance	12,431	1,149	-	546	14,126	28,103
Maintenance of building and equipment	11,158	3,687	3,380	1,515	19,740	44,898
Insurance claims	-	-	-	-	-	158,713
Supplies	68,248	2,193	-	4,531	74,972	22,264
Purchased services	92,460	4,439	2,332	15,769	115,000	34,562
Depreciation and amortization	21,114	7,945	1,206	1,931	32,196	22,203
Rents and leases of equipment	5,339	1,989	-	5,334	12,662	63,131
Public assistance	-	7	75,401	25	75,433	-
Utilities	4,314	288	736	531	5,869	2,713
Closure and post-closure care costs	-	11,760	-	-	11,760	-
Other	15,818	42,600	-	587	59,005	6,874
Total operating expenses	627,895	100,108	95,602	79,923	903,528	525,093
Operating loss	(42,134)	(1,342)	(3,490)	(18,638)	(65,604)	(164,072)
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	1,616	5,960	992	(238)	8,330	8,136
Interest expense	(8,488)	-	(9)	(1,196)	(9,693)	(557)
Gain (loss) on disposal of capital assets	(6,094)	(129)	1	-	(6,222)	750
Total nonoperating revenues (expenses)	(12,966)	5,831	984	(1,434)	(7,585)	8,329
Income (loss) before capital contributions and transfers	(55,100)	4,489	(2,506)	(20,072)	(73,189)	(155,743)
Capital contributions	-	-	-	-	-	163,047
Transfers in (Note 7)	22,035	-	-	16,242	38,277	5,936
Transfers out (Note 7)	(8,456)	(311)	(175)	(1,043)	(9,985)	(4,650)
Change in net position before extraordinary item	(41,521)	4,178	(2,681)	(4,873)	(44,897)	8,590
Extraordinary item	-	-	-	-	-	-
CHANGE IN NET POSITION	(41,521)	4,178	(2,681)	(4,873)	(44,897)	8,590
Net position, beginning of the year, as previously reported	(144,260)	117,342	140,192	(18,442)		(87,387)
Adjustments to beginning net position (Note 3)	-	-	(846)	-		-
Net position, beginning of the year, as restated	(144,260)	117,342	139,346	(18,442)		(87,387)
NET POSITION, END OF YEAR	$ (185,781)	$ 121,520	$ 136,665	$ (23,315)		$ (78,797)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(24,689)	
Change in net position of business-type activities					$ (69,586)	

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

COUNTY OF RIVERSIDE

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2019

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
Cash flows from operating activities						
Cash receipts (payments due) from customers	$ 554,964	$ 98,485	$ 92,546	$ 63,808	$ 809,803	$ 65
Cash receipts (payments due) from other funds	1,117	-	-	(1,063)	54	356,668
Cash paid to suppliers for goods and services	(222,830)	(58,806)	(82,855)	(41,525)	(406,016)	(342,244)
Cash paid to employees for services	(345,888)	(20,405)	(10,452)	(42,194)	(418,939)	(110,842)
Program loans	-	-	(4,997)	-	(4,997)	-
Net cash provided by (used in) operating activities	(12,637)	19,274	(5,758)	(20,974)	(20,095)	(96,353)
Cash flows from noncapital financing activities						
Advances to (from) other funds	-	2,000	-	-	2,000	-
Transfers received	22,035	-	-	16,242	38,277	5,936
Transfers paid	(8,456)	(311)	(175)	(1,043)	(9,985)	(4,650)
Net cash provided by (used in) noncapital financing activities	13,579	1,689	(175)	15,199	30,292	1,286
Cash flows from capital and related financing activities						
Proceeds (loss) from sale of capital assets	(6,094)	(129)	1	-	(6,222)	750
Acquisition and construction of capital assets	(12,227)	(8,363)	614	(16,327)	(36,303)	(5,773)
Principal paid on capital leases	(1,632)	-	-	14,835	13,203	(17,431)
Capital contributions	-	-	-	-	-	163,047
Principal paid on bonds payable	(9,768)	-	(200)	-	(9,968)	-
Interest paid on long-term debt	(8,625)	-	(9)	(1,080)	(9,714)	(557)
Net cash provided by (used in) capital and related financing activities	(38,346)	(8,492)	406	(2,572)	(49,004)	140,036
Cash flows from investing activities						
Investment income (loss)	1,616	5,656	987	(260)	7,999	7,627
Net cash provided by (used in) investing activities	1,616	5,656	987	(260)	7,999	7,627
Net increase (decrease) in cash and cash equivalents	(35,788)	18,127	(4,540)	(8,607)	(30,808)	52,596
Cash and cash equivalents, beginning of year	81,062	168,857	20,160	(10,841)	259,238	275,048
Cash and cash equivalents, end of year	$ 45,274	$ 186,984	$ 15,620	$ (19,448)	$ 228,430	$ 327,644
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	$ 16,863	$ 113,630	$ 14,416	$ (22,811)	$ 122,098	$ 327,644
Restricted cash and investments per Statement of Net Position	28,411	73,354	1,204	3,363	106,332	-
Total cash and cash equivalents per Statement of Net Position	$ 45,274	$ 186,984	$ 15,620	$ (19,448)	$ 228,430	$ 327,644

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

COUNTY OF RIVERSIDE

Statement of Cash Flows

Proprietary Funds (Continued)

For the Fiscal Year Ended June 30, 2019

(Dollars in Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Riverside University Health Systems - Medical Center	Waste Resources	Housing Authority	Other	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	$ (42,134)	$ (1,342)	$ (3,490)	$ (18,638)	$ (65,604)	$ (164,072)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	21,114	7,945	1,206	1,931	32,196	22,203
Decrease (Increase) accounts receivable	1,115	(318)	1,669	346	2,812	(4,189)
Decrease (Increase) taxes receivable	-	-	-	(1)	(1)	-
Decrease (Increase) due from other funds	1,117	-	-	(1,062)	55	(164)
Decrease (Increase) due from other governments	(31,912)	37	(1,235)	2,177	(30,933)	65
Decrease (Increase) inventories	(70)	(55)	-	163	38	459
Decrease (Increase) prepaid items and deposits	(412)	-	(6)	146	(272)	(248)
Increase (Decrease) accounts payable	14,068	1,488	(768)	264	15,052	14,850
Increase (Decrease) due to other funds	(14,059)	-	29	(5,897)	(19,927)	(443)
Increase (Decrease) due to other governments	(793)	18	19	(6,909)	(7,665)	63
Increase (Decrease) deposits payable	5	-	-	(1)	4	-
Increase (Decrease) accrued closure costs	-	11,760	-	-	11,760	-
Increase (Decrease) accrued remediation costs	-	(3,010)	-	-	(3,010)	(41)
Increase (Decrease) other liabilities	(11,076)	(29)	(279)	(102)	(11,486)	1,794
Increase (Decrease) estimated claims liability	-	-	-	-	-	13,848
Increase (Decrease) net pension liability	8,259	192	253	1,075	9,779	7,386
Increase (Decrease) net OPEB liability	1,730	77	-	242	2,049	595
Increase (Decrease) deferred OPEB	(1,787)	(202)	-	(257)	(2,246)	-
Increase (Decrease) deferred pensions	33,492	2,967	1,145	4,303	41,907	11,185
Increase (Decrease) service concession arrangement	-	(435)	-	-	(435)	-
Increase (Decrease) salaries and benefits payable	4,275	55	738	860	5,928	262
Increase (Decrease) compensated absences	4,431	126	(42)	386	4,901	94
Decrease (Increase) loans receivable	-	-	(4,997)	-	(4,997)	-
Net cash provided by (used in) operating activities	$ (12,637)	$ 19,274	$ (5,758)	$ (20,974)	$ (20,095)	$ (96,353)
Noncash investing, capital, and financing activities:						
Capital lease obligations	$ 2,659			$ 16,033	$ 18,692	$ 5,325

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

COUNTY OF RIVERSIDE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private-Purpose Trust	Agency Funds
ASSETS:				
Cash and investments (Note 4)	$ -	$ -	$ 121,148	$ 352,401
Federal agency	-	2,679,533	-	-
Cash and cash equivalents	1,539	614,122	-	-
Mutual funds	70,617	-	-	-
Commercial paper	-	635,658	-	-
Negotiable CDs	-	24,177	-	-
Medium term notes	-	201,954	-	-
Municipal bonds	-	162,304	-	-
Bonds - U.S. Treasury	-	406,325	-	-
Local agency obligation	-	55	-	-
Accounts receivable	161	10,736	7	397
Interest receivable	-	22,676	312	627
Taxes receivable	-	-	-	35,867
Prepaid Insurance	-	-	3,777	-
Due from other governments	-	-	2,113	-
Land held for sale	-	-	13,491	-
Total assets	72,317	4,757,540	140,848	389,292
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	-	-	35,006	-
LIABILITIES:				
Accounts payable	-	-	9,123	244,929
Due to other governments	-	-	4	144,363
Note payable	-	-	714,664	-
Interest payable	-	-	6,974	-
Accreted interest payable	-	-	12,498	-
Total liabilities	-	-	743,263	$ 389,292
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows of resources	-	-	1,769	
NET POSITION:				
Net position restricted for pensions	72,317	-	-	
Net position restricted for investment trust	-	4,757,540	-	
Net position restricted for private-purpose	-	-	(569,178)	
Net position (deficit) held in trust	$ 72,317	$ 4,757,540	$ (569,178)	

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

COUNTY OF RIVERSIDE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private-Purpose Trust
ADDITIONS:			
Employer contributions	$ 10,685	$ -	$ -
Employee contributions	1,637	-	-
Contributions to pooled investments	-	31,275,516	-
Contributions to private-purpose trust	-	-	61,115
Investment income	3,644	-	2,307
Total additions	15,966	31,275,516	63,422
DEDUCTIONS:			
Distributions from pooled investments	-	31,058,454	-
Distributions from private-purpose trust	-	-	43,979
Benefit paid to participants	2,175	-	-
Administrative and other expenses	353	-	-
Total deductions	2,528	31,058,454	43,979
Change in net position	13,438	217,062	19,443
Net position held in trust, beginning of the year	58,879	4,540,478	(588,621)
Net position held in trust, end of the year	$ 72,317	$ 4,757,540	$ (569,178)

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

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BASIC FINANCIAL STATEMENTS-NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

Component Units

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

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

Blended Component Units

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Units (Continued)

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

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

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

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

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

Discretely Presented Component Units

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

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

Presentation of Financial Information Related to County Fiduciary Responsibilities

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Basis of Presentation

Government-wide Financial Statements

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

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Expenses by function have been adjusted for any internal service profit/loss existing at fiscal year-end. In addition, 42.6%, or $30.1 million, of the County's $70.8 million indirect costs, allocated through the Countywide Cost Allocation Program (COWCAP), have been included in the expenses of those functions, which can obtain reimbursement through State and Federal Programs or other charges. Program revenues include (1) charges paid by the recipients of goods or services offered by the programs and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

Public facilities improvements capital projects fund accounts for revenues and expenditures related to the acquisition and construction of public buildings and park or recreational facilities. Revenues are obtained from State funding, sale of capital assets, contributions, and from other funds when allocated by the Board.

Public financing authority capital projects fund accounts for revenues and expenditures related to the acquisition and construction of the East County Detention Center. Revenues are obtained from State funding and bond proceeds.

The County reports the following major enterprise funds:

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

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

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

The County reports the following additional fund types:

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

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

Investment trust fund accounts for the external portion of the County Treasurer's investment pool. External investment pool participants include entities legally separate from the County, such as school and special districts governed by local boards, regional boards, and authorities. This fund accounts for assets, primarily cash and investments, held or invested by the County Treasurer and the related County liability to disburse these monies on demand to the related external entities. The County's investment trust fund uses the economic resources measurement focus and accrual basis of accounting.

Private-purpose trust fund accounts for resources held and administered by the County in a fiduciary capacity for individuals, private organizations, or other governments based on trust arrangements. The fund includes the Redevelopment Successor Agency, public guardian conservatorship, public social service foster care, and maintenance and children's trust. The County's private-purpose trust fund uses the economic resources measurement

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

focus and accrual basis of accounting.

Agency funds account for assets held by the County in a custodial capacity. These funds only involve the receipt, temporary investment, and remittance to individuals, private organizations, or other governments and include property taxes and special assessments collected on behalf of cities, special districts, and other taxing agencies. The County's agency funds have an accrual basis of accounting but no measurement focus.

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

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

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

Cash and Investments

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

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

Securities, including U.S. Treasury and Agency securities, are carried at fair value/cost based on current market prices on a monthly basis. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within ninety days of June 30, 2019, which are carried at cost. Bond anticipation notes are carried at fair value/cost. Commercial paper is carried at amortized cost/cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value. Mutual funds are carried at fair value based on the funds' share price. Local Agency Obligations are carried at cost based on the value of each participating dollar.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

State law requires that the County Treasurer hold all operating monies of the County, school districts, and certain special districts. Collectively, these mandatory deposits constituted approximately 81.9% of the funds on deposit in the County treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 18.1% of the total funds on deposit in the County treasury represented discretionary deposits.

Receivables

The RUHS-MC accounts receivable are reported at their gross value and, where appropriate, are reduced by contractual allowances and the estimated uncollectible amounts. The estimated allowance for uncollectibles and allowance for contractuals are $100.4 million and $210.9 million, respectively. The RUHS-MC has contracted with a Medi-Cal managed care plan to provide services to patients enrolled with Medicare and Medi-Cal programs. The RUHS-MC receives a fixed monthly premium payment for each patient enrolled. Revenue under this agreement is recognized in the period in which the RUHS-MC is required to provide services.

Property Taxes

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and the Revenue and Taxation Code. Property is assessed by the County Assessor and State Board of Equalization at 100.0% of full cash or market value (with some exceptions) pursuant to Article XIIIA of the California State Constitution and statutory provisions. The total for fiscal year 2018-19 gross assessed valuation (for tax purposes) of the County was $292.8 billion.

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

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

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

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

Unsecured personal property taxes are not a lien against real property. These taxes are due on January 1, and become delinquent, if unpaid, on August 31.

During fiscal year 1993-94, the County authorized an alternative property tax distribution method referred to as the "Teeter plan." This method allows for a 100.0% distribution of the current secured property tax levy to entities electing the alternative method, as compared to the previous method where only the current levy less any delinquent taxes was

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

distributed. This results in the general fund receiving distributions of approximately 50.0-55.0% in December, 40.0-45.0% in April and the remaining balance in the fall of each year. The Teeter plan also provides that all of the payments of redemption penalties and interest on delinquent secured property taxes of participating agencies flow to a Tax Loss Reserve Fund (TLRF). Any amounts on deposit in the TLRF greater than 1.0% of the tax levy for participating entities may flow to the County general fund. For fiscal year 2018-19, $13.0 million was transferred from the TLRF to the general fund.

Prepaid Items and Inventories

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

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

Capital Assets

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

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

The estimated useful lives are as follows:

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Leases

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

Restricted Assets

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

Employee Compensated Absences

County policy permits employees in some bargaining units to accumulate earned, but unused vacation, holiday, and sick pay benefits. Vacation and holiday pay are accrued when incurred. For other bargaining units, annual leave is earned and accrued, but not vacation or sick leave. Proprietary funds report accrued vacation and holiday pay as a liability of the individual fund while governmental funds record amounts that are due and payable at year-end as a liability of the fund and amounts due in the future as a liability in the government-wide financial statements. At June 30, 2019, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net position was $267.7 million.

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

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

Deferred Outflows and Inflows of Resources

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

Long-term Debt

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

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

Pensions

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

Landfill Closure and Post-Closure Care Costs

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

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

Interfund Transactions

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

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

Net Position

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

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

Fund Balance

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

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

Fund Balance Policy

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

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

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

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

Spending Prioritization for Fund Categories

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Minimum Fund Balance Policy for Governmental Funds

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

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

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

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

The County shall maintain a minimum unassigned fund balance in its general fund of at least 25.0% of the fiscal year's estimated discretionary revenue. A significant portion of the minimum unassigned fund balance may be used for one-time or short-term expenditures caused by an economic crisis and should be designated within an "Economic Uncertainty" account. Use of these stabilization funds should be as the last resort in balancing the County budget. The general fund unassigned fund balance of $275.2 is 34.4% of discretionary revenue.

Use of Estimates

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

Current Governmental Accounting Standards Board Statements

Governmental Accounting Standards Board Statement No. 83

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. GASB Statement No. 83 is effective for reporting periods beginning after June 15, 2018.

Governmental Accounting Standards Board Statement No. 88

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 88 is effective for reporting periods beginning after June 15, 2018.

Future Governmental Accounting Standards Board Statements

Governmental Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 84 is effective for reporting periods beginning after December 15, 2018. The County has elected not to early implement this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements (Continued)

Governmental Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases.* The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as deferred inflows of resources or deferred outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 is effective for reporting periods beginning after December 15, 2019. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 89

In June 2018, GASB Statement No. 89*, Accounting for Interest Cost Incurred before the End of a Construction Period.* The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 is effective for reporting periods beginning after December 15, 2019. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 90

In August 2018, GASB Statement No. 90*, Majority Equity Interests—an Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 is effective for reporting periods beginning after December 15, 2018. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 91

In May 2019, GASB Statement No. 91*, Conduit Debt Obligations.* The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 is effective for reporting periods beginning after December 15, 2020. The County has elected not to early implement this statement.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Data

On or before October 2 of each fiscal year, after conducting public hearings concerning the proposed budget, the County Board adopts a budget in accordance with the provisions of Sections 29000-29144 and 30200 of the Government Code of the State of California (the Government Code), commonly known as the County Budget Act, and Board Resolution No. 90-338. Annual budgets are adopted on the modified accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Budgeted governmental funds consist of the general fund, major funds, and some nonmajor funds (all special revenue funds, certain debt service funds, and certain capital projects funds). Annual budgets are not adopted for the following funds: CORAL, District Court Financing Corporation, the CORAL Capital Projects Fund, Redevelopment Agency (RDA) Housing Successor Agency, Public Financing Authority, Infrastructure Financing Authority and the Perris Valley Cemetery Permanent Fund.

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

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

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

Individual Fund Deficits

For the year ended June 30, 2019, Enterprise funds (EF) and Internal Service Funds (ISF) individual Fund Deficits are as follows (In thousands):

Proprietary Funds:	
EF - Riverside University Health Systems - Medical Center	$ 185,781
EF - Flood Control	$ 972
EF - Riverside University Health Systems - Community Health Centers	$ 22,816
ISF - Information Services	$ 36,666
ISF - Risk Management	$ 41,092
ISF - Temporary Assistance Pool	$ 1,373
ISF - EDA Facilities Management	$ 27,217

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

Excess of Expenditures over Appropriations

For the year ended June 30, 2019, expenditures exceeded appropriations in capital outlay by $6.3 million in the general fund. This excess of expenditures resulted from the acquisition of $6.3 million of capital leases. Accordingly, this is being funded by other financing sources-capital leases.

NOTE 3 – RESTATEMENTS OF BEGINNING FUND BALANCES / NET POSITION

The County's beginning net position or fund balance has been restated to reflect the cumulative effect of prior year adjustments. A summary of the restatements as of June 30, 2019 is as follows (In thousands):

Government-wide:

	Primary Government	
Description	Governmental Activities	Business-type Activities
Government-wide net position as of June 30, 2018, as previously reported	$ 2,357,928	$ (68,017)
Government-wide financial statements:		
Prior period adjustments:		
Construction in progress adjustment (1)	24,070	-
Fund financial statements:		
Prior period adjustments:		
Land held for resale adjustment (2)	-	(814)
Prior year expenses adjustment (3)	-	(201)
Note receivable adjustment (4)	-	169
Net position as of June 30, 2018, as restated	$ 2,381,998	$ (68,863)

Fund Financials:

	Governmental Funds		Proprietary Funds
	Major Funds		Enterprise Funds
Description	Public Facilities Improvements Capital Projects Fund	Public Financing Authority	Housing Authority
Fund balances or net position as of June 30, 2018, as previously reported	$ 188,377	$ 15,671	$ 140,192
Prior Period Adjustments:			
Land held for resale adjustment (2)	-	-	(814)
Prior year expenses adjustment (3)	-	-	(201)
Note receivable adjustment (4)	-	-	169
Reclassified fund balances for expenditures not properly recorded (5)	(8,328)	8,328	-
Fund balances or net position as of June 30, 2018, as restated	$ 180,049	$ 23,999	$ 139,346

(1) A prior period adjustment of $24.1 million was made to reflect the prior period construction-in-progress costs.

(2) A prior period adjustment of $814.0 thousand was made to reflect the prior period land held for resale due to the sale of several real properties.

(3) A prior period adjustment of $201.0 thousand was made to recognize the expenses in the period incurred per U.S. Department of Housing of Urban Development (HUD) regulations.

(4) A prior period adjustment of $169.0 thousand was made due to several notes receivable not being recorded in the prior year.

(5) A prior period adjustment of $8.3 million was made to restate the beginning balance of Public Facilities Improvements Capital Projects Fund by reimbursing the Public Financing Authority Fund for expenditures erroneously recorded for capital improvement projects which results in net to zero.

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NOTE 4 – CASH AND INVESTMENTS

As of June 30, 2019, cash and investments are classified in the accompanying financial statements as follows (In thousands):

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Fiduciary Funds	Total
Cash and investments	$ 1,251,677	$ 146,402	$ 32,288	$ 5,269,833	$ 6,700,200
Restricted cash and investments	500,797	106,332	-	-	607,129
Total cash and investments	$ 1,752,474	$ 252,734	$ 32,288	$ 5,269,833	$ 7,307,329

As of June 30, 2019, cash and investments consist of the following (In thousands):

Deposits	$ 245,566
Investments	7,061,763
Total cash and investments	$ 7,307,329

Investment in State Investment Pool

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio and a monthly fair market valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at www.treasurer.ca.gov. The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's prorated share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2019 reported under investments, CORAL had $2.5 million and RUHS-Medical Center had $2.0 million for a total amount of $4.5 million in LAIF. Also reported under restricted cash, Housing Authority had $0.1 million in LAIF.

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

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

NOTE 4 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law or a letter of credit issued by the Federal Home Loan Bank of San Francisco (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. GASB Statement No. 40 requires that a disclosure is made with respect to custodial credit risks relating to deposits. The County has cash deposits with fiscal agents in excess of federal depository insurance limits held in collateralized accounts with securities held by Union Bank in the amount of $336 million. Investment securities are registered and held in the name of the County.

Credit Risk

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

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

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

Authorized investment type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Municipal bonds (MUNI)	4 Years	15%	5% **
U.S. treasuries	5 Years	100%	N/A
Local agency obligations (LAO)	3 Years	2.5%	2.5%
Federal agencies	5 Years	100%	N/A
Commercial paper (CP)	270 Days	40%	5% *
Certificate & time deposits (NCD & TCD)	1 Year	25%	5% *
Repurchase agreements (REPO)	45 Days	40% / 25%	20%
Reverse REPOS	60 Days	10%	10%
Medium term notes (MTNO) or Corporate Notes	3 Years	20%	5% *
CalTRUST short term fund	Daily Liquidity	1%	1%
Money market mutual funds (MMF)	Daily Liquidity	20%	None
Local agency investment fund (LAIF)	Daily Liquidity	Max $50M	N/A
Cash/deposit account	N/A	N/A	N/A

* Maximum of 5% per issuer in combined commercial paper, certificate & time deposits, and medium term notes.
** For credit rated below AA-/Aa3, 2% maximum in one issuer only for State of California debt.

NOTE 4 – CASH AND INVESTMENTS (Continued)

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

As of June 30, 2019, the County and Component Units had the following investments (In thousands):

	June 30, 2019	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating (1)
County treasurer investments					
Investments by fair value level					
U.S. treasuries	$ 588,211	0.875 - 2.458%	07/19 - 06/24	0.31	N/A
Federal home loan mortgage corporation	1,366,102	1.200 - 3.160%	07/19 - 06/24	2.13	N/A
Federal national mortgage association	398,153	1.000 - 2.875%	07/19 - 09/23	1.41	N/A
Federal home loan bank	1,105,191	1.500-2.717%	07/19 - 07/23	1.16	N/A
Federal farm credit bank	824,037	1.320 - 3.330%	08/19 - 06/24	1.73	N/A
Farmer mac	160,502	1.420 - 2.850%	07/19 - 06/23	0.12	N/A
Municipal notes	234,957	1.151 - 4.000%	07/19 - 06/23	0.02	AA-/Aa3/AA-
Commercial paper	920,200	2.260 - 2.790%	07/19 - 01/20	0.16	A1/P1/F1
Corporate notes	292,356	1.100 - 2.000%	08/19 - 03/21	0.60	AA/Aa2/AA
Total County treasurer investments by fair value level	5,889,709				
Investments measured at amortized cost					
Farmer mac	25,000	2.726%	5/29/2020	0.01	N/A
Negotiable certificates of deposit	35,000	3%	8/16/2019	0.13	A1/P1/F1
Managed rate accounts	778,000	2.480%	7/1/2019	0.00	N/A
Local agency obligations	80	2.845%	6/15/2020	0.96	N/A
CalTRUST short term fund	4,024	2.547%	7/1/2019	0.00	N/A
Money market mutual funds (2)	107,000	2.272- 2.283%	7/1/2019	0.00	AAA
Total investments measured at amortized cost	949,104				
Total County treasurer investments	6,838,813				
Investments measured at amortized cost					
Money market funds	120,134	0.000 - 2.32%		N/A	AAA/Aaa
Certificates of deposit	1,000	0.300%	10/18 - 10/19		
Local agency investment fund	4,502	2.390%	7/1/2019	N/A	N/A
Money Market Mutual funds	94,532	0.000 - 5.960%			
Investment agreements	2,782	4.828%	2/12/2035		
Total blended component unit investments measured at amortized cost	222,950				
Total blended component unit investments	222,950				
Total investments	$ 7,061,763				

(1) Investment ratings are from Standard and Poor's (S&P) and Moody's Investor Service (Moody's).
(2) Government Code requires money market mutual funds to be rated.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 4 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The County has the following recurring fair value measurements as of June 30, 2019 (In thousands):

		Fair Value Measurements Using				
Rating (1) June 30, 2019	% of Portfolio	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	June 30, 2019	
						County treasurer investments
						Investments by fair value level
AA+/Aaa	8.60%	$ 588,211			$ 588,211	U.S. treasuries
AA+/Aaa	19.98%		$ 1,366,102		1,366,102	Federal home loan mortgage corporation
AA+/Aaa	5.82%		398,153		398,153	Federal national mortgage association
AA+/Aaa	16.16%		1,105,191		1,105,191	Federal home loan bank
AA+/Aaa	12.05%		824,037		824,037	Federal farm credit bank
N/R	2.35%		160,502		160,502	Farmer mac
AAA/Aaa	3.44%		234,957		234,957	Municipal notes
AAA/Aaa	13.46%		920,200		920,200	Commercial paper
AAA/Aaa	4.27%		292,356		292,356	Corporate notes
	86.12%	588,211	5,301,498	-	5,889,709	Total County treasurer investments by fair value level
						Investments measured at amortized cost
N/R	0.37%				25,000	Farmer mac
AA-/Aa2	0.51%				35,000	Negotiable certificates of deposit
N/R	11.38%				778,000	Managed rate accounts
N/R	0.00%				80	Local agency obligations
AA+/Aaa	0.06%				4,024	CalTRUST short term fund
AAA/Aaa	1.56%				107,000	Money market mutual funds (2)
	13.88%				949,104	Total investments measured at amortized cost
	100.00%	588,211	5,301,498	-	6,838,813	Total County treasurer investments
						Investments measured at amortized cost
AAA/Aaa	53.88%				120,134	Money market funds
	0.45%				1,000	Certificates of deposit
N/R	2.02%				4,502	Local agency investment fund
NR/Aaa	42.40%				94,532	Money Market Mutual funds
	1.25%				2,782	Investment agreements
	100.00%				222,950	Total blended component unit investments measured at amortized cost
	100.00%	-	-	-	222,950	Total blended component unit investments
		$ 588,211	$ 5,301,498	$ -	$ 7,061,763	Total investments

(1) Investment ratings are from Standard and Poor's (S&P) and Moody's Investor Service (Moody's).
(2) Government Code requires money market mutual funds to be rated.

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

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

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

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are

NOTE 5 – RESTRICTED CASH AND INVESTMENTS

The amount of assets restricted by legal and contractual requirements at June 30, 2019 is as follows (In thousands):

Governmental Activities			
General Fund			$ 411,861
Flood Control			1,904
Teeter Debt Service			32,515
Public Financing Authority			9,612
Other Governmental Funds			
CORAL			
Local Agency Investment Fund	2,538		
Restricted Cash and Other Investments	10,686	13,224	
District Court Financing Corporation		1,063	
Infrastructure Financing Authority		11,464	
Pension Obligation		4,714	
Inland Empire Tobacco Securitization Authority		13,029	
Public Financing Authority		1,411	
Total Other Governmental Funds			44,905
Total Governmental Activities			**500,797**
Business-type Activities			
Riverside University Health Systems - Medical Center			
Local Agency Investment Fund		1,964	
Restricted Cash and Other Investments		26,447	
Total Riverside University Health Systems - Medical Center			28,411
Waste Resources			
Remediation costs		34,687	
Closure and post-closure care costs		31,852	
Customer deposits		630	
Advances from grantors & 3rd parties		357	
Deposit payable		38	
Deferred inflow of resources		5,790	
Total Waste Resources			73,354
Housing Authority			
Section 8 Housing Choice Voucher HAP		921	
Replacement Reserves - Ripley		283	
Total Housing Authority			1,204
Other - Flood Control			3,363
Total Business-type Activities			**106,332**
Total Restricted Cash and Investments			**$ 607,129**

NOTE 6 – RECEIVABLES

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

Receivables **Governmental activities:**	Accounts	Interest	Taxes	Due From Other Govts	Total Governmental Activities
General fund	$ 15,111	$ 9,624	$ 10,499	$ 343,679	$ 378,913
Transportation	142	559	14	21,309	22,024
Flood Control	89	1,197	1,133	820	3,239
Teeter debt service	-	65	49,853	-	49,918
Public facilities improvement capital projects	-	697	-	1,235	1,932
Public Financing Authority	-	94	-	-	94
Other governmental funds	2,862	499	1,474	11,086	15,921
Internal service funds	11,848	1,402	-	1,076	14,326
Total receivables	$ 30,052	$ 14,137	$ 62,973	$ 379,205	$ 486,367

Receivables **Business-type activities:**	Accounts	Interest	Taxes	Loans	Due From Other Govts	Allowance for Uncollectibles	Total Business-type Activities
Riverside University Health Systems - Medical Center	$ 357,584	$ -	$ -	$ -	$ 183,890	$ (311,274)	$ 230,200
Waste Resources	7,852	899	-	3,000	99	-	11,850
Housing Authority	354,072	5	-	96,534	1,235	(353,638)	98,208
Other	5,146	38	11	-	1,452	(3,817)	2,830
Total receivables	$ 724,654	$ 942	$ 11	$ 99,534	$ 186,676	$ (668,729)	$ 343,088

NOTE 7 – INTERFUND TRANSACTIONS

(a) Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2019 is as follows (In thousands):

Due to/from other funds :

Payable Fund	Receivable Fund: General Fund	Transportation	Teeter Debt Service	Public Facilities Improvements Capital Projects
General Fund				
Delinquent property tax	$ -	$ -	$ 35	$ -
Interfund activity	-	-	-	-
Total General Fund				
Transportaion				
Interfund activity	165	-	-	-
Total Transportation				
Flood Control				
Interfund activity	-	-	-	-
Total Flood Control				
Teeter Debt Service				
Interfund activity	6,714	-	-	-
Total Teeter Debt Service				
Public Facilities Improvements Capital Projects				
Capital projects	-	-	-	-
Interfund activity	-	73	-	-
Total Public Facilities Imprv Cap Proj				
Public Financing Authority				
Capital projects	-	-	-	8,888
Total Public Financing Authority				
Other Governmental Funds				
Interfund activity	855	-	-	156
Total Other Governmental Funds				
Riverside University Health Systems-Medical Center				
Interfund activity	-	-	-	-
Law Enforcement	522	-	-	-
Total Riverside Universide Health Systems-Medical Center				
Total Waste Resources				
Housing Authority				
Interfund activity	29	-	-	-
Total Housing Authority				
Other Enterprise Funds				
Interfund activity	-	-	-	-
Total Other Enterprise Funds				
Internal Service Funds				
Interfund activity	1,676	-	-	-
Total Internal Service Funds				
Total Receivable	$ 9,961	$ 73	$ 35	$ 9,044

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

Advances to/from other funds:

The General Fund advanced $3.3 million to the Economic Development Agency for the internal service fund start up costs.
The General Fund advanced Housing Authority $1.5 million to pay off the principal and interest on predevelopment loans.

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

(a) Interfund Receivables/ Payables (Continued)

	Receivable Fund: Other Governmental Funds	Riverside University Health Systems-Medical Center	Other Enterprise Funds	Internal Service Funds	Total Payable
General Fund					
Delinquent property tax	$ -	$ -	$ -	$ -	$ 35
Interfund activity	57	254	13,000	-	13,311
Total General Fund					13,346
Transportaion					
Interfund activity	-	-	-	-	165
Total Transportation					165
Flood Control					
Interfund activity	-	-	-	490	490
Total Flood Control					490
Teeter Debt Service					
Interfund activity	-	-	-	-	6,714
Total Teeter Debt Service					6,714
Public Facilities Improvements Capital Projects					
Capital projects	-	5,000	-	-	5,000
Interfund activity	-	-	-	-	73
Total Public Facilities Imprv Cap Proj					5,073
Public Financing Authority					
Capital projects	-	-	-	-	8,888
Total Public Financing Authority					8,888
Other Governmental Funds					
Interfund activity	233	-	-	-	1,244
Total Other Governmental Funds					1,244
Riverside University Health Systems-Medical Center					
Interfund activity	-	-	3,000	-	3,000
Law Enforcement	-	-	-	-	522
Total Riverside Universide Health Systems-Medical Center					3,522
Total Waste Resources					-
Housing Authority					
Interfund activity	-	-	-	-	29
Total Housing Authority					29
Other Enterprise Funds					
Interfund activity	-	-	-	15	15
Total Other Enterprise Funds					15
Internal Service Funds					
Interfund activity	-	-	-	12	1,688
Total Internal Service Funds					1,688
Total Receivable	$ 290	$ 5,254	$ 16,000	$ 517	$ 41,174

Advances to/from other funds (Continued):

Waste Resources advanced $2.0 million to Public Facilities Capital Projects Improvement Fund for East County Detention Center.
Waste Resources advanced $18.5 million to RUHS-MC for Huron Consulting Services.

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers

(b) Between Funds within the Governmental Activities:[1]

Transfer Out	Transfer In: General Fund	Transportation	Flood Control	Teeter Debt Service	Public Facilities Improvements Capital Projects
General Fund					
*To finance capital projects	$ -	$ -	$ -	$ -	$ 10,608
*For debt service payments	-	-	-	1,443	-
*Operating contribution	-	1,700	-	-	-
*For professional services	-	4,047	-	-	-
*To fund pension obligation	-	-	-	-	-
Total general fund					
Transportation					
*To finance capital projects	-	-	-	-	21
*For professional services	2,577	-	-	-	-
*To fund pension obligation	-	-	-	-	-
Total transportation					
Flood Control					
*For debt service payments	-	-	-	-	-
*To fund pension obligation	-	-	-	-	-
Total Flood Control					
Teeter Debt Service					
*For debt service payments	439	-	-	-	-
Total teeter debt service					
Public Facilities Improvements Capital Projects					
*To finance capital projects	29,298	4,949	-	-	-
*For professional services	-	-	-	-	-
Total public facilities imprv cap proj					
Other Governmental Funds					
*To finance capital projects	-	1,247	-	-	5,271
*For debt service payments	-	-	-	-	-
*For Fire protection services	66,192	-	-	-	-
*For professional services	14,415	3,874	-	-	-
*Operating contribution	1,137	518	-	-	-
*To fund pension obligation	150	-	-	-	-
Total other governmental funds					
Riverside University Health Systems-Medical Center					
*Operating contribution	-	-	-	-	-
*To fund pension obligation	-	-	-	-	-
Total Riverside University Health Systems-Medical Center					
Waste Resources					
*To fund pension obligation	-	-	-	-	-
Total Waste Resources					
Housing Authority					
*To fund pension obligation	-	-	-	-	-
Total Housing Authority					
Other Enterprise Funds					
*Operating contribution	-	-	272	-	-
*To fund pension obligation	-	-	-	-	-
Total other enterprise funds					
Internal Service Funds					
* Business Services	-	-	-	-	-
*To fund pension obligation	-	-	-	-	-
Total Internal Service Funds					
Total transfers in	$ 114,208	$ 16,335	$ 272	$ 1,443	$ 15,900

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

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

(b) Between Governmental and Business-type Activities:

Transfer In: Other Governmental Funds	Riverside University Health Systems Medical Center	Other Enterprise Funds	Internal Service Funds	Total Transfers Out	*Principal purpose for transfer
					General Fund
$ -	$ -	$ -	$ -	$ 10,608	*To finance capital projects
67,390	-	-	-	68,833	*For debt service payments
8,409	15,935	13,000	1,753	40,797	*Operating contribution
5,566	-	-	-	9,613	*For professional services
24,313	-	-	-	24,313	*To fund pension obligation
				154,164	**Total general fund**
					Transportation
-	-	-	-	21	*To finance capital projects
33	-	-	-	2,610	*For professional services
904	-	-	-	904	*To fund pension obligation
				3,535	**Total transportation**
					Flood Control
2,836	-	-	-	2,836	*For debt service payments
1	-	-	-	1	*To fund pension obligation
				2,837	**Total Flood Control**
					Teeter Debt Service
-	-	-	-	439	*For debt service payments
				439	**Total teeter debt service**
					Public Facilities Improvements Capital Projects
4,703	6,100	-	1,382	46,432	*To finance capital projects
316	-	-	-	316	*For professional services
				46,748	**Total public facilities imprv cap proj**
					Other Governmental Funds
-	-	-	-	6,518	*To finance capital projects
38	-	-	-	38	*For debt service payments
-	-	-	-	66,192	*For Fire protection services
7,745	-	-	-	26,034	*For professional services
3,332	-	242	109	5,338	*Operating contribution
584	-	-	-	734	*To fund pension obligation
				104,854	**Total other governmental funds**
					Riverside University Health Systems-Medical Center
-	-	3,000	-	3,000	*Operating contribution
5,456	-	-	-	5,456	*To fund pension obligation
				8,456	**Total Riverside University Health Systems-Medical Center**
					Waste Resources
311	-	-	-	311	*To fund pension obligation
				311	**Total Waste Resources**
					Housing Authority
175	-	-	-	175	*To fund pension obligation
				175	**Total Housing Authority**
					Other Enterprise Funds
-	-	-	-	272	*Operating contribution
771	-	-	-	771	*To fund pension obligation
				1,043	**Total other enterprise funds**
					Internal Service Funds
-	-	-	2,692	2,692	* Business Services
1,958	-	-	-	1,958	*To fund pension obligation
				4,650	**Total Internal Service Funds**
$ 134,841	$ 22,035	$ 16,242	$ 5,936	$ 327,212	**Total transfers in**

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows (In thousands):

	Balance June 30,2018 as Restated	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2019
Governmental activities:					
Capital assets, not being depreciated:					
Land & easements	$ 581,920	$ 5,253	$ (25)	$ -	$ 587,148
Construction in progress	762,284	197,952	(3,590)	(188,379)	768,267
Total capital assets, not being depreciated	1,344,204	203,205	(3,615)	(188,379)	1,355,415
Capital assets, being depreciated:					
Infrastructure	3,568,046	52,191	-	115,867	3,736,104
Land improvements	110	-	-	-	110
Structures and improvements	1,856,356	1,415	(480)	22,125	1,879,416
Equipment	555,738	27,177	(17,266)	50,376	616,025
Total capital assets, being depreciated	5,980,250	80,783	(17,746)	188,368	6,231,655
Less accumulated depreciation for:					
Infrastructure	(1,581,221)	(117,140)	-	(33)	(1,698,394)
Land improvements	(29)	(1)	-	-	(30)
Structures and improvements	(538,272)	(42,476)	-	-	(580,748)
Equipment	(345,757)	(43,802)	16,775	37	(372,747)
Total accumulated depreciation	(2,465,279)	(203,419)	16,775	4	(2,651,919)
Total capital assets, being depreciated, net	3,514,971	(122,636)	(971)	188,372	3,579,736
Governmental activities capital assets, net	$ 4,859,175	$ 80,569	$ (4,586)	$ (7)	$ 4,935,151

NOTE 8 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2019 was as follows (In thousands):

	Balance July 1, 2018	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2019
Business-type activities:					
Capital assets, not being depreciated:					
Land & easements	$ 21,359	$ -	$ -	$ 165	$ 21,524
Construction in progress	53,932	14,209	(6,125)	(12,927)	49,089
Concession arrangements	8,830	-	-	-	8,830
Total capital assets, not being depreciated	84,121	14,209	(6,125)	(12,762)	79,443
Capital assets, being depreciated:					
Infrastructure	102,860	900	(1,560)	3,337	105,537
Land improvements	21,367	-	-	35	21,402
Structures and improvements	262,926	13,723	(136)	9,096	285,609
Equipment	191,943	16,516	(2,445)	305	206,319
Total capital assets, being depreciated	579,096	31,139	(4,141)	12,773	618,867
Less accumulated depreciation for:					
Infrastructure	(56,671)	(5,179)	1,412	-	(60,438)
Land improvements	(14,687)	(811)	-	-	(15,498)
Structures and improvements	(130,880)	(8,115)	(293)	-	(139,288)
Equipment	(130,320)	(18,091)	760	(4)	(147,655)
Total accumulated depreciation	(332,558)	(32,196)	1,879	(4)	(362,879)
Total capital assets, being depreciated, net	246,538	(1,057)	(2,262)	12,769	255,988
Business-type activities capital assets, net	$ 330,659	$ 13,152	$ (8,387)	$ 7	$ 335,431

Depreciation

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

General government	$ 43,870
Public protection	12,135
Health and sanitation	1,221
Public assistance	496
Public ways and facilities	117,348
Recreation and cultural services	2,905
Education	3,241
Depreciation on capital assets held by the County's internal service funds is charged to the various functions based on their use of the assets	22,203
Total depreciation expense – governmental functions	$ 203,419

NOTE 8 – CAPITAL ASSETS (Continued)

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

Riverside University Health Systems-Medical Center	$ 21,114
Waste Resources	7,945
Housing Authority	1,206
Riverside University Health Systems-Community Health Centers	1,916
Flood Control	11
County Service Areas	4
Total depreciation expense – business-type functions	$ 32,196

Capital Leases

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

	Governmental Activities	Business-type Activities
Land	$ 488	$ -
Structures and improvements	62,124	-
Equipment	135,876	30,857
Less: Accumulated amortization	(80,976)	(15,551)
Total leased property, net	$ 117,512	$ 15,306

Discretely Presented Component Unit

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2019 was as follows (In thousands):

	Balance July 1, 2018	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2019
Capital assets, not being depreciated:					
Land	$ 373	$ -	$ -	$ -	$ 373
Total capital assets, not being depreciated	373	-	-	-	373
Capital assets, being depreciated					
Building and improvements	1,898	-	-	-	1,898
Machinery and equipment	100	7	-	-	107
Total capital assets, being depreciated	1,998	7	-	-	2,005
Less accumulated depreciation for:					
Building and improvements	(221)	(54)	-	-	(275)
Machinery and equipment	(79)	(12)	-	-	(91)
Total accumulated depreciation	(300)	(66)	-	-	(366)
Total capital assets, being depreciated, net	1,698	(59)	-	-	1,639
Total capital assets, net	$ 2,071	$ (59)	$ -	$ -	$ 2,012

NOTE 9 – SERVICE CONCESSION ARRANGEMENTS (SCA)

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements (SCA)*, defines an SCA as a type of public-private or public-public partnership. As used in GASB Statement No. 60, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

a) The transferor conveys to the operator the right and related obligation to provide public service through the use and operation of a capital asset (referred to in the statement as a "facility") in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility.
b) The operator collects and is compensated by fees from third parties.
c) The transferor determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services.

The County has determined that the following arrangements meet the criteria set forth above (where the County is the transferor) and therefore included these SCAs in the County's financial statements. GASB Statement No. 60 also provides guidance on accounting treatment if the County were acting as an operator of another government's facility. The County has determined that there are no incidences where the County would qualify as such an operator.

McIntyre Park Campground
On October 15, 1985, and as later amended, the Park District (the Park) entered into an agreement with California East Coast, Inc. (the "Company"), under which the Company will operate and collect user fees from a campground, camp store, boat launch and recovery ramp, day-use area and marina fuel station through a lease with the Park at McIntyre County Park through the year 2047. The Company will pay the Park between ten and seventeen percent of the revenues it earns from the operation of the campground. The Company is required to operate and maintain the campground in accordance with the Lease Contract. The Park reports the campground as a capital asset with a carrying amount of $51.6 thousand at year-end. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.

Riviera RV Resort
On or about January 1, 1970, and as later amended, the County and later the Park entered into an agreement with Cavan Inc. The lease was assigned to J&W Enterprises, then to Alpine Capital LLC, then Reynolds Riviera Resorts, and lastly to The Cove RV Resort (the "Company") as of December 2016. Under the terms of the agreement, the Company is permitted to engage in the operation of a travel trailer park, rental of spaces in the park, food service operations including a grocery store, boat launching ramp, and other associated camping functions through June 2044. The Company will pay the Park the greater of $833 or seven percent of gross receipts earned from operation of the RV Park. The Park reports the RV Park as a capital asset with a carrying amount of $131.4 thousand at year-end. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.

Lake Skinner Recreation Area
On or about November 1, 2007, the Park entered into an agreement with Pyramid Enterprise, Inc. d.b.a. Rocky Mountain Recreation Company of Piru, California (the "Company") to sublease its rights to Lake Skinner Recreation Area Concessionaire. Under the provisions of the agreement, the Company is permitted to engage in the operation of a marina, camp store, cafe, parking lots, laundry facility, fueling station, and bike shop. The monthly payment from the Company to the Park will be the greater of the combination of 7% of all retail gross sales, 9% of all rental gross sales, and 2% of all fuel gross sales or $2.5 thousand. The Park has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Park also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability. The term of the agreement is 10 years, renewable in 5 year increments.

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

Gopher Hole Camp Store
On February 7, 2017, the Park entered into an agreement with Pyramid Enterprises, Inc. d.b.a. Rocky Mountain Recreation Company of Piru, California (the "Company") to lease the Rancho Jurupa Regional Park Gopher Hole camp store. Under the provisions of the agreement, the Company is permitted to engage in the operation of the store, office, storage 107, and storage 102. The Company will pay the Park ten percent of gross receipts earned from operation of the store each month. All remaining areas will remain under the control and responsibility of the Park. The term of the agreement is 3 years, with the option to renew 2 more years.

Edom Hill Transfer Station
On November 2, 2002, the Department of Waste Resources entered into a 30-year agreement with Burrtec Recovery and Transfer LLC (Burrtec), under which Burrtec has the rights to construct the Edom Hill Transfer Station in order to serve the traditional users/waste-shed of the closed Edom Hill Landfill and operate the transfer station.

Cove Waterpark and Dropzone Waterpark
On April 18, 2017, the Economic Development Agency (the Agency) entered into a 5-year agreement with Standguard Aquatics, Inc., a Georgia Corporation (the "Company") to operate and maintain the Cove Waterpark and the Dropzone Waterpark (the "Waterparks") in a clean, safe and good condition. The Waterparks are to be operated as paid recreational and competitive use facilities with food and beverage and other concessions as provided by the Agency. The Company shall pay the Agency a quarterly percentage rent. The percentage rent shall be calculated by multiplying the gross revenues from the Waterparks for the applicable quarterly period by a factor of 10 percent. The Agency has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The Agency also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability. The term of the agreement is 5 years, renewable in one 5 year extension.

A summary of the important details and capital assets pertaining to the SCAs are described below (In thousands).

	Date SCA Entered Into	Term of SCA	Expiration of SCA	Revenue Sharing	Minimum Rent Payment (per month)
McIntyre Park Campground	10/15/1985	62 years	10/15/2047	Between 10.0% and 17.0% of the revenues it earns from the operation of the campground.	$ -
Riviera RV Resort	1/1/1970	74 years	6/30/2044	Greater of $833 or 7.0% of gross receipts earned from operation of the RV park.	-
Lake Skinner Recreation Area	11/1/2007	15 years	10/31/2022	Greater of the combination of 7.0% of all retail gross sales, 9.0% of all rental gross sales, and 2.0% of all fuel gross sales or $2.5 thousand.	-
Gopher Hole Camp Store	2/7/2017	3 years	2/7/2020	10.0% of monthly gross revenues from the operation of the store.	-
Edom Hill Transfer Station	11/2/2002	30 years	11/2/2032	Service Fee ranging from $4.41 to $4.13 per ton, Disposal fee of $23.00 per ton, and City Mitigation Fee of $1 per ton for all incoming solid waste.	-
Cove and Dropzone Waterparks	4/18/2017	5 years	5/18/2022	10.0% of the quarterly gross revenues from the operation of the waterparks.	-
					$ -

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

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

Capital assets balance for the SCAs for the fiscal year ended June 30, 2019, and over the terms of the agreements are as follows (In thousands):

	Land, Structures, & Structure Improvements
McIntyre Park Campground	$ 52
Riviera RV Resort	131
Lake Skinner Recreation Area	-
Gopher Hole Camp Store	-
Edom Hill Transfer Station	8,830
Cove and Dropzone Waterparks	45,962
	$ 54,975

The deferred inflows of resources activity for the SCA for the year ended June 30, 2019 are as follows (In thousands):

SCA Capital Assets	Balance July 1, 2018	Additions/ Restatements	Amortization[1]	Balance June 30, 2019
McIntyre Park Campground[2]	$ -	$ -	$ -	$ -
Riviera RV Resort[2]	-	-	-	-
Lake Skinner Recreation Area[2]	-	-	-	-
Gopher Hole Camp Store[2]	-	-	-	-
Edom Hill Transfer Station	6,225	-	(435)	5,790
Cove and Dropzone Waterparks[2]	-	-	-	-
Total deferred inflows	$ 6,225	$ -	$ (435)	$ 5,790

[1] Amortization calculated using the straight-line method for the term of the agreement for the SCA.
[2] No upfront payments received or installment payments that are required to be reported as a deferred inflow of resources.

NOTE 10 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require Waste Resources to place a final cover on all active landfills when closed and to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Waste Resources will recognize the remaining estimated cost of $10.2 million as the remaining estimated capacity of 16.2 million tons is filled. Waste Resources expects all currently permitted landfill capacities to be filled by 2098. The total estimated closure liability of $21.9 million and post-closure care cost of $41.7 million is based on what it would cost to perform all closure and post-closure care costs at present value. Actual costs may be different due to inflation, changes in technology, or changes in regulations.

In addition to the liability amounts calculated per California Department of Resources, Recycling, and Recovery (CalRecycle) regulations that are designated to the Escrow Funds, Waste Resources is also responsible for the post-closure care costs related to twenty-six (26) other landfill sites that have been inactive or closed since before 1988. Liability for these sites fluctuates dependent on the needs of each site and changes to, or the implementation of, laws and regulations. As of June 30, 2019, the post-closure liability is estimated at $33.2 million.

Cumulative expenses, percentage of landfill capacity used to date, outstanding recognized liability, and the estimated remaining landfill life by operating landfill are as follows (In thousands):

Facility Name (City)	Total Estimate	Capacity Used as of June 30, 2019	Outstanding Recognized Liability	Estimated Years Remaining
Badlands (Moreno Valley)	$ 10,620	72.9%	$ 7,746	3
Blythe (Blythe)	5,126	34.2%	1,754	28
Edom Hill (Cathedral City)	5,705	100.0%	5,705	-
Lamb Canyon (Beaumont)	8,321	56.5%	4,702	10
Desert Center (Desert Center)	443	59.0%	262	68
Mecca II (Mecca)	1,002	98.8%	990	79
Oasis (Oasis)	870	84.4%	734	44
Total Closure Estimate	$ 32,087		$ 21,893	

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

Post-Closure Escrow Fund Landfill Sites

Facility Name (City)	Estimated Liability
Badlands (Moreno Valley)	$ 8,444
Blythe (Blythe)	2,621
Coachella (Coachella)	2,557
Double Butte (Winchester)	6,489
Edom Hill (Cathedral City)	3,846
Highgrove (Riverside)	4,354
Lamb Canyon (Beaumont)	6,035
Mead Valley (Perris)	1,410
Anza (Anza)	1,648
Desert Center (Desert Center)	1,274
Mecca II (Mecca)	1,574
Oasis (Oasis)	1,406
Total Post-Closure Estimate	$ 41,658

Waste Resources is required by state and federal laws and regulations to make annual contributions to a trust fund to finance closure and post-closure care. Title 27 of the California Code of Regulations (CCR) requires solid waste landfill operators to demonstrate the availability of financial resources to conduct closure and post-closure maintenance activities. Waste Resources expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional closure and post-closure requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future landfill users.

In accordance with Sections 22228 and 22245 of the CCR, the County has implemented Pledge of Revenue agreements between the County and the California Department of Resources, Recycling and Recovery (CalRecycle) for six active landfills and six closed landfills to demonstrate financial responsibility for post-closure maintenance costs. Waste Resources has determined that the projected net revenues, after current operating costs, from tipping fees during the 30-year period of post-closure care maintenance will, during each year of this period, be greater than the yearly monitoring and post-closure care maintenance costs for each landfill. It is agreed that the amount of these Pledge of Revenue agreements may increase or decrease to match any adjustments to the identified cost estimates, which is mutually agreed to by Waste Resources and CalRecycle.

NOTE 11 – OPERATING LEASES

The following is a schedule of future minimum rental payments required under operating leases entered into by the County that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2019 (In thousands):

Year Ending June 30	
2020	$ 48,514
2021	43,801
2022	37,436
2023	31,602
2024	24,620
2025 - 2029	48,246
2030 - 2034	11,952
2035 - 2039	897
2040 - 2044	325
2045 - 2049	145
Total Minimum Payments	$ 247,538

Total rental expenditure/expense for the year ended June 30, 2019 was $123.0 million, of which $12.7 million was recorded in the enterprise funds.

NOTE 12 – ADVANCES FROM GRANTORS AND THIRD PARTIES

Under both the accrual and modified accrual bases of accounting, revenue may be recognized only when earned. Therefore, the government-wide statement of net position as well as governmental and enterprise funds defer revenue recognition in connection with resources that have been received as of year-end, but not yet earned. Assets recognized in connection with a transaction before the earnings process is complete are offset by a corresponding liability for advances from grantors and third parties.

The balance as of June 30, 2019 of advances from grantors and third parties is as follows (In thousands):

	Balance June 30, 2019
General Fund:	
Advances on state and federal grants for mental health services	$ 153,795
Advances on state funding for social services	111,984
Advances on state grants and other 3rd party advances for public health services	19,993
Advances on state grants for probation services	19,166
Advances on state and federal grants for sheriff services	6,002
Advances on state grants and other federal grants for environmental health services	3,927
Advances on state grants and other 3rd party advances for emergency management services	990
Advances on state grants for district attorney services	942
Advances on state grants for planning and engineering services	764
Advances on state grants for veteran services	315
Advances on state grants and other 3rd party advances for animal services	282
Advances on state and federal grants for fire protection services	173
Advances on state grants for public defender services	89
Advances from 3rd party for registrar of voters services	17
Other advances	95
Total general fund	318,534
Transportation Special Revenue Fund:	
Developer fees	11,550
Advances from developers for median projects	2,912
Utility relocation	1,500
Survey fees	803
Federal exchange and state match	589
Deposit based fees	378
Advances for community facilities districts improvement projects	121
Road deposits	117
Total transportation special revenue fund	17,970
Flood Special Revenue Fund:	
Advances for flood control projects	533
Total flood special revenue fund	533
Public Facilities Improvements Capital Projects Fund:	
Advances for facility renewal projects	545
Total public facilities improvements capital projects fund	545
Other Governmental Funds:	
Advance for homeless housing relief	9,792
Advance from state for the community recidivism reduction grant program	694
Camping and recreation fees	634
Developer impact fees	387
Advances for aviation projects	20
Advance from 3rd parties for recreational events	1
Total other governmental funds	11,528
Grand total of advances from grantors and third parties	$ 349,110

NOTE 13 – SHORT-TERM DEBT

Tax and Revenue Anticipation Notes (TRANs)

On July 1, 2018, the County issued $340.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANs), which will be paid by June 30, 2019. The notes were issued with a yield rate of 1.55% and a stated interest rate of 4.0%. This was to provide needed cash to cover the projected intra-period cash-flow deficits of the County's General Fund during the fiscal year July 1 through June 30.

Tax-Exempt Notes (Teeter)

In December 1993, the County adopted the Teeter Plan, the alternative method for the distribution of secured property taxes and other assessments. In order to fulfill the requirements of the plan, the County obtained cash for the "buyout" of delinquent secured property taxes and the annual advance of current unpaid taxes to all entities that elected to participate in the Teeter Plan. The current financing takes place through the sale of Tax-Exempt Commercial Paper Notes (Teeter Notes). During fiscal year 2018-19, the County retired $80.4 million and issued $75.8 million 2018 Series A teeter obligation notes (tax-exempt) which includes a premium of $1.7 million, leaving an outstanding balance of $75.8 million at June 30, 2019.

Short-term debt activity for the year ended June 30, 2019, was as follows (In thousands):

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
TRANs	$ -	$ 340,000	$ (340,000)	$ -
Teeter notes	80,403	75,754	(80,403)	75,754
Total	$ 80,403	$ 415,754	$ (420,403)	$ 75,754

NOTE 14 – LONG-TERM OBLIGATIONS

Long-term obligations of the County consist of capital lease obligations, bonds, notes, and other liabilities that are payable from the general, debt service, enterprise, and internal service funds. The calculated legal debt limit for the County is $3.55 billion.

Capital Leases

Capital leases for governmental funds are recorded both as capital expenditures and as other financing sources at inception in the fund financial statements, with the liability and the asset recorded in the government-wide statement of net position. Capital leases are secured by a pledge of the leased equipment.

See Note 8 (Capital Assets) for assets under capital leases and related disclosure information by major asset class.

The following is a schedule by year of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments as of June 30, 2019 (In thousands):

Year Ending June 30	Governmental Activities	Business-type Activities
2020	$ 24,742	$ 6,226
2021	16,604	4,887
2022	10,879	4,234
2023	7,291	3,426
2024	5,625	3,072
2025-2029	23,142	14,442
2030-2034	27,478	8,093
2035-2039	7,669	-
Total minimum payments	123,430	44,380
Less amount representing interest	(20,525)	(9,656)
Present value of net minimum lease payments	$ 102,905	$ 34,724

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

The following schedules provide details of all certificates of participation, bonds payable, and notes payable for the County that are outstanding as of June 30, 2019 (In thousands):

Type of Indebtedness	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding at June 30, 2019
Governmental activities:				
Certificates of Participation				
CORAL				
1990 Monterey Avenue: Serial Certificates	$ 8,800	Variable	2020	$ 1,500
2009 Series A - Public Safety Communication				
and Woodcrest Library Refunding Projects	45,685	Variable	2039	32,680
2009 Larson Justice Center Refunding:				
Serial Certificates	24,680	2.00% - 5.00%	2021	9,363
Total CORAL	79,165			43,543
District Court Financing Corporation				
U.S. District Court Project: Term/Series 1999	2,165	7.59%	2020	503
U.S. District Court Project: Term/Series 2002	925	3.00%	2020	75
Total District Court Financing Corporation	3,090			578
Flood Control				
Zone 4 - 2015 Negotiable Promissory Note	21,000	2.00% - 5.00%	2025	16,144
Total Flood Control	21,000			16,144
Total certificates of participations	$ 103,255			$ 60,265
Bonds payable				
CORAL				
2012 CAC Annex Refunding Project	$ 33,360	2.00% - 5.00%	2031	$ 25,979
2008 A Southwest Justice Center: Term Certificates	78,895	5.16%	2032	65,245
2013 Probation & RCIT: Term Bonds (Series A)	66,015	3.00% - 5.25%	2043	60,885
2014 Lease Refunding Court Facilities Project, Series A	10,890	2.00% - 5.00%	2033	8,138
2014 Lease Refunding Court Facilities Project, Series B	7,605	0.55% - 2.73%	2019	1,325
Total CORAL	196,765			161,572
Taxable Pension Obligation Bonds				
Pension Obligation Bonds (Series 2005-A)	400,000	4.91% - 5.04%	2035	243,850
Total Taxable Pension Obligation Bonds	400,000			243,850

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Type of Indebtedness	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding at June 30, 2019
Bonds payable (continued)				
Inland Empire Tobacco Securitization Authority				
Series 2007 C-1	$ 53,542	6.63%	2036	$ 53,542
Series 2007 C-2	29,653	6.75%	2045	29,653
Series 2007 D	23,457	7.00%	2057	23,457
Series 2007 E	18,949	7.63%	2057	18,949
Series 2007 F	27,076	8.00%	2057	27,076
Series 2019	100,000	3.68%	2028	100,000
Total Inland Empire Tobacco Securitization Authority	252,677			252,677
Riverside County Public Financing Authority				
Series 2012	17,640	3.00% - 5.00%	2021	12,355
Series 2015	325,000	2.00% - 5.00%	2046	336,858
Total Riverside County Public Financing Authority	342,640			349,213
Riverside County Infrastructure Financing Authority				
Series 2015 A	72,825	2.00% - 5.00%	2054	70,673
Series 2016 A	36,740	2.00% - 4.00%	2032	40,307
Series 2017 A	46,970	3.00% - 4.00%	2045	48,214
Series 2017 B	11,595	3.00% - 5.00%	2038	11,674
Series 2017 C	10,610	3.125% - 5.00%	2047	10,885
Total Riverside Infrastructure Financing Authority	178,740			181,753
Total bonds payable	$ 1,370,822			$ 1,189,065
Bonds from direct placement				
CORAL				
2011 Monroe Park Building Refunding	$ 5,535	3.54%	2021	$ 980
Total 2011 Monroe Park Building Refunding	5,535			980
Total bonds from direct placement	$ 5,535			$ 980
Total governmental activities	$ 1,479,612			$ 1,250,310
Business-Type Activities				
Bonds payable				
Riverside University Health Systems - Medical Center (RUHS-MC)				
1997 A Serial Capital Appreciation Bonds (net of future capital appreciation of $130.5 million)	$ 41,170	5.70% - 6.01%	2026	$ 29,123
2012 Term bonds (Series A)	87,510	2.00% - 5.00%	2029	35,131
Total RUHS-MC	128,680			64,254
Total bonds payable	$ 128,680			$ 64,254
Total business-type activities	$ 128,680			$ 64,254

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

As of June 30, 2019, annual debt service requirements of governmental activities to maturity are as follows (In thousands):

Governmental	Bonds from Direct Placement		Certificates of Participation	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest
2020	$ 650	$ 29	$ 18,323	$ 2,314
2021	330	6	18,570	1,407
2022	-	-	9,110	784
2023	-	-	2,660	513
2024	-	-	2,795	378
2025 - 2029	-	-	3,760	873
2030 - 2034	-	-	1,325	578
2035 - 2039	-	-	1,775	270
2040 - 2044	-	-	420	8
Total requirements	980	35	58,738	7,125
Bond discount/premium, net	-	-	1,527	-
Total	$ 980	$ 35	$ 60,265	$ 7,125

Governmental	Bonds Payable	
Fiscal Year Ending June 30	Principal	Interest
2020	$ 55,220	$ 46,036
2021	57,170	43,532
2022	61,240	40,885
2023	65,625	37,998
2024	70,280	34,906
2025 - 2029	234,205	134,391
2030 - 2034	208,252	90,324
2035 - 2039	137,989	51,513
2040 - 2044	117,293	26,281
2045 - 2049	72,580	4,183
2050 - 2054	6,060	-
2055 - 2059	63,422	4,671
Total requirements	1,149,336	514,720
Bond discount/premium, net	39,729	-
Total	$ 1,189,065	$ 514,720

As of June 30, 2019, annual debt service requirements of business-type activities unit to maturity are as follows (In thousands):

Business-type	Bonds Payable		Other Long-term Liabilities	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest
2020	$ 4,981	$ 15,769	$ -	$ -
2021	4,664	16,086	-	-
2022	4,376	16,374	-	-
2023	4,125	16,626	-	-
2024	3,878	16,873	-	-
2025 - 2029	38,234	36,854	6,795	-
2030 - 2034	-	-	508	-
2035 - 2039	-	-	-	-
2040 - 2044	-	-	-	-
2045 - 2049	-	-	-	-
2050 - 2054	-	-	-	-
2055 - 2059	-	-	-	-
2060 - 2064	-	-	-	-
2065 - 2069	-	-	3,704	-
Total requirements	60,258	118,582	11,007	-
Bond discount/premium, net	3,996	-	-	-
Total	$ 64,254	$ 118,582	$ 11,007	$ -

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Accreted Interest Payable

The following is a summary of the changes in accreted interest payable for the year ended June 30, 2019 (In thousands):

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
Governmental Activities:				
Certificates of Participation:				
Court Financing (U.S. District Court Project)	$ 2,012	$ -	$ (1,007)	$ 1,005
Bonds:				
Inland Empire Tobacco Securitization Authority	185,953	23,423	(14,807)	194,569
Total governmental-type activities	$ 187,965	$ 23,423	$ (15,814)	$ 195,574
Business-type Activities:				
Lease Revenue Bonds:				
Riverside University Health Systems - Medical Center (1997A Hosp)	$ 76,371	$ 6,461	$ (2,910)	$ 79,922
Total business-type activities	$ 76,371	$ 6,461	$ (2,910)	$ 79,922

The accreted interest payable balances at June 30, 2019 represent accreted interest on the U.S. District Court project, the 2007 Inland Empire Tobacco Securitization Authority Bonds, and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were $2.2 million for the U.S. District Court Project, $294.1 million for the 2007 Inland Empire Tobacco Securitization Authority Bonds, and $41.2 million for the 1997 A Hospital Serial Capital Appreciation Bonds. The total accreted value on the bonds and certificates upon maturity will be $7.2 million for the U.S. District Court Project, $171.6 million for the 1997 A Hospital Serial Capital Appreciation Bonds and $3.47 billion for the 2007 Inland Empire Tobacco Securitization Authority Bonds. The County is under no obligation to make payments of accreted value or redemption premiums, if any, or interest on the Series 2007 Bonds.

The increases of $23.4 million and $6.5 million represent current year's accretion for governmental activities and business-type activities, respectively. The accumulated accretion for business-type activities is $80.0 million at June 30, 2019. The accumulated accretion for U.S. District Court Financing and the Inland Empire Tobacco Securitization Authority in governmental activities is $195.6 million. The un-accreted balances at June 30, 2019 are $27.5 million for the 1997-A Hospital RUHS-MC project, and $3.27 billion for the Inland Empire Tobacco Securitization Authority Bonds.

Bonds, Certificates of Participation / Refunding

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

Defeasance of Debt

In December 2009, CORAL issued $24.7 million of certificates of participation (2009 Larson Justice Center Project Refunding Certificate of Participation) to provide funds to refund and prepay the certificates of participation relating to the 1998 Larson Justice Center Project with an outstanding principal amount of $23.7 million; to fund the reserve fund; and to pay certain costs of issuance incurred in connection with this refunding. The requisition price exceeded the net carry amount of the old debt by $1.0 million. This amount is being netted against the new debt and amortized

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (continued)

over the new debt's life. The transaction resulted in an economic gain of $3.7 million and a reduction of $1.5 million in future debt service payments

In December 2009, CORAL also issued $45.7 million of certificates of participation (2009 Public Safety Communication and Woodcrest Library Projects Refunding Certification of Participation) to provide funds to refund and redeem the certificates of participation relating to 2007 Series B Public Safety Communication Project with an outstanding principal amount of $37.4 million; to provide funds to refund and retire the series 2006 Certificates of Participation Anticipation Note relating to Woodcrest Library Project with an outstanding principal amount of $6.0 million; to fund capitalized interest on a portion of the certificates of participation through July 1, 2012; to fund a security deposit with respect to base rental payable under the sublease; and to pay certain costs of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carry amount of the old debts by $2.3 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of $3.3 million and an addition of $6.9 million in future debt service payments.

On February 28, 2011, CORAL issued $5.5 million in private placement bonds (2011 Monroe Building) to provide funds to refund and redeem the notes payable relating to the 2007 Monroe Park Building loan with an outstanding principal amount of $5.4 million and to pay certain costs of issuance incurred in connection with this refunding. The reacquisition price exceeded the net carrying amount of the old debt by $140.0 thousand. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of $527.2 thousand and a reduction of $339.2 thousand in future debt service payments.

In February 2012, CORAL issued $33.4 million in lease revenue bonds (2012 County Administrative Center Refunding Projects) to provide funds to refund and prepay the certificates of participation relating to 2001 County Administrative Center (CAC) Annex with an outstanding principal amount of $31.4 million; to fund the reserve fund; to pay certain costs of issuance incurred in connection with this refunding; and to acquire two office buildings located in Indio, California. The requisition price exceeded the net carry amount of the old debt by $2.0 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of $5.0 million and a reduction of $3.6 million in future debt service payments.

In July 2012, CORAL issued $90.5 million in lease revenue bonds (2012 Series A and Taxable Series B County of Riverside Capital Projects) to provide funds to refund and prepay CORAL's Leasehold Revenue Bonds, 1997 Series B with an outstanding principal amount of $64.4 million; to provide funds ($30.0 million) for improvements to the Medical Center Campus; deposit funds into the debt service reserve fund; and pay certain costs of issuance incurred in connection with this refunding. The refunding resulted in a redemption premium of $639.4 thousand for the 1997 Series B lease revenue bonds and a net premium of $6.9 million for the 2012 Series A and Taxable Series B. The reacquisition price exceeded the net carry amount of the old debt by $26.6 million. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of $8.0 million and a reduction of $7.1 million in future debt service payments.

In June 2014, CORAL issued $18.5 million in lease revenue bonds (2014 A & B Court Facilities Project) to provide funds mainly to refund the 2003 A Historic Courthouse Projects, 2003 B Capital Facilities Project Refunding, and 2003 Bankruptcy Court Project (a County bond) with a total outstanding principal amount of $20.0 million; and to pay certain costs of issuance incurred in connection with this refunding. The refunding resulted in a premium of $756.0 thousand for the 2014 A and B Court Facilities Project. The reacquisition price exceeded the net carry amount of the old debt by $1.5 million. This amount is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic gain of $4.2 million and a reduction of $3.3 million in future debt service payments.

In October 2016, the Infrastructure Finance Authority issued $40.0 million in lease revenue bonds (2016 Series A) for the purpose of refunding the outstanding Riverside County Palm Desert Financing Authority Lease Revenue Bonds (County Facilities Projects) 2008 Series A, with a total outstanding principal amount of $40.4 million, to finance the acquisition, construction and installation of certain capital improvements to be owned and operated by the County, and to pay costs incurred in connection with the issuance of the bonds. The refunding resulted in an unamortized bond premium of $5.2 million, loss on refunding of $3.8 million, and a net carrying value of $41.3 million. The refunding resulted in an unamortized bond premium of $5.2 million, loss on refunding of $3.8 million, and a net carrying value of $41.3 million. The reacquisition price exceeded the net carry amount of the old debt by $3.8 million. This amount

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (continued)

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

In December 2017, the Infrastructure Financing Authority issued $47.0 million in lease revenue refunding bonds, 2017 Series A. The 2017 Series bond is being issued for the purpose of refunding the outstanding Riverside Community Properties Development, Inc. Lease Revenue Bonds, 2013 (Riverside County Law Building Project) and pay the costs incurred in connections with the issuance of the bonds. The reacquisition price exceeded the net carry amount of the old debt by $3.8 million. This amount is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic gain of $8.3 million and a decrease of $4.4 million in future debt service payments.

In December 2017, the Infrastructure Financing Authority also issued 2017 Series B & C lease revenue bonds (County of Riverside Capital Projects) for $11.6 million and 10.6 million respectively. The 2017 Series B lease revenue bonds were issued to refund the outstanding Southwest Communities Financing Authority 2008 Lease Revenue Bonds Series A with a principal balance outstanding of $13.2 million. The 2017 Series C lease revenue bonds were issued to provide funds to finance the acquisition and construction of certain capital improvements to be owned and operated by the County. The reacquisition price exceeded the net carry amount of the old debt by $2.0 million. This amount is being netted against the new debt and amortized over the new debt life. The transaction resulted in an economic gain of $11.9 million and a decrease of $7.4 million in future debt service payments

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

Single Family and Multi-Family Mortgage Revenue Bonds

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

A total of $23.2 million of Mortgage Revenue Bonds have been issued and $17.1 million is outstanding as of June 30, 2019. These bonds do not constitute an indebtedness of the County. The bonds are payable solely from payments made on and secured by a pledge of the acquired mortgage loans and certain funds and other monies held for the benefit of the bondholders pursuant to the bond indentures. In the opinion of the County officials, these bonds are not payable from any revenues or assets of the County, and neither the full faith and credit nor the taxing authority of Housing Bond Conduit Financing the County, the State, or any political subdivision thereof is obligated to the payment of the principal or interest on the bonds. Accordingly, no liability has been recorded in the basic financial statements.

Special Assessment Bonds

Various special districts in the County reporting entity have issued special assessment bonds, totaling $84.3 million at June 30, 2019, to provide financing or improvements benefiting certain property owners. Special assessment bonds consist of Community Facilities District Bonds and Assessment District Bonds.

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Special Assessment Bonds (continued)

The County, including its special districts, is not liable for the payment of principal or interest on the bonds, which are obligations solely of the benefited property owners. Certain debt service transactions relating to certain special assessment bonds are accounted for in the agency funds.

The County is not obligated and does not expect to advance any available funds from the County general fund to the Community Facilities Districts or the Assessment Districts for any current or future delinquent debt service obligations. The County Special Districts continue to use all means available to bring current any delinquent special assessment taxes, including workouts, settlement agreements, and foreclosure actions when necessary.

State Appellate Court Financing

In November 1997, the Public Financing Authority of the County issued $13.5 million of Lease Revenue Bonds for the State of California Court of Appeal Fourth Appellate District, Division Two Project. The State of California executed a lease coincident with the term of the financing and those lease payments are the sole security for the financing. The State is the ultimate obligor under the terms of the financing and neither the County nor the Public Financing Authority will have any ongoing payment obligation. The State has committed to indemnify the County in the lease.

Interest Rate Swap

Objective of the Interest Rate Swap: As a means to lower financing costs and to reduce the risks to CORAL associated with the fluctuation in market interest rates, CORAL entered into an amended and restated interest rate swap in connection with the Southwest Justice Center Series 2008 Series A Leasehold Revenue Bonds in the notional amount of $76.3 million. The intention of the swap was to effectively change the variable interest rate on the bonds to a synthetic fixed-rate of 5.2%.

Terms: The bonds and the related swap agreement mature on November 1, 2032, and the swap's notional amount of $76.3 million approximately matches a portion of $78.9 million variable-rate bonds. The swap was effective at the same time the bonds were issued on May 24, 2000, and was amended and restated as of December 10, 2008. The interest rate swap agreement was novated in January 2012 to substitute Wells Fargo Bank, N.A. as the new counterparty. The notional value of the swap and the principal amount of the associated debt decline starting in fiscal year 2014-15. Under the amended and restated swap agreement, CORAL pays Wells Fargo Bank, N.A. a fixed payment rate of 5.2%.

CORAL receives an interest rate equal to an amount not to exceed the maximum interest rate payable on the bonds, expressed as a decimal, equal to 64.0% of the monthly London Interbank Offered Rate (LIBOR) in the relevant calculation period. Conversely, the bonds' variable-rate coupons have historically been similar to the Bond Market Association Municipal Swap Index (BMA). Under GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, the interest rate swap contract qualifies as a derivative financial instrument and a cash flow hedging. CORAL's net cash outflow or payment under the interest rate swap contract was $301.6 thousand for the year ended June 30, 2019.

Fair Value: As of June 30, 2019 and 2018, the swap had a negative fair value of $18.6 million and $16.8 million, respectively, a decrease in fair value of $1.8 million occurred during the fiscal year 2018-19. The fair value was recorded in the CORAL's statement of net position as interest rate swap liability and deferred outflows of resources in the assets section. Because the coupons on the Southwest Justice Center Series 2008 A Leasehold Revenue Refunding Bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was the quoted market price from Wells Fargo Bank, N.A. at June 30, 2019.

Credit Risks: The swap counterparty was rated Aa3 by Moody's and AA- by Standard & Poor's and Fitch as of February 2013. The swap agreement specifies that if the long-term senior unsecured debt rating of Wells Fargo, N.A. is withdrawn, suspended or falls below BBB (Standard & Poor's) or Baa2 (Moody's), a collateral agreement will be executed within 30 days or the fair value of the swap will be fully collateralized by the counterparty.

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Interest Swap Rate (continued)

Basis Risks: The swap exposes CORAL to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the bonds. If a change occurs that results in the rates moving to convergence, the expected cost savings may not be realized. As of June 30, 2019, CORAL's rate was 64.0% of LIBOR, or 0.1%, whereas BMA or the reset rate on bonds was 0.1%. The synthetic rate on the bonds at June 30, 2019 was 5.2%.

Termination Risks: CORAL always has the right to terminate the swap. Wells Fargo Bank, N.A. is limited in so far as both CORAL and the insurer are not performing. The swap may be terminated by CORAL if Wells Fargo Bank, N.A.'s credit quality rating falls below A- as issued by Standard & Poor's or A3 by Moody's. Additionally, the swap may be terminated by Wells Fargo, N.A. if CORAL's credit quality rating falls below BBB+ as issued by Standard & Poor's or Baa1 as issued by Moody's or if the bonds credit quality ratings fall below BBB+ as issued by Standard & Poor's or Baa1 as issued by Moody's. If the swap is terminated, the variable rate bonds would no longer carry synthetic interest rates. Also, if at the time of termination the swap had a negative fair value, CORAL would be liable to Wells Fargo Bank, N.A. for a payment equal to the swap's fair value.

Changes in Long-term Liabilities

Swap Payment and Associated Debt: Using rates as of June 30, 2019, debt service requirements of the variable-rate debt and net swap payments, *assuming current interest rates remain the same* for their term, were as follows (In thousands):

	Variable Rate Bonds			
Fiscal Year Ending June 30, 2019	Principal	Interest	Net Swap Payments	Total Interest
2020	$ 3,205	$ 912	$ 2,354	$ 3,266
2021	3,410	865	2,231	3,096
2022	3,620	814	2,100	2,914
2023	3,825	760	1,961	2,721
2024	4,135	703	1,814	2,517
2025-2029	19,235	2,563	6,611	9,174
2030-2033	11,890	679	1,745	2,424
	$ 49,320	$ 7,296	$ 18,816	$ 26,112

As rates vary, variable-rate bond interest payments and net swap payments will vary.

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2019 (In thousands):

	Balance June 30, 2018	New Additions	Payments / Reclass	Balance June 30, 2019	Amounts Due Within One Year
Governmental activities:					
Debt long-term liabilities:					
Bonds payable	$ 1,232,233	$ 100,000	$ (143,168)	$ 1,189,065	$ 55,220
Capital lease obligations	116,842	11,612	(25,549)	102,905	22,106
Certificates of participation	78,128	-	(17,863)	60,265	18,323
Bonds from Direct Placement	1,600	-	(620)	980	650
Total debt long-term liabilities	1,428,803	111,612	(187,200)	1,353,215	96,299
Other long-term liabilities:					
Accreted interest payable	187,965	23,423	(15,814)	195,574	-
Compensated absences (a)	230,781	334	(2,867)	228,248	135,723
Estimated claims liabilities (b)	246,262	77,708	(63,860)	260,110	62,615
Total other long-term liabilities	665,008	101,465	(82,541)	683,932	198,338
Total governmental activities –	$ 2,093,811	$ 213,077	$ (269,741)	$ 2,037,147	$ 294,637

(a) General Fund, Special Revenue Funds, and Internal Service Funds are used to liquidate the compensated absences.
(b) Internal Service Funds are used to liquidate the estimated claims liabilities.

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Changes in Long-term Liabilities (Continued)

The following is a summary of business-type and discretely presented component unit activities long-term liabilities transactions for the year ended June 30, 2019 (In thousands):

	Balance June 30, 2018	New Additions	Payments / Reclass	Balance June 30, 2019	Amounts Due Within One Year
Business-type activities:					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses	$ 77,773	$ -	$ (13,518)	$ 64,254	$ 4,981
Capital lease	21,521	18,733	(5,530)	34,724	4,929
Total debt long-term liabilities	99,294	18,733	(19,048)	98,978	9,910
Other long-term liabilities:					
Accreted interest payable	76,371	6,461	(2,910)	79,922	1,210
Compensated absences	36,676	4,953	(52)	41,577	26,007
Other long-term liabilities (a)	12,457	-	(1,450)	11,007	-
Total other long-term liabilities	125,504	11,414	(4,412)	132,506	27,217
Total business-type activities – long-term liabilities	$ 224,798	$ 30,147	$ (23,460)	$ 231,484	$ 37,127
Discretely Presented Component Unit					
Other long-term liabilities:					
Compensated absences	$ 210	$ 393	$ (299)	$ 304	$ 173
Total discretely presented component unit – long-term liabilities	$ 210	$ 393	$ (299)	$ 304	$ -

(a) Housing Authority has three notes payable, totaling $11.0 million.

The County has an unused line of credit in the amount of $66.1 million.

Disclosure of Pledged Revenues

Inland Empire Tobacco Securitization Authority, a blended component unit of the County, issued $252.7 million of tobacco asset-backed bonds. The bonds are solely secured by pledging a portion of County Tobacco Assets made payable to the County pursuant to agreements with the State and other parties. The County Tobacco Assets are tobacco settlement revenues required to be paid to the State of California under the Master Settlement Agreement. The Agreement was entered into by participating cigarette manufacturers, 46 states, including California, and six other U.S. jurisdictions, in November 1998 in settlement of certain cigarette smoking-related litigation. The portion of revenues that will be used to pay the debt service are the County Tobacco Assets to the extent consisting of or relating to amounts due to the County after the first $10.0 million has been paid to the County in each year beginning on January 1, 2008 and ending on December 31, 2020. Beginning on January 1, 2021 and ending on December 31, 2026 the portion of revenues that will be used to pay the debt service are the County Tobacco Assets to the extent consisting of or relating to amounts due to the County after the first $11.5 million has been paid to the County in each year. Finally, the County Tobacco Assets to the extent consisting of or relating to amounts due to the County from and after January 1, 2027, and the County Tobacco Assets to the extent consisting of or relating to the applicable percentage of a lump sum payment of 10.8% to the County and 85.9% to the Inland Empire Tobacco Securitization Authority for calendar year 2019. During the fiscal year ended June 30, 2019, $22.5 million was received by the Inland Empire Tobacco Securitization Authority; $10.0 million, or 44.5%, was distributed to the County per the above agreement, leaving $12.5 million, or 55.5%, of the specific tobacco settlement revenues available to be pledged (see page 165). The County is under no obligation to make payments of the principal or accreted value or redemption premiums, if any, or interest on the Series 2007 bonds in the event that revenues are insufficient for the payment thereof.

NOTE 15 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred outflows of resources in the government-wide financial statements. These items are a consumption of net position or fund balance by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. The County has three items that are reportable on the government-wide statement of net position: the first item relates to outflows from changes in the net pension liability (Notes 20 and 21), the second item relates to changes in the OPEB liability (Note 22) and the third item relates to the interest rate swap (Note 14) that have met all requirements other than timing. Deferred outflows of resources that are reported in the proprietary funds are included in the government-wide statement of net position.

Deferred outflows of resources balances for the year ended June 30, 2019 were as follows (In thousands):

	Balance June 30, 2019
Government-wide deferred outflows of resources:	
Governmental activities:	
Interest rate swap	$ 18,597
OPEB	20,763
Pension	807,185
Total governmental activities	846,545
Business-type activities:	
OPEB	3,781
Pension	129,093
Total business-type activities	132,874
Total government-wide deferred outflows of resources	$ 979,419
Discretely presented component unit deferred outflows of resources:	
Pension	$ 2,141
Total discretely presented component unit deferred outflows of resources	$ 2,141

NOTE 15 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (Continued)

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred inflows of resources in the government-wide and governmental fund financial statements. These items are an acquisition of net position or fund balance by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The largest portions of the County's deferred inflows of resources are pensions, Senate Bill (SB) 90 and Teeter tax loss reserve. Pensions are related to GASB Statement No. 68, which can be found in Notes 20 and 21. SB90 is California SB90 of 1972, which established a requirement that the State of California reimburse local government agencies for the costs of new programs or increased levels of service on programs mandated by the State. Teeter tax loss reserve pursuant to California Revenue and Taxation Code Section 4703 was established as a tax loss reserve fund for covering losses that may occur in the amount of tax liens as a result of special sales of tax defaulted property.

Deferred inflows of resources balances for the year ended June 30, 2019 were as follows (In thousands):

	Balance June 30, 2019
Government-wide deferred inflows of resources:	
Governmental activities:	
Teeter tax loss reserve	$ 23,141
OPEB	500
Pension	88,405
Total governmental activities	112,046
Business-type activities:	
Service concession arrangement	5,790
OPEB	148
Housing Opportunities for Persons with Aids (HOPWA) grant	587
Pension	13,290
Total business-type activities	19,815
Total government-wide deferred inflows of resources	$ 131,861
Governmental funds deferred inflows of resources:	
General Fund:	
SB 90	$ 23,457
Teeter tax loss reserve	23,141
Property tax	5,397
Miscellaneous unavailable revenue	7,462
Total general fund	59,457
Flood Control Special Revenue Fund:	
Property tax	1,064
Special assessments	69
Total flood control special revenue fund	1,133
Other Governmental Funds:	
Property tax	5
Total other governmental funds	5
Total governmental funds deferred inflows of resources	$ 60,595
Discretely presented component unit deferred inflows of resources:	
Pension	$ 450
Total discretely presented component unit deferred inflows of resources	$ 450

NOTE 16 – FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. (See Note 1 for a description of each category.) A detailed schedule of fund balances as of June 30, 2019 is as follows (In thousands):

	Major Funds					
	General Fund	Transportation	Flood Control	Public Facilities Improvements Capital Projects	Public Financing Authority	Total Major Governmental Funds
Fund balances:						
Nonspendable						
Inventory	$ 2,087	$ 1,277	$ -	$ -	$ -	$ 3,364
Prepaid items	-	-	-	-	-	-
Imprest cash	329	1	1	-	-	331
Permanent fund	-	-	-	-	-	-
Total nonspendable	**2,416**	**1,278**	**1**	**-**	**-**	**3,695**
Restricted						
Aging	-	-	-	-	-	-
Air quality planning	115	-	-	-	-	115
Airport	-	-	-	-	-	-
Auto theft interdiction	554	-	-	-	-	554
CAP local initiative program	-	-	-	-	-	-
Construction & capital projects	8,217	-	-	120,827	818	129,862
Court services	9,826	-	-	-	-	9,826
Debt services	1,178	-	-	2,001	-	3,179
District attorney	15,457	-	-	-	-	15,457
Domestic violence	2,404	-	-	-	-	2,404
Emergency medical services	7,182	-	-	-	-	7,182
Emergency preparedness	-	-	-	-	-	-
Endowment care	-	-	-	-	-	-
Environmental health	335	-	-	-	-	335
Public ways and facilities	-	-	257,268	14,268	-	271,536
Fire protection	-	-	-	-	-	-
Geographical info system	-	-	-	-	-	-
Hazmat	2,706	-	-	-	-	2,706
Humane services	134	-	-	-	-	134
Landscape maintenance	-	3,820	-	-	-	3,820
Libraries	-	-	-	-	-	-
Mental health	12,779	-	-	-	-	12,779
Modernization	7,607	-	-	-	-	7,607
Other purposes	7,462	-	-	-	-	7,462
Parks and recreation	-	-	-	6,873	-	6,873
Public assistance	4,598	-	-	-	-	4,598
Public health	1,699	-	-	-	-	1,699
Public protection	2,965	-	-	-	-	2,965
Roads	-	83,716	-	-	-	83,716
Sheriff patrol	10,322	-	-	-	-	10,322
Teeter tax losses	6,748	-	-	-	-	6,748
Total restricted	**102,288**	**87,536**	**257,268**	**143,969**	**818**	**591,879**

Note: Encumbrances - see Note 23 – Contingencies and Commitments

NOTE 16 – FUND BALANCES (Continued)

Nonmajor Funds						
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds	Total Governmental Funds	
						Fund balances:
						Nonspendable
$ -	$ -	$ -	$ -	$ -	$ 3,364	Inventory
7	-	462	-	469	469	Prepaid items
49	-	-	-	49	380	Imprest cash
-	-	-	802	802	802	Permanent fund
56	**-**	**462**	**802**	**1,320**	**5,015**	**Total nonspendable**
						Restricted
183	-	-	-	183	183	Aging
548	-	-	-	548	663	Air quality planning
1,017	-	-	-	1,017	1,017	Airport
-	-	-	-	-	554	Auto theft interdiction
8	-	-	-	8	8	CAP local initiative program
-	-	11,377	-	11,377	141,239	Construction & capital projects
-	-	-	-	-	9,826	Court services
-	31,576	242	-	31,818	34,997	Debt services
-	-	-	-	-	15,457	District attorney
-	-	-	-	-	2,404	Domestic violence
-	-	-	-	-	7,182	Emergency medical services
2,163	-	-	-	2,163	2,163	Emergency preparedness
-	-	-	77	77	77	Endowment care
-	-	-	-	-	335	Environmental health
-	-	-	-	-	271,536	Public ways and facilities
14,890	-	-	-	14,890	14,890	Fire protection
1,858	-	-	-	1,858	1,858	Geographical info system
-	-	-	-	-	2,706	Hazmat
-	-	-	-	-	134	Humane services
24,861	-	-	-	24,861	28,681	Landscape maintenance
29,523	-	-	-	29,523	29,523	Libraries
-	-	-	-	-	12,779	Mental health
-	-	-	-	-	7,607	Modernization
588	-	-	-	588	8,050	Other purposes
4,852	-	4,930	-	9,782	16,655	Parks and recreation
4,891	-	-	-	4,891	9,489	Public assistance
7,607	-	-	-	7,607	9,306	Public health
22	-	-	-	22	2,987	Public protection
262	-	-	-	262	83,978	Roads
5,256	-	-	-	5,256	15,578	Sheriff patrol
-	-	-	-	-	6,748	Teeter tax losses
98,529	**31,576**	**16,549**	**77**	**146,731**	**738,610**	**Total restricted**

NOTE 16 – FUND BALANCES (Continued)

	Major Funds					
	General Fund	Transportation	Flood Control	Public Facilities Improvements Capital Projects	Public Financing Authority	Total Major Governmental Funds
Fund balances:						
Committed						
Code enforcement	$ -	$ 4,165	$ -	$ -	$ -	$ 4,165
Community improvement	172	-	-	-	-	172
Construction & capital projects	500	3	-	8,427	-	8,930
EDA special projects	-	-	-	-	-	-
Environmental programs	1,527	351	-	-	-	1,878
Legal services	1,214	-	-	-	-	1,214
Other purposes	788	-	-	-	-	788
Parks	-	-	-	-	-	-
Sheriff correction	13,772	-	-	-	-	13,772
Solar program	-	-	-	-	-	-
Youth protection	347	-	-	-	-	347
Total committed	**18,320**	**4,519**	**-**	**8,427**	**-**	**31,266**
Assigned						
Airports	-	-	-	-	-	-
Capital improvement projects	445	-	-	-	-	445
Construction & capital projects	-	-	-	12,420	-	12,420
Debt service	-	-	-	-	-	-
Equipment	-	6,393	-	-	-	6,393
Other purposes	448	-	-	-	-	448
Probation	4,662	-	-	-	-	4,662
Professional services	284	-	-	-	-	284
Public health	109	-	-	-	-	109
Public protection	2,548	-	-	-	-	2,548
Roads	-	9,065	-	-	-	9,065
Sheriff correction	5,700	-	-	-	-	5,700
Total assigned	**14,196**	**15,458**	**-**	**12,420**	**-**	**42,074**
Unassigned	**275,181**	**-**	**-**	**-**	**-**	**275,181**
Total fund balances	**$ 412,401**	**$ 108,791**	**$ 257,269**	**$ 164,816**	**$ 818**	**$ 944,095**

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2019

NOTE 16 – FUND BALANCES (Continued)

Nonmajor Funds						
Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds	Total Governmental Funds	
						Fund balances:
						Committed
$ -	$ -	$ -	$ -	$ -	$ 4,165	Code enforcement
-	-	-	-	-	172	Community improvement
-	-	-	-	-	8,930	Construction & capital projects
93	-	-	-	93	93	EDA special projects
-	-	-	-	-	1,878	Environmental programs
-	-	-	-	-	1,214	Legal services
-	-	-	-	-	788	Other purposes
5,548	-	-	-	5,548	5,548	Parks
-	-	-	-	-	13,772	Sheriff correction
851	-	-	-	851	851	Solar program
-	-	-	-	-	347	Youth protection
6,492	**-**	**-**	**-**	**6,492**	**37,758**	**Total committed**
						Assigned
1,607	-	-	-	1,607	1,607	Airports
-	-	-	-	-	445	Capital improvement projects
-	-	2,863	-	2,863	15,283	Construction & capital projects
-	4,232	-	-	4,232	4,232	Debt service
-	-	-	-	-	6,393	Equipment
2,691	-	-	-	2,691	3,139	Other purposes
-	-	-	-	-	4,662	Probation
-	-	-	-	-	284	Professional services
-	-	-	-	-	109	Public health
-	-	-	-	-	2,548	Public protection
-	-	-	-	-	9,065	Roads
-	-	-	-	-	5,700	Sheriff correction
4,298	**4,232**	**2,863**	**-**	**11,393**	**53,467**	**Total assigned**
-	**-**	**-**	**-**	**-**	**275,181**	**Unassigned**
$ 109,375	**$ 35,808**	**$ 19,874**	**$ 879**	**$ 165,936**	**$ 1,110,031**	**Total fund balances**

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NOTE 17 – RISK MANAGEMENT

The County is self-insured for general liability, medical malpractice, and workers' compensation claims. The County records estimated liabilities for general liability, medical malpractice, and workers' compensation claims filed or estimated to be filed for incidents that have occurred. Estimated liability accruals include those incidents that are reported as well as an amount for those incidents that were incurred but are not reported (IBNR) at fiscal year-end. The funding of these estimates is based on actuarial experience and projections. The County fully self-insures short term disability and unemployment insurance. Life insurance and long-term disability programs are fully insured. Depending on the plan, group health, dental, and vision may be either self-insured or fully insured.

The County supplements its self-insurance for general liability, medical malpractice, and workers' compensation with catastrophic excess insurance coverage. General liability claims are self-insured to $5 million for each occurrence with a $2 million corridor and the balance (to $25 million for each occurrence of with an excess of the underlying policy of $25 million for a total of $50 million) is insured through CSAC Excess Insurance Authority ("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 CSAC EIA, 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 CSAC EIA. Long-term disability income claims are fully insured by an independent carrier.

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

The activities related to such programs are accounted for in Internal Service Funds (ISF). Accordingly, estimated liabilities for claims, including loss adjustment expenses, filed or to be filed, for incidents that have occurred through June 30, 2019 are reported in these funds. Where certain ISF funds have an accumulated deficit or insufficient reserves, the County provides funding to reduce the deficit and increase the reserves. If the funding is above the Board of Supervisors approved 70.0% confidence level, an appropriate reduction in funding including a one-time holiday on department charges may be granted. For fiscal year 2018-19, the Board approved to continue reduced funding at slightly below the 60.0% confidence level for the general liability ISF and for the workers' compensation ISF. Funding for the medical malpractice ISF was at the 70.0% confidence level. Revenues for these internal service funds are primarily provided by other County departments and are intended to cover the self-insured claim payments, insurance premiums, and operating expenses. The revenue is not used to cover catastrophic events and/or other uninsured liabilities. Cash available in the risk management and workers' compensation ISF at June 30, 2019, plus revenues to be collected during fiscal year 2019-20, are $260.1 million. The liabilities are discounted at 2.0% for general liability and medical malpractice and 2.5% for workers' compensation.

	Auto & General Liabilities	Medical Malpractice	Workers' Compensation	Total
Unpaid claims, beginning of FY 2017-18	$ 115,956	$ 16,277	$ 114,029	$ 246,262
Increase in provision for insured events of prior years	2,458	304	203	2,965
Incurred claims for current year	36,504	5,271	32,968	74,743
Claim payments	(33,662)	(5,517)	(24,681)	(63,860)
Unpaid claims, end of FY 2018-19	$ 121,256	$ 16,335	$ 122,519	$ 260,110

NOTE 18 – MEDI-CAL AND MEDICARE PROGRAMS

RUHS-MC provides services to patients covered by various reimbursement programs. The principal programs are Medicare, the State of California Medi-Cal, the County Medically Indigent Services Program (MISP) and the Medi-Cal Managed Care Assembly Bill (AB) 85 Expansion Program. Net patient service revenue is recorded at the estimated net realizable amounts from patients, third-party payers, and others for services rendered. In addition, net patient service revenue includes a provision for doubtful accounts and estimated retroactive adjustments under reimbursement agreements with federal and state government programs and other third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Inpatient services rendered to Medi-Cal program beneficiaries are reimbursed at a per diem rate based upon estimated certified public expenditures (CPEs) and outpatient services are reimbursed under a schedule of maximum allowable reimbursement provided by the California Department of Health Care Services. Inpatient acute care services rendered to Medicare program beneficiaries are reimbursed based upon pre-established rates for diagnostic-related groups. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology subject to payment caps and indexing formulas. RUHS-MC is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by RUHS-MC and audit thereof by the Medicare fiscal intermediary. Normal estimation differences between final settlements and amounts accrued in previous years are reflected in net patient services revenue. The fiscal intermediary has audited RUHS-MC's Medicare cost reports through June 30, 2017 and Medi-Cal cost reports through June 30, 2017. RUHS-MC has received notices of program reimbursement (NPR), a written notice reflecting the intermediary's final determination of the total amount of reimbursement due the medical center for Medicare through June 30, 2017. For Medi-Cal Fee for Service, RUHS-MC is settled through the California public hospital P-14 cost reports. Notice of final settlement has been received through June 30, 2009.

California's 1115 Waiver Renewal Medi-Cal 2020 was approved on December 30, 2015 by the Centers for Medicare and Medicaid Services. In connection with Medi-Cal 2020, the Global Payment Program (GPP) establishes a statewide pool of funding for uninsured by combining Disproportionate Share Hospital Program (DSH) and uncompensated care funding. GPP incentivizes Designated Public Hospitals (DPH) to deliver more cost-effective and higher value care for indigent, uninsured individuals. GPP combines funding into global budgets for DPHs to draw down by earning points for services provided to uninsured patients. For fiscal year ending June 30, 2019, RUHS-MC recognized $55.4 million of GPP revenue. The Public Hospital Redesign and Incentives in Medi-Cal (PRIME) program is designed to build upon the foundational delivery system transformation work, expansion of coverage, and increased access to coordinated primary care achieved through the prior California Section 1115 Bridge to Reform demonstration. PRIME is a pay-for-performance program that uses evidence-based quality improvement methods to achieve performance targets and improve health outcomes for patients. RUHS-MC recognized $34.3 million in PRIME for fiscal year ending June 30, 2019.

Redirection of 1991 State Health Realignment

Realignment was affected by California electing to implement a state-run Medicaid Expansion program through the Affordable Care Act (ACA). The State anticipates that counties' costs and responsibilities for the health care services for the indigent population has decreased for much of this population who became eligible for coverage through Medi-Cal or the Healthcare Exchange offering affordable coverage through Covered California. On June 27, 2013, Governor Brown signed into law AB 85 that provides a mechanism for the State to redirect State health realignment funding to fund social service programs.

The redirected amount was determined according to an agreed to formula option for California's twelve public hospital system counties, thirty-four County Medical Services Program (CMSP) counties, and the remaining twelve counties (Article 13 counties). The formula options were developed in consultation with the counties and California

NOTE 18 – MEDI-CAL AND MEDICARE PROGRAMS (Continued)

Department of Health Care Services (DHCS) to ensure continued viability of the county safety net. For CMSP counties, AB 85 outlines that 60% of health-realignment that would have otherwise been received will be redirected, while the remaining two county groups had an option to either have 60% of health realignment redirected, or to use a formula-based approach that takes into account a county's cost and revenue experience, and redirect 80% (70% in FY 13-14) of the savings realized by the county.

RUHS-MC is fully reserved for any estimated liabilities due back to the State for any State health realignment overpayments. RUHS-MC recognized $4.7 million in revenue for the fiscal year ending June 30, 2019 from state health realignment.

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS

Under Title I (Section 6500 et seq.) of the Government Code, the County has participated in jointly governed organizations with various entities for a variety of purposes. The board of directors for each of these organizations is composed of one representative of each member organization. The County maintains no majority influence or budgetary control over the following entities and County transactions with these jointly governed organizations are not material to the financial statements. The following jointly governed organizations were not included as either blended or discretely presented component units in these financial statements.

A representation of the jointly governed organizations on which the County served at June 30, 2019 follows:

The California State Association of Counties (CSAC) Excess Insurance Authority was formed in October 1979 and has a current membership of 52 California counties. The CSAC operates programs for excess workers' compensation, two excess liability programs, two property programs, and medical malpractice. It also provides support services for selected programs such as claims administration, risk management, loss prevention and training, and subsidies for actuarial studies and claims audits.

Coachella Valley Association of Governments (the Association) was formed in November 1973. Currently, the Association includes the following members: the cities of Blythe, Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, and Rancho Mirage; the local tribes of Agua Caliente Band of Cahuilla Indians and the Cabazon Band of Mission Indians; and Riverside County. The purpose of the Association is to conduct studies and projects designed to improve and coordinate the common governmental responsibilities and services on an area-wide and regional basis.

Western Riverside Council of Governments was formed in November 1989 with the cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Lake Elsinore, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, and Temecula for the purpose of serving as a forum for consideration, study, and recommendation on area-wide and regional problems.

Riverside County Habitat Conservation Agency (RCHCA) was formed in July 1990. The RCHCA is a Joint Powers Agreement Agency comprised of the cities of Corona, Hemet, Lake Elsinore, Moreno Valley, Murrieta, Perris, Riverside, and Temecula, and the County of Riverside for the purpose of planning, acquiring, administering, operating, and maintaining land and facilities for ecosystem conservation and habitat reserves for the Stephen's Kangaroo Rat and other endangered species under Article 1, Chapter 5, Division 7, Title 1 of the Government Code.

NOTE 19 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

Riverside County Abandoned Vehicle Abatement Authority was formed in June 1993 with those cities within the County that have elected to create and participate in the authority, pursuant to Vehicle Code Section 22710. The purpose of the authority is to implement a program and plan for the abatement of abandoned vehicles.

The March Joint Powers Commission was formed in August 1993 with the cities of Moreno Valley, Perris, and Riverside to formulate and implement plans for the use and reuse of March Air Force Base.

The Salton Sea Authority was formed in August 1993 with Imperial County, Imperial Irrigation District, and Coachella Valley Water District to direct and coordinate actions relating to improvement of water quality, stabilization of water elevation, and to enhance recreational and economic development potential of the Salton Sea and other beneficial uses.

Coachella Valley Regional Airport Authority was formed in April 1994 with the cities of Coachella, Indian Wells, Indio, La Quinta, and Palm Desert for the purpose of acting as a planning commission for the continued growth and development of Thermal Airport and the surrounding area.

Inland Empire Health Plan was formed with the County of San Bernardino in June 1994 to be the administrative body and governing board to form and develop a managed health care system for Medi-Cal recipients in the two counties through the Local Initiative.

Palm Springs Visitors and Convention Bureau was formed in December 1995 with those member cities located in the Coachella Valley area of the County. The purpose of the authority is to encourage and promote all aspects of the hospitality, convention, and tourism industry in the Coachella Valley.

Western Riverside County Regional Conservation Authority / Multi-Species Habitat Conservation Plan was formed in January 2004 with the responsibility of issuing the permits required to implement the Multi-Species Habitat Conservation Plan, which will ultimately create a 500,000-acre reserve system in the County. The conservation plan's proposed reserve system protects habitat for 146 varieties of species.

Coachella Valley Conservation Commission (CVCC) was formed in October 2005. The CVCC is a Joint Powers Agreement Agency comprised of the cities of Coachella, Cathedral City, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage and Riverside, and the Coachella Valley Water District as well as the Imperial Irrigation District. The purpose of the CVCC is to implement the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP). The CVMSHCP's goal is to enhance and maintain biological diversity and ecosystem processes while allowing future economic growth.

Southern California Regional Airport Authority (SCRAA) was originally founded in 1985 by the joint powers authority to begin the process of regionalizing aviation. It has been reactivated in an attempt to reduce projected future passenger loads at Los Angeles International Airport (LAX) by spreading the growth in commercial air traffic to other regional airports. The Southern California Association of Governments (SCAG) has also coordinated dispersal planning of the significant new MAP (million air passengers) that would have to be absorbed at other airports if LAX's future MAP is reduced.

Coachella Valley Enterprise Zone Authority (CVEZA) was formed in September 2010 by the Joint Powers Agreement comprised of the County of Riverside, the City of Indio, and the City of Coachella. The purpose of the authority is to manage, coordinate, market, and administer economic development programs and projects in the enterprise zone areas.

NOTE 20 – RETIREMENT PLAN

General Information about the Pension Plans

Plan descriptions. The County, Flood Control, Park District, and Waste Resources contract with the CalPERS to provide retirement benefits to their employees. CalPERS is a common investment and administrative agent for participating public entities within the State of California. State statutes, governed by the Public Employees' Retirement Law (PERL), have established benefit provisions as well as other requirements. The County may select from a variety of optional benefit provisions offered by CalPERS. Upon selecting the benefit provisions and entering into a contractual agreement with CalPERS, the benefit provisions may be adopted through local ordinance. CalPERS issues a comprehensive annual financial report (CAFR) which details its plan assets, liabilities, and plan activity. The County receives an annual actuarial valuation report which summarizes plan assets, liabilities, and employer rates for its plans. Under GASB Statement No. 68, both the County (Miscellaneous and Safety) and Flood Control (Miscellaneous) are agent multiple-employer defined benefit pension plans, while the Park District (Miscellaneous) and Waste Resources (Miscellaneous) are cost-sharing multiple employer defined benefit pension plans due to their pooling composite. Copies of the CalPERS CAFR may be obtained from: California Public Employees' Retirement System, 400 Q Street, P.O. Box 942701, Sacramento, CA 94229-2701.

Benefits provided. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments (COLA), and death benefits to plan members and plan beneficiaries. The County of Riverside has three retirement Tiers through the California Public Employee's Retirement System (CalPERS). Tier I - Applicable to employees hired prior to August 23, 2012. Formula is 3.0% at age 50 for County Safety plan employees and age 60 for other Miscellaneous plan employees. Tier II - Applicable to employees hired on or after August 23, 2012 through December 31, 2012. Formula is 2.0% at age 50 for County Safety plan employees and age 60 for other Miscellaneous plan employees. Tier III - Applicable to new CalPERS members hired on or after January 1, 2013 as a result of Public Employees' Pension Reform Act of 2013 (PEPRA). New lower retirement benefit formulas, final compensation periods, and contribution requirements were implemented. Formula is 2.7% at age 57 for County Safety plan employees and 2.0% at age 62 for other Miscellaneous plan employees. New members who were hired by Waste Resources on or after August 23, 2012 are applicable to the County Miscellaneous plan. Listed below is a table with the new retirement options and provision changes.

Summary of benefits by plan:

	Plan	Employer Paid Member Contribution (EPMC)	Earliest Retirement Age	PEPRA Compensation Limits	Final Compensation	Effective Date
Tier I						
County Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
County Safety	3.0% at 50	Yes	50	N/A	12 months	N/A
Flood Control Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Park District Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Waste Resources Miscellaneous	3.0% at 60	Yes	50	N/A	12 months	N/A
Tier II						
County Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
County Safety	2.0% at 50	No	50	N/A	36 months	8/23/2012
Flood Control Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Park District Miscellaneous	2.0% at 60	No	50	N/A	36 months	8/23/2012
Waste Resources Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A
Tier III (PEPRA)						
County Miscellaneous	2.0% at 62	No	52	$ 121,388	36 months	1/1/2013
County Safety	2.7% at 57	No	50	$ 145,666	36 months	1/1/2013
Flood Control Miscellaneous	2.0% at 62	No	52	$ 121,388	36 months	1/1/2013
Park District Miscellaneous	2.0% at 62	No	52	$ 121,388	36 months	1/1/2013
Waste Resources Miscellaneous	2.0% at 62	No	52	$ 121,388	36 months	1/1/2013

NOTE 20 – RETIREMENT PLAN (Continued)

Employees covered by benefit terms. At June 30, 2019, the following employees were covered by the benefit terms:

	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	10,821	2,554	247	85	108
Inactive employees entitled to but yet receiving benefits	13,052	1,250	137	210	46
Active employees	17,083	3,527	225	114	20
	40,956	7,331	609	409	174

Contributions. Active plan members in CalPERS may be required to contribute up to 8.0% (Miscellaneous employees) and up to 9.0% (Safety employees) of their annual covered salary as specified in the governing Memorandum of Understanding or as provided by state statute.

The employer contribution rate is established and may be amended by CalPERS. The actuarial methods and assumptions used to establish the employer contribution rate are adopted by the CalPERS Board of Administration. The County, Flood Control, Park District, and Waste Resources are required to contribute the actuarially determined annual required contributions necessary to fund the plans.

For fiscal year 2018-19, the employer and employee contribution rates were:

	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
County contribution rates:					
County Tier I	18.9%	31.6%	28.6%	14.4%	14.4%
County Tier II	18.9%	31.6%	28.6%	8.3%	N/A
County Tier III	18.9%	31.6%	28.6%	7.3%	7.3%
Plan Members contribution rates					
County Tier I	8.0%	9.0%	8.0%	8.0%	8.0%
County Tier II	7.0%	9.0%	7.0%	7.0%	N/A
County Tier III	6.5%	10.8% *	5.5%	6.5%	6.5%

*During the term of Memorandum of Understanding (MOU), the employee contributions pursuant to the cost-sharing provision cannot exceed less than that which the employees are obligated under the MOU to contribute.

Net Pension Liability

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017.

NOTE 20 – RETIREMENT PLAN (Continued)

Actuarial assumptions. For the measurement period ending June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

By Plan	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Actuarial Assumptions:					
Discount Rate	7.15%	7.15%	7.15%	7.15%	7.15%
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%
Salary Increases	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services	Varies by Entry Age and Services
Investment Rate of Return	7.15%	7.15%	7.15%	7.15%	7.15%
Mortality Rate Table for all Plans (1)	Derived using CalPERS' Membership Data for all Funds				
Post Retirement Benefit Increase	Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter				

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. More details on this table are available in the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015).

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Change of assumptions. The demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

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

NOTE 20 – RETIREMENT PLAN (Continued)

equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

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

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

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

(3) An expected inflation of 2.92% used for this period.

Changes in the Net Pension Liability for Agent Multiple-Employer Defined Benefit Pension Plan

The following table shows the changes in net pension liability recognized over the measurement period (In thousands).

Measurement Period June 30, 2018	County Miscellaneous	County Safety	Flood Control Miscellaneous	Total
Total pension liability				
Service cost	$ 215,186	$ 99,309	$ 3,239	$ 317,734
Interest	532,726	241,592	13,568	787,886
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	51,597	(14,902)	(883)	35,812
Changes of assumptions	(58,382)	(15,727)	(1,005)	(75,114)
Benefit payments, including refunds of employee contributions	(291,902)	(129,977)	(9,835)	(431,714)
Net change in total pension liability	449,225	180,295	5,084	634,604
Total pension liability - beginning (a)	7,253,774	3,424,877	194,947	10,873,598
Total pension liability - ending (c)	$ 7,702,999	$ 3,605,172	$ 200,031	$ 11,508,202
Plan fiduciary net position				
Contributions - employer	$ 185,512	$ 92,283	$ 4,253	$ 282,048
Contributions - employee	87,471	30,586	1,269	119,326
Net investment income	449,040	202,786	10,586	662,412
Benefit payments, including refunds of employee contributions	(291,902)	(129,977)	(9,835)	(431,714)
Administrative expense	(8,297)	(3,760)	(196)	(12,253)
Other miscellaneous expense	(15,755)	(7,102)	(373)	(23,230)
Net change in plan fiduciary net position	406,069	184,816	5,704	596,589
Plan fiduciary net position - beginning (b)	5,090,459	2,400,027	126,006	7,616,492
Plan fiduciary net position - ending (d)	$ 5,496,528	$ 2,584,843	$ 131,710	$ 8,213,081
Net pension liability - beginning (a) - (b)	2,163,315	1,024,850	68,941	3,257,106
Net pension liability - ending (c) - (d)	$ 2,206,471	$ 1,020,329	$ 68,321	$ 3,295,121

NOTE 20 – RETIREMENT PLAN (Continued)

Changes in Proportionate Share of the Net Pension Liability for Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

The following table shows the proportionate share of the net pension liability over the measurement period.

	Park District Miscellaneous Increase (Decrease)			Waste Resources Miscellaneous Increase (Decrease)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)	Total Net Pension Liability
Balance at 06/30/2017	$ 43,486	$ 32,747	$ 10,739	$ 50,676	$ 36,548	$ 14,128	$ 24,867
Balance at 06/30/2018	$ 45,782	$ 35,276	$ 10,506	$ 51,692	$ 37,823	$ 13,869	$ 24,375
Net changes during 2017-18	$ 2,296	$ 2,529	$ (233)	$ 1,016	$ 1,275	$ (259)	$ (492)

The following table shows the total net pension liability for both Agent and Cost-Sharing Multiple-Employer plans by primary government and component unit.

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Total Net Pension Liability
County Miscellaneous	$ 1,771,316	$ 429,748	$ 5,407	2,206,471
County Safety	1,020,329	-	-	1,020,329
Flood Control Miscellaneous	66,059	2,262	-	68,321
Park District Miscellaneous	10,506	-	-	10,506
Waste Resources Miscellaneous	-	13,869	-	13,869
Total:	$ 2,868,210	$ 445,879	$ 5,407	3,319,496

Sensitivity of the net pension liability to changes in the discount rate.

The following presents the County's net pension liability, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate (In thousands):

Net Pension Liability By Plan	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
County Miscellaneous	$ 3,377,222	$ 2,206,471	$ 1,261,800
County Safety	1,575,168	1,020,329	570,276
Flood Control Miscellaneous	95,171	68,321	46,150
Park District Miscellaneous	16,876	10,506	5,248
Waste Resources Miscellaneous	22,278	13,869	6,928
Total:	$ 5,086,715	$ 3,319,496	$ 1,890,402

Pension plan fiduciary net position. Detailed information about the pension's plan fiduciary net position is available in the separately issued CalPERS financial report. The pension's plan fiduciary net position may differ from the plan assets reported in the actuarial valuation report due to several reasons. First, CalPERS must keep deficiency reserves, fiduciary self-insurance, and Other Postemployment Benefit (OPEB) expense as assets. These amounts are excluded for rate setting purposes in the actuarial valuation report. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

Subsequent events. There were no subsequent events that would materially affect the results presented in this disclosure.

NOTE 20 – RETIREMENT PLAN (Continued)

Recognition of gains and losses

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and plan fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows of resources and deferred outflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is five year straight-line amortization. All other amounts are straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning measurement period.

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the plan for the 2017-18 measurement period was obtained by dividing the total service years of the sum of remaining service lifetimes of the active employees by the total number of participants (active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. The future service is based on the members' probability of decrementing due to an event other than receiving cash refund.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the measurement period ending June 30, 2018, the Park District and Waste Resources reported a liability of $10.5 million and $13.9 million, respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. The proportion of the net pension liability was based on a projection of long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the Park District's and Waste Resources' proportions were 0.27877 percent and 0.36801 percent, respectively, which was an increase of 0.00634 percent and 0.00961 percent, respectively, from their proportion measured as of June 30, 2017.

For the year-ended June 30, 2019, the County recognized pension expense of $628.9 million. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

NOTE 20 – RETIREMENT PLAN (Continued)

At June 30, 2019, the deferred outflows of resources and deferred inflows of resources related to pensions are reported from the following sources (In thousands):

	Agent Multiple-Employer			Cost-Sharing Multiple-Employer		
Deferred Outflows of Resources By Plan:	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Difference between projected and actual earnings on pension plan investments - investment earnings less than projected	$ 9,780	$ 4,057	$ 343	$ 52	$ 68	$ 14,300
Difference between expected and actual experience	167,218	41,459	2,512	403	532	212,124
Change of assumptions	240,779	143,349	4,914	1,198	1,582	391,822
Adjustment due to differences in proportions	-	-	-	405	91	496
Sub-total	417,777	188,865	7,769	2,058	2,273	618,742
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	207,080	98,581	5,019	1,229	1,022	312,931
Total	$ 624,857	$ 287,446	$ 12,788	$ 3,287	$ 3,295	$ 931,673

$312.9 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

	Agent Multiple-Employer			Cost-Sharing Multiple-Employer		
Deferred Inflows of Resources By Plan:	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Difference between projected and actual earnings on pension plan investments - investment earnings less than projected	$ -	$ -	$ -	$ -	$ -	$ -
Difference between expected and actual experience	-	(12,376)	(651)	(137)	(182)	(13,346)
Change of assumptions	(53,076)	(31,520)	(741)	(293)	(387)	(86,017)
Adjustment due to differences in proportions	-	-	-	-	(281)	(281)
Difference in employer contributions and proportionate share of contributions	-	-	-	(255)	-	(255)
Total	$ (53,076)	$ (43,896)	$ (1,392)	$ (685)	$ (850)	$ (99,899)

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

	Governmental Activities	Business-type Activities	Discretely Presented Component Unit	Total
Deferred Outflows of Resources	$ 800,439	$ 129,093	$ 2,141	$ 931,673
Deferred Inflows of Resources	$ (86,159)	$ (13,290)	$ (450)	$ (99,899)

NOTE 20 – RETIREMENT PLAN (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (In thousands):

Year Ended June 30	County Miscellaneous	County Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
2020	$ 228,151	$ 64,340	$ 5,985	$ 1,145	$ 1,338	$ 300,959
2021	165,023	41,677	2,431	653	682	210,466
2022	(13,539)	15,666	(1,684)	(332)	(472)	(361)
2023	(14,934)	27,958	(355)	(93)	(125)	12,451
2024	-	(4,672)	-	-	-	(4,672)
Thereafter	-	-	-	-	-	-
	$ 364,701	$ 144,969	$ 6,377	$ 1,373	$ 1,423	$ 518,843

Payable to the Pension Plan

At June 30, 2019, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2019.

NOTE 21 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. The County provides a Part-time and Temporary Employees' Retirement Plan (the Plan) to provide retirement benefits to eligible employees as a substitute for benefits under social security. The Plan is an IRS Section 401(a) defined benefit plan and agent multiple-employer defined benefit pension plan under GASB Statement No. 68. This Plan is self-funded and self-administered. Effective July 20, 2010, the County Board of Supervisors appointed U.S. Bank as the Plan's investment consultant, investment manager and trustee. Contributions made to the Plan are deposited with U.S. Bank, who maintains the responsibility of investing contributions in a diversified portfolio and reported at fair value. No financial report has been issued separately for public view under the defined benefit pension plan.

Benefits provided. Retirement benefits are determined as 2.0 percent of the employee's compensation and payable as a single life annuity. The eligible retirement age is 65. Participants are immediately 100% vested in the Plan upon enrollment. Benefits are payable for the life of the employee only. The normal retirement benefit is accrued to the date of termination. A lump sum distribution is paid if the actuarial equivalent benefit is less than $5,000. Actuarial Equivalence for this purpose is based on the greater of the factor produced under the UP1984 unisex mortality table at 6% or the applicable mortality table and interest rate under 417(e).

Employees covered by benefit terms. For the measurement date June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	289
Inactive employees entitled to but yet receiving benefits	7,482
Active employees	1,509
	9,280

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions. Participants in the Plan are required to contribute 3.75% of their compensation to the Plan. According to the July 1, 2018 valuation, the County's current required contribution rate is 1.53%. Overall, the Plan's Net Pension Liability decreased slightly from the prior valuation due to the net result of the following: 1) assets were higher than expected due to favorable investment return on plan assets (9.66% actual compared to 6.0% assumed); 2) demographic experience was different than expected, which resulted in a liability loss; 3) mortality assumptions were updated to reflect the revised mortality table developed in the 2017 CalPERS Experience Study, with generational future improvement scale MP-2018, resulting in an increase in liabilities; and 4) other demographic assumptions were updated to reflect the new assumptions developed in the 2017 CalPERS Experience Study, resulting in a small increase in liabilities. The Plan's current funded ratio is 82.5%. The Plan actuary calculates the minimum recommended employer contribution rate through preparation of an actuarial valuation report and the County determines the contribution rates. Administrative costs of the Plan are paid by the Trustee from Plan assets.

Net Pension Liability

The County's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions	
Inflation	2.50%
Salary Increases	2.75%
Payroll Growth	2.75%
Investment Rate of Return:	6.00%

The mortality rates for active employees are based on RP-2006 combined annuitant/non-annuitant table with the generational future improvement from 2006 using scale MP-2018. The mortality rates for inactive employees no longer accruing benefits are based on the most recent CalPERS mortality table developed in 2017 CalPERS Experience Study, with generational future improvement from 2008 using scale MP-2018.

The actuarial assumption used in the June 30, 2018 valuation was based on the results of an actuarial experience study for the period July 1, 2017 - June 30, 2018.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Nominal Return	Expected Volatility
Cash	1.11%	2.6%	0.5%
Domestic Equity	49.04%	7.3%	15.5%
Developed International Equity	15.00%	7.8%	17.2%
Aggregate Fixed Income	34.85%	3.1%	4.7%

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Discount rate. The discount rate used to measure the total pension liability was 6.0 percent. The projected cash flow used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (In thousands):

	Governmental Activities Increase (Decrease)		
	Total Pension Liability (a)	**Plan Fiduciary Net Position (b)**	**Net Pension Liability/(Asset) (c) = (a) - (b)**
Measurement Period June 30, 2017	**$ 42,015**	**$ 37,552**	**$ 4,463**
Changes of the year:			
Service cost	1,300	-	1,300
Interest cost	2,548	-	2,548
Differences between expected and actual experience	1,621	-	1,621
Change of assumptions	40	-	40
Contributions - employer	-	816	(816)
Contributions - employee	-	1,633	(1,633)
Net investment income (loss)	-	3,648	(3,648)
Benefit payments, including refunds of employee contributions	(1,726)	(1,726)	-
Administrative expense	-	(347)	347
Net changes	3,783	4,024	(241)
Measurement Period June 30, 2018	**$ 45,798**	**$ 41,576**	**$ 4,222**

Change of assumptions. The salary increases and payroll growth were updated from 3.00% to 2.75%. The demographic assumptions were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study. The assumed mortality improvement scale was updated from MP-2017 to MP-2018.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 6.0 percent, as well as what the County's net pension liability would be if it were using a discount rate that is 1-percentage-point lower (5.0 percent) or 1-percentage-point higher (7.0 percent) than the current rate (In thousands):

	1% Decrease (5.0%)	Current Discount Rate (6.0%)	1% Increase (7.0%)
Net Pension Liability	$ 11,645	$ 4,222	$ (1,965)

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension plan fiduciary net position

Statement of Fiduciary Net Position
June 30, 2019

ASSETS	Pension Trust
Cash and investments	$ 43,404
Accounts receivable	161
Total assets	43,565
LIABILITIES	
Accounts payable	-
Total liabilities	-
NET POSITION	
Restricted for pension benefits	$ 43,565

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

ADDITIONS:	
Contributions to pension trust:	
Employer	$ 831
Employee	1,637
Investment income	1,894
Total additions	4,362
DEDUCTIONS:	
Benefits paid to participants	2,175
Administrative and other expenses	252
Total deductions	2,427
Net position, beginning of the year	41,630
Net position, end of the year	$ 43,565

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows of resources and deferred outflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is five year straight-line amortization. All other amounts are straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning measurement period.

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

The EARSL for the Plan for the 2017-18 measurement period is 8.07 years, which was obtained by dividing the total service years of 74,890 (the sum of remaining service lifetimes of the active employees) by 9,280 (total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving cash refund.

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

For the year ended June 30, 2019, the County recognized pension expense of $756.0 thousand. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources (In thousands):

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 4,317	$ -
Changes of assumptions	1,596	(929)
Net difference between projected and actual earnings on pension plan investments	-	(1,317)
Sub-total	5,913	(2,246)
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	833	-
Total	$ 6,746	$ (2,246)

$833.0 thousand reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a deduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (In thousands):

Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2020	$ 1,038
2021	653
2022	245
2023	578
2024	640
Thereafter	513
	$ 3,667

Payable to the Pension Plan

At June 30, 2019, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2019.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

General Information about the OPEB Plan

Plan description. The County and its Special Districts, Flood Control, Park District, and Waste Resources, provide a postemployment benefits plan to all full-time general and public safety employees. The postemployment benefit plan is an agent multiple-employer defined benefit OPEB plan. A qualified Internal Revenue Code Section 115 Trust has been established for the County and its Special Districts, with the exception of Waste Resources, with the California Employers' Retiree Benefit Trust (CERBT) for the purpose of receiving employer contributions that will prefund health and other postemployment costs for retirees and their beneficiaries. The CERBT administers each plan's assets and issues a financial report available for public review, which includes financial statements and required supplementary information for the trust fund. The CERBT report may be obtained from CalPERS Affiliate Programs Services Division, CERBT (OPEB), P.O. Box 1494 Sacramento, CA 95812-1494. Waste Resources Postretirement Benefits Plan is a single employer defined benefit OPEB plan administered by the Waste Resources Department and no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. The County provides retiree medical benefits for eligible retirees enrolled County sponsored plans. Benefit provisions are established and amended through negotiations between the County and the respective unions. Former employees eligible for CalPERS pension benefits but who are not eligible for retirement at termination of employment are not eligible for retiree health benefits. The benefits are provided in the form of monthly County contributions toward the retiree's medical premium and contribution of $25 per month to the Riverside Sheriffs' Association (RSA) Benefits Trust for RSA law enforcement retirees. Previously, the County allowed certain retirees to receive coverage prior to age 65 by paying premiums that were developed by blending active and retiree costs, which resulted in an implicit subsidy to retirees. The implicit subsidy has been discontinued since January 1, 2011.

Employees covered by benefit terms. For the measurement date June 30, 2018, the following employees were covered by the benefit terms:

	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Inactive employees or beneficiaries currently receiving benefit payemnts	2,283	31	8	23
Inactive employees entitled to but not yet receiving benefit payments	-	-	-	-
Active employees	18,754	221	112	19
	21,037	252	120	42

Contributions. Contribution requirements of the plan members and the County are established and may be amended through negotiations between the County and the respective bargaining units. The County contributes a portion of an eligible retiree's medical plan premium under a County's sponsored health plan (either at retirement or during a subsequent annual enrollment) for the retiree's lifetime. The current monthly amount paid by the County ranges from $25 - $256, depending on the retiree's bargaining unit at retirement. Contributions are based on the employee's bargaining unit at the time of retirement, as shown on next page:

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Bargaining Unit	Monthly Contribution County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous
Confidential	$ 256.00	$ 256.00	N/A	N/A
Law Enforcement Management Unit	$ 136.00	N/A	N/A	N/A
Law Enforcement Executive Staff	$ 256.00	N/A	N/A	N/A
LIUNA	$ 25.00	$ 25.00	N/A	N/A
Management (General)	$ 256.00	$ 256.00	$ 256.00	$ 256.00
District Attorneys	$ 256.00	N/A	N/A	N/A
RSA Law Enforcement	$ 25.00	N/A	N/A	N/A
RSA Public Safety	$ 136.00	N/A	N/A	N/A
SEIU	$ 25.00	$ 25.00	$ 25.00	$ 25.00
Unrepresented	$ 256.00	N/A	N/A	N/A

Net OPEB (Asset)/Liability

The net OPEB (asset)/liability of the County, Flood Control and Park District was measured as of June 30, 2018, and the total OPEB (asset)/liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of July 1, 2018.

Actuarial assumptions. The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous
Inflation	2.50%	2.50%	2.75%
Salary Increases	2.75%	2.75%	3.00%
Investment Rate of Return*	6.73%	6.12%	7.28%

*Net of OPEB plan investment expense, including inflation

County Miscellaneous and Safety Plan: The healthcare cost trend rate for the Pre Medicare Plan was 7.5 percent, decreasing 0.4 percent per year to an ultimate rate of 5.0 percent for 2019 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.3 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2019 and later years.

The medical trend rates are not applied to the Flood Control and Park District Miscellaneous plans. All benefits are assumed to remain at their current level.

Mortality rates are based on the most recent CalPERS mortality table developed in the 2017 CalPERS Experience study, with generational future improvements from 2008 using scale MP-2018.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of the 2017 CalPERS Experience Study.

The actuarial valuation for Park District Miscellaneous Plan is every two years. The actuarial assumptions in the most recent valuation as of July 1, 2017 were based on the results of an actuarial experience study period for the period of July 1, 2016 to June 30, 2017. The mortality rates were based on the most recent CalPERS mortality table developed in the 1997 to 2011 CalPERS Experience Study, with generational future improvements using scale MP-2017.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	County Miscellaneous and Safety Target Allocation Strategy 2	Flood Control Miscellaneous Target Allocation Strategy 3	Park District Miscellaneous Target Allocation Strategy 1	Long-Term Expected Real Rate of Return
Global Equity	40.0%	22.0%	57.0%	5.71%
Fixed Income	39.0%	49.0%	27.0%	2.40%
Treasury Inflation-Protected Securities	10.0%	16.0%	5.0%	2.55%
Real Estate Investment Trust	8.0%	8.0%	8.0%	7.88%
Commodities	3.0%	5.0%	3.0%	4.95%
Total	100.0%	100.0%	100.0%	

Discount rate. The discount rate used to measure the total OPEB liability was 6.73 percent (County Miscellaneous and Safety), 6.12 percent (Flood Control Miscellaneous), and 7.28 (Park District Miscellaneous). The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Total OPEB Liability

The Waste Resources' total OPEB liability of $598.0 thousand was measured as of June 30, 2018, and was determined by the most recent actuarial valuation as of July 1, 2017. The actuarial valuation is every two years.

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

	Waste Resources Miscellaneous
Inflation	2.75%
Salary Increases	3.00%
Discount rate	3.87%
Healthcare cost trend rates	All benefits are assumed to remain at current level.
Retiree's share of benefit-related costs	Retirees pay the premiums in excess of the County contributions.

Since the plan is unfunded, the discount rates used in the valuation equal to 20-year municipal bond yields that are in effect as of July 1, 2018.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Mortality rates are based on the most recent CalPERS mortality table developed in the 1997 to 2011 CalPERS Experience Study, with generational future improvements using scale MP-2017.

The actuarial assumptions used in the most recent actuarial valuation as of July 1, 2017 were based on the results of an actuarial experience study period for the period of July 1, 2016 to June 30, 2017.

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

Measurement Period June 30, 2018	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Total
Total OPEB liability				
Service cost	$ 882	$ 4	$ 1	$ 887
Interest on the total OPEB liability	3,445	30	10	3,485
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	4,061	13	-	4,074
Changes of assumptions	11,334	8	-	11,342
Benefit payments	(3,262)	(36)	(11)	(3,309)
Net change in total OPEB liability	16,460	19	-	16,479
Total OPEB liability - beginning (a)	51,918	517	140	52,575
Total OPEB liability - ending (c)	$ 68,378	$ 536	$ 140	$ 69,054
Plan fiduciary net position				
Contributions - employer	$ 4,262	$ 36	$ -	$ 4,298
Contributions - employee	-	-	-	-
Net investment income	2,342	26	26	2,394
Benefit payments	(3,262)	(36)	(11)	(3,309)
Administrative expense	(17)	-	-	(17)
Net change in plan fiduciary net position	3,325	26	15	3,366
Plan fiduciary net position - beginning (b)	36,779	546	333	37,658
Plan fiduciary net position - ending (d)	$ 40,104	$ 572	$ 348	$ 41,024
Net OPEB (asset)/liability - beginning (a) - (b)	15,139	(29)	(193)	14,917
Net OPEB (asset)/liability - ending (c) - (d)	$ 28,274	$ (36)	$ (208)	$ 28,030

The assumptions were changed from the prior valuation as follow:

For County Miscellaneous and Safety Plan: 1) Payroll increase was updated from an assumed annual increase of 3.00% to 2.75%. This reduction reflects CalPERS reduction in the inflation assumption from 2.75% to 2.50%, 2) Demographic assumptions (i.e., mortality rates, termination rates, retirement rates and disability rates) were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study, 3) Mortality improvement was updated from scale MP-2017 to scale MP-2018, 4) The claims table was updated to reflect most recent CalPERS monthly premiums available for 2018. Aging factors are also updated to reflect the most recent CalPERS demographic experience, and 5) The health plan participant rates were updated from 20% to 40% to reflect the more recent experience.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Flood Control Miscellaneous Plan: 1) Payroll increase was updated from an assumed annual increase of 3.00% to 2.75%. This reduction reflects CalPERS reduction in the inflation assumption from 2.75% to 2.50%, 2) Demographic assumptions (i.e., mortality rates, termination rates, retirement rates and disability rates) were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study, and 3) Mortality improvement was updated from scale MP-2017 to scale MP-2018.

There was no change in assumptions from the prior valuation for the Park District Miscellaneous Plan.

Changes in the Total OPEB Liability for Agent Multiple-Employer Defined Benefit OPEB Plan Not Administered Through Trusts

Measurement Period June 30, 2018	Business-type Activities Waste Resources Miscellaneous
Changes for the year:	
Service cost	$ 2
Interest	22
Changes of benefit terms	-
Differences between expected and actual experience	(19)
Changes in assumptions or other inputs	-
Benefit payments	(37)
Net changes	(32)
Total OPEB liability - beginning	630
Total OPEB liability - ending	$ 598

As of July 1, 2018, the discount rate was changed from 3.58 percent to 3.87 percent. All other information is based on the census data, actuarial assumption, and plan provisions used in the most recent actuarial valuation as of July 1, 2017.

The following tables shows the Net OPEB Asset and Liability, and Total OPEB Liability by primary government (In thousands).

	Governmental Activities	Business-type Activities	Total
Net OPEB (Asset)	$ (244)	$ -	$ (244)
Net OPEB Liability	$ 23,981	$ 4,293	$ 28,274
Total OPEB Liability	$ -	$ 598	$ 598

Sensitivity of the net OPEB (asset)/liability to changes in the discount rate. The following presents the net OPEB (asset)/liability, as well as what the net OPEB (asset)/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Net OPEB (Asset)/Liability		
	1% Decrease (5.73%)	Discount Rate (6.73%)	1% Increase (7.73%)
County Miscellaneous and Safety	$ 38,244	$ 28,274	$ 20,241

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

	Net OPEB (Asset)/Liability		
	1% Decrease (5.12%)	Discount Rate (6.12%)	1% Increase (7.12%)
Flood Control Miscellaneous	$ (23)	$ (36)	$ (85)

	Net OPEB (Asset)/Liability		
	1% Decrease (6.28%)	Discount Rate (7.28%)	1% Increase (8.28%)
Park District Miscellaneous	$ (194)	$ (208)	$ (221)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Total OPEB Liability		
	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)
Waste Resources Miscellaneous	$ 667	$ 598	$ 539

Sensitivity of the net OPEB (asset)/liability to changes in the healthcare cost trend rates. The following presents the net OPEB (asset)/liability, as well as what the net OPEB (asset)/liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Net OPEB (Asset)/Liability		
	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
County Miscellaneous and Safety (Pre Medicare Plan)	$ 38,243	$ 28,274	$ 20,241

	Net OPEB (Asset)/Liability		
	1% Decrease (7.3% decreasing to 4.0%)	Healthcare Cost Trend Rates (8.3% decreasing to 5.0%)	1% Increase (9.3% decreasing to 6.0%)
County Miscellaneous and Safety (Post Medicare Plan)	$ 38,244	$ 28,274	$ 20,241

	Net OPEB (Asset)/Liability		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Flood Control Miscellaneous*	$ (36)	$ (36)	$ (36)
Park District Miscellaneous*	$ (208)	$ (208)	$ (208)

*The medical trend rates are not applied to Flood Control and Park District Miscellaneous plans. All benefits are assumed to remain at their current level.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Total OPEB Liability		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Waste Resources Miscellaneous	$ 598	$ 598	$ 598

The medical trend rates are not applied to the Waste Resources Miscellaneous plan. All benefits are assumed to remain at their current level.

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, $3.6 million was recognized as OPEB expense. At June 30, 2019, the deferred outflows of resources and deferred inflows of resources related to OPEB were reported from the following sources.

Deferred Outflows of Resources By Plan:	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Difference between expected and actual experience	$ 8,212	$ 25	$ 18	$ -	$ 8,255
Difference between expected and actual earnings on OPEB plan investments	-	12	-	-	12
Changes of assumptions	12,645	7	-	-	12,652
Sub-total	20,857	44	18	-	20,919
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	3,623	-	-	2	3,625
Total	$ 24,480	$ 44	$ 18	$ 2	$ 24,544

$3.6 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020.

Deferred Inflows of Resources By Plan:	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
Difference between expected and actual experience	$ -	$ -	$ -	$ (41)	$ (41)
Difference between expected and actual earnings on OPEB plan investments	(566)	-	(8)	-	(574)
Changes of assumptions	-	(2)	(2)	(29)	(33)
Total	$ (566)	$ (2)	$ (10)	$ (70)	$ (648)

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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

	Governmental Activities	Business-type Activities	Total
Deferred Outflows of Resources	$ 20,763	$ 3,781	$ 24,544
Deferred Inflows of Resources	$ (500)	$ (148)	$ (648)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Waste Resources Miscellaneous	Total
2020	$ 2,384	$ 8	$ -	$ (69)	$ 2,323
2021	2,384	8	-	(1)	2,391
2022	2,384	8	-	-	2,392
2023	2,617	6	1	-	2,624
2024	2,584	4	2	-	2,590
Thereafter	7,938	8	5	-	7,951
Total	$ 20,291	$ 42	$ 8	$ (70)	$ 20,271

Payable to the OPEB Plan

At June 30, 2019, there is no outstanding amount of contributions payable to the OPEB plan required for the year ended June 30, 2019.

NOTE 23 – COMMITMENTS AND CONTINGENCIES

Lawsuits and Other Claims

The County has been named as a defendant in various lawsuits and claims arising in the normal course of operations. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probable financial loss to the County, such loss has been accrued in the accompanying basic financial statements. Litigation where loss to the County is reasonably possible has not been accrued. In the opinion of management, the ultimate outcome of these claims will not materially affect the operations of the County.

Federal Grant Revenue

Compliance examinations for the fiscal year ended June 30, 2018, indicated no items found of noncompliance with Federal grants and regulations. The fiscal year 2018-19 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2020.

Commitments

At June 30, 2019 the County had various non-cancelable contracts and construction-in-progress with outside contractors. These contracts were financed through either the general fund or capital projects funds. $152.7 million will be payable upon future performance under the contracts.

Landfill Construction and Consulting Contracts

Waste Resources enters into various construction and consulting contracts to facilitate its landfill operations and continues the process of installing landfill liners as needed at Badlands and Lamb Canyon landfills, in accordance with state and federal laws and regulations. Waste Resources does not anticipate a new area landfill expansion at the Lamb Canyon landfill in the next five years, but does plan to complete two expansion projects at Badlands landfill which will increase refuse airspace and days of site life in the current burial area. The northwestern berm construction at the Badlands landfill will cost approximately $1.9 million and the cost of the 7.2-acre liner expansion on the north part of the site is now estimated at $2.2 million. Both Badlands landfill projects are expected to be completed in the next five years.

Remediation Contingencies

Governmental Activities

Release of gasoline and diesel fuel has been reported at seven underground storage tanks. Orders have been issued by the California Regional Water Quality Control Board (CRWQCB) to assess and cleanup these sites by specific dates. It has determined the remediation plan and monitoring action is required. In addition to groundwater contamination, asbestos has been found in six facilities. As of June 30, 2019, the accrued remediation liability is $1.9 million. The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations and other factors that could result in revisions to these estimates.

Business-type Activities

The Waste Resources Department has established restricted cash funds to set aside for future remediation costs as they are required to be performed. Investments of $34.7 million are held for these purposes at June 30, 2019 and are classified as accrued remediation in the statements of net position.

The Waste Resources Department is aware of air/gas contamination at 17 landfills, 11 of which are closed, and required to have corrective action plans. Based on engineering studies, Waste Resources estimates the present value of the total costs of corrective action for foreseeable water quality contaminant releases, and/or non-water quality corrective action measures, at $38.7 million as of June 30, 2019.

In addition to the liability amounts calculated per CalRecycle regulations that are designated to the Escrow Funds, the Waste Resources Department is also responsible for the corrective action costs related to 19 other landfill sites that

NOTE 23 – COMMITMENTS AND CONTINGENCIES (Continued)

have been inactive or closed since before 1988. Liability for these sites fluctuates dependent on the needs of each site and changes to or the implementation of laws and regulations. As of June 30, 2019, the post-closure liability is estimated at $3.9 million.

Encumbrances

The County uses "encumbrances" to control expenditure commitments for the year. Encumbrances represent commitments related to executor contracts not yet performed and purchases orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve applicable appropriations. Depending on the source(s) of funding, encumbrances are reported as part of restricted or assigned fund balance on the governmental funds balance sheet. As of June 30, 2019, the encumbrance balances for the governmental funds are reported as follows (In thousands):

	Restricted	Committed	Assigned	Total
Major Governmental Funds				
General Fund:				
Criminal justice system review	$ -	$ -	$ 64	$ 64
Energy projects	-	-	302	302
Fire protection	-	-	2,451	2,451
Health care programs	-	-	109	109
Human resources	-	-	144	144
Public protection	-	-	133	133
Probation programs	-	-	4,662	4,662
Sheriff correction	-	-	939	939
Sheriff court services	-	-	22	22
Sheriff patrol	-	-	2,817	2,817
Sheriff support	-	-	837	837
Purchasing projects	-	-	145	145
Facilities maintenance	-	-	445	445
Transportation:				
Roads	1,072	-	-	1,072
Construction projects	101	-	-	101
Equipment	1,988	-	-	1,988
Capital Projects Funds:				
Public Facilities projects	-	-	117	117
Nonmajor Governmental Funds				
Special Revenue Funds:				
Community Svcs	170	-	-	170
Parks projects	-	14	-	14
Capital Projects Funds:				
Parks projects	74	-	-	74
Total Encumbrances	**$ 3,405**	**$ 14**	**$ 13,187**	**$ 16,606**

NOTE 24 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANs)

On July 1, 2019, the County issued $340.0 million in Tax and Revenue Anticipation Notes in the form of a 2020 Maturity bond due June 30, 2020. The stated interest rate for the bond is set at 5.0% per annum with a yield of 1.3%. In accordance with California law, the TRANs bonds are general obligations of the County and are payable only out of the taxes, income, revenues, cash receipts, and other monies of the County attributable to fiscal year 2020 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2020 general fund expenditures, including current expenditures, capital expenditures, and the discharge of other obligations or indebtedness of the County.

Riverside County Bonds and Certificates of Participation

In October 2019, Fitch, one of the three major credit ratings, has assigned the County's bonds and certificates of participation ratings as follows:

- Riverside County implied general obligation (GO) bond rating at 'AA-'.
- Riverside County pension obligation bonds (POB-Series 2005A) at 'A+'.
- Riverside County Asset Leasing Corporation certificates of participation (Series 2009, 2009A and lease revenue bonds (LRBs), Series 2013A, 2014 A and B) at 'A+'.
- Riverside County Public Financing Authority (LRBs) (Series 2012 and 2015) at 'A+'.
- Riverside County Infrastructure Financing Authority Lease Revenue Bonds (2015 Series A, 2016 Series A and A-T, Series 2017 A, B, and C) at 'A+'.

Fitch's reasoning is summarized in the following paragraphs:

The County's economy is large, diverse, and well-situated for long-term growth. It has affordable housing stock, capacity for additional development, proximity to employment centers including San Bernardino, Orange County, and Los Angeles, and a location along a major distribution route. The County is exposed to considerable housing market and tax base volatility as it was one of the worst – affected regions in the country during the economic downturn. However, both the housing market and assessed values have improved significantly over the past several years and a large amount of state and federal revenue in the budget moderates the effect of this cyclicality on overall revenues.

State and federal health, social services, and criminal justice pass-through funds comprise a substantial amount of the County's budget, as is typical for California counties. The County's non-discretionary general fund revenues are primarily provided by state funds and federal funds, which account for an estimated 65.0% of the fiscal 2019 budget. Discretionary revenues (i.e., excluding state and federal funds) comprise about 24.0% of the County's fiscal 2019 total general fund revenues and are primarily generated by property taxes.

Growth in total general fund revenues has been generally above inflation but below U.S. economic performance. Property tax revenue has increased each of the last six years, with assessed value increasing 6.3% in fiscal 2019. The County estimates fiscal year 2020 general fund discretionary revenues will increase approximately 4.7% over the prior year.

The County has moderate capacity to independently raise revenues relative to its expected revenue volatility. Proposition 13 fixes the Countywide property tax rate at 1.0% and limits assessment growth to no more than 2.0% per year absent a change in ownership, as well as Proposition 218, which requires voter approval for new or increased general taxes.

Discretionary spending is focused on public safety, which accounts for about three-quarters of discretionary spending, public assistance at 6.0%, and health and sanitation at 3.0%.

The County's fixed-costs burden is moderate with carrying costs for debt, pensions, and retiree healthcare accounting for 12.0% of fiscal year 2018 governmental spending. Labor relations with some employee groups continue to be pressured. The County's employees are represented by six labor organizations.

NOTE 24 – SUBSEQUENT EVENTS (Continued)

Riverside County Bonds and Certificates of Participation (Continued)

Contracts for three of those bargaining units expired in 2016. The County has reached an impasse and imposed contract terms on one of those bargaining units in October 2017 and imposed the terms of its last best and final offer on another unit in December 2018. Additionally, in March 2019, the County settled with the third bargaining unit with terms generally favorable to the County, reducing the number of step increases to one from two and for a lower total compensation increase than requested. According to the County, the primary negotiation issues relate to merit increases. The County has the ability to ultimately impose terms and contracts that are not subject to binding arbitration. The County has demonstrated its capacity to implement layoffs and furloughs in times of revenue decline.

The County estimates the ongoing cost of a settled inmate class action lawsuit at about $40.0 million per year. This amount is about 5.0% of fiscal year 2020 budgeted general fund discretionary revenues of $837.0 million and 1.0% of the general fund budget of $3.5 billion. It has identified offsets, including adjusting and delaying staffing for the new John J. Benoit Detention Center and establishing a requirement for County departments to absorb any staffing cost increases. In addition, the County continues to implement recommendations from a Strategic Plan for Criminal Justice produced by KPMG Consulting for the County and a preliminary jail utilization report provided by California Forward, a bipartisan governance reform organization. The County expects implementation of both to result in considerable cost savings, as well as revenue recovery.

The County's very strong gap-closing capacity is derived from its ability to manage spending, relatively low expected revenue volatility and available reserves. The unrestricted general fund balance at year-end fiscal 2018 was $270.0 million, or 8.8% of total general fund spending. Fitch expects that the County would maintain reserves at solid levels throughout a moderate economic downturn, primarily by adjusting spending.

To balance the fiscal year 2020 budget, the County made targeted reductions of about 2.5% of expenditures funded by discretionary County revenue. The County expects fiscal year 2019 results to show a draw of about $22.0 million from unrestricted balance on a budget basis. The estimated reserve balance at the end of fiscal year 2019 is above the board policy reserve target of 25.0% of discretionary revenue. Spending restraint will be required given budget pressures, including rising pension contributions, costs associated with opening a new jail facility later in the year and the unexpected costs noted above.

Teeter Obligation Notes, Series A

On October 23, 2019, the County issued $84.1 million in 2019 Teeter Obligation Notes, Series A (Tax-Exempt) to refund a portion of the outstanding 2018 Teeter Obligation Notes, Series A, and fund an advance of unpaid property taxes for agencies participating in the County's Teeter plan, and to pay the cost of issuance related to the notes. The 2019 Notes bear an interest rate of 1.4% for 2019 Teeter Obligation Note, Series A and a maturity date of October 22, 2020, when the existing Letter of Credit will expire.

The Effects of the Economy on CalPERS

Based on past performance of the CalPERS fund, CalPERS has estimated the County's miscellaneous and safety contribution rates for fiscal year 2019-20 will be 21.6% and 37.4%, respectively. Fiscal year 2020-21 contribution rates for miscellaneous and safety are estimated at 24.5% and 43.0%, respectively. They will be accounted for in fiscal year 2019-20 and future budget years.

Riverside County Asset Leasing Corporation Lease Revenue Bonds

In September 26, 2019, CORAL issued $12.9 million in taxable lease revenue refunding bonds, Taxable Lease Revenue Refunding Bonds, 2019 Series A. The 2019 Series A Bonds are being issued for the purpose of (i) refunding a portion of the outstanding 2013 Series A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) Bonds and (ii) pay the cost incurred in connection with the issuance of the bonds.

REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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

County Miscellaneous, Agent Multiple Employer Plan

Measurement Period	**2017-18** (1)	**2016-17** (1)	**2015-16** (1)	**2014-15** (1)	**2013-14** (1)
Total pension liability					
Service cost	$ 215,186	$ 211,842	$ 175,662	$ 162,257	$ 158,164
Interest on total pension liability	532,726	501,855	457,630	418,860	377,221
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	51,597	151,001	141,472	15,756	-
Changes of assumptions	(58,382)	450,226	-	(109,320)	-
Benefit payments, including refunds of employee contributions	(291,902)	(259,302)	(234,668)	(217,701)	(195,420)
Net change in total pension liability	449,225	1,055,622	540,096	269,852	339,965
Total pension liability - beginning	7,253,774	6,198,152	5,658,056	5,388,204	5,048,239
Total pension liability - ending (a)	$ 7,702,999	$ 7,253,774	$ 6,198,152	$ 5,658,056	$ 5,388,204
Plan fiduciary net position					
Contributions - employer	$ 185,512	$ 164,307	$ 157,639	$ 98,867	$ 134,673
Contributions - employee	87,471	87,201	82,884	76,078	69,872
Net investment income	449,040	540,579	24,832	104,069	666,911
Benefit payments, including refunds of employee contributions	(291,902)	(259,302)	(234,668)	(217,701)	(195,420)
Administrative expense	(8,297)	(7,122)	(2,894)	(5,345)	-
Other miscellaneous expense	(15,755)	-	-	-	-
Net change in plan fiduciary net position	406,069	525,663	27,793	55,968	676,036
Plan fiduciary net position - beginning	5,090,459	4,564,796	4,537,003	4,481,035	3,804,999
Plan fiduciary net position - ending (b)	$ 5,496,528	$ 5,090,459	$ 4,564,796	$ 4,537,003	$ 4,481,035
Plan's net pension liability - ending (a) - (b)	$ 2,206,471	$ 2,163,315	$ 1,633,356	$ 1,121,053	$ 907,169
Plan fiduciary net position as a percentage of the total pension liability	71.4%	70.2%	73.6%	80.2%	83.2%
Covered payroll (2)	$ 1,068,222	$ 1,056,636	$ 1,010,690	$ 909,644	$ 842,865
Plan's net pension liability as a percentage of covered payroll	206.6%	204.7%	161.6%	123.2%	107.6%

(1) Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

(2) Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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

County Safety, Agent Multiple Employer Plan

Measurement Period	2017-18 (1)	2016-17 (1)	2015-16 (1)	2014-15 (1)	2013-14 (1)
Total pension liability					
Service cost	$ 99,309	$ 101,987	$ 86,039	$ 80,457	$ 77,706
Interest on total pension liability	241,592	229,003	212,548	195,332	181,393
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(14,902)	13,324	47,893	22,825	-
Changes of assumptions	(15,727)	215,024	-	(53,617)	-
Benefit payments, including refunds of employee contributions	(129,977)	(115,929)	(105,002)	(97,869)	(91,921)
Net change in total pension liability	180,295	443,409	241,478	147,128	167,178
Total pension liability - beginning	3,424,877	2,981,468	2,739,990	2,592,862	2,425,684
Total pension liability - ending (a)	$ 3,605,172	$ 3,424,877	$ 2,981,468	$ 2,739,990	$ 2,592,862
Plan fiduciary net position					
Contributions - employer	92,283	$ 85,091	$ 76,363	$ 65,364	$ 72,947
Contributions - employee	30,586	33,623	32,073	30,313	28,396
Net investment income	202,786	243,597	10,790	46,730	312,502
Benefit payments, including refunds of employee contributions	(129,977)	(115,929)	(105,002)	(97,869)	(91,921)
Administrative expense	(3,760)	(3,184)	(1,306)	(2,398)	-
Other miscellaneous expense	(7,102)	-	-	-	-
Net change in plan fiduciary net position	184,816	243,198	12,918	42,140	321,924
Plan fiduciary net position - beginning	2,400,027	2,156,829	2,143,911	2,101,771	1,779,847
Plan fiduciary net position - ending (b)	$ 2,584,843	$ 2,400,027	$ 2,156,829	$ 2,143,911	$ 2,101,771
Plan's net pension liability - ending (a) - (b)	$ 1,020,329	$ 1,024,850	$ 824,639	$ 596,079	$ 491,091
Plan fiduciary net position as a percentage of the total pension liability	71.7%	70.1%	72.3%	78.2%	81.1%
Covered payroll (2)	$ 322,749	$ 340,897	$ 341,419	$ 320,550	$ 279,508
Plan's net pension liability as a percentage of covered payroll	316.1%	300.6%	241.5%	186.0%	175.7%

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(2) Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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

Flood Control Miscellaneous, Agent Multiple Employer Plan

Measurement Period	2017-18 (1)	2016-17 (1)	2015-16 (1)	2014-15 (1)	2013-14 (1)
Total pension liability					
Service cost	$ 3,239	$ 3,196	$ 2,736	$ 2,606	$ 2,659
Interest on total pension liability	13,568	13,182	12,356	11,562	10,889
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(883)	4,317	3,136	1,641	-
Changes of assumptions	(1,005)	11,057	-	(2,831)	-
Benefit payments, including refunds of employee contributions	(9,835)	(8,387)	(7,290)	(6,729)	(6,007)
Net change in total pension liability	5,084	23,365	10,938	6,249	7,541
Total pension liability - beginning	194,947	171,582	160,644	154,395	146,854
Total pension liability - ending (a)	$ 200,031	$ 194,947	$ 171,582	$ 160,644	$ 154,395
Plan fiduciary net position					
Contributions - employer	$ 4,253	$ 3,899	$ 3,445	$ 2,918	$ 2,793
Contributions - employee	1,269	1,343	1,356	1,276	1,394
Net investment income	10,586	12,842	666	2,660	17,670
Benefit payments, including refunds of employee contributions	(9,835)	(8,387)	(7,290)	(6,729)	(6,007)
Administrative expense	(196)	(171)	(73)	(133)	-
Other miscellaneous expense	(373)	-	-	-	-
Net change in plan fiduciary net position	5,704	9,526	(1,896)	(8)	15,850
Plan fiduciary net position - beginning	126,006	116,480	118,376	118,384	102,534
Plan fiduciary net position - ending (b)	$ 131,710	$ 126,006	$ 116,480	$ 118,376	$ 118,384
Plan's net pension liability - ending (a) - (b)	$ 68,321	$ 68,941	$ 55,102	$ 42,268	$ 36,011
Plan fiduciary net position as a percentage of the total pension liability	65.8%	64.6%	67.9%	73.7%	76.7%
Covered payroll (2)	$ 17,581	$ 17,428	$ 16,643	$ 15,838	$ 15,385
Plan's net pension liability as a percentage of covered payroll	388.6%	395.6%	331.1%	266.9%	234.1%

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(2) Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions: The demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous, Agent Multiple Employer Plan

Fiscal year	2018-19*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	$ 224,862	$ 184,572	$ 160,437	$ 143,300	$ 126,838
Contributions in relation to the actuarially determined contribution	(207,080)	(182,070)	(178,196)	(159,154)	(132,619)
Contribution deficiency (excess)	$ 17,782	$ 2,503	$ (17,759)	$ (15,854)	$ (5,781)
Covered payroll **	$ 1,144,873	$ 1,068,222	$ 1,056,636	$ 1,010,690	$ 909,644
Contributions as a percentage of covered payroll	18.1%	17.0%	16.9%	15.7%	14.6%

* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

County Safety, Agent Multiple Employer Plan

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

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** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

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

Flood Control Miscellaneous, Agent Multiple Employer Plan

Fiscal year	2017-18*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	$ 5,019	$ 4,252	$ 3,896	$ 3,442	$ 2,918
Contributions in relation to the actuarially determined contribution	(5,019)	(4,252)	(3,896)	(3,442)	(2,918)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll **	$ 18,108	$ 17,581	$ 17,428	$ 16,643	$ 15,838
Contributions as a percentage of covered payroll	27.7%	24.2%	22.4%	20.7%	18.4%

* Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2018-19 were derived from the June 30, 2017 funding valuation report.

	County Miscellaneous	County Safety	Flood Control Miscellaneous
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining amortization period	25 Years as of the Valuation Date	25 Years as of the Valuation Date	25 Years as of the Valuation Date
Asset valuation method	Market Value of Assets	Market Value of Assets	Market Value of Assets
Inflation	2.50%	2.50%	2.50%
Salary increases	Varies by Entry Age and Service	Varies by Entry Age and Service	Varies by Entry Age and Service
Payroll growth	3.0%	3.0%	3.0%
Investment rate of return*	7.15%	7.15%	7.15%

The Retirement Age is determined by the probabilities of retirement which are based on the December 2017 CalPERS Experience Study for the period from 1997 to 2015.

The Mortality is based on the December 2017 CalPERS Experience Study for the period from 1997 to 2015. The mortality table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. More details on this table are available in the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015).

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

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS

As of the Measurement Date
(Dollar amounts in thousands)

Park District Miscellaneous, Cost Sharing Multiple Employer Plan

Measurement Period	2017-18 (1)	2016-17 (1)	2015-16 (1)	2014-15 (1)	2013-14 (1)
Employer's proportion of the net pension liability (asset)	0.27877%	0.27243%	0.26345%	0.25620%	0.09946%
Employer's proportionate share of the net pension liability (asset)	$ 10,506	$ 10,739	$ 9,151	$ 7,029	$ 6,189
Employer's covered payroll (2)	$ 5,415	$ 6,201	$ 6,791	$ 5,799	$ 4,992
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	194.0%	173.2%	134.8%	121.2%	124.0%
Pension plan's fiduciary net position as a percentage of the total pension liability	77.1%	75.3%	75.9%	80.2%	81.8%

(1) Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

(2) Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan

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

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(2) Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Park District Miscellaneous, Cost Sharing Multiple Employer Plan

Fiscal year	2018-19*	2017-18*	2016-17*	2015-16*	2014-15*
Actuarially determined contribution	$ 1,229	$ 1,094	$ 1,094	$ 1,062	$ 950
Contributions in relation to the actuarially determined contribution	(1,229)	(1,094)	(1,094)	(1,062)	(950)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll**	$ 5,439	$ 5,415	$ 6,201	$ 6,791	$ 5,799
Contributions as a percentage of covered payroll	22.6%	20.2%	17.6%	15.6%	16.4%

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** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan

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

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** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Notes to Schedule

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of assumptions: The demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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

Riverside County – Part-time and Temporary Help Retirement

Measurement Period	**2017-18** (1)	**2016-17** (1)	**2015-16** (1)	**2014-15** (1)	**2013-14** (1)
Total pension liability					
Service cost	$ 1,300	$ 1,914	$ 1,718	$ 1,512	$ 1,557
Interest cost	2,548	2,358	2,186	1,983	1,800
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	1,621	1,457	1,524	795	1,146
Changes of assumptions	40	(746)	(594)	2,939	-
Benefit payments, including refunds of employee contributions	(1,726)	(1,757)	(1,507)	(1,511)	(1,762)
Net change in total pension liability	3,783	3,226	3,327	5,718	2,741
Total pension liability - beginning	42,015	38,789	35,462	29,744	27,003
Total pension liability - ending (a)	$ 45,798	$ 42,015	$ 38,789	$ 35,462	$ 29,744
Plan fiduciary net position					
Contributions - employer	$ 816	$ 1,341	$ 668	$ 607	$ 956
Contributions - employee	1,633	1,674	1,399	1,267	1,394
Net investment income (expense)	3,648	4,289	(117)	131	4,437
Benefit payments, including refunds of employee contributions	(1,726)	(1,757)	(1,507)	(1,511)	(1,762)
Administrative expense	(347)	(128)	(189)	(217)	(228)
Other	-	-	-	-	-
Net change in plan fiduciary net position	4,024	5,419	254	277	4,797
Plan fiduciary net position - beginning	37,552	32,133	31,879	31,602	26,805
Plan fiduciary net position - ending (b)	$ 41,576	$ 37,552	$ 32,133	$ 31,879	$ 31,602
Net pension liability (asset) - ending (a) - (b)	$ 4,222	$ 4,463	$ 6,656	$ 3,583	$ (1,858)
Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a)	90.8%	89.4%	82.8%	89.9%	106.2%
Covered payroll (2)	$ 43,357	$ 44,525	$ 39,761	$ 32,963	$ 29,517
Net pension liability (asset) as a percentage of covered payroll	9.7%	10.0%	16.7%	10.9%	6.3%

(1) Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

(2) Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Notes to Schedule:

Change of assumptions. The salary increases and payroll growth were updated from 3.00% to 2.75%. The demographic assumptions were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study. The assumed mortality improvement scale was updated from MP-2017 to MP-2018.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Riverside County – Part-time and Temporary Help Retirement

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

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** Covered payroll represents compensation on which contributions to a pension plan are based in accordance with GASB Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73.*

Notes to Schedule

Valuation date: July 1, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Payroll
Remaining amortization period:	20 –year Amortization of Unfunded Liability, plus Normal Cost, less expected Employee Contributions
Asset valuation method:	Market Value
Inflation:	2.50%
Salary increases:	2.75%
Investment rate of return:	6.0% (net of administrative expense)
Retirement age:	65
Mortality:	*Actives* RP-2006 combined annuitant/non-annuitant mortality table with generational future improvement from 2006 using scale MP-2018. *Full-time Actives (no longer accruing benefits)* Mortality rates are based on the most recent CalPERS mortality table developed in the 2017 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2018.

Age	30	40	50	60	70	80	90
Male	0.04%	0.07%	0.14%	0.71%	1.50%	4.64%	14.84%
Female	0.02%	0.04%	0.09%	0.50%	1.07%	3.44%	11.27%

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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

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

Measurement Period	2017-18 (1)	2016-17 (1)
Total OPEB liability		
Service cost	$ 882	$ 700
Interest cost	3,445	3,010
Changes of benefit terms	-	-
Differences between expected and actual experiences	4,061	5,814
Changes of assumptions	11,334	3,186
Benefit payments	(3,262)	(2,841)
Net change in total OPEB liability	16,460	9,869
Total OPEB liability - beginning	51,918	42,049
Total OPEB liability - ending (a)	$ 68,378	$ 51,918
Plan fiduciary net position		
Contributions - employer	$ 4,262	$ 1,909
Contributions - employee	-	-
Net investment income	2,342	3,612
Benefit payments	(3,262)	(2,841)
Administrative expense	(17)	(17)
Net change in plan fiduciary net position	3,325	2,663
Plan fiduciary net position - beginning	36,779	34,116
Plan fiduciary net position - ending (b)	$ 40,104	$ 36,779
County's net OPEB liability - ending (a) - (b)	$ 28,274	$ 15,139
Plan fiduciary net position as a percentage of the total OPEB liability	58.7%	70.8%
Covered payroll (2)	$ 1,390,971	$ 1,382,037
County's net OPEB liability as a percentage of covered payroll	2.0%	1.1%

(1) Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Notes to Schedule:

Changes of assumptions: The participation rates for health plan participants were updated from 20% to 40% to reflect the more recent experience. Demographic assumptions were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study. The mortality improvement was updated from scale MP-2017 to scale MP-2018. The claims table was updated to reflect most recent CalPERS monthly premiums available for 2018. Aging factors are also updated to reflect the most recent CalPERS demographic experience.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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

Flood Control Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	2017-18 (1)	2016-17 (1)
Total OPEB liability		
Service cost	$ 4	$ 4
Interest cost	30	30
Changes of benefit terms	-	-
Differences between expected and actual experiences	13	19
Changes of assumptions	8	(2)
Benefit payments	(36)	(32)
Net change in total OPEB liability	19	19
Total OPEB liability - beginning	517	498
Total OPEB liability - ending (a)	$ 536	$ 517
Plan fiduciary net position		
Contributions - employer	$ 36	$ -
Contributions - employee	-	-
Net investment income	26	23
Benefit payments	(36)	(32)
Administrative expense	-	-
Net change in plan fiduciary net position	26	(9)
Plan fiduciary net position - beginning	546	555
Plan fiduciary net position - ending (b)	$ 572	$ 546
District's net OPEB liability - ending (a) - (b)	$ (36)	$ (29)
Plan fiduciary net position as a percentage of the total OPEB liability	106.7%	105.6%
Covered payroll (2)	$ 17,354	$ 17,545
District's net OPEB liability as a percentage of covered payroll	-0.2%	-0.2%

(1) Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Notes to Schedule:

Changes of assumptions: The payroll increase was updated from an assumed annual increase of 3.00% to 2.75%. This reduction reflects CalPERS reduction in the inflation assumption from 2.75% to 2.50%. The demographic assumptions (i.e., mortality rates, termination rates, retirement rates and disability rates) were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study. The mortality improvement was updated from scale MP-2017 to scale MP-2018.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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

Park District Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period		**2017-18** (1)		**2016-17** (1)
Total OPEB liability				
Service cost	$	1	$	3
Interest cost		10		8
Changes of benefit terms		-		-
Differences between expected and actual experiences		-		23
Changes of assumptions		-		(2)
Benefit payments		(11)		(8)
Net change in total OPEB liability		-		24
Total OPEB liability - beginning		140		116
Total OPEB liability - ending (a)	$	140	$	140
Plan fiduciary net position				
Contributions - employer	$	-	$	-
Contributions - employee		-		-
Net investment income		26		33
Benefit payments		(11)		(8)
Administrative expense		-		-
Net change in plan fiduciary net position		15		25
Plan fiduciary net position - beginning		333		308
Plan fiduciary net position - ending (b)	$	348	$	333
District's net OPEB liability - ending (a) - (b)	$	(208)	$	(193)
Plan fiduciary net position as a percentage of the total OPEB liability		248.6%		237.9%
Covered payroll (2)	$	5,683	$	6,201
District's net OPEB liability as a percentage of covered payroll		-3.7%		-3.1%

(1) Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Notes to Schedule:

Changes of assumptions: There was no change in assumptions from the prior valuation.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

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

Fiscal year		**2018-19***		**2017-18***
Actuarially determined contribution	$	2,141	$	1,288
Contributions in relation to the actuarially determined contribution		(3,469)		(3,457)
Contribution deficiency (excess)	$	(1,328)	$	(2,169)
Covered payroll	$	1,445,763	$	1,390,971
Contributions as a percentage of covered payroll		0.2%		0.2%

* Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Flood Control Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Fiscal year		**2018-19***		**2017-18***
Actuarially determined contribution (1)	$	-	$	-
Contributions in relation to the actuarially determined contribution		-		(36)
Contribution deficiency (excess)	$	-	$	(36)
Covered payroll	$	17,831	$	17,354
Contributions as a percentage of covered payroll		0.0%		0.2%

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

* Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

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

Park District Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Fiscal year	**2018-19***	**2017-18***
Actuarially determined contribution (1)	$ -	$ -
Contributions in relation to the actuarially determined contribution	-	-
Contribution deficiency (excess)	$ -	$ -
Covered payroll	$ 5,853	$ 5,683
Contributions as a percentage of covered payroll	0.0%	0.0%

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

* Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Notes to Schedule:

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported. The actuarial valuation for Park District Miscellaneous plan is every two years and the actuarially determined contribution rates are calculated as of June 30.

Methods and assumptions used to determine contribution rates:

	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous
Actuarial cost method	Entry Age	Entry Age	Entry Age
Amortization method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Amortization period	20 Years as of the Valuation Date	20 Years as of the Valuation Date	20 Years as of the Valuation Date
Asset valuation method	5 Year Asset Smoothing	5 Year Asset Smoothing	5 Year Asset Smoothing
Inflation	2.50%	2.50%	2.75%
Salary increases	2.75%	2.75%	3.00%
Investment rate of return	6.73%	6.12%	7.28%

For County and Safety Miscellaneous and Flood Control Miscellaneous plans, the retirement rates were developed in the 2017 CalPERS Experience Study and the mortality rate was based on the most recent CalPERS mortality table developed in the 2017 CalPERS Experience Study with generational future improvements from 2008 using scale MP-2018. For Park District Miscellaneous plan, the retirement rates were developed in the 1997-2011 CalPERS Experience Study and the mortality rate is based on the most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study with generational future improvements from 2008 using scale MP-2017.

Healthcare cost trend rates: For County Misc. and Safety Plans, the healthcare cost trend rate for the Pre Medicare Plan was 7.5 percent, decreasing 0.4 percent per year to an ultimate rate of 5.0 percent for 2019 and later years. The

healthcare cost trend rate for the Post Medicare Plan was 8.3 percent, decreasing 0.5 percent per year to an ultimate rate of 5.0 percent for 2019 and later years. For Flood Control and Park District Misc. plans, the healthcare cost trend rates are not applicable. All benefits are assumed to remain at current level.

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

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

Measurement Period	**2017-18 (1)**	**2016-17 (1)**
Total OPEB liability		
Service cost	$ 2	$ 4
Interest cost	22	25
Changes of benefit terms	-	-
Differences between expected and actual experiences	(19)	(183)
Changes of assumptions	-	(81)
Benefit payments	(37)	(40)
Net change in total OPEB liability	(32)	(275)
Total OPEB liability - beginning	630	905
Total OPEB liability - ending	$ 598	$ 630
Covered payroll	$ 1,816	$ 1,931
Total OPEB liability as a percentage of covered payroll	32.9%	32.6%

(1) Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

As of July 1, 2018, the discount rate was changed from 3.58 percent to 3.87 percent. All other information is based on the census data, actuarial assumption, and plan provisions used in the most recent actuarial valuation as of July 1, 2017.

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

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

Fiscal year	**2018-19***	**2017-18***
Actuarially determined contribution (1)	$ -	$ -
Contributions in relation to the actuarially determined contribution	-	-
Contribution deficiency (excess)	$ -	$ -
Covered payroll	$ 1,615	$ 1,816
Contributions as a percentage of covered payroll	0.0%	0.0%

(1) The Schedule of Plan Contributions is not required. The funding is not based on actuarially determined contributions and contributions are neither statutorily nor contractually established.

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2019

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

* Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which information is available.

Notes to Schedule: The actuarial valuation is every two years. The total OPEB liability was measured as of June 30, 2018 and determined by the most recent actuarial valuation as of July 1, 2017, based on the following methods and assumptions:

	Waste Resources Miscellaneous
Actuarial cost method	Entry Age
Amortization method	Level Percent of Payroll
Amortization period	20 Years as of the Valuation Date
Asset valuation method	5 Year Asset Smoothing
Inflation	2.75%
Healthcare cost trend rates	Not applicable. All benefits are assumed to remain at current level.
Salary increases	3.00%
Investment rate of return	3.87%
Retirement Age	Retirement rates developed in the 1997-2011 CalPERS Experience Study
Mortality	Most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2017

COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES

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COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Teeter Debt Service Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ -	$ -	$ 663	$ 663
Other revenue	2,742	1,299	-	(1,299)
Total revenues	2,742	1,299	663	(636)
EXPENDITURES:				
Current:				
General government	860	455	-	(455)
Debt service:				
Interest	1,443	1,443	1,443	-
Cost of issuance	439	405	224	(181)
Capital outlay	-	-	-	-
Total expenditures	2,742	2,303	1,667	(636)
Excess (deficiency) of revenues over (under) expenditures	-	(1,004)	(1,004)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,443	1,443	-
Transfers out	-	(439)	(439)	-
Total other financing sources (uses)	-	1,004	1,004	-
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Public Facilities Improvements Capital Projects Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property:				
Investment earnings	$ 737	$ 737	$ 4,690	$ 3,953
Rents and concessions	360	360	368	8
Aid from other governmental agencies:				
State	-	-	15,432	15,432
Other	34,616	34,616	35,208	592
Charges for services	85,679	77,425	22,071	(55,354)
Other revenue	6,796	1,673	1,100	(573)
Total revenues	128,188	114,811	78,869	(35,942)
EXPENDITURES:				
Current:				
General government	121,384	132,441	62,731	(69,710)
Public ways and facilities	9,785	5,156	457	(4,699)
Interest	-	-	66	66
Total expenditures	131,169	137,597	63,254	(74,343)
Excess (deficiency) of revenues over (under) expenditures	(2,981)	(22,786)	15,615	38,401
OTHER FINANCING SOURCES (USES):				
Transfers in	-	15,900	15,900	-
Transfers out	-	(46,748)	(46,748)	-
Total other financing sources (uses)	-	(30,848)	(30,848)	-
NET CHANGE IN FUND BALANCE	(2,981)	(53,634)	(15,233)	38,401
Fund balance, beginning of year	188,377	188,377	180,049	(8,328)
FUND BALANCE, END OF YEAR	$ 185,396	$ 134,743	$ 164,816	$ 30,073

NONMAJOR GOVERNMENTAL FUNDS

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COUNTY OF RIVERSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Assets:					
Cash and investments	$ 120,859	$ 1	$ 7,897	$ 875	$ 129,632
Accounts receivable	514	2,348	-	-	2,862
Interest receivable	307	100	88	4	499
Taxes receivable	1,474	-	-	-	1,474
Due from other governments	10,182	-	904	-	11,086
Due from other funds	90	200	-	-	290
Prepaid items and deposits	12	-	1,589	-	1,601
Restricted cash and investments	-	33,359	11,546	-	44,905
Total assets	133,438	36,008	22,024	879	192,349
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 133,438	$ 36,008	$ 22,024	$ 879	$ 192,349
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts payable	$ 8,891	$ -	$ 1,007	$ -	$ 9,898
Salaries and benefits payable	3,040	-	133	-	3,173
Due to other governments	64	-	-	-	64
Due to other funds	34	200	1,010	-	1,244
Interest payable	4	-	-	-	4
Deposits payable	497	-	-	-	497
Advances from grantors and third parties	11,528	-	-	-	11,528
Total liabilities	24,058	200	2,150	-	26,408
Deferred inflows of resources	5	-	-	-	5
Fund balances:					
Nonspendable	56	-	462	802	1,320
Restricted	98,529	31,576	16,549	77	146,731
Committed	6,492	-	-	-	6,492
Assigned	4,298	4,232	2,863	-	11,393
Total fund balances	109,375	35,808	19,874	879	165,936
Total liabilities, deferred inflows of resources, and fund balances	$ 133,438	$ 36,008	$ 22,024	$ 879	$ 192,349

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES:					
Taxes	$ 75,417	$ -	$ -	$ -	$ 75,417
Licenses, permits and franchise fees	759	-	-	-	759
Fines, forfeitures and penalties	969	-	-	-	969
Use of money and property:					
Investment earnings	1,866	1,894	448	24	4,232
Rents and concessions	8,650	4,176	286	-	13,112
Aid from other governmental agencies:					
Federal	59,314	-	-	-	59,314
State	7,992	-	1,431	-	9,423
Other	26,013	-	-	-	26,013
Charges for services	35,322	2,980	1,815	102	40,219
Other revenue	5,617	12,463	-	-	18,080
Total revenues	221,919	21,513	3,980	126	247,538
EXPENDITURES:					
Current:					
General government	21,937	13,658	118	-	35,713
Public protection	8,315	-	-	-	8,315
Public ways and facilities	17,178	-	-	-	17,178
Health and sanitation	2,222	-	-	-	2,222
Public assistance	61,619	-	-	-	61,619
Education	24,467	-	-	-	24,467
Recreation and cultural services	14,683	-	5,663	-	20,346
Debt service:					
Principal	-	60,946	-	-	60,946
Interest	-	52,071	-	-	52,071
Cost of issuance	-	1,724	-	-	1,724
Capital outlay	-	-	4,612	-	4,612
Total expenditures	150,421	128,399	10,393	-	289,213
Excess (deficiency) of revenues over (under) expenditures	71,498	(106,886)	(6,413)	126	(41,675)
OTHER FINANCING SOURCES (USES):					
Transfers in	25,406	104,744	4,691	-	134,841
Transfers out	(100,376)	(38)	(4,440)	-	(104,854)
Issuance of refunding bonds	-	100,000	-	-	100,000
Redemption of bonds	-	(110,835)	-	-	(110,835)
Total other financing sources (uses)	(74,970)	93,871	251	-	19,152
NET CHANGE IN FUND BALANCES	(3,472)	(13,015)	(6,162)	126	(22,523)
Fund balances, beginning of year	112,847	48,823	26,036	753	188,459
FUND BALANCES, END OF YEAR	$ 109,375	$ 35,808	$ 19,874	$ 879	$ 165,936

SPECIAL REVENUE FUNDS

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COUNTY OF RIVERSIDE

SPECIAL REVENUE FUNDS

These funds were established for the purpose of accounting for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted in expenditures for the specified purposes.

COMMUNITY SERVICES

This fund provides financing for public services. Public services provided by this fund group are: Housing and Urban Development (HUD) Community Services Grant, Economic Development Agency (EDA) Administration, Community Action Partnership, Job Training Partnership, Office on Aging, USEDA (United States Economic Development Administration) Grant, County Free Library, Structural Fire Protection, Homeless Housing Relief, Home Program, EDA U.S. Department of Agriculture Rural Development, Workforce Development, Healthy Kids, and Bio-terrorism Preparedness. The primary source of revenue for this fund is from State/Federal Grants.

COUNTY SERVICE AREAS

This county service areas fund was established to provide authorized services such as road, park, lighting maintenance, fire protection, or water to specified areas in the County. They are financed by ad valorem property taxes in the area benefited, or by special assessments levied on specific properties.

REGIONAL PARK AND OPEN-SPACE

The Regional Park and Open-Space District is a special district established to provide legal authority and expanded opportunity for open space acquisition and management and transferred regional park responsibility from the County to the Regional Park and Open-Space District.

AIR QUALITY IMPROVEMENT

This fund accounts for Riverside County's portion of State of California motor vehicle fees restricted for the use of reducing air pollution.

IN-HOME SUPPORT SERVICES (IHSS)

The goal of the IHSS program is to enable elderly and/or disabled persons to remain safely in independent living as long as possible. This in-home assistance is designed to allow persons to remain in their home rather than be placed in an institutional setting. IHSS receives revenue for the following services: meal preparation and clean-up, food shopping, bathing, dressing, personal care, domestic services (cleaning), and assistance with medications.

PERRIS VALLEY CEMETERY DISTRICT

The Perris Valley Cemetery District is a public cemetery district operating under the provisions of the Health and Safety Code of the State of California. The Perris Valley Cemetery District was created in July 1927 for the purpose operating a public cemetery for the residents of the Perris Valley.

OTHER SPECIAL REVENUE

This fund provides financing to make services available to the public and governmental agencies. At the current time, the other special revenue fund accounts for the following services: Rideshare, Assessment District Community Facility District Administration, Aviation, Ladera Irrigation, National Date Festival, Cal-ID, Special Aviation, Supervisorial Road Districts, Multi-Species Habitat Conservation Agency, Riverside U.S. Grazing Fees, Mitigation Project Operations, Airport Land Use Commission, Proposition 10, and DNA Identification.

COUNTY OF RIVERSIDE

Combining Balance Sheet

Special Revenue Funds

June 30, 2019

(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement	In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:								
Assets:								
Cash and investments	$ 62,366	$ 25,196	$ 11,554	$ 436	$ 309	$ 1,035	$ 19,963	$ 120,859
Accounts receivable	314	-	166	-	-	-	34	514
Interest receivable	77	111	49	2	-	5	63	307
Taxes receivable	1,109	248	99	-	-	5	13	1,474
Due from other governments	7,950	-	150	137	1,506	-	439	10,182
Due from other funds	71	-	19	-	-	-	-	90
Prepaid items and deposits	12	-	-	-	-	-	-	12
Advances to other funds	-	-	-	-	-	-	-	-
Total assets	71,899	25,555	12,037	575	1,815	1,045	20,512	133,438
Deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 71,899	$ 25,555	$ 12,037	$ 575	$ 1,815	$ 1,045	$ 20,512	$ 133,438
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:								
Liabilities:								
Accounts payable	$ 6,892	$ 415	$ 633	$ 14	$ 4	$ 26	$ 907	$ 8,891
Salaries and benefits payable	1,621	208	519	-	266	-	426	3,040
Due to other governments	44	-	6	13	-	-	1	64
Due to other funds	14	-	-	-	-	-	20	34
Interest payable	-	-	-	-	4	-	-	4
Deposits payable	-	63	-	-	-	434	-	497
Advances from grantors and third parties	10,873	-	634	-	-	-	21	11,528
Total liabilities	19,444	686	1,792	27	274	460	1,375	24,058
Deferred inflows of resources	-	-	-	-	-	5	-	5
Fund balances (Note 16):								
Nonspendable	33	1	10	-	-	-	12	56
Restricted	50,885	24,861	4,687	548	1,541	580	15,427	98,529
Committed	93	-	5,548	-	-	-	851	6,492
Assigned	1,444	7	-	-	-	-	2,847	4,298
Total fund balances	52,455	24,869	10,245	548	1,541	580	19,137	109,375
Total liabilities, deferred inflows of resources, and fund balances	$ 71,899	$ 25,555	$ 12,037	$ 575	$ 1,815	$ 1,045	$ 20,512	$ 133,438

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Special Revenue Funds

For the Fiscal Year Ended June 30, 2019

(Dollars in Thousands)

	Community Services	County Service Areas	Regional Park and Open-Space	Air Quality Improvement	In-Home Support Services	Perris Valley Cemetery District	Other Special Revenue	Total
REVENUES:								
Taxes	$ 67,351	$ 945	$ 6,119	$ -	$ -	$ 274	$ 728	$ 75,417
Licenses, permits, and franchise fees	-	-	-	-	-	-	759	759
Fines, forfeitures, and penalties	241	-	-	123	-	-	605	969
Use of money and property:								
Investment earnings	443	682	304	11	-	29	397	1,866
Rents and concessions	714	-	1,683	-	-	-	6,253	8,650
Aid from other governmental agencies:								
Federal	55,980	-	-	-	2,452	-	882	59,314
State	4,462	9	175	492	2,726	3	125	7,992
Other	23,575	199	535	-	-	23	1,681	26,013
Charges for services	1,097	14,538	5,666	-	-	310	13,711	35,322
Other revenue	4,742	66	259	-	-	-	550	5,617
Total revenues	158,605	16,439	14,741	626	5,178	639	25,691	221,919
EXPENDITURES:								
Current:								
General government	13,995	-	-	357	-	-	7,585	21,937
Public protection	2,153	67	602	-	-	171	5,322	8,315
Public ways and facilities	3	8,283	-	-	-	-	8,892	17,178
Health and sanitation	1,264	958	-	-	-	-	-	2,222
Public assistance	56,268	-	-	-	5,351	-	-	61,619
Education	24,467	-	-	-	-	-	-	24,467
Recreation and cultural services	-	926	13,757	-	-	-	-	14,683
Total expenditures	98,150	10,234	14,359	357	5,351	171	21,799	150,421
Excess (deficiency) of revenues over (under) expenditures	60,455	6,205	382	269	(173)	468	3,892	71,498
OTHER FINANCING SOURCES (USES):								
Transfers in	16,450	4,025	1,488	-	1,087	-	2,356	25,406
Transfers out	(82,505)	(7,900)	(1,666)	(155)	(712)	(361)	(7,077)	(100,376)
Total other financing sources (uses)	(66,055)	(3,875)	(178)	(155)	375	(361)	(4,721)	(74,970)
NET CHANGE IN FUND BALANCES	(5,600)	2,330	204	114	202	107	(829)	(3,472)
Fund balances, beginning of year	58,055	22,539	10,041	434	1,339	473	19,966	112,847
FUND BALANCES, END OF YEAR	$ 52,455	$ 24,869	$ 10,245	$ 548	$ 1,541	$ 580	$ 19,137	$ 109,375

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Community Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 60,947	$ 61,008	$ 67,351	$ 6,343
Fines, forfeitures, and penalties	350	350	241	(109)
Use of money and property:				
Investment earnings	18	18	443	425
Rents and concessions	690	690	714	24
Aid from other governmental agencies:				
Federal	67,375	74,583	55,980	(18,603)
State	4,332	5,291	4,462	(829)
Other	22,416	22,416	23,575	1,159
Charges for services	10,269	1,635	1,097	(538)
Other revenue	12,287	4,364	4,742	378
Total revenues	178,684	170,355	158,605	(11,750)
EXPENDITURES:				
Current:				
General government	17,631	17,508	13,995	(3,513)
Public protection	69,801	3,104	2,153	(951)
Public ways and facilities	286	286	3	(283)
Health and sanitation	1,059	1,603	1,264	(339)
Public assistance	72,472	71,019	56,268	(14,751)
Education	27,326	24,479	24,467	(12)
Total expenditures	188,575	117,999	98,150	(19,849)
Excess (deficiency) of revenues over (under) expenditures	(9,891)	52,356	60,455	8,099
OTHER FINANCING SOURCES (USES):				
Transfers in	-	16,450	16,450	-
Transfers out	-	(82,505)	(82,505)	-
Total other financing sources (uses)	-	(66,055)	(66,055)	-
NET CHANGE IN FUND BALANCE	(9,891)	(13,699)	(5,600)	8,099
Fund balance, beginning of year	58,055	58,055	58,055	-
FUND BALANCE, END OF YEAR	$ 48,164	$ 44,356	$ 52,455	$ 8,099

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
County Service Areas Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 926	$ 926	$ 945	$ 19
Use of money and property:				
Investment earnings	127	127	682	555
Rents and concessions	1	1	-	(1)
Aid from other governmental agencies:				
State	9	9	9	-
Other	179	179	199	20
Charges for services	14,863	11,139	14,538	3,399
Other revenue	164	75	66	(9)
Total revenues	16,269	12,456	16,439	3,983
EXPENDITURES:				
Current:				
Public protection	977	668	67	(601)
Public ways and facilities	17,201	10,816	8,283	(2,533)
Health and sanitation	780	990	958	(32)
Recreation and cultural services	2,180	1,796	926	(870)
Total expenditures	21,138	14,270	10,234	(4,036)
Excess (deficiency) of revenues over (under) expenditures	(4,869)	(1,814)	6,205	8,019
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,025	4,025	-
Transfers out	-	(7,900)	(7,900)	-
Total other financing sources (uses)	-	(3,875)	(3,875)	-
NET CHANGE IN FUND BALANCE	(4,869)	(5,689)	2,330	8,019
Fund balance, beginning of year	22,539	22,539	22,539	-
FUND BALANCE, END OF YEAR	$ 17,670	$ 16,850	$ 24,869	$ 8,019

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Regional Park and Open-Space Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 5,450	$ 5,450	$ 6,119	$ 669
Use of money and property:				
Investment earnings	101	101	304	203
Rents and concessions	454	454	1,683	1,229
Aid from other governmental agencies:				
Federal	-	-	-	-
State	152	247	175	(72)
Other	800	800	535	(265)
Charges for services	7,814	6,828	5,666	(1,162)
Other revenue	841	1,264	259	(1,005)
Total revenues	15,612	15,144	14,741	(403)
EXPENDITURES:				
Current:				
Public protection	752	846	602	(244)
Recreation and cultural services	15,789	15,208	13,757	(1,451)
Total expenditures	16,541	16,054	14,359	(1,695)
Excess (deficiency) of revenues over (under) expenditures	(929)	(910)	382	1,292
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,488	1,488	-
Transfers out	-	(1,666)	(1,666)	-
Total other financing sources (uses)	-	(178)	(178)	-
NET CHANGE IN FUND BALANCE	(929)	(1,088)	204	1,292
Fund balance, beginning of year	10,041	10,041	10,041	-
FUND BALANCE, END OF YEAR	$ 9,112	$ 8,953	$ 10,245	$ 1,292

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Air Quality Improvement Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Fines, forfeitures and penalties	$ 75	$ 75	$ 123	$ 48
Use of money and property:				
Investment earnings	2	2	11	9
Aid from other governmental agencies:				
State	477	477	492	15
Total revenues	554	554	626	72
EXPENDITURES:				
Current:				
General government	597	516	357	(159)
Total expenditures	597	516	357	(159)
Excess (deficiency) of revenues over (under) expenditures	(43)	38	269	231
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(155)	(155)	-
Total other financing sources (uses)	-	(155)	(155)	-
NET CHANGE IN FUND BALANCE	(43)	(117)	114	231
Fund balance, beginning of year	434	434	434	-
FUND BALANCE, END OF YEAR	$ 391	$ 317	$ 548	$ 231

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
In-Home Support Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Aid from other governmental agencies:				
Federal	$ 3,263	$ 3,263	$ 2,452	$ (811)
State	2,848	2,848	2,726	(122)
Charges for services	1,137	50	-	(50)
Total revenues	7,248	6,161	5,178	(983)
EXPENDITURES:				
Current:				
Public assistance	7,796	7,084	5,351	(1,733)
Total expenditures	7,796	7,084	5,351	(1,733)
Excess (deficiency) of revenues over (under) expenditures	(548)	(923)	(173)	750
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,087	1,087	-
Transfers out	-	(712)	(712)	-
Total other financing sources (uses)	-	375	375	-
NET CHANGE IN FUND BALANCE	(548)	(548)	202	750
Fund balance, beginning of year	1,339	1,339	1,339	-
FUND BALANCE, END OF YEAR	$ 791	$ 791	$ 1,541	$ 750

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Perris Valley Cemetery District Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	$ 260	$ 260	$ 274	$ 14
Use of money and property:				
Investment earnings	5	5	29	24
Aid from other governmental agencies:				
State	3	3	3	-
Other	25	25	23	(2)
Charges for services	280	280	310	30
Other revenue	-	-	-	-
Total revenues	573	573	639	66
EXPENDITURES:				
Current:				
Public protection	645	294	171	(123)
Total expenditures	645	294	171	(123)
Excess (deficiency) of revenues over (under) expenditures	(72)	279	468	189
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(361)	(361)	-
Total other financing sources (uses)	-	(361)	(361)	-
NET CHANGE IN FUND BALANCE	(72)	(82)	107	189
Fund balance, beginning of year	473	473	473	-
FUND BALANCE, END OF YEAR	$ 401	$ 391	$ 580	$ 189

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Taxes	$ 666	$ 666	$ 728	$ 62
Licenses, permits, and franchise fees	755	755	759	4
Fines, forfeitures, and penalties	2	438	605	167
Use of money and property:				
Investment earnings	99	99	397	298
Rents and concessions	6,377	6,377	6,253	(124)
Aid from other governmental agencies:				
Federal	3,185	3,346	882	(2,464)
State	90	90	125	35
Other	1,517	1,682	1,681	(1)
Charges for services	14,093	13,805	13,711	(94)
Other revenue	2,520	470	550	80
Total revenues	29,304	27,728	25,691	(2,037)
EXPENDITURES:				
Current:				
General government	9,890	8,243	7,585	(658)
Public protection	6,002	5,869	5,322	(547)
Public ways and facilities	14,230	14,502	8,892	(5,610)
Total expenditures	30,122	28,614	21,799	(6,815)
Excess (deficiency) of revenues over (under) expenditures	(818)	(886)	3,892	4,778
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,356	2,356	-
Transfers out	-	(7,077)	(7,077)	-
Total other financing sources (uses)	-	(4,721)	(4,721)	-
NET CHANGE IN FUND BALANCE	(818)	(5,607)	(829)	4,778
Fund balance, beginning of year	19,966	19,966	19,966	-
FUND BALANCE, END OF YEAR	$ 19,148	$ 14,359	$ 19,137	$ 4,778

DEBT SERVICE FUNDS

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COUNTY OF RIVERSIDE

DEBT SERVICE FUNDS

These funds are used to account for the accumulation of resources and payment of long-term debt principal and interest.

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)

CORAL is a non-profit public benefit corporation established to assist the County of Riverside by acquiring equipment and facilities financed from the proceeds of borrowing and leasing such equipment and facilities to the County.

COUNTY OF RIVERSIDE DISTRICT COURT FINANCING CORPORATION (DISTRICT COURT FINANCING CORPORATION)

The District Court Financing Corporation is a non-profit public benefit corporation established to assist the County of Riverside in the acquisition, construction, and development of a United States District Courthouse, financed from the proceeds of the sale of certificates of participation.

INFRASTRUCTURE FINANCING AUTHORITY

The Infrastructure Financing Authority is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement by and between the County of Riverside and the Riverside County Flood Control and Water Conservation District. The authority is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County.

TAXABLE PENSION OBLIGATION BONDS (PENSION OBLIGATION)

This fund is used to account for Series 2005 bonds that were issued to satisfy a portion of Riverside County's unfunded accrued actuarial liability for the California Public Employees' Retirement System (CalPERS).

INLAND EMPIRE TOBACCO SECURITIZATION AUTHORITY

The Inland Empire Tobacco Securitization Authority was established to assist the County of Riverside in the construction of certain capital projects, financed from the proceeds of the tobacco settlement revenues.

PUBLIC FINANCING AUTHORITY

The Public Financing Authority was formed for the purpose of assisting in financing public improvements of the County, the Riverside County Redevelopment Successor Agency and other local agencies.

FLOOD CONTROL

The Flood Control debt service fund was established to service the debt incurred by Zone 4 for the construction of Zone 4 flood controls facilities. The fund receives transfers from Zone 4 revenues to pay principal and interest on promissory notes.

COUNTY OF RIVERSIDE
Combining Balance Sheet
Debt Service Funds
June 30, 2019
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation	Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:								
Assets:								
Cash and investments	$ -	$ -	$ -	$ -	$ -	$ -	$ 1	$ 1
Accounts receivable	-	-	-	2,348	-	-	-	2,348
Interest receivable	34	3	-	39	21	3	-	100
Due from other funds	-	-	-	200	-	-	-	200
Restricted cash and investments	12,983	1,063	159	4,714	13,029	1,411	-	33,359
Total assets	13,017	1,066	159	7,301	13,050	1,414	1	36,008
Deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 13,017	$ 1,066	159	$ 7,301	$ 13,050	$ 1,414	$ 1	$ 36,008
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:								
Liabilities:								
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	200	-	-	-	200
Total liabilities	-	-	-	200	-	-	-	200
Deferred inflows of resources	-	-	-	-	-	-	-	-
Fund balances (Note 16):								
Restricted	13,017	1,066	159	2,869	13,050	1,414	1	31,576
Assigned	-	-	-	4,232	-	-	-	4,232
Total fund balances	13,017	1,066	159	7,101	13,050	1,414	1	35,808
Total liabilities, deferred inflows of resources, and fund balances	$ 13,017	$ 1,066	$ 159	$ 7,301	$ 13,050	$ 1,414	$ 1	$ 36,008

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Debt Service Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Pension Obligation	Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total
REVENUES:								
Use of money and property:								
Investment earnings	$ 290	$ 35	$ 9	$ 1,139	$ 388	$ 32	$ 1	$ 1,894
Rents and concessions	1,962	2,214	-	-	-	-	-	4,176
Charges for services	-	-	-	2,980	-	-	-	2,980
Other revenue	-	-	-	-	12,463	-	-	12,463
Total revenues	2,252	2,249	9	4,119	12,851	32	1	21,513
EXPENDITURES:								
Current:								
General government	2,243	1,525	-	9,854	36	-	-	13,658
Debt service:								
Principal	22,470	531	6,790	22,515	170	6,410	2,060	60,946
Interest	8,696	217	7,010	13,143	6,403	15,826	776	52,071
Cost of issuance	-	-	-	-	1,724	-	-	1,724
Total expenditures	33,409	2,273	13,800	45,512	8,333	22,236	2,836	128,399
Excess (deficiency) of revenues over (under) expenditures	(31,157)	(24)	(13,791)	(41,393)	4,518	(22,204)	(2,835)	(106,886)
OTHER FINANCING SOURCES (USES):								
Transfers in	31,400	-	13,779	34,479	38	22,212	2,836	104,744
Transfers out	-	-	-	-	(38)	-	-	(38)
Issuance of refunding bonds	-	-	-	-	100,000	-	-	100,000
Redemption of bonds	-	-	-	-	(110,835)	-	-	(110,835)
Total other financing sources (uses)	31,400	-	13,779	34,479	(10,835)	22,212	2,836	93,871
NET CHANGE IN FUND BALANCES	243	(24)	(12)	(6,914)	(6,317)	8	1	(13,015)
Fund balances, beginning of year	12,774	1,090	171	14,015	19,367	1,406	-	48,823
FUND BALANCES, END OF YEAR	$ 13,017	$ 1,066	$ 159	$ 7,101	$ 13,050	$ 1,414	$ 1	$ 35,808

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Pension Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ -	$ -	$ 1,139	$ 1,139
Charges for services	39,159	4,680	2,980	(1,700)
Total revenues	39,159	4,680	4,119	(561)
EXPENDITURES:				
Current:				
General government	3,501	13,356	9,854	(3,502)
Debt service:				
Principal	22,515	22,515	22,515	-
Interest	13,143	13,143	13,143	-
Total expenditures	39,159	49,014	45,512	(3,502)
Excess (deficiency) of revenues over (under) expenditures	-	(44,334)	(41,393)	2,941
OTHER FINANCING SOURCES (USES):				
Transfers in	-	34,479	34,479	-
Total other financing sources (uses)	-	34,479	34,479	-
NET CHANGE IN FUND BALANCE	-	(9,855)	(6,914)	2,941
Fund balance, beginning of year	14,015	14,015	14,015	-
FUND BALANCE, END OF YEAR	$ 14,015	$ 4,160	$ 7,101	$ 2,941

CAPITAL PROJECTS FUNDS

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COUNTY OF RIVERSIDE

CAPITAL PROJECTS FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Fund Types.

PUBLIC SAFETY ENTERPRISE COMMUNICATION (PSEC)

The Public Safety Enterprise Communication fund is a multi-agency undertaking to address the County of Riverside 800 MHz public safety radio coverage and operational problems. The multi-year project will result in either a massive upgrade or a complete replacement of the existing radio system.

COUNTY OF RIVERSIDE ASSET LEASING CORPORATION (CORAL)

CORAL is a non-profit public benefit corporation established to assist the County of Riverside by acquiring equipment and facilities financed from the proceeds of borrowing and leasing such equipment and facilities to the County.

FLOOD CONTROL

This fund is used to finance the construction of flood control channels and projects. Revenues are obtained from property taxes, special assessments, and proceeds of tax allocation bonds.

REGIONAL PARK AND OPEN-SPACE

The Regional Park and Open-Space District is a special district established to provide legal authority and expanded opportunity for open space acquisition and management. The Regional Park and Open-Space District's creation allowed for the transfer of regional park responsibility from the County to the District.

COUNTY OF RIVERSIDE ENTERPRISE SOLUTIONS FOR PROPERTY TAXATION (CREST)

The Assessor, Auditor-Controller, and Tax Collector teamed up to collectively develop a new integrated property tax management system. The project begins with a business process re-engineering phase that documents the integrated roles of the three departments. This phase identifies the current system's capabilities, strengths, and weaknesses. A second phase of the project builds on this re-engineering initiative to implement a replacement property tax system based on new technology.

INFRASTRUCTURE FINANCING AUTHORITY

The Infrastructure Financing Authority is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement by and between the County of Riverside and the Riverside County Flood Control and Water Conservation District. The authority is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County.

COUNTY OF RIVERSIDE
Combining Balance Sheet
Capital Projects Funds
June 30, 2019
(Dollars in Thousands)

	PSEC	CORAL	Flood Control	Regional Park and Open-Space	CREST	Infrastructure Financing Authority	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:							
Assets:							
Cash and investments	$ -	$ -	$ 19	$ 4,020	$ 3,858	$ -	$ 7,897
Interest receivable	-	1	-	12	22	53	88
Due from other governments	-	-	-	904	-	-	904
Due from other funds	-	-	-	-	-	-	-
Prepaid items and deposits	462	-	-	1,127	-	-	1,589
Restricted cash and investments	-	241	-	-	-	11,305	11,546
Total assets	462	242	19	6,063	3,880	11,358	22,024
Deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 462	$ 242	$ 19	$ 6,063	$ 3,880	$ 11,358	$ 22,024
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:							
Liabilities:							
Accounts payable	$ -	$ -	$ -	$ 958	$ 49	$ -	$ 1,007
Salaries and benefits payable	-	-	-	-	133	-	133
Due to other funds	-	-	-	175	835	-	1,010
Total liabilities	-	-	-	1,133	1,017	-	2,150
Deferred inflows of resources	-	-	-	-	-	-	-
Fund balances (Note 16):							
Nonspendable	462	-	-	-	-	-	462
Restricted	-	242	19	4,930	-	11,358	16,549
Assigned	-	-	-	-	2,863	-	2,863
Total fund balances	462	242	19	4,930	2,863	11,358	19,874
Total liabilities, deferred inflows of resources, and fund balances	$ 462	$ 242	$ 19	$ 6,063	$ 3,880	$ 11,358	$ 22,024

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Capital Projects Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	PSEC	CORAL	Flood Control	Regional Park and Open-Space	CREST	Infrastructure Financing Authority	Total
REVENUES:							
Fines, forfeitures, penalties	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Use of money and property:							
Investment earnings	-	4	1	127	157	159	448
Rents and concessions	-	286	-	-	-	-	286
Aid from other governmental agencies:							
State	-	-	-	1,431	-	-	1,431
Charges for services	-	-	-	-	1,815	-	1,815
Total revenues	-	290	1	1,558	1,972	159	3,980
EXPENDITURES:							
Current:							
General government	118	-	-	-	-	-	118
Recreation and cultural services	-	-	-	5,663	-	-	5,663
Debt service:							
Capital outlay	-	162	-	-	3,951	499	4,612
Total expenditures	118	162	-	5,663	3,951	499	10,393
Excess (deficiency) of revenues over (under) expenditures	(118)	128	1	(4,105)	(1,979)	(340)	(6,413)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	4,691	-	-	4,691
Transfers out	(253)	-	-	(3,335)	(852)	-	(4,440)
Total other financing sources (uses)	(253)	-	-	1,356	(852)	-	251
NET CHANGE IN FUND BALANCES	(371)	128	1	(2,749)	(2,831)	(340)	(6,162)
Fund balances, beginning of year	833	114	18	7,679	5,694	11,698	26,036
FUND BALANCES, END OF YEAR	$ 462	$ 242	$ 19	$ 4,930	$ 2,863	$ 11,358	$ 19,874

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
PSEC Capital Projects Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	118	118	-
Total expenditures	-	118	118	-
Excess (deficiency) of revenues over (under) expenditures	-	(118)	(118)	-
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(253)	(253)	-
Total other financing sources (uses)	-	(253)	(253)	-
NET CHANGE IN FUND BALANCE	-	(371)	(371)	-
Fund balance, beginning of year	833	833	833	-
FUND BALANCE, END OF YEAR	$ 833	$ 462	$ 462	$ -

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Flood Control Capital Projects Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ 1	$ 1	$ 1	$ -
Other revenue	865	865	-	(865)
Total revenues	866	866	1	(865)
EXPENDITURES:				
Capital outlay	865	865	-	(865)
Total expenditures	865	865	-	(865)
Excess (deficiency) of revenues over (under) expenditures	1	1	1	-
NET CHANGE IN FUND BALANCE	1	1	1	-
Fund balance, beginning of year	18	18	18	-
FUND BALANCE, END OF YEAR	$ 19	$ 19	$ 19	$ -

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Regional Park and Open-Space Capital Projects Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Fines, forfeitures and penalties	$ -	$ -	$ -	$ -
Use of money and property:				
Investment earnings	47	47	127	80
Aid from other governmental agencies:				
State	3,364	3,564	1,431	(2,133)
Other revenue	3,196	370	-	(370)
Total revenues	6,607	3,981	1,558	(2,423)
EXPENDITURES:				
Current:				
Recreation and cultural services	7,481	8,118	5,663	(2,455)
Total expenditures	7,481	8,118	5,663	(2,455)
Excess (deficiency) of revenues over (under) expenditures	(874)	(4,137)	(4,105)	32
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,691	4,691	-
Transfers out	-	(3,335)	(3,335)	-
Total other financing sources (uses)	-	1,356	1,356	-
NET CHANGE IN FUND BALANCE	(874)	(2,781)	(2,749)	32
Fund balance, beginning of year	7,679	7,679	7,679	-
FUND BALANCE, END OF YEAR	$ 6,805	$ 4,898	$ 4,930	$ 32

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
CREST Capital Projects Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Investment earnings	$ 25	$ 25	$ 157	$ 132
Charges for services	3,313	3,313	1,815	(1,498)
Other revenue	4,000	4,000	-	(4,000)
Total revenues	7,338	7,338	1,972	(5,366)
EXPENDITURES:				
Current:				
Capital outlay	11,035	10,183	3,951	(6,232)
Total expenditures	11,035	10,183	3,951	(6,232)
Excess (deficiency) of revenues over (under) expenditures	(3,697)	(2,845)	(1,979)	866
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(852)	(852)	-
Total other financing sources (uses)	-	(852)	(852)	-
NET CHANGE IN FUND BALANCE	(3,697)	(3,697)	(2,831)	866
Fund balance, beginning of year	5,694	5,694	5,694	-
FUND BALANCE, END OF YEAR	$ 1,997	$ 1,997	$ 2,863	$ 866

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PERMANENT FUND

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COUNTY OF RIVERSIDE

PERMANENT FUND

PERRIS VALLEY CEMETERY ENDOWMENT FUND

This fund is used to account for financial resources to be used for future maintenance of the Perris Valley Cemetery. The resources are derived from an endowment care fee assessed on each sale of a burial right and earnings on these resources. Only income earned on these resources may be used for services, supplies or capital asset acquisition. The principal must be preserved intact.

COUNTY OF RIVERSIDE
Balance Sheet
Permanent Fund
June 30, 2019
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	
Assets:	
Cash and investments	$ 875
Interest receivable	4
Total assets	879
Deferred outflows of resources	-
Total assets and deferred outflows of resources	$ 879
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:	
Liabilities:	
Total liabilities	$ -
Deferred inflows of resources	-
Fund balance (Note 16):	
Nonspendable	802
Restricted	77
Total fund balance	879
Total liabilities, deferred inflows of resources, and fund balance	$ 879

COUNTY OF RIVERSIDE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Permanent Fund
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Perris Valley Cemetery Endowment Fund
REVENUES:	
Use of money and property:	
Investment earnings	$ 24
Charges for services	102
Total revenues	126
EXPENDITURES:	
Total expenditures	-
Excess (deficiency) of revenues over (under) expenditures	126
NET CHANGE IN FUND BALANCE	126
Fund balance, beginning of year	753
Fund balances, beginning of year, as restated	753
FUND BALANCE, END OF YEAR	$ 879

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NONMAJOR ENTERPRISE FUNDS

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COUNTY OF RIVERSIDE

NONMAJOR ENTERPRISE FUNDS

These funds are used to account for operations providing goods or services to the general public. The accounting for these funds is similar to private enterprise accounting (accrual basis of accounting). The intent of the County's governing board is that all costs associated with providing these goods or services be financed or recovered primarily through user charges.

COUNTY SERVICE AREAS

These three funds were established to account for revenues, expenses, and the allocation of net income for County Service Areas 62 (sewer), 62 (water), and 122.

FLOOD CONTROL

These three funds were established to account for transactions resulting from topographical map sales, subdivision operations, and issuance of encroachment permits.

RIVERSIDE UNIVERSITY HEALTH SYSTEMS - COMMUNITY HEALTH CENTERS

This fund was established to account for transactions resulting from several clinics spread across the County providing primary care and preventive services.

COUNTY OF RIVERSIDE

Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2019
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
ASSETS:				
Current assets:				
Cash and investments	$ 557	$ 936	$ -	$ 1,493
Accounts receivable-net	-	268	1,061	1,329
Interest receivable	3	35	-	38
Taxes receivable	11	-	-	11
Due from other governments	-	32	1,420	1,452
Due from other funds	-	-	16,000	16,000
Inventories	-	-	214	214
Restricted cash and investments	-	3,363	-	3,363
Prepaid items and deposits	-	-	107	107
Total current assets	571	4,634	18,802	24,007
Noncurrent assets:				
Capital assets:				
Depreciable assets	46	76	25,506	25,628
Total noncurrent assets	46	76	25,506	25,628
Total assets	617	4,710	44,308	49,635
DEFERRED OUTFLOWS OF RESOURCES	-	423	7,369	7,792
LIABILITIES:				
Current liabilities:				
Cash overdrawn	-	-	24,304	24,304
Accounts payable	15	3,452	845	4,312
Salaries and benefits payable	-	111	3,005	3,116
Due to other governments	-	-	2,335	2,335
Due to other funds	-	15	-	15
Interest payable	-	-	159	159
Deposits payable	129	-	17	146
Other liabilities	-	125	-	125
Compensated absences	-	14	2,281	2,295
Capital lease obligation	-	-	1,510	1,510
Total current liabilities	144	3,717	34,456	38,317
Noncurrent liabilities:				
Compensated absences	-	80	1,123	1,203
Capital lease obligations	-	-	24,108	24,108
Net OPEB liability	-	-	471	471
Net pension liability	-	2,262	12,957	15,219
Total noncurrent liabilities	-	2,342	38,659	41,001
Total liabilities	144	6,059	73,115	79,318
DEFERRED INFLOWS OF RESOURCES	-	46	1,378	1,424
NET POSITION:				
Net investment in capital assets	46	76	(112)	10
Unrestricted	427	(1,048)	(22,704)	(23,325)
Total net position	$ 473	$ (972)	$ (22,816)	$ (23,315)

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
OPERATING REVENUES:				
Net patient revenue (Notes 1 and 18)	$ -	$ -	$ 17,435	$ 17,435
Charges for services	352	2,039	11,176	13,567
Other	56	172	30,055	30,283
Total operating revenues	408	2,211	58,666	61,285
OPERATING EXPENSES:				
Personnel services	-	1,230	47,573	48,803
Communications	6	-	345	351
Insurance	5	-	541	546
Maintenance of building and equipment	100	1	1,414	1,515
Supplies	14	9	4,508	4,531
Purchased services	12	954	14,803	15,769
Depreciation and amortization	4	11	1,916	1,931
Rents and leases of equipment	-	-	5,334	5,334
Public assistance	-	-	25	25
Utilities	79	-	452	531
Other	13	182	392	587
Total operating expenses	233	2,387	77,303	79,923
Operating income (loss)	175	(176)	(18,637)	(18,638)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	14	219	(471)	(238)
Interest expense	-	-	(1,196)	(1,196)
Total nonoperating revenues (expenses)	14	219	(1,667)	(1,434)
Income (loss) before capital contributions and transfers	189	43	(20,304)	(20,072)
Transfers in	-	-	16,242	16,242
Transfers out	-	(272)	(771)	(1,043)
CHANGE IN NET POSITION	189	(229)	(4,833)	(4,873)
Net position, beginning of year	284	(743)	(17,983)	(18,442)
NET POSITION, END OF YEAR	$ 473	$ (972)	$ (22,816)	$ (23,315)

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health	Total
Cash flows from operating activities				
Cash receipts (payments due) from customers	$ 408	$ 2,214	$ 61,186	$ 63,808
Cash receipts (payments due) from other funds	(1)	8	(1,070)	(1,063)
Cash paid to suppliers for goods and services	(246)	(1,068)	(40,211)	(41,525)
Cash paid to employees for services	-	(1,091)	(41,103)	(42,194)
Net cash provided by (used in) operating activities	161	63	(21,198)	(20,974)
Cash flows from noncapital financing activities				
Transfers received	-	-	16,242	16,242
Transfers paid	-	(272)	(771)	(1,043)
Net cash provided by (used in) noncapital financing activities	-	(272)	15,471	15,199
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(45)	(16)	(16,266)	(16,327)
Principal paid on capital leases	-	-	14,835	14,835
Interest paid on long-term debt	-	-	(1,080)	(1,080)
Net cash provided by (used in) capital and related financing activities	(45)	(16)	(2,511)	(2,572)
Cash flows from investing activities				
Investment income (loss)	12	199	(471)	(260)
Net cash provided by (used in) investing activities	12	199	(471)	(260)
Net increase (decrease) in cash and cash equivalents	128	(26)	(8,709)	(8,607)
Cash and cash equivalents, beginning of year	429	4,325	(15,595)	(10,841)
Cash and cash equivalents, end of year	$ 557	$ 4,299	$ (24,304)	$(19,448)
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments per Statement of Net Position	$ 557	$ 936	$ (24,304)	$(22,811)
Restricted cash and investments per Statement of Net Position	-	3,363	-	3,363
Total cash and cash equivalents per Statement of Net Position	$ 557	$ 4,299	$ (24,304)	$(19,448)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 175	$ (176)	$ (18,637)	$(18,638)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	4	11	1,916	1,931
Decrease (Increase) accounts receivable	-	30	316	346
Decrease (Increase) taxes receivable	(1)	-	-	(1)
Decrease (Increase) due from other funds	-	8	(1,070)	(1,062)
Decrease (Increase) due from other governments	-	(27)	2,204	2,177
Decrease (Increase) inventories	-	-	163	163
Decrease (Increase) prepaid items and deposits	-	-	146	146
Increase (Decrease) accounts payable	(21)	178	107	264
Increase (Decrease) due to other funds	-	2	(5,899)	(5,897)
Increase (Decrease) due to other governments	-	-	(6,909)	(6,909)
Increase (Decrease) deposits payable	4	-	(5)	(1)
Increase (Decrease) other liabilities	-	(102)	-	(102)
Increase (Decrease) net pension liability	-	(40)	1,115	1,075
Increase (Decrease) net OPEB liability	-	-	242	242
Increase (Decrease) deferred OPEB	-	-	(257)	(257)
Increase (Decrease) deferred pensions	-	142	4,161	4,303
Increase (Decrease) salaries and benefits payable	-	37	823	860
Increase (Decrease) compensated absences	-	-	386	386
Net cash provided by (used in) operating activities	$ 161	$ 63	$ (21,198)	$(20,974)

There were no significant noncash investing, financing, or capital activities.

Noncash investing, capital, and financing activities			$ 16,033	$ 16,033

INTERNAL SERVICE FUNDS

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COUNTY OF RIVERSIDE

INTERNAL SERVICE FUNDS

These funds were established to account for the goods and services provided by a County department to other County departments, or to other internal governments, on a cost-reimbursement basis.

RECORDS MANAGEMENT AND ARCHIVES

This fund was established to account for the operations of the Records Management and Archives Program, which is responsible for providing consistent standards and support services that promote responsible record keeping Countywide. Sources of revenue include records storage, reformatting, preservation, and consulting services.

FLEET SERVICES

This fund finances the operation and maintenance of County vehicles, including the Sheriff's Department. Revenue is obtained on a cost-reimbursement basis.

INFORMATION SERVICES

These funds are supported by the revenues generated for services including software systems support, computer networks, data structure design, and organization of the County's computer systems.

CENTRAL MAIL SERVICES

These funds account for the financing of central mail services provided to County departments on a cost-reimbursement basis.

SUPPLY SERVICES

This fund finances the operation that provides County departments with merchandise and services on a cost-reimbursement basis.

HUMAN RESOURCES

This fund finances the operation and maintenance of the Human Capital Management System, which provides all human resources requirements including talent management, recruitment, onboarding, time and labor, payroll and employee benefits administration to County departments on a cost-reimbursement basis.

RISK MANAGEMENT

These funds account for the financing of employee insurance benefits and County self-insurance programs. These funds include medical, dental, disability, and unemployment insurance as well as general liability, medical malpractice, and workers' compensation.

TEMPORARY ASSISTANCE POOL (TAP)

The purpose of this fund is to provide a ready source of temporary workers to County departments, with lower overhead costs than are typically charged by outside temporary employment agencies.

ECONOMIC DEVELOPMENT AGENCY (EDA) FACILITIES MANAGEMENT

The purpose of this fund is to account for custodial, maintenance, and real estate services provided to other County departments on a cost-reimbursement basis.

FLOOD CONTROL EQUIPMENT

These funds were established to account for the financing of flood control equipment provided to other departments on a cost-reimbursement basis.

COUNTY OF RIVERSIDE
Combining Statement of Net Position
Internal Service Funds
June 30, 2019
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
ASSETS:					
Current assets:					
Cash and investments	$ 67	$ 7,543	$ 27,538	$ 490	$ 986
Accounts receivable-net	-	82	277	-	27
Interest receivable	-	14	94	1	7
Due from other governments	-	137	107	65	-
Due from other funds	-	-	-	-	-
Inventories	-	527	1,058	155	153
Prepaid items and deposits	-	-	433	-	-
Total current assets	67	8,303	29,507	711	1,173
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	-	1,225	235	-	-
Depreciable assets	-	29,010	29,835	258	103
Total noncurrent assets	-	30,235	30,070	258	103
Total assets	67	38,538	59,577	969	1,276
DEFERRED OUTFLOWS OF RESOURCES	-	1,660	20,859	265	236
LIABILITIES:					
Current liabilities:					
Accounts payable	-	790	2,342	13	26
Salaries and benefits payable	-	300	3,594	49	26
Due to other governments	-	1	-	-	6
Due to other funds	-	-	-	-	-
Other liabilities	-	772	-	-	-
Accrued remediation costs	-	23	-	-	-
Compensated absences	-	384	4,491	81	33
Capital lease obligations	-	5,649	7,688	-	-
Estimated claims liabilities	-	-	-	-	-
Total current liabilities	-	7,919	18,115	143	91
Noncurrent liabilities:					
Compensated absences	-	80	2,587	17	51
Advances from other funds	-	-	-	-	-
Capital lease obligations	-	5,988	6,619	-	-
Accrued remediation costs	-	135	-	-	-
Estimated claims liabilities	-	-	-	-	-
Net OPEB liability	-	63	527	11	5
Net pension liability	-	6,007	87,466	888	994
Total noncurrent liabilities	-	12,273	97,199	916	1,050
Total liabilities	-	20,192	115,314	1,059	1,141
DEFERRED INFLOWS OF RESOURCES	-	133	1,788	22	12
NET POSITION:					
Net investment in capital assets	-	18,598	15,763	258	103
Unrestricted	67	1,275	(52,429)	(105)	256
Total net position	$ 67	$ 19,873	$ (36,666)	$ 153	$ 359

	Human Resources	Risk Management	Temporary Assignment Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total
ASSETS:						
Current assets:						
Cash and investments	$ -	$ 266,467	$ 1,318	$ 15,070	$ 8,165	$ 327,644
Accounts receivable-net	-	11,130	-	330	2	11,848
Interest receivable	-	1,214	-	37	35	1,402
Due from other governments	-	-	-	767	-	1,076
Due from other funds	-	-	-	-	517	517
Inventories	-	-	-	170	287	2,350
Prepaid items and deposits	-	358	-	-	-	791
Total current assets	-	279,169	1,318	16,374	9,006	345,628
Noncurrent assets:						
Capital assets:						
Nondepreciable assets	-	-	-	-	-	1,460
Depreciable assets	-	1	-	43	2,321	61,571
Total noncurrent assets	-	1	-	43	2,321	63,031
Total assets	-	279,170	1,318	16,417	11,327	408,659
DEFERRED OUTFLOWS OF RESOURCES	-	7,384	890	9,921	850	42,065
LIABILITIES:						
Current liabilities:						
Accounts payable	-	34,838	122	4,359	86	42,576
Salaries and benefits payable	-	1,825	156	1,911	86	7,947
Due to other governments	-	1	-	1	131	140
Due to other funds	-	96	-	1,580	12	1,688
Other liabilities	-	310	-	2,252	-	3,334
Accrued remediation costs	-	-	-	-	-	23
Compensated absences	-	1,881	161	2,240	20	9,291
Capital lease obligations	-	-	-	-	-	13,337
Estimated claims liabilities	-	62,615	-	-	-	62,615
Total current liabilities	-	101,566	439	12,343	335	140,951
Noncurrent liabilities:						
Compensated absences	-	1,384	41	756	110	5,026
Advances from other funds	-	-	-	3,342	-	3,342
Capital lease obligations	-	-	-	-	-	12,607
Accrued remediation costs	-	-	-	-	-	135
Estimated claims liabilities	-	197,495	-	-	-	197,495
Net OPEB liability	-	219	36	423	-	1,284
Net pension liability	-	26,338	2,996	35,834	4,541	165,064
Total noncurrent liabilities	-	225,436	3,073	40,355	4,651	384,953
Total liabilities	-	327,002	3,512	52,698	4,986	525,904
DEFERRED INFLOWS OF RESOURCES	-	644	69	857	92	3,617
NET POSITION:						
Net investment in capital assets	-	1	-	43	2,321	37,087
Unrestricted	-	(41,093)	(1,373)	(27,260)	4,778	(115,884)
Total net position	$ -	$ (41,092)	$ (1,373)	$ (27,217)	$ 7,099	$ (78,797)

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2019

(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services	Human Resources	Risk Management	Temporary Assignment Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total
OPERATING REVENUES:											
Charges for services	$ -	$ 28,878	$ 117,065	$ 1,113	$ 2,290	$ -	$ 61,748	$ 4,887	$ 110,838	$ 1,464	$ 328,283
Other revenue	10	90	101	1,609	191	-	13,079	-	11,786	5,872	32,738
Total operating revenues	10	28,968	117,166	2,722	2,481	-	74,827	4,887	122,624	7,336	361,021
OPERATING EXPENSES:											
Cost of materials used	-	1,587	-	-	-	-	-	-	-	78	1,665
Personnel services	-	4,905	61,200	870	432	-	22,399	2,804	32,477	5,277	130,364
Communications	-	95	9,313	2	17	-	48	-	128	-	9,603
Insurance	-	212	561	11	12	-	26,580	33	694	-	28,103
Maintenance of building and equipment	-	3,763	23,108	2	32	-	29	2	17,212	750	44,898
Insurance claims	-	10	-	-	-	-	158,703	-	-	-	158,713
Supplies	-	7,983	1,429	1,311	2,560	-	4,831	158	2,842	1,150	22,264
Purchased services	-	2,242	7,378	596	312	1,753	6,194	1,485	12,453	2,149	34,562
Depreciation and amortization	-	12,898	8,244	36	14	-	8	-	9	994	22,203
Rents and leases of equipment	-	1,093	3,741	-	-	-	1,373	242	56,672	10	63,131
Utilities	-	163	1,424	25	-	-	34	-	1,067	-	2,713
Other	-	147	1,594	129	36	-	3,117	90	1,451	310	6,874
Total operating expenses	-	35,098	117,992	2,982	3,415	1,753	223,316	4,814	125,005	10,718	525,093
Operating income (loss)	10	(6,130)	(826)	(260)	(934)	(1,753)	(148,489)	73	(2,381)	(3,382)	(164,072)
NONOPERATING REVENUES (EXPENSES):											
Investment income (loss)	2	194	539	9	49	-	6,870	-	250	223	8,136
Interest expense	-	(206)	(351)	-	-	-	-	-	-	-	(557)
Gain (loss) on disposal of capital assets	-	601	34	-	(50)	-	-	-	-	165	750
Total nonoperating revenues (expenses)	2	589	222	9	(1)	-	6,870	-	250	388	8,329
Income (loss) before capital contributions and transfers	12	(5,541)	(604)	(251)	(935)	(1,753)	(141,619)	73	(2,131)	(2,994)	(155,743)
Capital contributions	-	-	-	-	-	-	163,047	-	-	-	163,047
Transfers in	-	-	1,382	-	-	1,153	3,286	-	115	-	5,936
Transfers out	-	(74)	(997)	(12)	(7)	-	(3,045)	(38)	(477)	-	(4,650)
CHANGE IN NET POSITION	12	(5,615)	(219)	(263)	(942)	(600)	21,669	35	(2,493)	(2,994)	8,590
Net position, beginning of year	55	25,488	(36,447)	416	1,301	600	(62,761)	(1,408)	(24,724)	10,093	(87,387)
NET POSITION, END OF YEAR	$ 67	$ 19,873	$ (36,666)	$ 153	$ 359	$ -	$ (41,092)	$ (1,373)	$ (27,217)	$ 7,099	$ (78,797)

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
Cash flows from operating activities					
Cash receipts (payments due) from customers	$ -	$ (31)	$ 65	$ (11)	$ 6
Cash receipts (payments due) from other funds	10	28,948	117,131	2,739	2,456
Cash paid to suppliers for goods and services	-	(16,693)	(48,136)	(2,114)	(2,990)
Cash paid to employees for services	(27)	(4,313)	(53,338)	(761)	(378)
Net cash provided by (used in) operating activities	(17)	7,911	15,722	(147)	(906)
Cash flows from noncapital financing activities					
Transfers received	-	-	1,382	-	-
Transfers paid	-	(74)	(997)	(12)	(7)
Net cash provided by (used in) noncapital financing activities	-	(74)	385	(12)	(7)
Cash flows from capital and related financing activities					
Proceeds (loss) from sale of capital assets	-	601	34	-	(50)
Acquisition and construction of capital assets	-	(3,859)	(897)	-	56
Principal paid on capital leases	-	(7,468)	(9,963)	-	-
Capital contributions	-	-	-	-	-
Interest paid on long-term debt	-	(206)	(351)	-	-
Net cash provided by (used in) capital and related financing activities	-	(10,932)	(11,177)	-	6
Cash flows from investing activities					
Investment income (loss)	2	203	505	14	49
Net cash provided by (used in) investing activities	2	203	505	14	49
Net increase (decrease) in cash and cash equivalents	(15)	(2,892)	5,435	(145)	(858)
Cash and cash equivalents, beginning of year	82	10,435	22,103	635	1,844
Cash and cash equivalents, end of year	$ 67	$ 7,543	$ 27,538	$ 490	$ 986
Reconciliation of cash and cash equivalents to the Statement of Net Position					
Cash and investments per Statement of Net Position	$ 67	$ 7,543	$ 27,538	$ 490	$ 986
Total cash and cash equivalents per Statement of Net Position	$ 67	$ 7,543	$ 27,538	$ 490	$ 986
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	$ 10	$ (6,130)	$ (826)	$ (260)	$ (934)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	-	12,898	8,244	36	14
Decrease (Increase) accounts receivable	-	(20)	(35)	17	(25)
Decrease (Increase) due from other funds	-	-	-	-	-
Decrease (Increase) due from other governments	-	(31)	65	(11)	6
Decrease (Increase) inventories	-	145	389	(35)	-
Decrease (Increase) prepaid items and deposits	-	-	(271)	-	-
Increase (Decrease) accounts payable	-	(156)	308	(3)	(16)
Increase (Decrease) due to other funds	-	-	-	-	-
Increase (Decrease) due to other governments	-	-	(14)	-	(5)
Increase (Decrease) accrued remediation costs	-	(41)	-	-	-
Increase (Decrease) other liabilities	-	654	-	-	-
Increase (Decrease) estimated claims liability	-	-	-	-	-
Increase (Decrease) net pension liability	-	108	1,445	17	10
Increase (Decrease) net OPEB liability	-	28	247	5	2
Increase (Decrease) deferred pensions	-	459	6,186	78	40
Increase (Decrease) salaries and benefits payable	(17)	(70)	155	3	1
Increase (Decrease) compensated absences	(10)	67	(171)	6	1
Net cash provided by (used in) operating activities	$ (17)	$ 7,911	$ 15,722	$ (147)	$ (906)
Noncash investing, capital, and financing					
Capital lease obligations		$ 5,325	$ -		

	Human Resources	Risk Management	Temporary Assistance Pool	EDA Facilities Management	Flood Control Equipment	Total
Cash flows from operating activities						
Cash receipts (payments due) from customers	$ -	$ -	$ -	$ 36	$ -	$ 65
Cash receipts (payments due) from other funds	-	71,022	4,887	122,296	7,179	356,668
Cash paid to suppliers for goods and services	(1,753)	(174,568)	(1,942)	(89,687)	(4,361)	(342,244)
Cash paid to employees for services	-	(19,547)	(2,452)	(28,524)	(1,502)	(110,842)
Net cash provided by (used in) operating activities	(1,753)	(123,093)	493	4,121	1,316	(96,353)
Cash flows from noncapital financing activities						
Transfers received	1,153	3,286	-	115	-	5,936
Transfers paid	-	(3,045)	(38)	(477)	-	(4,650)
Net cash provided by (used in) noncapital financing activities	1,153	241	(38)	(362)	-	1,286
Cash flows from capital and related financing activities						
Proceeds (loss) from sale of capital assets	-	-	-	-	165	750
Acquisition and construction of capital assets	-	-	-	(38)	(1,035)	(5,773)
Principal paid on capital leases	-	-	-	-	-	(17,431)
Capital contributions	-	163,047	-	-	-	163,047
Interest paid on long-term debt	-	-	-	-	-	(557)
Net cash provided by (used in) capital and related financing activities	-	163,047	-	(38)	(870)	140,036
Cash flows from investing activities						
Investment income (loss)	-	6,401	-	240	213	7,627
Net cash provided by (used in) investing activities	-	6,401	-	240	213	7,627
Net increase (decrease) in cash and cash equivalents	(600)	46,596	455	3,961	659	52,596
Cash and cash equivalents, beginning of year	600	219,871	863	11,109	7,506	275,048
Cash and cash equivalents, end of year	$ -	$ 266,467	$ 1,318	$ 15,070	$ 8,165	$ 327,644
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	$ -	$ 266,467	$ 1,318	$ 15,070	$ 8,165	$ 327,644
Total cash and cash equivalents per Statement of Net Position	$ -	$ 266,467	$ 1,318	$ 15,070	$ 8,165	$ 327,644
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	$ (1,753)	$ (148,489)	$ 73	$ (2,381)	$ (3,382)	$ (164,072)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	-	8	-	9	994	22,203
Decrease (Increase) accounts receivable	-	(3,805)	-	(328)	7	(4,189)
Decrease (Increase) due from other funds	-	-	-	-	(164)	(164)
Decrease (Increase) due from other governments	-	-	-	36	-	65
Decrease (Increase) inventories	-	-	-	(30)	(10)	459
Decrease (Increase) prepaid items and deposits	-	23	-	-	-	(248)
Increase (Decrease) accounts payable	-	12,184	68	2,449	16	14,850
Increase (Decrease) due to other funds	-	96	-	(534)	(5)	(443)
Increase (Decrease) due to other governments	-	(1)	-	(2)	85	63
Increase (Decrease) accrued remediation costs	-	-	-	-	-	(41)
Increase (Decrease) other liabilities	-	191	-	949	-	1,794
Increase (Decrease) estimated claims liability	-	13,848	-	-	-	13,848
Increase (Decrease) net pension liability	-	520	55	690	4,541	7,386
Increase (Decrease) net OPEB liability	-	100	14	199	-	595
Increase (Decrease) deferred pensions	-	2,201	251	2,728	(758)	11,185
Increase (Decrease) salaries and benefits payable	-	64	4	122	-	262
Increase (Decrease) compensated absences	-	(33)	28	214	(8)	94
Net cash provided by (used in) operating activities	$ (1,753)	$ (123,093)	$ 493	$ 4,121	$ 1,316	$ (96,353)
Noncash investing, capital, and financing activities:						
Capital lease obligations						$ 5,325

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FIDUCIARY FUNDS

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COUNTY OF RIVERSIDE

FIDUCIARY FUNDS

These funds were established for the purpose of accounting for assets held in a trustee or agency capacity for others and therefore cannot be used to support the County's own programs and are excluded from the government-wide financial statements.

OTHER

This fund was established to account for a wide array of fiduciary responsibilities. Some of these responsibilities include tax payments clearing, asset forfeiture, State Controller clearing, child support collections, undistributed bond proceeds, and family support clearing.

PAYROLL DEDUCTIONS

The purpose of this fund is to collect deductions from employee wages. The deductions are owed to a variety of third parties for health insurance, union dues, unemployment insurance, withholding tax, flexible spending accounts, and dental insurance.

PROPERTY TAX ASSESSMENTS

The Property Tax Assessment Agency Fund was set up to help Riverside County account for apportioned taxes clearing, delinquent mobile home fees, property tax refunds, special assessments, and Teeter Plan collections.

WARRANTS

This fund was established as a clearing fund for various categories of warrants issued by Riverside County.

COUNTY OF RIVERSIDE

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019
(Dollars in Thousands)

	Other	Payroll Deductions	Property Tax Assessments	Warrants	Total
ASSETS:					
Cash and investments	$ 151,779	$ 10,646	$ 92,544	$ 97,432	$ 352,401
Accounts receivable	397	-	-	-	397
Interest receivable	243	-	384	-	627
Taxes receivable	68	-	35,799	-	35,867
Total assets	$ 152,487	$ 10,646	$ 128,727	$ 97,432	$ 389,292
LIABILITIES:					
Accounts payable	$ 133,950	$ 10,646	$ 2,901	$ 97,432	$ 244,929
Due to other governments	18,537	-	125,826	-	144,363
Total liabilities	$ 152,487	$ 10,646	$ 128,727	$ 97,432	$ 389,292

COUNTY OF RIVERSIDE

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Other				
Assets				
Cash and investments	$ 142,710	$ 7,934,824	$ 7,925,755	$ 151,779
Accounts receivable	372	1,237	1,212	397
Interest receivable	190	248	195	243
Taxes receivable	61	68	61	68
Total assets	$ 143,333	$ 7,936,377	$ 7,927,223	$ 152,487
Liabilities				
Accounts payable	$ 132,258	$ 799,289	$ 797,597	$ 133,950
Due to other governments	11,075	7,206,502	7,199,040	18,537
Total liabilities	$ 143,333	$ 8,005,791	$ 7,996,637	$ 152,487
Payroll Deductions				
Assets				
Cash and investments	$ 11,260	$ 2,160,848	$ 2,161,462	$ 10,646
Total assets	$ 11,260	$ 2,160,848	$ 2,161,462	$ 10,646
Liabilities				
Accounts payable	$ 11,260	$ 2,226,808	$ 2,227,422	$ 10,646
Total liabilities	$ 11,260	$ 2,226,808	$ 2,227,422	$ 10,646
Property Tax Assessments				
Assets				
Cash and investments	$ 82,102	$ 5,981,325	$ 5,970,883	$ 92,544
Interest receivable	117	384	117	384
Taxes receivable	31,242	35,799	31,242	35,799
Total assets	$ 113,461	$ 6,017,508	$ 6,002,242	$ 128,727
Liabilities				
Accounts payable	$ 600	$ 173,670	$ 171,369	$ 2,901
Due to other governments	112,861	5,331,666	5,318,701	125,826
Total liabilities	$ 113,461	$ 5,505,336	$ 5,490,070	$ 128,727

COUNTY OF RIVERSIDE
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds (Continued)
For the Fiscal Year Ended June 30, 2019
(Dollars in Thousands)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
Warrants				
Assets				
Cash and investments	$ 56,906	$ 11,929,813	$ 11,889,287	$ 97,432
Accounts receivable	1	-	1	-
Interest receivable	1	-	1	-
Total assets	$ 56,908	$ 11,929,813	$ 11,889,289	$ 97,432
Liabilities				
Accounts payable	$ 56,908	$ 8,187,482	$ 8,146,958	$ 97,432
Total liabilities	$ 56,908	$ 8,187,482	$ 8,146,958	$ 97,432
Total Agency Funds				
Assets				
Cash and investments	$ 292,978	$ 28,006,810	$ 27,947,387	$ 352,401
Accounts receivable	373	1,237	1,213	397
Interest receivable	308	632	313	627
Taxes receivable	31,303	35,867	31,303	35,867
Total assets	$ 324,962	$ 28,044,546	$ 27,980,216	$ 389,292
Liabilities				
Accounts payable	$ 201,026	$ 11,387,249	$ 11,343,346	$ 244,929
Due to other governments	123,936	12,538,168	12,517,741	144,363
Total liabilities	$ 324,962	$ 23,925,417	$ 23,861,087	$ 389,292

STATISTICAL SECTION

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Statistical Section

This section of the County of Riverside (the County) Comprehensive Annual Financial Report presents additional detail, historical perspective, and context to assist annual financial report users in understanding the financial statements, note disclosures, and required supplementary information, and assessing the County's financial condition.

Contents	**Table(s)**
Financial Trends Information	**T1 – T5**

These tables contain trend information to assist readers in understanding and assessing how the County's financial position has changed over time.

Net Position by Component
Changes in Net Position
Governmental Activities Tax Revenues by Source
Fund Balances of Governmental Funds
Changes in Fund Balances of Governmental Funds

Revenue Capacity Information **T6 – T10**

These tables contain information to assist readers in understanding and assessing the factors affecting the County's local revenue sources, property tax, sales and use tax, and other taxes.

General Government Tax Revenues by Source
Assessed Value and Estimated Actual Value of Taxable Property
Property Tax Rates, Direct and Overlapping Governments
Principal Property Tax Payers
Property Tax Levies and Collections

Debt Capacity Information **T11 – T15**

These tables contain information to assist readers in understanding and assessing the County's current level of outstanding debt, and the County's ability to issue additional debt.

Ratios of Outstanding Debt by Type
Ratios of General Bonded Debt Outstanding
Direct and Overlapping Governmental Activities Debt
Legal Debt Margin Information
Pledged-Revenue Coverage

Economic and Demographic Information **T16 – T17**

These tables provide economic and demographic information to assist readers in understanding the socioeconomic environment within which the County operates, and to facilitate the comparisons of financial information over time.

Demographic and Economic Statistics
Principal Employers

Operating Information **T18 – T20**

These tables provide contextual information about the County's operations and resources to assist readers in understanding and assessing the County's financial condition as it relates to the services that the County provides.

Full-time Equivalent County Government Employees by Function/Program
Operating Indicators by Function
Capital Asset Statistics by Function

Source: Unless otherwise noted, the information in these tables is derived from Riverside County's Comprehensive Annual Financial Reports for the relevant years.

Table 1

COUNTY OF RIVERSIDE
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

	Fiscal Year Ending June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Governmental activities										
Net investment in capital assets	$ 3,673,404	$ 3,505,380	$ 3,355,072	$ 3,240,888	$ 3,009,048	$ 3,165,319	$ 2,998,987	$ 2,740,429	$ 1,687,128	$ 1,594,275
Restricted	769,225	799,830	911,249	667,696	489,359	499,463	550,326	683,835	656,347	604,942
Unrestricted	(2,092,164)	(1,947,282)	(1,689,770)	(1,242,905)	(971,969)	718,105	771,883	851,269	1,295,657	1,395,141
Governmental activities, total net position	$ 2,350,465	$ 2,357,928	$ 2,576,551	$ 2,665,679	$ 2,526,438	$ 4,382,887	$ 4,321,196	$ 4,275,533	$ 3,639,132	$ 3,594,358
Business-type activities										
Net investment in capital assets	$ 224,427	$ 218,159	$ 202,150	$ 112,906	$ 95,160	$ 147,806	$ 118,594	$ 130,510	$ 113,489	$ 96,901
Restricted	40,585	58,136	47,468	49,241	56,569	96,904	94,346	41,103	43,086	50,386
Unrestricted	(403,461)	(344,312)	(225,964)	(113,124)	(122,341)	(27,903)	88,852	(5,456)	59,550	72,397
Business-type activities, total net position	$ (138,449)	$ (68,017)	$ 23,654	$ 49,023	$ 29,388	$ 216,807	$ 301,792	$ 166,157	$ 216,125	$ 219,684
Primary government										
Net investment in capital assets	$ 3,897,831	$ 3,723,539	$ 3,557,222	$ 3,353,794	$ 3,104,208	$ 3,313,125	$ 3,117,581	$ 2,870,939	$ 1,800,617	$ 1,691,176
Restricted	809,810	857,966	958,717	716,937	545,928	596,367	644,672	724,938	699,433	655,328
Unrestricted	(2,495,625)	(2,291,594)	(1,915,734)	(1,356,029)	(1,094,310)	690,202	860,735	845,813	1,355,207	1,467,538
Primary government, total net position	$ 2,212,016	$ 2,289,911	$ 2,600,205	$ 2,714,702	$ 2,555,826	$ 4,599,694	$ 4,622,988	$ 4,441,690	$ 3,855,257	$ 3,814,042

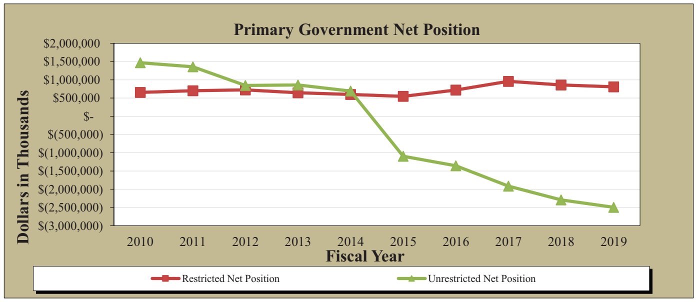


Table 2

COUNTY OF RIVERSIDE
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

	Fiscal Year Ending June 30 2019	2018	2017	2016	2015
Program revenues					
Governmental activities:					
Charges for services:					
General government	$ 170,904	$ 192,894	$ 230,767	$ 201,495	$ 164,830
Public protection	448,722	434,301	417,682	398,070	371,237
Other activities	139,861	89,778	118,140	135,204	109,773
Operating grants and contributions	2,010,351	1,951,911	1,912,480	1,907,919	1,800,158
Capital grants and contributions	47,530	77,352	49,088	54,134	31,579
Governmental activities program revenues	2,817,368	2,746,236	2,728,157	2,696,822	2,477,577
Business-type activities:					
Charges for services:					
Riverside University Health					
Systems - Medical Center	585,761	560,187	544,060	511,666	504,811
Other activities	252,163	227,588	172,851	164,860	161,008
Capital grants and contributions	-	87	552	2,234	536
Business-type activities program revenues	837,924	787,862	717,463	678,760	666,355
Primary government program revenues	3,655,292	3,534,098	3,445,620	3,375,582	3,143,932
Expenses					
Governmental activities:					
General government	261,113	275,973	277,276	283,081	179,575
Public protection	1,600,054	1,606,348	1,465,762	1,328,608	1,217,731
Public ways and facilities	244,547	215,360	199,023	149,768	177,870
Health and sanitation	611,195	611,960	559,906	468,382	499,669
Public assistance	1,067,788	1,067,151	1,024,047	980,550	970,415
Education	25,220	23,560	24,603	23,283	23,409
Recreation and cultural services	19,232	17,345	17,980	20,758	18,335
Interest on long-term debt	69,630	63,685	69,874	46,306	45,904
Governmental activities expenses	3,898,779	3,881,382	3,638,471	3,300,736	3,132,908
Business-type activities:					
Riverside University Health					
Systems - Medical Center	663,496	636,169	582,419	506,338	468,562
Waste Resources Department	102,278	88,964	87,115	75,358	56,299
Housing Authority	95,929	98,591	91,783	88,166	90,903
Flood Control	2,404	5,183	3,903	3,591	3,056
Riverside University Health					
Systems - Community Health Centers	79,792	56,247	-	-	-
County Service Areas	233	243	370	413	390
Business-type activities expenses	944,132	885,397	765,590	673,866	619,210
Primary government expenses	4,842,911	4,766,779	4,404,061	3,974,602	3,752,118
Net (expense)/revenue					
Governmental activities	(1,081,411)	(1,135,146)	(910,314)	(603,914)	(655,331)
Business-type activities	(106,208)	(97,535)	(48,127)	4,894	47,145
Primary government, net (expense) / revenue	$ (1,187,619)	$ (1,232,681)	$ (958,441)	$ (599,020)	$ (608,186)

Source: Auditor-Controller, County of Riverside

Table 2

	Fiscal Year Ending June 30 2014	2013	2012	2011	2010
Program revenues					
Governmental activities:					
Charges for services:					
General government	$ 162,926	$ 138,851	$ 147,510	$ 159,570	$ 140,723
Public protection	352,178	339,379	316,778	326,237	331,162
Other activities	100,791	110,231	116,509	105,931	95,438
Operating grants and contributions	1,593,627	1,503,390	1,447,694	1,393,016	1,384,791
Capital grants and contributions	29,890	27,695	27,909	32,114	31,112
Governmental activities program revenues	2,239,412	2,119,546	2,056,400	2,016,868	1,983,226
Business-type activities:					
Charges for services:					
Riverside University Health					
Systems - Medical Center	400,630	450,340	371,827	386,533	367,273
Other activities	155,336	150,407	133,838	140,327	134,257
Capital grants and contributions	450	698	335	-	1,165
Business-type activities program revenues	556,416	601,445	506,000	526,860	502,695
Primary government program revenues	2,795,828	2,720,991	2,562,400	2,543,728	2,485,921
Expenses					
Governmental activities:					
General government	228,146	194,641	270,474	298,032	323,949
Public protection	1,191,438	1,065,373	1,047,202	1,021,288	1,062,213
Public ways and facilities	108,380	89,469	84,797	87,424	31,024
Health and sanitation	460,963	422,982	374,950	369,984	347,634
Public assistance	851,246	807,611	827,092	907,202	820,637
Education	24,420	18,998	10,376	15,816	19,866
Recreation and cultural services	20,077	12,274	15,806	9,364	12,206
Interest on long-term debt	47,236	29,453	39,098	88,998	80,754
Governmental activities expenses	2,931,906	2,640,801	2,669,795	2,798,108	2,698,283
Business-type activities:					
Riverside University Health					
Systems - Medical Center	482,240	473,916	417,074	401,120	389,991
Waste Resources Department	62,721	53,069	57,272	56,688	49,956
Housing Authority	94,716	90,678	91,469	86,027	81,426
Flood Control	2,561	2,472	2,306	3,711	3,233
Riverside University Health					
Systems - Community Health Centers	-	-	-	-	-
County Service Areas	429	459	456	383	454
Business-type activities expenses	642,667	620,594	568,577	547,929	525,060
Primary government expenses	3,574,573	3,261,395	3,238,372	3,346,037	3,223,343
Net (expense)/revenue					
Governmental activities	(692,494)	(521,255)	(613,395)	(781,240)	(715,057)
Business-type activities	(86,251)	(19,149)	(62,577)	(21,069)	(22,365)
Primary government, net (expense) / revenue	$ (778,745)	$ (540,404)	$ (675,972)	$ (802,309)	$ (737,422)

Continu

COUNTY OF RIVERSIDE
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

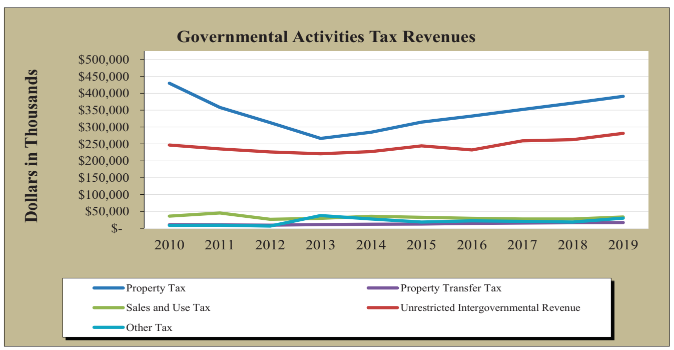
	Fiscal Year Ending June 30				
	2019	**2018**	**2017**	**2016**	**2015**
Continued:					
Primary government, net (expense) / revenue	$ (1,187,619)	$ (1,232,681)	$ (958,441)	$ (599,020)	$ (608,186)
General revenues and other changes in net position					
Governmental activities:					
Taxes:					
Property taxes	407,895	387,305	367,937	346,851	327,504
Sales and use tax	33,673	27,557	27,881	29,573	32,851
Other taxes	29,941	18,634	20,844	22,005	18,632
Intergovernmental revenue - not restricted to programs:					
Unrestricted intergovernmental revenue	281,336	262,745	258,999	232,453	244,003
Investment earnings	69,755	26,613	12,918	12,948	8,700
Other	255,570	238,724	164,297	160,521	164,177
Transfers	(28,292)	(15,036)	(19,916)	(22,478)	(11,250)
Extraordinary item	-	-	-	-	-
Governmental activities	1,049,878	946,542	832,960	781,873	784,617
Business-type activities:					
Investment earnings	8,330	3,228	2,182	2,720	895
Other	-	-	-	-	-
Transfers	28,292	15,036	19,916	22,478	11,250
Extraordinary item	-	78	1,152	(2,803)	(905)
Business-type activities	36,622	18,342	23,250	22,395	11,240
Total primary government	1,086,500	964,884	856,210	804,268	795,857
Change in net position					
Governmental activities	(31,533)	(188,604)	(77,354)	177,959	129,286
Business-type activities	(69,586)	(79,193)	(24,877)	27,289	58,385
Primary government change in net position	$ (101,119)	$ (267,797)	$ (102,231)	$ 205,248	$ 187,671

Fiscal Year Ending June 30					
2014	**2013**	**2012**	**2011**	**2010**	
					Continued:
$ (778,745)	$ (540,404)	$ (675,972)	$ (802,309)	$ (737,422)	Primary government, net (expense) / revenue
					General revenues and other changes in net position
					Governmental activities:
					Taxes:
297,107	277,417	322,337	367,867	440,282	Property taxes
35,443	29,751	26,744	45,489	36,289	Sales and use tax
27,764	37,883	6,715	9,004	8,610	Other taxes
					Intergovernmental revenue - not restricted to programs:
227,303	220,811	226,384	235,153	246,493	Unrestricted intergovernmental revenue
11,317	2,035	11,801	19,494	29,026	Investment earnings
167,992	168,454	169,399	142,966	91,044	Other
(9,644)	(1,049)	(11,702)	(10,355)	(17,436)	Transfers
-	(158,337)	502,638	-	-	Extraordinary item
757,282	576,965	1,254,316	809,618	834,308	Governmental activities
					Business-type activities:
1,319	(33)	907	538	1,442	Investment earnings
-	-	-	6,617	-	Other
9,645	1,049	11,702	10,355	17,436	Transfers
(9,698)	154,589	-	-	-	Extraordinary item
1,266	155,605	12,609	17,510	18,878	Business-type activities
758,548	732,570	1,266,925	827,128	853,186	Total primary government
					Change in net position
64,788	55,710	640,921	28,378	119,251	Governmental activities
(84,985)	136,456	(49,968)	(3,559)	(3,487)	Business-type activities
$ (20,197)	$ 192,166	$ 590,953	$ 24,819	$ 115,764	Primary government change in net position

Table 3

COUNTY OF RIVERSIDE
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

Fiscal Year Ending June 30	Property Tax	Property Transfer Tax	Sales and Use Tax	Unrestricted Intergovernmental Revenue	Other Tax	Total
2019	$ 390,794	$ 17,101	$ 33,673	$ 281,336	$ 29,941	$ 752,845
2018	370,860	16,445	27,557	262,745	18,634	696,241
2017	352,132	15,805	27,881	258,999	20,844	675,661
2016	332,338	14,513	29,573	232,453	22,005	630,882
2015	314,599	12,905	32,851	244,003	18,632	622,990
2014	284,819	12,288	35,443	227,303	27,764	587,617
2013	266,294	11,123	29,751	220,811	37,883	565,862
2012	312,972	9,365	26,744	226,384	6,715	582,180
2011	357,908	9,959	45,489	235,153	9,004	657,513
2010	429,604	10,678	36,289	246,493	8,610	731,674



Source: Auditor-Controller, County of Riverside

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Table 4

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

				Fiscal Year Ending June 30	
	2019	**2018**	**2017**	**2016**	**2015**
General Fund					
Nonspendable	$ 2,416	$ 3,470	$ 2,314	$ 2,369	$ 2,001
Restricted	102,288	95,881	95,130	99,639	122,967
Committed	18,320	23,290	21,907	40,310	39,422
Assigned	14,196	12,464	10,989	11,870	5,144
Unassigned	275,181	234,477	217,891	217,322	225,855
Total general fund	412,401	369,582	348,231	371,510	395,389
Transportation					
Nonspendable	1,278	1,223	1,113	3,654	3,776
Restricted	87,536	65,359	61,357	68,191	49,875
Committed	4,519	3,828	3,092	2,847	2,719
Assigned	15,458	15,119	15,256	12,578	14,782
Total transportation	108,791	85,529	80,818	87,270	71,152
Flood Control					
Nonspendable	1	1	68	366	731
Restricted	257,268	236,080	225,328	205,957	236,749
Committed	-	-	-	-	-
Assigned	-	-	-	-	3,174
Total Flood Control	257,269	236,081	225,396	206,323	240,654
Public Facilities Improvements					
Restricted	143,969	183,777	150,711	119,441	120,141
Committed	8,427	3,375	5,124	4,877	3,000
Assigned	12,420	1,225	4,857	9,331	15,480
Total public facilities improvements	164,816	188,377	160,692	133,649	138,621
Public Financing Authority					
Restricted	818	15,671	93,045	231,229	302,498
Total public financing authority	818	15,671	93,045	231,229	302,498
Redevelopment Capital Projects					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total redevelopment capital projects	-	-	-	-	-
Nonmajor Governmental Funds					
Nonspendable	1,320	1,337	1,263	1,225	1,181
Restricted	146,731	165,986	167,975	168,868	168,472
Committed reported in:					
Special revenue funds	6,492	6,360	4,906	2,830	4,402
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Assigned	11,393	14,776	17,453	29,186	34,552
Total nonmajor governmental funds	165,936	188,459	191,597	202,109	208,607
Total all governmental funds	$ 1,110,031	$ 1,083,699	$ 1,099,779	$ 1,232,090	$ 1,356,921

Note: In fiscal year 2010-11 the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Fiscal year 2009-10 fund balances have been recharacterized to comply with GASB Statement No. 54 in order to facilitate year-to-year comparisons. In fiscal year 2011-12 Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2012-13 Transportation became a major fund, therefore only fiscal years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, and 2018-19 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

				Fiscal Year Ending June 30	
	2014	**2013**	**2012**	**2011**	**2010**
General Fund					
Nonspendable	$ 2,045	$ 3,247	$ 1,834	$ 2,214	$ 3,201
Restricted	117,595	101,440	101,651	98,552	93,653
Committed	32,820	42,183	52,439	50,097	250,444
Assigned	7,772	10,460	8,764	3,463	2,998
Unassigned	203,444	199,919	171,910	189,236	36,190
Total general fund	363,676	357,249	336,598	343,562	386,486
Transportation					
Nonspendable	1,101	1,044	1,014	-	-
Restricted	62,767	79,127	95,805	-	-
Committed	2,244	1,310	1,811	-	-
Assigned	14,063	12,821	4,935	-	-
Total transportation	80,175	94,302	103,565	-	-
Flood Control					
Nonspendable	1	1	1	1	1
Restricted	-	-	-	-	-
Committed	258,580	253,117	252,368	237,211	222,944
Assigned	-	1,807	3,890	13,741	18,979
Total Flood Control	258,581	254,925	256,259	250,953	241,924
Public Facilities Improvements					
Restricted	123,860	153,404	131,184	158,628	200,501
Committed	3,000	1,912	-	6,451	10,850
Assigned	7,803	44,244	111,324	128,023	127,302
Total public facilities improvements	134,663	199,560	242,508	293,102	338,653
Public Financing Authority					
Restricted	-	-	-	-	-
Total public financing authority	-	-	-	-	-
Redevelopment Capital Projects					
Nonspendable	-	-	-	72,055	79,257
Committed	-	-	-	115,617	93,028
Assigned	-	-	-	83,881	96,062
Total redevelopment capital projects	-	-	-	271,553	268,347
Nonmajor Governmental Funds					
Nonspendable	1,208	1,168	1,241	84,769	84,744
Restricted	182,139	174,552	354,214	410,787	434,900
Committed reported in:					
Special revenue funds	9,750	15,763	12,973	21,381	6,196
Debt service funds	-	-	-	1,206	1,206
Capital projects funds	-	151	323	1,690	355
Assigned	32,370	17,088	25,763	86,572	30,314
Total nonmajor governmental funds	225,467	208,722	394,514	606,405	557,715
Total all governmental funds	$ 1,062,562	$ 1,114,758	$ 1,333,444	$ 1,765,575	$ 1,793,125

Note: In fiscal year 2010-11 the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. Fiscal year 2009-10 fund balances have been recharacterized to comply with GASB Statement No. 54 in order to facilitate year-to-year comparisons. In fiscal year 2011-12 Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2012-13 Transportation became a major fund, therefore only fiscal years 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 are presented for comparison purposes.

Source: Auditor-Controller, County of Riverside

Table 5

COUNTY OF RIVERSIDE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2019

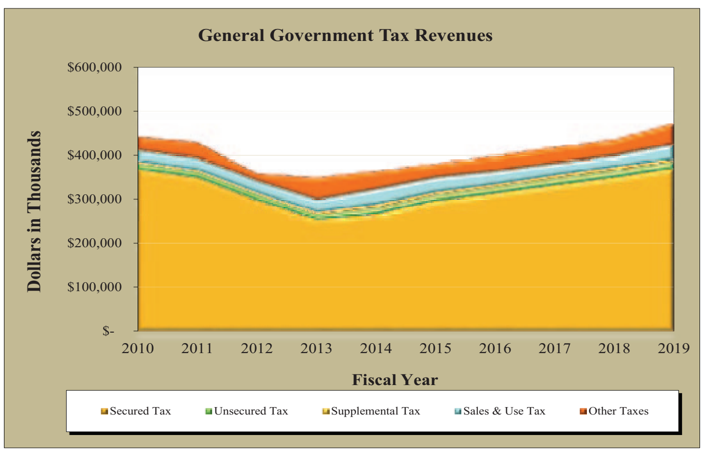
	Fiscal Year Ending June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Taxes	$ 470,567	$ 433,684	$ 416,940	$ 398,139	$ 379,358	$ 361,900	$ 347,166	$ 355,796	$ 427,892	$ 439,435
Licenses, permits, and franchise fees	24,116	23,219	22,251	22,782	21,893	20,377	18,798	19,513	20,294	19,197
Fines, forfeitures, and penalties	65,497	65,833	71,196	74,349	79,059	82,290	86,381	90,163	95,290	114,320
Use of money and property:										
Investments earnings	61,620	24,449	12,234	11,736	7,989	10,187	2,370	10,827	18,305	26,929
Rents and concessions	25,890	25,318	24,990	51,695	25,548	29,925	19,246	19,588	17,659	17,393
Aid from other governmental agencies:										
Federal	637,639	675,110	691,080	686,964	634,269	544,478	569,330	577,654	609,531	636,167
State	1,508,938	1,441,178	1,356,683	1,345,344	1,304,580	1,172,107	1,047,485	986,658	921,329	857,191
Other	186,613	176,556	171,474	163,165	153,687	136,461	132,120	156,678	130,362	172,598
Charges for services	643,080	602,835	635,236	585,977	519,382	483,346	464,274	449,888	458,744	469,340
Other revenue	103,272	104,119	102,294	49,934	119,337	88,055	91,329	95,119	95,279	65,711
Total revenues	3,727,232	3,572,301	3,504,378	3,390,085	3,245,102	2,929,126	2,778,499	2,761,884	2,794,685	2,818,281
Expenditures										
General government	217,106	241,946	231,308	219,333	190,209	214,212	208,242	291,227	311,025	554,315
Public protection	1,395,886	1,342,978	1,331,768	1,271,121	1,202,873	1,186,900	1,117,397	1,072,442	1,081,489	1,068,051
Public ways and facilities	274,237	217,851	226,388	299,431	292,096	177,965	177,467	168,015	176,184	130,310
Health and sanitation	561,127	545,785	538,734	470,022	482,545	421,494	393,557	375,668	353,904	341,244
Public assistance	996,260	977,633	988,773	983,963	928,098	851,061	798,850	802,104	824,471	812,848
Education	25,145	21,456	21,449	20,003	20,755	19,470	18,819	18,942	19,282	18,910
Recreation and cultural services	22,305	16,544	21,042	24,232	23,716	15,911	16,590	15,220	18,755	12,620
Debt service:										
Principal	68,828	70,419	48,711	68,951	83,928	70,840	55,363	65,002	80,928	73,378
Interest	69,177	63,295	63,899	44,091	44,005	45,953	27,988	49,041	83,902	78,689
Cost of issuance	2,298	1,431	1,074	895	950	623	378	15	5,212	1,819
Capital outlay	34,405	94,975	220,006	92,800	103,211	58,046	25,427	22,583	30,439	39,844
Total expenditures	3,666,774	3,594,313	3,693,152	3,494,842	3,372,386	3,062,475	2,840,078	2,880,259	2,985,591	3,132,028
Revenues over (under) expenditures	60,458	(22,012)	(188,774)	(104,757)	(127,284)	(133,349)	(61,579)	(118,375)	(190,906)	(313,747)
Other financing sources (uses)										
Transfers in	282,999	269,388	280,223	350,235	550,783	248,448	231,574	323,052	267,985	463,296
Transfers out	(312,577)	(287,143)	(299,908)	(373,384)	(559,368)	(253,012)	(233,809)	(332,724)	(277,943)	(479,143)
Issuance of debt	-	10,610	-	-	346,000	64,000	-	-	170,481	81,745
Issuance of refunding bonds	100,000	58,565	39,985	72,825	-	20,510	19,140	33,360	-	70,365
Discount on long-term debt	-	-	-	-	-	-	-	-	-	(626)
Premium on long-term debt	-	4,096	5,216	7,612	28,699	1,338	759	2,840	-	937
Redemption of bonds	(110,835)	-	-	-	-	-	-	-	-	-
Redemption of refunded debt	-	-	-	(89,345)	-	-	(18,155)	(32,797)	-	-
Contribution to governmental agency	-	-	(33,353)	-	-	-	-	-	-	-
Payment to escrow agent	-	(64,285)	-	-	-	-	-	-	-	(65,713)
Proceeds from the sale of capital assets	-	-	11	-	-	-	-	-	6	-
Capital leases	6,287	6,486	64,289	11,829	54,529	2,965	1,721	2,671	8,321	31,018
Total other financing sources (uses)	(34,126)	(2,283)	56,463	(20,228)	420,643	84,249	1,230	(3,598)	168,850	101,879
Net change in fund balances	$ 26,332	$ (24,295)	$ (132,311)	$ (124,985)	$ 293,359	$ (49,100)	$ (60,349)	$ (121,973)	$ (22,056)	$ (211,868)
Debt service as a % of non-capital expenditures	4.07%	4.08%	3.36%	3.63%	4.27%	4.21%	3.35%	4.50%	6.17%	5.85%

Source: Auditor-Controller, County of Riverside

Table 6

COUNTY OF RIVERSIDE
General Government Tax Revenues By Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Dollars in Thousands)
June 30, 2019

Fiscal Year Ending June 30	Secured Tax	Unsecured Tax	Supplemental Tax	Sales & Use Tax	Other Taxes	Total
2019	$ 367,329	$ 16,252	$ 6,271	$ 33,673	$ 47,042	$ 470,567
2018	346,927	15,208	8,913	27,557	35,079	433,684
2017	329,728	15,220	7,461	27,881	36,650	416,940
2016	312,004	13,798	6,247	29,573	36,517	398,139
2015	294,888	13,909	6,168	32,851	31,542	379,358
2014	264,643	13,597	8,165	35,443	40,052	361,900
2013	251,236	12,459	4,714	29,751	49,006	347,166
2012	295,974	13,499	3,498	26,626	16,199	355,796
2011	346,356	13,404	3,681	28,393	36,058	427,892
2010	364,810	15,270	3,778	25,762	29,815	439,435



Source: Auditor-Controller, County of Riverside

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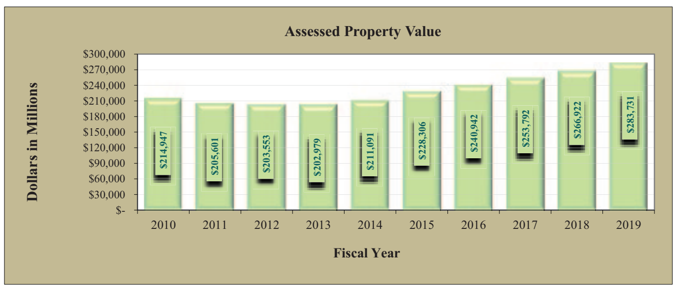
Table 7

COUNTY OF RIVERSIDE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2019

	Fiscal Year Ending June 30				
	2019	**2018**	**2017**	**2016**	**2015**
Real property					
Secured property	$ 283,711,524	$ 267,148,195	$ 253,728,054	$ 240,984,595	$ 228,131,826
Unsecured property	9,113,732	8,320,830	8,200,349	7,717,964	7,676,875
Total gross assessed value	292,825,256	275,469,025	261,928,403	248,702,559	235,808,701
Less:					
Tax-exempt real property	9,093,789	8,546,894	8,136,300	7,760,338	7,502,942
Total taxable assessed value	$ 283,731,467	$ 266,922,131	$ 253,792,103	$ 240,942,221	$ 228,305,759
Total direct tax rate	1.0	1.0	1.0	1.0	1.0
Estimated actual taxable value	$ 378,308,623	$ 355,896,174	$ 338,389,470	$ 321,256,295	$ 304,407,678
Assessed value as a % of actual value	77.40%	77.40%	77.40%	77.42%	77.46%



Source: Auditor-Controller, County of Riverside

Table 7

	Fiscal Year Ending June 30				
	2014	**2013**	**2012**	**2011**	**2010**
Real property					
Secured Property	$ 210,523,063	$ 201,971,552	$ 202,313,851	$ 204,153,163	$ 213,144,336
Unsecured Property	7,868,150	8,123,443	8,057,242	8,121,065	8,227,172
Total gross assessed value	218,391,213	210,094,995	210,371,093	212,274,228	221,371,508
Less:					
Tax-exempt real property	7,300,462	7,116,048	6,818,361	6,673,229	6,424,030
Total taxable assessed value	$ 211,090,751	$ 202,978,947	$ 203,552,732	$ 205,600,999	$ 214,947,478
Total direct tax rate	1.0	1.0	1.0	1.0	1.0
Estimated actual taxable value	$ 281,454,335	$ 270,638,596	$ 271,403,643	$ 274,134,665	$ 286,596,637
Assessed value as a % of actual value	77.59%	77.63%	77.51%	77.43%	77.24%

Table 8

COUNTY OF RIVERSIDE
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
June 30, 2019

Fiscal Year Ending June 30	County Direct Rates: Secured Property Tax Levy	County Direct Rates: Debt Service	Range of Overlapping Rates: Total City Rate	Range of Overlapping Rates: Total School Districts Rate	Range of Overlapping Rates: Total Special Districts Rate	Total Direct & Overlapping Rates
2019	1.00000%	0.11550%	0% to .00592%	0 to .15291%	0% to .50000%	1.11550% to 1.50000%
2018	1.00000%	0.11550%	0% to .00608%	0 to .17609%	0% to .50000%	1.11550% to 1.50000%
2017	1.00000%	0.11550%	0% to .00617%	0 to .16601%	0% to .50000%	1.11550% to 1.50000%
2016	1.00000%	0.11440%	0% to .00576%	0 to .15335%	0% to .50000%	1.11440% to 1.50000%
2015	1.00000%	0.14640%	0% to .00626%	0 to .17234%	0% to .53052%	1.14640% to 1.53052%
2014	1.00000%	0.13830%	0% to .00673%	.01768% to .17571%	0% to .55075%	1.13830% to 1.55075%
2013	1.00000%	0.14340%	0% to .00572%	.01702% to .17570%	0% to .58076%	1.14340% to 1.58076%
2012	1.00000%	0.12540%	0% to .00571%	.01700% to .14030%	0% to .53864%	1.12540% to 1.53864%
2011	1.00000%	0.12540%	0% to .00575%	.01499% to .13224%	0% to .50000%	1.12540% to 1.50000%
2010	1.00000%	0.12220%	.00064% to .00577%	.01242% to .12628%	0% to .50000%	1.12220% to 1.50000%

Note: Total direct tax rate encompasses general levy, special assessments, and fixed charges.

Overlapping governments in the context of the statistical section, all local governments located wholly or in part within the geographic boundaries of the reporting government.

Overlapping rate in the context of the statistical section, an amount or percentage applied to a unit of a specific revenue base by governments that overlap geographically, at least in part, with the government preparing the statistical section information.

Source: Auditor-Controller, County of Riverside

Table 9

COUNTY OF RIVERSIDE
Principal Property Tax Payers
(Dollars in Thousands)
Current Year and Nine Years Ago
June 30, 2019

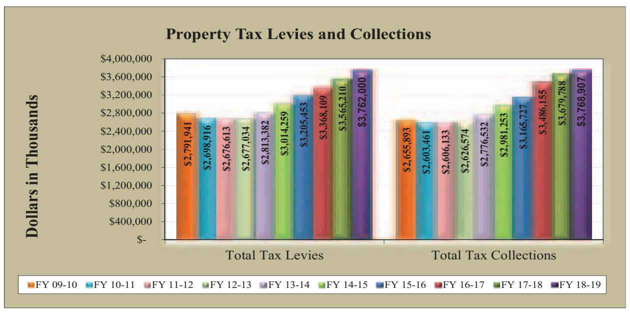
Tax payer	2019 Taxable Assessed Value	2019 Percentage of Total County Taxable Assessed Value	2010 Taxable Assessed Value	2010 Percentage of Total County Taxable Assessed Value
Southern California Edison Company	$ 54,572	1.38%	$ 16,374	0.56%
Centex Homes	-	0.00%	4,586	0.16%
Deutsche Bank National Trust Co.	-	0.00%	7,610	0.26%
Southern California Gas Company	14,674	0.37%	5,694	0.19%
Verizon California, Inc.	8,268	0.21%	8,607	0.29%
CPV Sentinel, LLC	6,755	0.17%	-	0.00%
Lennar Homes of California Inc.	3,773	0.10%	-	0.00%
Inland Empire Energy Center LLC	-	0.00%	7,768	0.26%
US Bank National Association	-	0.00%	5,420	0.18%
Bank of New York	-	0.00%	3,744	0.13%
Abott Vascular Inc.	-	0.00%	3,238	0.11%
Costco Wholesale Group	3,655	0.09%	-	0.00%
Riverside Healthcare System	3,543	0.09%	-	0.00%
Tyler Mall Ltd Partnership	3,531	0.09%	3,270	0.11%
Chelsea GCA Realty Partnership	3,444	0.09%	-	0.00%
Walgreen Co.	3,255	0.08%	-	0.00%
Total	$ 105,470	2.67%	$ 66,311	2.25%

Source: Treasurer-Tax Collector, County of Riverside

Table 10

COUNTY OF RIVERSIDE
Property Tax Levies and Collections
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2019

Fiscal Year Ending June 30	Total Secured Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy	Delinquent Collections in Fiscal Year From Prior Levys	Total Collections as of June 30*: Amount	Total Collections as of June 30*: Percentage of Levy
2019	$ 3,762,000	$ 3,704,818	98.48%	$ 64,089	$ 3,768,907	100.18%
2018	3,565,210	3,522,630	98.81%	157,158	3,679,788	103.21%
2017	3,368,109	3,322,587	98.65%	163,568	3,486,155	103.50%
2016	3,205,453	3,159,497	98.57%	6,230	3,165,727	98.76%
2015	3,014,259	2,968,113	98.47%	13,140	2,981,253	98.91%
2014	2,813,382	2,763,665	98.23%	12,867	2,776,532	98.69%
2013	2,677,034	2,618,818	97.83%	7,756	2,626,574	98.12%
2012	2,676,613	2,605,691	97.35%	442	2,606,133	97.37%
2011	2,698,916	2,603,461	96.46%	-	2,603,461	96.46%
2010	2,791,941	2,652,513	95.01%	3,380	2,655,893	95.13%



*Total collections as of June 30 include delinquent collections in the fiscal year from prior levys (not including interest and penalties) which may result in total collections to be more than 100% of current secured levy. Delinquent collections by year of levy is unavailable.

Source: Auditor-Controller, County of Riverside

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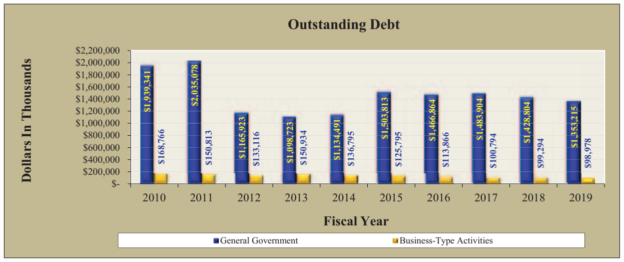
Table 11

COUNTY OF RIVERSIDE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2019

	Fiscal Year Ending June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General government										
Bonds	$ 1,189,065	$ 1,232,234	$ 1,206,942	$ 1,195,027	$ 1,141,497	$ 810,186	$ 744,460	$ 750,492	$ 1,551,323	$ 1,408,017
Certificates of participation	60,265	78,128	94,467	108,937	211,688	240,593	282,095	309,511	367,272	385,447
Notes and loans	980	1,600	2,205	2,790	3,350	3,890	4,420	4,925	5,355	21,987
Capital leases	102,905	116,842	180,290	160,110	147,278	79,822	67,748	100,995	111,128	123,890
Business-type activities										
Bonds	64,254	77,773	92,371	106,428	119,917	132,941	143,710	121,061	134,983	147,924
Capital leases	34,724	21,521	8,423	7,438	5,878	3,854	7,224	12,055	15,830	20,842
Total primary government	$ 1,452,193	$ 1,528,098	$ 1,584,698	$ 1,580,730	$ 1,629,608	$ 1,271,286	$ 1,249,657	$ 1,299,039	$ 2,185,891	$ 2,108,107
Percentage of personal income	1.61%	1.75%	1.88%	1.95%	2.23%	1.65%	1.66%	1.78%	3.07%	3.37%
Per capita	$ 595	$ 633	$ 665	$ 673	$ 765	$ 558	$ 554	$ 583	$ 986	$ 985



Note: Per Capita is an estimate for fiscal years 2017-18 and 2018-19

Source: California State Department of Finance
Auditor-Controller, County of Riverside
Bureau of Economic Analysis

Table 11

Table 12

COUNTY OF RIVERSIDE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2019

	Fiscal Year Ending June 30									
	2019	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Bonds	$ 1,253,319	1,310,007	1,299,313	$ 1,301,455	$ 1,261,414	$ 943,127	$ 888,170	$ 871,553	$ 1,686,306	$ 1,555,941
Less:										
Amounts available in debt service fund	35,808	48,823	63,634	67,680	71,947	80,405	79,951	78,236	151,405	127,206
Total net obligation bonds outstanding	$ 1,217,511	$ 1,261,184	$ 1,235,679	$ 1,233,775	$ 1,189,467	$ 862,722	$ 808,219	$ 793,317	$ 1,534,901	$ 1,428,735
Percentage of estimated										
Actual taxable value of property	0.32%	0.35%	0.37%	0.38%	0.39%	0.31%	0.30%	0.30%	0.56%	0.51%
Per capita	$ 499	$ 522	$ 518	$ 525	$ 515	$ 378	$ 358	$ 356	$ 692	$ 668

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

Source: California State Department of Finance

Table 12

Table 13

COUNTY OF RIVERSIDE
Direct and Overlapping Govermental Activities Debt
as of June 30, 2019
(Dollars in Thousands)

Governmental Unit		Debt Outstanding	Estimated Applicable Percentage		Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	$	11,742,280	88.47572%	$	10,389,067
Subtotal, overlapping debt					10,389,067
County of Riverside direct debt					1,353,213
Total direct and overlapping debt				$	11,742,280

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics, Inc.

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Table 14

COUNTY OF RIVERSIDE
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2019

	Fiscal Year Ending June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Debt limit	$ 3,546,643	$ 3,336,527	$ 3,172,401	$ 3,011,778	$ 2,853,822	$ 2,638,634	$ 2,537,237	$ 2,544,409	$ 2,570,012	$ 2,686,843
Total net debt applicable to limit	(1,217,511)	(1,261,184)	(1,235,679)	(1,233,775)	(1,189,467)	(862,722)	(808,219)	(793,317)	(1,534,901)	(1,428,735)
Legal debt margin	$ 2,329,132	$ 2,075,343	$ 1,936,722	$ 1,778,003	$ 1,664,355	$ 1,775,912	$ 1,729,018	$ 1,751,092	$ 1,035,111	$ 1,258,108
Total net debt applicable to the limit as a percentage of debt limit	34.3%	37.8%	39.0%	41.0%	41.7%	32.7%	31.8%	31.2%	59.7%	53.2%

Legal Debt Margin Calculated for Fiscal Year 2019

Assessed value	$ 285,788,852
Less: Homeowners exemptions	2,057,385
Total assessed value	283,731,467
Debt limit (1.25% of total assessed value)	3,546,643
Debt applicable to limit:	
General obligation bonds (Governmental & Business-type)	1,253,319
Less: Amount set aside for repayment of general obligation debt	35,808
Total net debt applicable to limit	1,217,511
Legal debt margin	$ 2,329,132

Definitions: Debt limit - the maximum amount of outstanding gross or net debt legally permitted.
Debt margin - the difference between debt limit and existing debt.
Legal debt margin - the excess of the amount of debt legally authorized over the amount of debt outstanding.

Source: Auditor-Controller, County of Riverside

Table 14

Table 15

COUNTY OF RIVERSIDE
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2019

Fiscal Year Ending June 30	Lease Revenue Bonds					
	Revenue from Lease Payments	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2019	$ 18,866	$ 2,248	$ 16,618	$ 12,541	$ 15,534	59.19%
2018	25,436	3,681	21,755	21,352	17,258	56.35%
2017	25,491	1,901	23,590	20,525	17,974	61.27%
2016	27,319	1,182	26,137	19,844	18,648	67.90%
2015	24,867	3,464	21,403	19,221	19,268	55.61%
2014	25,770	1,666	24,104	16,370	16,147	74.13%
2013	25,182	1,517	23,665	14,159	12,707	88.09%
2012	22,779	2,805	19,974	16,325	15,583	62.60%
2011	16,067	2,072	13,995	15,355	16,039	44.58%
2010	30,318	3,336	26,982	14,455	16,642	86.77%

Note: Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

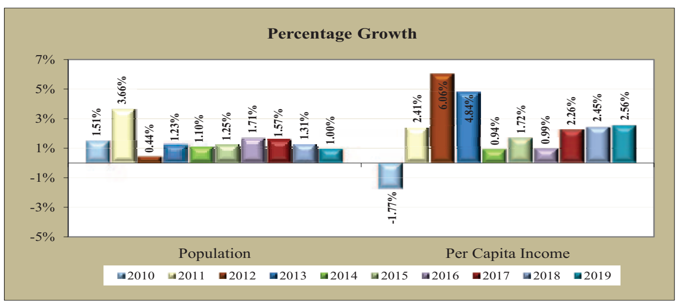
Source: Auditor-Controller, County of Riverside

Inland Empire Tobacco Securitization Bonds						Fiscal Year Ending June 30
Revenue from Tobacco Settlement	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	
			Principal	Interest		
$ 12,866	$ 36	$ 12,829	$ 1,894	$ 6,403	154.63%	**2019**
13,384	104	13,280	7,110	6,301	99.03%	**2018**
9,492	107	9,385	3,000	6,445	99.36%	**2017**
8,913	103	8,810	2,270	6,559	99.79%	**2016**
9,092	113	8,979	2,325	6,665	99.88%	**2015**
9,283	105	9,178	2,435	6,781	99.59%	**2014**
15,687	123	15,564	8,650	7,193	98.24%	**2013**
9,462	107	9,355	1,655	5,301	134.49%	**2012**
9,290	123	9,167	6,135	3,615	94.02%	**2011**
6,496	155	6,341	3,610	3,794	85.64%	**2010**

Table 16

COUNTY OF RIVERSIDE
Demographic and Economic Statistics
Last Ten Fiscal Years
June 30, 2019

Fiscal Year Ending June 30	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2019	2,440,124	$ 95,775,000 [1]	$ 37,074 [1]	428,494	4.40%
2018	2,415,955	92,810,000 [1]	36,149 [1]	428,992	4.80%
2017	2,384,783	90,160,000 [1]	35,286 [1]	428,489	5.60%
2016	2,347,828	86,888,000 [1]	34,506 [1]	427,537	5.90%
2015	2,308,441	81,296,000 [1]	34,169 [1]	425,883	6.60%
2014	2,279,967	78,239,388	33,590	426,227	8.40%
2013	2,255,059	76,289,477	33,278	425,968	10.20%
2012	2,227,577	71,555,000	31,742	425,707	12.60%
2011	2,217,778	69,438,900	29,927	424,086	14.40%
2010	2,139,535	64,376,498	29,222	423,986	14.50%



Note 1: Projection based on 10 years' running average (2009 - 2018)

Source: Bureau of Economic Analysis
Riverside County Superintendent of Schools
State of California, Employment Development Department
California State Department of Finance

Table 17

COUNTY OF RIVERSIDE
Principal Employers
Current Year and Nine Years Ago
June 30, 2019

	Fiscal Year			
	2019		2010	
Employer	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
County of Riverside	21,215	2.04%	18,456	2.36%
March Air Reserve Base	9,000	0.87%	8,600	1.10%
University of California, Riverside	8,735	0.84%	7,321	0.94%
Wal-Mart	-	0.00%	6,550	0.84%
Kaiser Permanente Riverside Medical Center	5,592	0.54%	3,600	0.46%
Stater Brothers Markets	-	0.00%	6,900	0.88%
Corona-Norco Unified School District	4,989	0.48%	-	0.00%
Pechanga Resort & Casino	4,683	0.45%	4,000	0.51%
Riverside Unified School District	4,335	0.42%	5,099	0.65%
Hemet Unified School District	4,302	0.41%	-	0.00%
Eisenhower Medical Center	3,743	0.36%	-	0.00%
Moreno Valley Unified School District	3,684	0.36%	-	0.00%
Abbott Vascular	-	0.00%	4,500	0.58%
Temecula Valley Unified School District	-	0.00%	2,752	0.35%
Total	70,278	6.78%	67,778	8.67%

Source: Economic Development Agency

COUNTY OF RIVERSIDE
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
June 30, 2019

	Full-time Equivalent Employees									
Function/Program	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
General government										
Legislative and administrative	91	85	85	88	84	86	89	81	87	98
Finance	387	395	407	422	408	415	399	405	411	438
Counsel	77	73	73	72	70	66	65	65	64	70
Personnel	574	184	185	185	180	157	154	159	172	167
Elections	31	30	30	31	23	24	25	34	39	42
Communication	40	-	-	-	-	-	-	11	11	12
Property management	427	414	424	398	404	394	397	507	531	500
Promotion	67	51	43	51	54	43	45	117	139	180
Other general	28	29	30	28	27	85	32	31	32	36
Public protection										
Judicial	1,309	1,175	1,161	1,214	1,202	1,239	1,221	1,294	1,345	1,444
Police protection	2,183	2,193	2,293	2,470	2,466	2,410	2,351	2,304	2,408	2,449
Detention and correction	2,215	2,205	2,321	2,419	2,389	2,216	2,169	2,085	2,067	2,076
Fire protection	239	239	226	227	227	212	212	200	198	188
Protection/inspection	82	79	77	82	76	83	86	86	87	100
Other protection	366	924	942	639	554	830	544	600	615	669
Administration	-	73	81	68	68	81	82	75	62	65
Public ways and facilities										
Public ways	361	353	345	384	387	375	370	411	413	465
Parking facilities	10	18	15	19	17	17	20	18	18	20
Health and sanitation										
Health	2,691	2,640	2,559	2,640	2,236	2,075	1,959	2,118	2,063	2,024
Hospital care	179	33	32	33	32	35	37	34	31	31
Public health ambulatory care	-	-	-	-	267	-	266	-	-	-
California children's services	137	143	145	141	142	139	134	140	138	143
Public assistance										
Aid programs	3,856	3,859	4,006	4,199	3,980	3,610	3,484	3,334	3,089	3,132
Veterans' services	17	16	16	14	14	13	13	12	12	12
Other assistance	296	174	185	207	270	271	291	289	355	348
Education, recreation and culture										
Library services	9	17	17	4	5	7	7	10	1	-
Agricultural extension	5	3	3	5	5	5	5	5	5	5
Cultural services	2	2	2	2	2	2	2	3	3	3
County business-type functions										
Hospital care	2,864	2,650	2,587	2,482	2,399	2,517	2,581	2,351	2,295	2,246
Sanitation	248	180	174	163	164	153	153	160	174	198
Internal service	543	655	2,037	3,213	2,876	2,763	2,641	2,775	2,315	2,418
Special districts/Component units	410	587	611	993	739	719	693	660	591	547
Total	19,744	19,479	21,112	22,893	21,767	21,042	20,527	20,374	19,771	20,126

Note: Temporary employees, 1,828, filled as of June 1, 2019 are included in the total number employees.
Source: County of Riverside, fiscal year 2019-20 Recommended Budget

Table 18

COUNTY OF RIVERSIDE
Operating Indicators by Function
Last Ten Fiscal Years
June 30, 2019

		Fiscal Year Ending June 30									
Function/Program		**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Agricultural Commissioner											
Export phytosanitary certificates	c	19,143	14,450	13,478	13,546	14,825	16,067	18,346	19,875	-	25,745
Pesticide use inspections	d	2,154	1,291	800	1,211	1,025	834	783	793	764	682
Weights and measures regulated		140,721	142,684	141,939	141,092	139,701	138,321	138,547	137,727	134,290	131,175
Agriculture quality inspections		472	678	605	350	497	524	456	553	693	643
Plant pest inspections		7,247	5,479	7,468	9,846	10,792	11,635	10,361	11,931	9,584	9,667
Nursery acreage inspected		9,650	6,082	6,727	7,708	7,020	7,064	6,156	6,920	6,338	6,923
Weights and measures inspected		43,318	61,513	60,197	75,508	63,695	80,461	63,653	51,074	56,751	77,278
Assessor-Clerk-Recorder											
Assessments		934,810	931,922	925,405	919,810	914,886	909,432	906,467	904,706	904,040	941,928
Official records recorded		478,622	543,816	587,906	555,870	540,589	530,777	648,812	592,531	612,804	673,674
Vital records copies issued		90,788	88,278	89,691	86,597	75,708	85,309	78,405	78,768	80,391	87,194
Official records copies issued		19,905	21,251	23,093	23,014	18,307	22,329	32,792	26,153	28,990	26,348
Auditor-Controller											
Invoices paid		370,388	367,557	280,498	359,917	368,001	425,003	426,660	389,798	412,374	488,192
Vendor warrants (checks) issued		200,693	220,965	234,781	227,037	228,750	232,034	259,458	255,463	265,979	300,428
Active vendors		30,820	24,487	35,198	28,697	30,604	84,680	80,011	78,887	65,090	64,761
Payroll warrants (checks) issued		541,369	549,902	568,689	564,546	541,390	524,990	509,376	509,468	506,870	532,904
Average payroll warrants (checks) per pay period		20,822	21,150	21,873	21,713	20,823	20,192	19,591	19,595	19,495	19,737
Audits per fiscal year		28	54	55	35	26	34	25	26	26	30
Tax bills levied		929,514	1,029,621	1,019,903	1,008,147	1,003,952	998,203	984,268	972,577	999,241	977,115
Tax refunds/roll changes processed		30,607	34,098	53,234	19,561	47,556	22,435	63,500	79,606	123,476	115,904
Community Action Partnership											
Utility assistance (households)		19,583	16,724	18,017	15,743	15,115	16,087	13,911	21,912	22,207	27,956
Weatherization (households)		445	1,100	1,260	997	967	479	179	842	1,375	2,083
Energy education attendees	a	20,028	17,834	7,428	10,398	6,395	4,991	6,368	14,950	13,807	11,725
Disaster relief (residents)		27,734	22,305	13,400	13,734	13,387	24,274	11,316	13,968	12,058	17,989
Income tax returns prepared		4,450	4,412	5,239	4,545	4,325	3,453	3,111	2,711	3,006	2,257
After school programs (students)		3,452	3,400	2,703	2,198	2,114	20,700	19,200	20,700	18,400	13,800
Leadership program enrollment	b	-	-	-	-	-	-	-	166	593	182
Mediation (cases)		2,231	2,101	2,009	2,579	2,527	2,723	1,905	2,181	2,178	2,237
Environmental Health											
Facilities inspections		30,528	34,571	28,205	30,919	31,897	35,325	32,045	36,201	31,801	31,213
Public Health											
Patient visits		159,386	161,578	124,031	143,956	134,481	124,099	135,795	109,870	106,532	142,617
Patient services		363,417	322,763	242,554	299,048	290,900	363,442	353,269	392,621	390,607	313,409
Animal Control Services											
Animal impounds (live animals)		39,780	36,442	38,858	41,773	37,644	37,037	35,201	36,518	49,408	62,770
Spays and neuters completed		14,411	14,601	15,337	14,508	13,216	13,690	11,908	9,771	8,305	7,225
Animal licenses sold		23,841	21,843	58,995	76,157	65,020	122,105	-	-	-	-
Service calls fielded		35,248	37,193	40,039	41,614	40,251	-	-	-	-	-

Note:
a - Number of pamphlets mailed
b - Program not yet started / not tracked
c - Phytosanitary = Plant pest cleanliness
d - Pesticide Use Inspections = Environmental monitoring

Source: Various County Departments

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2019

Function/Program		Fiscal Year Ending June 30 2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	
County Library												
Total circulation - books		2,875,249	2,389,611	2,513,032	2,704,884	2,792,388	3,023,637	3,059,094	3,387,218	3,724,657	3,718,343	
Reference questions answered		445,397	499,590	479,917	478,827	487,093	371,953	434,057	441,269	404,913	370,619	
Patron door count		3,253,888	3,188,442	3,606,142	4,069,001	4,216,087	3,919,125	4,148,012	4,080,738	731,699	3,599,064	
Programs offered		7,510	9,626	9,680	10,423	9,547	6,819	6,521	8,382	7,624	7,214	
Program attendance		162,126	154,031	163,198	176,502	154,391	139,223	143,053	163,692	163,416	148,612	
Riverside University Health Systems - Medical Center												
Emergency room treatments		79,604	76,654	77,963	88,780	84,697	88,853	119,606	101,952	99,706	96,993	
Emergency room services - MH		11,162	11,749	12,854	12,896	12,989	13,531	14,275	16,750	15,376	14,288	
Clinic visits		121,087	119,033	99,309	116,277	104,693	124,255	125,471	127,546	129,041	131,624	
Admissions		20,151	19,143	17,826	19,863	19,404	22,738	24,260	23,949	23,638	23,536	
Patient days		114,239	108,468	104,854	104,276	106,466	118,467	124,599	121,949	123,250	121,915	
Discharges		20,151	19,156	18,397	19,147	19,387	22,773	24,279	23,694	23,668	23,559	
Fire												
Medical assistance		120,821	127,810	119,868	112,799	103,407	99,058	97,054	96,843	97,066	94,193	
Fires extinguished		17,649	17,849	15,975	14,988	13,823	13,632	13,517	12,990	4,271	4,449	
Other services		22,536	23,744	24,053	22,163	22,680	20,846	20,049	11,856	16,522	17,076	
Communities served		94	94	94	94	94	94	94	78	78	78	
Mental Health												
Mental health clients (crisis/long-term care)		46,675	44,448	43,013	42,764	41,942	39,765	37,591	35,696	33,260	30,657	
Substance abuse clients		15,354	11,292	8,950	11,205	15,457	15,457	15,755	17,849	16,987	16,736	
Detention clients		17,020	13,325	13,690	12,627	12,137	12,137	11,899	10,544	8,874	10,831	
Probate conservatorship clients		425	410	453	410	358	358	278	351	424	474	
Mental health conservatorship clients		628	682	647	410	613	613	563	879	832	675	
Probation												
Adults on probation	a	13,016	12,942	12,185	14,422	16,496	16,922	17,406	14,992	16,271	17,790	a
Juveniles in secure detention	b	108	112	137	153	134	156	194	193	225	248	b
Juveniles in treatment facilities	b	42	44	60	57	57	79	86	107	128	125	b
Juveniles in detention facilities	a	3,275	3,389	5,978	6,375	5,810	7,154	8,505	9,148	10,741	11,385	a
Public Social Services												
CalWORKs clients		22,262	24,741	26,306	29,090	32,030	33,159	33,341	33,682	33,412	31,022	
Food stamp clients		113,714	121,542	127,778	132,274	128,656	121,949	116,333	107,076	91,606	74,484	
Medi-Cal clients		351,453	346,407	351,817	341,519	298,461	186,911	135,570	130,562	124,061	116,758	
In-home support services		31,957	30,008	27,564	24,888	25,703	23,061	20,641	19,070	18,201	16,852	
Foster care placements		2,318	2,792	3,670	4,063	4,041	3,725	3,237	3,113	3,130	3,085	
Child welfare services		9,858	9,779	9,761	10,471	10,757	9,958	9,178	9,664	9,916	9,591	
Homeless program (bed nights)		5,201	4,190	7,384	7,384	7,384	8,296	8,296	8,331	10,746	12,900	
Homeless program (meals)		8,015	8,380	14,767	14,767	14,767	16,592	16,592	16,660	21,494	25,800	

Note: a - Average monthly population
b - Average daily population

Source: Various County Departments

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2019

Table 19

Function/Program		Fiscal Year Ending June 30 2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	
Registrar of Voters												
Voting precincts		1,072	826	1,126	869	1,193	846	1,218	853	1,649	2,370	
Polling places		584	546	587	564	546	545	642	522	746	1,158	
Voters	a	1,041,122	983,917	1,022,375	911,269	891,630	887,000	943,402	852,217	1,009,933	1,815,892	a
Poll workers		2,755	2,264	3,087	2,234	2,200	2,200	2,960	2,300	3,281	4,186	
Sheriff												
Number of bookings		49,033	50,371	49,896	49,864	54,025	60,826	57,330	53,691	53,974	55,306	
Coroner case load		15,493	15,397	14,476	13,885	12,958	12,164	11,639	10,947	10,555	10,027	
Calls for services	b	174,741	180,488	187,087	193,763	190,816	176,339	172,664	176,062	232,821	255,601	b
Transportation and Land Management Agency - Building & Safety												
Building permits issued	c	-	-	-	-	1,028	905	1,116	836	863	1,568	
Building plans checked	c	-	-	-	-	-	799	908	740	817	1,537	c
Building structures inspected	c	-	-	-	-	-	957	901	676	1,168	1,774	c
Veterans' Services												
Phone inquiries answered	d	29,619	35,846	36,971	38,812	32,778	31,445	36,107	36,707	43,617	41,569	d
Client interviews	d	46,988	24,563	21,183	25,072	17,281	17,448	14,714	14,990	15,630	25,209	d
Claims filed	d	7,354	7,191	6,789	6,792	6,345	5,998	5,735	6,030	5,485	5,581	d
Emails	d	11,581	14,280	14,280	9,884	6,584	3,138	-	-	-	-	d
Veterans reached at outreach events		24,304	2,589	3,014	3,591	3,725	-	-	-	-	-	
Waste Resources												
Landfill tonnage		1,515,254	1,498,681	1,408,688	1,320,497	1,475,122	1,383,266	1,102,626	1,071,309	1,071,394	1,032,942	
Recycling tonnage		3,527	3,042	2,463	2,052	1,386	2,503	2,679	2,206	2,499	1,803	

Notes:
a - Number of voters that were mailed voting materials for all elections in the fiscal year
b - Unincorporated areas
c - Information not available for fiscal year 2018-19
d - Program not yet started / not tracked

Source: Various County Departments

COUNTY OF RIVERSIDE
Capital Asset Statistics by Function
Last Ten Fiscal Years
June 30, 2019

Function/Program	Fiscal Year Ending June 30									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
County Libraries										
Branch libraries	35	36	35	35	35	35	35	33	33	33
Book mobiles	2	2	2	2	2	2	2	2	2	2
Books in collection	829,893	1,337,332	1,341,967	1,168,364	1,382,932	1,393,689	1,657,925	1,570,834	1,668,434	1,612,925
Museum	1	-	1	1	-	-	-	-	-	-
Riverside University Health Systems - Medical Center										
Major clinics	4	4	4	4	4	4	4	4	4	4
Routine and specialty clinics	44	44	44	44	44	44	37	-	30	30
Beds licensed	439	439	439	439	439	439	439	439	439	439
Fire										
Stations	37	37	37	37	37	37	38	42	46	49
Trucks	162	158	158	158	158	145	142	145	156	154
Parks and Recreation										
Regional parks	11	11	11	11	14	11	11	11	12	12
Historic sites	5	5	5	5	5	5	5	5	4	4
Nature centers	4	4	4	4	4	4	4	4	4	4
Archaeological sites	6	6	6	6	5	6	6	6	6	6
Wildlife reserves	9	9	9	9	7	9	9	9	9	9
RV and mobile home parks	2	2	2	2	2	3	3	3	3	3
Managed areas	5	5	5	5	5	5	5	5	5	5
Recreational facilities	1	1	1	3	1	3	2	2	2	-
Community centers	-	-	-	1	1	-	-	-	-	-
Sheriff										
Patrol stations	10	10	10	10	10	10	10	10	10	10
Patrol vehicles	977	966	966	930	932	928	916	915	896	883
Waste Resources										
Landfills	6	6	6	6	6	6	6	6	6	6
Capacity in tons	62,713,411	62,668,370	62,668,370	62,191,202	54,232,021	54,230,474	54,230,474	54,189,339	54,177,558	51,794,663

Source: Various County Departments

Table 20

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Riverside County Comprehensive Annual Financial Report

Paul Angulo, CPA, MA
County Auditor-Controller

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

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 or completeness thereof. The County 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 Series 2020 Bonds; (b) certificates representing ownership interest in or other confirmation or ownership interest in the Series 2020 Bonds; or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2020 Bonds, 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 Official Statement. 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.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully registered securities 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 Bond certificate will be issued for each maturity of the Series 2020 Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, 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 Series 2020 Bonds Exchange Act of 1934. 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 Bonds 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 its 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.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Series 2020 Bonds 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 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Series 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any), and interest payments on the Series 2020 Bonds 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 or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by 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 Participant and not of DTC, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of County or the Trustee, 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 Series 2020 Bonds at any time by giving reasonable notice to the County or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates 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, Series 2020 Bond certificates will be printed and delivered to DTC.

The information in this section 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.

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APPENDIX D

SUMMARY OF THE TRUST AGREEMENT

The following summary discussion of selected provisions of the Trust Agreement are made subject to all of the provisions of the Trust Agreement. This summary discussion does not purport to be a complete statement of said provisions and prospective purchasers of the Series 2020 Bonds are referred to the complete texts of said document, copies of which are available upon request sent to the Trustee.

Definitions

"**Accreted Value**" means, with respect to any Capital Appreciation Bond or Convertible Auction Rate Security, as of any date of calculation, the sum of the Principal Amount thereof and the interest accrued thereon to such date of calculation, compounded from the date of initial issuance at (a) in the case of Capital Appreciation Bonds, the stated yield to maturity thereof, and (b) in the case of Convertible Auction Rate Securities, the stated yield to the Full Accretion Date, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year comprised of twelve 30-day months.

"Act" means Articles 10 and 11 (commencing with Section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code.

"Additional Bonds" means Bonds other than Series 2005 A Bonds and the Series 2020 Bonds issued under the Trust Agreement in accordance with the provisions of the Trust Agreement.

"Administrative Expense Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Auction Rate Securities" means all Bonds issued in such Mode prior to their Fixed Rate Conversion Date, if any, in any one or more Tranches and, unless otherwise indicated, all references in the Trust Agreement to Auction Rate Securities shall include Convertible Auction Rate Securities.

"Authorized Denominations" means (a) as to Bonds issued as Standard Bonds, $5,000 principal amount or any integral multiple thereof, (b) as to Bonds issued as Listed Securities, $25 principal amount or any integral multiple thereof, (c) as to Bonds issued as Auction Rate Securities (other than Convertible Auction Rate Securities), $25,000 principal amount or any integral multiple thereof, (d) as to Bonds issued as Capital Appreciation Bonds, $5,000 Maturity Amount or any integral multiple thereof, (e) as to Bonds issued as Index Bonds, $5,000 principal amount or any integral multiple thereof, (f) as to Bonds issued as Convertible Auction Rate Securities, $25,000 Maturity Amount or any integral multiple thereof, and (g) any other principal amount or integral multiple thereof as provided in a Supplemental Trust Agreement.

"Authorized Officer" means, with respect to the County, the Treasurer-Tax-Collector of the County, the County Executive Officer of the County, the Assistant County Executive Officer of the County, the County Finance Director of the County, the Deputy County Executive Officer of the County and any other person designated as an Authorized Officer of the County in a Written Certificate of the County filed with the Trustee.

"Beneficial Owner" means (a) as to Auction Rate Securities, a customer of a Broker-Dealer (other than the County) who is listed on the records of that Broker-Dealer (or, if applicable, the Auction Agent) as a holder of Auction Rate Securities, and (b) as to all Bonds that are not Auction Rate Securities, the beneficial owner of each such Bond, determined under the rules of DTC.

"Bond Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Bonds" means the Series 2005 A Bonds, the Series 2020 Bonds and all Additional Bonds.

"Business Day" means any day other than (a) a Saturday or a Sunday, (b) a day on which banking institutions in the city in which the Corporate Trust Office of the Trustee is located or banking institutions in New York, New York, are authorized or required by law to be closed, or (c) a day on which the New York Stock Exchange is closed.

"Capital Appreciation Bonds" means Bonds the interest on which is payable at maturity and compounded on each Interest Payment Date through and including the maturity dates thereof as specified in the Supplemental Trust Agreement pursuant to which such Bonds are issued.

"Closing Date" means the date on which the Series 2005 A Bonds are delivered to the original purchaser of the Series 2005 A Bonds.

"**Continuing Disclosure Certificate**" means the Continuing Disclosure Certificate, dated as of the date of the Trust Agreement, of the County, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Convertible Auction Rate Securities" means all Bonds issued as Auction Rate Securities, which by their terms accrete interest on a compounded basis through the Full Accretion Date and, thereafter bear interest at a rate which will be established in accordance with the auction provisions set forth in a Supplemental Trust Agreement, payable, together with their Accreted Value, solely at maturity or on a redemption date, if any.

"Corporate Trust Office" means such corporate trust office of the Trustee as may be designated from time to time by written notice from the Trustee to the County, initially being Los Angeles, California; provided, however, that the Trustee may designate in writing to the County and the Owners such other office or agency from time to time for purposes of registration, transfer, exchange, payment or redemption of any of the Bonds.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the County relating to the authorization, issuance, sale and delivery of the Bonds, including but not limited to printing expenses, rating agency fees, bond insurance premiums, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel (including the Trustee's first annual administrative fee), the first annual fee of the Auction Agent, the first year of fees of any Broker-Dealer, fees, charges and disbursements of attorneys, financial advisors, actuaries, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"County" means the County of Riverside, a political subdivision duly organized and existing under the Constitution and laws of the State.

"Counterparty" means, with respect to a Qualified Swap Agreement, the party thereto that is not the County.

"Counterparty Swap Payments" means, with respect to a Qualified Swap Agreement, the regularly scheduled payments payable by the Counterparty under such Qualified Swap Agreement.

"County Swap Payments" means, with respect to a Qualified Swap Agreement, the regularly scheduled payments payable by the County under such Qualified Swap Agreement.

"Defeasance Securities" means any of the following to the extent then permitted by applicable laws of the State:

(a) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series -- " SLGs").

(b) Direct obligations of the Treasury of the United States which have been stripped by the Treasury itself, CATS, TIGRS and similar securities

(c) Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.

(d) Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

(e) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.

(i) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

(ii) Farmers Home Administration (FmHA)
Certificates of beneficial ownership

(iii) Federal Financing Bank

(iv) General Services Administration
Participation certificates

(vi) U.S. Maritime Administration
Guaranteed Title XI financing

(vii) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

"Deposit Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"DTC" means The Depository Trust Company and any successor thereto or any nominee thererof.

"Event of Default" means an event described as such in the Trust Agreement.

"**First Supplemental Trust Agreement**" means the First Supplemental Trust Agreement, dated as of May 1, 2020, by and between the County and Wells Fargo Bank, National Association, as Trustee.

"Fiscal Year" means the twelve-month period ending on June 30 of each year, or any other annual accounting period hereafter selected and designated by the County as its Fiscal Year in accordance with applicable law.

"Fitch" means Fitch, Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then the term "Fitch" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the County.

"Fixed Rate" means a rate of interest that does not change during a specific term, without adjustment, resetting or variation due to the effects of marketing, remarketing or indices.

"Fixed Rate Bonds" means those Bonds which, by their terms, bear interest at Fixed Rates, payable semiannually (except that the first interest period with respect thereto may be more or less than six months but not more than twelve months following their date of issuance), and shall include Standard Bonds and Bonds issued as Listed Securities.

"Fixed Rate Conversion Date" means the date upon which a fixed rate conversion occurs.

"Full Accretion Date" means the date that each Convertible Auction Rate Security shall reach its stated Maturity Amount, assuming in any semiannual period that the value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months, as specified in the Trust Agreement.

"Index Bonds" means those Bonds which, by their terms, bear interest at an Index Rate, and are payable as to principal and interest quarterly or at such other times as are specified in the Supplemental Trust Agreement pursuant to which such Index Bonds are issued.

"Index Rate" means the interest rate on Index Bonds established as provided in the Supplemental Trust Agreement pursuant to which such Index Bonds are issued.

"Information Services" means any of the following services which has been designated in a certificate of the County delivered to the Trustee: Financial Information, Inc.'s "Daily Called Bond Service", 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; FIS/Mergent, Inc., 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attn: Call Notification; Standard & Poor's Securities Evaluation, Inc., 55 Water Street, 45th Floor, New York, New York 10041, Attention: Notification Department; Xcitek, 5 Hanover Square, New York, New York 10004; or such other services providing information with respect to called bonds as the County may designate in a certificate of the Agency delivered to the Trustee.

"Interest Accrual Date" means each date established for the accrual and compounding of interest on Capital Appreciation Bonds and Convertible Auction Rate Securities, as specified in the Trust Agreement.

"Interest Payment Date" (a) with respect to the Series 2005 A Bonds, means February 15 and August 15 of each year, commencing August 15, 2005, (b) with respect to the Series 2020 Bonds, means February 15 and August 15 of each year, commencing August 15, 2020, and (c) with respect to any Additional Bonds, the dates specified in the Supplemental Trust Agreement pursuant to which such Additional Bonds are issued.

"Interest Rate Period" means any designated period during which Bonds are Outstanding in the form of Auction Rate Securities or bear interest at the Index Rate.

"LIBOR" on any date of determination for any Auction Rate Period, means:

(a) subject to clause (b) below (A) for any Standard Auction Rate Period or any Special Auction Rate period of fewer than 49 days, the offered rate for deposits in U.S. dollars for a one-month period which appears on Telerate Page 3750 at approximately 11:00 a.m., London time, on such date, or if such date is not a London Business Day, then on the next preceding London Business day (the "calculation date") and (B) for any Special Auction Rate period of (i) 49 or more but fewer than 70 days, such rates for deposits in U.S. dollars for a two-month period; (ii) 70 or more but fewer than 85 days, the arithmetic average of such rates for deposits in U.S. dollars for two-and three-month periods; (iii) 85 or more but fewer than 120 days, such rate for deposits in U.S. dollars for a three-month period; (iv) 120 or more but fewer than 148 days, the arithmetic average of such rates for deposits in U.S. dollars for three-and six-month periods; (v) 148 or more but fewer than 180 days, such rate for deposits in U.S. dollars for a six-month period; (vi) 180 or more but fewer than 225 days, the arithmetic average of such rates for deposits in U.S. dollars for six- and nine-month periods; (vii) 225 or more but fewer than 290 days, such rate for deposits in U.S. dollars for a nine-month period; (viii) 290 or more but fewer than 325 days, the arithmetic average of such rates for deposits in U.S. dollars for nine-month and one-year periods; and (ix) 325 days or more, such rate for deposits in U.S. dollars for a one-year period; or

(b) if, on any calculation date, no rate appears on Telerate Page 3750 as specified in clause (a) above, the arithmetic average of the offered quotations of four major banks in the London interbank market, selected by the Auction Agent for deposits in U.S. dollars for the respective periods specified in clause (a) above to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such calculation date and in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time, unless fewer than two such quotations are provided, in which case, the arithmetic average of the rates quoted at approximately 11:00 a.m., New York time, on the date next preceding such calculation date by three major banks in the City of New York, selected by the Auction Agent, for loans in U.S. dollars to leading European banks in a principal amount of not less than $1,000,000 that is representative of a single transaction in such market at such time.

"Listed Securities" means those Bonds which, by their terms, bear interest at Fixed Rates, and which are listed on the New York Stock Exchange.

"London Business Day" means a day that is a Business Day and a day on which dealings in deposits in U.S. dollars are transacted, or with respect to any future date, are expected to be transacted, in the London, U.K., interbank market.

"**Maturity Amount**" means (a) the accreted value of any Capital Appreciation Bond on its maturity date, and (b) the accreted value of any Convertible Auction Rate Security on its Full Accretion Date.

"Mode" means the Principal Amount, Authorized Denomination, interest rate and payment structure, including any methodology for the reset thereof, for any Series of Bonds; the Trust Agreement authorizes the issuance of Bonds in the following Modes: Fixed Rate Bonds, Listed Securities, Auction

Rate Securities (including Convertible Auction Rate Securities), Capital Appreciation Bonds, Index Bonds and any other Mode as set forth in a Supplemental Trust Agreement.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the services of a municipal securities rating agency, then the term "Moody's" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the County.

"Opinion of Counsel" means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the County.

"Outstanding" means, when used as of any particular time with reference to Bonds (subject to the provisions of the Trust Agreement), all Bonds theretofore or thereupon executed by the County and authenticated by the Trustee, except (a) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation in accordance with the Trust Agreement, (b) Bonds paid or deemed to have been paid within the meaning of the Trust Agreement, and (c) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the County pursuant to the Trust Agreement.

"Owner" means, with respect to any Bond, the registered owner thereof, as shown on the registration books maintained by the Trustee under the Trust Agreement.

"Pension Liability Management Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Permitted Investments" means any of the following to the extent then permitted by applicable laws of the State:

(a) Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

(i) U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

(ii) Farmers Home Administration (FmHA)
Certificates of beneficial ownership

(iii) Federal Financing Bank

(iv) Federal Housing Administration Debentures (FHA)

(v) General Services Administration
Participation certificates

(vi) Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations

(vii) U.S. Maritime Administration
Guaranteed Title XI financing

(viii) U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

(i) Federal Home Loan Bank System
Senior debt obligations

(ii) Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations

(iii) Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

(iv) Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations

(v) Resolution Funding Corp. (REFCORP) obligations

(vi) Farm Credit System
Consolidated systemwide bonds and notes

(d) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating if rated by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's of Aaa, Aal or Aa2, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee or such holding company provide investment advisory or other management services.

(e) Certificates of deposit secured at all times by collateral described in (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks, which may include the Trustee and its affiliates. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

(f) Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF, which may include those of the Trustee and its affiliates.

(g) Investment Agreements, including GICs, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to the 2005 Bond Insurer.

(h) Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

(i) Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

(j) Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P, which may include the Trustee and its affiliates.

(k) Repurchase Agreements for 30 days or less must follow the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to the 2005 Bond Insurer.

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

(i) Repos must be between the County or the Trustee and a dealer bank or securities firm

(A) Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by S&P and Moody's, or

(B) Banks rated "A" or above by S&P and Moody's.

(ii) The written repo contract must include the following:

(A) Securities which are acceptable for transfer are:

(1) Direct U.S. governments, or

(2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

(B) The term of the repo may be up to 30 days

(C) The collateral must be delivered to the Trustee (if the Trustee is not supplying the collateral) or third party acting as agent for the Trustee (if the Trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

(D) Valuation of Collateral

(1) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(a) The value of collateral must be equal to 104% of the amount of cash transferred by the County or the Trustee to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by the County or the Trustee, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

(iii) Legal opinion which must be delivered to the County:

(A) Repo meets guidelines under state law for legal investment of public funds.

(l) The County Treasurer's Pooled Investment Fund (as that term is defined in Section 16429.1 of the Government Code of the State, as such Section may be amended or recodified from time to time.

(m) Any state administered pooled investment fund in which the County is statutorily permitted or required to invest including, but not limited to, the Local Agency Investment Fund in the treasury of the State.

(n) Investment Trust of California (CalTRUST).

(o) Any other investment approved by the 2005 Bond Insurer.

"PERS Contract" means the contract dated April 1, 1945 and witnessed December 26, 1944, and as amended effective February 1, 1948, September 1, 1949, January 1, 1952, February 1, 1954, January 1, 1960, February 1, 1960, July 1, 1961, January 2, 1963, December 1, 1964, October 3, 1968, February 5, 1970, March 28, 1974, June 6, 1974, October 10, 1974, March 10, 1977, April 7, 1977, July 14, 1977, October 1, 1977, February 1, 1980, July 23, 1981, September 17, 1981, November 26, 1982, February 17, 1983, September 1, 1984, November 21, 1985, March 13, 1986, June 6, 1986, January 15, 1987, August 25, 1988, December 25, 1992, June 20, 1995, December 1, 1995, December 19, 1996, December 24, 1998, April 6, 2000, September 1, 2000, June 28, 2001, January 11, 2002 and July 11, 2002, between the County and the System, as heretofore and hereafter amended from time to time.

"Principal Amount" means (a) as to any Fixed Rate Bond, Auction Rate Security (other than a Convertible Auction Rate Security) or Index Bond, the principal amount thereof, and (b) as to any Capital Appreciation Bond or Convertible Auction Rate Security, the Maturity Amount thereof.

"Principal Payment Date" means each February 15 on which principal is due on the Bonds.

"Qualified Swap Agreement" means any ISDA Master Swap Agreement, by and between the County and a Qualified Swap Provider acceptable to the 2005 Bond Insurer, which includes Schedule A thereto and the applicable Commitment (a) that is entered into by the County with an entity that is a Qualified Swap Provider at the time the arrangement is entered into, (b) which provides either (i) that the County shall pay to the Qualified Swap Provider an amount based on the interest accruing at a fixed rate on an amount equal to the Principal Amount of Outstanding Bonds covered by such Qualified Swap Agreement, if any, and that the Qualified Swap Provider shall pay to the County an amount based on the interest accruing on a principal amount equal to the then-Outstanding Principal Amount of the affected Bonds, at a variable rate of interest computed according to a formula set forth in the Qualified Swap Agreement (which need not be the same formula by which the Auction Rate, if applicable, is calculated) or that one shall pay to the other any net amount due under such arrangement, or (ii) that the County shall pay to the Qualified Swap Provider an amount based on the interest accruing on a principal amount equal to the

Principal Amount of Outstanding Bonds covered by such Qualified Swap Agreement, at a variable rate of interest computed according to a formula set forth in the Qualified Swap Agreement (which need not be the same formula by which the Auction Rate, if applicable, is calculated), and that the Qualified Swap Provider shall pay to the County an amount based on the interest accruing at a fixed rate on a principal amount equal to the then-Outstanding Principal Amount of the affected Bonds, or that one shall pay to the other any net amount due under such arrangement, and (c) which has been designated in writing to the Trustee in a Written Certificate of the County as a Qualified Swap Agreement with respect to the affected Bonds; provided, however, that the County shall have notified each Rating Agency of its intention to enter into the proposed Qualified Swap Agreement and shall have determined that the execution and delivery of such Qualified Swap Agreement would not cause the reduction or withdrawal of the then current rating on any of the Bonds by any such Rating Agency.

"Qualified Swap Provider" means with respect to the counterparty under any Qualified Swap Agreement meeting the requirements of the definition thereof, a financial institution approved by the County and the 2005 Bond Insurer, and (a) the long-term, unsecured and unsubordinated obligations of which are rated at the time of execution of the related Qualified Swap Agreement by at least two Rating Agencies as not lower than "A2" by Moody's or "A" by S&P or Fitch, or (b) the obligations of which under the particular Qualified Swap Agreement are unconditionally guaranteed by a bank or non-bank financial institution, the long-term, unsecured and unsubordinated obligations of which are rated at the time of execution of the Qualified Swap Agreement by at least two Rating Agencies as not lower than "A2" by Moody's or "A" by S&P or Fitch.

"Rating Agencies" means Fitch, Moody's and S&P, but in each case only to the extent that such Rating Agency is then rating the Bonds at the request of the County.

"Record Date" means, with respect to (a) Fixed Rate Bonds, the first day (whether or not such day is a Business Day) of the month of each Interest Payment Date, (b) Auction Rate Securities, the day (whether or not such day is a Business Day) immediately preceding each Interest Payment Date, (c) Capital Appreciation Bonds, the fifteenth day (whether or not such day is a Business Day) of the month immediately preceding the maturity thereof or such other date set forth in a Supplemental Trust Agreement, and (d) Index Bonds, the close of business on the Business Day prior to the next Interest Payment Date.

"Redemption Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Refunding Fund" means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

"Representation Letter" means the Letter of Representations from the County to DTC, or any successor Securities Depository for the Bonds, in which the County makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

"Retirement Law" means the Public Employees' Retirement Law, commencing with Section 20000 of the California Government Code.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the laws of the State of New York, and its successors or assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a municipal securities rating agency, then the term "Standard & Poor's" shall be deemed to refer to any other nationally recognized municipal securities rating agency selected by the County.

"Securities Depository" means DTC and its successors and assigns or any other securities depository selected by the County which agrees to follow the procedures required to be followed by such securities depository in connection with the Bonds that are in book-entry form.

"Series" means all of the Bonds designated as being within a certain series, regardless of variations in maturity date, interest rate (but within the same Mode), redemption and other provisions, and any Bonds thereafter issued in transfer or exchange for such Bonds pursuant to the Trust Agreement.

"Series 2005 A Bonds" means the County of Riverside Taxable Pension Obligation Bonds, Series 2005 A, issued under the Trust Agreement.

"**Series 2020 Bonds**" means the County of Riverside Taxable Pension Obligation Bonds, Series 2020, issued under the First Supplemental Trust Agreement.

"**Series 2020 Closing Date**" means the date upon which the Series 2020 Bonds are delivered to the Series 2020 Original Purchaser.

"**Series 2020 Continuing Disclosure Certificate**" means the Continuing Disclosure Certificate, dated as of the date of the First Supplemental Trust Agreement, of the County, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"**Series 2020 Original Purchaser**" means the original purchaser of the Series 2020 Bonds from the County.

"**Series 2020 Participating Underwriters**" has the meaning ascribed to the term "Participating Underwriters" in the Series 2020 Continuing Disclosure Certificate.

"Service Charges" means (a) the regularly scheduled fees and charges payable by the County to the Auction Agent under the Auction Agreement, (b) the regularly scheduled fees and charges payable by the County a Broker-Dealer under a Broker-Dealer Agreement, (c) the regularly scheduled fees and charges payable by the County to the Trustee under the Trust Agreement, (d) ordinary fees and charges payable to a Rating Agency for its rating of the Bonds, (e) other ordinary fees and charges payable by the County to a third party for administrative services with respect to the Bonds.

"Standard Bonds" means those Fixed Rate Bonds issued in Authorized Denominations of $5,000 and any integral multiple thereof.

"State" means the State of California.

"Supplemental Trust Agreement" means any supplemental trust agreement amendatory of or supplemental to the Trust Agreement, but only if and to the extent that such supplemental trust agreement is specifically authorized under the Trust Agreement.

"System" means the California Public Employees' Retirement System.

"Telerate Page 3750" means the display designated on page 3750 on Moneyline Telerate, Inc. (or such other page as may subsequently replace the 3750 page on that service or such other service as may be nominated by the British Banker's Association for the purpose of displaying London interbank offered rates for U.S. dollar deposits).

"Term Bonds" means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

"Tranche" means the designated portion of a Series of Bonds sharing a particular Mode, and other characteristics, designated as such in the Trust Agreement; provided, however, that each Tranche of Bonds within a Series of Bonds must be within the same Mode.

"Trust Agreement" means the Trust Agreement, dated as of February 1, 2005, by and between the County and the Trustee, as originally executed and as it may from time to time be amended or supplemented by one or more Supplemental Trust Agreements.

"Trustee" means Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States, or any successor thereto as Trustee under the Trust Agreement, appointed as provided in the Trust Agreement.

"2005 Bond Insurer" means MBIA Insurance Corporation, a stock insurance company incorporated under the laws of the State of New York, as issuer of the 2005 Bond Insurance Policy.

"2005 Bond Insurance Policy" means the financial guaranty insurance policy issued by the 2005 Bond Insurer guaranteeing the payment when due of the principal of and interest on the 2005 Insured Bonds.

"2005 Insured Bonds" means the Series 2005 A Bonds maturing on February 15, 2006, February 15, 2007, February 15, 2008, February 15, 2009, February 15, 2010, and February 15, 2011, and the Series 2005 A Bonds maturing on February 15, 2025 and bearing interest at the rate of 4.910% (CUSIP Number 76913CAR0).

"Written Certificate" and **"Written Request"** of the County mean, respectively, a written certificate or written request signed in the name of the County by an Authorized Officer. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Certain Bond Provisions

Mutilated, Destroyed, Stolen or Lost Bonds. If any Bond shall become mutilated, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond or Bonds of the same Series of Bonds and maturity of Authorized Denominations equal in aggregate Principal Amount or, with respect to Convertible Auction Rate Securities prior to the Full Accretion Date and Capital Appreciation Bonds, Accreted Value to the Bond so mutilated in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated, and every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Owner, shall thereupon authenticate and deliver a new Bond of the same Series of Bonds and maturity of authorized denominations equal in aggregate Principal Amount or, with respect to Convertible Auction Rate Securities prior to the Full Accretion Date and Capital Appreciation Bonds, Accreted Value to the Bond so lost, destroyed or stolen in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond delivered under the Trust Agreement and of the expenses which may be incurred by the County and the Trustee in the premises. Any Bond delivered under the provisions of the Trust Agreement in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits thereof with all other Bonds secured hereby, and neither the County nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued under the Trust Agreement or for the purpose of determining any percentage of Bonds Outstanding thereunder, but both the original and replacement Bond shall be treated as one and the same.

Temporary Bonds. The Bonds issued under the Trust Agreement may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery, which temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the County, shall be in fully registered form and may contain such reference to any of the provisions of the Trust Agreement as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the County in accordance with the terms thereof. If the County issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds definitive Bonds. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under the Trust Agreement as definitive Bonds delivered thereunder.

Book-Entry System for the Series 2020 Bonds. (a) Except as otherwise provided in the Trust Agreement, the Series 2020 Bonds shall initially be issued in the form of a single authenticated fully registered bond for each Principal Payment Date of the Series 2020 Bonds, and shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Series 2020 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2020 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Trustee and the County may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2020 Bonds registered in its name for the purposes of payment of the principal or redemption price of and the interest on such Series 2020 Bonds, selecting the Series 2020 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners under the Trust Agreement, registering the transfer of the Series 2020 Bonds, obtaining any consent or other action to be taken by Owners of the Series 2020 Bonds and for all other purposes whatsoever, and neither the Trustee nor the County shall be affected by any notice to the contrary. Neither the Trustee nor the County shall have any responsibility or obligation to any Participant (which shall mean, for purposes of the Trust Agreement described under this section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Series 2020 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being an Owner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or the interest on any of the Series 2020 Bonds, (iii) any notice which is permitted or required to be given to Owners of Series 2020 Bonds under the Trust Agreement, or (iv) any consent given or other action taken by DTC as Owner of Series 2020 Bonds. The Trustee shall pay the principal or redemption price of and the interest on the Series 2020 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the County's obligations with respect to the Series 2020 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Series 2020 Bonds will be transferable to such new nominee in accordance with the Trust Agreement as described in paragraph (f) below.

(c) In the event that the County determines that it is in the best interests of the Beneficial Owners of the Series 2020 Bonds that they be able to obtain definitive Series 2020 Bonds, the Trustee shall, upon receipt of a Written Request of the County, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of definitive Series 2020 Bonds, and in such event the Series 2020 Bonds shall be transferable in accordance with the Trust Agreement as described in paragraph (f) below. DTC may determine to discontinue providing its services with respect to the Series 2020 Bonds at any time by giving written notice of such discontinuance to the Trustee or the County and discharging its responsibilities with respect thereto under applicable law, and in such event the Series 2020 Bonds shall be transferable in accordance with the Trust Agreement as described in paragraph (f) below. Whenever DTC requests the Trustee or the County to do so, the Trustee and the County will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another Securities Depository to maintain custody of all certificates evidencing the Series 2020 Bonds then Outstanding, and in such event the Series 2020 Bonds shall be transferable to such Securities Depository in accordance with the Trust Agreement as described in paragraph (f) below, and thereafter, all references in the Trust Agreement to DTC or its nominee shall be deemed to refer to such successor Securities Depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of the Trust Agreement to the contrary, so long as all Series 2020 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal or redemption price of and the interest on each such Series 2020 Bond and all notices with respect to each such Series 2020 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The County is authorized and requested under the Trust Agreement to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions thereunder.

(f) In the event that any transfer or exchange of Series 2020 Bonds is authorized under the Trust Agreement, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2020 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of the Trust Agreement. In the event that definitive Series 2020 Bonds are issued to Owners other than Cede & Co., its successor as nominee for DTC as Owner of all the Series 2020 Bonds, another Securities Depository as holder of all the Series 2020 Bonds, or the nominee of such successor Securities Depository, the provisions of the Trust Agreement related to transfer and exchange shall also apply to, among other things, the registration, exchange and transfer of the Series 2020 Bonds and the method of payment of the principal or redemption price of and the interest on the Series 2020 Bonds.

Pledge; Funds

Pledge. Subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth in the Trust Agreement, all of the amounts held in the Bond Fund are pledged by the County to secure the payment of the principal, Accreted Value or redemption price of and interest on the Bonds in accordance with their terms, the provisions of the Trust Agreement and the Act. Said pledge shall constitute a first lien on such assets.

Bond Fund. (a) The Trustee shall establish and maintain a special fund designated the "Bond Fund."

(b) The County agrees and covenants that, not later than July 31 of each year, it will transfer to the Trustee an amount which, together with the amount then on deposit in the Bond Fund, will equal the amount of the principal and Accreted Value of and interest on the Bonds coming due in the then current Fiscal Year and in July of the following Fiscal Year; provided, however, that, if and to the extent that all or a portion of the Bonds are the subject of a Qualified Swap Agreement, the interest coming due on such Bonds in the then current Fiscal Year and in July of the following Fiscal Year shall be excluded from such amount. The Trustee shall, upon receipt of the amount required to be transferred by the County pursuant to this paragraph, deposit such amount in the Bond Fund.

(c) In order to determine the interest on Auction Rate Securities and Index Bonds coming due in a Fiscal Year for purposes of subsection (b), above, it shall be assumed (i) that Auction Rate Securities with an Auction Rate Period of less than 360 Rate Period Days and Index Bonds will bear interest during such Fiscal Year at an assumed interest rate equal to the actual average interest rate for the immediately preceding Fiscal Year plus 200 basis points (2.00%) and, if such information is not available for the full immediately preceding Fiscal Year, that such Bonds will bear interest during such Fiscal Year at an assumed interest rate equal to the average one-month LIBOR plus 200 basis points (2.00%) for the immediately preceding Fiscal Year, provided, however, that if the average one-month LIBOR for the prior Fiscal Year is not available, then such debt service shall be calculated at a rate mutually agreed to by the County and the 2005 Bond Insurer, and (ii) that Auction Rate Securities with an Auction Rate Period of 360 Rate Period Days or longer will bear interest during such Fiscal Year at an assumed interest rate equal to the actual interest rate in effect for such Auction Rate Securities.

(d) Immediately upon receipt thereof, the Trustee shall deposit all Counterparty Swap Payments in the Bond Fund.

(e) In the event that, on the third Business Day immediately preceding an Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal and Accreted Value, if any, of and interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall immediately notify the County and the 2005 Bond Insurer of the amount of such insufficiency. Upon being so notified, the County shall, prior to the close of business on the Business Day immediately preceding such Interest Payment Date, deliver or cause to be delivered to the Trustee immediately available funds in an amount equal to the amount of such insufficiency. Immediately upon receipt thereof, the Trustee shall deposit such funds in the Bond Fund.

(f) On each Interest Payment Date, the Trustee shall withdraw from the Bond Fund for payment to the Owners of the Bonds the principal and Accreted Value, if any, of and interest on the Bonds then due and payable. If there are insufficient funds in the Bond Fund to pay the principal and Accreted Value, if any, of and interest on the Bonds, the Trustee shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal and Accreted Value of the Bonds.

Deposit Fund. (a) If the County shall enter into a Qualified Swap Agreement with respect to the Bonds, the County shall send written notice thereof to the Trustee. Upon receipt of the first of any such notices, the Trustee shall establish a special fund designated the "Deposit Fund," which the Trustee shall maintain so long as any Qualified Swap Agreement with respect to the Bonds remains in effect.

(b) The County agrees and covenants that, not later than the fifth Business Day prior to July 31 of each year in which a Qualified Swap Agreement with respect to the Bonds is in effect (or such other day as may be agreed to from time to time by the 2005 Bond Insurer), it will transfer to the Trustee an amount which, together with the amount then on deposit in the Deposit Fund, will equal the amount of the County Swap Payments coming due in the then current Fiscal Year and in July of the following Fiscal Year. The Trustee shall, upon receipt of the amount required to be transferred by the County pursuant to this paragraph, deposit such amount in the Deposit Fund.

(c) In the event that, on the second Business Day immediately preceding a date on which County Swap Payments are due and payable under a Qualified Swap Agreement (or such other day as may be agreed to from time to time by the 2005 Bond Insurer), amounts in the Deposit Fund are insufficient to pay such County Swap Payments, the Trustee shall immediately notify the County of the amount of such insufficiency. Upon being so notified, the County shall, prior to the close of business on the date on which such County Swap Payments are due and payable, deliver or cause to be delivered to the Trustee immediately available funds in an amount equal to the amount of such insufficiency. Immediately upon receipt thereof, the Trustee shall deposit such funds in the Deposit Fund.

(d) On each date on which County Swap Payments are due and payable under a Qualified Swap Agreement, the Trustee shall withdraw from the Deposit Fund for payment to the Counterparty under such Qualified Swap Agreement an amount equal to such County Swap Payments.

Pension Liability Management Fund. (a) The Trustee shall establish and maintain a special fund designated the "Pension Liability Management Fund."

(b) At its sole option, the County may make deposits into the Pension Liability Management Fund at any time. Amounts in the Pension Liability Management Fund shall, as specified in a Written Request of the County (i) be transferred by the Trustee to the Bond Fund to pay principal or Accreted Value of and interest on the Bonds, (ii) be transferred to the Deposit Fund to pay County Swap Payments, (iii) be transferred by the Trustee to the Redemption Fund to pay the redemption price of Bonds optionally redeemed pursuant to the provisions of the Trust Agreement, or (iv) be transferred to the County and applied by the County to pension funding costs; amounts in the Pension Liability Management Fund shall not be used for any other purpose.

Administrative Expense Fund. (a) The Trustee shall establish and maintain a special fund designated the "Administrative Expense Fund."

(b) The County agrees and covenants that, not later than July 31 of each year, it will transfer to the Trustee an amount which, together with the amount then on deposit in the Administrative Expense Fund, will equal the amount of the Service Charges reasonably estimated by the County to be coming due in the then current Fiscal Year and in July of the following Fiscal Year. The Trustee shall, upon receipt of the amount required to be transferred by the County pursuant to this paragraph, deposit such amount in the Administrative Expense Fund.

(c) In the event that, on the second Business Day immediately preceding a date on which Service Charges are due and payable under the Auction Agreement or under a Broker-Dealer Agreement, amounts in the Administrative Expense Fund are insufficient to pay such Service Charges, the Trustee shall immediately notify the County of the amount of such insufficiency. Upon being so notified, the County shall, prior to the close of business on the date on which such Service Charges are due and payable, deliver or cause to be delivered to the Trustee immediately available funds in an amount equal to the amount of such insufficiency. Immediately upon receipt thereof, the Trustee shall deposit such funds in the Administrative Expense Fund.

(d) On each date on which Service Charges are due and payable under the Auction Agreement or under a Broker-Dealer Agreement, the Trustee shall, upon receipt of an appropriate invoice, withdraw from the Administrative Expense Fund for payment to the Auction Agent or Broker-Dealer, as applicable, an amount equal to such Service Charges. Additionally, money in the Administrative Expense Fund shall be used and withdrawn by the Trustee to pay Service Charges upon receipt of a Written Request of the County filed with the Trustee, each of which shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against the Administrative Expense Fund.

Redemption Fund. (a) The Trustee shall establish and maintain a special fund designated the "Redemption Fund."

(b) The Trustee shall deposit in the Redemption Fund amounts received from the County in connection with the County's exercise of its rights to optionally redeem Bonds pursuant to the provisions of the Trust Agreement.

(c) Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the redemption price of Bonds redeemed pursuant to the provisions of the Trust Agreement.

Deposit and Investments of Money in Funds. All money held by the Trustee in any of the funds established pursuant to the Trust Agreement shall be invested in Permitted Investments at the Written Request of the County. If no Written Request of the County is received, the Trustee shall invest funds held by it in Permitted Investments described in paragraph (d) of the definition thereof. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement under the Trust Agreement. All interest, profits and other income received from any money so invested shall be deposited in the Bond Fund. The Trustee shall have no liability or responsibility for any loss resulting from any investment made or sold in accordance with the provisions of the Trust Agreement, except for any loss due to the negligence or willful misconduct of the Trustee. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charge therefor.

Additional Bonds

Conditions for the Issuance of Additional Bonds. The County may at any time issue Additional Bonds on a parity with the Series 2005 A Bonds and the Series 2020 Bonds, but only subject to the following specific conditions, which are made conditions precedent to the issuance of any such Additional Bonds:

(a) The County shall be in compliance with all agreements and covenants contained in the Trust Agreement.

(b) The issuance of such Additional Bonds shall have been authorized pursuant to the Act and shall have been provided for by a Supplemental Trust Agreement which shall specify the following:

(i) The purpose for which such Additional Bonds are to be issued; provided that such Additional Bonds shall be applied solely for (i) the purpose of satisfying any obligation of the County to make payments to the System pursuant to the Retirement Law relating to pension benefits accruing to the System's members, and/or for payment of all costs incidental to or connected with the issuance of Additional Bonds for such purpose, and/or (ii) the purpose of refunding any Bonds then Outstanding, including payment of all costs incidental to or connected with such refunding;

(ii) Whether such Additional Bonds are fixed rate bonds, variable rate bonds, indexed notes, current interest bonds, deferred interest bonds, capital appreciation bonds, convertible capital appreciation bonds, embedded cap bonds, equity participation bonds or synthetic or hedged fixed rate bonds or such other Mode as may be set forth in a Supplemental Trust Agreement;

(iii) The authorized principal amount and designation of such Additional Bonds;

(iv) The date and the maturity dates of and the sinking fund payment dates, if any, for such Additional Bonds;

(v) The interest payment dates and principal payment dates for such Additional Bonds;

(vi) The denomination or denominations of and method of numbering such Additional Bonds;

(vii) The redemption premiums, if any, and the redemption terms, if any, for such Additional Bonds;

(viii) The amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Bond Fund; and

(ix) Such other provisions (including the requirements of a book-entry Bond registration system, if any) as are necessary or appropriate and not inconsistent with the Trust Agreement.

Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, the County shall execute such Additional Bonds for issuance under the Trust Agreement and shall deliver them to the Trustee, and thereupon such Additional Bonds shall be delivered by the Trustee to the purchaser thereof upon the Written Request of the County, but only upon receipt by the Trustee of the following documents or money or securities, all of such documents dated or certified, as the case may be, as of the date of delivery of such Additional Bonds by the Trustee:

(a) An executed copy of the Supplemental Trust Agreement authorizing the issuance of such Additional Bonds;

(b) A Written Request of the County as to the delivery of such Additional Bonds;

(c) An Opinion of Counsel to the effect that (i) the County has executed and delivered the Supplemental Trust Agreement, and the Supplemental Trust Agreement is valid and binding upon the County, and (ii) such Additional Bonds are valid and binding obligations of the County;

(d) A Written Certificate of the County stating that all requirements of the Trust Agreement have been complied with and containing any other such statements as may be reasonably necessary to show compliance with the conditions for the issuance of such Additional Bonds contained therein;

(e) Such further documents, money or securities as are required by the provisions of the Supplemental Trust Agreement providing for the issuance of such Additional Bonds.

Procedure for the Issuance of Series 2020 Bonds

At any time after the sale of the Series 2020 Bonds in accordance with the Act, the County shall execute the Series 2020 Bonds for issuance under the Trust Agreement and shall deliver them to the Trustee, and thereupon the Series 2020 Bonds shall be authenticated and delivered by the Trustee upon the Written

Request of the County and upon receipt of payment therefor from the Series 2020 Original Purchaser. Upon receipt of payment for the Series 2020 Bonds from the Series 2020 Original Purchaser, the Trustee shall set aside and deposit the proceeds received from such sale pursuant to the Trust Agreement:

(a) The Trustee shall deposit an amount indicated in the Trust Agreement of the Series 2020 Bond proceeds in the Refunding Fund, which fund the Trustee shall reopen and reestablish. On the Series 2020 Closing Date, the Trustee shall promptly transfer all amounts in the Refunding Fund to the System. Thereafter, except as may be provided in a Supplemental Trust Agreement, the Refunding Fund shall be closed.

(b) The Trustee shall deposit an amount indicated in the Trust Agreement in the Costs of Issuance Fund, which fund the Trustee shall reopen and reestablish. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay or reimburse the Costs of Issuance of the Series 2020 Bonds upon receipt of a Written Request of the County filed with the Trustee, each of which shall be sequentially numbered and shall state the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred and that such payment is a proper charge against said fund. On the date which is six months following the Series 2020 Closing Date or upon the earlier Written Request of the County, any remaining balance in the Costs of Issuance Fund shall be transferred to the Bond Fund. Thereafter, except as may be provided in a Supplemental Trust Agreement, the Costs of Issuance Fund shall be closed.

Covenants of the County

Punctual Payment and Performance. The County shall punctually pay the principal, Accreted Value or redemption price of and interest on every Bond issued under the Trust Agreement in strict conformity with the terms of the Trust Agreement and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the County contained in the Trust Agreement and in the Bonds.

Extension of Payment of Bonds. The County shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest on the Bonds, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Trust Agreement, to the benefits of the Trust Agreement, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this paragraph shall be deemed to limit the right of the County to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Additional Debt. The County expressly reserves the right to enter into one or more other agreements or indentures for any of its purposes, and reserves the right to issue other obligations for such purposes.

Power to Issue Bonds. The County is duly authorized pursuant to law to issue the Bonds and to enter into the Trust Agreement. The Bonds and the provisions of the Trust Agreement are the legal, valid and binding obligations of the County in accordance with their terms. The Bonds constitute obligations imposed by law.

Accounting Records and Reports. The County shall keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of moneys on deposit in the funds and accounts established under the Trust Agreement.

Prosecution and Defense of Suits. The County shall defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent involving the failure of the County to fulfill its obligations under the Trust Agreement; provided that the Trustee or any affected Owner at its election may appear in and defend any such suit, action or proceeding.

Continuing Disclosure. The County shall comply with and carry out all of the provisions of the Series 2020 Continuing Disclosure Certificate. Notwithstanding any other provision of the Trust Agreement, failure of the County to comply with the Series 2020 Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Series 2020 Participating Underwriter or the holders of at least 25% aggregate Principal Amount of Outstanding Series 2020 Bonds, and upon indemnification of the Trustee to its reasonable satisfaction, shall) or any Owner or Beneficial Owner of the Series 2020 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Waiver of Laws. The County shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in the Trust Agreement or in the Bonds, and all benefit or advantage of any such law or laws is expressly waived by the County to the extent permitted by law.

Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Owner, the County will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Owners all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by the Trust Agreement.

The Trustee

The Trustee. The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in the Trust Agreement. The Trustee shall, during the existence of any Event of Default that has not been cured or waived exercise such of the rights and powers vested in it by the Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

The County, with the prior written consent of the 2005 Bond Insurer, may at any time, unless there exists any Event of Default, remove the Trustee initially appointed and any successor thereto acceptable to the 2005 Bond Insurer and may appoint a successor or successors thereto by an instrument in writing; provided, however, that any such successor shall be a bank or trust company doing business and having a corporate trust office in Los Angeles or San Francisco, California, having a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of the provisions of the Trust Agreement described under the caption "The Trustee," the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the County and the 2005 Bond Insurer and by mailing to the Owners notice of such resignation. Upon receiving such notice of resignation, the County shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. If, within 30 days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required by the Trust Agreement.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in the preceding paragraph, shall be the successor to the Trustee under the Trust Agreement and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor under the Trust Agreement, without the execution or filing of any paper or further act, anything in the Trust Agreement to the contrary notwithstanding.

The Trustee is authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the County and shall destroy such Bonds and a certificate of destruction shall be delivered to the County. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

Liability of Trustee. The recitals of facts, agreements and covenants in the Trust Agreement and in the Bonds shall be taken as recitals of facts, agreements and covenants of the County, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity of the Trust Agreement or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it in the Trust Agreement, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties under the Trust Agreement except for its own negligence, willful misconduct or breach of duty.

The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in Aggregate Principal Amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Trust Agreement at the request, order or direction of any of the Owners pursuant to the provisions of the Trust Agreement unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Owners for the payment of interest on, principal of or redemption premium, if any, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties under the Trust Agreement.

The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements in the Trust Agreement or of any of the documents executed in connection with the Bonds, or as to the existence of a default or event of default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Trustee may execute any of the trusts or powers under the Trust Agreement or perform any duties under the Trust Agreement either directly or by or through attorneys-in-fact, agents or receivers, shall not be answerable for the negligence or misconduct or any such attorney-in-fact, agent or receiver appointed by it in accordance with the standards specified above. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty under the Trust Agreement, but the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of the Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

Whether or not therein expressly so provided, every provision of the Trust Agreement, or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of the Trust Agreement described under the caption "The Trustee."

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the County), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the County, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Trust Agreement in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations under the Trust Agreement the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action under the Trust Agreement, such matter (unless other evidence in respect thereof be specifically prescribed in the Trust Agreement) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Written Certificate of the County, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Trust Agreement upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of the Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties under the Trust Agreement, or in the exercise of its rights or powers.

The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

All immunities, indemnifications and releases from liability granted in the Trust Agreement to the Trustee shall extend to the directors, employees, officers and agents thereof.

Compensation and Indemnification of Trustee. The County shall pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the exercise and performance of any of the powers and duties under the Trust Agreement of the Trustee, and the County will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of the Trust

Agreement (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence, default or willful misconduct, including the negligence or willful misconduct of any of its officers, directors, agents or employees. The County, to the extent permitted by law, shall indemnify and save the Trustee harmless against any liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties under the Trust Agreement, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence, default or willful misconduct. The duty of the County to indemnify the Trustee shall survive the termination and discharge of the Trust Agreement.

Amendment of the Trust Agreement

Amendment of the Trust Agreement. (a) The Trust Agreement and the rights and obligations of the County and of the Owners may, with the consent of the 2005 Bond Insurer, be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Owners of a majority in aggregate principal amount of the Outstanding Bonds, exclusive of Bonds disqualified as provided in the Trust Agreement, are filed with the Trustee. No such amendment shall (i) extend the maturity of or reduce the interest rate on or amount of interest on or principal, Accreted Value or redemption price of, or extend the time of payment of, any Bond without the express written consent of the Owner of such Bond, or (ii) reduce the percentage of Bonds required for the written consent to any such amendment.

(b) The Trust Agreement and the rights and obligations of the County and of the Owners may also be amended at any time by a Supplemental Trust Agreement which shall become binding without the consent of any Owners, for any one or more of the following purposes:

(i) to add to the agreements and covenants required in the Trust Agreement to be performed by the County other agreements and covenants thereafter to be performed by the County, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power reserved or conferred in the Trust Agreement on the County;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained in the Trust Agreement or in regard to questions arising under the Trust Agreement which the County may deem desirable or necessary and not inconsistent with the Trust Agreement;

(iii) to provide for the issuance of any Additional Bonds and to provide the terms of such Additional Bonds, subject to the conditions and upon compliance with the procedure set forth in the Trust Agreement;

(iv) to modify, amend or add to the provisions in the Trust Agreement to permit the qualification thereof under the Trust Agreement Act of 1939, as amended, or any similar federal statutes hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by such statute or similar statute; and

(v) to modify, amend or supplement the Trust Agreement in any manner that does not materially adversely affect the interest of Owners of Bonds.

Notwithstanding anything to the contrary in this paragraph (b), the County shall not modify, amend or supplement the Trust Agreement in any manner that materially adversely affects the rights of the 2005 Bond Insurer without the consent of the 2005 Bond Insurer (provided, that, the consent of the 2005 Bond Insurer shall not be required in connection with modifications, amendments or additions pursuant to paragraph (iii) above). The 2005 Bond Insurer shall receive written notice of any proposed amendments pursuant to this paragraph (b).

Disqualified Bonds. Bonds owned or held by or for the account of the County shall not be deemed Outstanding for the purpose of any consent or other action or any calculation of Outstanding Bonds provided in the provisions of the Trust Agreement described under the caption "Amendment of the Trust Agreement," and shall not be entitled to consent to or take any other action provided in such provisions.

Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as provided in the Trust Agreement, the County may determine that the Bonds may bear a notation by endorsement in form approved by the County as to such action, and in that case upon demand of the Owner of any Outstanding Bonds and presentation of his Bond for such purpose at the Corporate Trust Office of the Trustee a suitable notation as to such action shall be made on such Bond. If the County shall so determine, new Bonds so modified as, in the opinion of the County, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond a new Bond or Bonds shall be exchanged at the Corporate Trust Office of the Trustee without cost to each Owner for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

Amendment by Mutual Consent. The provisions of the Trust Agreement shall not prevent any Owner from accepting any amendment as to the particular Bonds held by such Owner, provided that due notation thereof is made on such Bonds.

Attorney's Opinion Regarding Supplemental Trust Agreements. The Trustee may obtain an opinion of counsel that any Supplemental Trust Agreement complies with the provisions of the Trust Agreement and the Trustee may conclusively rely upon such opinion.

Events of Default and Remedies

Events of Default. If one or more of the following events (herein called "Events of Default") shall happen, that is to say:

(a) if default shall be made by the County in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the County in the due and punctual payment of the principal, Accreted Value or redemption price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the County in the performance of any of the agreements or covenants required in the Trust Agreement to be performed by the County, and such default shall have continued for a period of 60 days after the County shall have been given notice in writing of such default by the Trustee or the Owners of not less than 25% in aggregate Principal Amount of the Bonds at the time Outstanding, specifying such default and requiring the same to be remedied, provided, however, if the default stated in the notice can be corrected, but not within the applicable period, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the County within the applicable period and diligently pursued until the default is corrected; or

(d) if the County shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the County seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the County or of the whole or any substantial part of its property.

Institution of Legal Proceedings by the Trustee; Remedies. If an Event of Default shall occur and be continuing, the Trustee may, and upon the written request of the Owners of a majority in aggregate Principal Amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of the Bonds under the Trust Agreement by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Trust Agreement, or in aid of the execution of any power granted in the Trust Agreement, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties under the Trust Agreement.

Non-Waiver. Nothing in the Trust Agreement or in the Bonds shall affect or impair the obligation of the County, which is absolute and unconditional, to pay the principal, Accreted Value or redemption price of and the interest on the Bonds to the respective Owners of the Bonds on the respective Payment Dates as provided in the Trust Agreement, or shall affect or impair the right of such Owners, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied in the Trust Agreement and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Owner shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Owner to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Owners by the Act or by the provisions of the Trust Agreement described under the caption “Events of Default and Remedies” may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the County, the Trustee and any Owner shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Remedies Not Exclusive. No remedy conferred upon or reserved to the Owners in the Trust Agreement is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given under the Trust Agreement or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

Limitation on Owners’ Right to Sue. No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under the Trust Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of at least a majority in aggregate Principal Amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers granted in the Trust Agreement or to institute such suit, action or proceeding in its own name, (c) such Owners shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred by it in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy under the Trust Agreement; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under the Trust Agreement, except in the manner provided in the Trust Agreement, and that all proceedings at law or in equity to enforce any provision of the Trust Agreement shall be instituted, had and maintained in the manner provided in the Trust Agreement and for the equal benefit of all Owners of the Outstanding Bonds.

Absolute Obligation of County. Nothing contained in the Trust Agreement or in the Bonds shall affect or impair the obligation of the County, which is absolute and unconditional, to pay the principal, Accreted Value or redemption price of and the interest on the Bonds to the respective Owners of the Bonds on their respective Payment Dates as provided in the Trust Agreement.

Defeasance

Discharge of Bonds. (a) If the County shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the interest thereon and the principal thereof and the redemption premiums, if any, thereon at the times and in the manner stipulated therein, and shall pay or provide for the payment of all fees and expenses of the Trustee and for payment of all fees and expenses owed to the 2005 Bond Insurer under the 2005 Bond Insurance Policy, then all agreements, covenants and other obligations of the County to the Owners of such Bonds under the Trust Agreement shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the County all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the County all money or securities held by it pursuant to the Trust Agreement which are not required for the payment of the interest on and principal of and redemption premiums, if any, on such Bonds.

(b) Any Outstanding Bonds shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in subsection (a) above if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the County shall have given to the Trustee in form satisfactory to it irrevocable instructions to provide notice in accordance with the Trust Agreement, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient or (B) Defeasance Securities, the interest on and principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee at the same time, shall be sufficient, in the opinion of an Independent Certified Public Accountant (addressed to the County, the Trustee and the 2005 Bond Insurer), to pay when due the principal, Accreted Value or redemption price of and the interest on such Bonds to become due on such Bonds on and prior to the maturity date or redemption date thereof, as the case may be, (iii) there shall be delivered to the Trustee an escrow agreement entered into by the County and the Trustee or other fiduciary or escrow agent, acceptable in form and substance to the 2005 Bond Insurer, (iv) there shall be delivered to the Trustee an opinion of nationally recognized bond counsel to the effect that such Series 2005 A Bonds have been paid within the meaning of the provisions of the Trust Agreement described under the caption "—Discharge of Bonds" addressed to the Trustee and the 2005 Bond Insurer, and (v) the County shall have given the Trustee in form satisfactory to it irrevocable instructions to mail to the Owners of such Bonds in accordance with the Trust Agreement notice that the deposit required by clause (ii) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the provisions of the Trust Agreement described under the caption "—Discharge of Bonds" and stating the maturity date or redemption date upon which money is to be available for the payment of the principal, Accreted Value or redemption price of and interest on such Bonds.

Unclaimed Money. Anything contained in the Trust Agreement to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or the interest thereon which remains unclaimed for two years after the date when such Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds and interest shall have become due and payable, shall be repaid by the Trustee to the County as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall not look to the Trustee for the payment of such Bonds; provided, however, that before being required to make any such payment to the County, the Trustee may, and at the request of the County shall, at the expense of the County, mail to the Owners in accordance with the Trust Agreement a notice that such money remains unclaimed and that, after a date named in such notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the County.

Insurance Policy Provisions

Rights of 2005 Bond Insurer. Notwithstanding anything to the contrary contained in the Trust Agreement, so long as the 2005 Bond Insurer is not in default under the 2005 Bond Insurance Policy (a) the 2005 Bond Insurer, acting alone, shall have the right to direct all remedies upon the occurrence and during the continuance of an Event of Default under the Trust Agreement, if and to the extent that the Owners of all of the 2005 Insured Bonds, acting together, would have the right, pursuant hereto, to so direct such remedies, (b) the 2005 Bond Insurer shall be deemed to be the Owner of all 2005 Insured Bonds for the purpose of exercising all rights and privileges available to Owners, and (c) the 2005 Bond Insurer shall have the right to institute any suit, action or proceeding at law or in equity under the same terms as an Owner of 2005 Insured Bonds in accordance with the applicable provisions of the Trust Agreement.

Other Agreements with 2005 Bond Insurer. The County shall not enter into any agreement nor shall it consent to or participate in any arrangement pursuant to which 2005 Insured Bonds are tendered or purchased for any purpose other than the redemption and cancellation or legal defeasance of such 2005 Insured Bonds without the prior written consent of the 2005 Bond Insurer.

Miscellaneous

Benefits of the Trust Agreement Limited to Parties. Nothing contained in the Trust Agreement, expressed or implied, is intended to give to any person other than the County, the Trustee, the 2005 Bond Insurer and the Owners any right, remedy or claim under or by reason of the Trust Agreement. Any agreement or covenant required in the Trust Agreement to be performed by or on behalf of the County or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Trustee, the 2005 Bond Insurer and the Owners.

To the extent that the Trust Agreement confers upon or gives or grants to the 2005 Bond Insurer any right, remedy or claim under or by reason of the Trust Agreement, the 2005 Bond Insurer is explicitly recognized as being a third party beneficiary under the Trust Agreement and may enforce any such right remedy or claim conferred, given or granted under the Trust Agreement.

Execution of Documents by Owners. Any declaration, request or other instrument which is permitted or required in the Trust Agreement to be executed by Owners may be in one or more instruments of similar tenor and may be executed by Owners in person or by their attorneys appointed in writing. The fact and date of the execution by any Owner or such Owner's attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which such person purports to act that the person signing such declaration, request or other instrument or writing acknowledged to such person the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books for the Bonds maintained by the Trustee pursuant to the Trust Agreement.

Any declaration, request, consent or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done by the Trustee or the County in good faith and in accordance therewith.

Waiver of Personal Liability. No member, officer or employee of the County shall be individually or personally liable for the payment of the principal, Accreted Value or redemption price of or the interest on the Bonds by reason of their issuance, but nothing contained in the Trust Agreement shall relieve any officer of the County from the performance of any official duty provided by the Act or any other applicable provisions of law or by the Trust Agreement.

Acquisition of Bonds by County. All Bonds acquired by the County shall be surrendered to the Trustee for cancellation.

Destruction of Cancelled Bonds. Whenever provision is made for the return to the County of any Bonds which have been cancelled pursuant to the provisions of the Trust Agreement, the Trustee shall destroy such Bonds and furnish to the County a certificate of such destruction.

Notice to Owners. Any notice required to be given by the Trustee under the Trust Agreement by mail to any Owners shall be given by mailing a copy of such notice, first class postage prepaid, or by giving such notice by telecopy or by an overnight delivery service, to such Owners at their addresses appearing in the registration books maintained by the Trustee pursuant to the Trust Agreement not less than 30 days nor more than 45 days following the action or prior to the event concerning which notice thereof is required to be given; provided, however, that receipt of any such notice shall not be a condition precedent to the effect of such notice and neither failure of any Owner to receive any such notice nor any immaterial defect contained therein shall affect the validity of the proceedings taken in connection with the action or the event concerning which such notice was given.

Content of Certificates. Every Written Certificate of the County with respect to compliance with any agreement, condition, covenant or provision provided in the Trust Agreement shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions in the Trust Agreement relating thereto, (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based, (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with, and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Written Certificate of the County may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel may be based, insofar as it relates to factual matters information with respect to which is in the possession of the County, upon a representation by an officer or officers of the County unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

Accounts and Funds; Business Days. Any account or fund required in the Trust Agreement to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with sound accounting practice and with due regard for the protection of the security of the Bonds and the rights of the Owners. Any action required to occur under the Trust Agreement on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

Governing Law. The Trust Agreement shall be governed by and construed in accordance with the laws of the State of California.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Series 2020 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the County, proposes to render its final approving opinion with respect to the Series 2020 Bonds in substantially the following form:

[Date of Delivery]

County of Riverside
4080 Lemon Street
Riverside, California

County of Riverside
Taxable Pension Obligation Bonds, Series 2020
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the County of Riverside (the "County") in connection with the issuance of $719,995,000 aggregate principal amount of County of Riverside Taxable Pension Obligation Bonds, Series 2020 (the "Series 2020 Bonds"), pursuant to Articles 10 and 11 of Chapter 3 of Division 2 of Title 5 of the California Government Code (the "Act") and the Trust Agreement, dated as of February 1, 2005, by and between the County and Wells Fargo Bank, National Association, as trustee (the "Trustee"), as amended and supplemented by the First Supplemental Trust Agreement, dated as of May 1, 2020, by and between the County and the Trustee (as so amended and supplemented, the "Trust Agreement"). Capitalized undefined terms used herein have the meanings ascribed thereto in the Trust Agreement.

In such connection, we have reviewed the Trust Agreement, opinions of counsel to the County and the Trustee, certifications of Bartel Associates, LLC, actuaries, regarding the unfunded accrued actuarial liability of the County to the California Public Employees' Retirement System, certificates of the County, the Trustee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions, including the default judgment rendered on May 3, 2004, by the Superior Court of the County of Riverside in the action entitled *County of Riverside v. All Persons Interested, etc.*, No. RIC408895, and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the original delivery of the Series 2020 Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the original delivery of the Series 2020 Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Series 2020 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the County. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Trust Agreement. We call attention to the fact that the rights and obligations under the Series 2020 Bonds and the Trust Agreement and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and 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 the limitations on legal remedies against counties in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2020 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Series 2020 Bonds constitute valid and binding obligations of the County.

2. The Trust Agreement has been duly executed and delivered by, and constitutes a valid and binding obligation of, the County.

3. Interest on the Series 2020 Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2020 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is entered into by the County of Riverside (the "County") in connection with the issuance its $719,995,000 Taxable Pension Obligation Bonds, Series 2020 (the "Series 2020 Bonds"). The Series 2020 Bonds are being issued pursuant to Trust Agreement, dated as of February 1, 2005, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2020 (collectively, the "Trust Agreement"), both by and between the County and Wells Fargo Bank, National Association, as trustee (the "Trustee"). 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 Series 2020 Bonds 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 Trust Agreement, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms have the following meanings:

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

"*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 Bonds (including persons holding a Bond through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond 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 not appointed a Dissemination Agent.

"*Financial Obligation*" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" will not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule

"*Listed Event*" means any of the events listed in Section 5 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 Series 2020 Bonds required to comply with the Rule in connection with the offering of the Series 2020 Bonds.

"*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. <u>Provision of Annual Reports</u>.

(a) The County shall, or shall cause the Dissemination Agent (if other than the County) to, not later than 60 days after the County normally receives its audited financial statements from its auditors in each year but in no event later than February 15, commencing with the audited financial statements for the 2019-20 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that if the audited financial statements of the County are not available by the date required above for the filing of the Annual Report, the County shall submit unaudited financial statements and submit the audited financial statements as soon as available. If the County's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event.

(b) If the County is unable to provide to the Repository an Annual Report by the date required in subsection (a), the County shall send a notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent (if other than the County) and the Trustee. The Dissemination Agent (if other than the County) shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent (if other than the County) shall file a report with the County stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided.

Section 4. <u>Content of Annual Reports</u>. The County's Annual Report shall contain or incorporate by reference the following financial information or operating data presented in the final Official Statement relating to the Series 2020 Bonds, updated to incorporate information for the most recent Fiscal Year:

(a) The audited financial statements of the County for the preceding Fiscal Year, prepared in accordance with Generally Accepted Accounting Principles applicable to governmental entities. If the County's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in the format similar to the financial statement contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(b) To the extent not included in the financial statements, the following type of information will be provided in one or more reports:

(i) assessed valuations, tax levies and delinquencies for real property located in the County for the Fiscal Year of the County most recently ended;

(ii) summary financial information on revenues, expenditures and fund balances for the County's total budget funds for the Fiscal Year of the County most recently ended;

(iii) summary financial information on the proposed and adopted budget of the County for the current Fiscal Year and any changes in the adopted budget;

(iv) summary of the aggregate annual debt obligations of the County as of the beginning of the current Fiscal Year;

(v) summary of the annual outstanding principal obligations of the County as of the beginning of the current Fiscal Year; and

(vi) the ratio of the County's outstanding debt to total assessed valuations as of the end of the Fiscal Year of the County most recently ended.

The contents, presentation and format of the Annual Reports may be modified from time to time as determined in the judgment of the County to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the County or to reflect changes in the business, structure, operations, legal form of the County or any mergers, consolidations, acquisitions or dispositions made by or affecting the County; provided that any such modifications shall comply with the requirements of the Rule.

The County has not undertaken in this Certificate to update all information an investor may want to have in making decisions to hold, sell or buy the Series 2020 Bonds but only to provide the specific information listed above.

Any or all of the items listed above may be incorporated by reference to other documents, including official statements of debt issues of the County or related public entities, which have been submitted to the Repository, MSRB or the Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Significant Events.

Pursuant to the provisions of this Section 5, 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 Series 2020 Bonds 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 any debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on any credit enhancements reflecting financial difficulties;

(v) substitution of any 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 Series 2020 Bonds, or other material events affecting the tax status of the Series 2020 Bonds;

(vii) modifications to the rights of Owners of the Series 2020 Bonds, 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 Series 2020 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the County (for purposes of the event identified in this Subsection 5(xii), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);

(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; and

(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 agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security 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.

Section 6. Termination of Reporting Obligation. The County's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2020 Bonds or upon delivery to the County and to the Dissemination Agent (if other than the County) 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 Series 2020 Bonds, the County shall give notice of such termination in the same manner as for a Listed Event under Section 5.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent (if other than the County) to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent (if other than the County), with or without appointing a successor Dissemination Agent (if other than the County). The Dissemination Agent (if other than the County) may resign by providing 60 days' written notice to the County. The Dissemination Agent (if other than the County) shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Certificate.

Section 8. 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, Section 4 or Section 5, 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 Series 2020 Bonds, 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 Series 2020 Bonds, 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 Series 2020 Bonds in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners of the Series 2020 Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Series 2020 Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the County shall describe such amendment in its next Annual 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 9. 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 Annual 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 Annual 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 Annual Report or notice of occurrence of a Listed Event.

Section 10. 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 Series 2020 Bonds 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 Trust Agreement with respect to the Series 2020 Bonds, 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 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent (if other than the County) 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 (if other than the County), 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 (if other than the

County) negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent (if other than the County) and payment of the Series 2020 Bonds.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the County, the Dissemination Agent (if other than the County), the Participating Underwriters, the Owners and Beneficial Owners from time to time of the Series 2020 Bonds, and shall create no rights in any other person or entity.

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

Dated: May 6, 2020

COUNTY OF RIVERSIDE

By ____
County Executive Officer

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES
OF FAILURE TO FILE REPORT

Name of Issuer:	County of Riverside, California
Name of Bond Issue:	$719,995,000 County of Riverside, California Taxable Pension Obligation Bonds, Series 2020
Issuance Date:	May 6, 2020

NOTICE IS HEREBY GIVEN that the COUNTY OF RIVERSIDE (the "County") has not provided the Annual Report with respect to the above named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated as of May 6, 2020, executed and delivered by the County. The County anticipates that such report will be filed by _______________.

Dated: _______________

COUNTY OF RIVERSIDE

By ____
Authorized Officer

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APPENDIX G

MID-YEAR BUDGET REPORT

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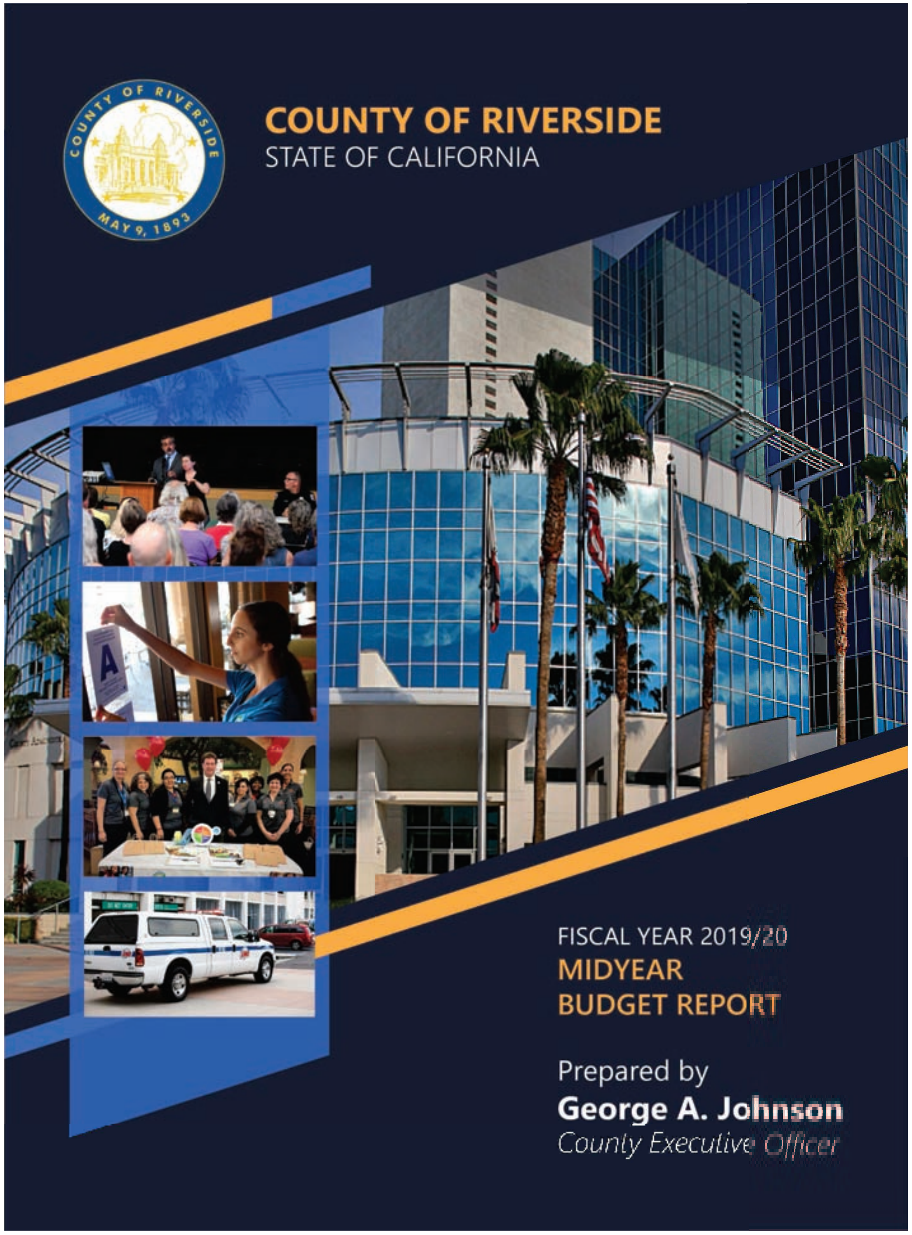

COUNTY OF RIVERSIDE
EXECUTIVE OFFICE

GEORGE A. JOHNSON
COUNTY EXECUTIVE OFFICER

LISA BRANDL
CHIEF OPERATING OFFICER

DON KENT
ASSISTANT COUNTY EXECUTIVE OFFICER
COUNTY FINANCE OFFICER

February 4, 2020

Honorable Board of Supervisors
County of Riverside
Robert T. Andersen Administrative Center
4080 Lemon Street, 5th Floor
Riverside, CA 92501-3651

SUBJECT: Fiscal Year 19/20 Midyear Budget Report

Board members:

The Midyear Budget Report for FY 19/20 confirms the county's budget strategy to balance the needs of providing the highest level of service to our residents at the best cost, comply with legal mandates, and invest in critical infrastructure needs, all within fiscal constraints. All of our departments continue to unify efforts around the county's vision to improve the health, safety and well-being of our growing population. Furthermore, we must stay the course to maintain the county's fiscal health. As such, the county's planned and steady approach continues to produce a balanced financial situation with known challenges that must be addressed.

The close out of FY 18/19 resulted in an increase to reserves of $52.7 million. A large portion of this is $38.5 million of unspent net county cost (NCC) due to recruitment challenges (see Table 1 on page 3). Another portion is an increase of $14.2 million in discretionary revenue, the majority derived from interest earnings greater than projected. The Executive Office recommends the use of $20 million to replenish contingency funds, which have already been drawn down in FY 19/20 (see the Use of General Fund Appropriations for Contingency table on page 10). It is further recommended to move the remaining $32.7 million into the county's reserves.

The need for replenishing contingency and building reserves is in response to anticipated expenditures of priority programs and services increasing at a pace greater than projected revenue throughout the next five years. Mandated programs have created a great burden on the County's general fund. General Assistance went from $2 million a year in NCC to $20 million this year, as well as an increase to In-Home Supportive Services of $9 million. As a result of building reserves, we are able to solve these type of funding mandates to ensure the protection and well-being of our most vulnerable population.

This Midyear Budget Report includes a $5.6 million increase from $837.9 to $843.5 million in general fund discretionary revenues. In addition, the county's Proposition 172 sales tax revenue increased by $3.5 million from $190.3 to $193.8 million.

While we are reporting increases in discretionary revenue, the county is also anticipating increases in expenditures outpacing the revenue projections. These expenses include labor agreements with the Riverside Sheriffs' Association (RSA) and Service Employees

International Union (SEIU); other labor groups are in ongoing discussion. The labor costs to NCC are significant and must be balanced with the county's modest revenue increases as each contract results in new ongoing NCC obligations. To that end, $9 million of NCC costs are in this report to cover a portion of the RSA contract. These figures were unknown at the beginning of the current fiscal year due to ongoing union negotiations at that time. Through these ongoing negotiations the county remains committed to a labor strategy that provides competitive compensation to attract and retain quality staff.

This means that the county must continue its cost-containment in other areas. Additionally, the CalPERS pension plan contribution rates will continue to grow through the early 2030s, before tapering downward. In FY 20/21, the rate will increase by 2.9% for the miscellaneous plan and 5.6% for the safety plan.

The county also continues to make important investments in public safety and healthcare. The John J. Benoit Detention Center in Indio will significantly increase our jail capacity and as a result, enhance public safety efforts. Similarly, the RUHS Medical and Surgical Outpatient Office Building will improve patient care and enhance accessibility to surgeries and office visits. We have also made investments in modernizing our voting system to ensure that residents are able to vote securely and efficiently.

Maintaining fiscal discipline is needed to preserve the county's fiscal health as anticipated net county costs continue to increase at levels greater than revenue. The county must stay the course by strategically curbing expenses while also making priority investments in our communities and ensuring the highest levels of service to our residents.

IT IS RECOMMENDED that the Board of Supervisors:

Receive and file the FY 19/20 Midyear Budget Report.

Respectfully,

George A. Johnson
County Executive Officer

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EXECUTIVE SUMMARY

At the beginning of FY 18/19, year-end NCC savings resulted in a return of $38.5 million largely attributed to salary savings associated with recruitment challenges (see Table 1). Additionally, an increase of $14.2 million in discretionary revenue was realized, the majority of which was derived from interest earnings. The NCC savings combined with the additional revenue totals $52.7 million, resulting in a net year-end reserve balance of $264 million.

The Executive Office recommends $20 million of the $52.7 million be used for replenishment of the current year's contingency funds which have been completely spent down. It is further recommended that the remainder, $32.7 million, be added to the county's reserves. This aligns with the county's effort to navigate through anticipated priority expenditures and competing obligations that are increasing at a rate faster than the county's projected revenue.

While labor agreements have been successfully reached with our largest unions, there are still some ongoing negotiations with other labor groups. Those impacts to the county's general fund remain unknown at this time, therefore it is imperative the county continue cost-containment in other areas.

In this midyear report, approximately $10.7 million in contingency adjustments are recommended, which include, $9 million for labor agreement increases with the Riverside Sheriffs' Association, $1.4 million for a countywide technology upgrade for the human capital management system, and $300,000 to Code Enforcement for additional staffing needs (see the Use of General Fund Appropriations for Contingency table on page 10).

Midyear projections for general fund discretionary revenues are up $5.6 million from $837.9 million to $843.5 million. Also, there is an increase in Proposition 172 sales tax revenue of $3.5 million from $190.3 million to $193.8 million.

Maintaining fiscal discipline is needed to preserve the county's fiscal health. The county is committed to its long-term strategies in which priority programs receive necessary funding. It's imperative that the county stay the course to navigate through our ongoing expenses, pursue actual cost recovery and continue to provide the vital services to our residents, businesses and visitors that impact our community.

Table 1: Net County Cost Savings by Department
(In Millions)

Department NCC Savings	***Amount***
Sheriff	*$ 10.6*
Fire Protection	*5.9*
Various Departments (under $1 million per dept.)	*5.1*
Executive Office	*2.4*
Contribution to Other Funds	*2.3*
RUHS - Correctional Health	*2.1*
Contribution to Trial Court Funding	*1.9*
District Attorney	*1.7*
Department of Public Social Services	*1.4*
Contributions to Health and Mental Health	*1.4*
Probation	*1.2*
Treasurer-Tax Collector	*1.3*
County Counsel	*1.2*
Total	***$ 38.5***

MULTI-YEAR BUDGET OUTLOOK

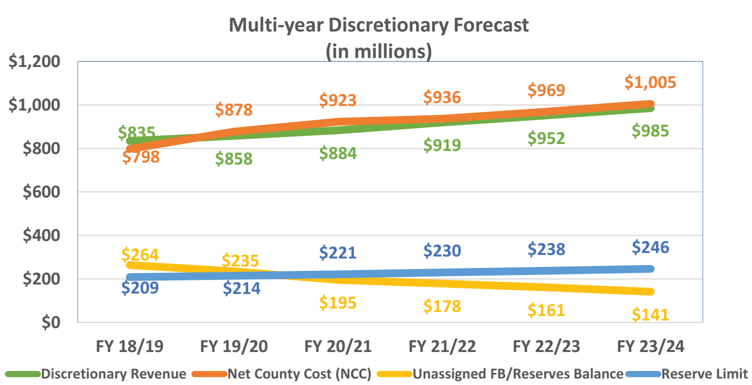
Multi-Year Discretionary Forecast

The outlook presented here includes assumptions regarding the current year, as well as obligations factored in for subsequent years. The forecast for FY 19/20 assumes a starting reserve balance of $264 million. This is mostly due to $38.5 million return of general fund contributions from departments and $14.2 million of discretionary revenue increases at FY 18/19 year-end. The largest contributing factor for the NCC savings is due to the recruitment challenges.

The Executive Office continues working with departments to refine their current year-end projections. The county's current FY 19/20 year-end reserve projection is $235 million, resulting in a $29 million draw on reserves. This assumes one-time revenue that was identified in the adopted budget.

The modeling conservatively assumes slower out-year growth in general-purpose revenues, particularly property taxes, and changes to fixed commitments over coming years. This includes assessed value growth from 5 percent in FY 20/21 tapering to 4 percent over several years. The modeling also factors in other obligations, such as labor agreements, operating the John J. Benoit Detention Center, the new RUHS Medical and Surgical Outpatient Office Building, IHSS and General Assistance increases for DPSS, as shown in Table 2 on page 5.

The forecast below projects deficit spending through the foreseeable future. While the reserve requirement has currently been met, future obligations are projected to draw down reserves below Board Policy of 25% of discretionary revenue. It is recommended to use additional fund balance in FY 19/20 to replenish contingency and then reserves.



Pending Obligations

Table 2 below reflects the current anticipated year over year costs to the general fund that are included in the multi-year model as shown on the previous page.

Table 2: General Fund Pending Obligations Forecast
(in millions)

Included in multi-year modeling:	***FY 19/20***	***FY 20/21***	***FY 21/22***	***FY 22/23***	***FY 23/24***
DPSS - General Assistance	*20.4*	*20.8*	*21.2*	*21.6*	*22.1*
DPSS - Children Services	*3.2*	*6.5*	*6.5*	*6.5*	*6.5*
IHSS	*9.5*	*13.9*	*16.7*	*18.3*	*19.9*
Sheriff (Helicopter)	*1.0*	*2.2*	*1.3*	*1.3*	*1.3*
JJBDC ongoing operations	*19.4*	*28.4*	*43.4*	*43.4*	*43.4*
Inmate settlement (Corrections staffing)	*7.6*	*7.6*	*7.6*	*7.6*	*7.6*
Detention Behavioral Health & Correctional Health for JJBDC	*-*	*4.3*	*8.5*	*12.8*	*17.0*
District Attorney	*6.5*	*6.5*	*6.5*	*6.5*	*6.5*
Public Defender	*1.5*	*1.5*	*1.5*	*1.5*	*1.5*
Probation - Field Services & Juvenile Inst.	*3.8*	*3.8*	*3.8*	*3.8*	*3.8*
RUHS - Medical Office Building (Lease & OM)	*4.6*	*12.0*	*5.0*	*5.0*	*5.0*
FQHC Clinics Net Operating Loss - Rate re-setting	*8.0*	*7.5*	*9.6*	*1.8*	*0.4*
Correctional Health - Inmate Health Care	*6.0*	*6.7*	*8.0*	*9.3*	*9.3*
Registrar of Voters - operations	*4.9*	*2.7*	*2.7*	*2.7*	*2.7*
Registrar of Voters - equipment	*1.1*	*0.5*	*0.5*	*0.5*	*0.5*
CREST	*10.0*	*6.0*	*4.0*	*4.0*	*4.0*
EOC	*0.3*	*6.0*	*3.6*	*-*	*-*
Animal Services	*3.2*	*3.0*	*3.0*	*3.0*	*3.0*
Code Enforcement	*0.8*	*1.2*	*1.0*	*1.0*	*1.0*
Planning	*-*	*1.0*	*1.0*	*1.0*	*1.0*
Homelessness	*0*	*3.5*	*3.5*	*3.5*	*3.5*
Labor Negotiations (NCC portion)	*9.3*	*30.1*	*45.2*	*74.3*	*107.5*
Total =	***121.1***	***175.6***	***204.1***	***229.3***	***267.5***
	YOY increase	***54.5***	***28.5***	***25.3***	***38.2***

Discretionary Revenue Projections

While growth in assessed valuation continues to improve from an assumed 5 percent to 5.86 percent, growth in sales and use tax and Prop. 172 public safety sales tax continues to be moderate. Overall, projected discretionary revenue estimates are up $5.6 million, summarized at right. Highlights of the county's key general-purpose revenues are noted below.

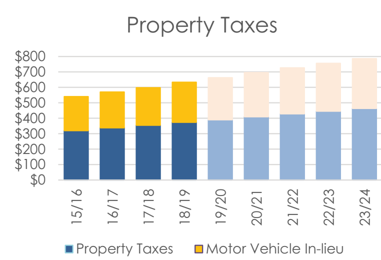
In the budget, the Executive Office presented an updated long-term outlook on general-purpose revenue that was moderately cautious in the out-years. This was based on the historic probability of an economic slowdown at some point within our planning horizon. The Executive Office continues to model a long-term outlook with a more graduated approach, cooling the growth rate of key revenues. Barring unforeseeable events, we continue to anticipate a blended growth rate around 4 percent for the next few years.

General Fund Projected Discretionary Revenue (in millions)

	Adopted Budget	Current Quarter Estimate	Variance
Property Taxes	$390.6	$390.1	$(0.5)
Motor Vehicle In Lieu	271.9	272.9	1.0
RDA Residual Assets	9.3	11.2	2.0
Tax Loss Reserve Overflow	16.0	16.0	-
Fines and Penalties	19.1	19.3	0.2
Sales & Use Taxes	30.5	32.1	1.6
Tobacco Tax	10.0	10.0	-
Documentary Transfer Tax	16.0	16.4	0.4
Franchise Fees	7.0	7.0	-
Mitigation Fees	0.1	0.1	-
Interest Earnings	18.0	18.0	-
Misc. Federal and State	5.6	4.6	(1.0)
Federal In-Lieu	3.4	3.4	-
Rebates & Refunds	5.2	6.6	1.4
Realignment	8.9	8.9	-
Other (Prior Year & Misc.)	17.8	18.3	0.5
Operating Transfers In	8.5	8.5	-
Total	$837.9	$843.5	$5.6
Prop. 172 Public Safety Sales Tax	190.3	193.8	3.5
	$1,028.2	$1,037.3	$9.1

Property Taxes

Property tax revenue, and motor vehicle fee revenue received in-lieu of property taxes, were both budgeted based on a forecasted 5 percent growth in assessed values. The FY 19/20 projected 5.86 percent assessed value growth prompted an increase in revenue projected for the current year. Due to uncertainty over the long-term, the Executive Office still assumes a graduated step-down in the growth rate over the next several years. In addition, residual assets distributed from former redevelopment agencies fluctuates as they are liquidated and are anticipated to decline over time as those agencies wind down.



Sales and Use Taxes

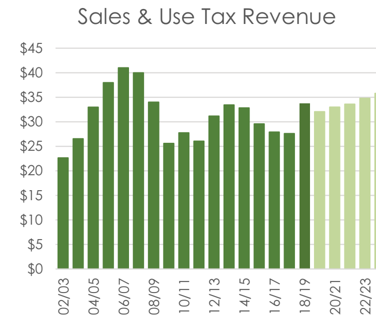
In the last quarter, the county's economically adjusted quarterly sales and use tax gross allocations increased 4.5 percent on a year-over-year basis. This is due to continued increases, although slight, in business and industry, restaurants and hotels, consumer goods and autos and transportation. HdL Companies' projections reflect a modest 2.8 percent growth rate over the next several years.

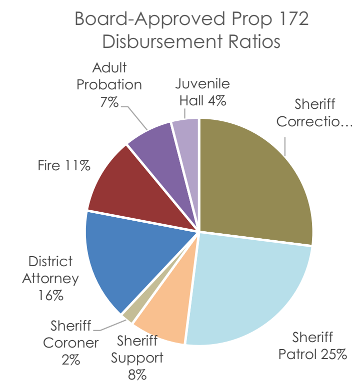
Prop. 172 Public Safety Sales Tax

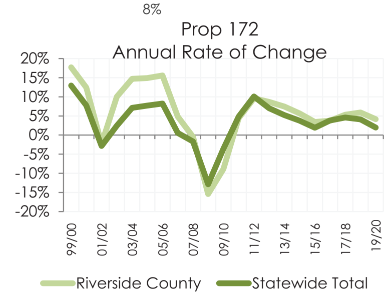
The county's Prop. 172 public safety sales tax revenue is affected both by changes in the overall statewide pool of revenue as well as changes in the county's pro rata share of that pool relative to other participants. During the Great Recession, the statewide pool of Prop. 172 revenue shrank, and then grew again as economic activity in the state's major metropolitan centers rebounded. As other counties emerged from the recession more rapidly, their allocation factors grew, causing the allocation factors of lagging counties such as Riverside to shrink. Consequently, while Riverside enjoyed double-digit growth in Prop. 172 revenue for several years, that growth rate slowed substantially in recent years. HdL Companies currently projects growth to decline slightly next year. As of second quarter, HdL is projecting FY 19/20 ending revenue to be $193 million. The Executive Office has begun the discussion to determine the use of funds over $190 million.

Interest Earnings

The Treasurer's estimate for FY 19/20 county general fund interest earnings remains at $18 million and incorporates first quarter interest earnings results. The estimate includes factors such as general fund balances in the Treasurer's Pooled Invest-







ment Fund (TPIF), and current and projected levels of interest rates.

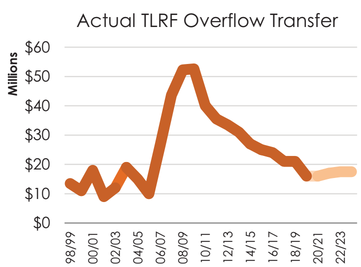
At their October 30th meeting, the Federal Open Market Committee (FOMC) voted to cut the FED funds rate target range by a quarter of a percent, lowering the target range from 1.75%-2.00% to 1.50%-1.75%. The cut was the third this year and marks a 75-basis point reduction from the June target range of 2.25%-2.50%. Global economic growth remains slow, and trade uncertainties remain unresolved. Although the FOMC cited these factors as the reasons for the FED funds rate cuts, they recently signaled a pause in future rate cuts and as a result interest rates have stabilized.

The FOMC remains data dependent, closely tracking employment and inflation data. It is not expected that the FOMC will have to be as aggressive in changing rates, as economic data remains favorable for the FED funds rate to remain at its current range.

Any additional changes to the FED funds rate during the fiscal year will significantly impact general fund interest earnings estimates. Due to the weighted average maturity profile of the TPIF, FY 19-20 estimates remain unchanged at this time. The Treasurer will closely monitor and provide updates to budget staff if there are any material changes.

Teeter Tax Losses Reserve Fund (TLRF) Overflow

Under the California Teeter plan, the county advances to participating agencies property tax allocations based on enrolled assessed valuation. In return, the county retains the actual taxes received, plus penalties and interest on delinquent taxes. The TLRF captures revenues and expenditures associated with the program. Revenue exceeding financing costs and the necessary tax loss reserve is discretionary revenue released to the general fund annually. The annual release is in accordance with the revenue and taxation code, and consistent with prudent risk management. For FY 18/19, the TLRF transfer was $21 million, and the forecast for FY 19/20 is $16 million.



FY 19/20 Budget Cycle

Budget Policies

The Board of Supervisors approved budget policies for the current budget cycle, including:

- Rollover ongoing FY 18/19 net county cost allocations, with adjustments as necessary for limited upcoming obligations.
- Eliminating limited one-time allocations made in FY 18/19.
- No cost of living adjustments beyond current contracts.
- Departments absorbing any increases in fixed costs for pension obligations, insurance, and internal services.
- Apply one-time revenues toward rebuilding reserves or mission critical one-time costs.
- Assume departmental revenue shortfalls will not be backfilled with discretionary revenue.
- Recognize and use departmental revenues in the fiscal year received, unless otherwise legally restricted, to ensure departmental resources are maximized and discretionary general fund support is minimized. This includes full cost recovery for services provided under contracts with other jurisdictions.

Long-Range Budget Schedule

Following are key dates, which remain subject to change as necessary and appropriate:

- **February 3, 2020**: FY 20/21 Budget targets and policies will be communicated to departments
- **March 12, 2020**: FY 20/21 Department budget submittals due to Executive Office
- **May 12, 2020**: FY 19/20 Third Quarter Report to the Board of Supervisors
- **June 15 thru June 16, 2020** (as necessary): Presentation of the FY 20/21 Recommended Budget, opening of budget hearings, and approval of the budget
- **June 23, 2020**: Approval of any amendments to the budget and formal adoption

These dates have been coordinated to work with the Board's approved 2020 meeting calendar.

CURRENT BUDGET STATUS

Appropriations for Contingency

Contingency covers urgent, unforeseeable events such as revenue shortfalls, unanticipated expenditures, uncorrectable budget overruns and mission-critical issues at the Board's discretion. The adopted budget appropriated $17.6 million for contingency. This report contains a $20 million replenishment of contingency and a decrease of $10.7 million at this time, taking the contingency level to $9.2 million, as summarized in the table below.

Use of General Fund Appropriations for Contingency

		Cost Adjustment	Revenue Adjustment	Total Adjustment	Balance Available
Recommended Budget Balance:					**$ 20,000,000**
Adjustments:					
7/1/2019	Cooperative Extension	562,064		(562,064)	
7/1/2019	Code Enforcement	500,000		(500,000)	
7/1/2019	Economic Development Agency	1,300,000		(1,300,000)	
		2,362,064	-	(2,362,064)	
Adopted Budget Balance:					**17,637,936**
Adjustments to date:					
11/5/2019	Auditor-Controller	231		(231)	
Q1 Rec. 4	Human Resources	1,753,151		(1,753,151)	
Q1 Rec. 8	District Attorney	1,800,000		(1,800,000)	
Q1 Rec. 14	Sheriff - Helicopter	985,000		(985,000)	
Q1 Rec. 20	DPSS-UDW MOU	4,000,000		(4,000,000)	
Q1 Rec. 21	DPSS-Children's Services Division	3,177,864		(3,177,864)	
Q1 Rec. 25&26	Animal Services	3,150,000		(3,150,000)	
12/17/2019	Sheriff - Modulars	2,847,171		(2,847,171)	
		17,713,417		(17,713,417)	**(75,481)**
Actions recommended in this report:					
Q2 Rec. 2	RCIT - HCM PeopleSoft Upgrade	1,398,260		(1,398,260)	
Q2 Rec. 5	Replenish Contingency		20,000,000	20,000,000	
Q2 Rec. 8	Sheriff - RSA Labor Contracts	9,000,000		(9,000,000)	
Q2 Rec. 13	Code Enforcement	300,000		(300,000)	
				-	
		10,698,260	20,000,000	9,301,740	
	Total adjustments to Contingency =	30,773,741	20,000,000	(10,773,741)	
				Contingency balance upon approval of this report =	**$ 9,226,259**

Finance & Government Services

Assessor Clerk-Recorder

In 2018, the county transitioned record storage services from county warehouse operations to an awarded document storage vendor, estimated to result in an annual savings of $3 million over a five-year time period. As a result, Records Management & Archives Program (RMAP) was reclassified from an Internal Service Fund (ISF) to a General Support Service (GSS) within the County Recorder's budgetary unit. Now that the transition is complete, RMAP's ISF fund needs to be closed. The department requests a budget adjustment to transfer remaining fund balance of RMAP's ISF fund 45100 into the general fund to facilitate the refunding of $80,000 in residual funds to various county departments. These appropriations are funded by RMAP's remaining fund balance and will not require the use of general fund resources.

Recommendation 1: *That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations for RMAP's ISF Fund by $80,000, as follows:*

Increase appropriations:		
45100-1200300000-551000	Operating transfers-out	$80,000
Anticipated use of unrestricted net assets:		
45100-1200300000-380100	Unrestricted net assets	80,000
Increase estimated revenue:		
10000-1200300000-790500	Operating transfer-in	80,000
Anticipated increase of unassigned fund balance:		
10000-1200300000-370100	Unassigned fund balance	80,000

Executive Office

On June 25, 2019, the Board of Supervisors approved an upgrade to the current PeopleSoft Human Capital Management (HCM) software. A budget adjustment is required to reimburse RCIT for this software upgrade.

Recommendation 2: *That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations for Contribution to Other Funds and decreasing Appropriation for Contingencies by $1,398,260, as follows:*

Increase appropriations:		
10000-1101000000-551100	Contribution to other funds	$1,398,260
Anticipated use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	1,398,260
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	1,398,260

Anticipated increase of unassigned fund balance:

10000-1109000000-370100	Unassigned fund balance	1,398,260

Increase estimated revenue:

45500-7400100000-790600	Contribution from other county funds	1,398,260

Anticipated increase of unrestricted net assets:

45500-7400100000-380100	Unrestricted net assets	1,398,260

During the budget process EDA-Facilities Management requested a budget adjustment to cover FY 19/20 facilities renewal invoices. The amount was included in the adopted net county cost allocation, but the budget adjustment was inadvertently left out of the budget book for the Auditor Controller to process. A budget adjustment is required to obtain Board approval and correctly report the adjustment.

Recommendation 3: *That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations for Contribution to Other Funds by $790,000, as follows:*

Increase appropriations:

10000-1101000000-551100	Contribution to other funds	$790,000

Anticipated use of unassigned fund balance:

10000-1101000000-370100	Unassigned fund balance	790,000

Increase appropriations:

30100-7200800000-528500	Project Cost Expense	790,000

Increase estimated revenue:

30100-7200800000-790600	Contribution from other county funds	790,000

The Health and Mental Health Realignment revenue has been trending higher than anticipated this fiscal year due to the economy and higher vehicle license fee (VLF) revenue. A budget adjustment is needed to receive the revenue and increase appropriations for distribution to the various departments. The state has shifted revenue allocations from various sources to offset this increase. The departments are anticipating this funding in their current projections as well as a decrease in other sources.

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor Controller to make the budget adjustments increasing appropriations and estimated revenue for Contributions to Health and Mental Health by $28,600,000, as follows:*

Increase appropriations:

10000-1101400000-536100	Realignment – county match	$28,600,000

Increase estimated revenue:

10000-1101400000-750250	CA - realignment for VLF	28,600,000

The Appropriation for Contingency balance is currently in a deficit. It is recommended to transfer fund balance to replenish contingency in the amount of $20 million to fulfill prior Board approvals that resulted in a deficit and to continue to cover urgent, unforeseeable events such as, unanticipated expenditures, uncorrectable budget overruns and mission-critical issues at the Board's discretion.

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations for Appropriations for Contingency by $20,000,000, as follows:*

Increase appropriations:

10000-1109000000-581000	Appropriation for contingencies	$20,000,000

Anticipated use of unassigned fund balance:

10000-1109000000-370100	Unassigned fund balance	20,000,000

PUBLIC SAFETY

Emergency Management Department

The Emergency Management Department expenditures are currently within budgeted projections. The department has identified additional available carryforward federal grant funds and requests to adjust its budget accordingly. These grant funds are used to enhance the safety and security of the whole community by leading efforts to mitigate, prepare for, respond to, and recover from emergencies and disasters.

The department requests a budget adjustment, which will allow the department to purchase two UV lamps and disinfecting units, and other auxiliary equipment which will be added to the county's Ebola preparedness cache. This recommendation does not affect the department's net county funds.

Recommendation 6: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Emergency Management Department by $90,728, as follows:*

Increase appropriations:		
21810-2000100000-510040	Regular salaries	$11,149
21810-2000100000-518100	Budgeted benefits	4,709
21810-2000100000-527180	Operational supplies	6,370
21810-2000100000-546160	Equipment - other	68,500
	Total	90,728
Increase estimated revenue:		
21810-2000100000-767220	Federal - other operating grants	90,728

Fire

On November 5, 2019 (Agenda Item 3.22) under the Emergency Management Department the Board of Supervisors accepted the FY 19 State Homeland Program Grant. The grant awarded the Fire Department $85,000 for back-up generators. The department requests a budget adjustment to record the acceptance of the grant and increase appropriations to purchase the generators. The Fire Department reports that it is currently on track to meet budget targets.

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire Protection by $85,000, as follows:*

Increase appropriations:		
10000-2700200000-527780	Special program expense	$85,000
Increase estimated revenue:		
10000-2700200000-767220	Federal - other operating grants	85,000

Law Office of the Public Defender

The Law Office of the Public Defender's budget continues to be on target this fiscal year. The department continues the practice of hiring at entry level, when vacancies become available to help stabilize the budget during these times when funds are limited. The department strives to continue to provide efficient and effective services to its clients through experience and technology while exploring all revenue options.

Office of District Attorney

The District Attorney's Office (DAO) reports that there is no projected deficit anticipated this fiscal year. The Board of Supervisors augmentation of the FY 19/20 budget has made it possible for the office to address various immediate priorities including technological upgrades, risk mitigation training and legal mandate hiring which will advance the long-term vision of the office and the county as a whole. The DAO continues to remain fiscally prudent in ensuring allocated dollars are spent on critical hiring, service requests and procurement needs. Efforts remain to seek alternative grant revenue resources where possible.

The DAO continues to meet regularly with the Executive Office to share issues of concern to the public safety and to ensure fiscal transparency. They remain committed to providing outstanding prosecutorial, investigative and victim services, while continuing internally to implement feasible cost saving measures.

Probation Department

The Probation Department is projecting that, overall, expenditures will be within appropriations and net county cost (NCC) targets at year-end. The Riverside Sheriff's Association Public Safety Unit (PSU) negotiations are still ongoing. The cost associated with any future PSU agreement has yet to be determined and have not been included in the department year-end calculations.

Effective January 1, 2018, SB190 repealed the county's authority to assess and collect fees associated with adjudicating, detaining and supervising youth in the criminal justice system. In compliance with SB190, the county ceased all assessments and collections of fees on any new juvenile matter effective January 1, 2018. The Board of Supervisors' agenda item 3.22 on April 10, 2018, repealed the County Ordinance relating to such fees. Since the passage of SB190, Probation has been reviewing its practice regarding social security benefits and the department's payment to group homes. The department is working closely with County Counsel in the review of the department practice and any resulting budgetary impact to future collections. The department will continue to keep the Executive Office updated regarding outcomes.

During the second quarter, the department continues its efforts to improve and build efficiencies in its operations. The department is working closely with its stakeholders to discuss the future of Riverside Juvenile Hall and will report any new developments to the Executive Office.

Sheriff's Department

The Sheriff's Department is projecting a balanced budget if the necessary budget adjustments are made and barring any unforeseen emergencies, uptick in violent crime, unanticipated law enforcement operations or major expenditures. As mentioned in the first quarter report, staffing levels across the department continue to be a major concern for the Sheriff. The ramp up in hiring continues with the goal of increasing the number of uniformed personnel throughout the department. The hiring is targeted to continue the department's focus on restoring staff losses due to attrition, hiring for JBDC, and restoring unincorporated patrol staffing to safe levels throughout the County. Overtime will continue to trend higher until staffing normalizes and newly hired uniformed personnel complete their training.

The department has been successful in improving departmental efficiencies and reducing internal costs. To optimize patrol staffing, the department is implementing a 3/12-4/12 work schedule for Deputies in contract cities and unincorporated county areas. To reduce the negative impact on residents and the costs associated with costly litigation, the department has implemented several policies and procedures to decrease the department's civil liabilities. Insurance costs have begun to go down. The department continues to actively work with the Executive Office, Human Resources, and County Counsel to streamline internal processes in an effort to further reduce costs.

Other concerns include overtime trends that will continue until staffing normalizes. From the time a newly hired Deputy starts the academy to completion of field training, it takes about 12 months before they become productive and can help reduce overtime. Additionally, any increases in labor, pension and/or ISF costs will negatively impact the department's budget and limit our ability to increase staffing. Unfunded state mandates, such as the California Public Records Act (CPRA) (SB 1421) continue to have a negative impact on the budget. The department is incurring additional overtime costs to fulfil CPRA requests (unfunded mandate). EDA costs for facilities maintenance and project management continue to negatively impact the department's ability to grow. Finally, AB109 realignment continues to have a significant impact on the Corrections division and the state allocation is still drastically underfunded. A new SEIU agreement may have a significant impact on the department.

On December 10, 2019, the Board of Supervisors approved a 5-year agreement with the Riverside Sheriff's Association (RSA). The cost for all RSA members will increase by 20% over the 5-year contract. This increased cost was not included in the department's current year adopted budget. The department is requesting a budget adjustment of $9 million at this time.

Recommendation 8: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Sheriff Department and decreasing Appropriation for Contingency by $9,000,000, as follows:*

Increase appropriations:		
10000-2500100000-510040	Regular salaries	$31,893
10000-2500100000-518100	Budgeted benefits	31,963
	Total	63,856
Anticipated use of unassigned fund balance:		
10000-2500100000-370100	Unassigned fund balance	63,856
Increase appropriations:		
10000-2500200000-510040	Regular salaries	22,655
10000-2500200000-518100	Budgeted benefits	23,446
	Total	46,101
Anticipated use of unassigned fund balance:		
10000-2500200000-370100	Unassigned fund balance	46,101
Increase appropriations:		
10000-2500300000-510040	Regular salaries	2,300,083
10000-2500300000-518100	Budgeted benefits	2,029,337
	Total	4,329,420
Anticipated use of unassigned fund balance:		
10000-2500300000-370100	Unassigned fund balance	4,329,420
Increase appropriations:		
10000-2500400000-510040	Regular salaries	1,711,040
10000-2500400000-518100	Budgeted benefits	2,011,929
	Total	3,722,969
Anticipated use of unassigned fund balance:		
10000-2500400000-370100	Unassigned fund balance	3,722,969
Increase appropriations:		
10000-2500500000-510040	Regular salaries	299,837
10000-2500500000-518100	Budgeted benefits	317,385
	Total	617,222

Anticipated use of unassigned fund balance:		
10000-2500500000-370100	Unassigned fund balance	617,222
Increase appropriations:		
10000-2500600000-510040	Regular salaries	7,233
10000-2500600000-518100	Budgeted benefits	5,816
	Total	13,049
Anticipated use of unassigned fund balance:		
10000-2500600000-370100	Unassigned fund balance	13,049
Increase appropriations:		
10000-2500700000-510040	Regular salaries	41,654
10000-2500700000-518100	Budgeted benefits	41,110
	Total	82,764
Anticipated use of unassigned fund balance:		
10000-2500700000-370100	Unassigned fund balance	82,764
Increase appropriations:		
10000-2501000000-510040	Regular salaries	67,015
10000-2501000000-518100	Budgeted benefits	57,604
	Total	124,619
Anticipated use of unassigned fund balance:		
10000-2501000000-370100	Unassigned fund balance	124,619
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	9,000,000
Anticipated increase of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	9,000,000

HEALTH & HOSPITAL SERVICES

Riverside University Health System

The Riverside University Health System (RUHS) is on a path to becoming an integrated healthcare system centered on improving access and quality by providing the right care, at the right time, in the right setting and driving for the lowest cost. Key initiatives like the medical office building (MOB), new community health clinics, and integration of behavioral health and primary health care will provide the necessary infrastructure to ensure the long-term success of RUHS. These initiatives will take some time to fully mature, but once complete will provide expanded capacity and fill system care needs that will allow patient needs to be cared for at the lowest possible level of care.

Providing the right care, at the right time, in the right setting is better for the patient, better for the quality of care, and better from a fiscal perspective. It helps preserve the highest levels of intensive and inpatient care for those patients in greatest need, and provides the outpatient capacity to expand preventative care, helping keep more people well and out of more costly inpatient care. This philosophy is in line with healthcare industry best practices, and RUHS is in a strong position for an integrated county health system comprised of the Medical Center, Federally Qualified Health Centers, Behavioral Health, and Public Health, which together can provide coordinated access to care from preventive to the most intensive levels.

While implementing a forward-looking strategic plan, RUHS must also manage the challenges and volatility of today, including rising operating and pension costs, as well as reimbursement shortfalls for ambulatory care clinic rates, inmate health, and behavioral health care.

Medical Center

The Riverside University Health System – Medical Center (RUHS – MC) is projecting to end the year within budget targets. The Medical and Surgical Center is scheduled to open in the spring. This project is a key strategic initiative to enhance access to health care services and improve patient outcomes while providing mandated care at the lowest possible cost. The opening will be managed closely to ensure a successful operationalization. Other budget risks include volatility of state and federal funding, particularly the incentive program revenues. RUHS will continue to keep the Executive Office updated on these key issues.

County Federally Qualified Health Center Clinics

The RUHS - Federally Qualified Health Center (FQHC) is projecting a year-end budget shortfall of approximately $7.4 million.

This projected shortfall is the result of decade old clinic reimbursement rates that have seen rising labor, pension, and operating costs threaten financial viability. Few triggering events allow clinics the opportunity to reset rates; opening a new site and integrating behavioral healthcare provide such resetting opportunities. The infrequency of these opportunities requires strategic planning and precise implementation to maximize the rate-setting event and secure reimbursement rates more reflective of current labor and operating costs.

This process does not allow a quick fix; but a multi-phased plan to optimize operations, trigger rate resetting, and maximize new rates is underway. Optimization requires adherence to strict provider productivity requirements and staffing standardization of important support positions. The planned triggering of rate resetting has been underway for some time. New facilities in Corona, Moreno Valley, Jurupa, and Perris have worked their way through planning, design, construction, and are now open.

Now that the rate-setting periods have begun, continuation and monitoring of optimization efforts will be critical as operations expand and integration of behavioral health and specialty care occurs. Adherence to strict state cost reporting, an intensive audit, and final rate negotiation will complete the process.

This multi-year plan will ultimately improve care and operating results, but the timing of revenue receipts and cash flow will continue to remain a challenge due to the length of the process and delays in settlement payments by the state. RUHS is working closely with the Executive Office to address the operating shortfall and will continue to provide updates in the quarterly budget reports.

Behavioral Health Detention and Correctional Health

Behavioral Health Detention and Correctional Health are expected to remain within budget targets as RUHS continues to explore opportunities for efficiencies allowing the departments to meet inmate health care service level requirements with lower than anticipated expenditures.

Department of Public Health

Public Health programs are tracking within budget targets. In Public Health, a budget adjustment is requested for a State funding reduction of $225,102 for the Foster Care Program, State funding increase of $17,715 for the Psychotropic Medication Monitoring and Oversight Program and additional funding of $50,000 for Family Planning Title X STD prevention services.

Recommendation 9: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and estimated revenue for Public Health by $157,387, as follows:*

Increase appropriations:		
10000-4200100000-510040	Regular salaries	$12,353
10000-4200100000-518100	Budgeted benefits	5,362
10000-4200100000-520705	Food	2,000
10000-4200100000-522860	Medical - dental supplies	13,400
10000-4200100000-523620	Books/publications	7,500
10000-4200100000-523660	Computer supplies	200
10000-4200100000-523700	Office supplies	300
10000-4200100000-523800	Printing/binding	12,100
10000-4200100000-527780	Special program expense	13,000
10000-4200100000-529040	Private mileage reimbursement	1,500
	Total	67,715
Increase estimated revenue:		
10000-4200100000-751680	CA - state grant revenue	17,715
10000-4200100000-762040	Federal - health grants	50,000
	Total	67,715
Decrease appropriations:		
10000-4200100000-510040	Regular salaries	117,163
10000-4200100000-518100	Budgeted benefits	107,939
	Total	225,102
Decrease estimated revenue:		
10000-4200100000-751680	CA - state grant revenue	225,102

HUMAN SERVICES

Department of Public Social Services (DPSS)

In August 2019, after FY 18/19 year-end schedule submittals and state claiming deadlines, the department of Human Resources refunded county departments excess short-term disability and unemployment insurance charges that occurred between FY 10/11 – FY 18/19. As a result, a total of $1,506,570 was refunded to DPSS, all of which went back to the county general fund at the close of FY 18/19. An adjustment claim must now be filed with the California Department of Social Services (CDSS) to return $1,199,111 in federal and state funds which had been allocated to the department for short-term disability and unemployment insurance charges during the aforementioned nine-year period; the department requests a budget adjustment in the amount of $1,199,111 to process this refund.

Recommendation 10: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing estimated revenue for the Department of Public Social Services by $1,199,111, as follows:*

Decrease estimated revenue:		
10000-5100100000-750300	CA-public assistance admin	$171,237
10000-5100100000-760000	Fed-public assistance admin	1,027,874
	Total	1,199,111
Anticipated use of unassigned fund balance:		
10000-5100100000-370100	Unassigned fund balance	1,199,111

DPSS projects an approximate 13 percent increase in In-Home Supportive Services (IHSS) individual providers paid hours during the current fiscal year, over FY 18/19. This will result in $4.7 million of additional health benefits costs, all of which will be covered by federal and state contributions. The department therefore requests the following budget adjustment to reflect the increase in revenue and appropriations.

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Department of Public Social Services by $4,700,000, as follows:*

Increase appropriations:		
10000–5100200000–530440	Client services	$4,700,000
Increase estimated revenue:		
10000–5100200000–761000	Federal - public assistance programs	1,300,000
10000–5100200000–750700	CA - public assistance program	3,400,000
	Total	4,700,000

PUBLIC WORKS

Code Enforcement

Code Enforcement is requesting an increase of $300,000 in the current fiscal year to enhance staffing. This will allow Code Enforcement to add four Code Officer II positions, underfilling them as Code Officer I's, to supplement field staff, increasing each of the 3 regional offices by one officer and the Cannabis Enforcement Team by one officer. As well, the department is requesting four vehicles for the additional officers. The department budget was reduced by a net of $500,000 at the start of this fiscal year; this action will restore $300,000 of the original cut to fund the four positions requested.

The corresponding vehicle request is noted within Purchasing and Fleet Service's mid-year report.

Recommendation 12: *That the Board of Supervisors approve amending Ordinance 440 to add four (4) Code Enforcement II positions as indicated in Attachment B.*

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Code Enforcement and decreasing appropriations for Appropriations for Contingency by $300,000, as follows:*

Increase appropriations:		
10000-3140100000-510040	Regular Salaries	$93,357
10000-3140100000-518100	Budgeted Benefits	45,526
10000-3140100000-520115	Uniforms-Replacement Clothing	7,800
10000-3140100000-520220	County Radio 700 MHz System	3,667
10000-3140100000-520230	Cellular Phone	1,600
10000-3140100000-523640	Computer Equip-Non-Fixed Asset	15,000
10000-3140100000-527840	Training-Education/Tuition	5,200
10000-3140100000-528920	Car Pool Expense	127,850
	Total	300,000
Anticipated use of unassigned fund balance:		
10000-3140100000-370100	Unassigned fund balance	300,000
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	300,000
Anticipated increase of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	300,000

Department of Environmental Health

The Department of Environmental Health (DEHs) is requesting replacement of thirteen vehicles via five-year financing; four for the Environmental Protection and Oversight program, two for the Vector Control program, and seven for Food/Pool program. The vehicles to be replaced range from model years 2006 through 2008 and have varying degrees of high mileage and/or maintenance issues. It should be noted that no net county cost is requested or required for these vehicle acquisitions and these vehicles are replacements only; no additional vehicles will be added to DEHs vehicle fleet. DEH will coordinate with Fleet Services to surplus the older vehicles as soon as it receives the replacements.

The corresponding vehicle request is noted within Purchasing and Fleet Service's mid-year report. If approved, DEH will finance these vehicles for five years and will program the upcoming FY 20/21 budget accordingly. A budget adjustment will not be necessary.

ECONOMIC & COMMUNITY DEVELOPMENT

Department of Animal Services

Riverside County Animal Services aging spay and neuter bus was in desperate need to have the interior refurbished. The refurbishment will update/replace the water system, electrical system, cabinets, flooring and countertops. Surgical equipment will be replaced and relocated to ensure maximum efficiency for the spay and neuter processes performed on the bus. The cost to refurbish will be $60,782. A grant was secured from Petco and placed into a liability account that will cover the cost of materials and labor.

Recommendation 14: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Animal Services by $14,102, as follows:*

Increase appropriations:		
10000-4200600000-521560	Maintenance – other	$14,102
Increase estimated revenue:		
10000-4200600000-781850	Grants non-governmental agencies	14,102

The Volunteer Services Division of Riverside Animal Services has requested to use donated funds to purchase two projectors. One will be located at the Riverside Shelter and the other will be located at the San Jacinto Shelter. These will be used to facilitate presentations and trainings with their volunteers and staff. The cost of the two projectors will be $1,060. The donations that will be used for this expense are placed into a liability account as they are received. That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Animal Services by $1,060, as follows:

Recommendation 15: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Animal Services by $1,060 as follows:*

Increase appropriations:		
10000-4200600000-523680	Office equipment non fixed assets	$1,060
Increase estimated revenue:		
10000-4200600000-781220	Contributions & donations	1,060

Economic Development Program

During the FY 19/20 budget process, a budget was not established for the Cal Home Grant Program and is now needed to close the fund. EDA requests a budget adjustment to establish appropriations to record final grant expenditures and close the fund.

Recommendation 16: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for EDA Cal Home Grant Program Fund by $8,200, as follows:*

Increase appropriations:		
21270-1900600000-530360	Home/shelter services	$8,200
Anticipated use of restricted fund balance:		
21270-1900600000-321101	Restricted program money	8,200

County Service Areas

The department requests a budget adjustment for CSA 142. The request is to cover utility charges for a meter not previously billed by Southern California Edison for the prior year. The bill is paid through the Energy division's EnergyCap software and billed back to the CSA.

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA 142 by $5,000, as follows:*

Increase appropriations:		
24525-914201-537240	Interfund expense - utilities	$5,000
Anticipated use of restricted fund balance:		
24525-914201-321101	Restricted program money	5,000

Regional Parks and Open Space District

The District has renewed a long-term lease with Metropolitan Water District for maintenance, operations, and capital development at Lake Skinner Recreation Area (SKN). Historically, SKN has been accounted for by the District in its operating fund 25400 along with its other Regional Parks; however, the new lease requires that SKN operations need to be accounted for in a separate fund in order to ensure any operational net gains are reinvested back into SKN rather than absorbed by the District and used to support other park sites. A budget must be established for the new SKN fund 25620.

Recommendation 18: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Regional Park and Open Space District Lake Skinner Recreation Area Fund by $996,273, as follows:*

Increase appropriations:

25620-931750-510040	Regular salaries	$426,147
25620-931750-529550	Water	139,804
25620-931750-529520	Sewer system	137,629
25620-931750-522320	Maintenance - grounds	66,158
25620-931750-529500	Electricity	55,580
25620-931750-527960	Park & recreation	38,863
25620-931750-520845	Trash	22,737
25620-931750-521600	Maintenance - service contracts	19,000
25620-931750-521500	Maintenance - motor vehicles	14,879
25620-931750-523290	Bank charges	11,127
25620-931750-520220	County radio 700 MHz system	9,620
25620-931750-521320	Maintenance - boat	6,962
25620-931750-528920	Car pool expense	6,096
25620-931750-520020	Pest and insect control	4,600
25620-931750-523800	Printing/binding	3,337
25620-931750-521420	Maintenance - field equipment	2,963
25620-931750-520230	Cellular phone	2,807
25620-931750-527840	Training - education/tuition	2,765
25620-931750-527680	Public signs	2,420
25620-931750-526910	Field equipment - non assets	2,291
25620-931750-520115	Uniforms - replacement clothing	2,272
25620-931750-522340	Maintenance - rec facilities	1,683
25620-931750-523250	Refunds	1,680
25620-931750-520320	Telephone service	1,383
25620-931750-523840	Computer equipment- software	1,100
25620-931750-520800	Household expense	1,024
25620-931750-520010	Herbicide	1,000
25620-931750-521720	Maintenance - fire equipment	800
25620-931750-527630	Chemicals	720
25620-931750-521760	Maintenance - tires	700
25620-931750-526530	Rent - lease equipment	700
25620-931750-522310	Maintenance - building and improvement	657
25620-931750-527720	Safety - security supplies	346
25620-931750-520025	Water bacterial testing	280
25620-931750-521700	Maintenance - alarms	192
25620-931750-523340	Late interest charge	91
25620-931750-523760	Postage - mailing	48
25620-931750-524840	Fingerprinting services	31
25620-931750-537080	Interfund expense - miscellaneous	105
25620-931750-537090	Interfund expense - personnel services	5,676
	Total	996,273

Increase estimated revenue:

25620-931750-776700	Camping	746,273
25620-931750-741020	Admissions	150,000
25620-931750-790500	Operating transfers - in	100,000
	Total	996,273

Increase appropriations:

25400-931104-551000	Operating transfers – out	100,000

Anticipated use of committed fund balance:

25400-931104-330100	Committed fund balance	100,000

INTERNAL SUPPORT

General Liability Insurance

General Liability Insurance will exceed budgeted appropriations for liability adjustment expenses due to unanticipated increase in claim settlements.

At second quarter, Human Resources is requesting an increase in appropriations in the amount of $6.4 million to cover payment for claim settlements. The department will offset the increased costs from increased stop loss reimbursements from CSAC-EIA.

Recommendation 19: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources General Liability Insurance by $6,400,000, as follows:*

Increase appropriations:

45960-1131000000-534280	Liability adj expense	$6,400,000

Increase estimated revenue:

45960-1131000000-777010	Stop loss reimbursement	6,400,000

Temporary Assignment Program

The Temporary Assistance Program (TAP) rate performance continues to be unpredictable due to its dependence on the hiring volume. If hiring volumes do not meet budgeted expectations, the fund may not be able to contribute to the general fund Human Resources operations. The department will continue to restrict spending as necessary.

Purchasing & Fleet Services

Purchasing Services is requesting three additional procurement positions to support county-wide and department specific procurement activities. These positions are part of a reorganization, which will allow for enhanced supervision and oversight of compliance for procurement activities, as well as increased support for county-wide procurements. The department requests an approval of these positions through an amendment to Ord. 440. No additional net county cost is required for the remainder of the year for these positions, as the department has salary savings due to the delay in filling vacant positions.

Recommendation 20: *That the Board of Supervisors approve amending Ordinance 440 to add three (3) Contract Procurement Specialist (PCS) position as indicated in Attachment B.*

Fleet Services requests a budget adjustment of $1,820,863 to increase appropriations and estimated revenues. The first and second quarter fuel prices were higher than expected and the department incurred debt service on the fleet building in Jurupa Valley, as the sale or repurpose of the building has been delayed.

Recommendation 21: *That the Board of Supervisors approve and direct the Auditor-Controller to make the budget adjustments increasing appropriations and estimated revenue for Purchasing and Fleet Services by $1,820,863, as follows:*

Increase appropriations:		
45300-7300500000-527100	Fuel	$1,000,000
45300-7300500000-526700	Rent - lease buildings	820,863
	Total	1,820,863
Increase estimated revenue:		
45300-7300500000-777070	Fuel sales	1,000,000
Anticipated use of unrestricted net assets:		
45300-7300500000-380100	Unrestricted net assets	820,863

In addition, Fleet Services requests authorization to purchase thirteen vehicles for Environmental Health. These vehicles are replacement vehicles. We are also requesting authorization to purchase four vehicles for Code Enforcement for field staff operations. Fleet Services does not require a budget adjustment. Environmental Health and Code Enforcement will reimburse Fleet Services for purchase costs and will request a budget adjustment if needed.

Recommendation 22: *That the Board of Supervisors approve and authorize the purchase of seventeen vehicles.*

Riverside County Information Technology

The Riverside County Information Technology department (RCIT), RCIT – Geographical Information Systems (GIS) and RCIT – Public Safety Enterprise Communications (PSEC) report that they will not exceed budgeted targets for FY 19/20.

In 2009, Public Safety Enterprise Communications (PSEC) entered into various long-term ground use leases in order to gain access to small land parcels, road and power line right of ways to support PSEC network that provides critical radio communications for several county agencies. These ground use leases range from twenty-five to fifty years. There were various lump sum payments made at the beginning of the term of the ground use leases. However, the payments could not be fully expensed in the year the lump sum payments were made as they were classified prepaid instead of operating lease expenses. The department request a budget adjustment to make a reclassification adjustment from prepaid expenses to operating lease expenses for FY 19/20.

Recommendation 23: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustment to increase appropriations in the RCIT - Public Safety Enterprise Communications funds by $19,040, as follows:*

Increase appropriations:		
33500-7400300000-526710	Rent - lease land	$19,040

Anticipated use of assigned fund balance:		
33500-7400300000-350200	AFB for construction/capital projects	19,040

Attachment A Summary of Recommendations

For convenience, this section repeats the recommendations contained in the main report. There is no new information in Attachment A.

Recommendation 1: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for RMAP's ISF Fund by $80,000, as follows:*

Increase appropriations:		
45100-1200300000-551000	Operating transfers-out	$80,000
Anticipated use of unrestricted net assets:		
45100-1200300000-380100	Unrestricted net assets	80,000
Increase estimated revenue:		
10000-1200300000-790500	Operating transfer-in	80,000
Anticipated increase of unassigned fund balance:		
10000-1200300000-370100	Unassigned fund balance	80,000

Recommendation 2: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Contribution to Other Funds and decreasing Appropriation for Contingencies by $1,398,260, as follows:*

Increase appropriations:		
10000-1101000000-551100	Contribution to other funds	$1,398,260
Anticipated use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	1,398,260
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	1,398,260
Anticipated increase of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	1,398,260
Increase estimated revenue:		
45500-7400100000-790600	Contribution from other county funds	1,398,260
Anticipated increase of unrestricted net assets:		
45500-7400100000-380100	Unrestricted net assets	1,398,260

Recommendation 3: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Contribution to Other Funds by $790,000, as follows:*

Increase appropriations:		
10000-1101000000-551100	Contribution to other funds	$790,000
Anticipated use of unassigned fund balance:		
10000-1101000000-370100	Unassigned fund balance	790,000
Increase appropriations:		
30100-7200800000-528500	Project Cost Expense	790,000
Increase estimated revenue:		
30100-7200800000-790600	Contribution from other county funds	790,000

Recommendation 4: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and estimated revenue for Contributions to Health and Mental Health by $28,600,000, as follows:*

Increase appropriations:		
10000-1101400000-536100	Realignment – county match	$28,600,000
Increase estimated revenue:		
10000-1101400000-750250	CA - realignment for VLF	28,600,000

Recommendation 5: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations for Appropriations for Contingency by $20,000,000, as follows:*

Increase appropriations:		
10000-1109000000-581000	Appropriation for contingencies	$20,000,000
Anticipated use of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	20,000,000

Recommendation 6: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Emergency Management Department by $90,728, as follows:*

Increase appropriations:		
21810-2000100000-510040	Regular salaries	$11,149
21810-2000100000-518100	Budgeted benefits	4,709
21810-2000100000-527180	Operational supplies	6,370
21810-2000100000-546160	Equipment - other	68,500
	Total	90,728
Increase estimated revenue:		
21810-2000100000-767220	Federal - other operating grants	90,728

Recommendation 7: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Fire Protection by $85,000, as follows:*

Increase appropriations:		
10000-2700200000-527780	Special program expense	$85,000
Increase estimated revenue:		
10000-2700200000-767220	Federal - other operating grants	85,000

Recommendation 8: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for the Sheriff Department and decreasing Appropriation for Contingency by $9,000,000, as follows:*

Increase appropriations:		
10000-2500100000-510040	Regular salaries	$31,893
10000-2500100000-518100	Budgeted benefits	31,963
	Total	63,856
Anticipated use of unassigned fund balance:		
10000-2500100000-370100	Unassigned fund balance	63,856
Increase appropriations:		
10000-2500200000-510040	Regular salaries	22,655
10000-2500200000-518100	Budgeted benefits	23,446
	Total	46,101
Anticipated use of unassigned fund balance:		
10000-2500200000-370100	Unassigned fund balance	46,101
Increase appropriations:		
10000-2500300000-510040	Regular salaries	2,300,083
10000-2500300000-518100	Budgeted benefits	2,029,337
	Total	4,329,420
Anticipated use of unassigned fund balance:		
10000-2500300000-370100	Unassigned fund balance	4,329,420
Increase appropriations:		
10000-2500400000-510040	Regular salaries	1,711,040
10000-2500400000-518100	Budgeted benefits	2,011,929
	Total	3,722,969
Anticipated use of unassigned fund balance:		
10000-2500400000-370100	Unassigned fund balance	3,722,969
Increase appropriations:		
10000-2500500000-510040	Regular salaries	299,837
10000-2500500000-518100	Budgeted benefits	317,385
	Total	617,222
Anticipated use of unassigned fund balance:		
10000-2500500000-370100	Unassigned fund balance	617,222

Increase appropriations:		
10000-2500600000-510040	Regular salaries	7,233
10000-2500600000-518100	Budgeted benefits	5,816
	Total	13,049
Anticipated use of unassigned fund balance:		
10000-2500600000-370100	Unassigned fund balance	13,049
Increase appropriations:		
10000-2500700000-510040	Regular salaries	41,654
10000-2500700000-518100	Budgeted benefits	41,110
	Total	82,764
Anticipated use of unassigned fund balance:		
10000-2500700000-370100	Unassigned fund balance	82,764
Increase appropriations:		
10000-2501000000-510040	Regular salaries	67,015
10000-2501000000-518100	Budgeted benefits	57,604
	Total	124,619
Anticipated use of unassigned fund balance:		
10000-2501000000-370100	Unassigned fund balance	124,619
Decrease appropriations:		
10000-1109000000-581000	Appropriation for contingencies	9,000,000
Anticipated increase of unassigned fund balance:		
10000-1109000000-370100	Unassigned fund balance	9,000,000

Recommendation 9: *That the Board of Supervisors approve and direct the Auditor Controller to make budget adjustments increasing appropriations and estimated revenue for Public Health by $157,387, as follows:*

Increase appropriations:		
10000-4200100000-510040	Regular salaries	$12,353
10000-4200100000-518100	Budgeted benefits	5,362
10000-4200100000-520705	Food	2,000
10000-4200100000-522860	Medical - dental supplies	13,400
10000-4200100000-523620	Books/publications	7,500
10000-4200100000-523660	Computer supplies	200
10000-4200100000-523700	Office supplies	300
10000-4200100000-523800	Printing/binding	12,100
10000-4200100000-527780	Special program expense	13,000
10000-4200100000-529040	Private mileage reimbursement	1,500
	Total	67,715
Increase estimated revenue:		
10000-4200100000-751680	CA - state grant revenue	17,715
10000-4200100000-762040	Federal - health grants	50,000
	Total	67,715

Decrease appropriations:

10000-4200100000-510040	Regular salaries	117,163
10000-4200100000-518100	Budgeted benefits	107,939
	Total	225,102

Decrease estimated revenue:

10000-4200100000-751680	CA - state grant revenue	225,102

Recommendation 10: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments decreasing estimated revenue for the Department of Public Social Services by $1,199,111, as follows:*

Decrease estimated revenue:

10000-5100100000-750300	CA-public assistance admin	$171,237
10000-5100100000-760000	Fed-public assistance admin	1,027,874
	Total	1,199,111

Anticipated use of unassigned fund balance:

10000-5100100000-370100	Unassigned fund balance	1,199,111

Recommendation 11: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for the Department of Public Social Services by $4,700,000, as follows:*

Increase appropriations:

10000–5100200000–530440	Client services	$4,700,000

Increase estimated revenue:

10000–5100200000–761000	Federal - public assistance programs	1,300,000
10000–5100200000–750700	CA - public assistance program	3,400,000
	Total	4,700,000

Recommendation 13: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for Code Enforcement and decreasing appropriations for Appropriations for Contingency by $300,000, as follows:*

Increase appropriations:

10000-3140100000-510040	Regular Salaries	$93,357
10000-3140100000-518100	Budgeted Benefits	45,526
10000-3140100000-520115	Uniforms-Replacement Clothing	7,800
10000-3140100000-520220	County Radio 700 MHz System	3,667
10000-3140100000-520230	Cellular Phone	1,600
10000-3140100000-523640	Computer Equip-Non-Fixed Asset	15,000
10000-3140100000-527840	Training-Education/Tuition	5,200
10000-3140100000-528920	Car Pool Expense	127,850
	Total	300,000

Anticipated use of unassigned fund balance:

10000-3140100000-370100	Unassigned fund balance	300,000

Decrease appropriations:

10000-1109000000-581000	Appropriation for contingencies	300,000

Anticipated increase of unassigned fund balance:

10000-1109000000-370100	Unassigned fund balance	300,000

Recommendation 14: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Animal Services by $14,102, as follows:*

Increase appropriations:

10000-4200600000-521560	Maintenance – other	$14,102

Increase estimated revenue:

10000-4200600000-781850	Grants non-governmental agencies	14,102

Recommendation 15: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Department of Animal Services by $1,060, as follows:*

Increase appropriations:

10000-4200600000-523680	Office equipment non fixed assets	$1,060

Increase estimated revenue:

10000-4200600000-781220	Contributions & donations	1,060

Recommendation 16: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for EDA Cal Home Grant Program Fund by $8,200, as follows:*

Increase appropriations:

21270-1900600000-530360	Home/shelter services	$8,200

Anticipated use of restricted fund balance:

21270-1900600000-321101	Restricted program money	8,200

Recommendation 17: *That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations for CSA 142 by $5,000, as follows:*

Increase appropriations:

24525-914201-537240	Interfund expense - utilities	$5,000

Anticipated use of restricted fund balance:

24525-914201-321101	Restricted program money	5,000

***Recommendation 18:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for the Regional Park and Open Space District Lake Skinner Recreation Area Fund by $996,273, as follows:*

Increase appropriations:		
25620-931750-510040	Regular salaries	$426,147
25620-931750-529550	Water	139,804
25620-931750-529520	Sewer system	137,629
25620-931750-522320	Maintenance - grounds	66,158
25620-931750-529500	Electricity	55,580
25620-931750-527960	Park & recreation	38,863
25620-931750-520845	Trash	22,737
25620-931750-521600	Maintenance - service contracts	19,000
25620-931750-521500	Maintenance - motor vehicles	14,879
25620-931750-523290	Bank charges	11,127
25620-931750-520220	County radio 700 MHz system	9,620
25620-931750-521320	Maintenance - boat	6,962
25620-931750-528920	Car pool expense	6,096
25620-931750-520020	Pest and insect control	4,600
25620-931750-523800	Printing/binding	3,337
25620-931750-521420	Maintenance - field equipment	2,963
25620-931750-520230	Cellular phone	2,807
25620-931750-527840	Training - education/tuition	2,765
25620-931750-527680	Public signs	2,420
25620-931750-526910	Field equipment - non assets	2,291
25620-931750-520115	Uniforms - replacement clothing	2,272
25620-931750-522340	Maintenance - rec facilities	1,683
25620-931750-523250	Refunds	1,680
25620-931750-520320	Telephone service	1,383
25620-931750-523840	Computer equipment- software	1,100
25620-931750-520800	Household expense	1,024
25620-931750-520010	Herbicide	1,000
25620-931750-521720	Maintenance - fire equipment	800
25620-931750-527630	Chemicals	720
25620-931750-521760	Maintenance - tires	700
25620-931750-526530	Rent - lease equipment	700
25620-931750-522310	Maintenance - building and improvement	657
25620-931750-527720	Safety - security supplies	346
25620-931750-520025	Water bacterial testing	280
25620-931750-521700	Maintenance - alarms	192
25620-931750-523340	Late interest charge	91
25620-931750-523760	Postage - mailing	48
25620-931750-524840	Fingerprinting services	31
25620-931750-537080	Interfund expense - miscellaneous	105
25620-931750-537090	Interfund expense - personnel services	5,676
	Total	996,273

Increase estimated revenue:

25620-931750-776700	Camping	746,273
25620-931750-741020	Admissions	150,000
25620-931750-790500	Operating transfers - in	100,000
	Total	996,273
Increase appropriations:		
25400-931104-551000	Operating transfers – out	100,000
Anticipated use of committed fund balance:		
25400-931104-330100	Committed fund balance	100,000

***Recommendation 19:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenues for Human Resources General Liability Insurance by $6,400,000, as follows:*

Increase appropriations:		
45960-1131000000-534280	Liability adj expense	$6,400,000
Increase estimated revenue:		
45960-1131000000-777010	Stop loss reimbursement	6,400,000

***Recommendation 21:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustments increasing appropriations and estimated revenue for Purchasing and Fleet Services by $1,820,863, as follows:*

Increase appropriations:		
45300-7300500000-527100	Fuel	$1,000,000
45300-7300500000-526700	Rent - lease buildings	820,863
	Total	1,820,863
Increase estimated revenue:		
45300-7300500000-777070	Fuel sales	1,000,000
Anticipated use of unrestricted net assets:		
45300-7300500000-380100	Unrestricted net assets	820,863

***Recommendation 23:** That the Board of Supervisors approve and direct the Auditor-Controller to make budget adjustment to increase appropriations in the RCIT - Public Safety Enterprise Communications funds by $19,040, as follows:*

Increase appropriations:		
33500-7400300000-526710	Rent - lease land	$19,040
Anticipated use of assigned fund balance:		
33500-7400300000-350200	AFB for construction/capital projects	19,040

Attachment B

REVISED

RESOLUTION NO. 440-9138

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY RIVERSIDE AMENDING ORDINANCE NO. 440

BE IT RESOLVED by the Board of Supervisors of the County of Riverside, State of California, in regular session assembled on February 4, 2020, that pursuant to Section 4(a)(ii) of Ordinance No. 440, the Executive Office is authorized to make the following listed change(s), operative on the date of approval, as follows:

Job Code	**+/-**	**Department ID**	**Class Title**	**Type**
15813	+3	7300100000	Procurement Contract Specialist	Regular
33239	+4	3140100000	Code Enforcement Officer II	Regular

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COUNTY OF RIVERSIDE • TAXABLE PENSION OBLIGATION BONDS, SERIES 2020

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